



Building
ON OUR STRENGTHS

Photo credits: Akos Stiller, Valneva.



Corporate Social Responsibility

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1. About this Report

The 2020 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.

In 2018, 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, with the Group having crossed the threshold of 500 employees, it became 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 retained in 2020 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.

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 2020.

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

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 them as we drive for continued growth.

In 2020, the rapid spread of COVID-19 made people around the world acutely aware of the dangers presented by epidemic emergencies. As a specialty vaccine company focused on the development and commercialization of prophylactic vaccines for infectious diseases with significant unmet medical need, Valneva immediately recognized its responsibility to work towards a potential solution. Early in the pandemic, we began developing an inactivated, whole virus vaccine candidate against SARS-CoV-2.

Since its creation in 2013, Valneva has worked to help protect the global population from dangerous illnesses such as Japanese encephalitis, cholera, Lyme disease, chikungunya and – since April 2020 – COVID-19. The Company continues 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 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 also recognizes 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 world. 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*

Juan Carlos Jaramillo, *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 focused on the development and commercialization of prophylactic vaccines for infectious diseases with significant unmet medical need.

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

Valneva is a European company (Societas Europaea) with a Management Board and a Supervisory Board, listed on Euronext Paris.

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

Several vaccines in development including unique vaccines against:

- Lyme disease
- COVID-19
- chikungunya



Commercialization

Two commercial vaccines against:

- Japanese encephalitis
- Cholera and, in some countries, prevention of diarrhea caused by ETEC

Manufacturing

Sites in Scotland and Sweden
Quality Control function
on manufacturing sites &
in Vienna

Our results

Product Sales

€65.9M in 2020

Protecting Lives

Over €50,000 donated

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

R&D Investment

€84.5M in 2020

Ethics

13 comprehensive policies

to govern our activities

People

579 employees

of 29 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 focused on the development and commercialization of prophylactic vaccines for infectious diseases with significant unmet medical needs. The Company provides vaccines to people around the world, 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 and, in order to effectively address 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.

Valneva's future success is substantially dependent on the successful regulatory approval and commercialization of its product candidates in a timely manner. If Valneva is not able to obtain required regulatory approvals, it will not be possible to commercialize its product candidates. Even if any product candidates receive marketing approval, they may fail to achieve market acceptance by physicians, patients, third-party payors or others in the medical community necessary for commercial success.

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

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

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.

Valneva's experienced commercial teams engage with healthcare professionals on a regular basis, often organizing meetings, webinars and conferences to discuss infectious, vaccine-preventable diseases.

In 2020, over 1,700 HCPs were reached via Valneva-organized meetings, webinars and conferences for the HCP community. The Company aims to maintain this level of HCP engagement over the next two years.

Valneva also 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 annual "World Immunization Week" awareness campaign in April of last year.

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 charitable organizations, Valneva aims to further protect lives via corporate giving.

The Group has chosen to work with charities that support healthcare around the world. Failing to maintain our commitments to these non-profit groups would not only impact the charities themselves, but would also negatively impact the image of the Company.

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.



After doubling the Company's annual financial commitment to Baan Dek in 2019, Valneva maintained its close ties with the Foundation throughout 2020. With the COVID-19 pandemic raging, the Company checked in regularly with Baan Dek to learn about their emergency response efforts during the crisis.

To give an additional boost to the charitable organization, Valneva ran an internal fundraiser for Baan Dek from July through September 2020. The proceeds from this online donation collection were used to purchase urgently-needed goods like mosquito nets, supplies for infant care and items for personal hygiene for the families aided by the Foundation.

At the end of the year, the fundraiser and annual donation were complemented by a supplemental corporate gift, in exchange for a digital holiday card designed by Baan Dek and shared with Valneva's business contacts.

Support of the Encephalitis Society

For four 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.

While in-person events were impossible due to the pandemic, Valneva worked with the Encephalitis Society throughout 2020, providing financial support for its various awareness-building and research initiatives, as well as providing increased visibility to the Society through participation in its World Encephalitis Day campaign.

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 volunteer in and hold fundraisers that benefit their communities.

One such local act of kindness in 2020 was a donation of personal protective equipment from Valneva's site in Nantes to the university hospital center during the first wave of the pandemic.

In 2020, Valneva donated over €50,000 to health-related charitable organizations around the world, including the Baan Dek Foundation and the Encephalitis Society.

2021 Goal: Maintain this level of engagement with these charitable partners.

Valneva also aims to increase its charitable support by 15% by 2025, as compared to 2019.

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.

On May 5, 2020, Valneva and Brazil's Instituto Butantan announced the signing of a binding term sheet for the development, manufacturing and marketing of Valneva's single-shot chikungunya vaccine, VLA1553, in LMICs. The collaboration falls within the framework of the \$23.4 million in funding Valneva received from the Coalition for Epidemic Preparedness Innovations (CEPI) in July 2019.

5.3. High Level of Expertise in R&D

Valneva takes a highly specialized and targeted approach to vaccine development, beginning with the identification of deadly and debilitating infectious diseases that lack a prophylactic vaccine solution and for which there are limited therapeutic treatment options. Valneva then apply its deep understanding of vaccine science, including its expertise across multiple vaccine modalities, as well as its established vaccine development capabilities, to develop prophylactic vaccines to address these diseases.

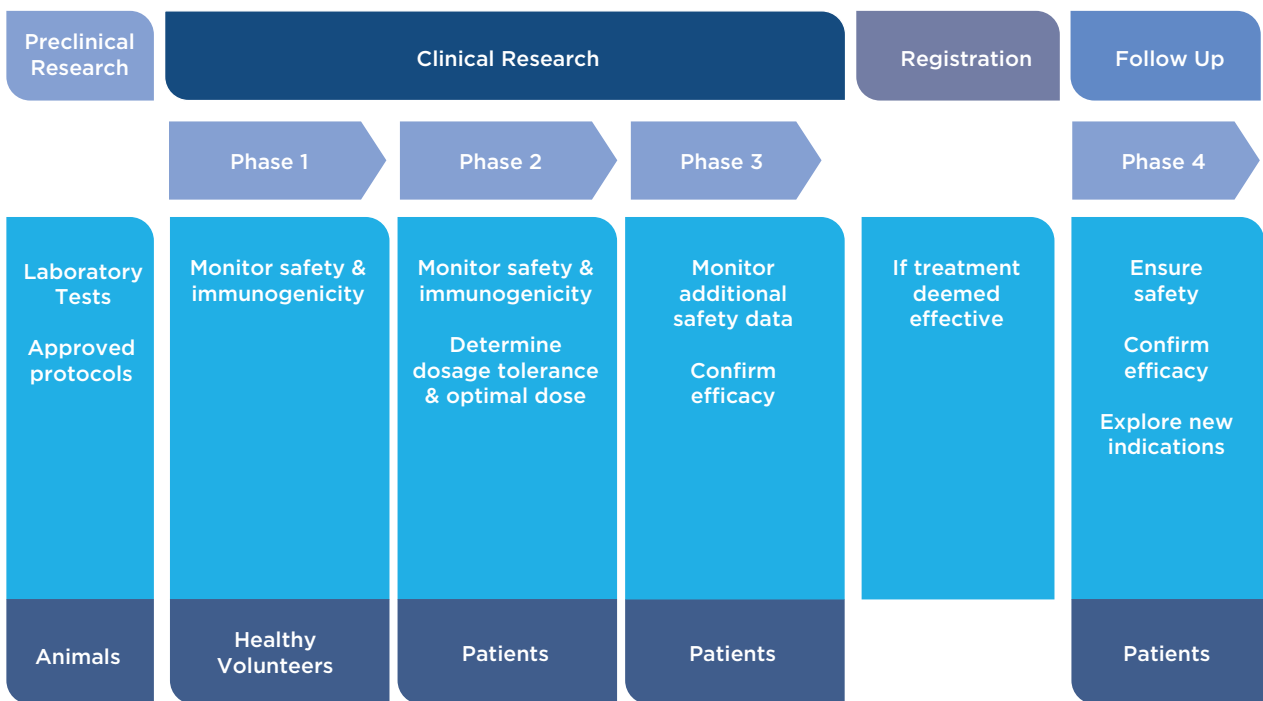
However, it should be noted that success in pre-clinical studies or earlier clinical trials may not be indicative of results in future clinical trials that would be sufficient for the

necessary regulatory approvals. This is one of the risks related to the development and commercialization of our product candidates.

Valneva has made large Investments in the development of its vaccine candidates. A development failure (including insufficient efficacy or safety) would result in the total loss of these investments.

To mitigate this risk, Valneva's strives for the highest research standards and oversees this work through internal committees, complemented by the strategic guidance provided by the Company's Scientific Advisory Board.

How do Clinical Trials Work?



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).

By the end of 2025, Valneva aims to launch two new vaccines, as well as have two in early clinical development.

At the end of 2020, Valneva had two products in its commercial portfolio and three programs in its clinical portfolio.

5.4. Ensuring Patient Safety

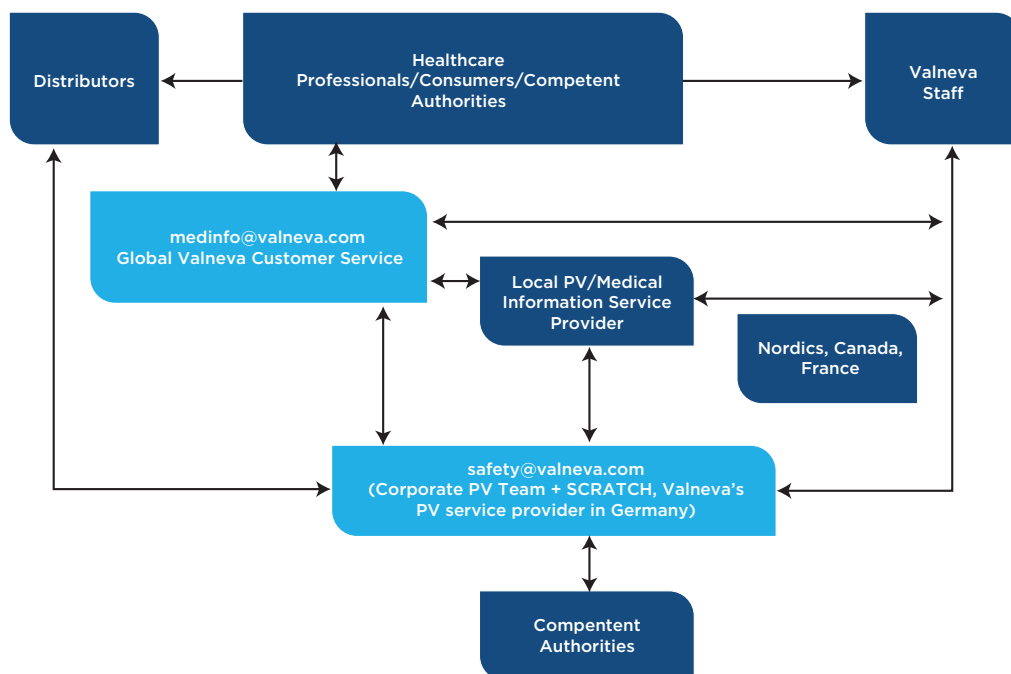
After successfully developing a product and receiving marketing approval from the relevant health authorities, the holder of a marketing authorization for a given pharmaceutical product must ensure ongoing monitoring of patient safety. This responsibility to ensure the quality and safety of its products is paramount to Valneva, who continuously monitors its products to ensure that any potential impacts to the safety profile are detected, assessed and addressed.

Product safety issues, including serious adverse events occurring during the clinical development or marketing of the Group’s products, could be negatively perceived by investors, consumers or other market participants, and could harm the Group’s reputation, business and prospects.

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 and Valneva standards. 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.

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 Quality & Product Safety Management Board, Valneva's internal decision making body for quality- and 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.

Valneva's primary aim as Marketing Authorization Holder and Manufacturer is to ensure patient safety. During PV audits and inspections, Valneva has proven 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 on time. This objective has been met continuously since 2018.

A rate of 99% was achieved in 2020, while the rate of 100% was met in both 2019 and 2018.

5.5. Responsible Manufacturing

Valneva has a robust manufacturing and laboratory platform in place with facilities across Europe to meet its clinical and commercial needs. Valneva's highly developed, nimble and sophisticated manufacturing infrastructure is one of the Company's strengths.

Any failure to comply with Good Manufacturing Practices, Good Distribution Practices or other regulatory requirements could result in possible actions or the suspension or revocation of production or distribution authorizations, and could hinder the supply of products by the Group. The risk of suspension or revocation of manufacturing or distribution authorizations also exists for third parties with whom the Group has entered into manufacturing, supply or distribution agreements.

Valneva's manufacturing base provides a long-term and sustainable industrial network to supply clinical trial material and commercial products based on objectives for delivery schedule, costs, flexibility and quality. The Company operates three manufacturing sites - in Livingston, Scotland; Solna, Sweden; and Vienna, Austria - which are qualified by various regulatory authorities.

The Company's manufacturing center in Livingston is currently being expanded to include two additional product units in connection with the Company's COVID-19 vaccine partnership with the UK government. Valneva's Solna facility is currently the Company's center of excellence for fill-finish operations; as part of the COVID-19 vaccine business, Valneva is currently expanding the existing fill-finish capacity by fitting out a nearby site for formulation, filling and packaging of the COVID-19 vaccine candidate VLA2001.

Valneva's manufacturing network has been operating and producing licensed vaccines for more than 10 years. The Company relies on its manufacturing facilities as the sole source of manufacturing for Valneva products and for certain of its product candidates.

Manufacturing of vaccines is considered one of the most complex pharmaceutical manufacturing operations. It can take between 6 to 36 months to produce, package and deliver high quality vaccines to those who need them.

The process includes testing each batch of vaccine at every step of its journey, and repeat quality control of batches by different authorities around the world.

Valneva's Quality Control and Quality Assurance functions are thus integral parts of its manufacturing platform.

- **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 to help avoid disruption to supply and to deliver products in alignment with the Company's Master Production Schedule. Multiple 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 2020, over 15% of Valneva's annual revenues, were spent on manufacturing site improvements, versus over 6% in 2019.

The Company aims to complete the current expansions of its manufacturing sites in Scotland and Sweden in 2022.

6. Acting Ethically

Developing vaccines means that the Group has a responsibility to consumers and a wide range of stakeholders. 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.

Relationships with customers, healthcare providers, and third-party payors are subject, directly or indirectly, to healthcare fraud and abuse laws, false claims laws, health information privacy and security laws, and other healthcare laws and regulations. If Valneva is unable to comply, or have not fully complied, with such laws, the Group could face substantial penalties.

To help mitigate this risk, 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.

As of January 26, 2021, 85.7% of Valneva employees in scope were trained on the ABAC Policy.

Valneva aims to achieve a 100% participation rate in this training.

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;
- 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 2020, the theme of Company-wide C&E Month challenge was “Solve the Mysteries.” Employees were encouraged to pull out their magnifying glasses and investigate the Company intranet to solve the mysteries of compliance, looking through Compliance documentation for answers and clues. The 2020 event garnered approximately 43% voluntary employee participation, compared to 39% in 2019.

Furthermore, Valneva has recently increased its efforts to provide ethics-related training via the implementation of an e-learning platform that measures successful participation via quizzes during and after each e-learning course.

Compliance Risk Assessment

In 2019, Valneva undertook a major assessment of all compliance risks inherent to the organization and its business. Following this Compliance Risk Assessment, specific mitigating measures and controls were identified – covering topics from Anti-Bribery & Anti-Corruption to Data Protection, Anti-Trust and more – with specific timelines for implementation.

Valneva planned five mitigating measures for Anti-Bribery & Anti-Corruption during 2020 and four of these five measures were put into place on time.

The Company aims to achieve a 100% on-time implementation rate moving forward.

6.2. Mitigate Cyber Security Risk

Like other companies, Valneva’s internal IT systems and cloud-based computing services are potentially vulnerable to malware, computer viruses, data corruption, cyber-based attacks and other damaging events. These kinds of threats could result in damage to or the interruption or impairment of key business processes, or the loss or corruption of confidential information, including intellectual property, proprietary business information and personal information.

These cyber security 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.

Risks can arrive in 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 thus 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 attack, the Company defined a goal of recovering from potential attacks within a reasonable timeframe.

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

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.

In concert with the aforementioned actions, Valneva works to reduce its cyber security risk is through robust training. As a complement to the Company's existing IT & Telecommunication policy and to bolster the Company's defense against such risks, a large-scale training initiative began in 2019 and was continued into 2020.

In 2020, 90.3% of all employees completed cyber security awareness training.

The Company aims to train 100% of its workforce on cyber security every two years.

6.3. Human rights

Given its activities and the geographical location of its sites, Valneva is not directly facing issues of human rights violations. However, it should be noted that :

- the clinical trials that the Company conducts for its vaccine candidates are carried out in strict compliance with the informed consent of the patients involved in biological research;
- Valneva employees are all protected by respect for labor legislation in all countries where the Company operates. The set of internal policies mentioned in this report also guarantees respect for human rights for all employees.

6.4. 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 more than 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.

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

7.1. Attract and Retain Talented People

Valneva’s inability to attract and retain key employees could prevent the Group from achieving its overall objectives, and thus have a significant negative impact on its business and prospects.

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



Headcount by Region

On December 31, 2020, the Group had 579 employees working in Austria, Canada, France, Sweden, the United Kingdom, and in the United States.



Valneva: A Unique Corporate Identity

Valneva is an international and multicultural Group where enthusiasm, innovation and strong execution skills are driving

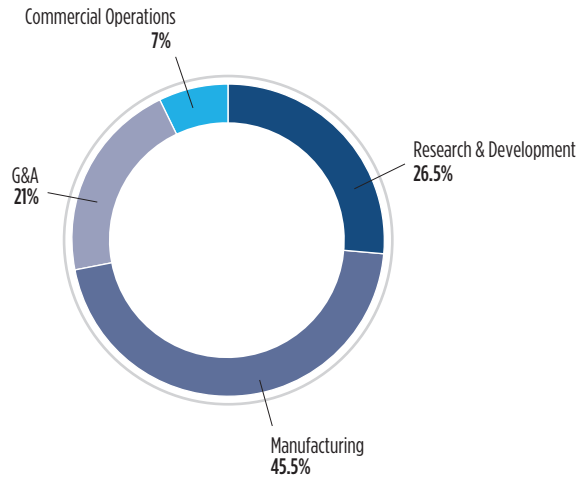
forces. With operations in six countries across the globe, Valneva’s teams are diverse and multidisciplinary. Enriched by the 29 nationalities represented in its workforce, Valneva is built upon a unique identity in the vaccine industry.

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.

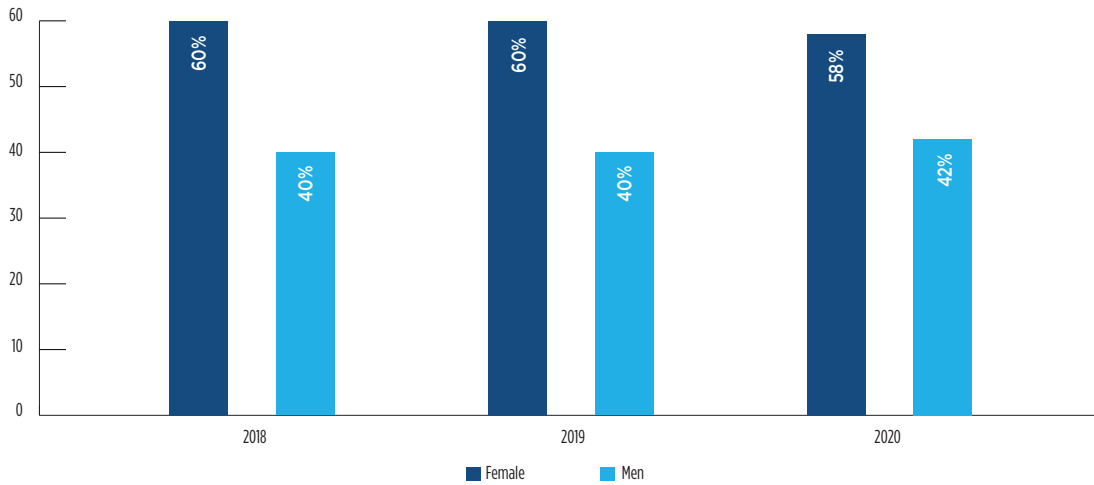
The Support functions (G&A) are mostly spread across four main sites in Austria, France, Scotland and Sweden.

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



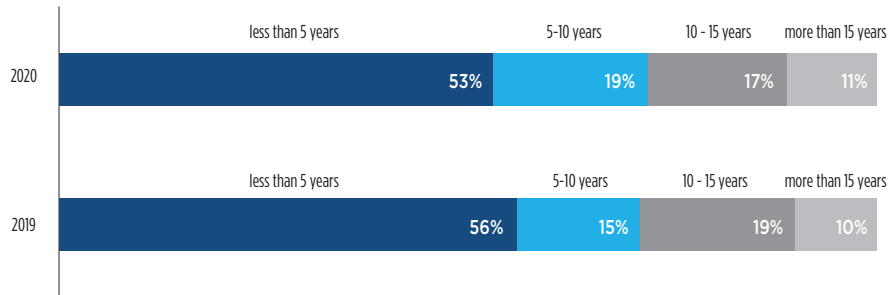
Gender Breakdown

Women are more highly represented than men at Valneva.

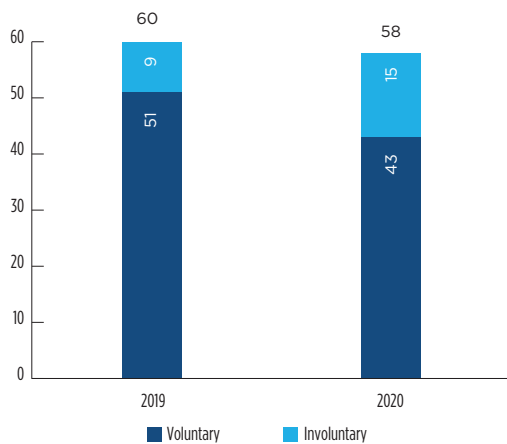


Seniority & Turnover

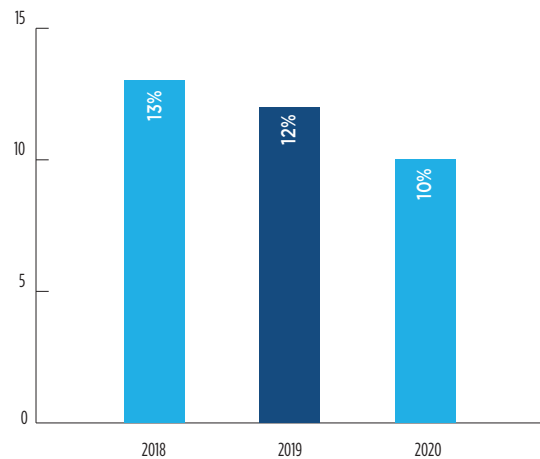
Seniority



Number of Departures



Turnover



Valneva’s voluntary turnover rate, or employee turnover rate, has decreased over the last three years. The rate achieved in 2020 indicates a healthy working environment and dynamism that allows the Company to renew its workforce and stay competitive.

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.

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

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

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.

2021 Objectives :

- **Adapt and enhance talent acquisition strategy across sites considering the (local) market pulse**
- **Employ all state-of-the-art instruments to approach the right talent levels for our business needs**

Employee Mobility in Action

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

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.

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.

Labor relations

Organization of employee-management dialogue	Social and Economic Committee (CSE) Report for Nantes, Local Committees, IWC
Collective bargaining agreements	96% of the Group employees are covered by a collective bargaining agreement Labour relations in North America are not regulated by collective bargaining agreements. However, the Group guarantees a harmonised approach by considering that the minimum standards and rules in force in Europe are, by extension, applying in Canada and in the US.

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.

Since 2019, Valneva has used a new, reliable classification system used by a large number of life science companies.

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.

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.

The pandemic has heavily impacted the ways that the Company organized work. A continuity plan was put in place and, in consequence, telework was intensified - as well as shift work for lab and manufacturing employees while respecting physical distance and circulation regulations. Valneva also used short-time working measures as necessary. For these reasons, Valneva redoubled its efforts to maintain the social connection at the heart of the Group, regularly organizing video calls and a special internal newsletter.

2020 Objective Reached: 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.

Any discriminatory act would expose the Group to criminal and punishable offences that would be harmful in many ways (legal, financial, image and social risks).

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 29 nationalities represented at Valneva are a by-product of our focus on inclusion.

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



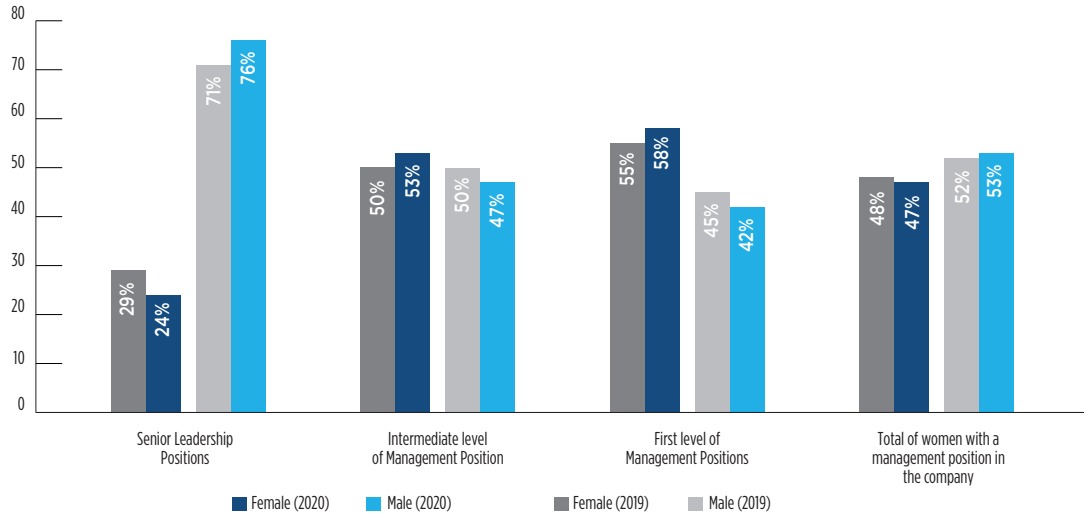
Number of Women in Management Positions

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.

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, 4 women (among 16 members) are part of the Management Committee: the directors of Valneva's Solna and Livingston sites, which are principally dedicated to manufacturing.

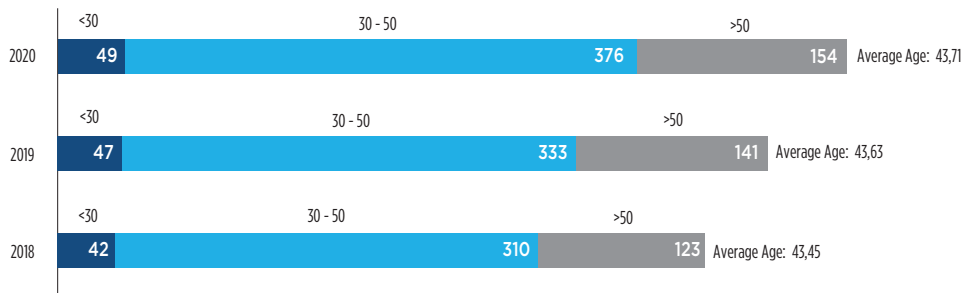
Valneva is committed to ensuring that women and men have equal opportunities to become part of the Company's corporate governance structure, notably through the development of their qualifications.



Average Age at Valneva

In 2020, the average age of Valneva employees was 44 years old. This has been stable over the last four years.

Average Age



Gender Pay Index

The European Commission reported a 14.1%⁽¹⁾ gender pay gap in Europe. Valneva's index is far lower.

2025 Objective : the Group is committed to reducing the gap by 2025.

2020
4.46%
GENDER
PAY INDEX

(1) Source : <https://ec.europa.eu>

7.3. Having the Right Level of Expectation in Terms of Performance and Competencies to Respond to Market Demand

Valneva promotes equal opportunity and seeks to help each of its employees maximize his or her talents.

Valneva's difficulties in achieving and maintaining a certain level of performance and skills would lead to a mismatch with the Group's needs, which would ultimately affect the level of its achievements.

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.

In 2020, a cross-functional focus group dedicated to the creation of a new competency model finalized the new individual performance assessment process. The goal was to determine key behavioral competencies for Valneva based on the LEAD model (Lead, Empower, Act and Deliver). 2021 will be the pilot year for testing the tool before it is formally deployed in 2022.

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.

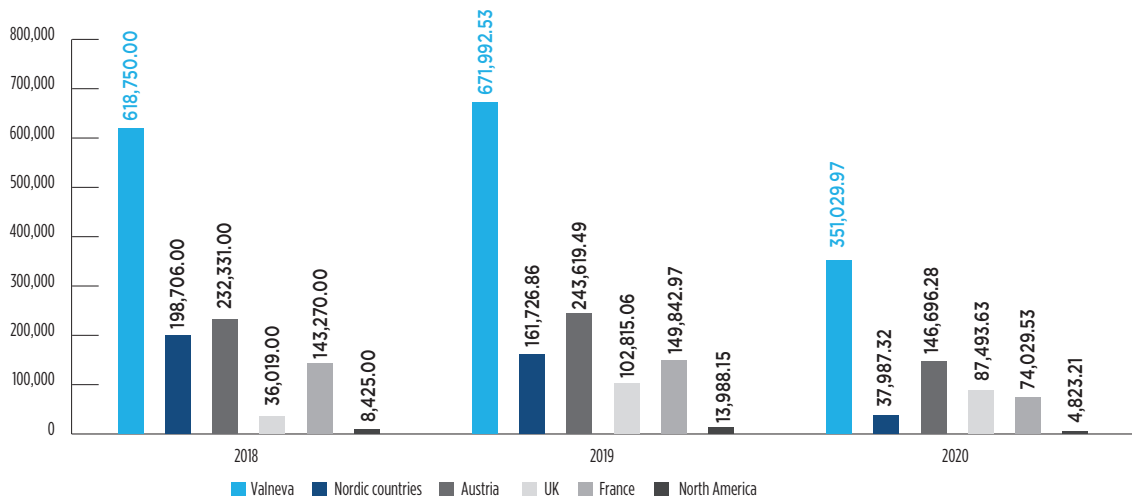
Valneva Corporate Training Program

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.

2021 Objective : Manage the highest increase of FTE in the history of Valneva (+47%) with the highest quality level possible in regard to recruiting, on-boarding & training and managing performance.

Valneva's Training Investment

Across the Group, Valneva's total training investment was €351,029.97 for 2020, which represents an average of €606,27 per employee. The significant decrease in the training spend for 2020 is explained by the impact of the COVID-19 pandemic, which led to a reduction in the time allotted for training and a remote training offer that was less robust than in-person training. 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. Despite the pandemic and in alignment with physical distancing rules, the Group welcomed student interns who were fully integrated into the 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 specialty vaccine company focused on prevention of infectious diseases, Valneva is aware that the environment directly affects people's health. In addition, the Group is aware that man-made or natural disasters, as well as public health pandemics or epidemics, may disrupt its business. With that in mind, Valneva recognizes the need to manage its carbon footprint, waste and consumption, taking environmental issues into account as reflected in the elements described below.

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 experiences with one another 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.

A Word on COVID-19

The COVID-19 pandemic has had an important impact on Group activities in 2020. Valneva is advancing a vaccine candidate against the SARS-CoV-2 virus that causes COVID-19, in order to address the urgent, global need for billions of doses of vaccines. This project has brought on the expansion of Valneva's manufacturing capacities; however, the expansions of the Company's production sites in Scotland and Sweden were not complete as of December 31st, 2020 and are thus not in scope for this report.

Reducing Carbon Footprint to prevent climate change

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.

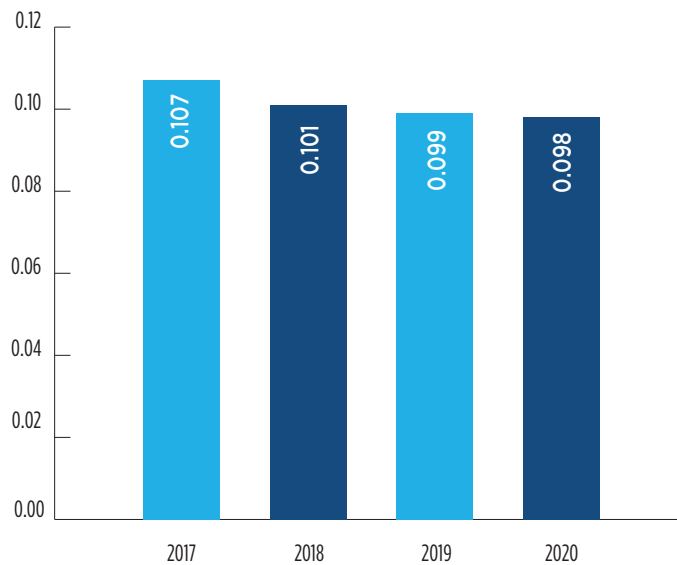
In line with this approach, Valneva aims to reduce its CO₂ emissions by 5% between 2016 and 2025.

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.

In order to establish a Key Performance Indicator, or KPI, for the Group’s carbon footprint, Valneva chose in 2019 to begin presenting CO₂ emissions in terms of the surface area (in square meters) of its four main sites. The goal of this KPI is to show improvements in Valneva’s carbon footprint year-over-year, based on a time-stable criterion for each main site.

CO₂ Emissions per Square Meter



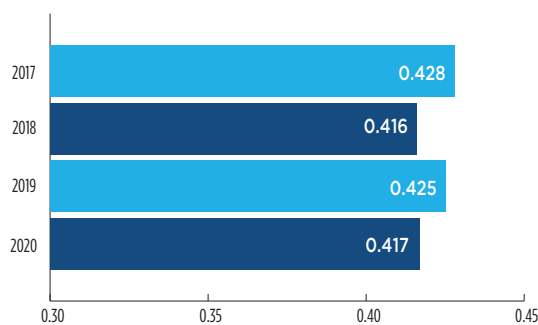
For the fifth consecutive year, CO₂ emissions from Valneva’s manufacturing and R&D sites have decreased - thanks to the work of the EHS teams present at each facility. However, the impact of the pandemic has considerably slowed the Group’s efforts in this area.

To further 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 each type of activity.

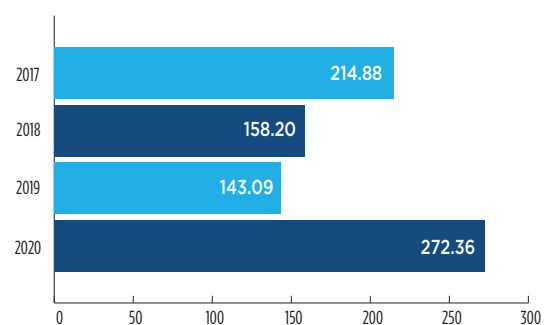
Energy consumption per square meter is the chosen KPI for R&D sites, where the activity is stable and not linked to a manufacturing process.

Energy Consumption (in MWh) per Square Meter : R&D Sites⁽¹⁾



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 (in MWh)⁽²⁾ per Batch Produced: Manufacturing Sites



In R&D, variations in activity have very little impact on energy consumption, which remains stable over time. When activity or the climatic conditions do have an impact, it is not clearly visible on the graph; this is due to the optimization work on energy consumption implemented by the local teams.

In 2020, the pandemic had a significant impact on Valneva's manufacturing sites, as their activity decreased drastically (by 60% in Scotland and 38% in Sweden). However, the buildings continued to be used and maintained, thus consuming energy. The modernization and expansion of these facilities - linked to Valneva's COVID-19 vaccine candidate - also affected this indicator, because energy was consumed without production on the sites.

Waste Management

Waste has an enormous impact on the environment, causing pollution and greenhouse gas emissions while generating substantial costs. 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 related environmental impacts.

To ensure effective monitoring of its commitments on waste management, the Group has set the objective of reducing the proportion of non-recyclable and landfilled waste by 5% by 2025, as compared to 2016.

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

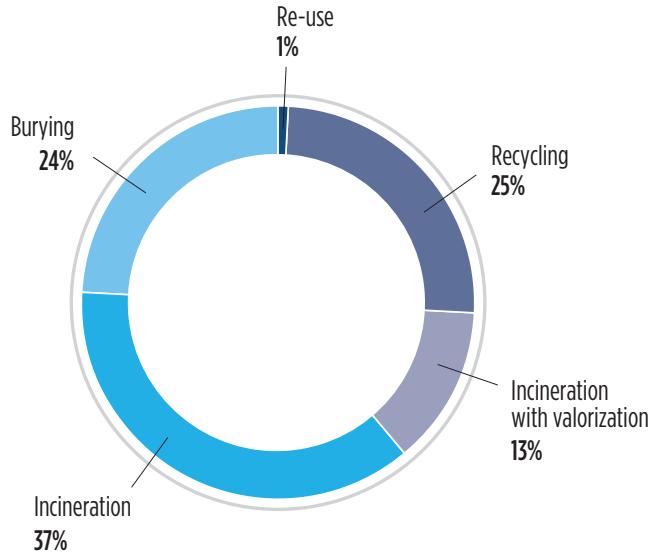
- non-hazardous waste (paper, cardboard, plastic, etc.);
- hazardous waste (used chemical products, contaminated plastic, electrical and electronic equipment waste, etc.).

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.

(1) The KPI for energy consumption at the R&D sites mentioned in 2019 had been calculated on the basis of the total surface area of the Valneva Group's sites instead of the surface area of the R&D sites only. This report presents corrected data. These corrections have no impact on the trends observed in the evolution of the KPI.

(2) The KPI for energy consumption are in MWh. The figures mentioned in the previous report was correct. Only the unit mentioned had an error (KWh instead of MWh).

Waste Repartition by Treatment Mode



Since 2019, Valneva has chosen 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 waste valorization, Valneva works with specialized companies in the sector and seeks the most well-adapted 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 provide 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 of the Group.
- Due to changes in the management of non-recyclable waste in Nantes, the part of landfilled waste decreased sharply between 2019 and 2020.

8.2. Valneva's Approach to Safety at Work

Valneva has a highly developed, nimble and sophisticated manufacturing infrastructure that has been operating and producing licensed vaccines for more than 10 years.

Nearly 50% of Valneva's workforce is dedicated to production and the Group invests in both its manufacturing facilities and personnel.

In order to ensure a steady rhythm of production, the Group 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 teams 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 groups have been tasked with implementing and monitoring the procedures that are necessary for managing these risks, including maintenance of the various installations and pieces of equipment at these locations.

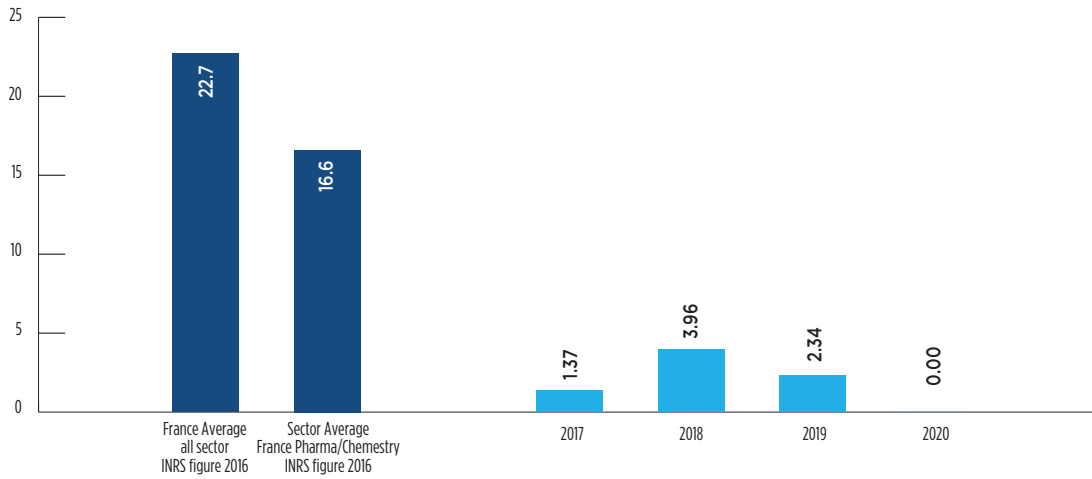
Valneva aims to maintain safety statistics at a level under the pharma/biotech industry average.

Work Accidents

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

The **Frequency Rate** (prevalence of work accidents) and **Severity Rate** (severity of work accidents), are presented in this report, as they are a means of showing the effectiveness of the employee risk prevention work carried out by Valneva safety teams.

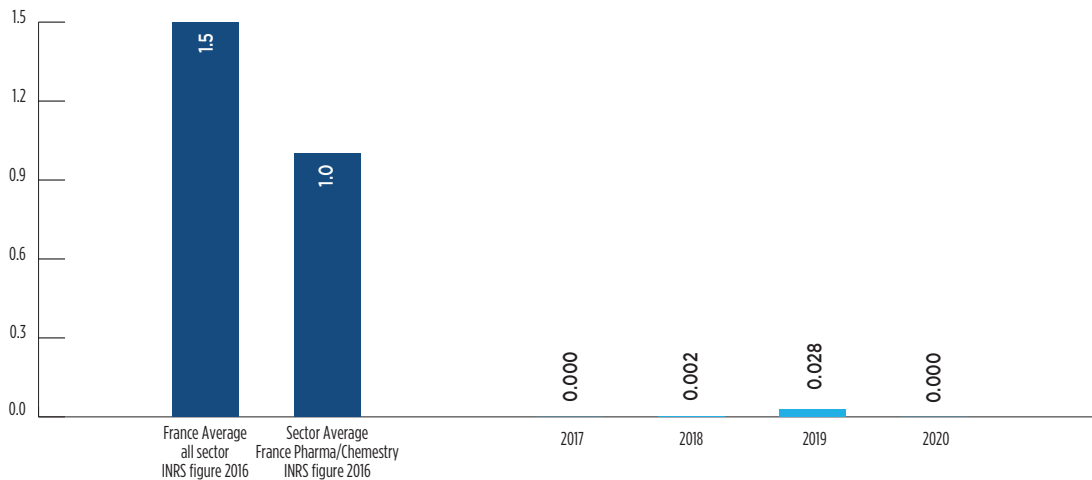
Work Accidents: Frequency Rate



Valneva's work accident frequency rate is historically low, thanks local safety teams who act as soon as a minor event occurs, thereby preventing more serious accidents.

Again this year, the frequency of work accidents within the Group was far below the average rate registered by all businesses, as well as those specifically in the pharma sector 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 typically only result in short-term work stoppages. In fact, safety teams are used to handling "near accidents" and "near misses," thereby acting on risks at the source. This has had a significant impact on the consequences of accidents.

In 2020, the group recorded zero accidents leading to a day of work stoppage.

Compared to national and sector averages, Valneva's work accident severity rate is far below those 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. 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.

In 2020, the crisis linked to the COVID-19 pandemic generated new work practices, including widespread use of telework starting in March. These new practices have also led to new issues related to isolation and distance among employees.

In the face of the pandemic, Valneva has continued its commitment to well-being.

Healthy Working Conditions

- Due to national lock downs in the multiple countries where Valneva is present, teleworking was adopted for as many employees as possible. In addition to Company-issued laptops, the Group has improved its arsenal of telework policies in order to acquire the necessary resources to implement the option more broadly.
- In an immediate response to lock down measures as soon as they were imposed, Valneva allowed employees to bring home their screens and keyboards in order to recreate a comfortable, ergonomic work environment at their home. In addition, local HSE teams regularly shared advice on ergonomics with their colleagues to ensure that they work from home in the best conditions. Sweden, for example, has stepped up its communication on a number of ergonomics-related topics, in addition to subjects related to physical activity and the psycho-social risks of working from home. They've even sent out a questionnaire to assess the risks for employees who've adopted telework. Scotland has also begun offering e-learning to its staff, as well as encouraging teams to keep in touch with each other through social media.

- More globally, the principal instruction for all sites was to maintain the link with employees who were required to work from home during the COVID-19 crisis.
- Valneva also quickly equipped its employees with masks adapted to the risks presented by the virus. Across the Group, those working directly on the COVID-19 vaccine candidate were immediately supplied with FFP2/FFP3 masks. Three-fold surgical and cloth masks were provided for the rest of Valneva's employees.
- Free vaccination against diseases like influenza and tick-borne encephalitis has been available to employees for many years now. In light of the current pandemic, Valneva has added new offerings related to COVID-19 testing, to ensure the health and safety of all employees.

Staying Active

- Staying active presented a major challenge to everyone during lock down. While this work is ongoing as lock down measures continue, the teams dedicated to Quality of Life at Work continue to propose actions to respect this principle. One example is the retransmission of weekly yoga lessons which were previously held on-site in Austria; now, employees in all locations can participate via web conference and watch recordings anytime.
- In 2020, employees in Nantes and Lyon took part in a digital Mobility Week challenge. For one work week, employees who were coming into the office logged their use of sustainable transportation (including cycling, walking, bus, tram and electric vehicles) and those working from home also recorded these hours. Nearly 50% of the French workforce took part in this challenge to show their efforts to commute sustainably.

Eating Healthy

- Meal vouchers in France and Austria and discounts in restaurants near the Swedish site are still offered to employees despite the pandemic.
- In 2020, the monthly in-person events usually happening in France have been transformed to respect physical distancing and barrier gestures. Events focused on the themes of healthy eating and naturopathy to combat fatigue were held via videoconference.



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 national and international 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 Directive 2010/63/EU and European Convention ETS No.123) in regard 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 American Institute for Laboratory Animal Research (ILAR) and the German Society of Laboratory Animal Science (GV-SOLAS) are followed to create the best possible 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. This happens with special focus on the so-called '3R principle' ("Reduce, Refine, Replace"), one of the key strategies to meet our high demands for 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.

The following items are not mentioned because they are not considered significant with regard to Valneva's activity:

- Actions to fight against food waste,
- The fight against food insecurity,
- Actions for a responsible, equitable and sustainable nutrition.

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 2020. 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 2020 required application of a working method and different steps that are presented below:

1. maintaining the resource persons identified since 2016 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.

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, 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 Management Board members.

Average age

Average age is calculated by subtracting the birthdate from 12/31/2020. For example, 12/31/2020 - 12/16/1973 = 47.04 years.

Seniority

Calculated by the difference between Entry Date and December 31, 2020, ignoring any absences due to maternity, paternity or educational leave.

Gender balance

Takes into account the total headcount.

Gender pay Index

The Gender Pay Index is a tool for advancing gender equality within the Group. It measures the pay gap between women and men by calculating the ratio of the median salary of female employees to the median salary of male employees - based on all regular active employee (permanent and limited contract) on the 31st of December.

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, 2020

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, 2020, 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.

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 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 Information 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⁽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 24% and 100% of the consolidated data relating to the key performance indicators and outcomes 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 4 people between September 2020 and March 2021 and took a total of 24 weeks.

We conducted a dozen 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.

Comments

Without qualifying our conclusion, we express the following comments:

The "High level of research and development" policy does not include a key performance indicator.

Toulouse, March 22, 2021

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

Pauline de Saint Front

President

(1) Key performance indicators and other quantitative outcomes : (i) Total amount donated per year, (ii) Rate of transmission to individual Adverse Effects Observations authorities, (iii) Percentage of employees trained on the ABAC Policy (iv) Percentage of mitigating measures and controls implemented on time, (v) Percentage of employees trained in policies: personal data protection, (vi) Turnover rate, (vii) Tons of CO₂ emitted per m² at the 4 main sites, (viii) Energy spent per m² on research and development sites, (ix) Energy spent per batch produced (production), (x) Percentage of Valneva's waste destined for landfill, (xi) Work-related accidents: severity rate, (xii) work-related accidents: frequency rate.

**A European Company (*Societas Europaea*)
with a Management Board and a Supervisory Board
Registered Office: 6 rue Alain Bombard, 44800 Saint-Herblain (France)
Nantes Trade and Companies Registry (R.C.S.) No. 422 497 560**