

2023 Extra-Financial Performance Report

2022 Activity

	Foreword - About this Report	2
	Editorial	3
1.	<i>Our Business, our Purpose, our Values, our Commitment</i>	<u>4</u>
1.1	Our Activity	4
1.2	Our Purpose	6
1.3	Our Values	6
1.4	Our Commitment	6
2.	<i>The Fundamentals of our CSR Approach</i>	<u>7</u>
2.1	Voluntary Commitments	8
2.2	International Frameworks and Benchmarks	9
2.3	European and American Regulations	10
3.	<i>GENFIT's Materiality Assessment and CSR Objectives</i>	<u>11</u>
3.1	Materiality Assessment	12
3.2	Objectives of our CSR Strategy	15
	3.2.1 Societal	15
	3.2.2 Social	15
	3.2.3 Governance	15
	3.2.4 Environmental	16
4.	<i>2022 Roadmap: Objectives, Initiatives and Results</i>	<u>16</u>
4.1	Our Societal Commitment	18
	4.1.1 Our vision of Societal Commitment	19
	4.1.2 Our 2022 Societal Objectives	20
	4.1.3 Societal Key Performance Indicators	20
	4.1.4 Our Societal Policies and Commitments	21
	4.1.5 Societal Initiatives	24
	4.1.6 Evolution of Societal Performance Indicators for 2022	27
4.2	Our Social Commitment	31
	4.2.1 Our vision of Social Commitment	31
	4.2.2 Our 2022 Social Objectives	33
	4.2.3 Social Key Performance Indicators	33
	4.2.4 Our Social Policies and Commitments	34
	4.2.5 Social Initiatives	37
	4.2.6 Evolution of Social Performance Indicators for 2022	39
4.3	Our Commitment in terms of Governance	50
	4.3.1 Our Vision in terms of Governance	51
	4.3.2 Our 2022 Objectives in terms of Governance	51
	4.3.3 Governance Key Performance Indicators	51
	4.3.4 Our Policies and Commitments in terms of Governance	52
	4.3.5 Initiatives in terms of Governance	55
	4.3.6 Evolution of Governance Performance Indicators for 2022	58
4.4	Our Environmental Commitment	63
	4.4.1 Our vision of Environmental Commitment	65
	4.4.2 Our 2022 Environmental Objectives	65
	4.4.3 Environmental Key Performance Indicators	65
	4.4.4 Our Environmental Policies and Commitments	66
	4.4.5 Environmental Initiatives	67
	4.4.6 Evolution of Environmental Performance Indicators for 2022	69

5.	2022 Overview, 2023 Roadmap and Conclusion	<u>73</u>
5.1	2022 Overview	74
5.2	2023 Roadmap: Objectives, Initiatives and Trajectories	75
	5.2.1 Societal	76
	5.2.2 Social	77
	5.2.3 Governance	78
	5.2.4 Environment	79
	5.2.5 Key Performance Indicators	80
5.3	Conclusion	81
6.	Appendices	<u>82</u>
6.1	Materiality Assessment - 2022 Initiatives	83
6.2	Materiality Assessment - 2022 Indicators	84
6.3	Materiality Assessment - 2023 Initiatives	86

Foreword - About this Report

This 2023 Extra-Financial Performance Report provides a detailed account of GENFIT's Corporate Social Responsibility (CSR) activities in 2022, and includes some elements relating to the beginning of 2023.

For this new edition, our goal is to continue to share relevant information with our stakeholders, so that they can be informed as precisely as possible about our CSR policy and strategy, the means implemented to achieve these objectives, and the concrete results obtained. Our aim is for our stakeholders to have the ability to independently assess GENFIT's efforts, while also encouraging them to engage in open and frequent communication with us.

GENFIT is not subject to any significant obligation in terms of non-financial reporting, but we are nevertheless committed to this publication, which is part of a voluntary and proactive transparency approach. We believe that environmental, social, societal and governance issues are essential to our company's sustainability and that of our core ecosystem.

Methodological note

The scope of this edition covers mainly our sites in Loos and Paris (France) and Cambridge (USA). Although the acquisition of Versantis AG did not come into effect until the very end of 2022, information relating to the Zurich (Switzerland) site and its employees is also included in this report.

The performance indicators cover information relating to GENFIT SA and GENFIT Corp (United States). This is specifically the case for social and governance indicators. However, there are a few exceptions, dictated by the need for representativeness. This is the case for environmental impact indicators, which are only assessed for GENFIT SA, given the relative size of the teams and buildings. Finally, in order to respect the confidentiality of personal data, certain social indicators cannot be shared for GENFIT Corp. employees, so as to avoid the identification of the employees concerned.

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Editorial

Editorial by GENFIT's Chief Executive Officer

"GENFIT's goal is to develop effective and safe therapeutic solutions for patients. This is fully in line with the United Nations' Sustainable Development Goal #3, " Good Health and Well-Being". Our ambition is to find treatments for patients suffering from rare and severe liver diseases for which there are no or limited therapeutic options.

To achieve this, we are capitalizing on our experience in clinical development in the field of severe liver diseases. In just a few years, we have established ourselves as an innovative stakeholder in the field of medical research and clinical development, bringing two major therapeutic programs into Phase 3, the final stage of development before regulatory approval and drug commercialization. In 2022, this has enabled us to further expand and diversify our field of exploration: it now covers several therapeutic areas through eight programs, four of which are in the clinical stage, two in the preclinical stage, and two focused on diagnostics.

Our positioning in the healthcare sector is a central element of our social policy, which we complement with a proactive social and environmental policy that is reflected in several specific initiatives carried out throughout the year by our teams. All of this is coordinated by a system of corporate governance that meets demanding criteria in terms of ethics, responsibility and fairness. With this in mind, the ESG Committee set up in 2021 meets at least twice a year to ensure that our roadmap is consistent with social and environmental issues, in accordance with our purpose. This roadmap reiterates our line of conduct and makes explicit our ambition in terms of corporate responsibility.

At management level, our CSR strategy is driven by our Chief Corporate Affairs Officer, Jean-Christophe Marcoux, a member of the Executive Committee. He has been leading our efforts in this area since the end of 2021."

Pascal Prigent

A word from the Chairman of the Board of Directors

"Since its creation, GENFIT has demonstrated its sense of ethics and responsibility, which continues to be reflected today at each level of the company. This is both a motivating factor for the teams, and a solid basis for cooperation and partnership with the various stakeholders."

Jean-François Mouney, co-founder of GENFIT

A word from the Chair of the ESG Committee of the Board of Directors

"A company can create value for its shareholders while integrating a social and environmental dimension into its objectives and its mode of governance. All of GENFIT's employees and directors are committed to this approach and the company's growth dynamic is therefore strengthened. CSR initiatives - which help to materialize the company's social and environmental responsibility - contribute to the improvement of its overall performance and the motivation of its employees.

Catherine Larue



Pascal Prigent,
Chief Executive Officer



Jean-François Mouney,
Chairman of the Board of Directors



Catherine Larue,
Chair of the ESG Committee

CHAPTER 1

Our Business, Purpose, Values and Commitment

1.1	Our Activity	4
1.2	Our Purpose	6
1.3	Our Values	6
1.4	Our Commitment	6

1.1 Our Activity

GENFIT is a late-stage biopharmaceutical company committed to improving the lives of patients with rare and/or severe liver diseases with high unmet medical needs.

GENFIT's primary mission aligns with the third Sustainable Development Goal established by the United Nations, "good health and well-being" which is detailed on the UN's [website](#).

GENFIT is focusing on **rare** diseases, which are too often neglected by medical research. Due to their nature, these diseases tend to cause misdiagnoses for patients. Their low prevalence generally limits the amount of information available to orient patients and/or provide them with psychological support. Moreover, we target patients suffering from pathologies that are in advanced and already **serious** stages, with a high short-term mortality. Finally, we focus our efforts on diseases for which patients have **few or no therapeutic solutions**. Our strategic positioning is to seek solutions for rather **minority** populations whose **lives are at risk** in the relatively short term; and whose **needs are neglected** since they do not benefit from treatments allowing them to be properly cared for. In other words, our research and development teams are working to meet very important and largely unmet medical needs. To learn more about GENFIT's therapeutic areas, see [chapter 4.1.6 - Health and well-being of patients](#).

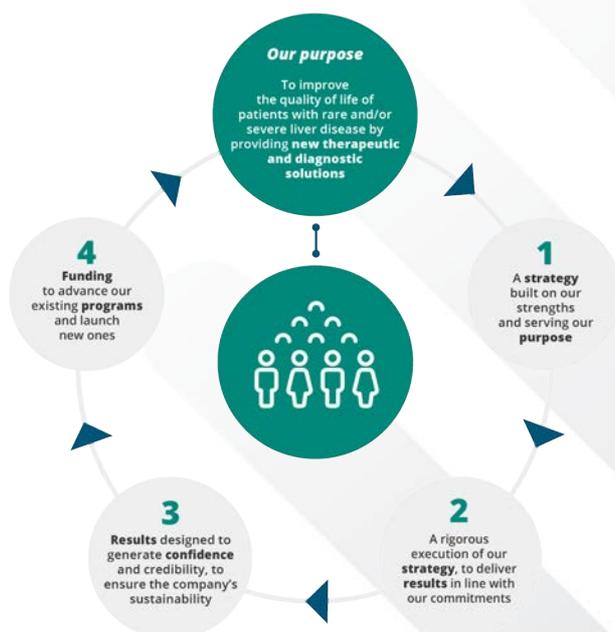
A different model from that of the pharmaceutical industry companies

While our ambition is to one day bring our therapeutic and diagnostic solutions to market, our business model is different from that of large pharmaceutical companies that already have products on the market. While large pharmaceutical companies are financed by the revenues generated by the sales of their drugs, GENFIT must find other sources of capital to finance its research, since most of its programs are still at the pre-clinical research or clinical development stages. The company is primarily funded¹ via two paths:

- by **raising funds** on capital markets through financial instruments that may vary according to the needs and context,
- or by signing **partnership** agreements as we did in 2021 with the pharmaceutical group Ipsen.

Our business model

We base our strategy on our strengths and at the service of our purpose.



We have 148 employees with robust R&D skills, and we use our network of experts and strong partnerships to rigorously execute our strategy.

¹ Public funding can complement these two pathways from time to time.

Our objective is to achieve results that align with our commitments, while meeting our stakeholders' expectations, both internal (employees) and external (patients, associations, Key Opinion Leaders, partners, shareholders, etc.). These results should generate confidence and credibility, so our successes create favorable conditions to obtain funding. This in turn will help mobilize the resources we need to advance our existing programs and launch new ones, all the while continuing to innovate through dynamic research and development and strategic alliances with other innovative organizations.

The goal is to secure the future of the company, serving **patients** and **physicians**, while creating value for **employees** and **shareholders**.

1.2 Our Purpose

Our purpose supports our long-term commitment with regard to the role we want to play in society, not only as an economic player seeking to create long-term value for our ecosystem and partners but also as an innovative biotechnology company working to improve patients' quality of life, and finally as a civic company striving to promote professional and personal development for its employees.

We intend to create general public benefit by generating a positive and significant social, societal and environmental impact through our activities. As part of this approach, our Board of Directors commits to taking into consideration (i) the social, societal and environmental consequences of its decisions on all of the Company's stakeholders, and (ii) the consequences of its decisions on the environment.

As part of this commitment, we have created a dedicated Environmental, Social, Governance, or ESG, Committee of the Board of Directors which meets at least bi-annually, to measure and track our extra-financial performance and communicate to the public through an annual extra-financial performance report.

1.3 Our Values

Our core values form the basis of our convictions and define our principles of action. They guide and influence the choices of our employees on a daily basis, and shape the relationships we develop with our ecosystem.

Innovation to serve patients

We are deeply committed to improving the health and quality of life of patients affected by severe chronic liver diseases. We seek new ways to advance science and medicine, with the goal of optimizing care for patients. With a strong desire to leverage our agility and responsiveness, we and our employees are striving to move our scientific and medical approaches forward, and improve patient management in terms of diagnostics, prevention and care.

Respect and diversity

We bring together talented employees with unique perspectives and experiences, we recognize and value diversity as a great strength, and ensure that all employees and third parties are treated fairly, with dignity and respect.

Ethics

We deliver true and accurate information to our partners and stakeholders and build our business relationships with honesty and transparency. We demand of ourselves and others the highest ethical standards and we conduct our business in a socially and environmentally sustainable manner.

1.4 Our Commitment

As part of this commitment and in accordance with the recommendation of the MiddleNext Governance Code, the Company has created a **Board Committee dedicated to CSR**, which meets at least twice a year to measure and monitor the Company's extra-financial performance, validate the roadmap in this area and ensure transparent communication to the public and all stakeholders, through an annual extra-financial performance report covering (i) the social, societal and environmental consequences of its decisions on all of the Company's stakeholders, and (ii) the consequences of its decisions on the environment.

CHAPTER 2

The Fundamentals of our CSR Approach

2.1	Voluntary Commitments	<u>8</u>
2.2	International Frameworks and Benchmarks	<u>9</u>
2.3	European and American Regulations	<u>10</u>

The scope of GENFIT's CSR approach goes beyond the close link between our core business and the 3rd Sustainable Development Goal (SDG) defined by the United Nations.

While we prioritize therapeutic areas for patients with particularly high medical needs

- **rare** (or orphan) diseases;
- diseases with **few or no available treatment options**;
- **serious** diseases, where patients' lives are at risk.

We also strive to deploy actions covering the other 16 Sustainable Development Goals, to have:

- a positive **social** impact;
- a positive **societal** impact;
- the lowest **environmental** impact possible;
- all thanks to an ethical and transparent **governance** system, aiming at operational efficacy.

And through a strong governance system, we manage the risks that could jeopardize the company's stability:

- damage intrinsically **induced by** our activity;
- environmental, social or societal risks that may indirectly or directly **impact** our business.

The way we select our CSR initiatives takes into account our specific business model as a biotechnology company, which differs from that of the large pharmaceutical companies. We follow a pragmatic approach. As we are mainly financed by our shareholders' investments and do not yet generate significant revenues from the sale of our products or services, we structure our efforts so that they remain consistent with our resources.

In selecting the initiatives, we pay particular attention to 5 criteria:

- the **real impact** of the initiatives planned, since GENFIT's philosophy is rooted in reality and on the field;
- their relationship with **our business field**, because it seems coherent to us to capitalize on what we know best: healthcare;
- the **ease** of their implementation, to take into account our limited size and resources;
- the degree of **involvement for our employees**, because we want CSR to be a participatory process;
- the possibility of creating **synergies** within our core ecosystem, particularly at the local level, because our commitment to the principle of cooperation places our stakeholders at the heart of our approach.

We also prioritize our choice of angles of attack:

- we give priority to **action** because our priority is to have a real positive impact on our ecosystem. This is also what best characterizes our DNA, marked by entrepreneurship and therefore by the desire to act quickly and simply.
- we formalize our CSR approach through the implementation of commitment **policies** that determine a clear framework for our actions, in order to draw a precise and ambitious strategy.
- Finally, we measure **performance** through the implementation of monitoring tools and indicators intended to serve as a lever for our CSR approach to gain in maturity over the years, in a logic of continuous improvement.

Although GENFIT is not concerned by any specific framework in terms of corporate social responsibility since our company does not fall within the criteria of Ordinance No. 2017-1180 of July 19, 2017 on the publication of extra-financial information by large companies and certain groups, we have decided to make a commitment on a voluntary basis.

2.1 Voluntary Commitments

By committing to the 10 principles of the **United Nations Global Compact**, GENFIT promotes and respects Human Rights (right to education, freedom of expression, a healthy environment, etc.) within its sphere of influence. Respecting Human Rights means being

vigilant in identifying potential direct or indirect negative impacts of the organization in order to correct them. Human beings must enjoy their rights without distinction as to race, color, gender, language, religion, political or other beliefs, national or social origin, property, birth or other status.

Beyond simply respecting human rights, we seek to take concrete and voluntary steps to support and promote respect for human rights by making a positive contribution through our core business, our strategic social investments, our corporate sponsorship policy, our partnerships and other collective actions.

To meet the challenges of its sector, its clients and its partners in the pharmaceutical industry, GENFIT also decided to join the "Responsibility and Reputation" commission of the **LEEM** (Les Entreprises du Médicament, the French Pharmaceutical Companies Association) in early 2022. Indeed, even if our business model - based on research and development of therapeutic and diagnostic solutions - is different from that of pharmaceutical companies that manufacture and sell drugs or medical devices, our objective is to be able to include our CSR approach in the framework of the current sectoral reflection. The interest of LEEM's work in CSR is based on the standard frameworks used: the **ISO26000** standard and the **17 ODDs** for the elaboration of its "Guide for pharmaceutical companies", or the recommendations of **ADEME** and **SBTi** in the framework of the support on the carbon balance.

We also follow the new recommendations of the **MiddleNext** Governance Code, which was last updated in September 2021, and in particular the seven points of vigilance concerning the "supervisory" power of the Board of Directors.

Finally, we consider with interest the elements of the **PACTE Law** promulgated in 2019, which recognizes the fact that each company has social and environmental issues that must be taken into consideration to the extent of its means, and encourages a global, coherent CSR approach, and in connection with the company's core business.

The company is a signatory of the **regional PAQTE (Pacte Avec les Quartiers pour Toutes les Entreprises)** an initiative led by the Ministry of Territorial Cohesion and Relations with Territorial Communities ((www.paqte.fr)).

Finally, to translate our vision into our roadmap, we base our commitment on the **UN's 17 Sustainable Development Goals**, to which we have reiterated our commitment in December 2022 by again signing the **UN's Global Compact**.

2.2 International Frameworks and Benchmarks

Global benchmarks and frameworks

Our approach to CSR is based on existing benchmarks which, although heterogeneous, are useful standards.

Among them are the **seventeen Sustainable Development Goals (SDGs) designated by Member States of the United Nations**, gathered in the 2030 Agenda.



The **ISO26000** standard is also a reference as it defines a precise perimeter around the underlying principles of CSR on seven central themes: organizational governance, human rights, labor relations and conditions, environment, fair practices, consumer issues, communities and local development. The guidelines and the four sets of standards (universal, economic, environmental, social) set out by the **Global Reporting Initiative (GRI)** also serve as a guide for reflection. This is also the case for the work of the **Sustainability Accounting Standards Board (SASB)**, or the **IFRS Foundation**, which has announced the establishment of a new sustainability

standards development board in 2021, with the **International Sustainability Standards Board (ISSB)**, which will be responsible for setting core global sustainability reporting standards to meet investors' needs.



Other frameworks complete this non-exhaustive inventory, with variations in the relative weight of criteria depending on the organizations that define them. Several sets of recommendations of organizations and institutions coexist; such as those of BCorp, ISS, Moody's/Vigeo-Eiris, Sustainable Fitch, Ethifinance/Gaia, CDP, EcoVadis, Sustainalytics, Novethic, MSCI, AFEP-MEDEF, etc.

At GENFIT, the implementation of CSR is based on principles that match most of the above-mentioned approaches, and which are globally recognized:

- A first approach distinguishes **four types of essential challenges** from which our CSR objectives are derived: Environmental, Social, Societal, and Governance (ESG);
- A second approach distinguishes **three types of activities** to be undertaken in order to address these key CSR challenges and achieve our goals: Policies and Strategies, Implementation Systems and Activities, and Performance Assessment (PSP).

Limits of CSR standards' application

In terms of ESG, the fundamental differences in CSR criteria between the major players in the pharmaceutical industry and biotech companies have significant implications on the way certain CSR issues are addressed. Below are a few examples of titles and criteria on issues that are essential for the pharmaceutical industry as a whole. However, GENFIT, having no product on the market yet, cannot be rated relevantly based on these criteria:

- "Accessibility and Pricing Conditions of drugs for patients" (SASB)
- "Counterfeit medicines" (SASB)
- "Water and pharmaceutical residue management" (ISS)
- "Access to medicines in underserved geographies" (ISS, Moody's)
- "Respect for human rights in bioprospecting projects" (Moody's)
- "Respect for human rights in our genetic research activities" (Moody's)

Nevertheless, GENFIT recognizes the crucial importance of these issues, and for this reason:

- **has provided the information required by the international GRI and SASB frameworks in the appendix to this report**
- **remains attentive and contributes to the collective effort in education and awareness on these essential issues**
- **ensures that its main partners concerned by these issues care for them and act accordingly.**

2.3 European and American Regulations

The Company is preparing for the coming into effect of new or planned European and American CSR standards:

European regulations

At the end of 2022, EU institutions adopted and published the final version of the CSRD (Corporate Sustainability Reporting Directive) in the Official Journal. This new directive significantly strengthens the requirements of the previous NFRD (Non-Financial Reporting Directive) in terms of extra-financial reporting and notably extends the reporting obligation to listed SMEs such as GENFIT. In practice, the CSRD intends to create precise sustainability reporting standards whose application will be mandatory for all companies included in the target perimeter, and encouraged for the others. In the same way that IFRS standards provide a strict framework for financial reporting, these future sustainability reporting standards will guide very precisely the way in which information must be provided and its content. The reporting process will be simplified thanks to the interoperability of CSR criteria, and homogeneous standards are being developed by the European Financial Reporting Advisory Group (EFRAG).

 **US regulations**

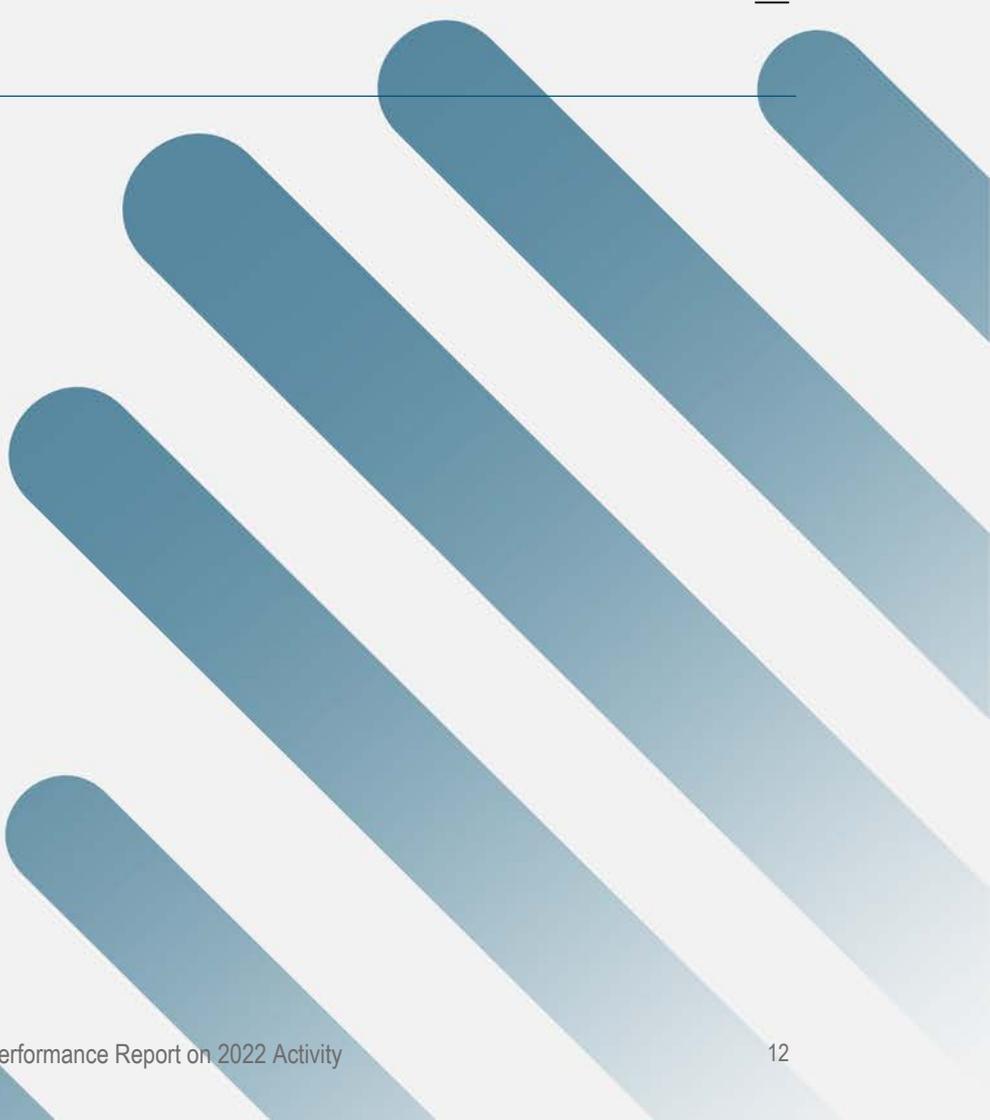
The Securities Exchange Commission (SEC) has also issued a proposed rule in 2022 to require U.S.-listed companies of a certain size, including Foreign Private Issuers (FPIs), to provide standardized climate reporting in their annual reports.

When required, GENFIT will adapt its CSR reporting according to the scope of application and the criteria that will be retained by these different standards.

CHAPTER 3

GENFIT's Materiality Assessment and CSR Objectives

3.1	Materiality Assessment	<u>12</u>
3.2	Objectives of our CSR Strategy	<u>15</u>
	3.2.1 Societal	<u>15</u>
	3.2.2 Social	<u>15</u>
	3.2.3 Governance	<u>15</u>
	3.2.4 Environmental	<u>16</u>



3.1 Materiality Assessment

An analysis of best practices in terms of CSR strategy implementation distinguishes 4 steps to be undertaken to address the main CSR issues and achieve objectives. The analysis of risks and opportunities (**materiality**) comes first, followed by the implementation of **policies** and procedures to mitigate ESG risks, the creation of objectives and **action plans** to achieve them, and finally the identification of performance monitoring **indicators**.

Materiality assessment: well identified material issues in line with stakeholders' expectations

As a biotechnology company, GENFIT considers that its main challenges are, according to the principle of dual materiality:

- The **resilience of its business model**, which is based on its ability to:
 - advance its scientific programs on the regulatory front (by managing *risks*), and expand its portfolio with new programs (by seizing *opportunities*) in order to meet the patient needs that are at the heart of its purpose;
 - finance itself by diluting its shareholders as little as possible, and by increasing the value of its scientific results and regulatory advances as much as possible, in order to give itself the means to continue to advance its research and development work;
 - develop employee commitment by ensuring that diversity, inclusion and quality of work life are driving forces, to keep programs moving forward.
- The **control of its impact on its ecosystem**, through its ability to:
 - generate a positive societal contribution;
 - limit the carbon footprint of its activities.

In 2023, as explained in the conclusion of this report, a process of formalizing material challenges will be launched with our internal and external stakeholders in order to co-construct a **materiality matrix** that will be regularly updated according to the evolution of GENFIT's business model and its environment.



Applicability of the material issues identified by the SASB standard

In the meantime, in order to meet the expectations of investors, we have looked at the 9 topics considered as material by SASB for companies in the [biotechnology and biopharmaceutical](#) industry:

Category	Sub-category
Human Rights and Community Relations	Safety of Clinical Trial Participants
Access and Affordability	Drug access
Access and Affordability	Accessibility and pricing
Customer Welfare	Drug Safety
Customer Welfare	Counterfeit drugs
Sales practices and Product Labeling	Ethical Marketing
Employee Engagement, Diversity and Inclusion	Recruiting, Developing and Retaining Employees
Supply Chain Management	Supply Chain Management
Business ethics	Business ethics

Of these 9 issues, only **four directly apply to GENFIT** due to its development stage:

- "Human Rights and Community Relations - Safety of Clinical Trial Participants."
- "Customer Welfare - drug safety"
- "Employee Engagement, Diversity and Inclusion - Recruiting, Developing and Retaining Employees."
- "Business Ethics"

The "Access and Affordability - Drug Access" is relatively **far removed from the material issues** of a biotechnology company such as GENFIT and only makes sense through the very specific angle of "clinical trials", on which GENFIT contributes positively:

- by giving access to innovative drugs (still in the development phase) to patients suffering from rare and severe diseases with no (or very few) therapeutic solutions;

- by providing access free of charge, since patients participating in clinical trials have their entire medical expenses covered.

Finally the following four issues **cannot be considered as material issues** for GENFIT, since the company does not yet sell any drugs (directly or indirectly):

- Access and Affordability - Accessibility and pricing;
- Sales practices and Product Labeling - Ethical marketing;
- Client wellness - counterfeit drugs; and
- Supply chain management.

Other issues not retained by SASB, however, could potentially be considered material for GENFIT:

- *"Employee health and safety": since innovation is an essential lever for GENFIT's success, and since this success depends on its employees, their health as well as their safety can be considered as material issues.*
- *"GHG emissions": upcoming regulations will soon impose strict, complex and mandatory reporting standards in this area, so even if GENFIT's environmental footprint remains small, both in absolute and relative terms on the scale of its industrial sector, the subject of transparency and the quality of the figures reported can be considered material.*
- *"Product design and life cycle management": Patients, GENFIT's future clients in a B-to-B-to-C model (with a pharmaceutical partner as intermediary), are deeply involved in the design/validation process of drug candidates developed by GENFIT, well before their eventual launch on the market. Indeed, only drug candidates demonstrating efficacy and safety in clinical trials conducted under the strict control of regulatory agencies can be commercialized.*
- *"Waste and hazardous materials management": our research activity in the laboratories require us to follow strict methods of treatment and tracking of the waste we generate, even if quantity is very limited.*
- *"Data protection": for companies undertaking clinical trials, it is vital to be able to guarantee the protection of data of those patients enrolled in our clinical trials. Moreover, as our head office is based in France, we are subject to the GDPR, requiring us to stringently manage the company's proprietary and non proprietary data.*

In order to analyze GENFIT's materiality with respect to the SASB referential grids we decided to base ourselves on the following list of criteria.

Category	Sub-category
Human Rights and Community Relations	Safety of Clinical Trial Participants
Customer Welfare	Drug Safety
Employee Engagement, Diversity and Inclusion	Recruiting, Developing and Retaining Employees
Business ethics	Business ethics
Human capital	Employee health and safety
Environment	GHG emissions
Environment	Waste and hazardous material management
Business model and innovation	Product conception and lifecycle management
Social capital	Data protection

Frameworks related to the materiality of the issues

For ease of reading, three summary tables are provided in the appendix of this report (see [chapter 6 - Appendices](#)):

- the first one covers **initiatives implemented in 2022**
- the second one covers the **KPIs**
- the third covers the initiatives related to the **2023 roadmap**

These tables make the link between the politics, actions, performance indicators and their materiality defined by:

- the ISO26000 standard (and the relevant chapters)
- the United Nations' SDGs (the relevant ODD)
- the SASB standard (the relevant code in relation to the indicator)
- the GRI standard (the relevant code in relation to the indicator)

They are completed by GENFIT's internal referential, which are based on PSP/ESG (see [chapter 2 - the fundamentals of our ESG approach](#))

3.2 Objectives of our CSR Strategy

GENFIT is committed to implementing policies and taking concrete action in each of the four areas of CSR. However, the nature of our business and our size require us to prioritize on certain issues:

3.2.1 Societal

Societal issues are at the top of our concerns and represent the first pillar of our CSR strategy:

- The **health of individuals**, a central element of our purpose, is the core of our activity;
- In addition, the fact that our **headquarters are deeply rooted in its local environment** means we want to give priority to local issues such as education, employment and integration, which are particularly relevant in the Hauts-de-France region², where the scores on the various socio-economic indicators are often below the national average.

These objectives also address **the material issues** identified above:

- **Improving the health and well-being of people** with rare liver diseases (our purpose and SDG #3);
- **Human rights and community relations** and in particular the safety of clinical trial participants;
- **A positive contribution to society** through:
 - Accessibility to healthcare and medication of people with rare liver diseases;
 - Territorial anchoring through the promotion of education, employment and integration of underserved populations in Hauts-de-France.

3.2.2 Social

The success of a biotech company is largely based on its expertise, in a logic of **innovation**. **Human capital** is therefore essential and must be protected and developed.

Our Human Capital development objectives are related to the material topics identified above:

- **Employee Engagement**, Diversity and Inclusion;
- **Employee Recruitment**, Development and Retention;
- **Resilience of our business model** through employee engagement by ensuring that diversity, inclusion and quality of work life are driving forces

3.2.3 Governance

Governance is the third pillar of our CSR strategy, for two reasons:

- A double **regulatory** constraint characterizes our activity:
 - In the **scientific and medical** field: GENFIT develops drug candidates which, if they are ever approved by the regulatory authorities, are intended to be administered to patients who, in the meantime, can participate in clinical trials designed to demonstrate efficacy and safety. Indeed, we are subject to particularly strict regulations in the medical field: the requirements of regulatory agencies govern our conduct in terms of collaboration with healthcare professionals, clinical research and development activities, and pre-commercialization activities related to the potential launch of future products;
 - In the **financial** field: GENFIT is a dual listed company on Euronext Paris and Nasdaq Global Select stock markets in New York, USA, which implies transparent and strict governance practices, monitored by the authorities in charge of compliance with specific financial regulations (SEC in the USA, AMF in Europe).
- Good governance, beyond the mere regulatory aspect, allows us to address **operational and strategic issues**:

² In 2015 in the Hauts-de-France, 12.0% of young people did not have a degree and were not in school, the highest rate in metropolitan France (8.7%). Share of the working population with the lowest level of education in France. The proportion of students enrolled in doctoral programs is one of the lowest in France. The Hauts-de-France region is characterized by the lowest employment rate in France. With an unemployment rate of nearly 10%, the Hauts-de-France region has the highest rate in France. The inhabitants of the Hauts-de-France region have the lowest median annual income in metropolitan France. Some territories are very affected, and the poverty rate for young people is 15 points higher than the national level.

- **Risk** control and management with the aim of making GENFIT's business sustainable;
- Identification of **opportunities** to grow our business and optimize our social, societal and environmental impact;
- Strong commitment to **Business Ethics** identified as one of the material subjects according to SASB international framework.

3.2.4 | Environmental

The environmental pillar is also important for GENFIT: as a biotechnology company with the goal of developing therapeutic and diagnostic solutions, we are aware of the **key role the environment plays in the health of our fellow citizens**, and we believe that one of our responsibilities is to act to reduce our environmental impact.

Admittedly, the level of risk associated with our activity seems relatively low since it remains at this stage focused on research and development work that does not lead to industrial production or a distribution chain. In addition, GENFIT has fewer than 150 employees, and its rather sedentary activity, mainly concentrated in laboratories or offices, generates little travel. However, although our consumption of raw materials, our environmental emissions and our carbon footprint are **relatively limited by nature**, we nevertheless wish to take a proactive approach in reducing environmental damage, in line with the objectives set out in the Paris Climate Agreement signed in 2015.

CHAPTER 4

2022 Roadmap: Objectives, Initiatives and Results

4.1	Societal Commitment.....	<u>18</u>
4.2	Social Commitment.....	<u>31</u>
4.3	Commitment in terms of Governance.....	<u>50</u>
4.4	Environmental Commitment.....	<u>63</u>

4. Roadmap 2022: Objectives, Initiatives and Results

GENFIT has recently established an ambitious new roadmap for 2022 that builds upon its previous commitments outlined in the 2021 report. This new roadmap will allow GENFIT to continue, reinforce, and accelerate its commitment to achieving its objectives. This roadmap was discussed by the ESG Committee, then reported to and validated by the Board of Directors regarding the main areas of focus. Particular attention was paid to a balanced distribution of new initiatives according to: the different social, societal, environmental and governance aspects; the five specific criteria predefined by GENFIT (see [chapter 2 - The fundamentals of our CSR approach](#)); the nature of the initiative (implementation of policies, launch of concrete actions, key performance indicators).

Our 2022 CSR Initiatives

Societal

Support of the “CapTech Santé Nutrition” Fund, a new player in health innovation in the Hauts-de-France region

Continuation and diversification of our exchanges with patient associations

Contribution to the work of think-tanks in the field of healthcare

Mentoring of local students: The Hibster/Deepster Hackathons organized by Eurasanté

Redistribution of the apprenticeship tax

Creation of a position of Corporate and Public Affairs Manager

Organization of “Pipeline Days” to inform the players in our core ecosystem

Societal initiatives for the benefit of people and entities in need

Social

Annual survey of our employees

Integration plan following the acquisition of Versantis AG entitled “ONE GENFIT”

Publication of a Charter on disability

Evolution of the health insurance for employees and implementation of an additional insurance plan

Teambuilding activities

Video clips highlighting our professions and our employees

Various initiatives carried out by our employees

Governance

Integration of a “Raison d’être” in the company’s statutes

Set-up of a team of CSR Leaders

Specific CSR training program with external instructors

Internal CSR awareness campaigns

Update of the Code of Conduct and Ethics and training

Participation in the self-assessment process specific to the pharmaceutical sector

Development of a responsible purchasing policy

Adjustments to the corporate governance structure and programs following the acquisition of Versantis AG

Publication of an in-house newsletter detailing our CSR activities

Environment

Set-up of a carbone offsetting scheme for business travel

Implementation of the CarbonEM tool for a precise measurement of our carbon footprint

Replacement of our fleet of vehicles with plug-in hybrids or electric vehicles

Installation of charging stations for electric vehicles in our headquarters car park

Participation to Ecological Transition Workshops organized by the Lille European Metropolis

Adaptation of our green spaces to better respect biodiversity

For our employees, promotion of soft mobility

Promotion of an environmental protection approach

4.1 | Our Societal Commitment

- 4.1.1 Our vision of Societal Commitment 19
- 4.1.2 Our 2022 Societal Objectives 20
- 4.1.3 Societal Key Performance Indicators 20
- 4.1.4 Our Societal Policies and Commitments 21
- 4.1.5 Societal Initiatives 24
- 4.1.6 Evolution of Societal Performance Indicators for 2022 27



4.1.1 Our vision of Societal Commitment

GENFIT is a biotechnology company whose goal is to provide solutions to healthcare issues that affect society as a whole. With **this purpose in mind**, the challenge we are trying to address is societal:

- At the service of patients, for whom our teams work every day;
- At the service of the medical profession that accompanies these patients on a daily basis.

If we consider that we have a role to play as a company specialized in the field of clinical research and medical innovation, we believe that it is also our duty to **act as a responsible civic player**:

- With our stakeholders, with whom we wish to maintain a qualitative dialogue;
- And more broadly with civil society as a whole, for which we wish to be useful by contributing positively to the implementation of solutions for problems that are outside our daily lives and/or do not directly concern our core business.

4.1.2 Our 2022 Societal Objectives

Our 2022 societal objectives are based on two pillars :

Patient health and wellness: a commitment to fighting rare and severe liver diseases

- Improving the health of people with rare and severe liver diseases for which there are no or limited treatment options (our purpose and SDG 3);
- Accompanying patients and their families as well as the medical profession committed to preserving the health of these patients;
- Human Rights and Community Relations with a focus on Clinical Trial Participant Safety;
- Access to care and medication for people with rare and severe liver diseases for which there are no or limited therapeutic solutions.

Reference ecosystem: stimulating dialogue with stakeholders

- Maintaining quality dialogue with all our stakeholders
- Mobilizing GENFIT via several citizen initiatives

Local ecosystem: territorial anchoring, social and environmental responsibility, dialogue with stakeholders

- The promotion of education, employment and integration of disadvantaged populations in the North of France
- The purchasing policy in favor of local and regional service providers, and committed to CSR
- The proportion of suppliers based in France and expenditure
- The proportion of suppliers based outside of France and expenditure

4.1.3 Societal Key Performance Indicators

We continue to measure our performance in this area using some of the following qualitative and/or quantitative monitoring indicators:

Patient Health and Wellness

objective: fighting rare and severe liver diseases

- Number of therapeutic areas covered by GENFIT's research and development activities
- Number of patients affected by the diseases that our therapeutic and diagnostic innovations target
- Number of ongoing clinical programs
- Number of patients treated by the Company's products
- Number of FDA sponsor inspections relating to the management of clinical trials and pharmacovigilance
- Description and number of events co-organized with patient associations;
- Number of health-related working group meetings.

Positive contribution to the ecosystem of reference

objective: stimulation of dialogue with our external stakeholders

- Number of civic engagements in which GENFIT is directly or indirectly involved;
- Number and diversity of stakeholders with whom frequent dialogue is maintained;
- Results in terms of initiatives taken by GENFIT

Positive contribution to the local ecosystem

objective: territorial anchoring, social and environmental responsibility, dialogue with stakeholders

- Actions undertaken to promote education, employment and integration of disadvantaged populations in the North of France
- Number of projects allocated and/or number of projects financed in the field of health and innovation
- Proportion of suppliers based in France and associated expenses
- Proportion of suppliers based outside of France and associated expenses

4.1.4 Our Societal Policies and Commitments

Commitment to the safety of our patients participating in our clinical trials

Service providers undertaking clinical trials are required to supply insurance that their employees possess the necessary qualifications and experience to run a trial which complies with exemplary and relevant practices. GENFIT is committed to respecting scrupulously the directives of the competent ethical committee, the provisions of the Declaration of Helsinki and the recommendations of the World Health Organization and The International Council for Harmonization of Technical Requirements for Pharmaceuticals for Human Use (ICH).

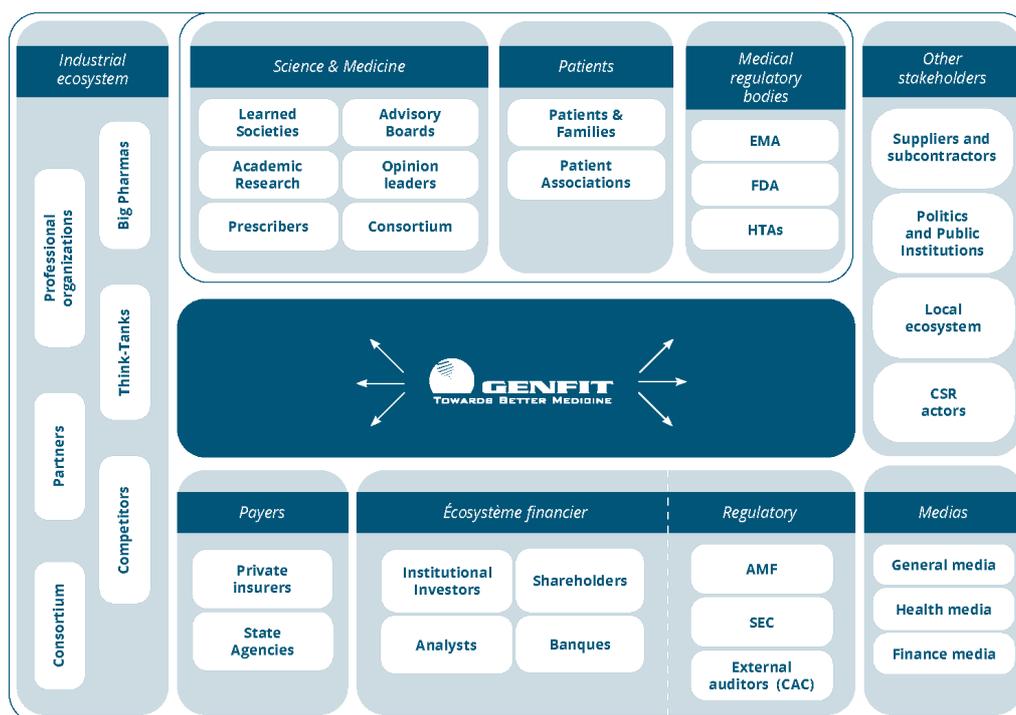
Engagement with our ecosystem stakeholders

Since its creation, GENFIT has always inspired to be involved in its core ecosystem, making it dynamic and collaborative.

It does this every year by mobilizing many stakeholders in its surroundings and by maintaining a qualitative dialogue with each of them: patients, physicians, hospitals, research centers, incubators, industrial partners, investors, political players at the local, national and European levels, subcontractors, regulatory agencies, professional organizations, non-profit associations, etc. GENFIT itself is a product of local academic research, in particular the research laboratories of the University of Lille 2 and the Pasteur Institute of Lille, the most important regional laboratories in the therapeutic areas in which GENFIT has positioned itself. The University of Lille 2, the Pasteur Institute of Lille, and Finorpa, a regional fund, were shareholders from the start and these three organizations remain key partners today.

In 2022, GENFIT strengthened its ties with a number of key players in its core ecosystem, because while we drive our activities with the desire to achieve our strategic objectives for growth and development, we also do so with the desire to take into account the expectations of our stakeholders. We are constantly seeking to build a strategy based on dialogue to develop common solutions that meet everyone's objectives.

The following is an overview of the key stakeholders with whom GENFIT had regular dialogue in 2022:



■ **Physicians and players of the academic research**

Through its program and development, GENFIT builds relationships with world leaders in medicine and science in its therapeutic areas of interest. We also consider, through a Grants Committee, requests for grants to support various educational, charitable, independent research, organizational sponsorship and/or membership, and patient advocacy and/or support activities.

We do so as part of our mission to be a responsible member of the communities in which we operate and do business. For example, in 2021, based on the projects submitted, GENFIT has decided to contribute to the Global Liver Institute's effort to provide a voice and advocacy for patients with liver disease.

In 2022, as it does every year, GENFIT participated in the major scientific congresses of the AASLD (United States) and the EASL (Europe), which are dedicated to liver diseases. The company was also interested in the work of physicians participating in the EASL-CLIF group, which focuses on ACLF, one of the main therapeutic areas on which GENFIT is currently focusing its research.

■ **Regulators**

We are in close contact with regulatory agencies to ensure the dissemination of reliable and quality information in the financial field (AMF and SEC, in order to respect our commitments as an issuing company) and in the medical field (FDA and EMA, in order to respect our commitments as a company involved in medical research).

■ **Industry players, strategic and/or commercial partners**

In 2022, the quality of the exchanges we initiated and maintained with the various players in our ecosystem resulted in the identification of several high-quality partners who could contribute to expanding and accelerating our pipeline. Exchanges and dialogues with several external, as well as internal, stakeholders subsequently led to the finalization of the acquisition of the Swiss biotechnology company Versantis AG in September. This acquisition was made possible thanks to the high standards of our management team in selecting its contacts, the know-how of our management team in establishing a relationship of trust based on transparency and excellence, the quality of our teams involved in the due-diligence process, and the quality of those involved in the contractualization.

For strategic and commercial partners already in place, such as Ipsen (2021 agreement), Genoscience Pharma (2021 agreement) and Labcorp (2019 and 2020 agreements), steering committees and regular progress reviews have been set up to maintain a dialogue and ensure that the programs are progressing in line with quality, cost and schedule objectives.

GENFIT maintains close links with its operational partners in charge of conducting clinical trials (the Contract Research Organizations).

- **Players of the financial ecosystem interested in the Company's project (institutional shareholders and individuals, financial analysts, investors)**

Each year, GENFIT provides detailed documents in various forms to ensure that everyone can find complete and understandable information (press releases, power point presentations, specific sections and summaries on the website, webinars and recorded conferences made available in replay form, interviews with the Chief Executive Officer, newsletters). For example, in 2022 GENFIT produced a new letter to shareholders in the context of its Annual General Meeting, in order to complement the sometimes very technical and regulatory corporate communication, by making it simpler, more accessible and better put into perspective.

- **French professional organizations and think-tanks**

- *On a National level*

In 2022, as in previous years, GENFIT participated in the Health Tech Innovation Days organized by France Biotech, in several working sessions of "France Biotech" as part of the working group dedicated to the financing of biotech, and in sessions of the "Responsibility and Reputation Committee" of the LEEM, whose ambition is to be recognized as a trusted partner contributing favorably to the evolution of society and its healthcare system.

- *On a European level*

GENFIT's involvement is also evident on a European scale: participation in two working groups within the European Federation of Pharmaceutical Industries and Associations (EFPIA). The first, the "SME funding group", is looking at ways of facilitating access to funding for European biotech companies in order to promote healthcare innovation. In 2022, GENFIT's contribution took the form of the development and launch of a survey designed to collect the expectations of small and medium-sized European biotech companies belonging to the EFPIA ecosystem. GENFIT's contribution to the second working group (European Regulatory Affairs and Operations - ERAO) has resulted in the provision of our expertise on the subjects of Product information, EMA performance, Scientific Dialogue, and Patient involvement. Furthermore, through its participation in EFPIA, GENFIT is committed to respecting its code of conduct.

- *On an International level*

GENFIT also follows the activities of the Liver Forum, an independent body that brings together the majority of stakeholders in the development of therapeutic and diagnostic solutions in the field of the liver at the global level (US and European drug regulatory agencies, learned societies, opinion leaders, patient associations, healthcare manufacturers, etc.). In 2022, GENFIT remained very close to the LITMUS (Europe) and NIMBLE (USA) consortia in its work to develop a simplified and easily accessible diagnostic solution to detect so-called "at-risk" NASH in patients who may rapidly develop cirrhosis if they are not aware of the risks associated with their medical condition.

- **Players of the local ecosystem, particularly in the field of health and innovation**

GENFIT's headquarters are based in Loos, in the Lille metropolitan area, on the Eurasanté park, itself located at the heart of the largest university hospital campus in Europe, renowned for its wealth of healthcare facilities. This major economic and scientific hub, located at the crossroads of Europe between Paris, London and Brussels, has always offered a privileged location for forging collaborations with the leading academic research institutions and pharmaceutical companies. GENFIT benefits from a privileged location in an environment that is favorable to the economic development of companies in the healthcare sector, taking advantage of the concentration of a large number of hospital and medical institutes on a single site.

- At the beginning of 2022, GENFIT joined the "Committee of Representatives" of the Eurasanté Park and appointed an "ambassador" to continue to contribute to the strategic development of this European-scale cluster of excellence, with the aim of contributing to the constant improvement of the attractiveness of the site and the quality of life within it. In 2022, GENFIT was involved in several projects led by Eurasanté, such as the Hibster/Deepster Hackathon, and is continuing its commitment in 2023 by becoming a member of the Steering Committee of the "Mixité dans l'industrie" project, a major campaign to raise awareness of inclusion and diversity that will be conducted among companies and structures in the Eurasanté Park, and in partnership with the "Association Femmes Ingénieures" ;
- GENFIT is also a member of "French Tech Lille", with the dual aim of sharing its experience through mentoring initiatives on the one hand, and forging links with innovative local start-ups on the other, particularly in the environmental field. GENFIT has also joined the "French Tech HR Club", in a spirit of sharing and networking for the development of local employment in promising areas;
- GENFIT is committed to local life, and regularly participates in events and training courses organized by the European Metropolis of Lille alongside other emblematic companies in the region. In 2022, two of our employees took part in the energy transition workshops offered to MEL companies to promote the transition to a sustainable economy in the metropolitan area.

■ Subcontractors and suppliers

Since 2021, in its dealings with suppliers, GENFIT has endeavored to consider elements related to sustainable development, so as to take greater account of this criterion in the decision-making process. This approach has been the subject of a separate project to update the company's purchasing policy (see chapter "[4.3.5 - Responsible purchasing policy](#)").

■ CSR players

In 2022, GENFIT proactively intensified its dialogue with leading stakeholders in the field of CSR, in order to strengthen governance in this area and draw inspiration from the best practices in place (LEEM, BCorp, Moody's/VE, Ethfinance/Gaia, ISS, investors, financial analysts, ESG analysts, CSR experts, etc.).

4.1.5 Societal Initiatives

Support of the "CapTech Santé Nutrition" Fund, a new player in health innovation in the Hauts-de-France region

Captech Santé Nutrition is a new "early stage" fund created in 2022 and managed by FINORPA, which invests in equity or quasi-equity in young innovative companies active primarily in the human or animal health sectors. It invests more particularly to accelerate the development of projects in Biotech, Medtech, connected health, human or animal nutrition. With a logic of seeking leverage its interventions, the Fund aims to enable the emergence and development of companies with high growth potential in these cutting-edge sectors. It is an FPCI fund with a 12-year term, including a 5-year investment period. It targets a portfolio of around 20 investments. This expert fund relies on the network of its subscribers, who are specialists in the sector.

GENFIT's commitment to this initiative corresponds to its desire to promote innovation in its preferred sector (healthcare), in its local ecosystem (Northern France), with a view to identifying the most relevant innovations in order to have a real and tangible impact. In 2022, this commitment has taken concrete form in two ways:

- a **financial investment** of 500k€, of which 175k€ has been paid as of December 31, 2022;
- an **in-kind contribution** in the form of a participation in the Strategic Committees for the selection of the most promising start-up projects, ensuring the consistency of the investment portfolio with the fund's investment policy:
 - o The Director of Operations of GENFIT participates in the Monitoring Committee;
 - o The Chairman of the Board of Directors of GENFIT participates in the Strategic Committee.

Continuation and diversification of our exchanges with patient associations

In 2022, GENFIT strengthened and diversified its long-standing collaboration with several specialized patient organizations, both in the United States and in Europe. These regular exchanges are particularly meaningful at events such as **Rare Diseases Day**, where, for example, in collaboration with the **Cholangiocarcinoma Foundation** and a local artist, we created a work of art to represent the complex feelings of patients throughout their treatment journey, from discovery of the disease to its management.

We also contribute via social networks to the transmission of key messages and the sharing of information on initiatives led by patient organizations, such as PBC Day. These events are part of a regular dialogue that we maintain with these key players in the lives of patients with liver disease, particularly at major international congresses such as AASLD or EASL, which are important meeting places.

GENFIT's commitment to patients therefore goes far beyond the standard support provided in the context of clinical trials. The company is committed to helping patients in other ways, with the help of doctors who are specialists in the diseases concerned.

This type of commitment is not new, as GENFIT was a major contributor to the 1st International NASH Day back in 2018. At the time, the teams' investment in patient associations enabled them to support their own awareness-raising efforts. GENFIT co-developed a web TV program in 7 languages involving more than a dozen global specialists, co-organized some 50 educational events in 25 cities covering several continents, and co-produced a mini didactic guide for newly diagnosed NASH patients, enabling them to understand their disease in a simple and instructive way. The international coalition ensured the success of the inaugural edition, allowing for the **transfer of all assets for the second edition to the Global Liver Institute**, a leading American patient organization in the field of liver disease, which now perpetuates this initiative.

Contribution to the work of think-tanks in the field of healthcare

GENFIT actively participated in an **EFPIA** working group on the subject of financing European biotech companies. This contribution took the form of the creation of a major "pilot" survey aimed at the managers of European biotech companies, and its subsequent distribution throughout the EFPIA network. The themes addressed concerned financing methods for these companies, with the aim of drawing up an inventory to better understand the obstacles healthcare innovation financing in Europe, in order to bring out recommendations that will be presented to European decision-makers in 2023.

GENFIT has also joined the **LEEM's** Responsibility and Reputation Commission, and is committed to several topics supported by the organization:

- one focused exclusively on the carbon footprint assessment process (detailed in chapter ["4.4.5 - Integration of the CarbonEM tool for a more demanding measurement of our carbon footprint"](#));
- the other based on a broader assessment process covering the three E/S/G dimensions of CSR, derived from the ISO26000 standards and the UN Sustainable Development Goals (detailed in chapter ["4.3.5 - Participation in a self-assessment process specific to the pharmaceutical sector"](#)).

Mentoring of local students: The Hibster/Deepster Hackathons organized by Eurasanté

In 2022, GENFIT decided to get involved in an initiative led each year by the teams of Eurasanté, a major player in healthcare innovation in Europe based in the Hauts-de-France region: the organization of two "hackathons" designed to stimulate local innovation and **raise awareness among young talent about entrepreneurship in the healthcare field**. GENFIT proposed two projects, which were selected by the organizer to enter the competition:

- For the Hibster project: a 48-hour bootcamp format;
- For the Deepster project: a two-month format of team reflection, dedicated to a disruptive innovation project.

The concept brought together more than 700 students from complementary backgrounds who were tasked with working with tutors on projects to win the competition. These two regional health innovation bootcamps took place in November. A team of students worked for two months on the conceptualization of a tool, and two teams competed for 48 hours on a CSR issue. This event provided an opportunity to exchange ideas with local healthcare players and students, to discover the innovations of tomorrow, and to demonstrate our commitment to Eurasanté.

The benefit to students was seen in several ways:

- **the discovery of industrial innovation issues** related to health;
- **interactions with disciplines complementary to their own**, since the students came from diverse backgrounds;
- **having the possibility to face the reality of health project development**, and get support from mentors to raise awareness of operational, financial, human, technological and information access constraints, etc.

Redistribution of the apprenticeship tax

Each year, GENFIT chooses to pay its apprenticeship tax to training centers or schools of its choice. In 2022, we have chosen to distribute this amount among three institutions:

- **Simplon**: Through its social mission, Simplon uses digital technology as a lever for inclusion, insertion and employment, but also as a catalyst for diversity and social innovation.
- **La Cravate Solidaire**: The association's mission is to enable people in precarious situations to succeed in their interviews under the best conditions. It works for equal opportunities and aims to fight against discrimination in hiring, by accompanying people in (re)integration towards the success of their professional projects.
- **Agrocampus des 2 Vallées**: The training center is focused on preparing students for careers in agriculture, landscape, biochemical and biotechnological analysis, and quality control laboratory, from CAP to BTS level. The center prioritizes apprenticeships to ensure students are well-equipped with the skills and knowledge necessary to succeed in the workforce, while also emphasizing the importance of professional integration.

Creation of a position of Corporate and Public Affairs Manager

In light of the company's growth in 2022 through a broad and diversified product portfolio, GENFIT has decided to strengthen its **engagement processes with its external stakeholders**, as they play an essential role in the company's operational efficiency and

contribute to the successful execution of its strategy. A position of Corporate and Public Affairs Manager was therefore created in 2022, and was filled at the beginning of 2023 through an internal **mobility opportunity**.

The mission of this position is to develop and enhance our network, acting in two priority areas:

- **The first is to formalize, systematize, document and generally improve the number and nature of professional connections** with our ecosystem, in order to enrich it and promote the emergence of new levers of value creation, for our stakeholders as well as for us;
- **The second is to identify possible sources of public funding**, in a spirit of strengthening our capacity for innovation on the one hand, and collaboration on the other: with academic players, with private players and with the political world, one of whose missions is to guarantee the well-being and health of citizens, while ensuring autonomy and sovereignty in this highly strategic field.

Organization of “Pipeline Days” to inform the players in our core ecosystem

In 2022, GENFIT held a large number of contact points with its shareholders. In particular, two exceptional Pipeline Days were organized in October to share information on all of GENFIT’s programs in the context of the acquisition of Versantis AG in September. The first session was organized in Paris for French-speaking investors, the second in New York for English-speaking investors, with a session accessible remotely. These events provided the opportunity to hear from experts with complementary backgrounds (opinion leaders, patients, consulting firms specialized in the healthcare field) to shed light on the three topics:

- **description of targeted diseases** and unmet patient needs ;
- description of the rationale for **our therapeutic approaches** to meet these needs;
- information regarding the **markets involved**.

In addition to the detailed presentations recalling all the sources used, GENFIT also made available to all its stakeholders a 3-hour long video, subtitled in two languages (English/French), summarizing all the presentations. This content is thus very easily accessible to the public.

Direct engagement with shareholders has also taken the form of written material, such as a letter to shareholders published in May 2022 in the context of the Annual General Meeting of Shareholders, or interviews with the CEO in various media such as Le Journal des Biotech or Les Echos.

Societal initiatives for the benefit of people and entities in need

Various social commitments are both an opportunity for our employees to show their involvement in important social issues and to strengthen non-professional exchanges within the company, encouraging team cohesion regardless of hierarchical links.

■ **Systematic relay of campaigns conducted by patient associations covering our therapeutic areas**

In 2022, GENFIT relayed GLI, CCA Foundation and CCA Alliance social media posts on World CCA Day, Rare Diseases Day and World Liver Day. GENFIT will continue to systematically relay the awareness campaigns conducted by these associations.

■ **Donation of toys to the Ludopital association, for sick children**

In December 2022, GENFIT made a donation of "Mac'Liver" plush toys to the Ludopital Association in Roubaix. These cuddly toys were designed and produced by GENFIT as part of its commitment to the fight against liver disease. Ludopital improves the stay of children hospitalized in the hospitals of the Lille Metropolitan Area, by distributing toys during medical visits and by decorating the living spaces to make the hospital environment more pleasant and warm and to make the medical act less dramatic.

■ **Financial donation to an association supporting domestic abuse female victims**

In 2022, GENFIT wanted to get involved with a local association in a new area. In 2021, the Hauts-de-France region was the most affected region in France in terms of femicide. In this context, several associations providing assistance to victims of domestic violence are working in the Lille metropolitan area, and are doing a considerable amount of work in welcoming, listening to and supporting women who need it.

We chose to work with an association listed by the [“Délégation départementale aux droits des femmes et à l'égalité du Nord”](#) (DDFE). The objective of the association is to offer a place of reception, listening, information, orientation and support for women victims of domestic violence and their children.

In concrete terms, the association offers women victims of violence emergency accommodation, legal information, comprehensive social support, help with professional integration and psychological support (for women and/or children). GENFIT's commitment took the form of financial support in January 2023, which will help strengthen the impact of the association's actions in each of these areas.

■ **Collection of goods and commodities**

Towards Ukrainian people: In February 2022, as soon as the invasion of Ukraine began, GENFIT employees wanted to help the Ukrainian displaced persons and set up a collection in collaboration with the Prefecture, the Loos town hall and the other companies located in the Eurasanté Park.

Food Bank Week Collection of goods and commodities: In December 2022, like every year, GENFIT's Works Council organized the collection for the Banque Alimentaire du Nord. The commitment of our employees is always important and this year, we beat our own record from last year with nearly 285 kilos of food collected for the 2.2 million people in need in France.

■ **The "Petits bonnets Innocent" operation to benefit the "Les petits frères des pauvres" association**

Just like every year, in 2022, GENFIT called on its employees to get involved in the Innocent Little Caps collection campaign for the Petits Frères des Pauvres association aiming to reduce social isolation of elderly people impacting around 2 million people in France. This year, some 300 little hats were produced by our employees during their free time.

4.1.6 Evolution of Societal Performance Indicators for 2022

Health and well-being of patients

objective: fighting rare and severe liver diseases

■ **Therapeutic areas covered by GENFIT's R&D activities**

Taking patients' expectations into account is the first of the six areas defined by LEEM in its Guide for Pharmaceutical Companies, an inventory of its recommendations on sustainable development.

With the expansion of its Research and Development pipeline at the end of 2021 and continuing into 2022, the number of patients potentially concerned by GENFIT's therapeutic and diagnostic innovations has grown considerably. Indeed, in addition to the PBC patients for whom the company has already been working for many years, it is now seeking solutions for 5 new therapeutic areas:

- ACLF (Acute on Chronic Liver Failure)
- Cholangiocarcinoma (CCA)
- Hepatic Encephalopathy (HE)
- Urea Cycle Disorders (UCD)
- Organic Acidemias (OA)

■ **Patients suffering from illnesses which our therapeutic and diagnostic innovations target³**

- **PBC:** the incidence and prevalence rates for PBC in Europe, North America, Asia, and Australia are reported as ranging from 0.33 to 5.8 per 100,000 inhabitants and 1.91 to 40.2 per 100,000 inhabitants, respectively.
- **ACLF:** In 2021, the prevalence of ACLF is estimated to be approximately 294 thousand across the US, EU4 and UK. This market is expected to grow to approximately 300 thousand patients by 2036.
- **CCA:** The incidence of iCCA appears to be increasing and may be as high as 2.1 per 100,000 person years in Western countries
- **UCD/OA:** 1,900 acute hyperammonemic crisis in the US and the five major European countries per year.
- **HE:** In the US, approximately 200,000 patients with cirrhosis had HE in 2018. In Europe (EU-5), the prevalence of HE is close to approximately 90,000 cases.

■ **Number of programs currently ongoing at GENFIT**

	2022
Number of ongoing clinical programs	4
Number of ongoing preclinical programs	2
Number of ongoing diagnostic programs	2

³ GENFIT, 2022 Universal Registration Document



In terms of clinical trials, this translates into significant progress. Where GENFIT was conducting only one Phase III trial in 2021, there are now four clinical trials underway:

- 1 Phase III trial
- 3 Phase II trials

In terms of preclinical research, two new programs have been integrated in 2022, one of them specifically targeting pediatric diseases affecting newborns.

■ **Number of patients treated by the Company's products**

No drug candidates in GENFIT's pipeline have yet been commercialized.

■ **Number of FDA Sponsored Inspections relating to the management of clinical trials and pharmacovigilance**

GENFIT never had any inspections from the FDA for the management of clinical trials and pharmacovigilance.

■ **Monetary losses as a result of legal proceedings related to clinical trials within developing countries**

GENFIT never had any legal proceedings of this nature.

Positive contribution to our reference ecosystem

Goal: stimulation of dialogue with our external stakeholders

■ **Events co-organized with patient associations**

Citizen initiatives to which GENFIT participates directly or indirectly

2022

Number and diversity of stakeholders with whom a regular dialogue is maintained
 Support of health awareness initiatives emanating from patient associations (participating in world health awareness days)

See [4.1.4 - Policies and commitments under the societal](#) criteria

See [4.1.5 - Pursuit and diversification of our exchange with patient associations](#)

■ **Work group meetings in the healthcare field**

Citizen initiatives to which GENFIT participates directly and indirectly

2022

Number of working groups related to healthcare to which the company participates

See [4.1.5 - Contribution to working and thought-leadership groups in the healthcare field](#)

- **Information made available for patients**

At GENFIT, patient service can also include the sharing of information on our ongoing clinical trials, details of which can be found on our website. The objective is to inform patients, who have limited or no therapeutic options for their condition, on existing clinical trials. We hope that they can contact the clinical sites conducting the clinical trials directly, in line with appropriate regulatory methods. Such public information goes through a strict internal and external validation process and is equally available on the clinicaltrials.gov website.

In relation to diagnostics, GENFIT makes available clear and precise information so that patients can find useful resources and contacts of appropriate medical authorities. Again, such information goes through a strict internal and external validation process.

Positive contribution to our local ecosystem (Loos).
Goal: stimulation of dialogue with our external stakeholders

Citizen initiatives to which GENFIT participates directly or indirectly	2022
Initiatives to support people in need from our local ecosystem (<i>food and material collections, participation in Society initiatives</i>)	See 4.1.5 - Societal initiatives for the benefit of people and entities in need
Number of students participating in education and inclusion initiatives (<i>Hackathons, Job workshops</i>)	See 4.1.5 - Mentoring of local students: the Hibster/Deepster hackathons organized by Eurasanté

Participation in the economic development of the region and the country.
Goal: territorial anchorage, social and environmental responsibility, dialogue with stakeholders

GENFIT is a research and development laboratory that does not manufacture any products. Our supply chain is therefore limited to a few purchases of products and services made in the context of the conduct of our scientific projects, or in general support of our activities. Although GENFIT's center of gravity is likely to move to the United States due to our business model and targeted markets, we have managed to maintain a very strong presence in France and the region.

- **Actions promoting education, employment and underserved populations**

In 2022, we continued our pace of recruitment which started in 2021, with 37 new arrivals in the Company, an increase of 6% from 2021.

We participate in mentoring and professional integration projects in collaboration with the FACE MEL association (part of the Act Against Exclusion Foundation), the Préfecture du Nord and the pharmaceutical company Bayer, for example: assisting in writing cover letters and CVs, doing mock-up interviews and providing feedback.

- **Allocated amount and/or number of projects financed in health innovation**

In 2022, a first participation of €175k was paid to the CapTech fund.. See [4.1.5 - Support of the "Captech Santé Nutrition" fund, a new player in health innovation in the Hauts-de-France region.](#)

- **Expenses**

At GENFIT, we reaffirm our determination to prioritize local, regional, national and European suppliers according to their services. This approach comes from our determination to support the local economy and reduce the ecological impact by prioritizing short journeys for physical supplies.

- *Suppliers based in France*

An overall analysis of all of our committed expenditures in 2022, for example, showed that:

- Of the 498 suppliers GENFIT will have in 2022, 366 are French, i.e. 73% of the total number of suppliers;
- Spending associated with these French suppliers represents 52% of our total spending, 10% more than in 2021;
- The 10 suppliers with whom we spend the most are located around our 3 centers of gravity, with 6 based in France, 1 in Switzerland and 3 in the United States, and together account for 45% of our total spending;
- More specifically, 94 of our suppliers are based in the Hauts-de-France, exclusively in the departments of Nord (90) and Pas-de-Calais (4). They alone represent 1/4 of our French suppliers, and 19% of our total suppliers. In 2022, 9% of our total spending was with suppliers based in the Hauts-de-France.

- *Suppliers based outside of France and geographical distribution*
 - of the 94 suppliers who deliver to us on a regular or occasional basis,
 - 100% are based in Western Europe, including nearby countries such as Germany, Belgium, Denmark, Spain, France, Ireland, the Netherlands and Switzerland
 - Of these, 88% are based in France,
 - of which 48 are in the Hauts-de-France (GENFIT headquarters),
 - i.e. >50% of our French suppliers and about
 - 40% of all our suppliers.

 - Of the 132 suppliers which are not located in France:
 - half of them are located in Western and Central Europe;
 - the other half are located in North America (United States and Canada) and are, for the most part and due to the nature of our business, service providers related to our clinical studies.

For more information on GENFIT's responsible purchasing, see [4.3.5 - Responsible purchasing policy](#).

Through multiple channels, GENFIT's activity contributes to the local, regional and national ecosystem in terms of economic opportunities.

4.2 | Our Social Commitment

4.2.1 Our vision of Social Commitment	<u>31</u>
4.2.2 Our 2022 Social Objectives	<u>33</u>
4.2.3 Social Key Performance Indicators	<u>33</u>
4.2.4 Our Social Policies and Commitments	<u>34</u>
4.2.5 Social Initiatives	<u>37</u>
4.2.6 Evolution of Social Performance Indicators for 2022	<u>39</u>



4.2.1 Our vision of Social Commitment

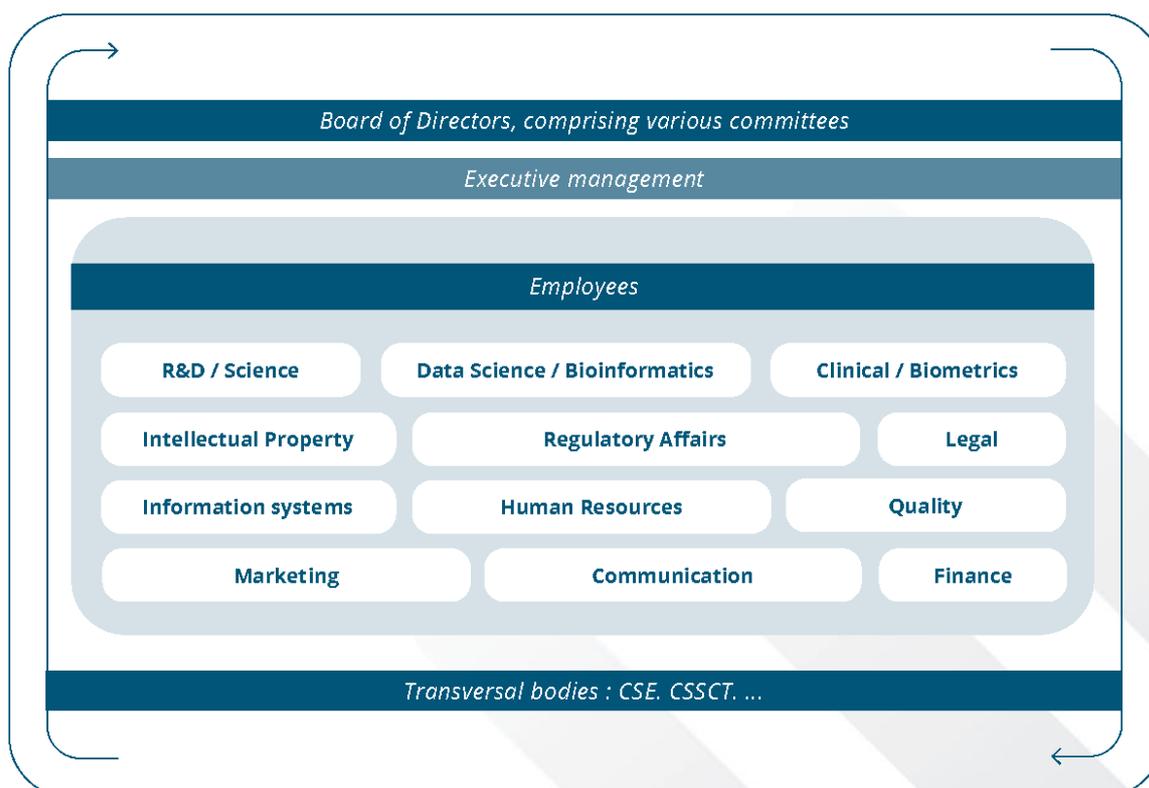
For a biotech company like GENFIT, fostering innovation relies on creating an environment where employees can freely exchange ideas, engage in dialogue, and collaborate while upholding the scientific process. As such, human resources management is a crucial social concern that we prioritize alongside our commitment to society.

We believe that the strength of our teams, regardless of their location (France, United States, Switzerland) or their profession, lies in their know-how, interpersonal skills and agility. Individual performance serves collective performance, and the diversity of profiles strengthens the exchange of ideas and stimulates innovation, which is at the heart of our life sciences research activity. This is why the development of human capital is an essential issue, with a Human Resources policy based on the following fundamental principles:

- **The development of employees' skills** and the maintenance of their employability;
- **Equal opportunities**, and equality in terms of working conditions, remuneration or access to training;
- **Diversity of profiles**: all aspects of diversity are considered as elements of cultural enrichment within the company;
- **The well-being** of our employees at work;
- **Encouraging exchange among stakeholders** and taking into account employee feedback is crucial. To achieve this, we employ various communication channels to ensure the smooth flow of information.

Operationally, on a day-to-day basis, employees work in the same way and with the same tools, regardless of the legal entity to which they are attached. They all work together within a single hierarchical organization. The Executive Committee includes members from all three legal entities. All systems and mechanisms of the company are transversal to the three entities: steering committees, performance management processes, intranet, training, internal webinars ("Town Halls" - information meetings for all employees), employee surveys, company seminars, etc.).

Our internal stakeholders include:



4.2.2 Our 2022 Social Objectives

In 2022, our attention was once again focused on the protection and development of our human capital, particularly through the well-being of our employees. We have identified 4 major human objectives that have been the basis of our policies, commitments and initiatives:

- Action to maintain the purchasing power of employees
- Recruitment, Development and Retention
- Equal opportunities, diversity and the fight against all forms of discrimination
- Promotion of good health practices and well-being at work for employees

4.2.3 Social Key Performance Indicators

We continue to measure our performance in this area using a number of qualitative and/or quantitative monitoring indicators, including:

General indicators for human capital formation

Objective: Recruitment, development and retention of employees

- Workforce and geographical distribution
- Staff Turnover Rate

General indicators relating to financial security for employees

Objective: Action to maintain the purchasing power of employees

- Percentage of employees on permanent contracts
- Salaries and salary progression (including bonuses)
- Employee shareholding in the Company's capital

Diversity and Inclusion Indicators

Objective: Equal opportunities, diversity and fight against all forms of discrimination

- Equal access to recruitment
- Diversity
- Representation of women in the organization (Female/Male equality index)

General indicators for employee training and development

Objective: Recruitment, development and retention of employees

- Training plan (internal training plan, managerial training plan, participation in training events)
- Hosting of work-study students/interns

General indicators concerning employee representation

Objective: Recruitment, development and retention of employees

- CSE - Employee representation and collective agreements
- Progress of indicators and qualitative feedback from the annual employee survey
- Internal communication and access to information

General indicators concerning to Occupational Health and Safety

Objective: Promotion of good health practices and well-being at work for employees

- Absenteeism (number of days and absenteeism rate)
- Illness (number of work stoppages filed by our employees)
- Vaccinations (number of employees vaccinated against the flu)
- Workplace accidents and occupational diseases

General indicators concerning quality of life at work

Objective: Recruitment, development and retention of employees

- Access to working time flexibility (access to working time flexibility, telecommuting)
- Quality of life on site (animation of the collective life in the company, access to additional benefits)

4.2.4 Our Social Policies and Commitments

Commitment to a good integration in the company

■ Equal opportunity in the recruitment process

At GENFIT, we want everyone to have a chance, and we ensure that our recruitment process is as accessible and inclusive as possible. Given GENFIT's size and the impact each newcomer has on a team, the quality of the recruitment process is essential. To meet the various challenges in this area, GENFIT is committed to:

- Maintaining the diversity of profiles, talents and experiences within the company, by basing our decisions on skills;
- Guaranteeing a consistent, high-quality candidate experience, enabling candidates and GENFIT teams to make the best possible decision;
- Enabling efficient collaboration between teams, regardless of their location, by selecting candidates with a level of French and English adapted to the company's challenges;
- Enabling employees to evolve within the company by offering internal promotion and the development of versatility.

The conditions for success defined by GENFIT in the recruitment process are as follows:

- Each candidate receives an acknowledgement of receipt as soon as he/she sends his/her application;
- If the candidate's profile matches the skills defined in the job profile, an initial telephone interview, called a "pre-qualification telephone interview", is conducted by the HR team to qualify the candidate's project;
- The interview methods are varied, allowing everyone to have a chance: videoconferencing, telephone, face-to-face interviews;
- Interviews at the premises are grouped over half a day, whenever possible;
- The company representatives are clearly identified, they can detail the proposed missions;
- Exchanges are organized in the strictest confidentiality;
- For positions based in France, an oral comprehension test in English is systematically performed, as well as a reference check, in agreement with the candidate;
- Each candidate who has followed this pathway receives an answer, even if it is negative;
- To ensure the best possible experience, and to guarantee the efficiency of the recruitment process, GENFIT has acquired in February 2019 an application management tool interfaced with a dedicated recruitment website: jobs.genfit.com. This tool also ensures RGPD compliance for all candidate data, regardless of their location (Europe or US), and provides statistical data on the evolution of applications. At the end of 2022, this tool was extended to recruitment in Switzerland.

■ Integration course

GENFIT's commitment to its employees begins from the moment they join the company. The integration of each new employee is built around a specific agenda established with the manager, whose role is key to successful integration. At GENFIT, we want the induction process to be a natural extension of the recruitment one and to reflect our vision of the company. All our communications, both before and when the employee arrives, ensure that he or she feels expected, so that he or she can take up his or her duties in the best possible conditions, from the very first day:

- The mandatory common training courses (information security, confidentiality, etc.) are grouped together in the first week as much as possible, and are supplemented by a specific course depending on the position;
- These training sessions are led by different employees from different teams, thus allowing the newcomer to meet both the internal trainers and other employees who are completing their integration course at the same time, if necessary;
- A specific communication is made by the Human Resources Department on the collaborative intranet for all newcomers, whatever their level of position, in French and English, and with their name, their photo if the person authorizes it, and the position held;
- A trial period assessment is systematically carried out between the employee and his/her manager, with the support of the HR team if necessary. In France, the validation of the trial period is the subject of a formal letter given to the employee;
- The regular events organized by the CSE complete the process, further accelerating the natural integration of newcomers.

■ Equality between women and men

During annual salary reviews, the HR team checks for pay gaps and increases for gender parity. The Human Resources Department also regularly updates its processes to ensure the inclusion of women at every level of the company.

■ Diversity

Beyond gender diversity and parity, diversity of profiles is considered a key to the success of our projects, which require versatility and expertise. This diversity is integrated into our practices from the moment we recruit employees, where each application received is scrupulously studied on the basis of skills.

■ Fight against moral and sexual harassment and against sexist behaviors

GENFIT is committed to implementing the means available to fight against moral and sexual harassment and against sexist behavior. In this respect, GENFIT has taken several measures to prevent any situation of harassment and, if necessary, to identify and alert to any potential situation of harassment or sexist abuse:

- The internal rules and regulations, available to all employees, remind all employees the provisions relating to moral and sexual harassment and sexist behavior defined in the Labour Code;
- Two referents (one man and one woman) for the fight against sexual harassment and gender-based violence, who are members of the Works Committee staff delegation, have been appointed and have received dedicated training;
- A referent in the fight against sexual harassment and gender-based violence within the Human Resources team has been designated and has received dedicated training;
- An internal procedure for reporting and handling sexual harassment has been developed.

These provisions are intended to:

- Identify situations of sexual or moral harassment;
- Identify risky behaviors and situations;
- Understand the definition of harassment in order to anticipate, prevent, react and fight against moral and sexual harassment.

Commitment to Employee Health

■ Quality of the premises

The headquarters facilities, built in 2001 and expanded in 2019, offer a good quality of life:

- a total surface of 6580 sqm ;
- precise and efficient scientific equipment, checked every year by external service providers to ensure that it meets current standards (NF), installed in secure laboratories;
- offices large enough to respect social distances, and flooded with light;
- a 2-level extension completed in 2019, including numerous modular work spaces, built according to the RT2012 thermal and NRA2000 acoustic regulations;
- several break rooms accessible at all hours and many areas where employees can eat;
- a gym with adjoining showers, renovated and expanded in 2021, accessible to all GENFIT SA employees, allowing them to exercise in good conditions, including new equipment and a television with various video workouts ;
- an outdoor space with numerous flowerbeds, and equipped with outdoor picnic tables for summer ;
- A private and secure car park for cars and bikes (including bicycles and scooters);
- proximity to public transportation: subway, bus, and self-service bicycles.

In order to guarantee an optimal air quality in the Loos laboratories, as well as in the offices and meeting rooms, several equipments are installed in the buildings:

- Air handling unit ;
- Fresh and recycled air filtration by bag filter;
- Plate heat exchanger that recycles 80% of the air and its heat.

Even though each office can independently manage the room temperature, the overall room temperature is controlled in summer and winter.

The Company has made the mandatory declarations for its facilities and has the necessary approvals to carry out its activities. The technical controls and verifications of the installations are carried out according to the legislation in force.

■ Medical coverage

The health coverage system is an important element of GENFIT's policy. It is applied in a specific ways for GENFIT SA and GENFIT Corp. employees, in order to take into account the specificities and regulatory disparities between France and the United States:

- In France: GENFIT SA employees and their families benefit from a health insurance plan with regularly updated benefit booklets, as well as life insurance plans offering several options to employees. In 2022, employee insurance plan packages were renegotiated, and an optional additional insurance plan was offered to interested employees. See chapter "[4.2.5 Evolution of the employee health insurance plan and introduction of an additional plan](#)";
- United States: GENFIT Corp. employees and their families benefit from a reference plan (PPO - preferred-provider organization, including more flexibility for the employee in the choice of healthcare professionals) with a limited deductible, and whose insurance premium is covered by the Company with a harmonization of the offer throughout the United States for 2022. Dental and vision insurance are also provided to employees and their families, with the insurance premium covered by the company.
- In Switzerland: In 2022, we took over the existing medical coverage structure. Adjustments are being studied and should be implemented in 2023.

■ Occupational Medicine

GENFIT SA employees have the necessary authorizations and training to use the equipment and to ensure health and safety. They are subject to medical monitoring by the occupational physician (reinforced when necessary), which includes annual medical check-ups and blood tests for employees under enhanced medical surveillance. Records are kept up to date. The occupational physician has been invited to each meeting of the Health, Safety and Working Conditions Committee (CSSCT). Minutes of all meetings are circulated to all employees via the intranet, to the occupational physician, to the labor inspectorate and to the CRAM.

Commitment to value sharing

■ Employee shareholding in the Company's capital

Since 2016, GENFIT's governance bodies (Executive Board, then Board of Directors) have regularly awarded, free of charge:

- free shares to all eligible employees and executive officers of GENFIT SA;
- Stock options for the benefit of certain employees and corporate officers of all GENFIT entities.

These instruments have been put in place to retain and motivate teams, attract new talent, and involve them in achieving operational and financial objectives. Thus, they make it possible to:

- continue to offer and propose to new employee compensation packages that are competitive with those offered by other companies in the sector, in particular American companies;
- convert part of the total compensation of employees into shares;
- motivate employees to achieve long-term goals

Commitment to responsible management of potential reorganizations

As was the case in the context of the acquisition of Versantis AG at the end of 2022 (see 4.2.6), or in 2020 in the context of the workforce reduction Plan (see the previous extra-financial performance report published in 2022), GENFIT attaches particular importance to the management of organizational transitions, so that its employees are stakeholders in the processes put in place, and are properly informed (in addition to the legal obligations, where applicable):

- Responsible management: GENFIT is constantly striving to improve its performance and is committed to ensuring that any reorganization serves this objective
- Information and consultation of the CSE and employee representatives: extraordinary meetings with the Company's Works Committee in order to address issues, and to answer all employees' questions (as mandatory by French law for certain types of reorganizations)
- Measures to limit the impact (e.g.: workforce reduction plan) or optimize it (e.g.: acquisition): *ad-hoc* plans to address the context and specific issues, and to support employees in the change
- Informing the whole staff: through the Staff Representatives and through complementary communications channels, while ensuring good availability of the company's management

4.2.5 Social Initiatives

Annual survey of our employees

■ About

Since 2021, GENFIT has institutionalized a major annual, anonymous survey sent to all employees: in France and the United States for the first two years, and with a scope extended to Switzerland at the beginning of 2023 to include information from all employees newly integrated into GENFIT following the acquisition of Versantis AG. This survey is conducted by an independent service provider, with a stable methodology from one year to the next, so that the most significant changes can be analyzed. The survey is open for several weeks, allowing everyone enough time to respond. The results are analyzed anonymously, and aggregated for smaller teams to ensure anonymity. They are shared with all staff through various internal communication channels, along with details of the specific action plans that address the main findings.

Participation rate is traditionally high, which translates into two main messages:

- Employees are eager to express their views to move the company forward;
- They were able to see in previous years that concrete actions were taken as a result of the survey.

Each manager is also encouraged to make his or her teams aware of the benefits of the approach.

■ Results of the survey conducted early 2023

- **Participation:** 89%.
- **Overall rating:** 7.6/10
- **Scores by category:**
 - o Work context - 9 questions (unchanged) - Score: 7.5/10
 - o Engagement - 13 questions (unchanged) - Score: 8.2/10
 - o Professional growth and development - 7 questions (unchanged) - Score: 7.8/10
 - o Quality of life at work - 4 questions (unchanged) - Score : 7.7/10
 - o Work relations and management - 10 questions (unchanged) - Score : 8/10
 - o Transformation - 3 questions (vs. 1 in 2022) - Score: 8.4/10
 - o Support during the COVID-19 pandemic - 4 questions (vs. 5 in 2022) - Score: 7.7/10
 - o New criterion - CSR - 2 questions - Score : 7.6/10

■ Conclusions

The main findings of the third consecutive edition are as follows:

- The participation rate is once again very high, confirming the high level of employee **commitment**, as well as their appreciation for the survey;
- Scores are all **above 7.5/10**, and either slightly higher or at the same level as the previous year;
- The Versantis acquisition was one of the main topics for 2022. In response to the question "I understood the added value created for GENFIT by the acquisition of Versantis", the score obtained is particularly high, with **8.7/10**, indicating a good understanding of the impact by the employees;
- As in previous years, the vast majority of employees indicate their **confidence** in the company's General Management:
 - o to the question "GENFIT's management listens to its employees", a score of 7.7/10 was obtained, an increase of +15% compared to the first survey in 2021;
 - o To the question "I believe that concrete actions will be taken as a result of this questionnaire", a score of 7.6/10 was obtained, which is an increase of 9% compared to 2021.
- Finally, a few areas with space for **improvement** were identified, corresponding to topics already identified by management and already included in some of the secondary objectives presented at the Town Hall in January 2023.

■ Action plan

At the time of this report, the action plan is being finalized. It will be distributed to the teams directly concerned, and the broad outlines will be communicated to employees.

Integration plan following the acquisition of Versantis AG entitled "ONE GENFIT"

■ Human and operational challenges

The acquisition of the Swiss company Versantis AG in September 2022 was a major event for GENFIT, with several implications:

- For **Versantis** employees:
 - logistical changes: contracts, equipment, interaction with the rest of the company, distance constraints;
 - cultural change: integration into a larger structure, expansion to other cultures and ways of organizing work;
 - change of context: transition from a private company to a listed company on the financial markets;
 - increased resources: access to GENFIT's equipment and expertise;
 - potential synergies with GENFIT's employees.
- For **GENFIT** employees:
 - significant increase in workload with the integration of new programs, in new therapeutic areas;
 - potential synergies with Versantis newcomers
 - in terms of operational management and support functions:
 - reorganization of certain teams to ensure continuity and consistency in the conduct of programs;
 - integration of cross-functional processes: finance, IT, human resources, etc.

■ Methodical management of the "ONE GENFIT" process

As soon as the final acquisition of Versantis AG was announced, a steering structure was put in place with the following two objectives:

- ensuring the continuity of operations and the execution of ongoing programs ("seamless integration");
- Maintaining a qualitative **dialogue** with all internal stakeholders.

The integration architecture included:

- A **steering committee** led by the CEO, acting as a mediator and validating important decisions;
- An **integration office** (4 people from GENFIT, 2 from Versantis) responsible for the progress of the overall process, from the identification to the resolution of pressing issues, including communications with each department;
- **Representatives of each department**, responsible for identifying and reporting (1) issues (2) identified problems (3) possible risks.

The **priorities** were divided into 3 categories, according to their urgency, and with indicators of team responsibility and interdependence between teams and sites to be secured: (1) by the end of October 2022; (2) by the end of 2022; (3) by 2023.

The entire process was accompanied by an **internal communication** plan orchestrated with and for internal stakeholders, including "Town Halls" in French and English, information emails, and individual meetings (conducted in Lille and Zurich).

■ Conclusion: a successful integration

As of January 2023, GENFIT was ready to communicate the new roles and to continue its operations with adapted governance arrangements:

- to the new scope of activity;
- to the new forces at work.

Further details on the impact of this acquisition on corporate governance are provided in the chapter "[4.3.5 Adjustment of the corporate governance structure following the acquisition of Versantis AG](#)".

Publication of a Charter on disability

In 2022, GENFIT decided to formalize its commitment to people with disabilities through a **Disability Charter**. In addition to concretely express our commitments, our charter aims to continue to raise awareness on disability issues among all our employees. The 10 articles are essentially inspired from the International Labour Organization's Disability Charter. This Charter applies to all GENFIT employees, on all sites, and each employee joining the company receives a version along with the Internal Rules and Regulations.

Evolution of the health insurance for employees and implementation of an additional insurance plan

Following a review and consultation process conducted in 2022, GENFIT SA made two major changes to its employee health insurance in early 2023:

- **First, the company changed insurers for the health insurance portion**, thereby maintaining the same contribution rate until the end of 2024. As a reminder, this rate has remained unchanged since 2017;
- **It has also offered an optional supplementary health insurance plan** to all employees based in France at a highly competitive rate (under €10 for executives and non-executives for the "Single" plan and between €11 and €17 for the "Family" plan), allowing them to access additional coverage on top of the basic plan for employees who wish to subscribe (e.g. better reimbursement of dental implants, eye surgery, or alternative medicine).

Teambuilding activities

GENFIT's ambition is to create a framework that encourages cohesion and solidarity within and between teams, both locally and globally. To this end, the company promotes the forging of ties between employees by regularly organizing team-building activities. These activities also aim to facilitate the integration of new employees, as well as exchanges between the different departments of the company that do not always collaborate regularly. These special moments are essential for a company whose success is strongly based on its ability to innovate, and therefore on informal exchanges, on spontaneity and on the adhesion of its human capital to the company's mindset.

- **Teambuilding day in June 2022 (France):** We offered collaborators a friendly moment to the employees, through a responsible approach. All employees were able to explore the Lille metropolitan area thanks to an orienteering race, then share a local lunch, before discovering regional entrepreneurs: an ecological brewery and a furniture repair workshop. The satisfaction survey allowed us to collect the opinions on this day, largely positive, and suggestions for future editions.
- **Teambuilding Day in July 2022 (United States):** The US team met for a day of work in Cambridge, which is important for new employees as telecommuting has become more common. During this event, employees had the opportunity to board a ship from the New England Aquarium to watch whales in Massachusetts Bay, in the Stellwagen Bank marine sanctuary. Here again, we chose a responsible approach for this activity: in addition to the New England Aquarium's educational mission and its commitment to oceanographic research and the preservation of marine fauna, the transportation service provider was committed to respecting good ecological practices in maritime navigation and is a member of Whale Sense, an organization that certifies responsible whale watching.
- **Annual seminar in September 2022 (all teams):** Once again, GENFIT wanted to include a responsible dimension to the event by favoring travel by train in France. This was the first seminar since the beginning of the COVID-19 pandemic. Organized shortly after the acquisition of Versantis, it was a privileged moment that allowed all new employees, including those from Versantis, to meet. For the most senior staff, it was an opportunity to get together for convivial activities after two years of pandemic, especially for several Boston-based employees who had not had the opportunity to return to France since 2020.

Video clips highlighting our professions and our employees

In 2022, a project was launched to produce a series of mini-videos to present some of GENFIT's activities, to highlight the work done by its employees and to showcase the diversity of profiles that make up the company. GENFIT therefore offered its employees from all sites to take part in this series of video clips, and many employees volunteered to talk about their work, their career path or their team. These testimonials will be published on social media and the company's website in the first half of 2023. Given the success of the project, other series of portraits will probably be produced in the months/years to come.

Various initiatives carried out by our employees

- **A shared library**, made with second-hand furniture, by and for employees.
- **Weekly "English Lunch"** organized by an employee, so that all employees who are interested can share an "English only" lunch.
- **Chess Club**, launched early 2023 by employees
- **"Modern Board Games Nights"** animated by a collaborator.

4.2.6 Evolution of Social Performance Indicators for 2022

General indicators for human capital formation

■ Workforce and geographical distribution

Workforce*	12/31/2022				12/31/2021			12/31/2020
	Global	GENFIT SA (France)	GENFIT Corp (USA)	Versantis (Switzerland)	Global	GENFIT SA (France)	GENFIT Corp (USA)	GENFIT SA (France)
Research & Development	73	58	8	7	55	50	5	60
Science-related services	18	16	2	0	18	16	2	15
Administration & Management	55	51	3	1	47	44	3	39
Marketing & Business Development	2	2	0	0	2	2	0	3
Total	148	127	13	8	122	112	10	117
Executives	116	96	12	8	97	87	10	92
Non-executives	24	23	1	0	21	21	0	23
Other status	8	8	0	0	4	4	0	2
Total	148	127	13	8	122	112	10	117
Men	56	51	2	3	53	44	9	47
Women	92	76	11	5	69	68	1	70
Total	148	127	13	8	122	112	10	117
Average workforce	132.65	119.46	11.13	2.06	122.72	112.71	10.01	175

*Permanent contract, fixed-term contract, work-study contract (professionalization or apprenticeship)

■ Staff Turnover Rate

The renewal of human capital, for GENFIT as for any innovation structure, represents a classic and healthy process for the company and its employees. In 2022, the staff turnover rate for GENFIT SA will be down to 17%, compared with 24% in 2021. The staff turnover rate for the entire GENFIT Group was 20%.

General indicators of financial security for employees

goal: Action to maintain the purchasing power of employees

■ Percentage of employees on permanent contracts (GENFIT Group)

As of 12/31/2022	2022
Number of employees in permanent contract	137
Number of employees in fixed-term contract (work-study contract)	8
Number of employees in fixed-term contract	3
Total	148

As of December 31, 2022, 93% of the company's employees had permanent contracts.

■ Salaries

GENFIT SA	2022	2021	2020
Gross total payroll	8,693,015 €	6,998,885 €	9,403,625 €
Average workforce*	117	110	173
Average gross compensation	74,299 €	63,626 €	54,356 €
Median gross compensation	51,148 €	41,524 €	45,360 €

*The average number of employees here does not include account agents

Based on the assessments made during the performance review process, the company makes individual salary adjustments, also taking into account the company's overall performance and internal or external benchmarks related to the position and the sector. These revaluations come into effect from April 1.

For the 2021 performance review process, eligible employees saw their fixed salary revalued as of April 1, 2022, with retroactive effect to January 1, 2022. A significant overall budget, representing 4% of the total payroll as of December 31, 2021, was earmarked for increases.

In addition, it is important to note that the delay in the payment of individual bonuses in April of the following year, where historically they were paid in December, explains the delay between years. Indeed, 2020 includes the payment of 2020 performance bonuses paid in December 2020. 2022 includes the payment of 2021 performance bonuses paid in April 2022. The year 2021 includes only an advance payment of bonuses. The annual amounts are therefore not comparable.

2022 was also marked by a continuous rise in prices and inflation, impacting everyone's purchasing power and, more specifically, that of households with the lowest incomes. Aware of the difficulties that some of the Company's employees may be experiencing, GENFIT's senior management and the elected members of the Works Committee (CSE) held discussions to evaluate the implementation of various measures, with the aim of preserving the purchasing power of those who need it most.

In this context, members of the Works Committee and the company's management negotiated the following agreements, which were signed and/or came into force in 2022, and which have an impact on employees the purchasing power :

- GENFIT SA Participation Agreement (Amendment n°4), signed on March 24, 2022
- Collective agreement on the Sustainable Mobility Package, signed on October 6, 2022
- Amendment n°1 to the Collective Agreement on Performance, signed on November 7, 2022
- Collective agreement on the reimbursement of public transport fees, signed on November 17, 2022
- Collective Agreement on the Value Sharing Bonus, signed on November 17, 2022
- Agreement on Mandatory Annual Negotiations 2022, signed on March 9, 2023

■ Bonuses

Over the last three years, the variable portion of compensation was as follows (GENFIT SA):

Employees as of December 31	2022		2021		2020	
	Number of people involved	Variable compensation (% of gross salary)	Number of people involved	Variable compensation (% of gross salary)	Number of people involved	Variable compensation (% of gross salary)
Directors/Managers	31	16.95%	34	14 %	34	6 %
Other employees	97	13.63%	78	11 %	84	8 %

Following the evolution of our performance review process, eligible employees can benefit, in addition to their fixed income, from an individual annual performance bonus (paid in March the following year). The final bonus is the direct consequence of the individual performance assessment validated by the company.

At GENFIT, performance reviews take place in several stages throughout the year and aim to provide a fair assessment of every employees' performance. During the year, 3 formal interviews are dedicated to this subject:

- At the beginning of the year: setting of the year's objectives according to the company's objectives
- Mid-year: progress report on the achievements of the first part of the year, positive and constructive feedback, potential readjusting of objectives
- End of year: final performance and objectives evaluation

■ **Employee shareholding in the Company's capital**

Details and conditions of the share and performance incentive plans are described in chapter "4.2.4 - Shareholding of employees and in the Company's capital" of GENFIT's [Universal Registration Document](#).

Diversity and Inclusion Indicators

goal: Equal opportunities, diversity and fight against all forms of discrimination

At GENFIT, we want everyone to have an opportunity, regardless of their origin, age, gender or career path. In 2022, to ensure that diversity and inclusion are addressed in a broader sense, we have chosen to demonstrate our commitments by presenting performance indicators related to our employees' diverse profiles, including their gender, level of education, age, nationality, country of birth, seniority in the company, all of which contribute to our employees' mutual enrichment as well as to the organization's overall performance.

■ **Equality in recruitment**

Recruitment	2022	2021	2020
Number of applications received (including unsolicited applications, internships and work-study programs)	2138	2789	1533
Number of pre-qualifications done by phone (one maximum per candidate)	287	108	284
Number of interviews conducted (video, phone, face to face, one or more per candidate)	458	641	506

In 2022, as in previous years, our recruitment process is based on a strict methodology designed to ensure equal opportunities:

- Recruitment "by study cases", in order to promote equal opportunities by focusing a large part of the evaluation process of candidates on their real skills;
- A system that promotes equal opportunity in the recruitment process, with, for example, the implementation of proactive pre-qualification calls when certain incomplete applications are received, in a "second chance" approach for certain candidates;
- To avoid biases, regular and random selection of CVs then reintegrated in the pre-qualification phase;
- Welcoming trainees to our head office, with a welcoming process and discovery of the business world, to help them prepare for their future professional integration;
- GENFIT also invests in practical in-company training for young people preparing a diploma through work-study programs (with a tutor and clearly defined missions adapted to their teaching). We have long included work-study programs in our recruitment policy, because we consider them to be an integration tool for those who demonstrate their skills, via the allocation of permanent positions.

At GENFIT, candidates' interviews are planned and conducted in such a way as to:

- allow all candidates to promote their assets, and collect all the information relevant to them about the company and the position;
- enable operational staff and HR teams to assess the potential of each candidate with regards to the expectations for the position on short and medium terms.

■ Diversity

				at 12/31/2022		at 12/31/2021	
	GENFIT SA (France)	GENFIT Corp (USA)	Versantis (Switzerland)	Total	Proportion	Total	Proportion
Type							
Women	76	11	5	92	62 %	77	63 %
Men	51	2	3	56	38 %	45	37 %
Age range							
Up to 25 years old	7	0	0	7	5 %	5	4 %
From 26 to 30 years old	14	0	2	16	11 %	25	20 %
From 31 to 35 years old	32	2	0	34	23 %	17	14 %
From 36 to 40 years old	16	1	1	18	12 %	19	16 %
From 41 to 45 years old	18	3	1	22	15 %	18	15 %
From 46 to 50 years old	14	3	3	20	14 %	15	12 %
Over 50 years old	26	4	1	31	21 %	23	19 %
Nationality							
French		UD		112	76 %	102	84 %
Foreign				36	24 %	20	16 %
Level of study							
Diploma of level ≤ the baccalaureate				9	6 %	3	3 %
Baccalaureate						2	2 %
BTS				17	11 %	20	18 %
DUT				6	4 %	2	2 %
Licence				11	7 %	9	8 %
1 st year of Master		UD		4	3 %	4	4 %
Master, DEA, DESS, magistère				54	36 %	45	40 %
Engineer or Grande École				5	3 %	5	4 %
Doctorate				21	14 %	1	1 %
Doctorate in health				21	14 %	21	19 %
Seniority in the company							
Less than 1 year				42	28 %	27	24 %
1 year				22	15 %	7	6 %
Between 2 and 3 years				7	5 %	13	12 %
Between 3 and 5 years		UD		24	16 %	16	14 %
Between 5 and 10 years				23	16 %	19	17 %
Between 10 and 15 years				4	3 %	8	7 %
More than 15 years				26	18 %	22	20 %

UD = Undisclosed

Diversity at GENFIT is characterized by:

- A homogeneous distribution in different age groups;
- Nearly one third of employees are foreign;
- A relatively balanced presence of the different levels of education;
- A healthy distribution of seniority.

In addition 5 employees of GENFIT SA live in a priority district (according to the geographic information system database for urban policy).

■ Women in the organization

GENFIT scored 87/100 on the gender equality index for GENFIT SA (France - Loos/Paris) in 2022, according to the calculation method defined by the French government, with the following details:

- Pay gap: score obtained: 37/40. Low gender pay gap, in favor of men or women depending on the category, for a total gap of 2.54% in favor of women (vs. +1.5% in 2021);
- Increase gap: score obtained: 35/35. The proportion of women and men in the company on January 1, 2022 and who received a salary increase is almost identical, with 55 women out of 69 (79.7%) and 36 men out of 45 (80%);
- Employees who received a salary raise after returning from maternity leave: score obtained: 15/15, i.e. 1 woman out of 1 who received a salary raise after their maternity leave;
- Number of women among the 10 highest salaries: 0/10 for GENFIT SA (Loos and Paris). The 10 highest salaries at GENFIT SA are granted to 1 woman and 9 men in 2022. However, it is important to mention that GENFIT's Executive Committee is spread over 3 international sites (France/US/Switzerland), and that the relevant indicator would be the global one. The latter leads to a score of 10/10 for GENFIT "all sites", including the application of the exchange rate and the standard of living. At the time of this report, in March 2023 and all sites combined, 4 members of the Board of Directors are women, i.e. 44%, and 4 members of the Executive Committee are women, i.e. 33%.

The total score for GENFIT SA (France) calculated for the year 2022 on the 4 indicators is 87/100, and the total global score (all sites) calculated for the year 2022 on the 4 indicators is 97/100, for a national average index observed by Egapro of 85/100 on the "Specialized scientific and technical activities" sector. Moreover, the number of women holding managing positions in the company is 13 out of 29, close to 45% of all managers.

General indicators for employee training and development

goal: Recruitment, development and retention of employees

■ Internal training plan

GENFIT's training policy is geared towards developing skills and versatility for its employees. Training courses are organized around the following major themes:

- Development of soft skills for managers and employees;
- Regulatory training (including clinical and *in-vivo* regulatory training);
- Theoretical and practical training for the acquisition of new skills;
- Written and oral communication in English;
- Computer software use;
- Training in responsible business practices (CSR);
- Personal development

In 2022, GENFIT extended its training process to GENFIT Corp. In France and the United States, in 2022, 121 employees received training for a total of 2,400 hours (equivalent to approximately 20 hours of training per employee per year), compared with 1,278 hours of training allocated to 68 employees in 2021, i.e., an increase in the number of training hours of 88%.

Between 2021 and 2022, GENFIT doubled the budget dedicated to employee training, for a total investment (excluding payroll) of €128K in 2022, compared to €58K in 2021.

GENFIT Group scope	2022	2021	2020
Number of hours	2,400.00	1,278.00	1,440.00
Number of employees trained	121	68	123
Average hours per employee trained	19.83	18.79	11.71
Cost (in thousand of euros)	128	58	106

In 2023, GENFIT will extend this training program to employees based in Switzerland.

■ Management training plan

In addition to the internal training plan offered to all employees, GENFIT offers managers or employees identified as potential managers a training plan for management skills including:

- The implementation of a management skills development path allowing employees to develop their skills and increase their performance level: in addition to the 4 modules that were taken by 30 people in 2021, 3 new modules were added in 2022;
- In addition to the interactive workshop training, the company organizes quarterly interactive sessions, involving all of the company's management, designed to promote the most involved and best performing employees on the one hand, and to bring up certain issues on the other;
- Furthermore, in 2022, GENFIT changed its project management system in order to increase operational performance by taking into account the organizational changes generated by the acquisition of Versantis and their programs.

■ Participation in continuing education events and internal and external information sessions

GENFIT regularly encourages its employees to develop their skills through other channels: continuing education, events, conferences or webinars organized either directly by the company or by recognized experts in the field:

• Internal events

- Organization of scientific webinars with expert physicians in our areas of interest (Key Opinion Leaders or KOLs): in 2022, several general presentation sessions on ACLF or CCA were offered to employees, covering a variety of topics (disease state, patient pathway from diagnosis to management, practice experience, identified gaps and needs for physicians and patients, discussions on current research ...);
- Organization of information sessions, training, conferences :
 - o by the company's General Management, such as the Town Halls;
 - o by company executives, such as Leadership Meetings;
 - o by employees who are experts in a particular topics, with a view to raising awareness and sharing knowledge, such as the Knowledge Forums.

• Participation in external events of interest

- Participation in international scientific and medical conferences and congresses organized by Learned Societies or world experts, such as the EASL International Liver Congress™, the AASLD TLM® or the Paris NASH Meeting;
- Participation in educational webinars related to our areas of interest organized by Patient Associations such as the Global Liver Institute (GLI), the Cholangiocarcinoma Foundation or the European Liver Patients Association (ELPA);
- Participation in any other event relevant to the employee's job, upon request and with the managers' agreement

■ Work-study students/interns

	2022
Number of higher education interns	6
Number of year 10 and year 11 interns	1
Number of work-study students	12
Number of employees with permanent contracts after an internship or a work-study contract	1
<i>Number of persons in a work-study contract regardless the contrat duration</i>	

In 2022, GENFIT welcomed a total of 12 work-study students, twice as many as in 2021 (6 work-study students). As of December 31, 2022, the company had 8 fixed-term contracts for work-study students, *i.e.* 6.3% of the total workforce. This figure, which is higher than the 3% recommended by the LEEM, reflects GENFIT's strong commitment to working with young people and promoting training through apprenticeships.

General indicators concerning employee representation

goal: Recruitment, development and retention of employees

At GENFIT, we prioritize our employees' needs and place them at the forefront of our decision-making. We firmly believe that doing so is crucial in boosting their commitment and motivation, all while ensuring their well-being at work. We collaborate regularly with the company's Management, Board of Directors, and Works Committee (CSE) to address labor law, health, well-being, and safety topics. In addition, we use various direct feedback mechanisms to ensure that we cover all the necessary topics.

■ Works Council - Employee representation and collective agreements

• About the Works Committee

Since November 2002 and as required by French law, GENFIT has a Works Council (CE), a staff representation body which has for a mission to ensure the collective expression of employees and the taking into account of their interests in company decisions. The Works

Council a major stakeholder at GENFIT, around which internal labor relations are structured. After the latest election, the company's trade union was reelected. GENFIT therefore still has a trade union delegate.

The Works Council being mandatory in France, it is limited to GENFIT SA. Boston and Zurich-based employees are not concerned.

Members of the Works Council's staff delegation benefited from several training courses necessary for the exercise of their missions. In particular, they received a regulatory training designed to help them understand the powers and operations of the CSE, as well as training in the prevention of sexual harassment and gender-based violence.

- *Organization and 2022 budget*

In 2022, the amounts paid for social and cultural activities (budget) of the Staff Representative Bodies amounted to 67 thousand euros, taking into account the payroll as of December 31, 2022.

Meetings of the Works Council are held monthly, according to the annual calendar established in line with the legal provisions in force. The minutes of the meetings are posted on the Company's intranet, in a section specifically dedicated to communications from the CSE, and are accessible to all employees.

The following subjects are systematically or regularly discussed in meetings between the CSE and the company's Management:

- Minutes of the Health, Safety and Working Conditions Commission (CSSCT);
- Social and cultural activities;
- Financial information;
- Governance and News;
- Discussions on various issues related to corporate life.

- **Anonymous employee engagement survey**

In terms of employee representation, the anonymous survey conducted at the beginning of the year was renewed for the third consecutive year. It plays an important role in guiding GENFIT's engagement initiatives with its employees. See chapter "[4.2.5 Initiatives - Annual survey of our employees](#)".

- **Internal communication and access to information**

GENFIT is committed to providing up-to-date and continuous information to all its employees, giving them the opportunity to send comments and questions. To this end, the company provides employees with several internal information channels:

- A collaborative intranet with a "Governance and News" community dedicated to communications with all employees, and with a comment field for questions - in 2022, 15 communications were relayed by the company through this channel;
- Regular general information meetings, bringing together employees to discuss the company's project and current events, and during which questions and comments can be addressed: in 2022, two Town Halls were organized with all employees, the first at the beginning of the year to review the successes of the past year and specify the priorities for the coming year, the second at the time of the Versantis acquisition to go over the implications;
- Following the annual satisfaction survey, the company's management decided to organize four breakfast sessions in small groups with the CEO, inviting interested employees to participate. These informal discussion forums provide an opportunity for each employee to ask the CEO questions in a simple, spontaneous, and informal manner.
- GENFIT also communicates through a regular internal newsletter, produced in English and French, institutionalized in 2022. See chapter "[4.3.5 - Initiatives - Publication of a CSR-oriented internal newsletter](#)".

General health and safety indicators at work

Objective: Promotion of good health practices and well-being at work for employees

■ Employee Health

• Absenteeism

Absenteeism	2022	2021	2020
Average number of days	5.2	3.2	15.6
Average number of occurrences	0.8	0.5	1.3
Absenteeism rage	1.43 %	0.88 %	4.28 %

The absenteeism rate is calculated as follows: [average of sick leave in days/365].

With an average absenteeism rate of 1.43% in 2022, GENFIT remains, despite a very slight increase, well below 5%. GENFIT is not prone to employee absenteeism.

• Sick leave

Focus on 2022	Number of days	Number of occurrences	Average number of days
Disease	623	91	5.2
COVID	353	50	3.0
Contact cases	23	7	0.2
Childcare stop	9	2	0.1
TOTAL	1,008.00	150	

In 2022, our employees filed 150 sick leaves related to illness, COVID-19, COVID-19 close contacts, or childcare, for a total of 1,008 days. These figures represent an increase from 2021, with 95 sick leaves filed, totaling 515 days.

As 2021 was marked by the COVID-19 pandemic and the resulting lockdowns, widespread telecommuting, and strict adherence to preventive measures, a rebound in sick leaves was expected in 2022. The return to on-site work and decreased vigilance towards preventive measures could explain this trend. We also observed a clear correlation between the waves of epidemics, particularly COVID-19, and the peaks in sick leaves filed.

• Vaccinations

The company offers employees an annual flu vaccination campaign. In 2022, 52 employees were vaccinated against the flu on a voluntary basis.

■ Safety

Employee safety is guaranteed by several complementary measures:

- Secure access with individual and nominative badges;
- A continuous video surveillance system in the premises, and outside;
- Evacuation drills carried out annually;
- For laboratories:
 - o Personal protective equipment: gowns (disposable or washable), gloves, goggles, overshoes, gowns and masks (gas, surgical, FFP2);
 - o Laboratory equipment: fume hoods, fume cupboards, microbiological safety cabinets.

In 2022, GENFIT SA employees will have 7 First Aiders at work (SST), 1 more than in 2021, who will undergo annual refresher training by the Red Cross (the legal requirement is for training every two years).

- Occupational accidents and diseases

	2022	2021	2020
Workplace accidents/commuting accidents	8	4	0
Minor incidents	0	1	8
Occupational disease	0	0	0

Of the 8 work/travel accidents reported in 2022 for GENFIT SA, only one resulted in sick leave. For GENFIT Corp. there were no work-related accidents or occupational illnesses reported in 2022.

General indicators for quality of life at work

goal: Promotion of good health practices and well-being at work for employees

■ Organization of work

In France, the current agreement on working hours organization formalizes the terms and conditions of work organization within GENFIT SA. Working time is organized according to the following categories:

- non-managerial employees: working hours are set at 35 hours per week on average over the year;
- managerial employees with a fixed hourly rate: the annual fixed rate is set at 1,697 hours (i.e. 37 hours per week).

These two categories of employees work within the framework of the annual modulation of working hours.

Managerial employees with a fixed-term contract:

- Working time is based on the number of days worked per calendar year, for a full-time employee, for a full year of work, taking into account full vacation entitlement.
- Employees included in the management categories are those covered by articles 4 and 4bis of the *Convention Nationale des Cadres* of March 14, 1947 and article 36 of appendix I, affiliated with the French Social Security system.

GENFIT Corp. employees work a 40-hour week:

- per hour for employees "eligible for non-exempt from overtime".
- by the day for employees "exempt from overtime". There is no contractually defined number of working days, but there are 10 public holidays per year. GENFIT Corp. employees benefit from paid vacations that vary according to seniority, ranging from 15 to 25 days per year

■ Telecommuting

In France, telecommuting is implemented on an ad hoc or regular basis, thanks to a first agreement signed in 2019, effective January 1, 2020. This agreement enabled telecommuting to be deployed without delay for the majority of employees in the context of the lockdown related to the COVID-19 health crisis. In December 2021, this agreement was updated to simplify the procedures for the employees concerned. In 2022, 90 of the company's 148 employees will benefit from a telecommuting agreement, thus concerning 60.81% of GENFIT SA's workforce, compared to 45% in 2021. Of the 90 telecommuting agreements in force, 62 concerned regular telecommuting (1 to 2 days per week), and 28 concerned one-off telecommuting (maximum 12 days per full calendar year). Telecommuting remains widespread for all GENFIT Corp. employees, although they may still visit the company's premises if they wish.

■ Collective life in the company

At GENFIT, the Works Council plays a central role in promoting community life and actively participates in integrating of new employees and exchanges between members of the various departments by organizing many events throughout the year, to which everyone is invited. The easing of health measures related to COVID-19 in 2022 has enabled the gradual reintroduction of internal events proposed by the Works Council, from large-scale team-building events to small-scale regular activities at the Loos site.

Two major events were organized in 2022, the "Seminar" , during fall, in l'Isle-Sur-La-Sorgue, and a "Team building day", in the Hauts-de-France region, during which employees were able to get together and take part in team building activities. For more details, see chapter "[4.2.5 - Team building activities](#)".

The Works Council renewed its traditional events in 2022 (the "Galette des rois", pancake party, bingo, seasonal breakfasts, gifts for annual celebrations, "Amusement Park" day, "GENFIT Chef" cooking competition, week-long celebrations for the "20 years of the CSE", end-of-year holiday meals and distribution of gifts, celebrations for employees who have been with the company for 10, 15 and 20 years, etc.)

■ Additional benefits

The services provided to GENFIT employees are continually improving and complementing the system designed to enhance their quality of life at work. To date, this offer includes in particular:

- *Lunchtime catering*
 - Employees receive meal vouchers, for which GENFIT's contributes to 60%, with the introduction since 2021 of the Pass Restaurant card in addition to the paper version, picked by the employee according to his/her habits. The value of meal vouchers was increased in 2022 to €9;
 - Partnerships have been set up with several local catering companies to allow employees to have their meals delivered to the workplace.
 - Since the beginning of 2022, employees also benefit from a free "Welcome" card provided by the Parc Eurasanté, allowing them to obtain discounts on the Park's catering offers;
 - The company also offers employees an access to the Regional Hospital restaurant.
- *Personal organization support*
 - A concierge service is available for various daily needs (dry cleaning, delivery of organic vegetables, etc.). The subscription is paid by GENFIT, and employees pay for their services only.
- *Sport and leisure*
 - The gym was refurbished and expanded in 2021, and was fully reopened in 2022
 - The company offers its employees the opportunity to participate in several team sports (badminton, soccer, basketball), in collaboration with the city of Loos
 - In 2023, the company also offered of Yoga/Pilates classes during lunch breaks, and ballroom dance classes

■ Methodological specificities

Social data - headcount: as of December 31, 2022, including contracts ending on that date.

Turnover rate: $[(\text{permanent contract entries 2022} + \text{permanent contract exits 2022}) / 2 / \text{Total workforce at December 31, 2021} \times 100]$.

4.3 | Our Commitment in terms of Governance

4.3.1 Our Vision in terms of Governance	<u>51</u>
4.3.2 Our 2022 Objectives in terms of Governance	<u>51</u>
4.3.3 Governance Key Performance Indicators	<u>51</u>
4.3.4 Our Policies and Commitments in terms of Governance	<u>52</u>
4.3.5 Initiatives in terms of Governance	<u>55</u>
4.3.6 Evolution of Governance Performance Indicators for 2022	<u>58</u>



4.3.1 Our Vision in terms of Governance

GENFIT considers that its non-financial performance serves its financial performance (and its business model), in the interest of its stakeholders, primarily patients, investors and employees. This dual performance challenge must be ensured by effective and ethical corporate governance, with the ultimate objective of ensuring the company's **sustainability**:

- **maintain jobs created** by its activity, and even create new ones;
- **maintain and increase the benefits** that stakeholders derive from the company's activity.

4.3.2 Our 2022 Objectives in terms of Governance

In 2022, GENFIT continued to strengthen the **organization's** steering, its **programs**, as well as its actions in terms of **sustainable development**, in order to increase the coherence of its approach:

- Strong commitment from the entire company, **led by the ESG Committee**:
 - o Board of Directors
 - o Operational Departments
 - o Works Council
 - o Employee
- Self-assessment according to multiple auto-evaluation processes
- Performance evaluation according to ethics, compliance, quality or transparency indicators
- Responsible financial management

4.3.3 Governance Key Performance Indicators

We continue to measure our performance in this area using some of the following qualitative and/or quantitative monitoring indicators:

Company CSR Commitment Indicators

goal: Strong Commitment from Board of Directors and all employees driven by the ESG Committee

- national and international voluntary commitments
- data relating to internal stakeholder engagement
- employees that have taken part in CSR trainings and awareness campaigns

Self-assessment processes indicators

goal: Self-assessment processes according to multiple complementary approaches

- Self-assessment questionnaires

Indicators relating to ethics, compliance, quality and transparency

goal: Evaluation of performance on ethical, compliance, quality and transparency indicators

- Number of regulator notifications, legal proceedings or accidents associated with clinical trials
- Monetary losses as a result of legal proceedings associated with clinical trials
- Diversity in top management
- Awareness on ethics, compliance and transparency
- Total amount of monetary losses as a result of legal proceedings associated with corruption and bribery
- Quality of internal and external processes
- Data Safety
- Litigation and disputes management

Indicators relating to financial performance

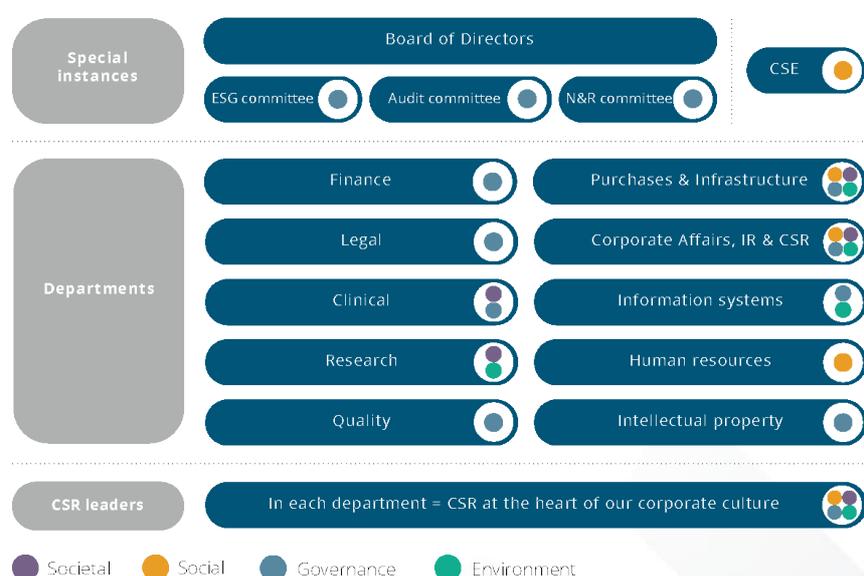
- Revenues and other incomes
- Operating results and expenses
- Financial results

- Statement of operations
- Consolidated Statement of Financial Position (consolidated)
- Statement of other elements of the financial results (consolidated)
- Table of the Company's Financial Results in the last 5 years

4.3.4 Our Policies and Commitments in terms of Governance

Involvement at all levels of the company, driven by the ESG Committee

GENFIT's overall Responsible Governance policy is designed to engage all employees. All employees are encouraged to play an role on a daily basis, as well as in targeted campaigns. Extra-financial performance is everyone's business, from the Board of Directors to all employees, including senior management. The effort is therefore both individual and collective, with the involvement of the Works Council and the support of the Human Resources Department.



As a reminder, an ESG Committee was created in 2021, and its members from the Board of Directors meet at least twice a year: In 2022, the following members made up the Committee;

- **Catherine Larue**, President of the Committee ;
- **Jean-François Mouney**, Member of the Committee ;
- **Xavier Guille des Buttes**, Member of the Committee;
- **Philippe Moons**, Member of the Committee.

3 other members of the Executive Committee also take an active part in the ESG Committees:

- **Pascal Prigent**, GENFIT's CEO, and whose variable bonus is in part associated with extra-financial performance ;
- **Jean-Christophe Marcoux**, Chief Corporate Affairs Officer, Head of Investor Relations, Head of ESG ;
- **Laurent Lannoo**, Corporate Secretary, Director of Legal Affairs.

■ Role of the ESG Committee

Since its creation, the CSR Committee of the Board of Directors has sought to increase the coherence of our sustainable approach, structure our actions and engage with our employees. In 2022, the ESG Committee worked to ensure the **effective management and compliance with the company's CSR commitments**:

- Review the Company's strategy, ambitions, policies and commitments in terms of social responsibility (Ethics and Compliance, Human Rights, Health and Safety, Environment);

- Ensure that the Company's commitment to extra-financial performance, ethics and social and environmental responsibility is in line with our stakeholders' expectations;
- Ensure the deployment of actions in these areas;
- Make recommendations to the Board of Directors.

The CSR Committee works with the other specialized committees of the Board of Directors, and in particular with:

- the **Appointments and Remuneration Committee**, to define the social and societal responsibility elements to be integrated into remuneration and diversity development policies within the Company;
- the **Audit Committee** to manage risks specific to the Company's social, societal and environmental responsibilities.

GENFIT also remains attentive to its stakeholders through various channels:

- For **external stakeholders**:
 - via the e-mail address rse@genfit.com, which allows for requests and questions;
 - via direct dialogue and formal or informal exchanges by telephone, video conference, or during meetings.
- **Internally**:
 - via the "CSR" intranet community;
 - via workshops and "CSR" information sessions offered to certain employees;
 - through the Works Council, which can make suggestions at any time;
 - through the CSR Leaders;
 - through the annual satisfaction survey, which for the first time in 2022 included questions about GENFIT's CSR commitment.

To ensure that its governance system is as transparent as possible in terms of CSR, GENFIT has made a specific non-financial performance report available to all its stakeholders since 2021. This report can be accessed on GENFIT's website's homepage www.genfit.com under the Documentation tab.

Governance to serve performance

The link between extra-financial performance and financial performance is partly based on governance and on the company's ability to identify, anticipate and control the main risks that could affect its business model, and to seize opportunities that could make it more robust:

- **Risk** detection and management

As a biotechnology company developing innovative therapeutic solutions for patients, and listed on financial markets, the typology of risks typically revolves around the following 4 material issues:

- Optimize our chances of success in clinical trials (in compliance with FDA and EMA requirements)
- Ensure the financing of our research and development programs (in compliance with SEC and AMF requirements)
- Protect our innovations (using intellectual property regulations)
- Manage our human capital to secure our innovation and execution capabilities (in compliance with the code of ethics published by the company, and in particular the company's values)

- **Opportunities** identification and leveraging

We also seek to remain responsive to our environment, notably through regular and quality engagement with our external and internal stakeholders. This includes identifying:

- new programs to acquire
- new partners to collaborate with
- new talent to bring in
- new sources of financing to be leveraged

Commitment to Human Rights

In line with its commitment to the United Nations Global Compact (see [website](#)), GENFIT respects human rights standards for all its employees and applies the Declaration of Human Rights in its operations. GENFIT complies with local labor laws.

Each service provider engaged by GENFIT (conduct of clinical trials, drug supply, etc.) undertakes to ensure that its staff have the qualifications and experience required to conduct a study in accordance with the relevant good practices. They undertake to comply scrupulously with the guidelines of the relevant Ethics Committee, the provisions of the Declaration of Helsinki, the recommendations of

the World Health Organization and the International Council for Harmonization of Technical Requirements for Registration of Medicinal Products for Human Use (ICH), as well as all applicable local and/or national laws and regulations as most recently amended and all other provisions established by the Regulatory Authorities and in particular Articles L. 4113-6 and L. 4113-9 of the French Public Health Code.

Commitment to animal welfare

■ **Innovative program aiming at reducing the number of animal models used**

GENFIT applies the R3s principle, detailed hereafter, aimed at reducing the number of animal models used in animal experimentation when possible. To do so, GENFIT is developing an innovative organoids program. Organoids are an intermediary model between cell lines cultures and the animal. These 3D cell structures mimic organ architecture as a miniature, in our case the liver. They allow for experiments that resemble experiments on the entire organ, but avoiding the use of a live animal.

■ **Regulations on animal welfare**

The European Directive 2010/63UE has set the framework for the regulation of animal experimentation, it was transposed in France in February 2013.

Since then, the ethical evaluation of projects using live animals for scientific purposes is required, and projects are subject to authorization by the Ministry of Research. Greater transparency of research laboratories towards civil society has thus been promoted, notably at the request of animal welfare associations.

All institutions using animal experimentation have to establish an Ethics Committee competent in animal experimentation, which must be approved by the National Committee for Ethical Reflection in Animal Experimentation (CNREEA).

GENFIT set up an internal committee that complies with the recommendations of the CNREEA before the Directive was transposed and implemented. GENFIT's Animal Experimentation Ethics Committee (CEMEA) has been registered since October 11, 2012 under No. 77 with the National Committee.

Members of the Ethics Committees are committed to promoting the national charter on animal experimentation, and to applying the basic 3Rs rule of reducing the number of animals used, substituting alternative methods if available, and refining procedures to make them as comfortable as possible for the animals.

The CEMEA's rules of procedure have been drawn up in order to establish its mode of operation.

On an annual basis, the Ethics Committees and the heads of the experimental establishments report to the Ministry on the number of animals used and the severity of the procedures they have performed. These national data are then published at the European level.

In addition to the ethical evaluation and authorization of projects, which are steps prior to the implementation of experimental procedures, each institution must set up an animal welfare structure in its laboratories (SCBEA).

Composed of competent GENFIT personnel in the field of experimentation and a veterinary doctor, the Committee ensures that experimental procedures are applied as authorized during the ethical review.

Finally, in order to guarantee that the teams dedicated to animal experimentation produce quality work while respecting animal welfare, they must maintain a good level of competence and training. As a result, an individual training plan and the monitoring of skills were established.

All of these regulatory aspects are subject to regular inspections as part of GENFIT's continued accreditation as an animal testing facility since 2001.

Patient data safety

The safety of patient data collected as part of our clinical studies is a key issue subject to GDPR regulations. To ensure data protection, GENFIT has implemented various policies and technical tools within its Information Systems. Awareness of cybersecurity issues is also an important part of the company's culture.

Finally, our service providers (including our Contract Research Organizations) and software solutions chosen to participate in our clinical studies, and thus process patient data, are rigorously qualified according to various criteria, including the security of their information systems.

Data safety

As a player in medical innovation, GENFIT is aware of its responsibility in terms of information and data safety, whether it be financial data or medical data involving third parties.

As such, we carefully monitor the evolution of risks in terms of information systems security. To this end, numerous updates are made to the infrastructure, server maintenance, software and antivirus updates, and security audits are regularly carried out.

The generalization of telecommuting was also an opportunity to educate and raise awareness among employees in this area. Several targeted campaigns and specific training sessions are organized to ensure that each employee is not only aware of the existing dangers, but can also put into practice the recommendations drawn up by the Information Systems Department. This training is mandatory for all employees, regardless of their location.

Subcontracting and suppliers

GENFIT outsources a significant part of its activities to subcontractors, especially in regulated areas such as:

- Implementation of clinical trials (Good Clinical Practice)
- Manufacturing of small quantities of our drug candidate (Good Manufacturing Practice)
- Pre-clinical activities (Good Laboratory Practice)

The qualification process and surveillance of our subcontractors are two essential pillars of our operational steering that allow us to ensure a good of execution for our programs and regulatory conformity for our activities. GENFIT conducts regular audits for its subcontractors to ensure a rigorous surveillance of all the activities we outsource.

Regarding the selection of our suppliers and subcontractors, GENFIT wishes to enforce a systematic tender process, in order to include an effective and healthy competition between the different stakeholders that may collaborate with the company. A process was designed many years ago and reviewed in 2021 to include a more detailed comparative scorecard, including several indicators on quality, price, or reputation.

GENFIT is careful to work with subcontractors and suppliers whose practices make them sustainable and responsible stakeholders. GENFIT's 10 main suppliers were awarded multiple recognized CSR labels. These markers are especially important as they tell GENFIT's impact in all its action perimeter. See chapter [4.3.5 - Responsible purchasing policy](#).

4.3.5 Initiatives in terms of Governance

Integration of a "Raison d'être" in the company's statutes

At the May 2022 Shareholders Meeting, GENFIT proposed the integration of its purpose within the meaning of Article 1835 of the Civil Code, in the company's Articles of Association, thus following the proposal made by the 2019 Pact Law, and intended to accelerate the UN's SDGs. This initiative was put to a vote and was **adopted by the Shareholders at 99.02%**.

The Company's **purpose** is as follows:

GENFIT is a late-stage biopharmaceutical company dedicated to improving the lives of patients affected by severe chronic liver diseases that are characterized by high unmet medical needs.

Our purpose supports our long-term commitment with regards to the role we want to play in society, not only as an economic player seeking to create long-term value for its ecosystem and partners but also as an innovative biotechnology company working to improve people's quality of life, and finally as a civic company striving to promote professional and personal development for its employees.

We intend to create general public benefit by generating a positive and significant social, societal and environmental impact through our activities. As part of this approach, our Board of Directors commits to taking into consideration (i) the social, societal and environmental consequences of its decisions on all of the Company's stakeholders, and (ii) the consequences of its decisions on the environment.

As part of this commitment, we have created a dedicated ESG Committee of the Board of Directors which meets at least bi-annually, to measure and track our extra-financial performance and communicate to the public through an annual extra-financial performance report.

Set-up of a team of CSR Leaders

In 2022, in line with our desire to mobilize our employees on corporate responsibility, GENFIT set up a team of 12 volunteer CSR Leaders, each member representing a department of the company. Their role is based on 4 areas of intervention:

- **collecting information** on the company's extra-financial performance;
- **suggesting and/or leading and executing initiatives** directly related to their area of activity;
- spreading information and **best practices related to their role**;
- being a **lever** with the company's external stakeholders on CSR issues (customers, suppliers, associations, communities, etc.).

GENFIT's employees' collective commitment is now an important source of information within the company. It also fosters cohesion and motivation among teams, who feel involved in the life of the company and find more meaning in their work.

Specific CSR training program with external instructors

In order to grow the organization with regards to CSR issues and to increase the relevance of initiatives taken in this area, GENFIT has implemented a training and awareness plan that has been rolled out at several levels within the company, in line with our objectives presented in [chapter 3.2 CSR objectives](#).

- **Board of Directors**: in application of recommendation R5 of the Middelnext Code of Governance, the Board of Directors, in conjunction with its ESG Committee, has set up a training plan for its members in 2022. Three training sessions were held during the year, including one on CSR and one on the rights and duties of Board members. These training sessions were carried out in a format that included the participation of external and internal specialists, thus promoting an interactive and participatory approach.
- **CSR managers** in charge of steering and implementing the CSR 2022 roadmap within the Corporate Affairs team:
 - o Two certifications obtained from the **Harvard Business School**, "**Sustainable Business Strategy**", providing an overview of the major issues, the trajectories to follow and how the extra-financial performance of a company can serve its financial performance;
 - o An employee trained by "**Pharmaceutiques**" through the module entitled "**CSR in light of the Pact Law**", placing CSR issues in the specific context of the pharmaceutical industry, and proposing methodological tools to establish a roadmap;
 - o Two people trained to use the "WeCount" tool, designed to calculate and analyze the company's carbon footprint on scopes 1, 2 and 3, based on a robust methodology recognized by the ADEME (French Environment and Energy Management Agency), following the SBTi (Science Based Target initiative) and the GhG protocol recommendations;
 - o Two people were trained to CSR through the **Environmental Transition Workshops**, organized by the European Metropolis of Lille and aimed at working with the region's companies in environmental transition.

Internal CSR awareness campaigns

GENFIT believes that the success of a company's CSR strategy depends on employee's awareness and commitment and their active involvement in implementing responsible practices on a daily basis. With this in mind, we have deployed a range of awareness-raising actions throughout the year via various channels:

- Two **Lunch & Learn** events dedicated to CSR;
- June 2022: during the "**Team Building Day**", one of our CSR project managers held a presentation to review the actions led by GENFIT to support the "Rare Disease Day" initiative, and to raise employees' awareness on local and environmental responsibility issues.
- September 2022: during the **plenary session** of the corporate seminar, and for the first time with all our French, American and Swiss employees, the company's management reminded the main principles of GENFIT's CSR commitment, and presented the team of CSR Leaders, and their role in the organization.
- February 2023: organization of a "**CSR Knowledge Forum**" for employees based in the United States, France and Switzerland
- March 2023: presentation of the results of the **MonEmpruntePro** questionnaires designed to measure the carbon footprint at an individual level (anonymous and on a voluntary basis).

Update of the Code of Conduct and Ethics and training

We operate on a daily basis with ethics and integrity. We strive to comply with the standards of our industry, individually and as a company. Compliance and ethics work is led by the Chief Compliance Officer (Stefanie Wagner) and her team.

The cornerstone document for ethics at GENFIT is the Code of Conduct and Ethics. It was developed by the Board of Directors and senior management when the Company's was listed on the Nasdaq in 2019 and is regularly updated to take into account regulatory and operational developments. The code sets out a common framework for our interactions, not only with each other as GENFIT employees, but also with our stakeholders. The code is presented in the form of an "Employee Guide", which first recalls GENFIT's fundamental values, covers 18 thematic chapters and includes four specific policies, including the anti-corruption policy. The company's senior management and the Board of Directors have entrusted the Chief Compliance Officer with the day-to-day management and interpretation of the code. The Human Resources Department and the employee representative body were also involved in updating the code and ensuring its effective dissemination. In addition to the Chief Compliance Officer, operational managers are also the local points of contact for any questions related to the code at GENFIT.

In 2022, GENFIT's Code of Conduct and Ethics was updated with respect to the procedure for reporting and handling suspected or actual violations of the Code or the law, to take into account legislative and regulatory changes that occurred during the year.

2022 also saw the implementation of several trainings specific to Ethics topics, such as trainings on the Code of Conduct and Ethics, personal data handling, relationships with healthcare professionals, promotional and non-promotional communications, confidentiality and social media. All employees are required to attend these trainings, either in person or via webinars.

Depending on the operational and legislative context, in-depth training on specific topics is planned from time to time. For example, an in-depth training course on the subject of stock market ethics is planned as part of the update of the related policy in the first half of the year. Finally, the various training courses are accompanied by a post-training quiz to check the knowledge acquired by the participants.

GENFIT's Code of Conduct and Ethics is available to all via our website by [clicking here](#).

Participation in the self-assessment process specific to the pharmaceutical sector

GENFIT participated in the self-assessment process developed according to the principles dictated by the "**Guide for pharmaceutical companies**", which presents pharmaceutical companies' commitments in terms of sustainable development. Basing part of our future strategy on this guide lies in the quality and specificity of the work undertaken by LEEM following the PACTE law, encouraging companies in the sector to rethink their role in society:

- based on two key international standards,
- specifically for the pharmaceutical sector.

The guide presents 6 axes, 16 commitments, 34 objectives and more specific actions that the sector can undertake to contribute to the 17 Sustainable Development Goals (SDGs) adopted in September 2015 by the United Nations. Each commitment presented is aligned with the SDGs, as well as with the LEEM ISO26000 standard, which is the LEEM's version of the ISO26000 standard (the only international standard defining the principles and themes covered by CSR, and describing how organizations can contribute to sustainable development).

Development of a responsible purchasing policy

GENFIT believes that integrating environmental and social factors in our supply chain management not only minimizes risks, but also contributes to preserving the environment, improving working conditions for employees and promoting fair business practices. With this in mind, we decided to further formalize our purchasing process through 3 new principles that we are progressively integrating into our purchasing policy to make it more responsible:

- Inclusion of **CSR criteria** in the "scorecards" used to evaluate candidate companies: based on a reference grid which, we believe, would allow us to measure the performance of a candidate supplier against another. We encourage our employees to include this scorecard in their selection process. This evaluation process could include a certain number of criteria that need to be audited with the candidate supplier
- Inclusion of a contractual clause on the **respect of good CSR practices**: social, societal, environmental and governance in the contract signed with the selected service provider, as well as the respect of our values and of the United Nations' SDGs;
- Inclusion of a contractual clause encouraging the selected service provider to **disclose the necessary and relevant information necessary** for GENFIT's reporting to cover Scope 3 of the Carbon Footprint.

For more details regarding GENFIT's supply chain performance indicators in 2022, please refer to chapter "[4.1.6 - Suppliers and geographical proximity - status](#)" of this report.

Adjustments to the corporate governance structure and programs following the acquisition of Versantis AG

Following the acquisition of Versantis AG, which was covered for the social dimension in chapter "[4.2.5 Integration plan following the acquisition of Versantis AG](#)", changes were implemented in terms of governance:

- **Corporate Governance**

Meriam KABBAJ, co-founder of Versantis, joined GENFIT's Executive Committee at the end of 2022 as Chief Technology Officer in charge of CMC, Analytical Chemistry and Non Clinical Development. Meriam holds a Doctorate in Pharmacy (University of Geneva) and obtained her Master and Doctorate in Pharmaceutical Sciences from the University of Montreal. She gained experience in clinical drug development, including quality assurance and regulatory affairs, at a leading CRO (Celerion, formerly MDS Pharma Sciences) specialized in applied translational medicine, holding several key operational and management positions. After this extensive 10-year experience in the pharmaceutical industry, she co-founded Versantis and successfully led the development of the drug candidate VS-01 from an academic prototype to Versantis' lead clinical compound. She also participated in Versantis' fundraising activities.

- **Program Governance**

The steering committees was revised to include members of the Versantis AG management team and to integrate the new programs into the GENFIT portfolio.

Publication of an in-house newsletter detailing our CSR activities

In addition to the awareness sessions aforementioned, GENFIT is publishing a bi-annual internal newsletter since June 2022. This newsletter is designed to share the latest news about the company, but is also structured around four recurring sections: "Environment", "Social/Societal" and "Governance", covering the company's latest advances in each area.

The format also systematically includes a "Focus on" section offering in-depth content on various topics, often related to the company's extra-financial performance commitments.

4.3.6 Evolution of Governance Performance Indicators for 2022

Indicators associated with the company's CSR commitment

Goal: Strong Commitment from Board of Directors and all employees driven by the ESG Committee

- **Voluntary national and international commitments**

See [chapter 2.1 - Voluntary commitments](#).

- **Data relating to internal stakeholders engagement**

- 2 CSR Committees/year
- 1 training dedicated to CSR for all the members of the Board of Directors
- 12 voluntary CSR Leaders representing 12 company departments
- 1 day for our 148 collaborators dedicated to CSR, and organized sustainably by the Works Council
- 1 weekend dedicated to our yearly seminar for all our employees organized sustainably by the Works Council
- 2 half-yearly newsletters detailing our initiatives in terms of CSR

- **Employees who took part in training and awareness campaigns**

- 3 employees in charge for CSR took trainings in 2022
- 8 information sessions for all employees, taking different formats (webinars, plenary sessions, town halls)

Indicators associated with our self-assessment processes

Goal: Self-assessment processes according to multiple complementary approaches

■ **Number of CSR self-assessment questionnaires completed**

In 2022, GENFIT began a self-assessment process for its extra-financial performance using various complementary approaches. As of the publication date of this report, the company has submitted or responded to around ten questionnaires, from 3 different sources:

- spontaneously proposed by shareholders/investors;
- relating to grids from recognized rating agencies;
- selected by us as considered relevant.

Indicators associated with ethics, compliance, quality and transparency

Goal: Evaluation of performance on ethical, compliance, quality and transparency indicators

■ **Number of regulatory notifications, lawsuits and accidents associated with clinical trials**

No notification to be disclosed.

■ **Monetary losses as a result of legal proceedings associated with clinical trials**

GENFIT never had legal proceedings of this nature.

■ **Diversity in company leadership**

As of December 31, 2022, the Board of Directors was comprised of four women out of nine members, i.e. 44%, so that as of the date of this report, the Board is in compliance with the French law n° 2011-103 of January 27, 2011, also known as "Copé-Zimmermann", on the balanced representation of women and men on boards of directors. The Board of Directors also includes several nationalities: German, British and American.

As of the publication of this report, the Executive Committee includes four women out of eleven members. The Executive Committee also includes several nationalities: French, American, Canadian and Moroccan.

■ **Raising awareness on ethics, conformity and transparency**

We operate on a daily basis with ethics and integrity. We strive to comply with the standards of our industry, individually and as a company. Compliance and ethics work is led by the Chief Compliance Officer (Stefanie Magner) and her team.

- Availability of code of business conduct and ethics and trainings

The cornerstone document for ethics at GENFIT is the Code of Conduct and Ethics. It was developed by the Board of Directors and senior management at the time of the Company's listing on Nasdaq in 2019 and is regularly updated to take into account legislative and operational developments. The code sets out a common framework for how we interact, not only with each other as GENFIT employees, but also with our stakeholders. The code is set out in the form of an "Employee Guide", which firstly recalls GENFIT's fundamental values, covers 18 thematic chapters and includes 4 specific policies, including the anti-corruption policy and the policy specifying the procedure for reporting and dealing with suspected or actual violations of the Code or the law; the latter was updated in 2022 to take into account legislative and regulatory changes that occurred during the year. The General Management and the Board of Directors have entrusted the Chief Compliance Officer with the day-to-day management and interpretation of the Code. The Human Resources Department and the employee representative body are also involved in updating the code and ensuring its effective dissemination. In addition to the Chief Compliance Officer, operational managers are also the local points of contact for any questions related to the code at GENFIT.

In 2022, all GENFIT collaborators (France, United-States and Switzerland) were required to take a training on the Code of Business Conduct and Ethics, either in person or via online webinars. The Code of Business Conduct and Ethics is accessible to all collaborators on our [website](#).

- Other trainings relating to compliance and ethics

In addition to the Code of Conduct and Ethics, various policies and procedures relating to ethics and compliance, specific to our sector of activity, are in place to guide GENFIT employees in the performance of their daily duties.

All GENFIT employees are required to undergo regular training on a variety of compliance and ethics topics, such as personal data processing, relations with healthcare professionals, promotional and non-promotional communications, confidentiality and social media. Depending on the operational and legislative context, more in-depth training on specific topics is planned from time to time. For example,

in-depth training on the subject of stock market ethics is planned as part of the update of the related policy in the first half of the year. Finally, the various training courses are accompanied by a post-training quiz to check the knowledge acquired by the participants.

■ **Monetary losses as a result of legal proceedings associated with corruption**

GENFIT never had legal proceedings of this nature.

■ **Quality of internal and external procedures**

In 2022, GENFIT continued to improve its quality management system, in order to better control the level of risk in its business. Among the measures taken:

- Multiple updates of the Quality Management System, with the contribution of several working groups, resulting in new operational procedures that are documented, validated and distributed through a dedicated tool guaranteeing a good level of information for each employee regarding the procedures to follow and the best practices to implement within the framework of their specific activity;
- Regular presentation of Quality indicators to all members of the Executive Committee, in order to ensure transparent monitoring of the company's progress.

Each new document that comes into effect is sent to the relevant employees, followed by a mandatory approval process.

A reporting and alert tool accessible from the intranet is available to employees. It allows them to send a notification to the Quality department when an issue is identified, so that action can be taken: adapt a procedure, propose a new procedure, internal or external solution, etc.

In order to ensure the quality of the work provided by the teams and that procedures are applied, audits are regularly carried out, led by the Quality department.

	2022	2021
Number of documents in our system	846	500
Number of documents created or updated	125	100
Number of quality incidents reported	44	34
Number of quality incidents resolved	22	25

This increase in numbers is due to the increase in the number of programs in 2022.

■ **Management of disputes and litigations**

Few disputes and litigations to be disclosed in the last few years.

In May 2020, following the Company's announcement of interim results from its Phase 3 RESOLVE-IT clinical trial evaluating elafibranor in NASH, pursuant to which elafibranor did not demonstrate a statistical effect on either the primary or secondary endpoints, a shareholder class action lawsuit was filed in a state court in the Commonwealth of Massachusetts, naming the Company, its Board of Directors and certain members of its executive management as defendants. The action alleged that the Company and the other defendants made misleading statements about the development of elafibranor in connection with the Company's initial public offering in the United States in violation of U.S. federal securities laws.

In October 2020, the plaintiff voluntarily discontinued the action filed in state court in the Commonwealth of Massachusetts. However, in December 2020, the same plaintiff filed a new action in New York state court, alleging claims substantially similar to those in the prior action against the same defendants as in the prior action but also against the banks that accompanied the Company in its U.S. IPO.

In August 2021, the New York State Supreme Court denied the petition with prejudice. The plaintiff appealed this decision and in December 2022, the First Department of the Appellate Division of the Supreme Court affirmed the decision to dismiss the petition with prejudice. The deadline for appealing the decision of the Appellate Division of the Supreme Court has expired.

■ **Information security**

At GENFIT, all employees follow a range of information security training courses as part of their integration process.

Since 2022, 8 training courses were made available directly online via our intranet portal. They are short videos available in replay that can be consulted at anytime. To ensure that the risks and behaviors are well understood by all, test campaigns are regularly conducted by

the Information Systems Department. Users who fail the test are warned by a message encouraging them to re-watch the awareness sessions.

In 2022, as in previous years, each new employee joining GENFIT received training in good practices, with the delivery of a specific charter and a document containing the essential points of vigilance. This document is updated regularly, with a major update at the end of 2021 to take into account the most recent issues, since these are evolving rapidly.

At the beginning of 2022, to confirm the importance given to information and data issues, GENFIT appointed John Brozek, Vice-President Data & Information Technology, to the Executive Committee.

Financial performance indicators

In the context of this non-financial performance report, GENFIT recalls the main economic data presented in its Universal Registration Document, available on our website [following this link](#).

■ Revenues and other incomes

Revenue and other operating income for 2022 amounted to €26.6 million compared to €85.6 million for 2021.

In 2022, our revenue totaled €20.2 million and came from three streams related to Ipsen:

- In December 2021, we received a €120m non-refundable upfront payment from Ipsen as part of our Collaboration and Licencing agreement. €80m was recognized as revenue in 2021, and €40m was booked as deferred revenue and is gradually recognized as revenue in subsequent periods following the progress of the ELATIVE[®] double-blind study. As such, of that initial €40m in the deferred revenue balance, €15.9m was recognized as revenue in 2022.
- €3.3 million was recognized as revenue in 2022 in accordance with the Inventory Purchase Agreement signed with Ipsen, pursuant to which Ipsen purchased inventory of elafibranor active pharmaceutical ingredient and drug product during the second half of 2022, with the prospect of transferring the conduct of the ELATIVE[®] study to Ipsen.
- €1.0 million in revenue was generated from the services rendered by GENFIT to Ipsen in accordance with the Transition Services Agreement signed in 2022, which essentially outlines the scope of services to facilitate the transition of some activities related to the Phase 3 clinical trial evaluating elafibranor in PBC.

In 2022, other operating income totaled €6.4 million. This included mainly the research tax credit (known as Crédit d'Impôt Recherche or CIR) granted by the French tax authorities, which amounted to €6.0m. This is up from €5.3 million for 2021. This is due to an increase in our research activities in 2022.

■ Operating results and expenses

Operating expenses for 2022 amounted to €53.9 million, compared to €53.8 million for 2021. This is comprised of research and development expenses, general and administrative expenses, marketing and market access expenses, reorganization and restructuring expenses, and other operating expenses.

The slight increase is due to multiple factors:

- The increase in research and development costs of €0.6 million, explained by the increase in costs related to new programs and product candidates, in particular NTZ, VS-01 and GNS561, offset by the sharp reduction in study costs related to RESOLVE-IT[®].
- The increase in general and administrative expenses of €0.2 million, explained by the increase in costs related to liability insurance, the increase in costs related to consulting fees, and other charges in the normal course of business,
- The decrease in marketing and market access expenses of €0.5 million, mainly explained by the decrease in marketing activity in the United States and France,
- The decrease in reorganization and restructuring charges of €0.1 million (effectively null in 2022), and the decrease of other operating expenses of €0.1 million.

In 2022, GENFIT generated a consolidated operating loss of €27.3 million, compared to an operating income of €31.8 million in 2021.

■ Financial results

2022 resulted in a financial income of €3.5 million compared to a financial income of €37.7 million in 2021.

In 2022, financial income is due to net foreign exchange gains of €7.1 million, interest income of €0.7 million, offset by interest expense of €4.3 million.

In 2021, financial income was due to net foreign exchange gains of €6.7 million, interest income of €0.3 million, offset by interest expense of €4.9 million. In addition, the company recorded a one time gain of 35.6 million corresponding to a repurchase bonus following the renegotiation of the OCEANES in January 2021.

The foreign exchange result on cash and cash equivalents was a net gain of €7.1 million in 2022, compared to €6.7 million in 2021. This is notably due to the difference in currency exchange recognized on cash and other current financial assets in US dollars, as GENFIT has decided to keep some of its cash in US dollars. These cash and other current financial assets in US dollars are to be used to pay directly expenses in US dollars (natural currency hedge).

■ Cash position

As of December 31, 2022, the Company's cash and cash equivalents and current financial assets amounted to €140.6 million compared with €258.8 million as of December 31, 2021.

This is mainly the result of the following, in addition to normal business activity:

- The payment of €24.0 million in January 2022 representing the VAT collected on the initial upfront payment received from Ipsen in December 2021,
- The disbursement of employee participation in the profits of GENFIT SA in May 2022 for a total of €0.6 million for the financial year 2021, and
- The acquisition of Versantis AG totaling €41.5m net of cash acquired.

■ Statement of net income (consolidated financial statements)

<i>(in thousands of euros, except per share data)</i>	Year ended	
	12/31/2021	12/31/2022
Operating revenues		
Revenues	80,069	20,195
Other products	5,510	6,371
Operating revenues	85,579	26,566
Operating expenses		
Research and development costs	(35,166)	(35,818)
General and administrative expenses	(16,153)	(16,405)
Marketing and pre-marketing expenses	(1,539)	(992)
Reorganization and restructuring costs	(142)	11
Other operating income and expenses	(763)	(652)
Operating income	31,816	(27,289)
Financial income	44,780	8,212
Financial expenses	(7,122)	(4,758)
Financial result	37,658	3,453
Net income before tax	69,474	(23,836)
Tax income / (expense)	(2,215)	116
Net income	67,259	(23,719)
Basic / diluted earnings per share attributable to shareholders		
Basic earnings per share (€/share)	1.51	(0.48)
Diluted earnings per share (€/share)	1.23	(0.48)

■ **Statement of other comprehensive income (consolidated financial statements)**

<i>(in thousands of euros)</i>	Year ended	
	12/31/2021	12/31/2022
Net income	67,259	(23,719)
Actuarial gains and losses net of tax	216	258
Gains (losses) recognized in equity not transferable to the income statement	216	258
Translation differences	113	(1,366)
Gains (losses) recognized in equity transferable to the income statement	113	(1,366)
Overall result	67,589	(24,827)
Parent company shareholders' share	67,589	(24,827)

■ **Table of Financial Results of the Company for the last five years (corporate accounts)**

<i>(in euros)</i>	On the date of 12/31/2022	On the date of 12/31/2021	On the date of 12/31/2020	On the date of 12/31/2019	On the date of 12/31/2018
A - Financial position at year-end					
a) Share capital	12,458,746	12,453,872	9,722,095	9,714,654	7,795,980
b) Number of shares issued	49,834,983	49,815,489	38,888,379	38,858,617	31,183,921
c) Number of bonds convertible into shares	1,923,662	1,923,662	6,081,081	6,081,081	6,081,081
B - Overall result of actual operations					
a) Sales excluding taxes	20,194,870	80,063,763	758,936	30,836,967	68,937
b) Income before tax, depreciation and provisions	(25,857,418)	69,769,486	(99,020,634)	(64,229,640)	(80,837,941)
c) Income tax	6,017,022	221,446	6,019,811	8,128,931	7,417,110
d) Profit after tax but before depreciation and provisions	(19,840,396)	69,990,931	(93,000,824)	(56,100,709)	(73,420,831)
e) Income after tax, depreciation and provisions	(20,710,588)	70,069,416	(97,223,484)	(60,524,504)	(75,733,978)
f) Employee profit-sharing	0	0	0	0	0
C - Result of operations reduced to one share					
a) Profit after tax but before depreciation and provisions	(0.40)	1.41	(2.39)	(1.44)	(2.35)
b) Profit after tax, depreciation and provisions	(0.42)	1.41	(2.50)	(1.56)	(2.43)
c) Dividend paid per share	0	0	0	0	0
D - Personnel					
a) Number of employees	119	112	175	161	127
b) Amount of payroll	(9,302,706)	(8,334,529)	(10,809,519)	(11,061,537)	(7,742,777)
c) Amount paid for employee benefits	(4,052,566)	(4,306,675)	(4,552,147)	(4,730,264)	(3,649,024)

4.4 | Our Environmental Commitment

4.4.1 Our vision of Environmental Commitment	<u>65</u>
4.4.2 Our 2022 Environmental Objectives	<u>65</u>
4.4.3 Environmental Key Performance Indicators	<u>65</u>
4.4.4 Our Environmental Policies and Commitments	<u>66</u>
4.4.5 Environmental Initiatives	<u>67</u>
4.4.6 Evolution of Environmental Performance Indicators for 2022	<u>69</u>



4.4.1 Our vision of Environmental Commitment

A continuous improvement approach

The consequences of human activities on climate change are a global issue related to healthcare, our core business. This is one of the reasons why we want to make business more environmentally sustainable, through a better measurement of our impact, enhanced prevention of climate and environmental risks, and better waste management.

We believe that a company's environmental approach can be improved at different levels, and in different ways, all converging towards the same objective:

- through large-scale infrastructure changes;
- with everyday measures that, if applied by all employees, can have a significant impact;
- through specific initiatives led by external players: awareness campaigns, contributions efforts led by other stakeholders, or carbon offsetting mechanisms.

At GENFIT, in 2022, like we did the previous years, we have tried to act according to these three ways.

While our concern for the environment means we try to make responsible choices whenever possible, GENFIT's laboratories are not concerned by regulations relating to Classified Installations for Environmental Protection.

An activity that consumes few natural resources and raw materials

GENFIT is different from many other companies in the sense that its business model is unique to biotechnology companies focused exclusively on research and development. Its main assets are intangible: patents on non-marketed molecules or on algorithms. At this stage, GENFIT does not sell any drugs or manufacture any products. The company does not use any production chain, either directly or indirectly. Its need for raw materials is extremely low, and its supply chain almost non-existent. As the company does not manufacture any product and does not provide any service, it does not use any distribution chain, which again greatly limits its use of natural resources, as it has no direct or indirect sales outlets and does not mobilize any sales force, either in the field or virtually.

Most of its environmental impact derive from the energy used for the buildings where its employees work, and business travel.

4.4.2 Our 2022 Environmental Objectives

In 2022, we have focused our strategy on implementing new tools to assess our environmental impact. Any improvement in an environmental trajectory must be based on a precise evaluation of our starting point. These approaches require an in-depth research and data collection. We have chosen to base our approach on recognized tools that are most relevant to our business model. As no specific tool has yet been developed for biotechnology companies which are focused on research and development, we have chosen to use **CarbonEM**, the tool proposed by the LEEM (Les Entreprises du Médicament), for three reasons:

- the legitimacy of the LEEM recommendations, a recognized institution in the healthcare sector;
- compliance with the highest environmental standards: ADEME, SBTi ;
- ease of access and use.

In parallel, we continued to take **action to reduce waste** and to undertake **responsible waste management methods**. These approaches allow us to limit our environmental risk through safe technologies and procedures, and strict protocols in the event of an accident or emergency.

We have also continued to **raise awareness on environmental issues among all our employees**, encouraging them to get involved: reduction of energy costs, rational use of consumables, selective sorting and reduction of household waste. Finally, we have studied the possibility of including new innovative solutions likely to improve our impact on the environment, in particular within the framework of partnerships with certain local players in the field of green innovation, and have continued our actions in the area of carbon offsetting.

4.4.3 Environmental Key Performance Indicators

We continue to measure our performance in this area using some of the following qualitative and/or quantitative monitoring indicators:

Consumption Indicators

goal : Evaluate our impact on the environment and reduce our consumption

- Green House Gas emissions (GhG)
- Evolution of our energy consumption
- Evolution of our water consumption
- Evolution of our raw materials consumption

Waste management Indicators

Goal: undertake actions to reduce waste, and follow sustainable waste management methods

- Volume of potential biohazard waste (DASRI)
- Volume of vivo laboratory waste
- Volume of recycled waste
- Reduction of general waste and toxic waste

Environmental approach indicators

goal: raise awareness on environmental issues for all our employees

- Number of employees sensitized to our environmental approach
- Number of company and employee electric or hybrid vehicles

4.4.4 Our Environmental Policies and Commitments

Water and energy suppliers

The water is distributed by ILEO, a local supplier, which ensures its distribution in 62 towns of the European metropolis of Lille (MEL) (from the factory outlet to the tap). Several preservation and analysis operations are implemented by ILEO to guarantee water quality, and at each stage of the production and distribution of the water, the MEL ensures its quality in the boreholes, during production, treatment distribution.

Regarding electricity, GENFIT works with French supplier EDF, whose production is mainly ensured by nuclear power plants, then by fossil fuels (coal, gas, fuel oil), and increasingly by renewable energies (solar, wind, bioenergy). EDF specifies that the 2022 supply mix will be published by the supplier in September/October 2023.

Finally, gas is produced by Eni, a European group supplying France for over 50 years, and whose fundamental and unavoidable values include respect for and protection of the environment. The gas supplied by Eni in France comes mainly from Norwegian fields in the North Sea. Eni has various certifications including ISO 14001 (Environment) and ISO 50001 (Energy management).

Use of sustainable materials

GENFIT is a research and development laboratory that does not manufacture any products. Our supply chain is therefore limited to a few purchases of products and services for our scientific projects or to support our activities.

However, we pay attention to the durability of the products we buy, and we favor sustainability (desks, outdoor furniture replaced in 2022) and the origin, local or French whenever possible.

For more detail, see chapter "[4.3.5 - Responsible purchasing policy](#)".

Development or preservation of biodiversity

We are aware of biodiversity issues on a global scale. As a company, and particularly as a player committed to human health, we believe have a role to play in preserving biodiversity. It is essential to note that, to date, our biodiversity footprint is relatively limited compared to companies in the pharmaceutical sector. However, we have chosen to take action to protect biodiversity by implementing local actions at our Loos site, and plan to appoint a "Drug residues and water pollution" supervisor.

For more details, see chapter "[4.4.5 - Adapting our exteriors to better respect biodiversity](#)" and "[5.2 - 2023 Roadmap](#)".

Use of responsible lighting

GENFIT is committed to using LED solutions. This choice is justified firstly by a desire to reduce our energy consumption, since LED lamps consume little energy. The technology is also sustainable as LED bulbs are durable. Indeed, a LED lamp can operate between 30,000 and 50,000 hours, against 2,000 hours for a halogen bulb and 1,000 hours for an incandescent lamp.

In addition, GENFIT uses automatic switches that detects movement and turns on the lights only when necessary. Above all, they automatically turn off the light if no presence is detected, avoiding unnecessary waste.

4.4.5 Environmental Initiatives

Set-up of a carbone offsetting scheme for business travel

GENFIT participates in the proactive CO2 offsetting program set up by Air France. This program is twofold:

- **Proactive offsetting of domestic flights by Air France:** as of January 1, 2020, Air France internal flights (France) are carbon neutral thanks to the offsetting of 100% of the emissions linked to domestic flights.
- **Offsetting of international flights:** companies that wish to do so can participate in the Air France offsetting program to also offset the emissions linked to their international flights. GENFIT has volunteered for this part of the program.

The contribution is distributed to certified projects in South America (Brazil, Peru), Africa (Kenya) and Asia (India, Cambodia), selected with EcoAct, a pioneer in carbon neutrality in France. All the selected projects have obtained the most demanding certifications of the voluntary market, GOLD Standard, VCS from VERRA or the additional CCB standard from CCBA.

Implementation of the CarbonEM tool for a precise measurement of our carbon footprint

Every year, GENFIT calculates its carbon footprint according to legislations in force and based on the GhG protocol.

In 2022, GENFIT has decided to expand its greenhouse gas (GHG) emissions accounting metrics:

- by applying a calculation methodology more robust than in the past, respecting international standards and using in particular the ADEME emission factors;
- by extending the analysis to scope 3, in addition to scopes 1 & 2, in order to account for its direct and indirect carbon emissions, but also incorporating those from its upstream/downstream value chain (e.g., from its service providers and suppliers);
- by integrating into the calculations the results of the "MonEmpreintePro" survey, filled out by the vast majority of our employees (>100 anonymous questionnaires submitted online), designed to measure the carbon footprint at an individual level, accounting for: home-work travel, business travel, the nature of lunchtime meals (vegetarian, containing beef or poultry, etc.), etc. ;
- by integrating a GHG reduction trajectory, the timing of which will be defined later;
- and by defining concrete actions that will be compatible with the requirements of SBTi and the Paris 2021 agreements. As a reminder, these agreements set a CO2 emissions reduction goal of -4.2% per year for scopes 1 & 2, and by 2.5% for scope 3, with the aim of limiting the temperature increase to below the threshold of 2°C or 1.5°C.

For this first phase, we calculated our emissions with the CarbonEM tool proposed by the LEEM. We received specific training with WeCount, the company that developed the tool in compliance with the following standards: ISO, ABC Bilan Carbone, ACT, Leem (PACTES), ADEME, SBTi, COP21 Paris, European Green Pact, GHG balances, GHG Protocol, SBTi.

The tables below compare the CO2 emissions data in tons for 2021 and 2022 from our previous calculation method (accounting only for scopes 1 & 2) and the data from the new method of calculating emission factors with the CarbonEM tool.

Previous method calculating CO2 emissions

GHG Protocol (scopes 1 & 2)	2022	2021
	801kg CO2	846kg CO2

New method calculating CO2 emissions (with CarboneEM tool)

GHG Protocol (Scopes 1, 2 & 3) comprising the ADEME emission factors	2022	2021
Scopes 1 & 2	591t CO2e	679t CO2e
Scope 3	776t CO2e	751t CO2e

The transition in reporting will be gradual and will take place over a long period of time. The "pilot" phase in 2022 was conducted on 2021 data, as 2022 data is not yet available. Scope 3, for which it is by nature difficult to obtain data, is only partially covered. On this point, GENFIT has included in its new purchasing policy, which is currently being finalized, a principle aimed at facilitating access to third-party data, with the objective of providing access to the information necessary for calculations relating to scope 3. See chapter ["4.3.5 - Responsible purchasing policy"](#).

Replacement of our fleet of vehicles with plug-in hybrids or electric vehicles

GENFIT has had a shared electric vehicle for several years, with a view to reducing CO2 emissions. It is used for short trips in the Lille area.

In 2022, GENFIT changed its car fleet policy to include a financial incentive for employees eligible to a company car to switch to plug-in hybrids or electric vehicles. The budget allocated to the employee for clean engines is significantly higher than the budget allocated for combustion engine vehicles. In addition, the use of charging stations for electric vehicles in the company parking lot is free for employees with a company car.

Thanks to this renewal policy, at the time of publication of this report, 10 of the 11 company vehicles and 2 vehicles considered as utility vehicles for the company are clean vehicles (7 of which have a rechargeable hybrid engine and 3 have a 100% electric engine), and 3 still have a combustion engine. The latter will undergo the same replacement policy when the current contracts expire.

Installation of charging stations for electric vehicles in our headquarters car park

In line with GENFIT's desire to promote the use of clean vehicles, and following the renewal of the company's fleet with hybrid cars, we have installed 10 Izivia charging stations on the car park. They are available to all our employees who can directly pay for their consumption via the terminals. We hope that the availability of this charging service could help some employees make the switch to electric vehicles.

Participation to Ecological Transition Workshops organized by the Lille European Metropolis

In May and June 2022, two employees participated in four workshops organized by the European Metropolis of Lille (MEL) to raise awareness on environmental transition in companies in the region. The goal is to help companies and their employees to become relays for the ecological transition. The workshops touched on collective mobilization within the company, creation of biodiversity corridors on sites, and construction of sustainable buildings.

Adaptation of our green spaces to better respect biodiversity

■ Stopping the use of plant-protection products

Since June 2022 and in accordance with French regulations, GENFIT has replaced plant protection products initially used in the outdoor green spaces of the Loos premises with environmentally friendly solutions. The gardening company now uses cleaner products (in particular those authorized for use in organic farming), and the gardeners carry out weeding manually.

■ No-mow zone

GENFIT has also set up a "no-mow zone" on its site. The principle is to stop mowing a defined area to avoid disturbing spontaneous greenery. This area then becomes a reservoir of plant and animal biodiversity, and feeds pollinators.

■ Sustainable outdoor furniture

GENFIT has set up outdoor furniture (picnic tables) available to employees to allow them to have lunch outside. This equipment needed to be replaced. GENFIT therefore purchased new durable outdoor furniture, made of sustainable and recyclable materials. This new furniture is designed to limit the use of plastics and wood resources, and its durability is far superior to other commonly used materials. GENFIT wants to apply this sustainability and material selection criteria to its purchases in general.

For our employees, promotion of soft mobility

■ Increase in the mileage allowance for bicycles and financial contribution to transport passes

Since 2017, GENFIT has offered its employees who cycle to work to benefit from a mileage allowance and for employees who take public transport, the company covers part of the subscription fee. With a view to encouraging more employees to use sustainable transport, the Works Council and GENFIT management signed new Company Agreements in 2022 relating to the coverage of transport costs. This resulted in :

- for cyclists, an increase of "cycle mileage" package from €100 to €200/year, and a €100/year contribution towards the purchase of safety equipment (helmet, vests, bicycle maintenance). 14 employees benefited from this package in 2022.
- for users of public transport, an increase in share paid by the company (train, bus, metro) to 75% until December 31, 2023. 45 employees benefited from this subsidy in 2022.

Promotion of an environmental protection approach

■ Libel'Up: medical equipment recycling

GENFIT participated in the Libel'Up project, led by Eurasanté, which collects unused medical equipment in order to recycle it through reconditioning, donations to associations, training for healthcare professionals and reusing of spare parts. A very large majority of the medical equipment handed out by the French health insurance is not taken back, reused or recycled. It therefore ends up as waste or in waste disposal sites. This project allowed us to collect 43 pairs of glasses, a wheelchair, a blood pressure monitor and above all to partner with Eurasanté, while mobilizing our employees.

■ Returnable bottles

In December 2022, GENFIT turned to returnable glass bottles in collaboration with "La Consignerie". "La Consignerie" is a Lille-based company that delivers local and "zero-waste" products by cargo bike to individuals and companies. The glass bottles are returned and reused, producing no waste.

■ World Clean-Up Day

In France, 88,000 tons of waste are thrown away every year. For several years now, citizens around the world have been getting together to clean up public places and protect the environment. On World Clean Up Day, Eurasanté workers were invited to help clean up the park, and several GENFIT employees took part in the initiative.

■ Environmental footprint of digital technology

Emails have a high ecological cost: we are working to reduce our GhG emissions, but they are a heavy load in our total emissions. For this reason, GENFIT's IT department has carried out a major cleanup and sorted employee mailboxes, and has also promoted "good practices" in terms of sharing attachments, in order to reduce the number of attached documents in e-mails.

In addition, since the beginning of 2022, in order to offset its digital carbon footprint, GENFIT also encourages its employees to use Ecosia, a search engine, as their default navigation system, with a detailed procedure explained on the Company's intranet. Ecosia is a company founded in 2009 with a social purpose. In 2014, it was the first German company to be certified as a B Corp thanks to its social business model. This model works as follows: search-related ads generate revenue for Ecosia, and Ecosia uses this revenue to plant trees. By the beginning of 2023, Ecosia claims to have planted more than 170 million trees in over 9,000 reforestation sites.

4.4.6 Evolution of Environmental Performance Indicators for 2022

Greenhouse Gas Emissions (GHG)

All emissions in the laboratories are captured by specific hoods, which are periodically maintained and controlled. The control reports are attached to the safety register. GENFIT regularly ensures, via its service providers, that its cold production facilities (refrigeration unit, air conditioning) are leakproof. Leakage certificates are included in the safety register. In 2021, no refrigerant leaks were recorded.

A number of GENFIT's main suppliers have put in place an action plan to reduce their greenhouse gas emissions.

GHG emissions (in tons)	2022	2021	2020
direct: mainly from natural gas	700	746	627
indirect: coming exclusively from electricity	101	110	110
TOTAL	801	856	737

The change in our GHG emissions between 2021 and 2022 is the result of our employees becoming more aware of the importance of energy savings (turning off lights, reducing heating), particularly due to government campaigns. Individual efforts have had a significant impact across the company, with a 6.4% reduction in our emissions between the two years.

As a reminder, in 2022, we changed our calculation protocols for GHG to use a more robust methodology, in line with international standards and using ADEME's emission factors, and including scope 3 on top of scopes 1 and 2.

The following tables compare CO2 emissions data in tons in 2021 and 2022 generated using our previous methodology (including only scopes 1 and 2), and the data generated with the new methodology and CarbonEM tool.

Previous method calculating CO2 emissions

GHG Protocol (scopes 1 & 2)	2022	2021
	801kg CO2	846kg CO2

New method calculating CO2 emissions (with CarbonEm tool)

GHG Protocol (Scopes 1, 2 & 3) with the emission factors of the ADEME	2022	2021
Scopes 1&2	591t CO2e	679t CO2e
Scope 3	776t CO2e	751t CO2e

For more detail on our methodology and the CarbonEM tool, see chapter [4.4.5 - Implementation of the CarbonEM tool for a precise measurement of our carbon footprint](#).

Our carbon footprint associated with transportation is detailed below:

Travel-related carbon footprint	2022	2021	2020
Number of kg CO2-eq – air transport	55,090	11,757	9,815
Number of kg CO2-eq – rail transport	2,711*	302	199
TOTAL	57,801	12,059	10,014

Source: Statement from Travelil and Cap 5 travel agencies.

*Tickets booked directly by collaborators are not included

Since the beginning of the COVID-19 pandemic, the number of trips has dropped considerably, particularly in terms of air travel, with 10 times less impact than before the crisis. In 2022, normal travel resumed, particularly with the United States, explaining the significant increase in air travel-related emissions.

Emissions linked to rail transport have also increased significantly, due to the resumption of regular Lille-Paris exchanges for our employees, and the use of the train to go to our seminar in L'Isle-sur-la-Sorgue. We chose the train to limit our carbon footprint linked to transport. See chapter [4.2.5 Teambuilding activities](#).

Energy consumption

■ Evolution of our energy consumption

In order to limit the impact of energy consumption, the heating is automated according to activity zones and working hours, and is automatically stopped when the set points are reached. This control mode aims to control our energy impact.

Since 2020, GENFIT improved its energy efficiency, in particular by installing new cooling units and new boilers to optimize and better control energy expenses.

Energy consumed on site is exclusively related to the consumption of:

- electricity (lighting and cooling of the premises) and operation of the laboratory facilities;
- gas for space heating.

• Volumes and costs of gas and electricity consumption (actual consumption):

		2022		2021	Evolution 2021 → 2022
Gas consumption (MWh)	2906	410K€	3095	107K€	6.09% reduction
Electricity consumption (MWh)	1402	168K€	1388	140K€	1.06% Increase

The reduction in gas consumption between 2021 and 2022 is -6.09%. This change is mainly due to the implementation of good practices by employees in terms of heating savings. In addition, in 2021, COVID-19 measures meant the doors were kept open, thus heating the corridors, labs and offices to a loss, which was no longer the case in 2022.

Electricity consumption is stable between 2021 and 2022.

■ Water consumption

Water consumption is mainly dedicated to sanitary facilities or to the production of ultra-pure water for laboratories.

Water consumption increased by 28% between 2021 and 2022. This is mainly due to the return of our employees to full time on-site work and the continuation of the hand washing hygiene campaign.

Water	2022	2021	2020
Quantity (in m3)	1,009.00	788.00	1,375.00
Cost (in euros – gross amount)	3,756.22 €	3,176.60 €	5,271.00 €

• Drug residues in rivers related to drug consumption

GENFIT is a biotechnology company with portfolio comprised exclusively of drug candidates in preclinical research or in clinical development. This means that GENFIT does not produce any drugs, that none of these drugs are on the market, and that the company does not benefit from any direct or indirect revenue from drug sales.

In addition, GENFIT focuses its research on rare diseases. This means that a future drug candidate that would potentially be approved in the future would represent a perfectly negligible amount of potential drug residue.

• Preservation of the urban wastewater network in the context of the company's activity

As part of its activities and in order to protect the urban wastewater network, GENFIT does not discharge effluents (such as solvents or biological media) into the urban wastewater network but reprocesses them by incineration in order to avoid pollution.

■ Consumption of raw materials

Raw materials used for synthetic chemistry are organic compounds in quantities of up to 1,000. The quantities ordered are calculated as precisely as possible so that they can be transformed in full during the synthesis process and do not generate waste.

Waste management indicators

In 2022, as in previous years, GENFIT sorted and collected waste produced by activities involving infectious risks (DASRI) separately. The goal is to eliminate this waste in compliance with current legislation. GENFIT thus ensures that the hazardous waste produced is always disposed of in a responsible and safe manner.

■ Potential Biohazard Waste

Amount of waste collected and processed by the recycling and disposal center:

	2022		2021		2020	
	DASRI	Solvents	DASRI	Solvents	DASRI	Solvents
Quantity of collected waste (DASRI in kg and solvents in liters)	4,409	1,740	4,389	1,330	4,804	3,500
Processing cost (in euros – gross amount)	2,271.00	5,095.00	1,856.00	3,420.00	2,377.00	10,006.00

Waste removal is carried out every week. Waste tracking slips are classified by waste type and archived. GENFIT has replaced CMRs (carcinogenic, mutagenic and toxic to reproduction agents) whenever technically possible in accordance with the French National Institute for Research and Safety (INRS) recommendations.

A database lists the reagents stored on the site and specifies phases (nature of the risks).

The data observed in 2022 are stable compared to 2021.

■ Vivo Laboratory Waste

In vivo experimental waste is disposed of monthly or upon request

Vivo laboratory waste	2022	2021
Quantity (in kg)	466	422

Data observed in 2022 are stable compared to 2021.

■ Recycling

Recyclable waste sorting	2022	2021	2020
Quantity (in liters)	432,000	432,000	432,000
Processing cost (in euros)	13,676.00	5,027.00	4,655.00

Including paper / cardboard / plastics, distinguishing bottles

Recyclable waste sorting is enforced since 2018 in addition to the existing paper/cardboard sorting. Dedicated and marked containers are spread throughout the site and recycling is ensured by an external company. The Company also recycles ink cartridges and batteries via an external company.

■ Reduction of waste and toxic products

The provision of single-use plastics has been prohibited in companies since July 2021. In order to offer an alternative to employees, GENFIT ensures that each employee receives a cup on arrival at the company. Mugs are also made available to external visitors.

In addition, the use of plastic water bottles has been replaced by the use of returnable glass bottles in collaboration with a local company.

Furthermore, employees are regularly sensitized on the responsible use of consumables (ink, paper...).

Regarding cleaning products, a large majority of those used by the staff in the company are environmentally friendly.

Environmental approach indicators

■ Employees sensitized to our environmental approach

Citizen initiatives to which GENFIT participates directly or indirectly	2022
MonEmpruntePro tool to calculate and disseminate advice to reduce employee's carbon footprint	4.4.5 - Implementation of the CarbonEM tool for a precise measurement of our carbon footprint
Awareness raising campaign on the environmental footprint of digital technology	4.4.5 - Promoting environment protection
Promotion of soft mobility	4.4.5 - For our employees, promoting soft mobility

■ Company and employee electric or hybrid vehicles

At the time of publication of this report, 10 of the 11 company vehicles and 2 vehicles considered as utility vehicles for the company are clean vehicles (7 of which have a rechargeable hybrid engine and 3 have a 100% electric engine), and 3 still have a combustion engine. The latter will undergo the same replacement policy when the current contracts expire.

Furthermore, there are now 10 Izivia charging stations on the company's main car park. They are available to all our employees who can directly pay for their consumption via the terminals.

■ Methodological specificities

Methodology for calculating our GHGs

The calculation methodology used is based on the International Green House Gas Protocol

Waste - DASRI values: actual data from January to December 2022.

Waste - Effluent values: actual data from January to December 2022.

Energy consumption - water, gas and electricity: actual data from January to December 2022.

The following topics are not detailed as they are not considered specific to GENFIT's business:

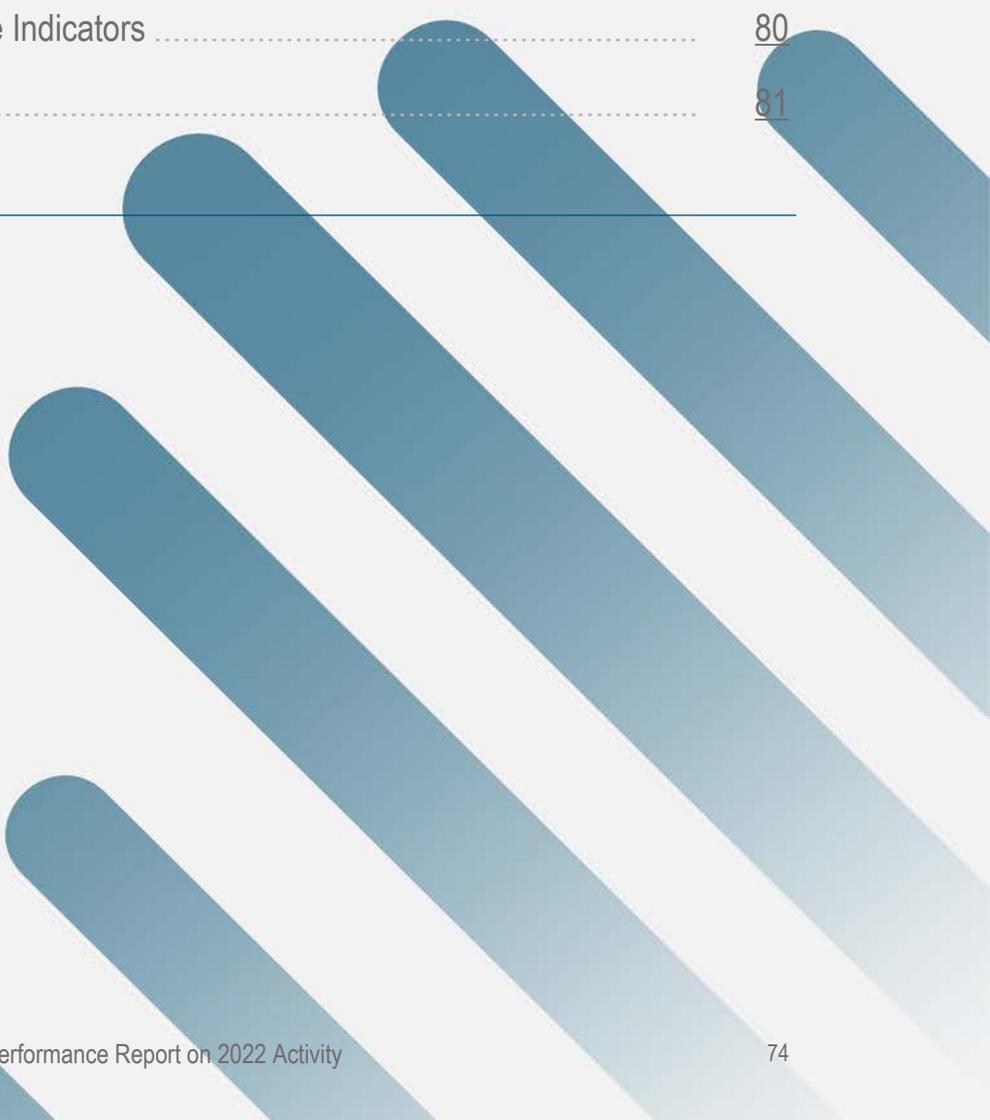
- Land use;
- Actions to fight against food waste.

As indicated in chapter [3.1 Materiality](#), this methodology will be progressively strengthened and the scope of analysis extended.

CHAPTER 5

2022 Overview, 2023 Roadmap and Conclusion

5.1	2022 Overview	<u>74</u>
5.2	2023 Roadmap: Objectives, Initiatives and Trajectories	<u>75</u>
	5.2.1 Societal Roadmap	<u>76</u>
	5.2.2 Social Roadmap	<u>77</u>
	5.2.3 Governance Roadmap	<u>78</u>
	5.2.4 Environmental Roadmap	<u>79</u>
	5.2.5 Key Performance Indicators	<u>80</u>
5.3	Conclusion	<u>81</u>



5.1 2022 Overview

In 2022, GENFIT **continued and intensified its improvement approach for social/societal responsibility** and sustainable development.

The roadmap presented to the ESG Committee and validated in March 2022 was implemented in accordance with the objectives set, with determination and pragmatism. The work accomplished is the **result of the entire company's efforts**, with each department and each level of management contributing to the initiatives.

The main projects included several processes aimed at **determining and self-assessing the company's extra-financial performance** through complementary lenses, the organization of specific CSR trainings and awareness-raising sessions, and the launch of a series of new specific initiatives, detailed in [chapter 4.1](#) for the Societal aspect, in [chapter 4.2](#) for the Social aspect, in [chapter 4.3](#) for the Governance aspect, and in [chapter 4.4](#) for the Environmental aspect.

Our will to **take concrete action**, combined with a **transparent communication effort**, was rewarded since GENFIT was awarded a **bronze medal by Ethifinance** and a **"Prime status" label by ISS** in 2022.



5.2 2023 Roadmap: Objectives, Initiatives and Trajectories

In 2023, GENFIT will continue on the path laid out in 2022, and will seek further progress:

- We will build on our momentum and **capitalize on the maturity acquired** through the initiatives carried out so far, which give meaning and a concrete anchor to our commitment. We will also build on the training and awareness-raising work carried out throughout the year, both internally and externally, which provide a conceptual framework for gradually increasing the skills of the entire organization in this area.
- We will formalize a **materiality analysis**, in collaboration with our internal and external stakeholders (see chapter 3.1.) and adjust our priorities, initiatives and performance indicators accordingly.

Our roadmap for the coming years aims to have a positive impact on our internal and external stakeholders by limiting the risks to our business through the implementation of new policies and actions. The following sections describe, for information purposes, the initiatives considered at this stage, either as "pilot" or definitive. They will be **discussed with our stakeholders**, especially internal, prior to implementation. Some of them are therefore subject to the conclusions of the materiality assessment to be conducted in 2023.

Our 2023 CSR Roadmap

Societal roadmap, to have a positive impact on our reference ecosystem

Creation of Patient Advisory Board

Second part of the commitment to the Captech health innovation fund

Participation of a gender Equality project with Eurasanté

Creation of a "One day for an association" contest

Involvement with local associations working on integration, reintegration and the fight against poverty

Societal roadmap, to have a positive impact on our reference ecosystem

Implementation of an action plan based on the February 2023 employee satisfaction survey

Establishment of a healthcare access service in the workplace for employees

Encouragement and promotion of diversity

Internal Policy for caregivers

Update of our internship policy

Improvement of work spaces and work environment

Governance roadmap, to ensure the resilience of our business model

Co-building of a materiality assessment with our essential stakeholders

Details of the extra-financial criteria used for the CEO's variable compensation

Continuation of the CSE training and awareness program

Regular presentation of a CSR scorecard at Executive Committee Meetings

Addition of a section covering lobbying practices in the Code of Business Conduct and Ethics

Environmental roadmap, to limit our carbon footprint and ensuring the preservation of biodiversity

Continuation of the process of extending the measurement of our carbon emissions to Scope 3

Exploration of opportunities to reduce gas and electricity consumption

Appointment of a referee for "protection of biodiversity and water as a natural resource" and implementation of a policy of good practices

Development of a "Cyber Clean Up Challenge"

Implementation of a "Carbon Budget" for a pilot department

Appointment of a "soft mobility" leader

Participation in the Air France Safe Aviation Fuel program

5.2.1 Societal roadmap, to have a positive impact on our reference ecosystem

Creation of a Patient Advisory Board

Patients are at the heart of our activity. We always wish to strengthen our level of engagement with them to remain attentive to their needs. In order to go beyond the already frequent and long-established dialogue with certain patient associations, GENFIT will create a specific body that will meet once a year to define reflection topics around three main themes:

- **Access to clinical trials:** to give under-served patients the opportunity to access innovative therapeutic solutions. In the case of rare diseases, which are by nature lesser known, it is indeed crucial to offer all potentially eligible patients a good level of information about their possibilities to enrol in these trials;
- **Support for patients and their families, and disease information:** to give patients and families in stressful situations access to simple, quality information designed to improve their understanding of their disease. Creating a reassuring framework around the patient is also essential for rare and serious diseases, since they are sometimes complex and create difficult situations for the patient and their family;
- **Patient insights:** listen to suggestions from patient groups and/or their representatives for potential inclusion in clinical trial design.

Second part of the commitment to the Captech health innovation fund

In view of the quality of the work carried out by the players managing this regional investment fund, and the value of the companies identified and supported, GENFIT's commitment will continue in 2023, beyond the €175k already contributed in 2022. The amount subscribed by GENFIT will be paid up in successive calls by the fund. Details of this commitment, which began in 2022, are provided in the chapter "[4.1.5 - Support of the "Captech Santé Nutrition" fund, a new player in healthcare innovation in the Hauts-de-France region](#)".

Participation in a “Gender Equality Project” with Eurasanté

Professional gender equality is a major issue within companies. Eurasanté, with the support of the DREETS, is organizing round tables on this subject in 2023 and GENFIT will seek to make a positive contribution to the process: on the one hand by sharing its experience and good practices, and on the other hand by drawing inspiration from ideas successfully implemented by other stakeholders.

Creation of a “One day for an association” contest

GENFIT employees are always open and willing to make a commitment to society, as demonstrated by the many campaigns conducted towards various associations, particularly in the healthcare sector, to raise public awareness on various diseases. With this in mind, GENFIT has decided to go one step further and launch an internal competition that will enable one or more employees to dedicate a whole day, paid for by GENFIT, to the service of an association of their choice. A first scheme will be proposed in 2023, the conditions of which will be discussed in advance with the Works Council and the Human Resources department.

Involvement with local associations working on integration, reintegration and the fight against poverty

In keeping with what was achieved in 2021 and 2022 with Atout FACE, La Cravate Solidaire, Duo for a Job, the Food Bank and Les Petits Frères des Pauvres, GENFIT will continue to support initiatives aimed at improving the lives of underserved or isolated populations within its local ecosystem.

5.2.2 | **Social Roadmap, to maintain and strengthen our human capital**

Implementation of an action plan based on the February 2023 employee satisfaction survey

The results of this anonymous survey conducted with our partner Octomine will give rise to an action plan that will be implemented in the company in general, as well as by the departments concerned, where appropriate. The results and the main principles of the associated action plan will be communicated to all employees during the first half of 2023 and the associated action plan will be implemented throughout the year.

Establishment of a healthcare access service in the workplace for employees

Employee health is a priority. GENFIT could therefore, after consultation with the Works Council and a feasibility study, implement one of the following two projects:

- **Subscription to a platform that facilitates health professionals consultations** in the workplace, while respecting medical confidentiality. The goal is to fight against the avoidance of medical care due to lack of time and/or availability;
- **Training of a number of volunteer employees via a Mental Health First Aid (MHFA) program:** to better identify stress-related disorders (burn-out) or mental health problems, adopt appropriate behavior, provide information on available resources, encourage them to go to the appropriate professionals and, in the event of a crisis, take action to relay to the most appropriate service.

Encouragement and promotion of diversity

Diversity is of particular importance to GENFIT in the management of its human capital, whether in terms of age, gender, professional background, nationality, family status, name, state of health, disability, etc. In order to not only continue to promote this diversity, but also to ensure that it becomes a real strength, one of the following two projects may be implemented after consultation with the CSE and a feasibility study:

- **Awareness workshops on cognitive biases:** to enhance diversity by helping employees become aware of the traps that these unconscious factors can lead to, and their influence on certain behaviors or decisions;
- **Commitment to the AFMD (French Association of Diversity Managers):** to contribute to the reflection on the means of action that can promote diversity, and identify potential synergies with relevant stakeholders.

Internal Policy for caregivers

GENFIT recognizes the difficulty that caring for an ill or disabled relative, or in a situation of a loss of autonomy can pose for its employees. With this in mind, GENFIT will launch a survey, with the involvement of the members of the Works Council, aimed initially at measuring the need in this area, with a view to possibly setting up a program to offer any employee who so wishes the possibility of anonymously giving away one or more days of leave (CP, RTT, recuperation) without compensation to a colleague who is caring for a caring for an ill or disabled relative, or in a situation of a loss of autonomy. The goal is to pay the caregiver during his or her absence and to temporarily lighten the psychological burden for the employee concerned.

Update of our internship policy

GENFIT has always welcomed interns, with the aim of presenting them work life and inspiring potential careers in the healthcare sector. In order to adapt to changing needs and to increase the efficiency of the process, GENFIT will update its policy in 2023 and make it more visible. This will include ensuring a good distribution of profiles to meet diversity objectives, particularly in terms of level of education. The different types of assignments will be recalled (discovery and observation internships, achievement internships, etc.), and certain principles will be specified (periods eligible for welcoming interns, type of need, duration, role of the tutor in ensuring quality support, etc.).

In addition to the service provided to students, particularly those from the scientific field, the approach will also aim to increase the skills of employees working in positions and functions that do not yet expose them to team management, in line with the "managerial curriculum" already put in place by GENFIT.

Finally, an "engineering internship" section will be devoted to the environmental issue to examine a set of ecological alternatives and identify possible public aid to accelerate the ecological transition.

Improvement of work spaces and work environment

GENFIT strongly believes in quality of life at work. With this in mind, a campaign to improve our work spaces will be conducted, with :

- the creation of new offices and the complete refurbishment of a major wing of the historic building and the purchase of new furniture;
- a participative operation so that employees are involved in decorating decisions for the different spaces: meeting rooms, corridors, shared offices, individual offices.

5.2.3 | Governance Roadmap, to ensure the resilience of our business model

Co-building of a materiality assessment with our essential stakeholders

GENFIT has always considered its stakeholders as essential partners with whom it must shape its ecosystem to make it as collaborative as possible, in the service of its purpose. This vision implies regular, transparent and high-quality dialogue with each of them, both internal and external. In 2023, we will seek to formalize and systematize this commitment by launching a project to co-construct the foundations of a dual materiality matrix, in order for GENFIT to define and prioritize their material challenges:

- based on their importance for internal and external stakeholders;
- based on their impact on GENFIT's economic success.

This formalization work meets the requirements of most standards and constitutes an essential basis for the continuous evolution of the company's global strategy, with a view to improving our financial and extra-financial performance .

Details of the extra-financial performance criteria used for the CEO's variable compensation

To further emphasize the importance of its social, societal and environmental commitment, GENFIT decided to increase transparency on the CSR criteria used to determine the variable portion of its CEO compensation. In 2023, depending on approval by the Shareholders Meeting of May 24, 2023, these non-financial criteria will represent 20% of the annual variable compensation, i.e. the same share as financial criteria. The detailed criteria are as follow:

- evolution of scores on a panel of independent rating systems (ISS, SASB, Ethifinance, BCorp, Moody's and/or others);
- implementation of the 2023 roadmap;
- evolution of certain specific criteria, specifically social criteria (gender mix, diversity, employee satisfaction).

Continuation of the CSR training and awareness program

A major awareness-raising effort was carried out in 2022 with information/awareness sessions designed for all employees, combined with more targeted actions aimed at employees who are particularly involved in the CSR strategy. This work will continue in 2023 with actions:

- targeted by profession, which may take the form of certification trainings, awareness workshops or seminars;
- for all employees (for example: climate change is a major, multifactorial and complex issue, GENFIT will therefore consider organizing a workshop led by the non-profit organization "La Fresque du Climat" to sensitize our employees to environmental issues in a scientific and dispassionate way, but also in a fun and collaborative way, as a prerequisite for taking action).

Regular presentation of a CSR scorecard at Executive Committee Meetings

In 2022, GENFIT's CSR philosophy and the means used to implement this philosophy were the subject of regular presentations at all levels of the company, with varying degrees of granularity. In 2023, GENFIT decided to regularly include a CSR dashboard at its Executive Committee meetings. This will be presented by the Director of Corporate Affairs and CSR, with the aim of ensuring the continued involvement of Committee members and stimulating reflection in this area.

Addition of a section covering lobbying practices in the Code of Business Conduct and Ethics

Following the creation of a Corporate & Public Affairs Manager position, whose aim is to consolidate GENFIT's position in its reference ecosystem, the company will further detail its commitments and practices in terms of lobbying, or interest representation. These commitments and practices will complement, via an additional paragraph in the next update of its Code of Business Conduct and Ethics, the multiple commitments already reminded to all GENFIT employees in the fight against corruption.

5.2.4

Environmental roadmap, to limit our carbon footprint and ensuring the preservation of biodiversity

Continuation of the process of extending the measurement of our carbon emissions to Scope 3, in order to define a possible 2030 or 2035 trajectory

2022 was an important transition year for GENFIT in terms of carbon assessment, as we launched a project aimed at progressively implementing the tools needed to effectively measure our emissions on scopes 1, 2 and 3, in line with the recommendations of the Paris agreements as part of the energy transition to which every company must contribute. The tool used, which meets the recommendations of the ADEME (French Environment and Energy Management Agency) and the SBTi (Science Based Target initiative) for the trajectory, is the one recommended for the French pharmaceutical industry through LEEM. It implies a significant change in the methodology for collecting information, since it targets a much broader scope linked to the upstream/downstream chain.

In 2023, and provided that our stakeholders consider this topic to be material, GENFIT will continue to pursue this path in order to continue the transition initiated in terms of reporting its emissions. After validation of the robustness of the new methodology and depending on the information available to complete scope 3, we may later be in a position to announce a reduction target for our emissions in line with the COP21 objectives, and specify a number of means that will be implemented to improve our trajectory.

Exploration of opportunities to reduce gas and electricity consumption

The use of gas for heating is one of the main items impacting GENFIT's carbon footprint due to the TS 17441 (DIN 1946 T7) standards requiring air renewal for L1 and L2 type/category laboratories. In 2023, GENFIT will study the possibilities of reducing its fossil fuel consumption. However, as a tenant, GENFIT does not have full authority over these matters: the reflection will therefore be conducted with the owner of the company's site, whose responsibility, decision-making power and room for maneuver in this area are much broader. The extent of the effort will depend in part on the conclusions of the stakeholders concerning the materiality of the issues, particularly with regard to the environmental aspect.

Appointment of a referee for "protection of biodiversity and water as a natural resource" and implementation of a policy of good practices in this area

Although GENFIT is not concerned with the subject of drug residues in water in connection with the consumption of medicines, the company is interested in this subject on which the major companies in the pharmaceutical industry that produce and sell medicines are required to take action. In order to maintain a good level of knowledge and make, if need be, the best choices in this area, a reference person will be appointed in 2023, whose main task will be to draw up a policy on the protection of biodiversity and natural resources such as water. This may cover :

- the current activity of the laboratory, by taking all the numerous measures already implemented within the framework of the standards to which it is subjected;
- research and development on future molecules that could one day be marketed by GENFIT, directly or indirectly.

This work may be based on :

- scientific and regulatory monitoring and/or participation in awareness sessions;
- biodegradability analysis of our proprietary compounds;
- collaboration with the Quality department for audits of certain partners.

Development of a "Cyber Clean Up Challenge"

In 2023, GENFIT has set itself the ambition of working on another aspect of environmental responsibility: its digital pollution. For example, the company wants to conduct a "Cyber Clean up challenge" led by the IT department. Its purpose will be to accompany employees in cleaning up data stored in the cloud, in the company's digital equipment and servers, with the aim of contributing to improving the company's carbon footprint. At the same time, the company will conduct a reflection aimed at the continuous optimization of its digital methods and uses.

Implementation of a "Carbon Budget" for a pilot department

In the same way that each department defines its annual budget in monetary terms and ensures that any deviations are managed, the pilot department will define an annual "carbon" budget, expressed in tons of CO₂ generated by its members' travel.

This pilot project will first decide which department should participate in this initiative. Then, the decision-makers of this department will have to count the tons of CO₂ that business travel generates. The idea is:

- to encourage employees to progressively integrate an environmental factor into the organization of their professional mission, using concrete data to achieve this;
- to invite them to question the need for travel, to increase their productivity (by combining several objectives and meetings on the same trip), and to choose the most ecological travel methods when the choice exists.

These constraints will nevertheless remain secondary to the need for efficiency in the execution of corporate priorities in relation to the business model.

Appointment of a "soft mobility" leader

GENFIT wishes to facilitate the transition to less resource-intensive lifestyles, and considers that one of its responsibilities in this area is to support its employees so that their business travel evolves towards greater sobriety in environmental terms. In order to advance the thinking in this area and to ensure the support of as many people as possible, a "soft mobility" referent will be appointed within the organization. This person will regularly monitor possible tools to encourage more virtuous behavior, such as carpooling, cycling and public transport. This watch activity may lead later to an update of our policy on business travel.

Participation in the Air France Safe Aviation Fuel program

To complete the carbon offset program signed in 2022, GENFIT will join the Safe Aviation Fuel (SAF) Corporate program proposed by Air France in 2023. SAF is a certified sustainable fuel used by Air France and KLM, made from renewable materials (e.g. used cooking oil or straw and wood residues) that can reduce CO₂ emissions by 75%. SAF is not yet available on a large scale, but its production and use should accelerate soon.

In concrete terms, GENFIT participates via an annual contribution based on the company's average annual fuel consumption and CO₂ emissions. This contribution allows voluntary companies to contribute to the use and development of FAS in aviation.

5.2.5 Indicators for measuring progress

In order to monitor the achievement of our CSR objectives, we will continue our approach to quantifying impacts through the refinement and development of qualitative and quantitative indicators in line with our internal needs for monitoring objectives, as well as international standards with a view to the forthcoming implementation of the CSRD (Corporate Sustainability Reporting Directive), in particular the Principal Adverse Impacts indicators that are part of the SFDR regulation and the European Taxonomy, once the Social Taxonomy has been defined.

5.3 Conclusion

At the end of **2021**, GENFIT decided to accelerate its CSR approach and took a number of new initiatives and actions in this area. The company has also further formalized its commitment by communicating as transparently as possible so that all its stakeholders understand the nature of the company's challenges and can follow its approach.

In **2022**, this work continued with an ambitious roadmap executed according to the commitments initially made, which has resulted in factual recognition from independent third parties.

In **2023**, the effort to improve our extra-financial performance will continue with the desire to focus on the essentials: first the material issues as perceived by the main external and internal stakeholders, then the policies, actions and performance measurement systems corresponding to these issues. The provisional roadmap may be adjusted according to the progress of the materiality assessment, and first conclusions.

In terms of reporting, we intend to begin to include a Sustainable Finance Disclosures Regulation (SFDR) framework in the next report in **2024**, in addition to the GRI, SASB, ODDs and ISO frameworks, in order to facilitate access to material information for our investors.

CHAPTER 6

Appendices

6.1	2022 Initiatives - “Standards and Materiality” Correspondence Matrix.....	<u>83</u>
6.2	2022 KPIs - “Standards and Materiality” Correspondence Matrix	<u>84</u>
6.3	2023 Initiatives - “Standards and Materiality” Correspondence Matrix.....	<u>86</u>

6.1 2022 Initiatives - "Standards and Materiality" Correspondence Matrix

Aspect	Standards and materiality					
	Societal	ODD	ISO 26000	SASB	GRI Index	>1 GFT criteria
Support of the "CapTech Santé Nutrition" Fund, a new player in health innovation in the Hauts-de-France region		4 8 9 17	7			x
Continuation and diversification of our exchanges with patient associations		3 4 17	1 6 7		2-6 2-29	x
Contribution to the work of think-tanks in the field of healthcare		3 9 17	5 6			x
Mentoring of local students: The Hibster/Deepster Hackathons organized by Eurasanté		4 11 17	7			x
Redistribution of the apprenticeship tax		4 10	7			x
Creation of a position of Corporate and Public Affairs Manager		17	1 5			x
Organization of "Pipeline Days" to inform the players in our core ecosystem					2-6 2-29	x
Societal initiatives for the benefit of people and entities in need		1 2 3 10	7			x
Social	ODD	ISO 26000	SASB	GRI Index	>1 GFT criteria	
Annual survey of our employees	8	2 3			x	
Integration plan following the acquisition of Versantis AG entitled "ONE GENFIT"	8				x	
Publication of a Charter on disability	8 10	2			x	
Evolution of the health insurance for employees and implementation of an additional insurance plan	1 3 10	3			x	
Teambuilding activities		3			x	
Video clips highlighting our professions and our employees	8				x	
Various initiatives carried out by our employees		3			x	
Governance	ODD	ISO 26000	SASB	GRI Index	>1 GFT criteria	
Integration of a "Raison d'être" in the company's statutes	8 9 11	1			x	
Set-up of a team of CSR Leaders	8 9 11				x	
Specific CSR training program with external instructors	4 8 9 11	1			x	
Internal CSR awareness campaigns	4 8 9 11	1			x	
Update of the Code of Conduct and Ethics and training	9 11	1 5	HC-BP-510a.2	205-2 2-25 2-26	x	
Participation in the self-assessment process specific to the pharmaceutical sector	9 11	1			x	
Development of a responsible purchasing policy	12	1 2 4 5 7			x	
Adjustments to the corporate governance structure and programs following the acquisition of Versantis AG	9 11	1			x	
Publication of an in-house newsletter detailing our CSR activities	9 11	3			x	
Environment	ODD	ISO 26000	SASB	GRI Index	>1 GFT criteria	
Set-up of a carbone offsetting scheme for business travel	13	4		2-22	x	
Implementation of the CarbonEM tool for a precise measurement of our carbon footprint	13	4	HC-DY-130a.1	2-22	x	
Replacement of our fleet of vehicles with plug-in hybrids or electric vehicles	12 13	4		2-22	x	
Installation of charging stations for electric vehicles in our headquarters car park	12 13	3 4		2-22	x	
Participation to Ecological Transition Workshops organized by the Lille European Metropolis	13 17	4		2-22	x	
Adaptation of our green spaces to better respect biodiversity	15	3 4		2-22	x	
For our employees, promotion of soft mobility	12 13	4		2-22	x	
Promotion of an environmental protection approach	12 13 14 15 17	4	HC-DY-130a.1	2-22	x	

6.2 2022 Key Performance Indicators - “Standards and Materiality” Correspondence Matrix

Aspect	Standards and materiality				
	<i>Societal</i>	<i>ODD</i>	<i>ISO 26000</i>	<i>SASB</i>	<i>GRI Index</i>
Therapeutic areas covered by GENFIT R&D activities		3	6 7		
Patients suffering from illnesses which our therapeutic and diagnostic innovations target		3	6 7		
Number of programs currently ongoing at GENFIT		3	6 7	HC-BP-000.B	
Number of patients treated by the Company's products		3	6 7	HC-BP-000.A	
Number of FDA Sponsored Inspection relating to the management of clinical trials and pharmacovigilance		3	6 7	HC-BP-210a.2	
Total amount of financial loss following judicial proceedings related to clinical trials within developing countries		3	6 7	HC-BP-210a.3	
Event co-organized with patient associations		3 17	7		2-6 2-29
Work group meetings in the healthcare field		3 9 17	6 7		3-3
Information made available for patients by the Company		3 4	7		
Citizen initiatives to which GENFIT participates directly or indirectly		17	7		2-6 2-29
Participation in the economic development of the region and the country		8	7		3-3 413-1
Number and diversity of stakeholders with whom a regular dialogue is maintained		17	1 6		
Initiatives to support people in need from our local ecosystem		4 8 10	2 7		3-3
Amount allocated/number of working groups related to healthcare to which the company participates		3 4 9	7		
Suppliers based in France - geographical distribution and expenses		8 12	1 2 4 5 7		204-1
Suppliers based outside of France - geographical distribution and expenses		8 12	1 2 4 5 7		204-1

Aspect	Standards and materiality				
	<i>Social</i>	<i>ODD</i>	<i>ISO 26000</i>	<i>SASB</i>	<i>GRI Index</i>
Workforce and geographical distribution		8			2-7 401-1 405-1
Staff turn-over rate		8		HC-BP-330a.2	
Percentage of employees on permanent contract		8 11		HC-BP-330a.1	
Salaries and and salary progression (including bonuses)		8 11		HC-BP-330a.1	2-21
Employee shareholding in the Company's capital		8 11			
Equality in recruitment		5 8 10 11	2 3	HC-BP-330a.1	405-1 405-2
Diversity		5 8 10 11	2 3		405-1 405-2
Women in the organization (W/M index)		5 8 10 11	2 3		405-1 405-2
Training plan (internal training plan, management training plan, participation in continuing education events and internal and external information sessions)		4		HC-BP-330a.1	3-3 404-1 404-2
Work-study, students/interns		4 8 10			
Works council - employee representation and collective agreements		8 11	2 3		2-30
Anonymous employee engagement survey results		8	3		
Internal communication and access to information		8			
Absenteeism (number of days and absenteeism rate)		8		HC-DY-320a.1	3-3
Sick-leave (number of sick-leaves)		3 8		HC-DY-320a.1	3-3
Vaccinations (number of employees vaccinated against the flu)		3 8			3-3
Occupational accidents and diseases		3 8		HC-DY-320a.1	3-3 403-9 403-10
Organization of work (organization of work, telecommuting)		3 8	2 3	HC-BP-330a.1	
Collective life in the Company (animation of the collective life, access to additional benefits)		3 8	2 3	HC-BP-330a.1	

Aspect	Standards and materiality				
	<i>Governance</i>	<i>ODD</i>	<i>ISO 26000</i>	<i>SASB</i>	<i>GRI Index</i>
Voluntary national and international commitments		17	5 6		2-24
Data relating to internal stakeholders engagement		11	1 5		

Employees who took part in training and awareness campaigns	4 8 9 11	1		
Number CSR self-assessment questionnaires completed	11	1		
Number of regulatory notifications, lawsuits and accidents associated with clinical trials	3	6	HC-BP-210a.2	
Monetary losses as a result of legal proceedings associated with clinical trials	3	6	HC-BP-210a.3	
Diversity in company's leadership	5 11	2 3		405-1
Raising awareness on ethics, conformity and transparency	9 11	1 5 6	HC-BP-510a.2	205-2 2-25 2-26
Monetary losses as a result of legal proceedings associated with corruption	9 11	1 5 6	HC-BP-510a.1	205-3
Quality of internal and external procedures		1 5 6		
Management of disputes and litigation		1 5 6		
Information security		2 6	HC-DY-230a.2	
Financial performance indicators		1		3-3 201-1

<i>Environment</i>	<i>ODD</i>	<i>ISO 26000</i>	<i>SASB</i>	<i>GRI Index</i>
Greenhouse gas emissions (GHG)	13	4	HC-DY-130a.1	3-3 305-1 305-2
Evolution of our energy consumption	12	4	HC-DY-130a.1	3-3 302-1 302-4
Evolution of our water consumption	6 12 14	4	HC-DY-130a.1	3-3 303-1 303-2 303-5
Evolution of our raw materials consumption	12	4		
Potential biohazard waste	6 12 13 14 15	4	HC-DY-150a.1 HC-DY-150a.2	3-3 306-1 306-2 306-3 306-4 306-5
Vivo laboratory waste	6 12 13 14 15	4	HC-DY-150a.1 HC-DY-150a.2	3-3 306-1 306-2 306-3 306-4 306-5
Recycling waste	6 12 13 14 15	4	HC-DY-150a.1 HC-DY-150a.2	3-3 306-1 306-2 306-3 306-4 306-5
Reduction of waste and toxic products	6 12 13 14 15	4	HC-DY-150a.1 HC-DY-150a.2	3-3 306-1 306-2 306-3 306-4 306-5
Employees sensitized to our environmental approach	4 13	2 3 4		
Company and employee electric or hybrid vehicles	12 13	4		

6.3 2023 Initiatives - "Standards and Materiality" Correspondence Matrix

Aspect	Standards and materiality					
	Societal	ODD	ISO 26000	SASB	GRI Index	>1 GFT criteria
Creation of a Patient Advisory Board		3	6			x
Second part of the commitment to the Captech health innovation fund		4 8 17	7			x
Participation in a Gender Equality project with Eurasanté		4 5 10 17	2 3 7	HC-BP-330a.1	3-3 405-1 405-2 413-1	x
Creation of a "One day for an association" contest		10 17	7		2-28 413-1	x
Involvement with local associations working on integration, reintegration and the fight against poverty		1 4 8 10 17	7		2-28 413-1	x
Social	ODD	ISO 26000	SASB	GRI Index	>1 GFT criteria	
Implementation of an action plan based on the February 2023 employee satisfaction survey		8	3		2-30	x
Establishment of a healthcare access service in the workplace for employees		3	3		3-3 403-3	x
Encouragement and promotion of diversity		5 8 10	3 7	HC-BP-330a.1 HC-BP-330a.2	405-1 405-2	x
Internal Policy for caregivers		3 10				x
Update of our internship policy		4 8 10	7			
Improvement of work spaces and work environment		3 9	3			x
Governance	ODD	ISO 26000	SASB	GRI Index	>1 GFT criteria	
Co-building of a materiality assessment with our essential stakeholders		13 17	1 5		2-6	x
Details of the extra-financial criteria used for the CEO's variable compensation		11	1 5			x
Continuation of the CSE training and awareness program		4 9 11	1			x
Regular presentation of a CSR scorecard at Executive Committee Meetings		9 11	1			x
Addition of a section covering lobbying practices in the Code of Business Conduct and Ethics		11	1 5	HC-BP-510a.2	205-1 205-2	x
Environment	ODD	ISO 26000	SASB	GRI Index	>1 GFT criteria	
Continuation of the process of extending the measurement of our carbon emissions to Scope 3, in order to define a possible 2030 or 2035 trajectory		12 13 14 15	4	HC-DY-130a.1		x
Exploration of opportunities to reduce gas and electricity consumption		12 13 14 15	4	HC-DY-130a.1	3-3 302-4	x
Appointment of a referee for "protection of biodiversity and water as a natural resource" and implementation of a policy of good practices in this area		12 13 14 15	4	HC-DY-130a.1	3-3 303-1 303-2 303-5	x
Development of a "Cyber Clean Up Challenge"		12 13 14 15	4	HC-DY-130a.1	3-3 302-4	x
Implementation of a "Carbon Budget" for a pilot department		12 13 14 15	1 4			x
Appointment of a "soft mobility" leader		12 13 14 15	4			x
Participation in the Air France Safe Aviation Fuel program		12 13 14 15	4			x



Société anonyme à Conseil d'Administration
au capital social de 12 458 745,75 euros réparti en 49 834 983 actions de nominal 0,25 euro

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