



RISING



CONTENTS

ABOUT THIS REPORT.....	2
MESSAGE FROM THE MANAGEMENT	3
BUSINESS MODEL	4
VALNEVA'S CSR APPROACH.....	5
PROTECTING LIVES.....	7
ACTING ETHICALLY.....	12
DEVELOPING OUR PEOPLE	15
ENVIRONMENT	24
OTHER CSR INFORMATION.....	31
THE FRAMEWORKS USED TO DRAW UP THIS REPORT	33
METHODOLOGICAL NOTE	34
ENVIRONMENTAL INDICATORS.....	36
SOCIAL INDICATORS.....	37
INDEPENDENT AUDITOR'S REPORT	38



ABOUT THIS REPORT

The 2018 Corporate Social Responsibility Report offers an in-depth account of Valneva's Corporate Social Responsibility, or CSR, activities over the past year and the Company's CSR priorities going forward.

This year, the format of the report has 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 has decided to voluntarily continue its reporting for 2018. Thus, the present report describes not only the risks faced by the Company in its pursuit of sustainable growth, but also shows the counter measures put in place and Valneva's future plans to minimize these challenges.

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

The scope of reporting adopted in 2018 covers UK sites (Livingston and London), Sweden (Solna), Austria (Vienna), Canada (Montréal-Kirkland), USA (Washington, D.C.-Gaithersburg) and France (Nantes-Saint-Herblain and Lyon), or 99.9% of the Group's total headcount in 2018. The Japanese subsidiary is excluded from this scope because the business was reduced in 2018 (and the subsidiary was definitively closed at the end of the year). In 2018, the only remaining activities were development and license & partnership management, with one person active for 20% of standard working hours (0.1% of the Group's total headcount).

Valneva's environmental impact data come from the production sites (two sites) and R&D sites (two sites). These four sites represent 95.4% of the Group's total headcount in 2018.

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



MESSAGE FROM THE MANAGEMENT

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

Epidemic emergencies persist around the world, highlighting the importance of Valneva's business: developing and commercializing vaccines for infectious diseases with major unmet needs. Since Valneva's creation five years ago, we have continued working to protect the global population from dangerous illnesses such as Japanese encephalitis, cholera, Lyme disease and the chikungunya virus. Valneva continues to reinvest its commercial revenues into research & development and explores potential acquisitions that could bring us ever closer to a world in which no one dies or suffers from a vaccine-preventable disease.

Doing business in an ethical manner is part of Valneva's DNA where, internally 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.

Valneva's successful 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 is committed to fostering a working atmosphere where all are encouraged to continue pursue continued development. Our growing employee base is provided with multiple ways to learn and apply new skills in their current roles, as well as opportunities to explore their career options within the Company. No matter where our 475 employees are located, we are proud to offer a positive workplace environment in every one of our eight offices in Europe and North America.

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

Franck Grimaud, President & CBO

David Lawrence, Chief Financial Officer

Wolfgang Bender, Chief Medical Officer

Frédéric Jacotot, General Counsel



OUR RESOURCES



Human Resources
Talented individuals lie at the heart of Valneva's success



Financial Resources
Product sales revenues fund our research



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
As a vaccine producer, 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 biotech company developing and commercializing vaccines for infectious diseases with major unmet needs. Our robust pipeline includes the most advanced Lyme disease vaccine in development today.

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

RESEARCH & DEVELOPMENT

Clinical programs include:

- Lyme disease
- Chikungunya vaccine candidates

OUR CSR GOALS

We strive to create value for our stakeholders by:

- protecting lives with our vaccines and through access to healthcare initiatives,
- acting ethically in both R&D and our daily business,
- developing our people for future success, and
- respecting the environment upon which we all depend.



COMMERCIALIZATION

Two commercial vaccines:

- IXIARO®/JESPECT® (Japanese encephalitis)
- DUKORAL® (Cholera / ETEC¹)

MANUFACTURING

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

OUR RESULTS

Total Revenues

€ 113.0 M in 2018

Protecting Lives

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

R&D Investment

€ 25.3 M in 2018

Ethics

9 comprehensive policies to govern our activities

People

475² employees of 27 different nationalities

Environment

Reduced overall CO₂ emissions in 2018

¹ Indications differ by country — Please refer to the Product/Prescribing Information (PI) / Medication Guide approved in your respective country for complete information, including dosing, safety and age groups for which this vaccine is licensed; ETEC = Enterotoxigenic *Escherichia coli* (E. coli) bacterium

² as of December 31st, 2018

VALNEVA'S CSR APPROACH

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.



- Maintain vaccine confidence
- Support healthcare-oriented charities around the world
- Keep a high level of expertise in R&D
- Ensure patient safety
- Responsible manufacturing

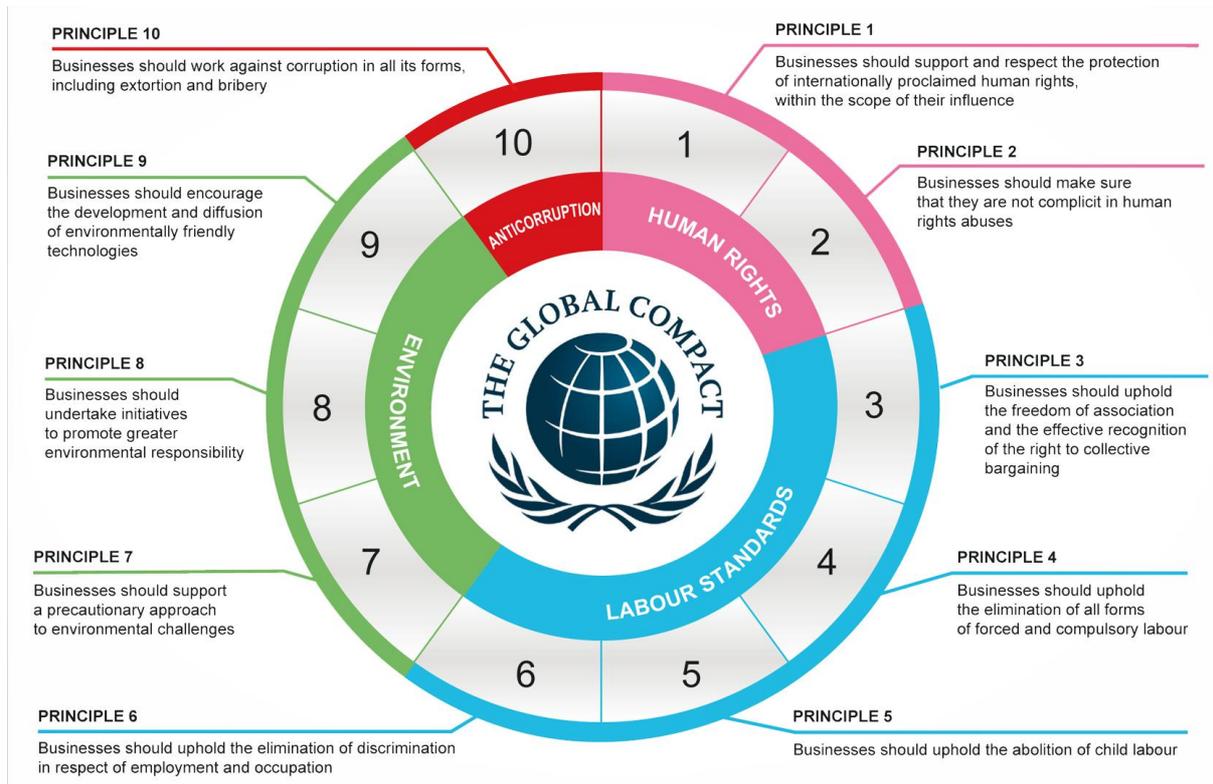
- Comply to the highest standard
- Optimize the strategic decision-making process

- Attract and retain talented people
- Promote diversity and guarantee non-discrimination
- Have the right levels of expectation to respond to market demand

- Climate change and our infrastructure
- Maintain safe manufacturing, R&D environments

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.



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.

PROTECTING LIVES

Valneva is engaged in the development and commercialization of vaccines for infectious diseases to help protect people around the world. The Company provides vaccines to consumers across the globe and ensuring access to healthcare and patient safety are Valneva's most important goals.



Maintaining vaccine confidence

Valneva works to develop and commercialize vaccines that effectively address critical needs and are able to receive marketing authorization by healthcare authorities in countries around the world, in order to provide possible protection to the greatest number of people.

The Company's new products must be accepted by regulatory bodies, health care professionals (HCPs) and patients before going to market. In pursuit of their acceptance, Valneva strives to ensure that these crucial stakeholders recognize the risks and public health burden of a given disease and that these challenges could be reduced drastically through vaccination. The Company addresses this risk through various means and with the help of multiple actors within and outside of Valneva, including but not limited to:

- + open dialogue with Key Opinion Leaders (KOLs) to ensure that Valneva's products and strategy address the disease burden and risks faced by patients,
- + engagement with regulatory authorities using scientific and data-driven discussions to support brand labels, bolstered by the support of KOLs, and
- + experienced local commercial teams with in-depth knowledge of the needs of their local market.

To measure the effectiveness of the activities undertaken by Valneva to mitigate the risk of commercial exposure, the Company ensures that its commercial teams are robust and well-qualified, with nearly 9% staff dedicated to this function in 2018.

Supporting healthcare-oriented charities around the world

Valneva supports access to healthcare and awareness initiatives within and outside of the Company's areas of expertise, through corporate partnerships, social media campaigns and joint events with charities around the world.

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 Thailand. Continuing its dedication to increasing access to healthcare, Valneva has extended this sponsorship in 2018 and plans to expand its involvement with the organization in 2019.



Valneva raises awareness of Baan Dek with its Christmas e-card

2018 saw a new corporate event to benefit the Foundation: a holiday supply collection for the children and families supported by Baan Dek. Employees from every one of Valneva's eight offices were encouraged to donate books, toys, personal hygiene items and children's clothing, which were then sent on to Baan Dek for distribution in Chiang Mai.



Support of the Encephalitis Society

Valneva is also a sponsor of the Encephalitis Society, the UK-registered brain inflammation charity that envision a world aware of encephalitis, its consequences and the support available.

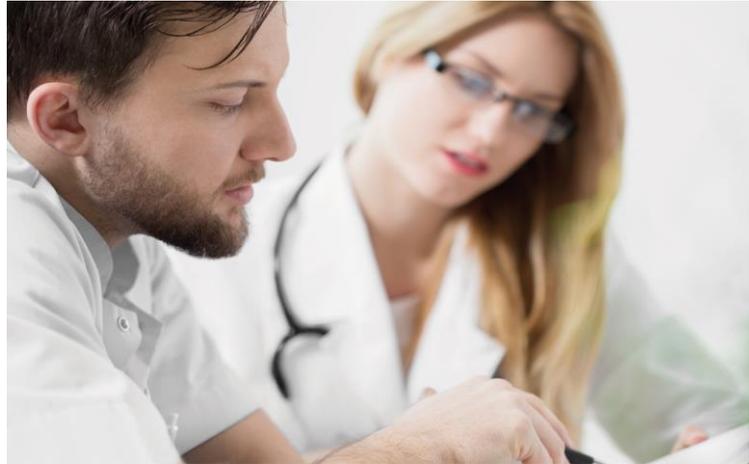


Local Community Engagement

In addition to corporate-level sponsorships of charities whose missions align with Valneva’s work, the Company also supports social engagement at the local level. Valneva encourages employees to participate in charity events and to volunteer in their communities.

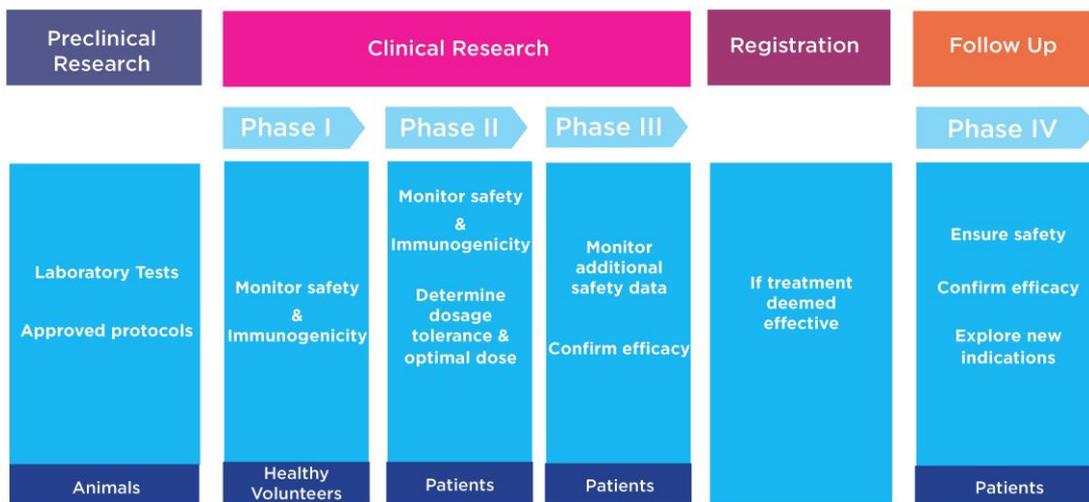
High level of expertise in R&D

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



The Company has to align and carry out several different activities, including multiple clinical trials, over a number of years before any vaccine candidate can be brought to market. Therefore, good planning and strategic guidance are essential to successful development. As such, Valneva works to mitigate the risk that one of its R&D projects cannot progress to market. To do so, the Company examines its research practices continuously and has an internal committee dedicated to maintaining the highest research standards.

How do Clinical Trials Work?



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



To complement the scientific review from Valneva’s internal experts, the Company also refers to external experts to confirm that the approaches it adopts for its clinical trials are the most appropriate and effective.

These reviews are coupled with rigorous project planning and regular alignment meetings to ensure that the development process is both well thought-out and progresses steadily, based on a sound scientific foundation and with the appropriate resources.

Ensuring patient safety

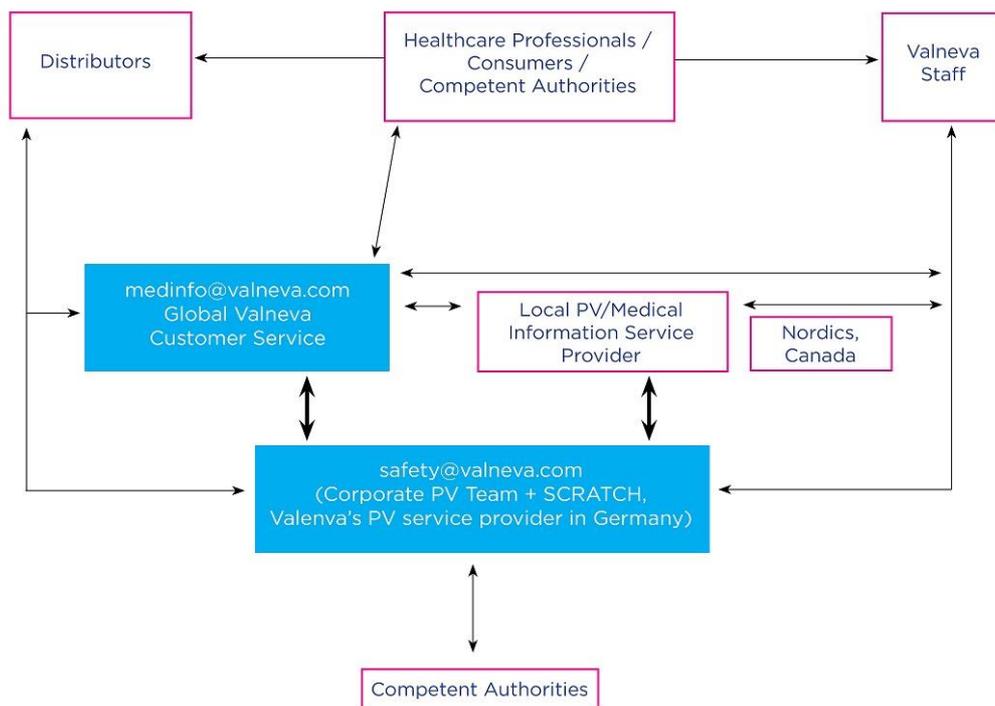
Once Valneva has successfully developed a product and received marketing approval from the necessary health authorities, the Company must ensure ongoing monitoring of patient safety. This responsibility to ensure the quality and safety of its products is paramount to Valneva, who continues to monitor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

Valneva’s Pharmacovigilance (“PV”) department oversees all activities related to product safety monitoring around the globe, ensuring the appropriate flow and management of safety-related information according to applicable regulations. Healthcare professionals and vaccine users have direct access, by phone and email, to Valneva’s Medical Information professionals who provide timely and accurate information on the Group’s products.

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

Valneva’s Pharmacovigilance (PV) System

The Flow of Safety Information





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

The primary aim of Valneva as Marketing Authorization Holder and Manufacturer is to ensure patient safety. During PV audits and inspections Valneva has proved to have a robust PV system in place. Furthermore, a set of KPIs has been established to monitor compliance on a quarterly basis. The primary PV KPI is the rate of submission of individual case safety reports (serious as well as non-serious) to the authorities, with an objective of 95% of submissions in time. While 99% of submissions (serious as well as non-serious) were performed in time in 2017, a rate of 100% was met in 2018.

Responsible manufacturing

Valneva's business is dependent on its ability to manufacture vaccines at its wholly owned Good Manufacturing Practice ("GMP") sites in Livingston, Scotland and Solna, Sweden. This activity presents inherent risks regarding the quality of the products manufactured at these sites and the possibility of not being able to provide the market with a sufficient number of IXIARO® and DUKORAL® doses to satisfy public health needs.

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

- + **Quality Control** evaluates the performance of the manufacturing process to ensure adherence to specifications and limits, and assesses the suitability of incoming raw materials, components, containers, closures, labelling, in-process materials and final vaccine lots.
- + **Quality Assurance** involves the systematic and independent examination of all trial-related activities and documents. This includes sites audits, vendor audits and system/process audits, as well as inspections and pre-approval inspections.

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

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

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

ACTING ETHICALLY

Developing new vaccines means that the Group has a responsibility to its consumers. Valneva maintains the highest ethical standards, protecting trial subjects through solid R&D processes and the continuous improvement the Group's business integrity and transparency to preserve the trust of the patients and the communities it serves.



Complying to the highest standard

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

Valneva's Code of Conduct

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



Valneva's Anti-Bribery and Anti-Corruption Policy

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

Valneva's Anti-Bribery Procedure

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

Valneva's Newest Corporate Compliance Policies

➤ Conflicts of Interest

In October 2018, the Company announced its Global Conflicts of Interest (COI) Policy. This new guideline builds upon the Code of Conduct and related compliance policies, providing worldwide standards to ensure Valneva’s business activities are not influenced by conflicts of interest. The COI policy also outlines how Valneva defines where an actual or potential conflict of interest may arise or where individuals may become vulnerable to accusations of bias, prejudice or misuse of authority. Finally, the policy helps Valneva to avoid the inference or conferring of an unfair advantage or disadvantage, real or perceived, on employees arising from a conflict of interest.

➤ Data Protection

In alignment with the European General Data Protection Regulation (GDPR), Valneva also created an official Data Protection Policy that became effective in May 2018. This policy governs how Valneva protects personal data in order to ensure compliance with data protection laws and regulations, specifically the GDPR. This policy further aims to ensure that employees understand the rules governing their processing of personal data from other employees, customers, suppliers, business contacts and other individuals with whom Valneva has a business relationship throughout the course of their work.

The Valneva GDPR Team, made up of 10 employees from the IT, HR and Law Departments, was formed to manage the review and documentation of Valneva’s personal data processing and draft a Data Protection Policy, corresponding SOPs and training for all employees. At the end of 2018, the Company also recruited a Data Protection Officer (“**DPO**”).

➤ Valneva Non-Retaliation / Non-Retribution Policy

Valneva believes that positive employee relations and morale can best be achieved and maintained in a working environment that promotes ongoing open communication between supervisors and their employees. Open and candid discussions of employee problems and concerns are strongly encouraged.

Valneva believes employees should express their problems, concerns, and opinions on any issue and believe that their views are important. To that end, the Non-Retaliation/Non-Retribution Policy



encourages employees to communicate problems, concerns and opinions without fear of retaliation or retribution.

Valneva's 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 2018, employees received a refresher course on C&E principles at “Compliance YOU-niversity”. The university-themed training event encouraged all employees to refresh their compliance knowledge earning a Valneva compliance “Bachelor’s degree”, “Master’s” or “PhD” based on the number of activities completed throughout the month. The 2018 C&E Month event garnered approximately 54% voluntary employee participation, compared to 53% in 2017.

Valneva further measures the performance of the entirety of its compliance risk counter-measures through the number of applicable corporate policies (nine, with three new policies compared to 2017) and the percentage of employees trained on our core compliance policies: anti-bribery and anti-corruption (over 93%), conflicts of interest (over 95%) and data protection (over 93%).

Optimizing the Strategic Decision-Making Process

In order to pursue its business activities as successfully as possible, Valneva makes investments and explores the possible acquisition of additional products and businesses. Such investments and acquisitions are both extremely important and potentially costly, requiring considerable, in-depth analysis before Valneva’s upper management can come to a sound, definitive decision. In order to minimize the risk inherent to this type of decision-making, Valneva:

- performs thorough internal and external due diligence,
- focuses potential Mergers & Acquisitions (“M&A”) on vaccines already on the market or on assets in commercialization stage (rather than less proven, early-stage assets),
- carries out thorough SWOT analyses of potential candidates (both vaccine candidates as well as potential M&A targets),
- and assures the full integration of any acquired business or asset.

This activity is also dependent on the solidity of Valneva’s corporate governance structure and the collective decision making process used by the Company’s Management Board. (For more information, please refer to Section B of the Registration Document.)

Combatting Tax Evasion

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

DEVELOPING OUR PEOPLE

Valneva's success stems from the engagement and expertise of more than 475 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.



Attract and retain talented people

Valneva's HR approach

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



Headcount by region

On December 31, 2018, the Group had 475 employees working in Austria, Canada, United Kingdom, France, Sweden, and in the United States.

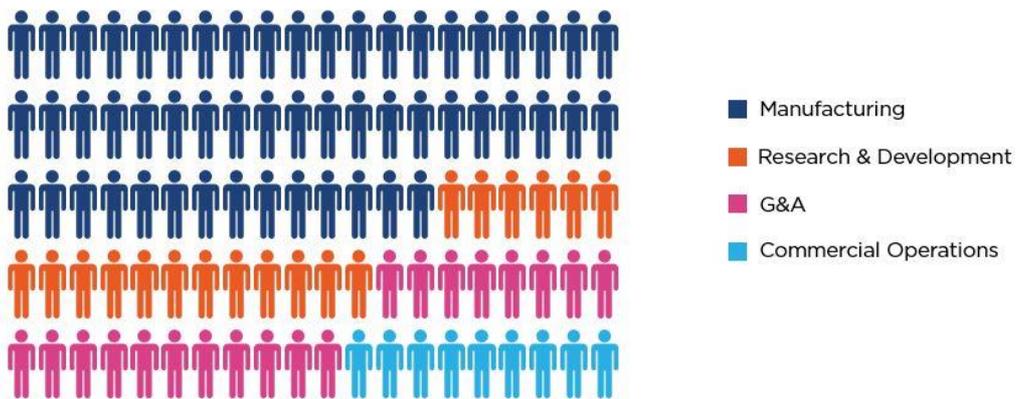


A wealth of expertise

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

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

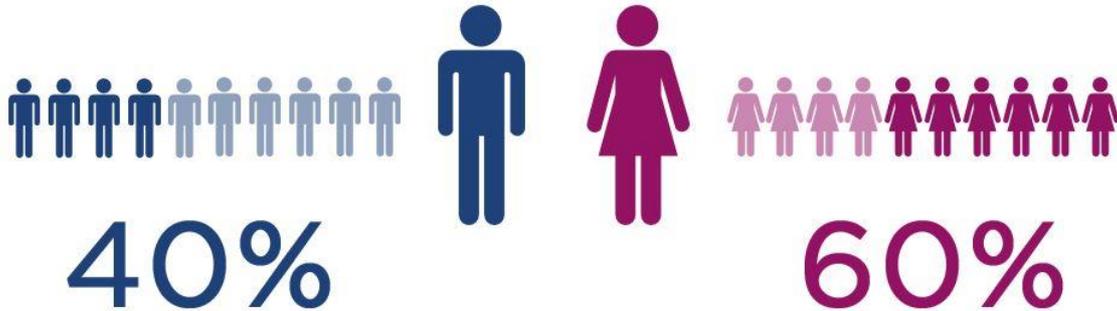
The Commercial Operations function has been consolidated over the past three years, with teams now located in Canada, United States, United Kingdom, Austria, and in the Nordic countries.



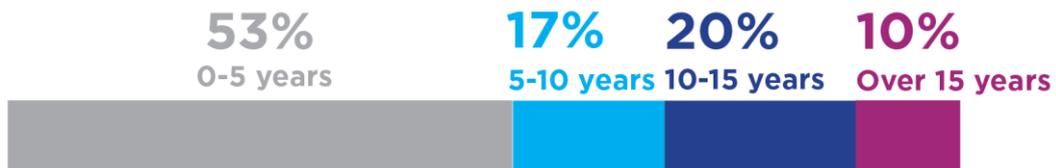


Gender Breakdown

Women are more highly represented than men at Valneva.



Seniority



In addition to ensuring wellbeing at work and Valneva's competitive compensation and benefits approach, we also use employee engagement surveys in France to learn more about how our employees feel at work and what we can do to develop a more lively, open and friendly working environment.

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 27 nationalities represented in its workforce, Valneva is built upon a unique identity in the vaccine industry.

Employee Mobility in Action

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

In the last two years, two Valneva employees in particular had substantial experiences on another site. One of our legal advisors, based in Nantes, had the opportunity to spend six months at our site in Sweden, where she learned more about distribution agreements while enjoying the Nordic way of life. Likewise, one of our senior technical assistants from Austria spent two and a half years at the Swedish



site. During his assignment, he shared knowledge with regard to processes and learned more about working on a manufacturing site, now speaking fluent Swedish.

Technical, scientific, organizational and human challenges are inherent to the sector in which Valneva operates. To respond to these challenges, the Group's HR strategy is dynamic, multicultural and agile. The Human Resources and Communications teams work with the local teams in each country and across functions to develop a common Valneva culture while respecting local characteristics: focusing on what unites us rather than our differences.

Valneva's highly experienced Human Resources department builds and deploys a policy designed to strengthen talent and organizational efficiency at both the local and Group levels. The Group HR strategy is built upon three pillars and associated processes:

The Three Pillars of Valneva's HR Strategy



Social Events: Solidifying Valneva's Culture

Valneva encourages workplace satisfaction and aims to cultivate a sense of value around its corporate culture. In order to do this, the Group not only provides competitive pay and benefits, but also regularly plans social and cultural events at the local and Group levels to foster unity across Valneva. Twice a year, local social events are organized at every site including traditional holiday parties and summer barbecues.

This year, on September 7th, Valneva organized a very unifying event – a Company-wide celebration of Valneva's fifth birthday. This event was celebrated on all sites, in order to enjoy the festivities together as one Valneva team.





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 Works 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, Canadian and US site leaders and HR team members develop a constant open dialog with the local workforce.

Labor relations	
Organization of employee-management dialogue	Health, Safety and Working Conditions Committee (CHSCT) report for Nantes, Local Committees, IWC Expectation Guide Performance
Collective bargaining agreements	98 % of the Group employees are covered by a collective bargaining agreement

HR Committee: Heading up Global HR Processes

The Human Resources Committee (HRC) is responsible for the implementation and execution of the Company’s global HR policies, systems and processes across all Valneva operating entities. The HRC acts as the functional alignment and escalation body for all local HR functions, including the HR Business Partners. The HRC manages and coordinates all information and consultation processes with the Works Councils, especially the IWC. Material operational and strategic decisions are escalated from the HRC directly to the Management Board.

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 in the five years since the Company’s creation.

In 2018, Valneva confirmed its goal of proposing competitive compensation within the Life science sector. The compensation program is reviewed annually in order to ensure continuous market competitiveness.

Innovative Working Arrangements

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

Flexible working hour arrangements exist for employees to facilitate a better work-life balance for as many employees as possible.

In addition, telework was tested in France this year in order to offer even more flexibility.

Objective: In striving for the continuous improvement of Valneva’s working conditions, time savings accounts are currently being implemented in France.



Promotion of diversity and guarantee of non-discrimination

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

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

Recognizing and Promoting Diversity

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

As a global company that respects all cultures, Valneva believes that the diversity of its teams is a valuable asset for future success, supporting greater innovation, efficiency and competitiveness. The 27 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.



Awareness and Inclusion of All Levels of Ability

Accompanied by the association "Les entreprises pour la Cité", which helps businesses promote diversity, Valneva France dedicated one week in March 2018 to informing employees about diversity. This themed week helped employees to brush up on their knowledge and learn how to prevent discrimination in the workplace.

Valneva France also decided to assign the apprenticeship tax assigned to specific schools – "L'Ecole de la 2ème chance" and "Entreprendre pour Apprendre" – that are dedicated to support students who are struggling with personal and learning difficulties.

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 Middlenext 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, two women are part of the Management Committee: the directors of Valneva’s Solna and Livingston sites, which are principally dedicated to manufacturing.

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



Average Age at Valneva

The average age of employees at Valneva is 43.



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

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

People Development Approach

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

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

To guide employees and managers in their development, the Human Resources department created an Expectations Guide, based on the contributions of the multi-country internal team who worked on



creating Valneva’s “Employee Value Proposition.” The Expectations Guide is a tool that makes it possible for each employee to progress in a manner that is aligned with Valneva’s expectations.

Valneva Corporate Training Program

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

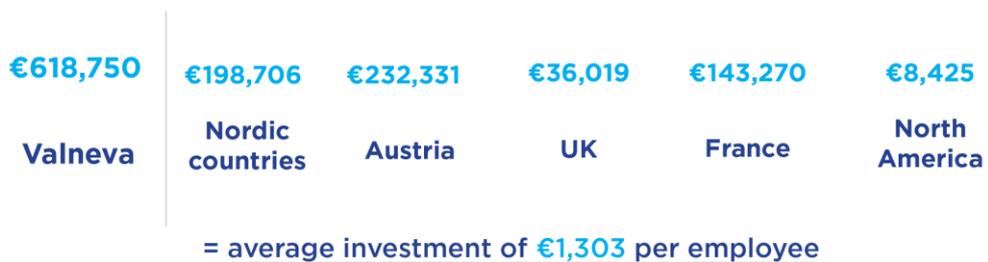
In November, IT Awareness training sessions were launched at all sites, educating employees in all functions about the compliance-related risks and dangers present in today’s rapidly-changing technological landscape.

Valneva Sweden continued the leadership training course for non-managers in 2018. Twelve employees at the Solna site were trained on communication, coaching and stress management, as well as on giving and receiving feedback in the workplace. The non-manager leadership training session lasted six days.

In 2018, our Global Finance Team gathered outside Vienna for its annual meeting to discuss the latest accounting developments, process improvements and strategy in person. Finance employees came together from all Valneva sites, which helped to further strengthen cooperation, communication and the cohesion of the team. In fact, 40% of the finance team had been with the Company less than one year at the time of the meeting. Therefore, the gathering allowed team members to share experiences, impressions and commitment.

Valneva’s Training Investment

Across the Group, Valneva’s total training investment was €618,750 for 2018, which represents an average of €1,303 per employee. This represents an increase of more than 18% from 2017.



Partnering with Educational Institutions

At Valneva, preparing for the future begins by supporting the development of the next generation of employees: the students who seek to discover the careers available at Valneva and learn more about the pharmaceutical industry. Group-wide, Valneva welcomed more than 12 students who were fully integrated into their teams and 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 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.

During 2018, Valneva Sweden welcomed five students from the program who for a ten week internship at the Company.



Attracting Future Leaders, Today

In May 2018, Valneva Austria participated in “Naturtalente,” a program of the University Vienna for high-potential students with life science backgrounds. At this occasion, two group of about 20 students were given the opportunity to visit Valneva Austria and gain insight on Valneva’s strategy, products, culture and career possibilities. Students also received a behind-the-scenes orientation program to see what the actual workspaces look like in order to get a feeling of Valneva as an employer. The program was highly appreciated and Valneva Austria could further strengthen its position as an employer as a result of the “Naturtalente” program, which will continue over the coming years.

ENVIRONMENT

As a vaccine company, Valneva is aware that the environment directly affects people's health. The Group feels that it has a responsibility to reduce its own carbon footprint and manage its waste and consumption.



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 meet twice per year in two distinct committees: the Environmental Health & Safety (EHS) Committee and the Biosafety Committee. These committee meetings allow for improved cross-site efficiency and alignment through experience sharing, 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.

The 2015 French Energy Transition Act established obligations to promote the circular economy and waste recycling. Good practices for waste separation, recycling and monitoring have been adopted by the Group. 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

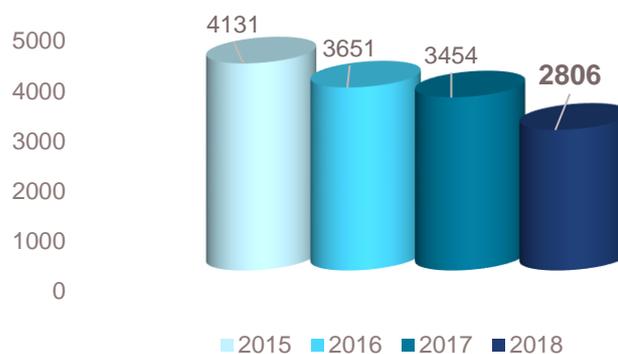
With regard to the environment, this policy ensures that the Company uses natural resources responsibly and works to minimize its environmental impact. This includes energy efficiency, minimization of waste, efficient use of water, choice of chemicals, raw materials and other materials.

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

- Reducing our carbon footprint

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

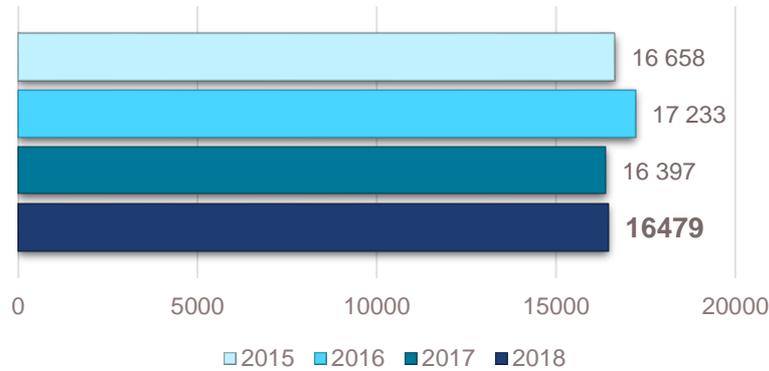
CO₂ emissions (in Tons)



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, the electric power used in Nantes, Vienna and Solna was entirely produced by renewable energies. This allowed us to reduce overall CO₂ emissions by approximately 600 tons in 2018 compared to the prior year, even though energy consumption rates remained stable during the same period.



Energy consumption (in MWh)



➤ Waste Management

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

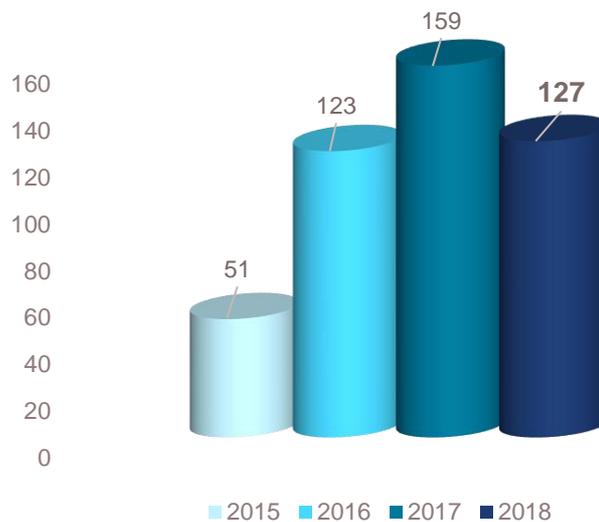
Valneva's activities produce waste which is then eliminated at the different sites in a manner which respects applicable local and European regulations. Separating, recycling and monitoring waste are major priorities for Valneva. For that reason, procedures have been implemented and indicators adopted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

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

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

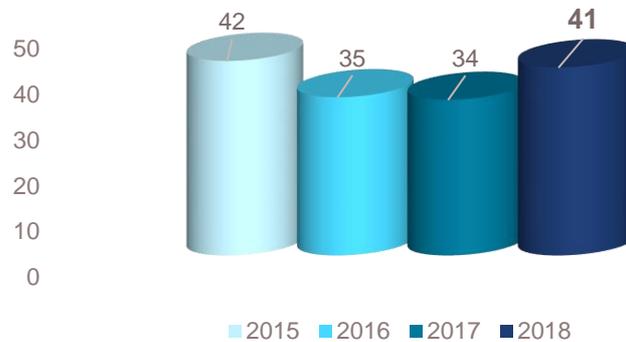
This last category includes very specific waste associated with the Group's activities in the biotech field: biological waste. It is subject to specific monitoring procedures by the teams on each site.

Quantity of hazardous waste produced (in Tons)



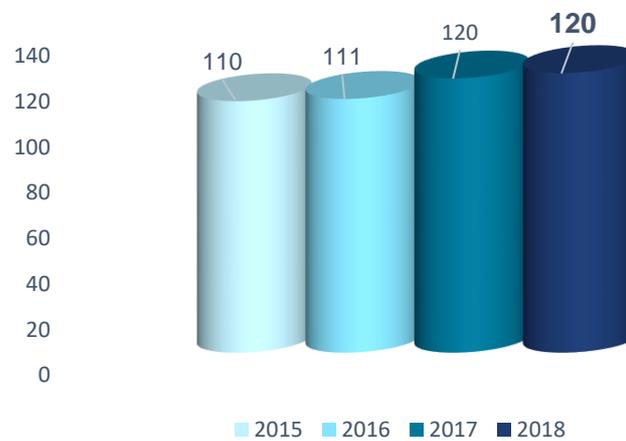


Solid Biological Waste (in Tons)



Solid biological waste are monitored and reported in this report because of their specific double-treatment (once internally and again externally).

Quantity of non-hazardous waste produced (in Tons)



Non-hazardous waste remained stable, despite increased production in Scotland and Sweden.

➤ Raw material consumption

The raw materials used by Valneva are essentially water, cell culture media, glucose, sodium hydroxide and buffer solution. The increase in raw materials used in 2018 is due to intensified production on the Scottish site.



Quantity of raw materials used (in Tons)



Note: There was an error in the selection of information at the time of data extraction from the production software, leading to changes in the figures previously reported for 2016 and 2017.

➤ Water Management

Valneva is committed to managing water responsibly to safeguard the health of individuals and communities.

In 2018, Valneva’s water consumption increased due to an issue with the cooling system in Vienna during an especially hot summer. In order to continue to cool the laboratories sufficiently, a provisory repair was made to the system. The Company is currently evaluating sustainable solutions to ensure the issue is resolved, including the installation of a spray cooling system. This will increase the cooling power of the chillers and reduce water consumption.

Water consumption (in cubic meters)





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

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

Valneva Global EOHS Policy: Focus on Manufacturing

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

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

EOHS: The right instincts

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

Managing EOHS Risks and Opportunities

Potential biotechnology risks have been identified at Valneva's manufacturing sites. Dedicated teams have been tasked with implementing and monitoring the necessary procedures for managing these risks, which include maintenance of the various installations and pieces of equipment at these locations.

To this end, Valneva's EHS Committee defines common objectives, follows common indicators and shares experiences regarding EOHS matters between all sites, including those related to R&D.

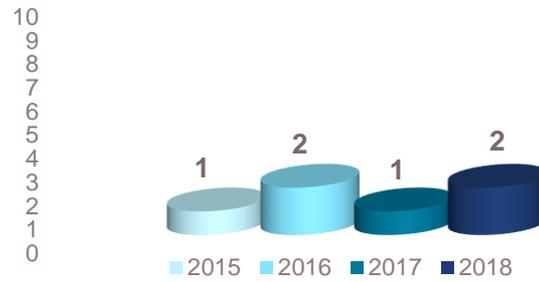
Manufacturing-related indicators monitored by the EHS Committee include the quantity, frequency and seriousness of work accidents. However, these data points have remained stable since Valneva's creation in 2013. Thus, only the following indicator is relevant to the present report.

- Work accidents

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



Work accidents



To date, the severity and frequency rates, which are generally excellent indicators to assess the level of safety for companies, are not relevant for Valneva due to the very low number of accidents within the Group. For that reason, these two indicators are not published in this Report.



Other CSR Information

Well-being at work project

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

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

Staying active

- + In Sweden, approximately EUR 170 (SEK 1800) is allocated per year and per employee for wellness activities
- + Yoga classes, running or walking sessions over during lunchtime in Sweden
- + Gym memberships are paid by the Company in Scotland
- + Valneva Canada offers a CAD 250 sport voucher to employees
- + The Company invites employees from multiple sites to visit Austria and participate in the annual "Business Run" footrace

Eating healthy

- + Fruit baskets, free cold and hot drinks (tea, water, coffee) available on all sites
- + Monthly social events in France including the launch of an employee vegetable garden
- + Meal vouchers available for Austrian and French employees

Reducing waste

- + Exclusive use of organic coffee and replacement of paper cups by porcelain mugs in Sweden to encourage sustainability

Healthy working conditions

- + Flexible working arrangements in Austria;
- + In Scotland, health information sessions focused on stress management and prostate, breast and skin cancers coupled with a monthly, on-site doctor and nurse visit
- + Support of a nursery near the company's Austrian site with easy access for Valneva employees

In 2018, Valneva France launched a survey in order to measure employees' sense of well-being at work. The results of the survey will be used in 2019 to create new programs to continue expanding in this domain.

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 tests. The Company works with these partners to complete questionnaires to verify adherence to all regulations before any work can begin. Valneva Nantes will include specific clause in the related contracts that requires the respect of all existing obligations with regard to animal welfare.



Animal welfare in Vienna

Valneva acknowledges its responsibility for the welfare of animals kept in its state of the art laboratories. National laws (Austrian Tierversuchsgesetz 2012 and Tierversuchs-Verordnung 2012) and international regulations (European Union's Directive 2010/63/EU and European Convention ETS No. 123) in regards to laboratory animal housing and the performance of animal experiments are strictly followed. Regular, unannounced inspections by the respective authorities are carried out in the laboratories.

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

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

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



THE FRAMEWORKS USED TO DRAW UP THIS REPORT

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.

The French Order n°2017-1180 of July 19, 2017

The Order n°2017-1180 is requires the publication of non-financial information by certain large businesses et certain groups of businesses.

The French Decree n° 2017-1265 of August 9, 2017

The Decree n° 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 19 July 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.



METHODOLOGICAL NOTE

Methodological note on Group CSR data reporting

In accordance with French law, Valneva's Corporate Social Responsibility report has changed format, focusing 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 top-ten 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 and production) 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.

Group structure of consolidated operations

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

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 (Livingston, Vienna, Solna and Nantes).

Reporting referential

To ensure the homogeneity and reliability of indicators tracked for all subsidiaries, the Group is continuing to adopt common guidelines for employment-related and environmental data. These documents specify the methodologies to be applied for the reporting of indicators for the entire Group: definitions, calculation formulas, etc.

Data collection method

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



1. maintaining the resource persons identified in 2017 to report quantitative and qualitative employment, social and environmental data for each site in order to optimize the collection process;
2. sending the resource persons a data collection spreadsheet for information to be provided along with guidelines for quantitative employment-related and environmental data;
3. 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;
4. implementation of a dedicated CSR reporting platform (installed on the internal server) to improve the data storage and facilitate access for the resource persons.

Materiality test

In 2018, due to the change in format of the CSR report, the project to perform a materiality test had been postponed.

Future Improvements

Valneva hopes to put in place Key Performance Indicators (KPIs) for the following risks/opportunities in 2019:

- Supporting healthcare-oriented charities around the world
- High level of expertise in R&D
- Responsible manufacturing
- Optimizing the strategic decision-making process.

We also aim to develop more complete KPIs for the following risks/opportunities in 2019:

- Attract and retain talented people
- Promotion of diversity and guarantee of non-discrimination
- Climate change.



DEFINITIONS

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 31st, 2018, 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 executive employees, corporate officers ("mandataires sociaux") in France, and two Management Board Members in Austria.

Average age

Average age is calculated by subtracting the birthdate from 31.12.2018. For example, 31.12.2018 - 16.12.1973 = 45.04 years.

Seniority

Calculated by the difference between Entry Date and December 31st, 2018, ignoring any absences due to maternity, paternity or educational leave.

Gender balance

Takes into account the total headcount and the Management Board.

Employee development

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

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

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.

Professional disease

An illness arising as a consequence of exposure to occupational risk factors (physical, chemical or biological risks).

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. This Report contains only accident with days lost.

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.

Materials

This item corresponds to materials used in the production cycle.

Energy

Only direct energy consumption (originating from a primary energy source) is taken into account. Energy savings linked to mechanism for monitoring consumption and optimizing equipment are reported in qualitative terms. Consumption expressed in MWh.

Water

Water consumption concerns solely withdrawn water volume. Consumption expressed in m³.

**Emissions, effluents and waste**

Direct emissions of greenhouse gas emission are taken into account. Direct emissions of greenhouse gas emission expressed in tons of CO₂.

Waste is taken into account by category according to a breakdown between hazardous and nonhazardous waste. The production of waste is expressed in tons.

Transport

Transport (employees, suppliers, customers) is not taken into account in this report due to the absence of data.

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.



INDEPENDENT AUDITOR'S REPORT

Report by the independent third party, on the consolidated non-financial statement included in the management report

Valneva SE

6 rue Alain Bombard

44 800 Saint Herblain

For the year ended December 31, 2018

To the shareholders,

As a member of the profession of certified public accountants appointed as 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, 2018, 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 Board of Directors is responsible for preparing the Statement, including a presentation of the business model, a description of the principal non financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators.

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

Independence and quality control

Our independence is defined by the provisions of article L. 822-11-3 of the French Commercial Code and the French Code of Ethics (Code de déontologie) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with the ethical requirements, French professional guidance 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;
- the compliance of products and services with the applicable regulations.

The work described below was performed in accordance with the provisions of articles A. 225-1 et seq. of the French Commercial Code determining the conditions in which the independent third party performs its engagement.

Nature and scope of our work

Our procedures allowed us to assess the compliance of the Statement with regulatory provisions and the fairness of the Information:

- we obtained an understanding of all the consolidated entities' activities, the description of the social and environmental risks associated with their activities and, where applicable, the impact of this activity on compliance with human rights and anti corruption and tax evasion legislation, as well as the resulting policies and their outcomes;
- we assessed the suitability of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;
- we verified that the Statement includes each category of social and environmental information set out in article L. 225 102 1 III as well as information regarding compliance with human rights and anti corruption and tax evasion legislation;
- we verified that the Statement presents the business model and the principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with its [their] business relationships, its [their] products or services, as well as its [their] policies, measures and the outcomes thereof, including key performance indicators;
- 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;
- we assessed the process used to identify and confirm the principal risks;
- we asked what internal control and risk management procedures the entity has put in place;
- 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 assessed the data collection process implemented by the entity to ensure the completeness and fairness of the Information;
- for the key performance indicators and other quantitative outcomes that we considered to be the most important, 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 8% and 23% of the consolidated data relating to the key performance indicators and outcomes selected for these tests;

- we referred to documentary sources and conducted interviews to corroborate the qualitative information (measures and outcomes) that we considered to be the most important;
- we assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

Means and resources

Our work was carried out by a team of 4 people between July the 13th and March the 19th and took a total of 8 months.

We conducted 6 interviews with people responsible for preparing the Statement.

Conclusion

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

Comments

Without qualifying our conclusion, the reader's attention is drawn to the paragraph "Future Improvements", section "Methodological note" concerning key performance indicators.

The reader's attention is also drawn to the consolidation scope described in the section "About this report".

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.