

**2019
Corporate
Social Responsibility
Report**



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LEADING THE



Corporate Social Responsibility

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1. About this Report

The 2019 Corporate Social Responsibility (CSR) Report offers an in-depth account of Valneva's CSR activities over the past year and the Company's CSR priorities going forward.

Last year, the format of the report evolved in accordance with French Decree n° 2017-1265 of August 9, 2017. While Valneva was not required to issue a CSR report under the new law, the Company decided to voluntarily continue its reporting for 2018. In 2019, the Group having crossed the threshold of 500 employees, it is subject to the obligation to publish non-financial information. Thus, the present report describes not only the risks faced by the Company in its pursuit of sustainable growth, but also shows the counter measures put in place and Valneva's future plans to minimize these challenges.

Valneva's CSR strategy remains centered upon four pillars, which are reflected in the organization of this report: Protecting Lives, Acting Ethically, Developing our People, and Respecting the Environment.

The scope of reporting adopted in 2018 and utilized in 2019 covers sites in the UK (Livingston and London-Fleet), Sweden (Solna), Austria (Vienna), Canada (Montréal-Kirkland), the U.S. (Washington, D.C.-Gaithersburg) and France (Nantes-Saint-Herblain and Lyon), or 100% of the Group's total headcount in 2019.

Valneva's environmental impact data come from its two production sites and two R&D sites. Together, these four sites represent 96% of the Group's total headcount in 2019.

The environmental impact of Valneva's commercial offices is not integrated into the scope of this Report.

Note: For the purposes of this Report, unless otherwise stated, Valneva SE, together with its subsidiaries, are referred to as **the Company, the Group** or **Valneva**.

2. Message from the Management

Corporate Social Responsibility is critical to Valneva as we strive to advance vaccines for better lives. Our daily activities are guided by a concern for protecting lives, conducting business ethically, developing our workforce and preserving the environment. The risks inherent to this work are carefully considered at all levels of the organization, where we collectively endeavor to mitigate risk as we drive for continued growth.

Epidemic emergencies persist around the world, highlighting Valneva's important role as a specialty vaccine company providing protection against diseases with major unmet medical needs. Since the Company's creation in 2013, Valneva has worked to protect the global population from dangerous illnesses such as Japanese encephalitis, cholera, Lyme disease and the chikungunya virus. We continue to invest in research & development, in an effort to bring us closer a world in which no one dies or suffers from a vaccine-preventable disease. To further that vision, Valneva also dedicates resources to charitable organizations whose daily work supports access to healthcare in their local communities.

Doing business in an ethical manner is part of Valneva's DNA. Both within the Company and with partners, we aim to be an exemplary business in terms of reporting, compliance and transparency. From the R&D stage into product marketing and beyond, Valneva strives to be a compliance leader for companies of similar size in its sector.

Valneva's growth would not have been possible without the commitment and talents of its greatest asset: the Company's workforce. In order to support its employees, Valneva fosters a working atmosphere where all are encouraged to pursue continued development. No matter where our employees are located, we are proud to offer a positive workplace environment across our offices in Europe and North America.

Valneva is also acutely aware of the need to preserve the environment and to use natural resources responsibly. Sustainable growth is an important aspect of our CSR approach and informs our work around the globe. From the production line to our support functions, reducing our carbon footprint, lowering the consumption of energy and raw materials and limiting the creation of waste are goals that we work actively to achieve.

As Valneva expands its global reach, we pride ourselves on taking these four factors into account, growing responsibly and in harmony with our CSR values.

Thomas LINGELBACH, President and Chief Executive Officer

Franck GRIMAUD, President and Chief Business Officer

David LAWRENCE, Chief Financial Officer

Wolfgang BENDER, Chief Medical Officer

Frédéric JACOTOT, General Counsel & Corporate Secretary

3. Business Model

Our resources



Human Resources

Talented individuals lie at the heart of Valneva's success



Financial Resources

We focus on generating long-term value through increasing R&D investment



Scientific Expertise

Our collective knowledge and skills allow for new and ever-evolving products



Natural Resources

With water and energy, we transform raw biological material into essential vaccines



Intellectual Property

Discoveries and breakthroughs made in-house keep us on the cutting-edge



Industrial Resources

Our infrastructure keeps our business moving forward



Stakeholder Relations

Relationships among employees, with the medical community, patient advocacy groups and local communities inform our work

Our business

Valneva is a specialty vaccine company providing prevention against diseases with major unmet medical needs. Valneva's portfolio includes two commercial vaccines for travelers: IXIARO®/JESPECT® indicated for the prevention of Japanese encephalitis and DUKORAL® indicated for the prevention of cholera and, in some countries, prevention of diarrhea caused by ETEC. The Company has various vaccines in development including a unique vaccine against Lyme disease.

Our vision is to contribute to a world in which no one dies or suffers from a vaccine-preventable disease.

Our CSR goals

We strive to create value by:

- protecting lives through vaccination and the promotion of access to healthcare
- acting ethically in both R&D and our daily business
- developing our people for future success
- respecting the environment upon which we all depend

Research & Development

Clinical programs include:

- Lyme disease
- Chikungunya vaccines candidates



Commercialization

Two commercial vaccines against:

- Japanese encephalitis
- Cholera/ETEC

Manufacturing

Sites in Scotland and Sweden

Quality Control function on manufacturing sites & in Vienna

Our results

Product Sales Revenues

€129.5M in 2019

Protecting Lives

Over €40,000 donated

to support research, awareness and healthcare initiatives around the world, including the Baan Dek Foundation and the Encephalitis Society

R&D Investment

€37.9M in 2019

Ethics

13 comprehensive policies

to govern our activities

People

~ 500 employees

of 31 different nationalities

Environment

Constant reduction

of CO₂ emissions every year since 2016

4. Valneva's CSR Approach

4.1. A Four-Pillar Strategy

The Company's commitment to responsible and sustainable business spans four key focus areas, which form the foundation of its CSR approach.

Valneva devotes particular attention to its first pillar, Protecting Lives, which is a main driver of the Company's work.

The second pillar covers Acting Ethically, both in R&D and in business.

The third pillar focuses on the Group's employees or, more specifically, on Developing Our People.

Finally, Valneva's fourth pillar is dedicated to Respecting the Environment through the prevention of pollution, effective waste management and the control of the Group's energy consumption.

These four pillars are in line with the United Nations' Sustainable Development Goals.

Table of risks and opportunities

Pillar	Risks and opportunities	Corresponding Sustainable Development Goals (SDGs)
Protecting Lives	Maintain vaccine confidence	  
	Support healthcare-oriented charities around the world	
	Maintain a high level of expertise in R&D	
	Ensure patient safety	
	Responsible manufacturing	
Acting Ethically	Comply to the highest standard	
	Mitigate cybersecurity risk	
Developing our People	Attract and retain talented people	 
	Promote diversity and guarantee non-discrimination	
	Have appropriate levels of expectation to respond to market demand	
Respecting the Environment	Climate change and our infrastructure	 
	Maintain safe manufacturing and R&D environments	
		

4.2. The United Nations Global Compact

In line with its CSR approach, Valneva has sustained its support of the United Nations Global Compact and incorporates its ten principles into the Company's strategies, policies and procedures.

The 10 Principles of the UN Global Compact

10

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

7

Principle 7: Businesses should support a precautionary approach to environmental challenges;

8

Principle 8: undertake initiatives to promote greater environmental responsibility; and

9

Principle 9: encourage the development and diffusion of environmentally friendly technologies.



1

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights, within the scope of their influence; and

2

Principle 2: make sure that they are not complicit in human rights abuses.

3

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

4

Principle 4: the elimination of all forms of forced and compulsory labor;

5

Principle 5: the effective abolition of child labor; and

6

Principle 6: the elimination of discrimination in respect of employment and occupation.

As part of the Group's participation in the UN Global Compact, a version of this Report will be submitted as Valneva's official Communication on Progress and will be available on the UNGC website.

5. Protecting Lives

Valneva is engaged in the development of vaccines against diseases with major unmet medical needs, with the aim of protecting the lives of people around the world. The Company provides vaccines to consumers across the globe and ensuring access to healthcare and patient safety are Valneva's most important goals.

5.1. Maintaining vaccine confidence

Valneva is a specialty vaccine company focused on prevention against diseases with major unmet medical needs. In order to effectively address these critical global health issues, the Company must receive marketing authorization from healthcare authorities in various countries around the world. This allows Valneva to provide potential protective measures to the greatest possible number of people.

The Company's new products must be acceptable not only to regulatory bodies, but also to health care professionals (HCPs), patients and the general public before going to market. In pursuit of their acceptance, Valneva strives to ensure that these decisive stakeholders recognize the risks and public health burden represented by certain diseases and that these challenges could be reduced drastically through vaccination.

Maintaining a base level of confidence in vaccines as a potential solution to these problems is a critical component of this work. The Company addresses the risk of waning vaccine confidence through various means and with the help of multiple actors, both within and outside of Valneva.

In addition to rigorous safety testing, which is further discussed in the Section entitled "Maintaining a high level of expertise in R&D", Valneva's methods of maintaining vaccine confidence include:

- open dialogue with Key Opinion Leaders (KOLs) to ensure that Valneva's products and strategy address the disease burden and risks faced by patients;

- regular engagement with regulatory authorities using scientific and data-driven discussions to support brand labels, bolstered by the support of KOLs;
- close interaction and participation in regulatory agency, scientific advice committee and similar meetings, to update the authorities on our projects as well as remained well-informed on the type of data to be requested by these stakeholders;
- experienced local commercial teams with in-depth knowledge of the needs of their local market; and
- a broader commercial structure with the capacity to create robust market access plans that help prepare stakeholders ahead of any new product launch.

To measure the effectiveness of the activities undertaken by Valneva to mitigate the risk of commercial exposure, the Company ensures that its commercial teams are strong and highly-skilled, with 9% of staff dedicated to this function in 2019 (compared to 8.6% 2018).

In addition, Valneva uses its position to highlight the importance of vaccination and foster confidence on a large scale. One such example is the Company's participation in the World Health Organization's World Immunization Week awareness campaign in April 2019.

5.2. Supporting Healthcare-Oriented Charities around the World

In addition to Valneva's core business, which is inherently connected to global health, the Company supports access to healthcare and awareness initiatives both within and outside of our direct areas of expertise. Through corporate partnerships, social media campaigns and joint events with charities around the world, Valneva aims to further protect lives via corporate giving.

The Baan Dek Foundation: Valneva's chosen charitable partner

Since 2016, Valneva has been an official sponsor of the Baan Dek Foundation, a Thai charity which aims to foster children's health, safety and education in Chiang Mai and Bangkok.



In 2019, Valneva decided to expand its involvement with Baan Dek through an increased financial commitment (doubling the previous amount of its annual donation) and by making an official visit to charitable organization in March.

The time spent on the ground, enmeshed in Baan Dek's daily work, allowed Valneva representatives to give back to the Foundation as individuals and gain a deeper understanding of the needs that they work to address.

This knowledge translated into new collaborations and projects during 2019, including:

- welcoming a Baan Dek representative to our offices in Scotland for a site visit and presentation of the Foundation and our work together;
- a one-time donation of outdated mobile devices from Valneva Scotland, to support Baan Dek's Digital Superheroes life-skills education initiative;
- exchanging knowledge about our work during our visit to Thailand and Baan Dek's visit to Valneva; and
- increased focus on Baan Dek's Dao Ethical Gifts program, culminating in our annual Christmas e-card and staff present.

Support of the Encephalitis Society

For three years, Valneva has also been a supporter of the Encephalitis Society, the UK-registered brain inflammation charity that envision a world aware of encephalitis, its consequences and the support available.

The organization's aim is to improve the quality of life of all people affected directly and indirectly by encephalitis, through direct support programs, awareness campaigns for this often-ignored disease and research promotion and collaboration.

Valneva worked directly with the Encephalitis Society throughout 2019, providing not only financial support for its various awareness-building and research initiatives, but also sharing information on encephalitis and providing increased visibility to the foundation. Highlights include:

- In February, Valneva used social media to push the World Encephalitis Day (WED) campaign out to a broad, global audience, directly contributing 19.6 million to the 50 million people reached in 189 different countries on WED2019;
- In May, Valneva hosted the chief executive of the Encephalitis Society for a presentation on the disease, the organization and the partnership which was simulcast to employees around the world;
- In October, the Company shared a petition on behalf of the Society with our staff;
- In November, Valneva was co-finalists in the Excellence in Collaboration and Partnership category at the 2019 Pharmaceutical Market Excellence Awards (PMEAs);
- In December, Valneva helped sponsor the Encephalitis Conference 2019, held at the Royal College of Physicians in London.

Local Community Engagement

In addition to corporate-level sponsorships of charities like these - whose missions align perfectly with Valneva's - the Company also encourages social engagement at the local level on all sites. Employees are empowered to organize and participate in charity events, as well as volunteering in and holding fundraisers that benefit their communities.

In 2019, Valneva donated over €40,000 to health-related charitable organizations around the world, including Baan Dek, the Encephalitis Society and local organizations in the communities where we work. In addition to this monetary support, donations of goods to the needy were also made across the Company.

Access to Healthcare in Low- and Middle-Income Countries (LMICs)

In July 2019, Valneva and the Coalition for Epidemic Preparedness Innovations (CEPI) announced a new partnering agreement. With support from the European Union's (EU's) Horizon 2020 programme, CEPI will provide Valneva up to US\$ 23.4 million for vaccine manufacturing and late-stage clinical development of a single-dose, live-attenuated vaccine (VLA1553) against chikungunya. In line with CEPI's commitment to equitable access, the funding

will underwrite a partnership effort to accelerate regulatory approval of Valneva's single-dose chikungunya vaccine for use in regions where outbreaks occur and support WHO prequalification to facilitate broader access in lower and middle income countries.

Valneva will also maintain a stockpile of the vaccine candidate and work to transfer the manufacturing of the drug product to partners for lower and middle income countries – where outbreaks of chikungunya have occurred – to improve access to the vaccine for at-risk populations.

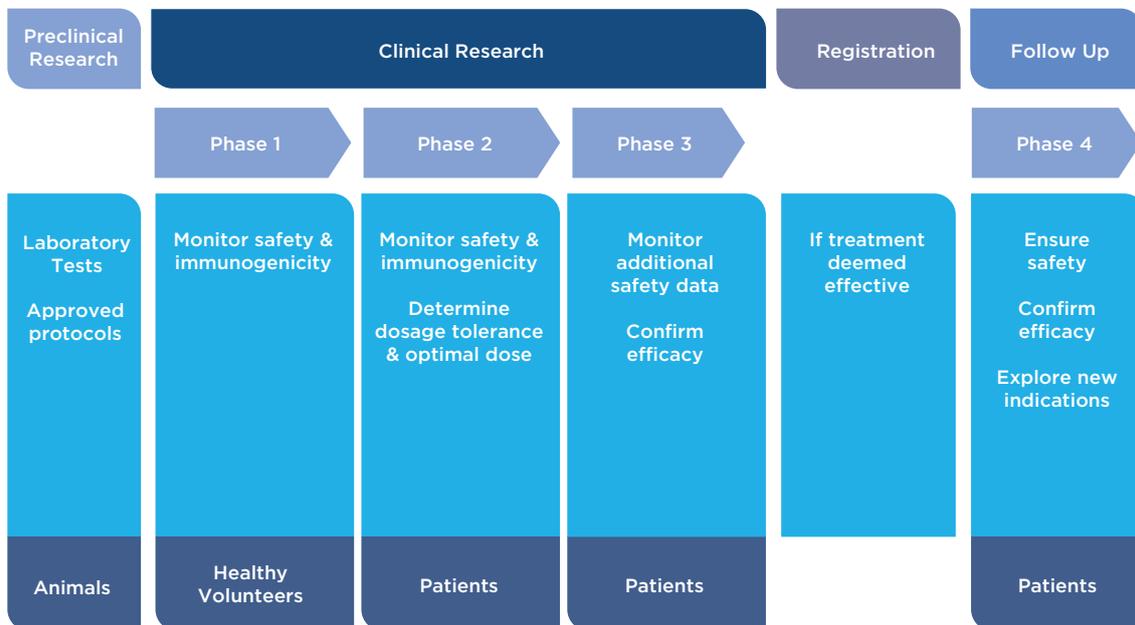
5.3. High Level of Expertise in R&D

Valneva's products are based on novel technologies and target complex areas of significant unmet medical need. Therefore, even after very promising early results have been obtained for a product candidate, it may be discovered in later clinical trials that the product is not as effective as the Company strives for its products to be. The risk of project failure is thus inherent to the work undertaken by Valneva and all other companies in its industry.

The Company has to align and carry out several different activities, including multiple clinical trials, over a number of

years before any vaccine candidate can be brought to market. Therefore, good planning and strategic guidance are essential to successful development. As such, Valneva works to mitigate the risk that one of its R&D projects cannot progress to market. To do so, the Company continuously examines its research practices, has an internal committee dedicated to maintaining the highest research standards and receives additional scientific guidance through its Scientific Advisory Board, which was created in 2019.

How do Clinical Trials Work?



Valneva's RDOC: Continuously Reviewing R&D Progress

Valneva's Research & Development Operational Committee ("RDOC") guides the conduct of clinical trials for the Company's vaccine candidates. The RDOC meets every month to perform a thorough review of Valneva's product pipeline and ensure that the research to be carried out by the clinical teams corresponds to a clear medical need.

To complement the scientific review from Valneva's internal experts, the Company also refers to external experts to confirm that the approaches it adopts for its clinical trials are the most appropriate and effective. These reviews are coupled with rigorous project planning and regular alignment meetings to ensure that the development process is both well thought-out and progresses steadily, based on a sound scientific foundation and with the appropriate resources.

In 2019, 33% of Valneva's workforce was dedicated to R&D, compared to 18% in 2018. Additionally, €37.9 million of Company revenues were reinvested into R&D in 2019, compared to €25.3 million in 2018.

These investments in our growing R&D function underscores Valneva's dedication to excellence in this crucial area of our business.

Valneva's SAB: Expert Guidance for R&D Advancement

To ensure the quality of decision-making in the R&D field, Valneva created its Scientific Advisory Board (SAB) in July 2019. This SAB is a panel of distinguished academic and industry professionals who provide Valneva with further guidance and expert advice on R&D strategies. The SAB's purview also covers program execution considerations in the framework of innovation, market dynamics and trends.

Former Valneva Supervisory Board members Dr. Ralf Clemens, MD, Ph.D. (Chairperson) and Dr. Alain Munoz, MD, Ph.D. are core members of the SAB. In November 2019, they were joined by Drs. Norman W. Baylor and George R. Siber. Finally, in December 2019, the SAB was completed with the additions of Drs. Stanley A. Plotkin and Anna Durbin. Collectively, the SAB boasts specific expertise in the following areas of particular relevance to Valneva's current and future pipeline:

- Vaccinology
- Microbiology and immunology
- Infectious diseases
- Flaviviruses (a specific family of viruses primarily found in mosquitoes and ticks, many of which can also infect humans)

5.4. Ensuring patient safety

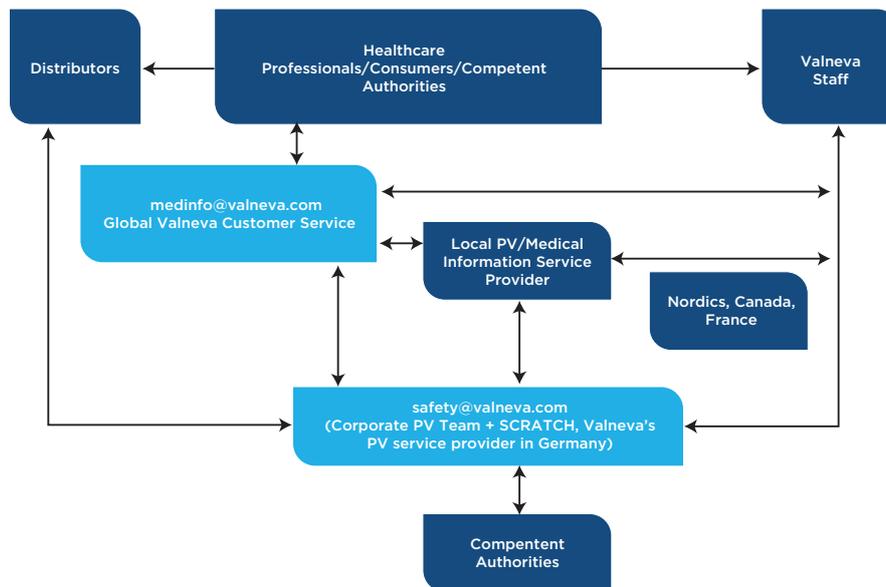
Once Valneva has successfully developed a product and received marketing approval from the necessary health authorities, the Company must ensure ongoing monitoring of patient safety. This responsibility to ensure the quality and safety of its products is paramount to Valneva, who continues to monitor its products to ensure that any potential impacts to the safety profile are detected and assessed.

Valneva's Pharmacovigilance (PV) department oversees all activities related to product safety monitoring around the globe, ensuring the appropriate flow and management of safety-related information according to applicable

regulations. Healthcare professionals and vaccine users have direct access, by phone and email, to Valneva's Medical Information professionals who provide timely and accurate information on the Group's products.

In countries where Valneva's products are distributed by third parties, individually adapted pharmacovigilance agreements exist to ensure the proper processing of all safety-related information. PV audit plans are also used to verify that Valneva's partners operate according to both the terms set up in these agreements and current safety regulations, in line with the PV processes used for products distributed in-house.

Valneva's Pharmacovigilance (PV) System The Flow of Safety Information



Valneva's Pharmacovigilance department maintains a Global Safety Database for its licensed products and submits individual case safety reports to national authorities. On a quarterly basis, signal detection reports are compiled for the Company's licensed products, IXIARO®/JESPECT® and DUKORAL®, for identification of any peculiarities or unusual trends. These reports are then shared with the Product Safety Review Board, Valneva's internal decision making body for safety-related matters. On a regular basis (every three years for both IXIARO®/JESPECT® and DUKORAL®), Periodic Safety Update Reports (PSURs) are compiled and submitted to the relevant authorities.

The primary aim of Valneva as Marketing Authorization Holder and Manufacturer is to ensure patient safety. During

PV audits and inspections, Valneva has proved to have a robust PV system in place. Furthermore, a set of KPIs has been established to monitor compliance on a quarterly basis.

The primary PV KPI is the rate of submission of individual case safety reports (serious as well as non-serious) to the authorities, with an objective of 95% of submissions in time. A rate of 100% was met in both 2019 and 2018.

5.5. Responsible Manufacturing

Valneva's manufacturing network includes in-house operations covering the production of clinical and commercial products for the Company and on behalf of clients outside the Company. Its business is thus dependent on the ability to manufacture vaccines at Valneva's wholly-owned production sites in Livingston, Scotland and Solna, Sweden.

In Livingston, just outside of Edinburgh, Valneva operates a U.S. Food and Drug Administration (FDA)-approved manufacturing site. The Livingston team is currently dedicated to drug substance production for Valneva's viral vaccines.

Valneva's manufacturing site in Solna, near Stockholm, has a long tradition of vaccine manufacturing connected to the Swedish state-owned vaccine institute.

The Company also operates Good Manufacturing Practice (GMP) laboratories and facilities in Vienna, which are dedicated to the testing and quality control of Valneva's commercial and clinical stage vaccines.

The vaccine manufacturing carried out on these sites presents inherent risks. Figuring prominently among these risks are those regarding the quality of the products produced, as well as the possibility of being unable to provide the market with a sufficient number of IXIARO® and DUKORAL® doses to satisfy public health needs.

Valneva manages manufacturing risks primarily through its Quality Control and Quality Assurance functions, which monitor and regularly audit the Company's processes.

- **Quality Control** evaluates the performance of the manufacturing process to ensure adherence to specifications and limits, and assesses the suitability of incoming raw materials, components, containers, closures, labelling, in-process materials and final vaccine lots.

- **Quality Assurance** involves the systematic and independent examination of all trial-related activities and documents. This includes site audits, vendor audits and system/process audits, as well as general and pre-approval inspections.

Biopharmaceutical manufacturing and release testing is performed regularly at these sites to help avoid disruption to supply and to deliver products in alignment with the Company's Master Production Schedule. Multiple other counter-measures are in place to mitigate production risks, including:

- annual quality and safety audits;
- preventive maintenance measures;
- a business continuity plan including an internal crisis management team and disaster recovery; and
- routine servicing and replacement of key equipment.

In 2019, over 6% of Valneva's annual revenues were spent on manufacturing site improvements versus less than 1% in 2018.

Objective: Future actions to protect against manufacturing risk include the continued refinement of the Company's business continuity plan, as well as increases to bulk safety stocks.

6. Acting Ethically

Developing new vaccines means that the Group has a responsibility to its consumers. Valneva maintains high ethical standards, protecting trial subjects through solid R&D processes and continuously improving its business integrity and transparency - all to preserve the trust of the patients and the communities it serves.

6.1. Complying to the Highest Standard

Focused on integrity in its daily business, Valneva conducts its activities with high ethical standards across all functions. The Company has created an internal framework of policies that incorporate its ethical principles into tangible business processes. This allows employees to conduct themselves ethically. Valneva has continued to grow its set of rules, guidelines and training activities to further realize its standards of integrity in accordance with new and evolving legal requirements. These efforts allow Valneva to mitigate the risk of a failure in business compliance.

Valneva's Code of Conduct

As stated in its official Code of Conduct, Valneva is committed to conducting business responsibly and in compliance with applicable laws, rules and regulations. Valneva commits itself and expects every employee to live up to the highest standards of integrity in the common mission to develop new vaccines. The Company shares the vision to serve the medical community's needs and to seek significant returns for its stockholders, in continued pursuit of excellent science for the fight against infectious diseases. Valneva tries to motivate and help every employee to contribute to the Company's success in achieving its goal, and its Code of Conduct applies to all Supervisory Board members, Management Board members, directors and employees of Valneva SE and its subsidiaries.

Valneva's Anti-Bribery and Anti-Corruption Policy

In 2016, Valneva instituted its Anti-Bribery and Anti-Corruption Policy (ABAC) to align its business with the best practices in the industry and the highest compliance and ethics standards. The ABAC policy builds upon the Code of Conduct by providing standards to ensure Valneva's business activities are conducted ethically and do not attempt to improperly influence others (including by paying, offering, or accepting bribes in any form, directly or indirectly). This policy was designed in compliance with all global anti-bribery and anti-corruption laws including, but not limited to, the UK Bribery Act, the US Foreign Corrupt Practices Act (FCPA) and the Canadian Criminal Code and Corruption of Foreign Public Officials Act. Valneva has zero tolerance for bribery or corruption of any kind.

Valneva's Anti-Bribery Procedure

All Valneva employees have 24/7 access to a secured compliance helpline system. If an employee has a concern or believes in good faith that a law, a rule or one of the principles in Valneva's Code of Conduct has been - or is about to be - violated, such employee can inform his or her manager, one of Valneva's internally-designated Compliance Officers, or use the compliance helpline. Since the 2016 decision to use this helpline service, Valneva has vowed to ensure that employees are not disciplined or discriminated against for reporting any possible incident, even if the facts reported prove to be inaccurate, provided that they have acted in good faith.

The Suite of Policies at Valneva

In addition to the cornerstone policies mentioned above, Valneva is proud to have a cohesive collection of corporate policies that cover a vast array of topics such as:

- Anti-harassment, Anti-discrimination and Anti-bullying
- Conflicts of Interest
- Corporate Procurement
- Data Protection
- Employee Invention
- Environment, Occupational Health and Safety (EOHS)
- Global Communications
- Insider Trading
- Information Technology (IT)
- Professional and Personal Relationships in the Workplace
- Non-Retaliation and Non-Retribution
- Corporate Travel

Focus on Ethics-Related Training

Valneva designates each September as Compliance & Ethics (C&E) Month to bring greater awareness of compliance and ethics matters to employees. In 2019, the idea that nothing brings concepts and events to life better than a good movie or TV show inspired this year's C&E Month challenge.

To raise awareness of the importance of compliance and ethics in the workplace, the Compliance Committee encouraged all employees to take the 2019 C&E Month REAL OR REEL? quiz. The 2019 event garnered approximately 39% voluntary employee participation, compared to 54% in 2018.

Furthermore, Valneva increased its efforts to provide ethics-related training via the implementation of an e-learning platform that will measure successful participation via quizzes during and at the end of each e-learning course.

Compliance Audits

In 2019, Valneva conducted internal compliance audits focusing on processes and checks of books and records with regard to Anti-Bribery and Anti-Corruption. These preventive measures gave insights on the current compliance status at different Valneva entities and the results will serve as a foundation for the next steps towards increased and strengthened preventive measures against compliance risks.

6.2. Mitigate Cyber Security Risk

Companies of all sizes and across all sectors depend on information technology to advance. With this daily use of computers, web applications and mobile devices comes an ever-increasing risk related to cyber security. As our world becomes more and more connected, hacking methods and cyber-attacks are advancing, too.

At Valneva these risks have been carefully evaluated and include:

- interruption of business operations,
- loss of batches in manufacturing (due to critical production systems being down),
- loss of data,
- phishing of information,
- fraud,
- data breaches in light of European General Data Protection Regulation (GDPR) regulations, and
- phishing of financial transactions.

These risks can take a variety of forms, through social engineering, the introduction of malware into IT systems via removable media or external hardware, malware infection via inter- and intranet, remote access intrusions and even simple human error. From a phishing attack to malware or hacking of corporate banking information, there are a multitude of potential issues against which employees and upper management must be informed. Valneva's workforce is considered to be its first and primary line of defense against online crime.

In 2019, Valneva's cyber security risk underwent an in-depth reassessment. Data systems were evaluated as safe and the most serious cyber security weaknesses were identified as data leakage and the careless use of IT systems. In the event of a cyber-security attack, the Company's goal was defined as recovering from potential attacks within a reasonable timeframe.

The following counter-measures were put in place to mitigate the risks associated with cyber security:

- Spam email gateway and email filtering
- Constant updating of the Company's backup infrastructure
- Regular and timely IT system patching to reduce attack vectors
- Multiple layers of security to protect sensitive IT infrastructure
- IT infrastructure penetration testing
- Formalized disaster & contingency procedures
- Regular security assessments (both internal and external)
- GDPR team in place (including a group Data Protection Officer, or DPO) to ensure compliance with all GDPR processes
- User awareness trainings, including tailored trainings for Valneva's Management Board, Supervisory Board, senior management as well as all Finance department staff

One indicator of Valneva's performance in reducing its cyber security risk is the efficacy of IT and cyber security training measures. As a complement to the Company's existing IT & Telecommunication policy and to bolster the Valneva's defense against such risks, a large-scale training initiative began in 2019 and continues into 2020. As a way of educating employees on how to recognize threats and prevent cyber-related incidents, whether at home or at work, this comprehensive, interactive training program is required as a refresher for all employees on the current IT policy.

6.3. **Combatting Tax Evasion**

Valneva fulfils its tax obligations in each of the countries where its activities are carried out.

7. Developing our People

Valneva’s success stems from the engagement and expertise of approximately 500 employees, who are the Group’s single largest asset. Because a diverse workforce performs better, Valneva has committed itself to diversity and to the professional development of its employees. This commitment to people starts by creating a lively, open and friendly working environment.

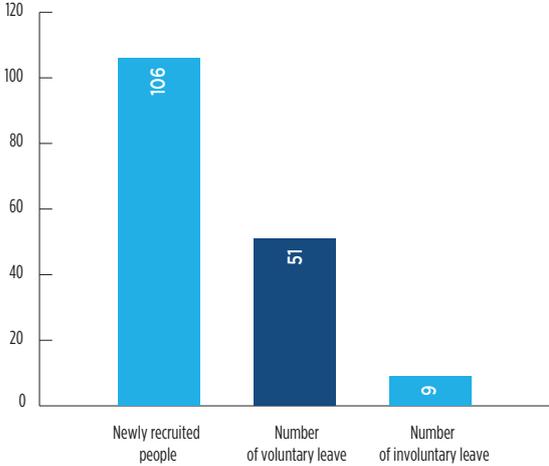
7.1. Attract and retain talented people

Valneva’s HR approach

- Attract and retain talented people.
- Build a sustainable workforce for the future.
- Assess and reward performance.
- Value and support diversity.
- Protect its workforce



New hires and departures



Headcount by region

On December 31, 2019, the Group had 521 employees working in Austria, Canada, France, Sweden, the United Kingdom, and in the United States.

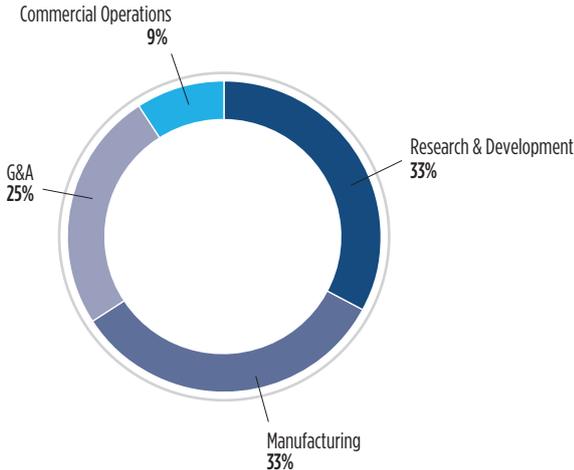


A wealth of expertise

The majority of Valneva employees work in the areas of manufacturing and R&D. Manufacturing is based in Scotland and Sweden, while R&D is based in Austria and France.

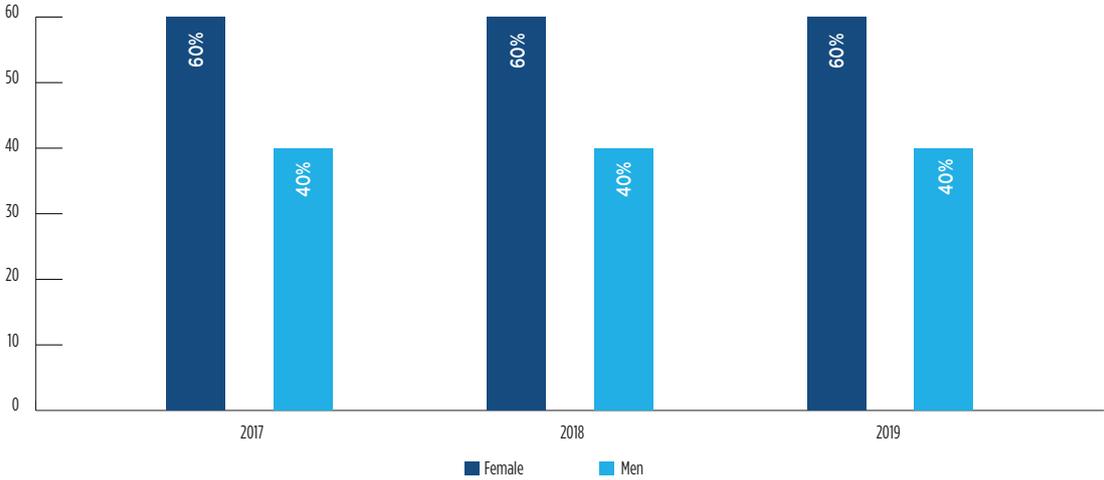
The Support functions (G&A) are mostly spread across four main sites in Austria, France, Scotland and Sweden.

Commercial Operations have been consolidated over the past four years, with teams now located in Canada, United States, United Kingdom, Austria, in the Nordic countries and, most recently, in France.



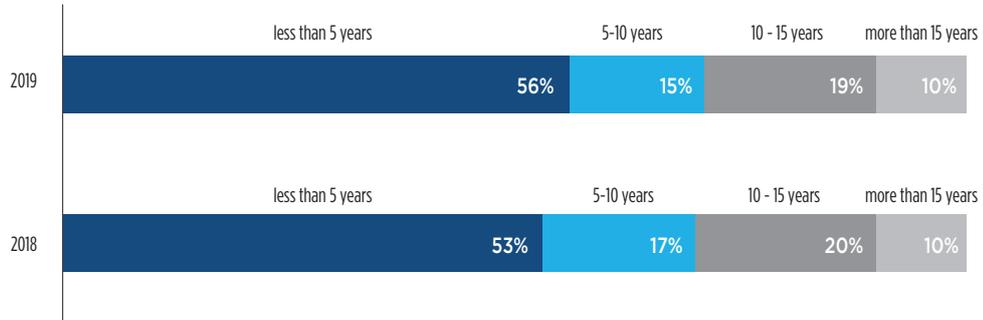
Gender Breakdown

Women are more highly represented than men at Valneva.



Seniority & Turnover

Seniority

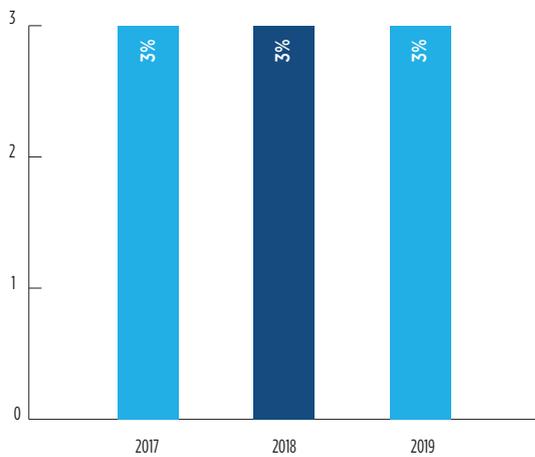


Valneva’s voluntary turnover rate, or employee turnover rate, has remained constant over the last three years. It is lower than the average voluntary turnover rate for the life sciences industry, which was 4.7% in 2018⁽¹⁾.

For many years, Valneva has been offering services to employees such as:

- childcare assistance ;
- on-site health-related services.

Turnover



Valneva supports its employees in maintaining a healthy work-life balance. Good working conditions, flexibility and attractive benefits are distinctive elements of the Company’s employer brand.

In addition to ensuring well-being at work and guaranteeing competitive compensation and benefits, Valneva also surveys its employees in France to find out how they feel at work and what can be done to develop a dynamic, open and friendly working environment.

Certification from the Austrian Government:

In October 2019, Valneva Austria was granted the base certificate for being a family-friendly employer by the non-profit workandfamily, part of the Austrian Ministry of Family Affairs. The certificate is a clear commitment to providing a family-friendly working culture and comes as a result of a self-initiated audit and application process.

Valneva: A Unique Corporate Identity

Valneva is an international and multicultural Group where enthusiasm, innovation and strong execution skills are driving forces. With operations in six countries across the globe, Valneva’s teams are diverse and multidisciplinary. Enriched by the 31 nationalities represented in its workforce, Valneva is built upon a unique identity in the vaccine industry.

(1) Source: Mercer report 2020.

Valneva's HR Strategy

Valneva has developed a global HR strategy based on its mission, its vision and its goals.

	Objectives
Pillar 1 Organisational development	1.1 HR support the strategic development of the organisation
	1.2 Valneva's employee have a positive attitude towards change and are prepared to be agile / adapt quickly thereby, supporting the overall change readiness of the organisation
	1.3 Business decisions that result in noticeable changes are being implemented professionally, resulting in smooth and efficient adaptation to different future scenarios
Pillar 2 Talent acquisition & retention	2.1 Be an employer of choice and differentiate Valneva amongst the competition
	2.2 Continuously adapt and enhance talent acquisition strategy across sites considering the market pulse
	2.3 Boost retention ratio across sites
Pillar 3 People development	3.1 Role specific and individual development needs that are critical for the success of the company are known and met
	3.2 Key competencies are developed in-house to ensure high relevance of the content and a shared understanding within the company
	3.3 The leadership culture is based on shared values and required competencies

Employee Mobility in Action

Valneva, as an international company, offers the opportunity of mobility to its employees whenever possible.

In 2019, a Valneva Scotland employee had the opportunity to move from Scotland to Austria, giving the Austrian team the benefit of her experience while familiarizing herself with her new surroundings.

Social Events: Solidifying Valneva's Culture

Valneva values its corporate culture and organizes social and cultural events on a regular basis. A number of events are organized at all sites simultaneously to encourage cohesion within Valneva. For example, in 2019, Valneva employees celebrated IXIARO's 10th anniversary by videoconference. This was an opportunity to highlight the teams through their testimonials, as many of them have been present for 10 years if not more.

Twice a year, local events are organized at each site, including end-of-year celebrations and barbecues in the summer.

Newsletters are published regularly to inform employees and bring Valneva's corporate culture to life. In addition, an intranet is used to relay the group's social events and activities.

An Open Dialog across Levels

As a European company, Valneva is proud to maintain an internal organization that represents its European workforce, called the International Work Council (IWC). The 12 members of the IWC were elected in 2017 for a four-year term and meet at least twice a year. They are informed about and consulted on cross-border operations carried out by Valneva, contributing to a better understanding of the cultural and organizational specificities of each European site.

In addition to the IWC and local work councils for Valneva in Europe, the Canadian and US site leaders and HR team members maintain a constant open dialog with the local workforce.

Labor relations

Organization of employee-management dialogue	Health, Safety and Working Conditions Committee (CHSCT) Report for Nantes, Local Committees, IWC Expectation Guide Performance
Collective bargaining agreements	96% of the Group employees are covered by a collective bargaining agreement

HR Committees: Heading up Global HR Processes

The Human Resources Management Committee (HRMC) is dedicated to Valneva's global strategy in terms of human resources and sensitive issues. The HRMC defines the Company's HR strategy and supervises:

- organizational development;
- senior leadership development;
- global remuneration policy.

The Human Resources Operational Committee (HROC) is responsible for the implementation and execution of HR policies, systems and other HR processes for all Valneva business units. The HROC acts as a functional coordinating body that:

- handles feedback for all local HR functions;
- coordinates aspects of the information and consultation processes with the work councils, in particular the IWC.

Offering Competitive Compensation

An early priority for the Company, Valneva implemented a Group compensation policy based on international benchmarks in 2013. The principles of this policy are

consistent and have been harmonized across the different sites since the Company's creation.

In 2019, Valneva decided to introduce a new, reliable classification system used by a large number of life science companies. This change of referential is based on a multidimensional analysis that brings more granularity and differentiation than the previous structure. Valneva has an even more accurate tool for its forward-looking management of jobs and skills.

Innovative Working Arrangements

Working hours at Valneva are governed by different national agreements, in compliance with local regulations and local contractual needs.

Whenever possible, flexible working hour arrangements exist to facilitate a better work-life balance for employees. In addition, home office pilot programs are ongoing, in order to offer more flexibility in the organization of work.

2019 Objective (achieved): In striving for the continuous improvement of Valneva's working conditions, time savings accounts were implemented in France.

2020 Objective: Formalization of remote work across the Company (ex., charter).

7.2. Promotion of Diversity and Guarantee of Non-Discrimination

Valneva's Global Anti-Harassment, Anti-Discrimination and Anti-Bullying Policy, in conjunction with its Global Professional and Personal Relationships in the Workplace Policy, allow the Company to promote equal opportunity and treatment while maximizing the talents and expertise of all employees.

Diversity is part of Valneva's DNA and the Company promotes inclusion in all aspects of the business.

Recognizing and Promoting Diversity

We believe that discrimination, in any form, is unacceptable in the workplace. Valneva promotes equal opportunity through recruitment and employment, as well as equal consideration with regard to compensation, training and advancement efforts for all employees. This means that prospective and current employees receive the same treatment regardless of nationality, ethnic origin, gender identity, physical or mental disability, age, religion or beliefs, family situation or sexual orientation.

As a global company that respects all cultures, Valneva believes that the diversity of its teams is a valuable asset for future success, supporting greater innovation, efficiency and competitiveness. The 31 nationalities represented at Valneva are a by-product of our focus on inclusion.

Number of Women in Management Positions

We believe that good Corporate Governance is the basis for the trust that our investors, institutions, and employees place in the Company. Valneva will continue to strengthen this confidence in the future while ensuring a diverse and highly qualified group of Board members.

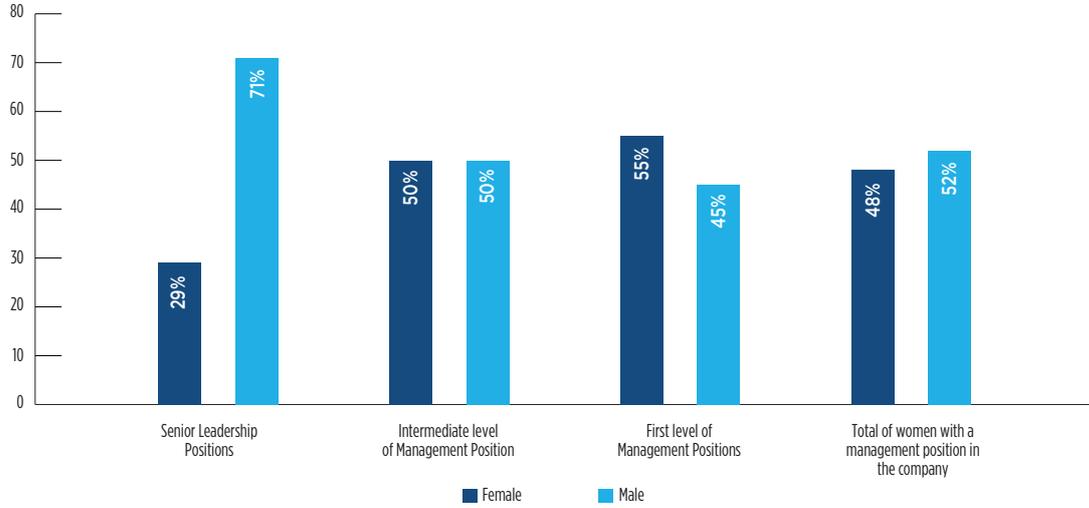
Valneva's Supervisory and Management Boards are committed to managing the Company transparently, in accordance with the French Middledex Governance Code for Small and Medium Capitalization Companies and with a focus on long-term value creation. As of today, four women serve on Valneva's Supervisory Board, helping to move the Company forward with the highest of ethical standards.

Valneva SE and Valneva Austria GmbH are signatories of the Diversity Charter, an initiative seeking to ban discrimination from the workplace.



The Management Committee is a senior management body that complements Valneva's Management Board, providing input on the development and execution of Valneva's business strategy. This Committee holistically oversees cross-functional and cross-site (entity) alignment, including capabilities, objectives and operational oversight across all areas of the business. Currently, two women are part of the Management Committee: the directors of Valneva's Solna and Livingston sites, which are principally dedicated to manufacturing.

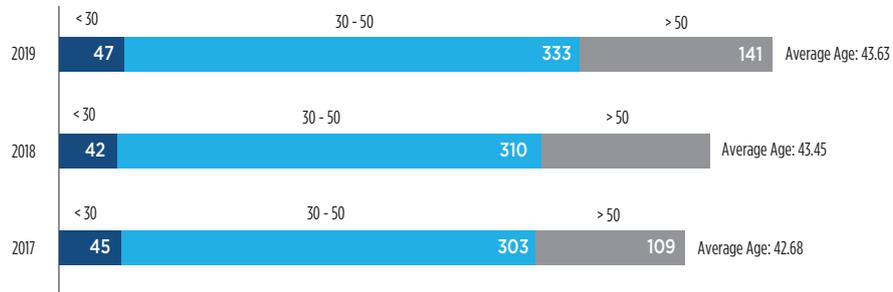
Valneva is committed to ensuring that women and men have equal opportunities to become part of the Company's corporate governance structure, notably through the development of their qualifications.



Average Age at Valneva

The average age of employees at Valneva in 2019 is 44 years old. This has been stable over the last three years.

Average Age



7.3. Having the right level of expectation in terms of performance and competencies to respond to the market demand

Valneva promotes equal opportunity and seeks to help each of its employees maximize his or her talents. As an integral part of its strategy, the HR Department has put into place an internally designed Performance Management system. Valneva's system helps to define the roles and responsibilities of employees and managers within the Group. All Valneva employees, including managers, are trained to use this system effectively.

LEAD Model Project

In 2019, Valneva has decided to launch a focus group on a new competency model to refine the individual performance assessment process. The objective is to determine the key behavioral competencies within Valneva based on the LEAD model (Lead, Empower, Act and Deliver). The cross-functional focus group comprises managers from several functions and countries.

People Development Approach

Valneva emphasizes talent management, meaning that employees are gradually trained for further responsibilities.

Developing employees' skill sets plays a key role in the Group's success. The professional development initiatives proposed by Valneva are tied to the improvement and expansion of operational expertise and are used to enhance communication and management skills at every level of the corporate hierarchy. Employees are willing to learn and take on new roles and responsibilities within the Group, thanks to the professional development options provided to them. The

overall goal is to help employees boost their personal potential and advance their professional careers at Valneva.

To guide employees and managers in their development, the Human Resources Department created an Expectations Guide, based on the contributions of the multi-country internal team who worked on creating Valneva's "Employee Value Proposition." The Expectations Guide is a tool that makes it possible for each employee to progress in a manner that is aligned with Valneva's expectations.

Valneva Corporate Training Program

Training is a cornerstone of Valneva's HR strategy and allows the Group to maintain high working standards in all of its activities. The Company offers a broad range of training events, including sessions on ethics & compliance, risk management, biosafety and cyber security awareness.

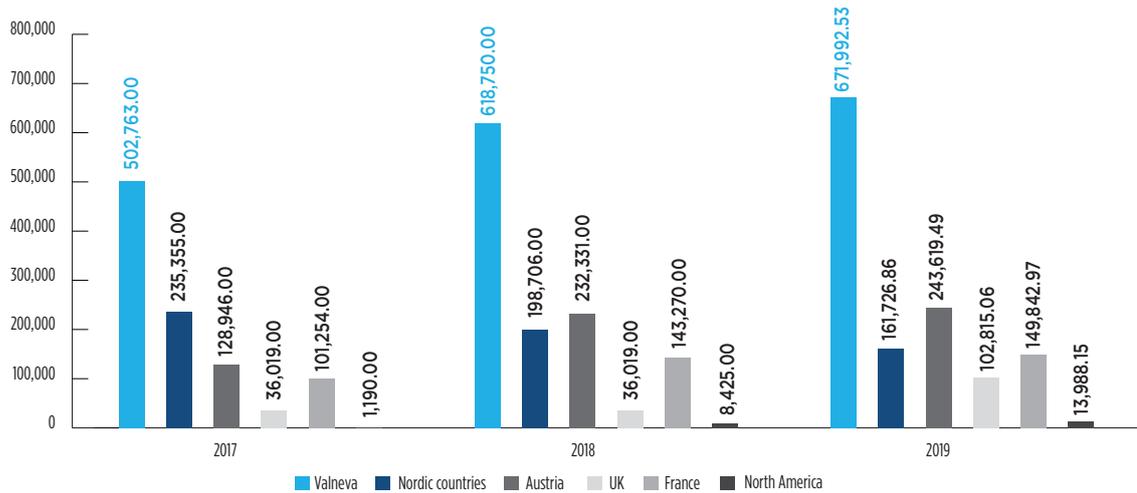
In Scotland, a pilot Competency Management Program has commenced which will add significant focus to the training, development and assessment of our people for competency and quality assurance.

In Sweden, the "Lead without being a Manager" training was conducted for the third consecutive year and included 12 employees from different departments. The purpose of this training was to encourage employees to become good ambassadors for Valneva's values (respect, pride and engagement) and lead by example in their role.

Valneva has continued the implementation of its Senior Leadership Development Program, aimed at supporting Company leaders in developing a more visible and effective leadership attitude.

Valneva's Training Investment

Across the Group, Valneva's total training investment was €671,953 for 2019, which represents an average of €1,290 per employee. The slight decrease in the average budget per employee is explained by a larger than expected increase in the Company's workforce. It should also be noted that regulatory training (GMP) is excluded from the training budget presented here.



Partnering with Educational Institutions

At Valneva, preparing for the future begins by encouraging the development of the new generation of employees by welcoming students who want to discover Valneva's professions and more broadly the pharmaceutical sector. Valneva has welcomed 21 students at all its sites, which represents a clear increase compared to 2018 (about a dozen). They have been fully integrated, not only into the teams, but also into the entire Valneva community.

Creating New Opportunities in Higher Education

In addition to regularly welcoming interns in various roles within the Group, Valneva Sweden has been actively involved in the creation of a post-secondary degree in Pharmaceutical Engineering. Valneva has a seat on the Board of the degree program, which allows the Group to positively influence the practical direction of the course.

The Company continues its cooperation with universities and vocational training institutes by inviting students to discover Valneva's professions.

8. Respecting the Environment

As a vaccine company, Valneva is aware that the environment directly affects people's health. The Group feels that it has a responsibility to reduce its own carbon footprint and manage its waste and consumption. In addition, Valneva is aware that the increase in the power and frequency of meteorological phenomena linked to climate change may disrupt the Group's supplies, production or sales, or lead to product losses, and ultimately affect its results. The implementation of a low-carbon policy, which is reflected in particular by the elements described below, is therefore an important element of Valneva's environmental approach, while at the same time making it possible to mitigate the Group's financial risks related to the effects of climate change.

8.1. Valneva's Environmental Approach

Valneva considers Environment, Occupational Health and Safety (EOHS) in the framework of its business activities with the intent to protect people, business assets, natural resources and the environment. We strive to prevent the injury or illness of employees, negative effects on the environment and any impact on the safety and quality of our manufactured products, by:

- proactively managing risk and supporting a positive, innovative EOHS culture;
- strategically analyzing and minimizing health & safety risks; and
- preventing pollution, minimizing waste and conserving resources.

At the request of the Management Board, the local EOHS teams share experience to improve cross-site efficiency and alignment, as well as risk reduction.

With the knowledge that climate change is an important global issue, Valneva seizes the opportunity to continuously improve its sustainability model.

Environmental sustainability is a guiding principle at Valneva. The Group aims to use natural resources efficiently and minimize the environmental impact of its activities and products during their lifecycles. It integrates sustainable operations & supply chains, innovative products & packaging and environmental sustainability into its business decisions process. Valneva pursues its development in strict

compliance with a number of corporate social responsibility rules and environmental sustainability guidelines.

Good practices for waste separation, recycling and monitoring were adopted by the Group after the 2015 French Energy Transition Act established obligations to promote the circular economy and waste recycling. These practices are a major priority and procedures have already been implemented on all sites.

Further developing its environmental practices, Valneva formalized a Global EOHS Policy in 2017 based on five core principles: Protect, Prevent, Manage, Analyze & Minimize environmental and safety risks.

Valneva Global EOHS Policy: Focus on the Environment

With regard to the environment, this policy ensures that the Company uses natural resources responsibly and works to minimize its environmental impact. This includes energy efficiency, minimization of waste, efficient use of water, choice of chemicals, raw materials and other materials.

The Company respects the environmental standards and requirements set by authorities in each country where it operates, and has routine and monitoring systems in place to ensure continued compliance.

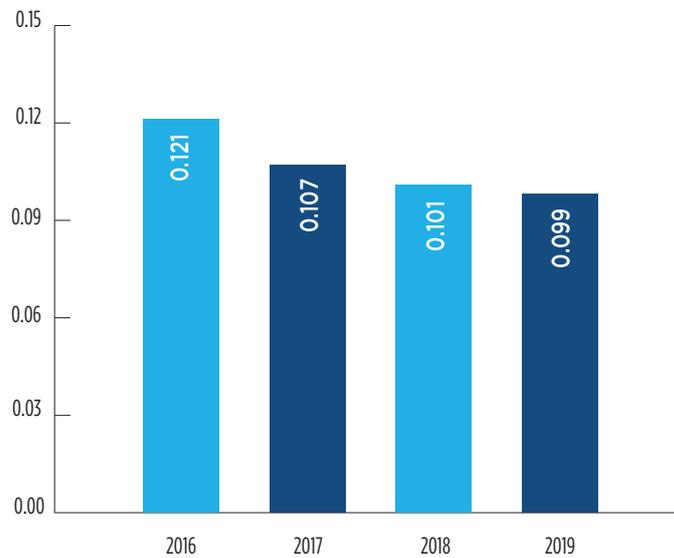
Reducing our Carbon Footprint

Since energy use constitutes the main source of Valneva's CO₂ emissions, the Group seeks to optimize and continuously reduce its energy consumption while ensuring energy security for all its business activities.

Valneva's CO₂ emissions have been steadily decreasing since the Group's decision to work with green energy providers for the electricity consumed on three of its four main sites. In 2018 and 2019, the electric power used in Nantes, Vienna and Solna was entirely produced by renewable energies.

This year in order to establish a Key Performance Indicator, CO₂ emissions were linked to surfaces (in square meter) of the 4 main sites used for Valneva activities. The goal of this KPI is to check if the Company improve his carbon footprint year after year and based on a time-stable basis between each main sites.

Valneva global CO₂ emissions per square meter



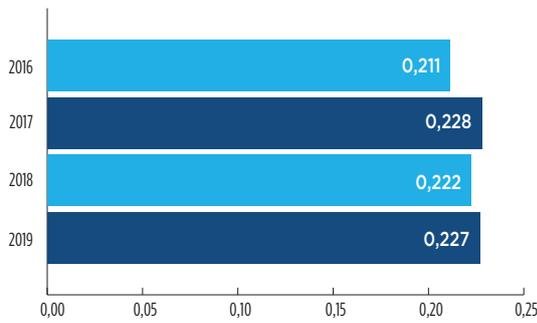
For the fourth year in a row, the work of the EHS teams on Valneva's production and R&D sites contributed to a further reduction in CO₂ emissions.

To refine the presentation of energy management and the associated carbon impact, activities have been divided in two categories: manufacturing sites and R&D sites.

Each category has its own KPI linked to the specificities of its activity.

Energy consumption per square meter is the chosen KPI for R&D sites, where the activity is stable and not linked to a manufacturing process.

**Energy consumption per square meter
R&D sites**

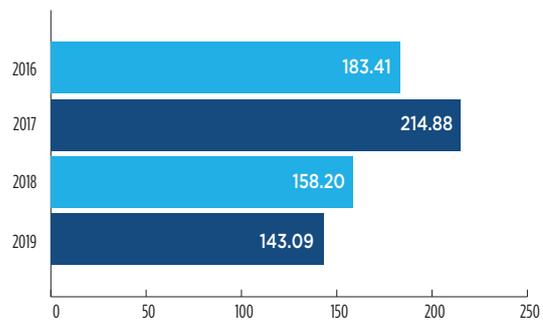


For R&D sites, variations in activity have very little impact on energy consumption, which is stable over time. When the activity or the climatic conditions have an impact, these are not visible on the graph due to the optimization work on energy consumption implemented by the teams on site.

For the production sites, the work of the teams on the shopfloor led to an improvement in energy efficiency despite the production increase and higher temperatures than usual during the summer of 2019.

For the manufacturing sites, the chosen KPI is energy consumption per vaccine batch produced, as the activity of those sites is directly linked to customer demand.

**Energy consumption per batch produced
Manufacturing sites**



Waste Management

Waste has an enormous impact on the environment, causing pollution and greenhouse gas emissions while generating substantial costs for the Group. Proper waste management - including appropriate reuse, recycling and energy recovery - is a key factor in optimizing resource efficiency.

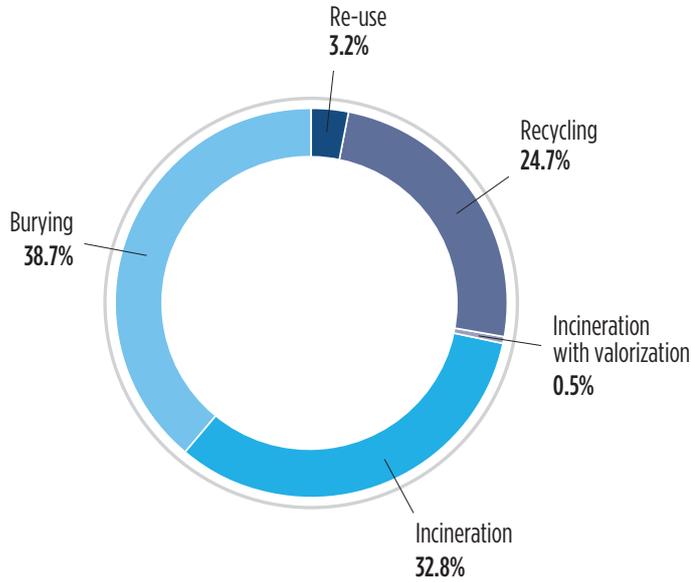
Valneva's activities produce waste which is then eliminated at the different sites in a manner which respects applicable local and European regulations. Separating, recycling and monitoring waste are priorities for Valneva. For that reason, procedures have been implemented and indicators adopted to closely monitor the Group's environmental impacts.

Two types of waste are produced by the four sites within the reporting boundary of this Report:

- Non-hazardous waste (paper, cardboard, plastic, etc.);
- Hazardous waste (used chemical products, contaminated plastic, electrical and electronic equipment waste, etc.)

This last category includes very specific waste associated with Valneva's activities in the biotech field: biological waste. It is subject to specific monitoring procedures by the teams on each site.

Valneva waste repartition by treatment mode



In 2019, Valneva choose to present its work on waste valorization instead of presenting the quantities of waste produced.

The Company treats and valorizes its waste in five different ways:

- **Re-use** which allows direct re-use of waste as a raw material in another sector;
- **Recycling** which recovers and transforms waste into a new raw material;
- **Incineration with energy recovery**, which destroys waste while producing energy that is subsequently used by customers of the incineration plant;
- Simple **incineration** which allows for the destruction of waste; and finally,
- **Burying or landfill use**, which is the final treatment method for waste that cannot be valorized using another channel. Valneva seeks to leverage the other channels as much as possible, in order to provide a second life for the largest quantity of waste.

To manage this valorization of waste, Valneva works with specialized companies in the sector and seeks the most well-adapted waste solutions. For each channel, contracts are drawn up with service providers in order to guarantee the traceability and the nature of the waste recycled.

From the moment waste is collected until its final treatment, service providers give the Company substantiating documents as required by local and European regulations.

Other Ways Valneva Reduces Waste

- Replacement of paper cups, plastic water bottles and plastic cutlery with reusable options
- Composting workshop and food waste recycling, including coffee capsules
- Livingston's dedicated Green Team, made of employee volunteers, coordinates waste reduction and recycling initiatives. The creation of Green Teams on other sites is an additional goal.

8.2. Valneva's Approach to Safety at Work

Valneva's manufacturing activities involve certain risks that could affect the Company's ability to provide potentially life-saving vaccines.

In order to ensure a steady rhythm of production, the Company understands that employees are key. Thus, Valneva reinforces safety at all of its manufacturing and R&D sites through its strong EOHS culture.

Valneva Global EOHS Policy: Focus on Manufacturing

The Global EOHS Policy applies equally to Valneva's manufacturing and R&D activities and aims to sustain the Group's high level of control over the related risks in the long term.

The EOHS team on site are dedicated to ensure the implementation and respect of the policy. The Company ensures that EHS rules are followed consistently through several complementary actions, including comprehensive training and procedures. EOHS teams monitor key indicators and perform regular reporting of near misses, incidents and accidents.

EOHS: The right instincts

- Always wear personal safety equipment, when and where required.
- Respect safety warnings and signs.
- Take part in EOHS training, both overall introduction and special EOHS training when required.
- Encourage reporting of unsafe behavior and safety risk.

Managing EOHS Risks and Opportunities

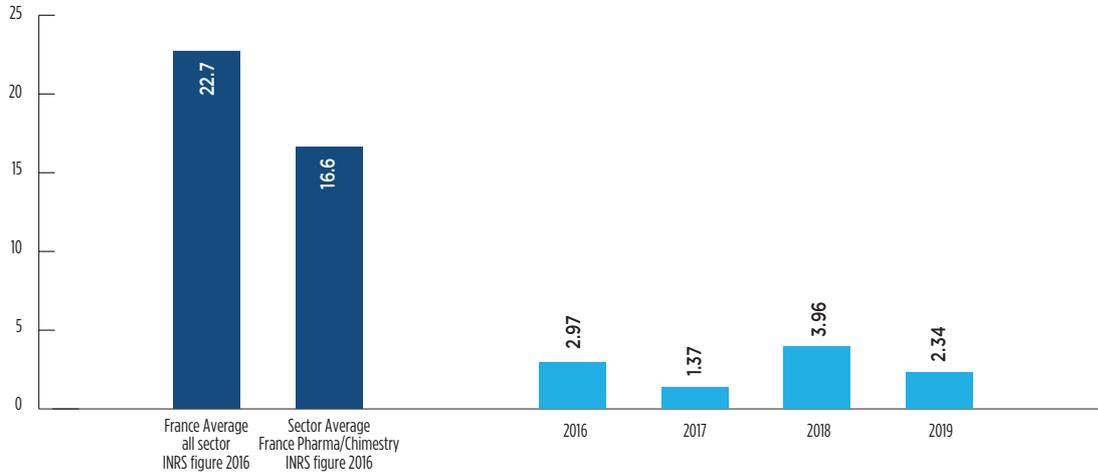
Potential biotechnology risks have been identified at Valneva's manufacturing and R&D sites. Dedicated teams have been tasked with implementing and monitoring the necessary procedures for managing these risks, which include maintenance of the various installations and pieces of equipment at these locations. Objectives associated with those risks are defined by the local teams directly linked to the specificities of the different sites.

Work Accidents

The nature of Valneva's activity, together with the Group's ongoing improvement of its safety-training measures, has resulted in maintaining a low number of work accidents that have historically been non-critical.

The Frequency Rate, which indicates the accidentology in the Group, and Severity Rate, which indicates the severity of accidents within the Company are presented in the 2019 report because they are a means of showing the effectiveness of the work carried out by Valneva teams in terms of risk prevention for employees.

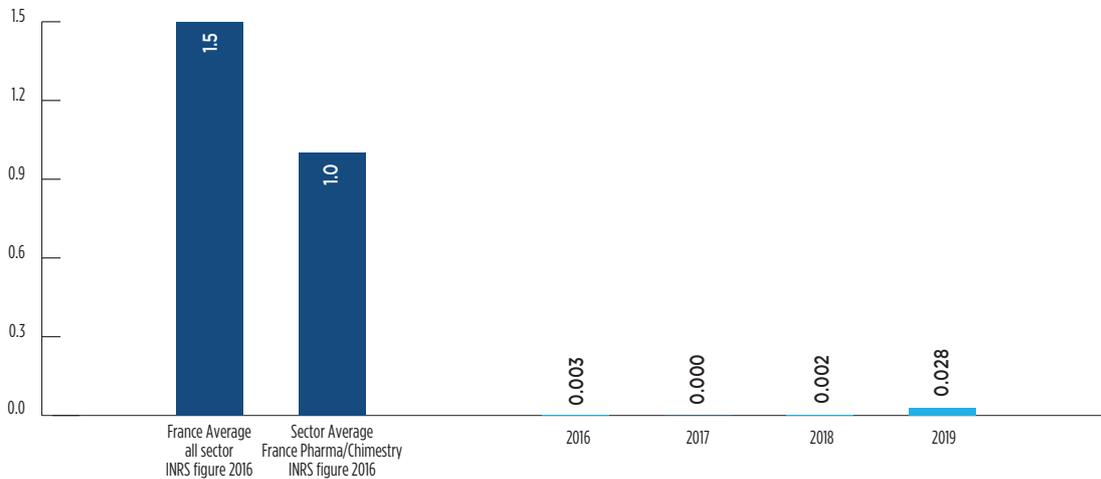
Work Accidents: Frequency Rate



Valneva's work accident frequency rate is historically low, thanks to the work of local teams to act as soon as a minor event occurs, thereby preventing more serious events.

Valneva's work accident frequency rate is far below those registered by all businesses in France according to 2016 statistics from the French National Research and Safety Institute for the Prevention of Occupational Accidents and Diseases, or INRS.

Work Accidents: Severity Rate



Work accidents at Valneva only result in short-term work stoppages. In fact, Valneva teams are used to acting on "near accidents" and "near miss" in order to act on risks at the source, which has a significant impact on the consequences of accidents.

The comparison to all companies in France shows that Valneva's severity rate is far below the averages recorded by the INRS in 2016.

9. Other CSR Information

9.1. Well-being at Work

Well-being at work is a part of Valneva's identity. In the five years since the Company's creation, Valneva has undertaken numerous actions in order to create an enjoyable workplace at its sites around the world.

Well-being at work takes many forms at Valneva and each site has its own ideas for promoting health, from being active to providing healthy food options and more.

Staying Active

- Each year, Valneva provides a financial contribution for sports activities for employees in Sweden, Scotland, Canada and France.
- The Group offers on-site activities such as yoga, traditional Japanese shiatsu and Indian head massage techniques.
- Valneva encourages its employees to participate in walks or races, for charity or not, in the cities where the sites are located.
- The Company invites employees from multiple locations to travel to Austria and participate in the annual Vienna Business Run.

Eating Healthy

- Fruit baskets, cold and hot drinks (tea, water, coffee) are available on all sites.
- Meal vouchers in France and Austria and discounts in restaurants near the Swedish site are offered to employees.

- Vegetarian and other healthy meals prepared by a company are available in Sweden.
- Monthly events are held in France, including cooking competitions and holiday-themed lunches.

Healthy Working Conditions

- In Scotland, staff can see a doctor and a nurse on site every month, can participate in a Mental Health Awareness program, and be trained in first aid. The HR team has also worked on improving private health insurance benefits for all employees who wish it.
- In France, standing desks have been set up for those whose doctors have recommended less sitting. This action was supplemented by the installation of more ergonomic office and lab equipment.
- In Austria, a nursery service is available near the site with easy access for Valneva employees. Free vaccination against influenza and tick-borne encephalitis is also available to all employees in Vienna.

In 2018, Valneva France launched a survey in order to measure employees' sense of well-being at work. The results of this survey were used to create action programs in 2019 that continue the Company's progress in the area of well-being at work.

9.2. Animal Welfare

The well-being of animals is an important topic for any pharmaceutical business. Valneva works proactively to ensure animal welfare, as it is an integral part of vaccine development.

Valneva has an animal laboratory in Vienna and, occasionally, teams in Nantes need to perform specific analyses that require external companies to perform certain animal tests. Before any work can begin, the Company completes questionnaires for these partners that verify adherence to all regulations. The associated contracts include specific clauses that require the respect of all existing obligations with regard to animal welfare.

Animal Welfare in Vienna

Valneva acknowledges its responsibility for the welfare of animals kept in its state of the art laboratories. National laws (Austrian Tierversuchsgesetz 2012 and Tierversuchs-Verordnung 2012) and international regulations (European

Union's Directive 2010/63/EU and European Convention ETS No.123) in regards to laboratory animal housing and the performance of animal experiments are strictly followed. Regular, unannounced inspections by the respective authorities are carried out in the laboratories.

In addition, recommendations of the Institute for American Laboratory Animal Research (ILAR) and the German Society of Laboratory Animal Science (GV-SOLAS) are followed to grant best possible housing conditions and responsible treatment of laboratory animals.

The ethical framework within these provisions ensures prospective assessment of proposals for in vivo testing with respect to any potential harm to the animals with special focus on the so-called '3R principle' ("Reduce, Refine, Replace"), one of the key strategies to meet our high demands of Social Responsibility.

Well-being of animals is important to Valneva, and the Company uses the best practices possible for this necessary aspect of its business.

10. Frameworks used to Draw up this Report

10.1. European Directives

Directive 2014/95/EU October 22, 2014 amended Directive 2013/93/EU and introduces changes for disclosures to be included in a CSR Report. The transposition of this directive is complete since August 9, 2017.

This directive requires companies thus concerned to publish a Report containing information risk prevention policies in the areas of environmental, social and employee matters, respect for human rights, anti-corruption and bribery matters, and the outcome of these policies, including a description of the “due diligence processes” and covering the entire supply chain under this approach.

10.2. The French Order No. 2017-1180 of July 19, 2017

The Order No. 2017-1180 is requires the publication of non-financial information by certain large businesses et certain groups of businesses.

10.3. The French Decree No. 2017-1265 of August 9, 2017

The Decree No. 2017-1265 of August 9, 2017 completes the transposition of the CSR Directive (Directive 2014/95/EU on the publication of non-financial information by companies) initiated by Order No. 2017-1180 of July 19, 2017 on the publication of non-financial information by certain large

companies and groups of companies. This decree specifies the content of the declaration, the information to be provided, the publication procedures and the verification obligations.

11. Methodological Note

11.1. Methodological note on Group CSR data reporting

In accordance with French law, Valneva's Corporate Social Responsibility Report focuses on the risks and opportunities linked to the Company's activities.

In order to manage these risks and opportunities, Valneva is committed to maintaining a robust risk monitoring system and continuously evaluates the risk-reward profile of its activities. The present Report is built upon Valneva's existing risk management system, which is described in its official Corporate Risk Management Policy.

Valneva defines risks as all occurrences and possible developments inside and outside of the Company, which may have a negative impact on the achievement of Valneva's objectives.

The Company has also identified opportunities that may have a positive impact on the achievement of Valneva's objectives.

The risks identified within Valneva are formally evaluated and classified by their importance, according to their likelihood and potential impact. The Company then establishes a list of its ten major risks, which is updated two times per year.

The present Report is inspired by this list, but goes over and above the principal risks by presenting additional opportunities that the Company would like to develop. In this Report, the risks and opportunities linked to corporate social responsibility are thus presented in terms of the Four Pillars of Valneva's previously-defined CSR strategy.

The different entities forming the Group operate according to different models linked to business operations (R&D, production and sales and marketing) as well as their respective cultural and legal environments.

The legal and regulatory context does not reflect the same requirements for compliance from one site to another.

The different priorities relating to the environment and also employment are reflected differently according to the sites, even though common practices and shared values can be observed.

11.2. Group structure of consolidated operations

The quantitative data in the employment area is consolidated at the Group level for the collection of information in 2018. These data are derived from the human resource management software: Bamboo.

Quantitative environmental data has been harmonized at the Group level. Environmental impact measures energy consumption, GHG emissions and waste for the production and R&D sites only (Livingston, Vienna, Solna and Nantes).

11.3. Data collection method

Data collection in 2018 required application of a working method and different steps that are presented below:

1. maintaining the resource persons identified since 2017 to report quantitative and qualitative employment, social and environmental data for each site in order to optimize the collection process;
2. classifying the source documents received according to three fields: employment, environment, and social.

These documents are then made available to the CSR audit firm.

For the construction of this CSR Report, data collection is organized through resource persons identified internally:

- resource persons to coordinate, where possible, and transmit quantitative and qualitative data for employment-related information requirements;

- other resource persons to coordinate, where possible, and transmit quantitative and qualitative data for the environmental information requirements;
 - resource persons to coordinate, where possible, and transmit quantitative and qualitative data for the social information requirements;
 - one person in Nantes (France) to coordinate the data collection at the international level.
3. implementation of a dedicated CSR reporting platform (installed on the internal server) to improve the data storage and facilitate access for the resource persons.

11.4. Future Improvements

Valneva hopes to put in place key performance indicators (KPIs) for the following risks/opportunities in 2020:

- supporting healthcare-oriented charities around the world;
- high level of expertise in R&D;
- responsible manufacturing;
- cybersecurity.

We also aim to develop more complete KPIs for the following risks/opportunities in 2020:

- attract and retain talented people;
- promotion of diversity and guarantee of non-discrimination;
- KPI relating to the compliance system;
- climate change.

12. Definitions

12.1. Employment indicators

Relevance

Employment indicators provide an understanding, through quantitative and qualitative data, conditions with respect to human rights, employability, working conditions, training policies impacts on employee health and safety, diversity and equal opportunity employment.

Total headcount

Employees included in the headcount are those with an employment contract (permanent or fixed-term) with a Valneva Group company, both active and passive. Workforce is expressed based on headcount as of December 31, 2019, regardless of the amount of working hours or the starting date in the reporting year. External Workforce and Students (e.g., Internship, PhD students, Summer students) are excluded.

Total headcount also excludes the 5 Management Board members.

Average age

Average age is calculated by subtracting the birthdate from 12/31/2019. For example, 12/31/2019 - 12/16/1973 = 45.04 years.

Seniority

Calculated by the difference between Entry Date and December 31, 2019, ignoring any absences due to maternity, paternity or educational leave.

Gender balance

Takes into account the total headcount.

Employee development

Training budget per site divided by number of employees per site.

Global sum of training budget spent divided by number of employees.

Regulatory training (GMP) is excluded from the training budget presented here.

Conventions and collective bargaining agreements

A collective bargaining agreement is concluded between the employer and labor unions for the purpose of setting rules governing working conditions, employment and social guarantees for employees.

Occupational accidents

Accident resulting from or arising in the course of work, regardless of the cause, to any salary employee or a person working on behalf of the Group. An occupational accident can also arise in the course of a business-related trip or during the Home-Work daily trip. Only lost-time accidents are used in the Frequency and Severity Rate calculations presented in this report.

Frequency Rate

The frequency rate is the number of accidents with lost time greater than one day, occurring during a period of 12 months per million working hours.

Severity Rate

The severity rate represents the number of days lost due to temporary incapacity for 1,000 hours worked.

Turnover

$$\frac{\text{Number of employees who left during the year} \times 100}{(\text{Number of employees at the beginning of the year} + \text{number of employees at the end of the year}) / 2}$$

12.2. Environmental indicators

Relevance

Environmental indicators report inputs (energy, water and raw materials) and outputs (emissions, effluents, waste) and the types of impacts of the organization on the environment.

Energy

Only direct energy consumption (originating from a primary energy source) is taken into account. Consumption are expressed in MWh/m² for R&D sites or in MWh/batch for Manufacturing sites.

CO₂ Emissions

Direct greenhouse gas emissions are taken into account and expressed in tonnes of CO₂ per unit area in square meters.

The transport component (employees, suppliers, customers) is not taken into account here due to a lack of data.

Waste

Waste management is expressed as a percentage based on the distribution of different types of waste, hazardous and non-hazardous, according to the valorization methods used for their treatment.

12.3. Social indicators

Relevance

Social indicators cover impacts of the business on the territory, impacts of products on consumer health and safety, practices with respect to suppliers and subcontractors, the purchasing policy.

All impacts are derived from qualitative data (procedures and the assessments of practices).

The Group defined more precisely its social policies, and focused around two pillars: “Protecting lives” (inherent to its R&D and vaccine commercial activities) and “Acting Ethically” (in consideration of Health, product safety and Compliance issues concerning all employees, internally and externally).

Periodic Safety Update Report (PSUR)

PSURs are pharmacovigilance documents intended to provide an evaluation of the risk-benefit balance of a medicinal product at defined time points after its authorization.

The objective of the PSUR is to present a comprehensive and critical analysis of the risk-benefit balance of the product, taking into account new or emerging safety information in the context of cumulative information on risk and benefits.

13. Independent Third Party Auditor's Report

VALNEVA SE
6 Rue Alain Bombard
44800 Saint-Herblain

This is a free translation into English of the independent third party's report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

For the year ended December 31, 2019

To the Shareholders,

As an independent third party and certified by COFRAC under number 3-1055 (information available on www.cofrac.fr"), we hereby report to you on the non-financial statement for the year ended December 31, 2019, included in the management report pursuant to the legal and regulatory provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*Code de commerce*).

The entity's responsibility

Pursuant to legal and regulatory requirements, the Management Board is responsible for preparing the Statement, including a presentation of the business model, a description of the principal non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators.

The Statement has been prepared in accordance with the entity's procedures (hereinafter the **Guidelines**).

Independence and quality control

Our independence is defined by the provisions of Article L. 822-11-3 of the French Commercial Code, in addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with the ISO17020 requirements and applicable legal and regulatory requirements.

Responsibility of the independent third party verifier

On the basis of our work, our responsibility is to provide a report expressing a conclusion on:

- the compliance of the Statement with the provisions of Article R. 225-105 of the French Commercial Code;
- the fairness of the information provided in accordance with Article R. 225-105 I, 3° and II of the French Commercial Code, *i.e.*, the outcomes, including key performance indicators, and the measures implemented considering the principal risks (hereinafter the **Information**).

However, it is not our responsibility to comment on the entity's compliance with other applicable legal and regulatory provisions, in particular the French duty of care law and anti-corruption and tax evasion legislation and the compliance of products and services with the applicable regulations.

Nature and scope of our work

The work described below was performed in accordance with Article A. 225-1 and following Articles of the French Commercial Code:

- we obtained an understanding of all the activities of the companies included in the scope of consolidation and, the description of the principal risks;
- we assessed the suitability of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;
- we verified that the Statement includes each category of social and environmental information set out in Article L. 225-102-1, III as well as information regarding compliance with human rights and anti-corruption and tax evasion legislation;
- we verified, where relevant with respect to the principal risks or the policies presented, that the Statement provides the information required under Article R. 225-105, II when relevant in regards to the principal risks and includes a clear and reasoned explanation for the absence of required Informations required in Article L. 225-102-1, III, 2°;
- we verified that the Statement presents the business model and the principal risks associated with all the companies' activities included in the scope of consolidation, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators;
- we referred to documentary sources and conducted interviews in order to:
 - assess the process used to identify and confirm the principal risks and the consistency of the key performance indicators used with respect to the principal risks and the policies presented;
 - corroborate the qualitative information (measures and outcomes) that we considered to be the most important;
- we verified that the Statement covers the scope of consolidation, *i.e.* all the companies included in the scope of consolidation in accordance with Article L. 233-16 within the limitations set out in the Statement;
- we asked what internal control and risk management procedures the entity has put in place and we assessed the data collection process implemented by the entity

to ensure the completeness and fairness of the Information;

- for the key performance indicators and other quantitative outcomes that we considered to be the most important⁽¹⁾, we implemented:
 - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data,
 - substantive tests, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities and covers between 22% and 100% of the consolidated data selected for these tests;
- we assessed the overall consistency of the Statement based on our knowledge of all the companies included in the scope of consolidation.

Means and resources

Our work was carried out by a team of 3 people between October 2019 and march 2020 during a total of 22 weeks.

We conducted 14 interviews with people responsible for preparing the Statement.

Conclusion

Based on our work, nothing has come to our attention that causes us to believe that the non-financial statement is not in accordance with the applicable regulatory provisions and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines.

Comments

Without qualifying our conclusion, and in accordance with Article A. 225-3 of the French Commercial Code, we express the following comments:

The cybersecurity policy related results do not include key performance indicators.

Improvement goals and commitments were only mentioned in the risk policies in regards to “ensure patient safety” and “responsible manufacturing”. All other policies do not include improvement goals or commitments.

Toulouse, March 30, 2020

INDEPENDANT THIRD PARTY AUDITOR (*ORGANISME TIERS INDÉPENDANT*) SAS CABINET DE SAINT FRONT

Pauline de Saint Front

Associate Director

(1) Key performance indicators and other quantitative outcomes : (i) Percentage of Commercial on the total workforce, (ii) Percentage of R&D employee, (iii) Rate of submission of individual case safety reports to the authorities (iv) Percentage of annual budget spent on improving manufacturing sites, (v) Percentage of voluntary participation in C&E Month-Average seniority, (vi) Gender breakdown, (vii) Percentage of woman by position, (viii) Average age, (ix) CO2 emission per m², (x) Waste recovery, (xi) Energy consumption per m², (xii) CO2 emission and energy consumption per doses and batch, (xiii) Work accidents: severity rate, (xiv) Work accidents: frequency rate, (xv) Training investment average per employee.