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PART 4 –CORPORATE SOCIAL RESPONSIBILITY REPORT OF THE COMPANY

For almost 20 years, Innate Pharma develops first-in-class therapeutic antibodies to improve cancer treatment and clinical outcomes for patients. Due to its research and development activities in the fight against cancer, Innate Pharma's has always had a strong commitment to the society.

This report discloses Innate Pharma's corporate social responsibility indicators for the year 2017, in compliance with Article 225 of the Grenelle II law.

Innate Pharma's communication toward its stakeholders is transparent, precise and relevant. Innate Pharma's Corporate Social Responsibility report has been reviewed, the results of which can be consulted on the Company's website (www.innate-pharma.com, Investors section / Regulated information and publications / Corporate Social Responsibility).

It should be noted that the information in this chapter only concern Innate Pharma SA, not its subsidiary[1], for the period from January 1st to December 31st 2017.

4.1. Social responsibility

Innate Pharma is a biotechnology company. As such, it aims to produce intellectual property, and its staff members are considered to be its main resource. The Company has identified its ability to attract, retain and motivate its employees as a major strategic priority.

4.1.1. EMPLOYMENT

The "headcount" (defined according to the French Labor Code) comprises those individuals, bound by an employment contract and in employment as of December 31, excluding temporary employees on fixed-term replacement contracts, trainees and apprentices.

The table below summarizes the statistical indicators used to describe employment within Innate Pharma over the last three years.

	2015	2016	2017
Total workforce and distribution of employees by gender and age			
Headcount	118	154	188
Full Time Employee (FTE)	114	151	183
Permanent contracts	92%	94%	96%
Distribution by gender M/F (%)	31/69	35/65	34/66
Average age	37	36	37
Staff aged 45 years or older	21%	19%	19%
Turnover			
Net new hires	19	36	34
Number of young graduates hired	6	8	10
Rate of employee departure[2]	3.6%	5.2%	2.3%

[1] The CSR reporting applies to Innate Pharma SA, which has interests in one company:
- Innate Pharma, Inc., a wholly owned company incorporated under American law, the purpose of which is to represent the Company in the United States. This subsidiary is currently dormant. This subsidiary is not included in the scope of this procedure.

[2] Calculated based on permanent contracts only

Compensation and changes in compensation

Average compensation (average annual gross compensation, including bonuses, including Executive Committee)	€59,661	€57,392	€60,180
Percentage annual collective increase	1.8%	1.5%	1.5%

4.1.1.1. Total workforce and distribution of employees by gender and age

Innate Pharma's activities increased significantly (increase in the number of drug-candidates in clinic and preclinical development, increase in the number of clinical trials, increase of pharmaceutical operations activities etc.), resulting in a significant workforce growth (+22%) in 2017.

Changes in the workforce are part of a Strategic Workforce Planning approach:

- New individual development tracks have been set up in 2017. These tracks have been designed along three lines: team management, project management and technical and scientific expertise. New status and new positions have been created upon that.
- The Company estimates its skills requirements regularly according to its strategic guidelines. Reassignment and internal mobility are managed by the HR Department, together with management. They enable employees to expand their areas of activity and to develop new skills. In 2017, the structuring of Innate Pharma's activities in program/projects mode has been reinforced, notably by gathering Program Leaders in a unique team. The management team has been trained to undertake professional interviews. Their format has been revised. They now include a career development section in order to identify employees' evolution wishes as soon as possible and their match with the Company needs as well as facilitate their implementation through personalized development plans.

The percentage of staff aged 45 years or older is relatively stable and in line with the Company's seniors' plans objectives (between 20 and 25% of all staff). This reflects the numerous hires of people younger than 45 years-old in 2017.

The staff is highly qualified: managers account for 65% of the workforce. The workforce includes 50 employees with PhDs in science, medicine or pharmacy, i.e. 27% of the total number of employees.

On December 31, 2017, 77% of the workforce, excluding the Executive Committee, was devoted to research and development activities. It remains stable between 2016 and 2017.

4.1.1.2. Staff turnover

The net job creation resulted in thirty-four new hires in 2017. Other employees joined the Company with contracts that are not recorded in the headcount (work-training contracts for example). Six employees hired with a fixed-term contract in 2016 and in 2017 were hired with a permanent contract in 2017. Ten employees hired in 2017 were young graduates when they joined the Company. Two students have a work-study contract. As of December 31st 2017, six employees are working on a fixed-term contract to cover a temporary period of increased activity.

The Company welcomed sixteen interns in 2017. All those having an internship lasting one month or more will be paid an allowance and can be given meal vouchers on request. For all interns who are hired at the end of the internship, their internship period is taken into account when calculating seniority.

Four employees with permanent contracts left the Company during the year, which explains the low rate of employee departure in 2017.

4.1.1.3. Compensation and its evolution

In 2017, in line with its activities development, the Company recruited several high experienced profiles, including its Chairman of the Executive Board[3], leading to an increase of the average compensation.

[3] The Chairman of the Executive Board is not paid by the way of an employment contract but by a social mandate. His compensation is taken into account for the annual average compensation calculation.

The Company favors a remuneration system based on collective performance. A collective bonus calculated based on one month's salary, in proportion to the employee time spent at work, is given to staff according to the achievement of collective objectives. For the year 2017, a collective bonus, accounting to 90.5% of a month's salary, has been paid in February 2018.

Members of the Executive Committee are qualified to receive an individual bonus linked to the achievement of specific objectives the middle management is qualified to receive an individual bonus.

Several collective compensation measures in relation with the Company's performance occurred in 2017: a collective 1.5% pay increase and a collective bonus accounting to 120% of a month's salary have been paid in January 2017 in relation with 2016 collective performance and an exceptional bonus of €500 paid in July 2017 to reward collective performance for the first semester of 2017.

In 2017, objective settings and performance evaluation calendars have been aligned with the budget calendar. Hence, the individual performance evaluation, usually organized in the middle of the year, has been shifted to the end of the year 2017. Thus, only 2% of staff (excluding Executive Committee members) received individual salary incentives in 2017, essentially for salary revisions.

Staff on fixed-term contracts received a "job insecurity" allowance when their contracts were renewed, whether their contract was renewed as fixed-term or permanent.

4.1.2. WORK ORGANIZATION

The "working time" agreement dated April 14, 2003 (with retroactive effect to July 1, 2002) sets the reference working week at 37.5 hours and allows employees to take compensatory days off (for extra time in connection with working time reduction). This agreement is still in effect. An amendment was signed in 2007 which essentially refers to the establishment of a Working Time Account. A company agreement on work organization was signed in December 2013. It provides for flexibility of working hours, the use of Working Time Account days for personal reasons, and teleworking.

The working time organization of the Company under the working time reduction agreement provides for 1,600 hours a year for full-time employees. These provisions apply prorata temporis to part-time employees (50%, 80% or 90%). The table below summarizes the indicators used to describe work organization within Innate Pharma over the last three years:

	2015	2016	2017
Organization of working time			
Percentage of part-time employees	17%	12%	13%
Absenteeism			
Absenteeism rate	2.7%	2.1%	1.6%

The percentage of part-time staff is stable. As of December 31, 2017, seven employees work part-time at 90%, fifteen employees at 80% and two employees at 50%.

The absenteeism rate decreased slightly in 2017. Absences are mainly days off work due to sickness (84%). The absenteeism rate is calculated according to the total number of working days absent during the financial year for employees included in the workforce headcount during this period. It does not take maternity, paternity or parental leave into account.

4.1.3. EMPLOYEE RELATIONS

4.1.3.1. Relations with the Employee Representative Institutions

Employee relations are centered on the Employee Representative Institutions: Works Committee, Staff Representatives, Health Safety and Working Conditions Committee, trade unions and employer organizations.

Members' of the Works Committee and staff representatives' current mandate ends in early 2017 and new elections have been organized on March 23rd, 2017. The three unions within the Company are represented. The members of the Works Committee and staff representatives have elected the new Health Safety and Working Conditions Committee. Meetings of

the Works Committee, the Staff Representatives and the Health, Safety and Working Conditions Committee are held regularly, in accordance with the legal conditions. The minutes are distributed as they are produced to the staff and to the various bodies (Labor Inspectorate, Occupational Medicine, etc.).

The Mandatory Annual Negotiations were conducted on the basis of a plan developed in consultation between the Management and the Trade Union Organizations around a Quality of Life at Work or "Great Place to Work" theme:

- In order to strengthen employees' engagement, a reflection was initiated on compensation practices in the private and public research sectors, while continuing to involve staff in the share capital, through the allocation of free shares.
- Compensation and benefits negotiations resulted in the application of a general salary increase of 1.24% in January 2018 and a revaluation of restaurant vouchers of 25%.
- Reflection is also being made on the flexibility of working time and will be continued in 2018.
- The plan also includes the strengthening of solidarity initiatives in the Company. The aim is to coordinate and develop the existing actions implemented by employees to mark Innate Pharma's local presence and strengthen the Company's culture of solidarity
- Regarding social protection, an amendment to the Health Expense Business Agreement was signed on November 21, 2017 for the implementation of a new "responsible" contract that came into effect on January 1, 2018.
- The actions initiated during the 2017 annual negotiations will be continued in 2018.

4.1.3.2. Internal communication

Employees are regularly informed of the Company's news, strategy and developments through general information meetings and the receipt of all press releases issued by the Company.

With the increase in staff, structured internal communication has become necessary. An internal survey was conducted among all employees in October 2017 to raise the communication needs. As a result of this investigation, an internal communication plan has been developed and will be implemented in 2018.

4.1.3.3. Employee benefits and other advantages

The amounts paid in respect of fringe and cultural benefits by the Works Committee for the 2017 financial year increased by approximately 30%. The amount was €92,000 (as against €70,000 in 2016). These amounts are above the legal requirements. The 2017 budget increased to cope with the significant increase of workforce, in order to maintain an equivalent level of advantages and to develop cultural and sport activities. The aim was also to host more events to facilitate the integration of new hires, cohesion and exchanges.

The Works Committee offered employees numerous benefits such as holiday vouchers, theatre and cinema vouchers, gift vouchers for family events, or even the provision of a special kind of for short-term loan to employees who need it. In 2017, the Works Committee organized cultural outing (theatre). Upon receipts presentation and based on a fixed price, it also contributed to staff cultural and sportive activities.

Interns who work in the company for three months or more also receive the Works Committee benefits

The Company and the Works Committee pay particular attention to life within the company with the organization of a number of annual social events to facilitate the integration of new employees and group.

To facilitate work/life balance, the Company offers co-financed CESUs (Chèque Emploi Service Universel, Universal Service Employment Vouchers) and saved two additional cradles in Luminy's intercompany day nursery. The staff has now access to four cradles.

To broaden catering solutions, the Works Committee suggested welcoming food-trucks in the Company parking lot. This solution has been developed in 2017. Several food-trucks are currently taking shifts twice or three times a week.

4.1.4. HEALTH AND SAFETY – WORKING CONDITIONS

4.1.4.1. Health and Safety

Definitions:

Distinction between "Workplace accident" and "Workplace incident": in the case of a "Workplace accident", medical care is required and given according to the injury sustained. Accidents are systematically reported to the Social Security services. "Workplace incidents" concern minor injuries which do not require medical care. These do not have to be reported to the Social Security services.

All "Workplace Accidents" and "Workplace Incidents" are recorded in-house in a dedicated register.

The table below summarizes the indicators used to monitor health and safety within Innate Pharma over the last three years:

	2015	2016	2017
Health and safety conditions			
Number of planned preventative actions	30 (33 incl. 3 which were not necessary)	29 (32 incl. 3 which were not necessary)	30
Number of preventative actions implemented	20	21	23
Preventative action implementation rate stipulated in the Annual Risk Prevention Program	66.7%	72.4%	76.7%
Number of Health and Safety (H&S) training actions planned	7 (8 incl. 1 which was not necessary)	8 (10 incl. 2 which were not necessary)	7 (8 incl. 1 which was not necessary)
Number of H&S training actions implemented	4	6	5
H&S training action implementation rate stipulated in the Annual Risk Prevention Program	57.1%	75.0%	71.4%

	2015	2016	2017
Workplace accidents, in particular their frequency and severity, and occupational illnesses			
Number of workplace accidents with absence from work	4	3	5
Frequency rate* of workplace accidents with absence from work	22.54	14.12	17.77
Severity rate** of workplace accidents	0.82	0.44	0.18
Number of workplace accidents with no absence from work	2	4	4
Frequency rate* of workplace accidents with no absence from work	11.27	18.82	14.22
Number of incidents	9	4	6
Frequency rate* of incidents	50.72	18.82	21.32
Number of occupational illnesses	0	0	0

* Frequency rate = (Number of events) x 1,000,000/ (Annual number of hours theoretically worked)

** Severity rate = (Number of days' absence from work associated with workplace accidents) x 1,000/ (Number of hours worked)

4.1.4.2. Health and safety policies

Staff safety and management of working conditions are key factors for the Company's durable development.

The Company has met the mandatory notification requirements for its installations and has the relevant approvals for carrying out its activities. The installations undergo technical inspections and checks in accordance with the applicable regulation. The staff has the necessary accreditations and training to use the equipment and do so in accordance with Health and Safety. The staff is subject to medical monitoring by the occupational health physician (enhanced monitoring when necessary), with whom a psychosocial risk-warning mechanism has been set up. The registers are kept up to date.

The Annual Mandatory Negotiations did not lead to set up new agreements on health and safety in 2017.

4.1.4.3. Annual risk prevention program

During the year, the annual risk prevention program was introduced and followed-up on during the Health, Safety and Working Conditions Committee quarterly meetings. The occupational health physician attended to every meeting. The minutes of each meeting are distributed to the entire workforce, the occupational health physician and the health and safety inspection.

The Health and Safety team implemented the annual risk prevention program (76.7% completed). All regulatory and required actions have been achieved; only additional improvement actions at the Company's initiative could not be entirely achieved. All partly completed actions or those actions not yet carried out will be carried forward to the 2018 annual risk prevention program.

The 2017 Health and Safety training plan was 71.4% completed.

Incidents and accidents that occurred during 2017 were analyzed both when they were recorded and during meetings of the Occupational Health & Safety Committee, and the necessary corrective and preventive actions were defined and implemented. Workplace accidents with absence from work increased in 2017. Most workplace accidents with absence from work are commuting accident (three). The two other accidents with absence from work happened on site: loss of consciousness of an employee and a minor injury during a team-building sporting event. Workplace accidents with no absence from work were commuting accidents as well as minor injuries, such as cuts or pricks occurred during laboratory operations.

An annual risk prevention report is produced each year giving a detailed account of all this information.

4.1.4.4. Working conditions

The Company is located in a wooded area on a site that it owns. The building dates back to 1969 and was refurbished in 2008, before Innate Pharma moved. The staff has access to a private car park and a local bus service.

Following the increase in staff numbers and since the end of September 2017, the Company's staff is now based at two sites in Marseille. Tertiary functions (support functions, a part of preclinical development and clinical development) have been gathered together in rented offices in the city center. The main building accommodate R & D and especially laboratory activities

An investment budget and a building & working conditions improvement budget are voted on each year. In 2017, the Company refitted several offices and laboratories to accommodate new equipment.

A direct bus line connects the two sites.

In addition, studies for the facilities expansion project continued to welcome new employees and allow the Company's development. A building permit was obtained on March 6, 2017 for the construction of a new building on around 2.47 acres land, next to the current building. The land was purchased by the Company in December 2017 and another building permit was obtained on October 12, 2017 for the construction of a new building of 750 square meters on the current location. These projects take into account environment issues and are part of reflection to minimize the Company's environmental impact.

At the same time, discussions are being conducted on a proposed expansion of the premises to help accommodate future employees. A construction permit has been submitted in 2016 to build a new facility on a site neighboring Innate Pharma's main building. This project takes into consideration environmental issues and includes reflection on minimizing the Company's environmental impact.

4.1.5. TRAINING

The table below summarizes the indicators used to describe training within Innate Pharma over the last three years:

	2015	2016	2017
Total number of hours of training			
Total number of hours of training (hours realized)	2,105	3,698	2,980
Average number of hours of training per employee per year	18.8	27.6	16.8
Percentage of staff that received training	90%	103%[4]	85%
Percentage of senior staff (45 years and older) who received training	80%	97%	75%

4.1.5.1. Training policies implemented

The priority areas and training policy of the Company remained unchanged for the year 2017. Several training actions, such as language learning, scientific and professional techniques, regulatory training in health and safety, are renewed every year. These training programs aim to strengthen skills and thus enable employees to better control the business and its evolution.

The percentage of staff that benefited from training actions decreased by 18% in 2017. This drop is due to the large number of recruited employees who increase the number of employees. These new employees must be integrated and internally trained to their position, the internal operations of the Company and the various tools. This set of actions that represents a significant volume is not counted in the overall volume of training. The proportion of staff aged 45 or older who have received training is 75%; the decrease is due to the significant recruitment of new employees in this category and the special attention paid to their internal training during the integration period

In 2017, the Company continued to support development and personal projects. She has also participated financially in qualifying and diploma courses.

4.1.6. EQUAL TREATMENT

Innate Pharma is committed to applying the principle of non-discrimination in its recruitments. This principle seeks to ensure equal treatment between individuals irrespective of nationality, gender, race or ethnic origin, religion or belief, disability, sexual orientation or age. The Company is committed to youth employment, the employment of people with disabilities, the continued employment of older workers and equal treatment of women and men.

The table below summarizes the indicators used to describe equal treatment within Innate Pharma over the last three years:

	2015	2016	2017
Measures to support gender equality			
Percentage of women in management[5]	61%	59%	66%

[4] 2016 percentage is over 100% because it is based on average workforce.

[5] Le taux inclut les femmes qui assurent une responsabilité de management (au niveau d'une équipe et/ou d'une activité) par rapport à l'effectif Management. En 2017, il inclut également les femmes qui assurent une responsabilité de management au niveau d'un budget.

Measures to support the employment and integration of disabled people			
Percentage of people with Disabled Worker status in the workforce	0.9%	1.3%	1.6%

4.1.6.1. Measures taken to support equal treatment for women and men

The Executive Committee, the management and the HR department are mindful of equal treatment for men and women during discussions on individual pay raises and professional development.

The rate of women with a management position is stable. Several women have been promoted to team management, one of whom held an executive position integrated the Executive Committee this year.

In 2016, the rate of men/women recruitment is balanced.

Employees are making increasingly frequent use of government measures: adjustment of daily working hours to the end of the school day or for children's events and part-time working at 90% of full-time. Staff also made use of the company's flexibility on the use of Working Time Account days for family reasons. In 2017, four employees were able to benefit from cradles reserved by Innate Pharma at the company nursery at the Luminy site.

4.1.6.2. Measures taken to support the employment and integration of disabled people

The percentage of disabled workers employed increased in 2017 and this is noteworthy as the workforce is growing significantly. To allow the Hand'Innate team (created 2016 and composed by three employees who hold functions in different areas of the Company) to continue the work to raise the awareness of staff and managers on disability issues, Management has allocated a budget of €3,000 in 2017.

This year, the Hand'Innate team met the team "TSA (Autism Spectrum Disorder) Défi Pro", an experimental medico-social service that offers support for professional integration in the ordinary environment to support and develop the autonomy of people with a TSA.

They also organized a "Disability Week", which allowed thirty-eight employees, on both sites, to benefit from massages carried out by Assamma's team, which offers visually impaired people the opportunity to develop their talent in the of touch crafts.

4.1.7. PROMOTION OF AND COMPLIANCE WITH THE STIPULATIONS OF THE FUNDAMENTAL CONVENTIONS OF THE INTERNATIONAL LABOR ORGANIZATION (ILO) CONCERNING RESPECT OF THE FREEDOM OF ASSOCIATION AND THE RIGHT TO COLLECTIVE BARGAINING, ELIMINATION OF DISCRIMINATION IN RESPECT OF EMPLOYMENT AND OCCUPATION, ELIMINATION OF FORCED OR COMPULSORY LABOR, AND EFFECTIVE ABOLITION OF CHILD LABOR

All Innate Pharma's employees are based in France. The Company complies with all applicable regulations.

Furthermore, France has ratified the eight fundamental conventions of the ILO. The ILO has qualified the «fundamental agreements» as the conventions concerning the following principles and fundamental labor rights: freedom to unionize and effective recognition of the right of collective bargaining, elimination of forced or compulsory work, effective abolition of child labor and elimination of discrimination in the area of employment and profession.

Innate Pharma shares these principles, which are implemented in the Company's social relations and its policy regarding recruitment and equality of opportunity.

4.2. Environment

4.2.1. GENERAL ENVIRONMENTAL POLICY

Due to its activity (R&D of drug candidates), the Company considers its environmental impact to be low. Most of the research activities are carried out in its laboratories while the development activities are mostly assigned to service providers.

These activities do not include either industrial production or distribution, and do not therefore use raw materials. Therefore, there are no significant releases into the environment or greenhouse gas emissions. The Company's activities do not require the use of domestic gas, but very small quantities of special gases are used. In addition, given its activity, the adaptation to climate change consequences is not an issue for the Company at this stage. The activities do not produce any particular noise nuisance for staff or local residents.

The Company does not have a staff canteen which could offer an on-site institutional catering service. It is not able to control potential food wastage in its premises. This indicator is not included in the Company's reporting. Nonetheless, given that most employees bring their own lunch, food wastage may be limited.

Innate Pharma's main premises are located near to the Calanques National Park. The Company's R&D activities have a limited impact on biodiversity. However, to protect the area's fauna, the Company is enclosed. Innate Pharma acquired and refurbished its building in 2008. It occupies 3,000 square meters of the 10,650-square-meter land, which hosts a 100-space parking lot. Since the building existed when the Company took over it, land use was not a relevant indicator for the Company until 2016. Nevertheless, workforce growth has led to consider premises' extension. Studies will be carried out according to current obligations (land, biodiversity, etc.). Green spaces are maintained in line with the current regulation's standards (notably regarding wildfire hazard).

The offices of the Prado site are rented in a new building, certified Breeam (Building Research Establishment Environmental Assessment Method). The heating / cooling system is powered by the heat loop set up with the nearby wastewater treatment plant. It is easily accessible by public transport.

Given its business area, the Company has not undertaken preventative initiatives for environmental and pollution risks, or provisions and guarantees regarding environmental risks. This is not relevant at this stage.

In relation to its research work, the Company operates within an extremely tight regulatory framework, with which it complies. The Company has obtained all the approvals required for carrying out is activities.

In this context, only the following indicators have been chosen as being relevant:

- Sustainable use of resources:
    - Energy consumption
    - Annual volume of water consumption
- Pollution and waste management
    - Quantity of laboratory waste sent to a special waste management center
    - Business travel

4.2.2. SUSTAINABLE USE OF RESOURCES

Annual electricity and water consumption are reported for Innate Pharma's main building. The consumption of additional rented buildings is monitored by the respective administrators and is not included.

4.2.2.1. Energy consumption annual electricity consumption

The only energy source used by Innate Pharma is electricity, apart from an oil-fueled backup generator. The following table gives the change in Innate Pharma's annual electricity consumption for the last three years:

	2015	2016	2017
Consumption	1,299,857 kWh	1,261,520 kWh	1,374,821 kWh

The annual consumption increased in 2017. The increase in equipment and workforce, are the cause of this rise. For information only, the 1,374,821 kWh consumed in 2017 equates to 45.52 metric tons of CO2 (versus 33.14 metric tons in 2016).

Innate Pharma's building, which dates back to the late 1960s, underwent refurbishment work when the Company moved in. Each year, work is carried out to improve its energy performance. Following the energy audit performed on twelve months (between 2015 and 2016), the Company realized a recommissioning of its network in 2017. In 2018, several actions will be planned to improve the performance of installations, based on the recommissioning report.

4.2.2.2. Annual volume of water consumption

Apart from domestic hot water, the building's water consumption is mainly associated with laboratory activities. Water that is discharged after use is mainly from the washing machines and sinks in the various laboratories.

The following table gives the annual comparison of water consumption for the last three years:

	2015	2016	2017
Consumption	1,358 m^3	1,732 m^3	2,999 m^3

The overall increase in water consumption is due to the increase in staff and the dense development of laboratories activities. Arrangement work for new laboratories completed in the second half of 2016 and new developments completed in 2017 have increased the laboratory space and have enabled new equipment which consumes water to be added. In addition, the change of autoclaves and washing machines for larger equipment has resulted in an increase in water consumption. Moreover, in order to ensure the operation of laundry equipment and in accordance with its mode of use, a continuous cooling of the steam generator must be ensured by the flow of a trickle of water and also generates an increase in water consumption. Finally, the increase in staff also had an effect on the use of sanitary water (in particular the use of showers by the staff practicing regularly a sport activity in Luminy).

4.2.3. POLLUTION AND WASTE MANAGEMENT

4.2.3.1. Quantity of laboratory waste sent to a special waste management center

The following table gives the annual comparison of the quantity of laboratory waste sent to a special waste management center:

	2015	2016	2017
Quantity	121,680 liters	132,430 liters	204,520 liters

The significant increase in laboratory activity had a direct impact on the volume of waste generated.

Waste from research work is treated by a specialist company which removes it from the site and takes it to an incineration center. The volume of this waste increases regularly due to the increase in the laboratories' activities.

Staff members contribute to the continuous improvement of waste management through paper and box recycling in waste sorting bins arranged for this purpose. A collection system of aluminum coffee capsules has also been set up. Employees can drop their professional and personal used capsules off there.

4.2.3.2. Business travels

Given that the Company is based in Marseille but has international activities, the Company encourages teleconferencing. When business travel is required, the Company favors, wherever possible, travel by train, which has lower CO2 emissions than air travel. However, many contacts of the Company are based in the United States (regulatory agencies, investigators, investors, industrial partners, scientific meetings…), which limits the opportunities for reducing CO2 emissions apart from teleconferencing.

The following table gives the annual comparison of the quantity of metric tons CO2 equivalent emissions during business travels using trains or planes:

	2015	2016	2017
Metric tons CO_2 equivalent	699	807	662

CO2 emissions are calculated and made available to the Company by the travel agency. The Company does not have sufficient information to assess the amount of CO2 emitted during business trips by car.

There is a significant reduction in CO2 emissions related to business travel. This reflects the Company's efforts to limit travel and their optimization

4.3. Corporate Commitments in Support of Sustainable Development

4.3.1. TERRITORIAL, ECONOMIC AND SOCIAL IMPACT OF THE COMPANY'S ACTIVITY

Innate Pharma's location in the Marseille area is the result of its scientific foundations. The Company grew out of local academic research, in particular at the Marseille-Luminy Immunology Center (CIML), one of the largest immunology centers in Europe and a leading contributor to the scientific field in which the Company has developed. From a clinical viewpoint, Marseille is home to several leading hospital cancer research infrastructures (Paoli Calmette Institute - IPC, and the Marseille Public University Hospital System - APHM) which are active in the fields of immuno-oncology, solid tumors and hematology. The city of Marseille is a real hub for training in life sciences at all levels (technicians, engineers and researchers).

To continue benefiting from this environment, one of Innate Pharma's major strategic priorities is to consolidate and harness the benefits of its innovation ecosystem. In this context, Innate Pharma is active on a number of levels:

- The Company is actively involved in the promotion and development of the Luminy science and technology park through development and infrastructure programs (services, sport, transport), job centers, training courses and the sharing of services between companies (with the Association Grand Luminy Technopole - Luminy science and technology park association - and AMU - Aix-Marseille University campus plan committee). More generally, the Company raises important issues concerning the attractiveness of the area with institutional players and local and regional authorities including the question of schooling in Marseille for the children of English-speaking families, which is a limiting factor for international recruitment and exchanges.

- In conjunction with the educational institutions in the area (schools and universities), the Company contributes to the education of young people and students (career days, taking on trainees, presentations of jobs and careers to students as part of their university courses, involvement in university teaching, contribution to the structuring of the initial and continuing education offering in immunology). The Company is a host laboratory for the Aix-Marseille University life sciences PhD program (Ecole Doctorale des Sciences de la Vie d'Aix-Marseille-Université).

  As part of its social and solidarity action, Innate Pharma has been welcoming students from priority education network colleges (REP+) for their internship in the Company. These four students thus had the opportunity to become familiar with the professional environment and more specifically with a highly technical environment.

- In 2017, the Company set up a partnership with KEDGE Business School, based in Luminy. Innate Pharma and the school, convinced of the pools of professionalism and innovation that constitute school / business relations, have signed a partnership agreement. Since September 2017, Innate Pharma has been co-opting the Specialized Master in Management of Innovative Structures and Activities in Health (MSIS Course). This Master, created at the request of the health and care industries, aims to train managers in the challenges of innovation in the health ecosystem. This partnership provides the Company with the innovative collaboration capabilities of an institution whose training quality is recognized and, conversely, to provide KEDGE Business School and its students with Innate Pharma's environment and know-how. This partnership made it possible to welcome a student on an "alternating internship" for a six-month assignment, within the Pharmaceutical Operations team, and to entrust a student work mission around the Great Place to Work theme.

- In addition, Innate Pharma was involved in the reflection on the evolution of the Master Immunology program proposed by Aix-Marseille University. The participation of the companies of the territory is expected for the

reception of trainees (internship-worker in first year of License, and internship of end of studies in year of Master 2), for the realization of courses within the framework of certain Units d 'Teaching' (UE) and the setting up of practical work in their laboratories. Partnerships at the European level are also envisaged within the framework of this Master.

The Company plays a leading role in its field in structuring the "Marseille-Immunopôle" immunology research and innovation ecosystem, which is part of the Eurobiomed competitive cluster led by Professor Eric Vivier (ex-Director of the CIML, appointed Chief Scientific Officer of Innate Pharma on January 1st, 2018) and Hervé Brailly, Chairman of the Company's Supervisory Board.

The Marseille Immunopole cluster focuses exclusively on the research and development of immunotherapeutic antibodies and cell therapies. At the crossroads of talents, technologies and applications, more than 2,000 researchers, clinicians, engineers and industrialists work hand in hand to accelerate the development of these treatments, facilitate patient access to these innovations and position the metropolis at the heart of the world competition.

On the initiative of Marseille Immunopole, Aix-Marseille University (AMU), Inserm and CNRS, five of their research centers (CIML, CRCM, CRO2) and technologies (CIPHE, MI-mAbs), Assistance Public Hospitals of Marseille, the Center Léon-Bérard of Lyon, the Oncopôle of Toulouse, the biotechnology company ImCheck Therapeutics, the specialist in clinical trials in silico Novadiscovery, Innate Pharma (therapeutic) and HalioDx (diagnosis) and one of world leaders in the field, the AstraZeneca biopharmaceutical group, have joined forces to study resistance to immune checkpoint inhibitors PD-(L)1, the main current challenge of immuno-oncology.

Laureate of the 3rd call for projects Hospital-University Health Research of the Investments for the Future program, the project called PIONEER (Precision Immuno-Oncology for Advanced Non-Small Cell Lung Cancer Patients with PD-(L)1 ICI Resistance), is directed by Fabrice Barlesi, Professor of Medicine at AMU, Head of the Department of Multidisciplinary Oncology and Therapeutic Innovations of the AP-HM, Coordinator of the Marseille Center for Early Cancer Testing CLIP2 and co-founder of Marseille Immunopole

Led over 5 years, the project is structured around 3 axes:

- A program of exploratory clinical trials to evaluate the efficacy and safety of new combinations of immunomodulatory molecules simultaneously targeting multiple checkpoints and cells involved in the anti-tumor immune response.
- Comparative analysis of patient biological specimens (blood and biopsies) to identify and validate predictive biomarkers of response to immunotherapy treatments and develop associated diagnostic tests.
- The validation of new-generation immunomodulatory antibodies on in vivo and in silico models of the disease.

4.3.2. SUBCONTRACTING AND SUPPLIERS

A substantial part of Innate Pharma's activities are carried out by service providers, in particular those activities requiring a regulatory viewpoint on specific approvals (for example, Good Manufacturing Practice and Good Laboratory Practice). The service providers used by Innate Pharma mainly provide intellectual services. These include CROs (clinical research organizations managing regulatory clinical or preclinical trials) in charge of drug candidate production and control. The main suppliers also include financial bodies with which the Company has taken out leases, in particular for the acquisition of its head office, and laboratory equipment suppliers.

Rigorous selection of suppliers and subcontractors of the Company is carried out based on multiple criteria, consideration of competition and an audit of qualifications when necessary. All service providers selected must comply with the applicable regulatory requirements and the expectations of Innate Pharma at the operating and quality levels. Furthermore, the inspections carried out by the competent authorities in connection with issuance of the agreements constitute additional assurance.

Each year, the Company re-appraises all of its critical suppliers and subcontractors, conducts periodical follow-up audits and ensures that their accreditations are maintained.

4.3.3. FAIR PRACTICES

4.3.3.1. Preventing corruption

Several actions to prevent corruption within the Company are in place to help employees work according to the standards of behavior applicable to Innate Pharma's activities. The Company demands from its employees an integrity attitude in its management and commercial practices as well as in its relations with its stakeholders (service providers, partners, patients, regulatory authorities, etc.). The Company does not tolerate corruption. Each employee undertakes not to influence a decision-making in return for favors obtained from a third party and conversely not to submit to a form of corruption that may favor the Company with third parties.

Actions undertaken to prevent corruption:

- Existence and distribution of a fraud prevention memorandum;
- Existence and distribution of a code of ethics;
- Policy on accepting or offering gifts;
- Existence and distribution of rules concerning insider trading (financial code of ethics);
- Existence of and information on the control and limitation of expenses;
- Implementation of the legal obligations on public disclosure (French "Bertrand" law);

4.3.3.2. Animal Experimentation

In the context of these R&D activities, the Company carries out pre-clinical studies which are conducted within a strict regulatory framework. In accordance with Directive 2010/63/EU, the Company has set up an Ethical Committee on Animal Experimentation which has been affiliated to the National Ethics Committee since 2012. It approves all the protocols that are implemented, considering the scientific relevance of experiments conducted and animal well-being. For studies that are assigned to external service providers, Innate Pharma ensures that the same regulatory framework is adhered to. For experiments using genetically modified organisms, the regulatory framework requires authorization from the Ministry of Higher Education and Research regarding the scientific relevance of the projects, the protection of staff handling the organisms and measures to prevent any spread of these organisms by the use of appropriate containment procedures and equipment. The Company also complies with these regulations and implements all relevant measures for the protection of staff and the environment.

4.3.4. MEASURES TAKEN TO SUPPORT THE HEALTH AND SAFETY OF CONSUMERS

None of the Company's drug candidates is currently on the market or has marketing authorization. Those that are furthest advanced are being tested on humans in the context of clinical trials that are governed by stringent regulations. They are in particular subject to prior authorization not only by the regulatory authorities but also by ethical committees consisting of a medical team and patient representatives.

4.3.5. OTHER ACTIONS UNDERTAKEN TO PROMOTE HUMAN RIGHTS

4.3.5.1. Measures taken to promote patient safety

The Company invents and develops drug candidates making it possible to treat diseases with a high medical need. The Company undertakes to respect patients participating in its clinical trials.

The Company's practices aiming to produce reliable, pertinent and traceable data are controlled through our quality system, which draws on everything from exploratory research to clinical development. All of our activities are managed by the Innate Pharma Quality Charter.

Product reliability is controlled throughout the development process for the drug candidate, and the Company is committed to maintain the highest levels of quality requirements:

- Through its service providers, by ensuring compliance with the regulatory requirements in effect.

- Internally, by setting up procedures based on quality standards for controlling data reliability, particularly through internal audits making it possible to verify their traceability and reliability.

In connection with the clinical trials, the Company complies with Good Clinical Practices: clinical research is carried out only following authorization by the competent authorities and the favorable opinion of an Independent Ethics Committee. The inclusion of a patient in a clinical trial follows his enlightened and signed consent. Company employees endeavor to treat individual medical information confidentially and protect it from reprehensible uses.

The corollary of these commitments is transparency, particularly with regard to patients. Publication of scientific and especially clinical data is a practice shared by all players in the industry, particularly through presentations during specialized conferences, publication on dedicated sites (for example, clinicaltrials.gov) and articles in peer-reviewed journals.