



**GENFIT**

TOWARDS BETTER MEDICINE

# Extra-financial Performance 2020 Statement

Publication: June 30, 2021

**We are a late-stage biopharmaceutical company dedicated to the discovery and development of innovative therapeutic and diagnostic solutions in metabolic and liver related diseases where there are considerable unmet medical needs.**

**GENFIT is a pioneer in the field of nuclear receptor-based drug discovery, with a rich history and strong scientific heritage spanning more than two decades.**

**We are dedicated to improving the lives of patients who are at the center of our mission and our goal is to offer robust and secure solutions tailored to their needs. Our translational disease driven approach is the strength of our R&D. We believe in a full comprehension of a disease to discover therapeutic and diagnostic solutions.**



<b>About GENFIT</b>	<b>3</b>
• Capitalizing on Our Scientific and Clinical Expertise	
• Targeting Diseases with High Unmet Medical Needs	
• Developing a Competitive Market-Access Strategy	
<b>Presentation of our CSR Strategy and Values</b>	<b>4</b>
<b>Business Model and Value Distribution</b>	<b>6</b>
<b>Employee Relations</b>	<b>7</b>
• Recrutement	
• Employment	
• Social relations	
• Working Environment	
• Health and safety at work	
• Gender equality	
• Training	
• Compensation	
<b>Societal Issues</b>	<b>11</b>
• Territorial, economic and social impact of the Company's activity	
• Relationships with persons or organizations interested in the Company's activity	
• Subcontractors and Providers	
<b>Corruption and Human Rights Issues</b>	<b>13</b>
• Loyalty and Code of Ethics	
• Human Rights	
<b>Environmental Issues</b>	<b>14</b>
• General policy on hygiene, health, safety, and environment	
• Pollution	
• Sustainable use of resources	
• Circular economy	
• Climate change	
<b>Methodology</b>	<b>17</b>
• Reporting scope	
• Methodological specificity	

## About GENFIT

GENFIT is a late-stage biopharmaceutical company dedicated to improving the lives of patients with metabolic and chronic liver diseases.

### Capitalizing on Our Scientific and Clinical Expertise

Our translational disease-driven research approach is based on strong expertise, featuring in-house knowledge of drug and diagnostic design and development. A pioneer in the field of nuclear receptor-based drug discovery, GENFIT has a rich history and strong scientific heritage spanning more than two decades.

This approach, along with our strong bioinformatics capabilities, enables us to discover and develop drug candidates and diagnostic technologies. Professor Bart Staels, a world-renowned expert in nuclear receptors, co-founded GENFIT, and has played a key role in shaping our company's expertise over the years. Today, he is chair of the Scientific Advisory Board, lending his unique experience and essential know-how, and supporting our role as an innovative leader in the discovery of solutions for the field.

### Targeting Diseases with High Unmet Medical Needs

We are committed to improving outcomes for patients with unmet medical needs, focusing on liver and metabolic diseases with limited treatment options.

We are exploring elafibanor as a potential candidate for the treatment of primary biliary cholangitis (PBC), a chronic disease in which bile ducts in the liver are gradually destroyed. The damage to bile ducts can inhibit the liver's ability to rid the body of toxins, and may lead to cirrhosis. In December 2018, we announced positive results from our Phase 2 clinical trial evaluating elafibranor for the treatment of PBC. Elafibranor was then granted Breakthrough Therapy Designation by the FDA. A Phase 3 pivotal trial, ELATIVE™, is currently enrolling.

A clinical program has been launched in Acute on Chronic Liver Failure (ACLF): a syndrome in patients with chronic liver disease and cirrhosis characterized by acute hepatic decompensation resulting in liver failure and/or one or more extrahepatic organ failures. It is associated with increased risk for short-term mortality. There are no approved drugs to treat

patients and therefore a need exists for a therapy that helps them to survive without transplantation.

We also have a long experience in nonalcoholic steatohepatitis, or NASH. NASH is a chronic, potentially progressive, liver disease impacting millions of people worldwide and is the most severe form of nonalcoholic fatty liver disease (NAFLD). NASH disease activity is characterized by fat accumulation, inflammation, and injury of the liver—increasing the risk of fibrosis or scarring. The disease carries no obvious symptoms in its early stages and lacks widely available non-invasive tests specifically developed for diagnosis. As a result, NASH remains largely underdiagnosed, despite severely impacting the health and function of the liver.

We have designed a novel diagnostic technology to improve early diagnosis of this disease, and developed NIS4™, a proprietary GENFIT-developed technology. NIS4™ underlies a novel, non-invasive, blood-based molecular biomarker test intended to identify at-risk NASH (NAFLD Activity Score  $\geq 4$  and Fibrosis stage  $\geq 2$ ) in patients with metabolic risk factors.

### Developing a Competitive Market-Access Strategy

GENFIT's clinical experience provides us with a solid foundation and supports our long-term objective of becoming a commercial company. We intend to build upon our pioneer approach and leadership in NASH diagnostics to achieve our goal of bringing our diagnostic technology to patients in need. We also intend to bring our drug candidates to patients in need in the field of specialty care indications and orphan diseases, such as PBC and ACLF.

**Our foremost goal is to contribute to worldwide health innovation by addressing unmet medical needs in cholestatic and chronic metabolic liver diseases.**

# Presentation of our CSR Strategy and Values

Our mission is to deliver therapeutic and diagnostic solutions designed to meet the unmet medical needs of millions of patients around the world.

Our activity, by nature located at the heart of major strategic public health issues, therefore has an intrinsically societal dimension, and our vocation is to serve most of our fellow citizens.

Leader in the field of nuclear receptors, and enjoying a strong and internationally recognized scientific heritage, our ambition is to bring hope to millions of patients suffering from chronic and potentially serious pathologies such as cholestatic diseases (including PBC, PSC and other rare cholestatic pediatric diseases), ACLF (Acute on Chronic Liver Failure) and NASH (Non-alcoholic steatohepatitis, a metabolic liver disease). This hope is fueled today by many results obtained over several years in terms of treatment and diagnosis.



## Patient centric

We are deeply committed to improving the health and quality of life of patients affected by cholestatic and chronic metabolic liver diseases. We seek new ways to advance science and medicine, with the goal of optimizing care for patients with unmet medical needs.



## Innovation

We pioneer new approaches and innovative technologies to contribute to, and to advance quality solutions in patient care. We adapt ourselves and persevere in looking for efficiency and success in developing and bringing to the market first or best-in-class diagnostic and therapeutic solutions for patients.

## Collaboration

We bring together talented employees with unique perspectives and experiences and recognize and value diversity as a source of strength. We ensure that all employees and stakeholders are treated equally with dignity and respect. We strive to create value and ensure that our success relies on working with others across industries and geographies.



## Integrity

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.

Our core values are the beliefs, philosophies, and principles that drive our business. They impact the experiences of our employees, as well as the relationships we develop with our community, customers, partners, and shareholders.

Every day, our employees use their skills and experience at the service of GENFIT, with the aim of actively contributing to the success of the company's mission. Established in France and the United States, GENFIT is committed to maintaining a high level of flexibility. This agility characterizes us and is fully part of our company culture.

Committed to environmental and social responsibilities since our creation, we wanted to highlight more explicitly the CSR principles that guide our actions and help structure our deployment, and apply these in the collaboration with our partners:

Employee Relations - at the service of the Individual	Societal Issues - at the service of Civil Society	Corruption and Human Rights	Environmental Issues
<ul style="list-style-type: none"> <li>• Improving and maintaining the well-being of our employees</li> <li>• Guaranteeing equality and equity in terms of working conditions, compensation or access to training for both women and men and regardless of academic or professional profile</li> <li>• Guaranteeing the diversity of profiles and skills</li> </ul>	<ul style="list-style-type: none"> <li>• Contributing through our activities to the health of our fellow citizens</li> <li>• Forging links with local institutions and businesses (local institutions located in "Eurasanté" parc and "Nutrition Santé Longévité" cluster, schools, universities, etc.), and national/international associations (Patients associations: Global Liver Institute, American Liver Foundation, Swiss NASH Foundation, SOS Hépatites, etc.) whether public or private</li> <li>• Maintaining good relations with our subcontractors and partners, in an ethical spirit and adopting a fair sense of business</li> </ul>	<ul style="list-style-type: none"> <li>• Ensuring complete integrity and overall transparency in our activities and relationships, while respecting business confidentiality</li> <li>• Ensuring respect for human rights within GENFIT and, as far as possible, with our subcontractors and partners</li> </ul>	<ul style="list-style-type: none"> <li>• Ensuring full compliance with health, safety, and security standards</li> <li>• Managing and reducing our environmental footprint</li> <li>• Using our resources to minimize the impact of our activity</li> </ul>



Human

More than 110 Employees\*

Financial

Cash flow of €171 million\*

Intellectual (Technologic Expertise)

More than 840 Patents\*

Social and Relational

A solid network & a strong commitment to the key players in our ecosystem

\*as of December 31, 2020 (GENFIT SA)

# OUR RESOURCES

ARE LEVERAGED WITH  
**Our expertise, innovation, and agility**

TO ADVANCE  
**Our research and development programs**

TO PROVIDE  
**New therapeutic and diagnostic options for severe liver diseases**

TO TARGET  
**millions of patients with unmet medical needs**

# FOR ORIENTED VALUE CREATION:

To our investors

Concerned about the social and environmental impact of our activity and whose financial investment supports our efforts

To our employees

Concerned by their mission to serve the health of their fellow citizens, and committed to their professional development (1,440 hours of training)

To our partners

Labcorp-Covance & Terns Pharmaceuticals

With an educational mission

Towards the general public, civil society, and the world of innovation via :

- The NASH Education Program™
- Support for research & learned societies
- Eurasanté & Clubster NSL by being active members

# Business Model and Value Distribution

# Employee Relations

## Recruitment

A recruitment process that:

- Ensures a consistent candidate experience
- Maintains applicant diversity
- Enables effective collaboration between teams
- Allows employees to grow with the company

### The candidate selection process:

- Respects equal opportunity
- Takes place after a strict review of applications
- Is based on the candidate's skills, experience and abilities

1

**Phone screening** allows the HR team to qualify the candidate's project

2

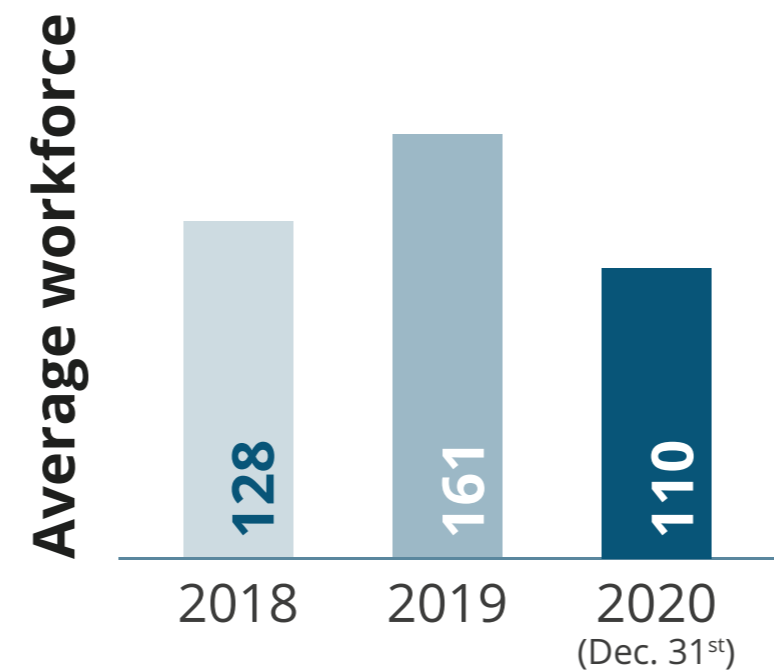
**The interview(s)** allows:

- The candidate to highlight his or her assets and collect all relevant information about the position and the company
- The operational staff and the HR team to evaluate the candidate's potential

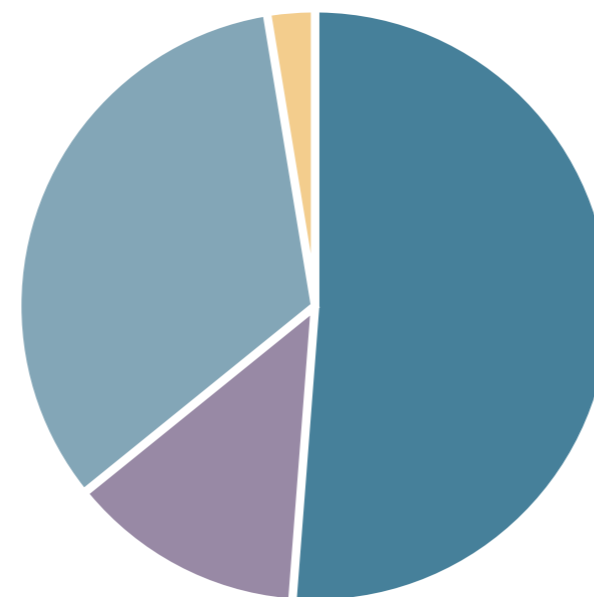
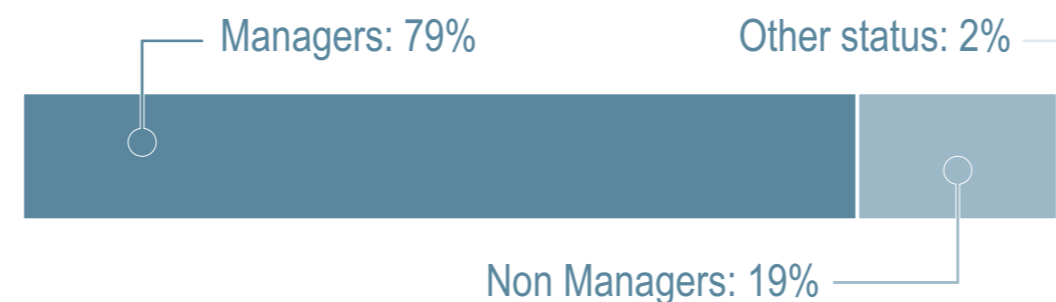
3

All applicants receive feedback, whether positive or negative, during the recruitment process

## Employment



GENFIT is committed to welcoming and providing practical training to interns (3 in 2020) and working students (5 in 2020) to help them explore or pursue their careers.



- Research & development
- Science related services
- Administration & Management
- Marketing & commercial dev.

## Social Relations

**The Social and Economic Committee is an internal committee dedicated to overseeing the wellbeing of employees which:**

- Contains people who have been trained in the work of this committee and in the prevention of sexual harassment and gender-based discrimination.
- Organizes at least monthly meetings to provide updated information to employees
- Supports employees
- Approves company-level agreements
- Helps with the integration of new employees

Lockdown measures related to the COVID-19 pandemic health crisis.

Disappointing results, in May 2020, of the Phase 3 clinical trial evaluating elafibranor in NASH, GENFIT's most advanced investigational compound, resulting in a comprehensive cost-saving plan and restructuring plan.

2 major events in 2020 which have deeply affected GENFIT's teams

# Working Environment



FACULTÉ DE MÉDECINE  
HENRI WAREMBOURG

HOPITAL  
CARDIOLOGIQUE

HOPITAL  
CLAUDE HURIEZ

HOPITAL  
JEANNE DE FLANDRE

HOPITAL  
ROGER SALENGRO

HOPITAL  
ALBERT CALMETTE

Extension in 2019 containing  
modular spaces for different work  
environments (compliance with RT2012  
thermal and NRA2000 acoustic regulations)

Green spaces including  
numerous planters that  
favor the diversity of species

Numerous meeting rooms  
equipped with communication and  
video-conferencing technology

Location near to the subway  
(6 min. walk)

At the crossroads of  
many hospital and  
medical institutes

State-of-the-art laboratories  
and pleasant offices, filled with  
natural light

- + 2 break rooms for lunch **i**
- 1 fitness room
- Private and secure car park
- Garage for two-wheelers and scooters



For their meals, employees receive meal vouchers, of which GENFIT's financial contribution represents 60%. Partnerships have been set up with local catering companies to enable employees to have their meals delivered to the workplace and employees also have access to the restaurant of the Regional Medical Center.



## Health and Safety at work

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 health physician (reinforced when necessary), which includes annual medical check-ups and blood tests for personnel under enhanced medical surveillance. Records are kept up to date.

The Company offers its employees the opportunity to be vaccinated against the flu each year.

### During the year 2020

77

people requested to be vaccinated against the flu

8

minor incidents were reported

X

No work-related or home/workplace accidents were recorded

4,28%

The absenteeism rate included «traditional» sick leave, but also preventive sick leave and childcare leave related to the COVID-19 health crisis



In the context of the Covid-19 health crisis, GENFIT has taken numerous measures to ensure the safety at work:

- Continuous information on preventative measures
- Immediate availability of Hydro Alcoholic Solution, masks and disinfectant spray
- Implementation of remote work for all functions that can be performed remotely
- Appointment of Covid-19 representatives and installation of a Covid-19 room
- Reorganization and adaptation of spaces to respect social distancing measures and implementation of a flow-direction within the company.

The occupational health physician was also consulted on all the applied measures.

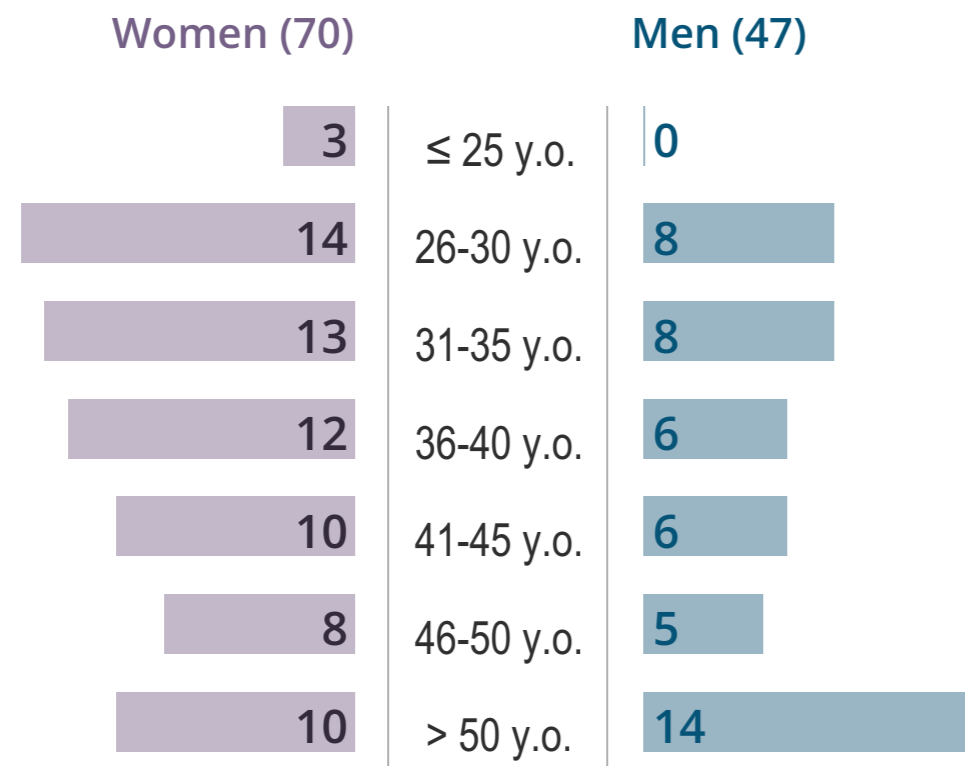


In the context of the workforce restructuring plan engaged in 2020, an HR service provider has been appointed to provide the best possible support to employees, whether or not they have been affected.

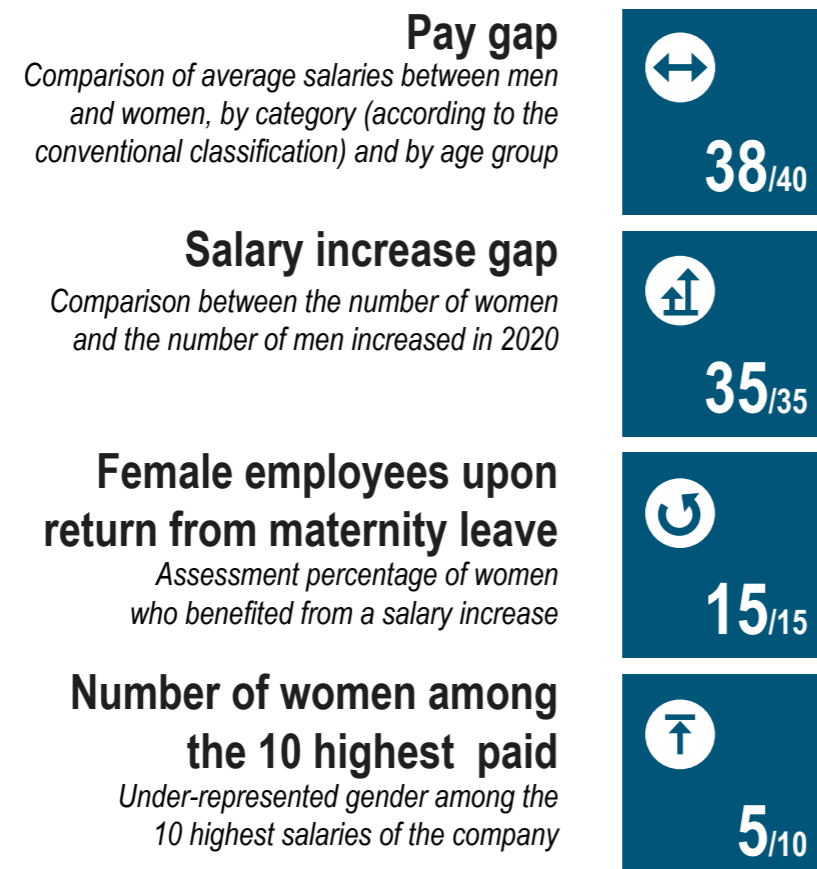
A 24/7 psychological support unit was also set up when the plan was announced and will remain active for one year.

## Gender equality

As of December 31, 2020, distribution of employees by age and gender is as follows :



GENFIT obtained a score of **93/100**  
on the **Gender Equality Index in 2020:**



\*Perimeter : GENFIT France: Loos and Paris Offices; GENFIT CORP. employees excluded

## Training

GENFIT's training policy is oriented towards the development and versatility of employees' skills.

Theoretical and practical training

+

Written and oral communication in English

+

Use of IT programs

=

**1,440 hours of training for 123 employees**

## Compensation

For several years, GENFIT has chosen to compensate its employees based on the accomplishment of individual objectives, with a constant concern for fairness, and in relation to the company's overall performance.

In 2020, **15% of employees** benefited from a re-evaluation of their compensation, in might of:

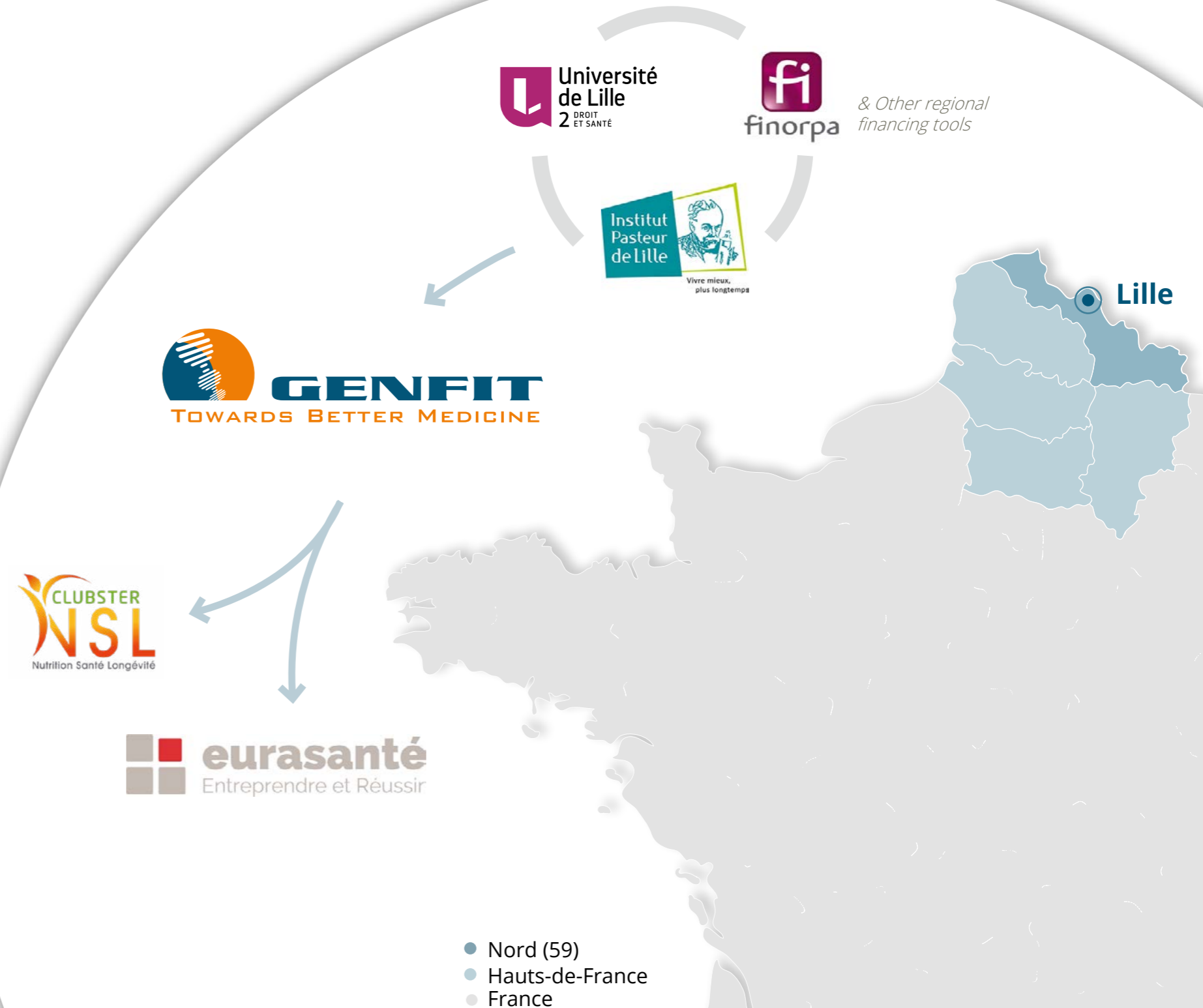
- The development of skills and responsibilities (internal mobility)
- Competition in the employment market

### GENFIT's roots in the local area originate from its scientific foundations.

The Company is the fruit of local academic research, in particular, the research laboratories of Lille 2 University and Institut Pasteur de Lille. These are the two most important regional research centers in the therapeutic areas in which the Company specializes and the two most important contributors to the science on which GENFIT has developed its activities. Lille 2 University, the Institut Pasteur de Lille, but also a regional financing tool such as Finorpa, were shareholders from the beginning and supported the company at key moments in its development and remain significant today.

In this context, GENFIT has been present and strives to remain active within the geographical sector at several levels:

- local and metropolitan: by contributing to the life and animation of the Parc Eurasanté, a business park specialized in healthcare and medical research and development and in which our laboratories and head office have been established since its creation in 1999;
- regional: GENFIT is a member of the competitiveness cluster Clubster NHL – Nutrition, Health, and Longevity



## GENFIT: committed to the support of patients and medical profession



GENFIT was one of the first companies to invest in a global public health initiative to raise awareness about NASH. In 2017, it established The NASH Education Program™, an endowment fund dedicated to produce and disseminate educational content about NASH to healthcare professionals, patients and their families.



On June 12, 2018, The NASH Education Program launched the public education campaign “**International NASH Day**” to raise visibility and urgency NASH.

Following the large success of the first edition and to build upon stakeholders’ engagement, The NASH Education Program convened a coalition of patient advocacy associations, medical and professional societies, to organize the future editions of International NASH Day under the leadership of the Global Liver Institute.

In 2020, the annual event brought together 80 partner organizations and 30 speakers to declare urgency of combatting parallel epidemics of liver disease and COVID-19.



COVID-19 has greatly affected our patient communities, which are more isolated than ever. In this context, GENFIT has ensured the continuity of its efforts with patient organizations to enable them to develop virtual programs that ensure patients remain connected to their communities and create new educational campaigns.

## Regular and Rigorous Monitoring of Subcontractors and Providers

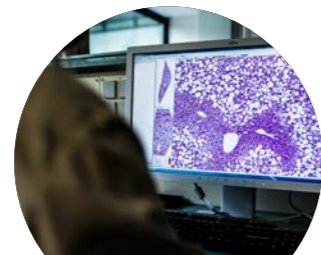
We rely on trusted subcontractors to support a significant portion of our business activities, particularly those requiring specific regulatory approvals, such as Good Clinical Practices (GCP), Good Manufacturing Practices (GMP), and Good Laboratory Practices (GLP).

We perform regular audits of our subcontractors following an annual audit plan that provides for regular and rigorous monitoring of all of our subcontracted activities.



## Loyalty and Code of Ethics

We operate in accordance with GENFIT's Code of Business Conduct and Ethics. We foster a culture of accountability, and we believe that our commitment to the highest level of ethical conduct should be reflected in all of the Company's business activities. All employees, officers, and directors must act in accordance with the language and spirit of GENFIT's Code of Business Conduct and Ethics: representing the corporate ethos in all aspects of life, exercising reasonable judgment when conducting business, and following appropriate behavioral norms.



## Animal protection

The European Directive 2010/63EU set the framework for regulations on animal experimentation and was transposed into French law in February 2013. GENFIT has chosen to set up an internal committee that respects the recommendations of the CNREEA before the transposition of the Directive is implemented. GENFIT's Committee on Animal Research and Ethics (CARE) has been registered since October 11, 2012 under number 77 with the French National Committee for Animal Experimentation.

## Human Rights

We respect international human rights standards for our own workforce, and apply the Universal Declaration of Human Rights in our operations. We are compliant with the local labor codes.

**All of the service providers we employ ensure their employees have the qualifications and experience required to conduct a study in accordance with the GCP. Each commits to :**

- Scrupulous compliance with the directives of the Ethics Committee concerned,
- The provisions of the Declaration of Helsinki,
- The recommendations of the World Health Organization and the ICH, as well as all laws and applicable local and/or national regulations as most recently amended and to all the other provisions established by the regulatory authorities (and in particular articles L. 4113-6 and L. 4113-9 of the Public Health Code.).



## General policy on hygiene, health, safety, and environment

**GENFIT has training procedures that provide a detailed description of chemical and waste management methods. The Quality Department is responsible for applying and updating these procedures.**

**All new employees are given a «Health and Safety» leaflet during their induction presentation, which contains the main safety and environmental instructions to be followed at GENFIT.**

**GENFIT's laboratories are not subject to regulations concerning Listed Facilities for Environmental Protection.**



## Pollution

**All emissions in the laboratory are captured by specific hoods, which are periodically maintained and controlled. In 2020, no refrigerant leaks were recorded.**

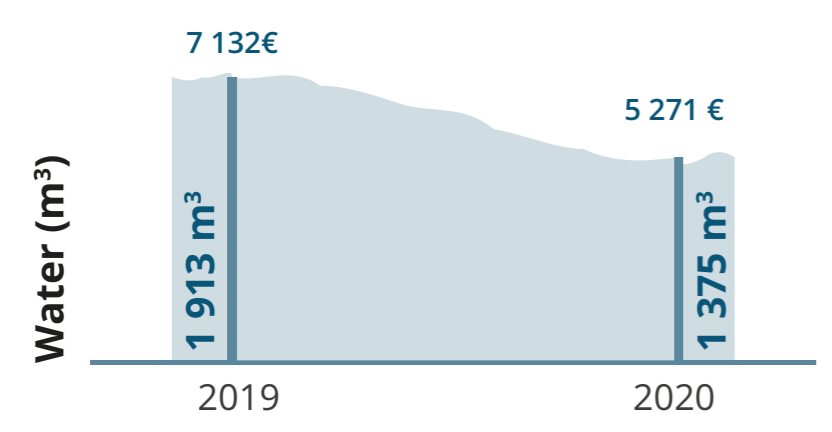
**GENFIT has an electric vehicle, with the aim of reducing CO2 emissions, which is used for short trips within the Lille metropolitan area.**



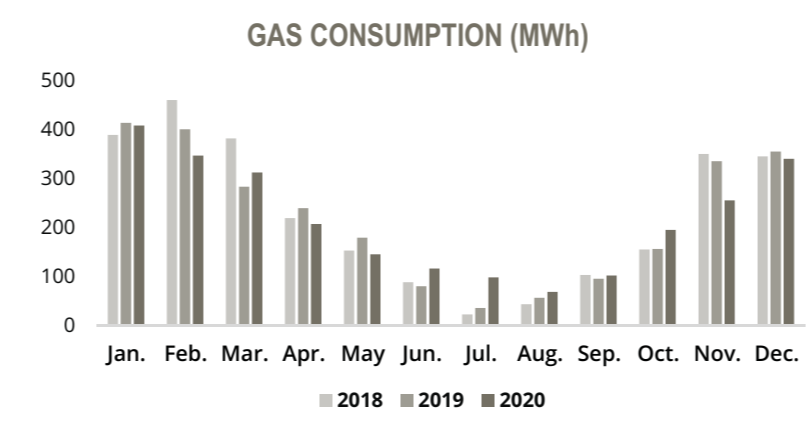
# Sustainable use of resources



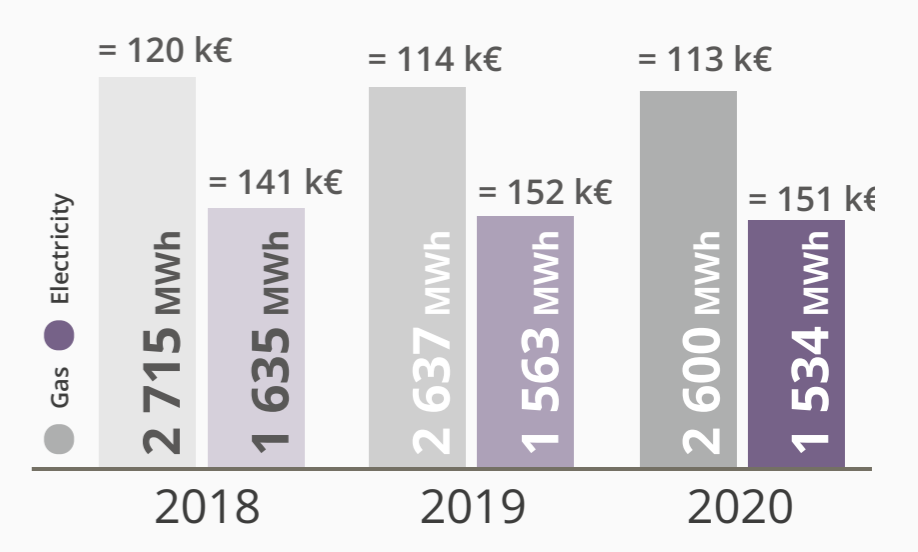
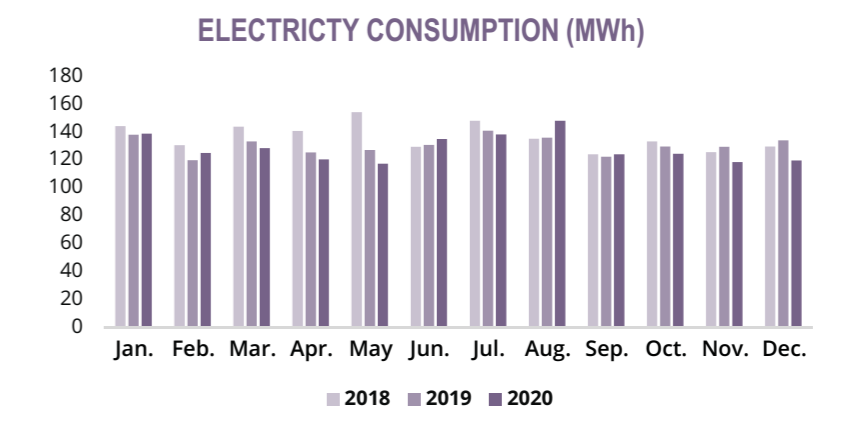
Water consumption is mainly dedicated to sanitary uses or ultra-pure water production for laboratories.



Gas is used exclusively for heating.



Electricity is mainly used for lighting and cooling and for the laboratory facilities.

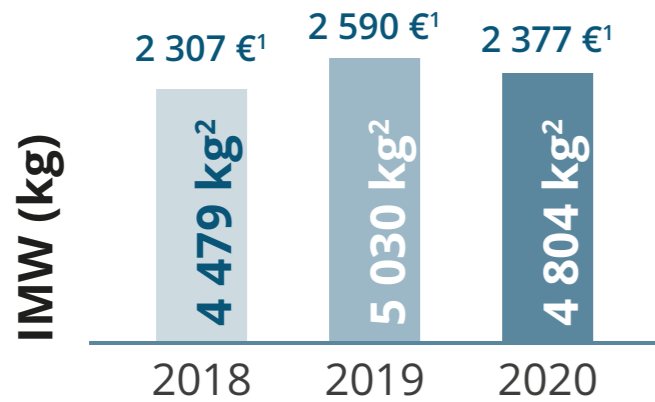


Gas and electricity consumption is steady year over year

*The implementation of remote-work for a majority of employees in 2020 did not contribute to a drop in consumption because the premises remained open and accessible during the lockdowns during the COVID-19 health crisis.*



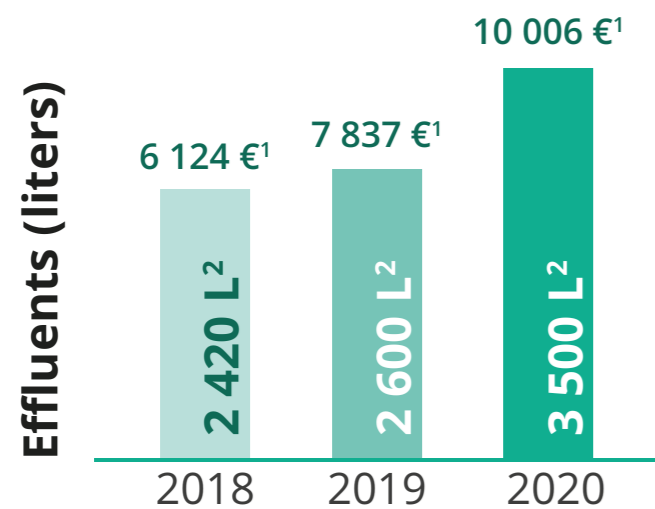
IMW (Infectious Medical Waste):



A decrease of 4.49% between 2019 and 2020 is due to the discontinuation of research programs.



The company proceeds to sort the waste to ensure its treatment according to the applicable standards. It mainly corresponds to biological and / or chemical waste for GENFIT.



A 34.62% increase between 2019 and 2020 is mostly due to training and the implementation of new safety standards for better waste treatment.



## Recycling

Sorting of recyclable waste has been in place since 2018 in the building, in addition to the existing paper/cardboard sorting. Dedicated and marked containers have been distributed throughout the site and recycling is provided by an outside company.

Each employee receives an «ecocup» and a «mug» in order to limit the use of single-use disposable cups. The Company also recycles ink cartridges and batteries via an external company.



In 2020, direct greenhouse gas (GHG) emissions came mainly from natural gas and amounted to 627 tons of CO2 equivalent. Indirect GHG emissions are exclusively related to electricity consumption and generated 110 tons of CO2 equivalent. For a total of 737 tons of CO2 equivalent (against 748 in 2019).

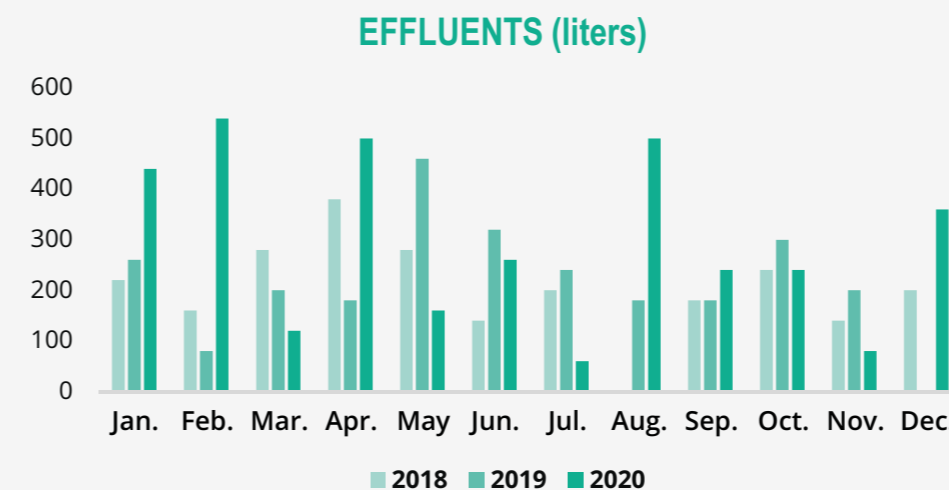
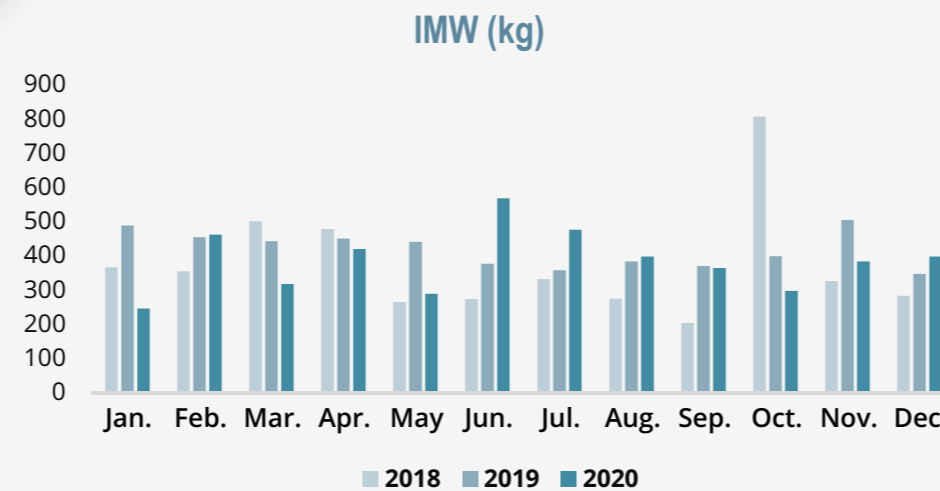
Employees are encouraged to use public transport through a specific subsidy. A biking mileage allowance has also been set up for employees who bike to get to work.



## Supply Chain Management

As a biopharmaceutical company exclusively focused on research and development activities, supply chain management is immaterial with regard to GENFIT's activity. However, we are conscious of the best practices with respect to social responsibility in supply chain management and will endeavor to put these in place when and where necessary.

- DETAILS - 1 : Treatment costs ; 2 : Quantity of collected waste





**We would particularly like to thank all GENFIT employees who contribute on a daily basis to the extra-financial performance of the company. Their commitment is the key to the implementation of this strategy. Even stronger ambitions are expected for 2021.**

## Methodology

### **Reporting scope**

Social, environmental, and societal indicators of this report are only referring to GENFIT SA company based in France  
GENFIT CORP based in the United States and GENFIT PHARMACEUTICALS are excluded. GENFIT CORP represents 10% of the workforce as of December 31, 2020 and 7,94% of the global area.

### **Methodological specificity**

#### **Social data – workforce**

indicators referring to workforce recognized as of June 30, 2020 and December 31, 2020, including contracts terminated on this date.  
Turn Over ratio: [(permanent contract entries in 2020 + permanent contract releases in 2020) / 2 / global workforce as of December 2019 x 100]

#### **Waste – IMW**

Actual data from January to November 2020 (estimation for December 2020 based on June 2020)

#### **Waste – Effluents**

Actual data from January 2020 to December 2020

#### **Energy consumption - gas & electricity**

Actual data from January 2020 to December 2020

The following themes are not described as they are considered non-material with regard to GENFIT's activity:

- Measures devoted to the prevention of environmental risks and pollution
- Consideration of noise pollution and any other form of pollution specific to an activity
- Land use
- Measures taken to preserve or develop biodiversity
- Actions to fight against food waste



#### **GENFIT**

Parc Eurasanté - Lille Métropole  
885, Avenue Eugène Avinée  
59120 Loos - France  
Tél. : +33 (0)3 2016 4000

#### **GENFIT CORP. (USA)**

1 Alewife Center  
Suite 220, 2nd floor  
Cambridge, MA 02140  
Phone: +1 (617) 714 5252

Website: [www.genfit.com](http://www.genfit.com) • Investors & Medias: [ir.genfit.com](http://ir.genfit.com) • Careers: [jobs.genfit.com](http://jobs.genfit.com)  
Contact: [contact@genfit.com](mailto:contact@genfit.com) • Twitter: @GENFIT\_Pharma • LinkedIn: GENFIT