

# NOTICE OF MEETING

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# 2021

General Meeting

**FRIDAY APRIL 30, 2021**  
**AT 2:30 P.M.**



**SANOFI**  
*Empowering Life*

**FRIDAY APRIL 30, 2021 AT 2:30 P.M**

## General meeting

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Société anonyme with share capital of 2 517 943 467€  
Registered Office: 54, rue La Boétie – 75008 Paris – France  
Registered No. 395 030 844 R.C.S. Paris

More information on  
[www.sanofi.com](http://www.sanofi.com)

# THE CHAIRMAN OF THE BOARD OF DIRECTORS



## Dear shareholder,

Our Annual General Meeting is a special opportunity to inform you about how our business is progressing, and about our Company's results for the past year.

The meeting is convened for **Friday April 30, 2021 at 2:30 p.m. CET**. The meeting is an opportunity for you to exercise your right to vote. This year, you are being asked to vote on fourteen ordinary resolutions and thirteen extraordinary resolutions, which are presented in the Board of Directors' report on page 9 of this brochure.

Given the current health crisis and the Company's commitment to help contain the spread of the virus, and in compliance with the ordinance (*ordonnance*) dated March 25, 2020 (no. 2020-321) as amended by the ordinance (*ordonnance*) dated December 2, 2020 (no. 2020-1487) and extended by the decree (*décret*) dated March 9, 2021 (no. 2021-255), the meeting is convened for the Company's registered office without the shareholders being physically present.

In these exceptional circumstances and in the interest of everyone, please do not request an admission card. Rather, we invite you to vote in advance of the meeting, either by post using the voting form or online via the VOTACCESS secure voting platform, under the conditions described in this brochure. Your voting form must be received by the centralizing bank no later than Tuesday, April 27, 2021, and online votes must be cast no later than Thursday, April 29, 2021, at 3 p.m.<sup>(1)</sup>. You will be able to follow the meeting live, as a webcast will be live-streamed (as every year) on [www.sanofi.com](http://www.sanofi.com) in the Investors/Financial results and events/Annual General Meetings section.

We regret that we will not be able to share this special opportunity to meet with our shareholders face to face. However, unlike last year when we were unable to set up a dedicated system, this year you will have the opportunity to ask questions electronically during the meeting, under the conditions described in this brochure.

On behalf of the Board of Directors, I would like to thank you for the confidence you have shown in Sanofi, and trust that you will give careful consideration to the resolutions submitted for your approval.

**Serge WEINBERG**

Chairman of the Board of Directors

<sup>(1)</sup> In order to avoid congestion on the VOTACCESS site, it is recommended not to wait until the day before the meeting to vote.

# HOW TO PARTICIPATE IN THE MEETING

Full information about the meeting on April 30, 2021  
is available on our website [www.sanofi.com./AG2021](http://www.sanofi.com./AG2021)

## 2021 Annual General Meeting

The Annual General Meeting of Sanofi will be held on **Friday April 30, 2021 at 2:30 p.m. (CET) at the registered office of the Company, without the physical presence of the shareholders**, in order to deliberate on the agenda and resolutions contained in the present notice of meeting.

### **\* WARNING - COVID-19:**

Due to the health emergency declared by the French public authorities in response to the COVID-19 health crisis and in order to combat the epidemic, Sanofi will not admit the public on the day of the meeting. The meeting will be held at the registered office of the Company, without the physical presence of the shareholders.

Consequently, no admission card will be delivered and you are invited to vote before the meeting, either by post with the paper voting form, or online on the secured voting platform VOTACCESS, in the conditions set forth below.

We recommend that shareholders regularly visit the 2021 Annual General Meeting dedicated section on the website of the company [www.sanofi.com](http://www.sanofi.com). The meeting will be streamed live on [www.sanofi.com](http://www.sanofi.com) in the section Investors/ Financial results and events/Annual General Meetings.

## Pre-conditions for participating in the meeting

In accordance with Article R. 225-85 of the French Commercial Code all shareholders will be admitted to the meeting regardless of the number of shares they own, provided that their credentials can be established by their shares being registered in their name, or in the name of the intermediary registered to act on their behalf, at midnight (CET) on the second business day before the meeting, i.e. at **00 a.m. (CET) on Wednesday April 28, 2021**:

- **Registered shares:**

Must be registered in the registered share accounts kept by BNP Paribas Securities Services.

- **Bearer shares:**

Must be registered in the securities account kept by your accredited banking or financial intermediary.

Registration of bearer shares in the account kept by your accredited banking or financial intermediary must be evidenced by a shareholding certificate (*attestation de participation*) issued by the intermediary and attached to:

- your postal voting form ;
- your proxy form.

## How to participate in the meeting

**Giving the ongoing health crisis, you must not ask for an admission card, nor appoint a third party as a proxy. You have the possibility to vote before the meeting, either by post with the paper voting form, or online on the secured voting platform VOTACCESS, in the conditions set forth below.**

- You can **vote online** in advance of the meeting using the secure dedicated VOTACCESS platform. You can access this platform via Planetshares or via your accredited intermediary's website. The site will be open from Monday April 12, 2021 until 3 p.m. (CET) on Thursday April 29, 2021. However, to avoid overloading VOTACCESS we recommend that you do not wait until the last minute before voting.

**If you decide to vote online, do not fill in or send back the paper voting form.**

**If you have lost or forgotten your login and/or password, call the dedicated hotline on 00 33 1 40 14 80 40.**

- Sanofi also offers the possibility to **vote by post** by using the paper form. Due to the health crisis, which may result in longer postal delays, we recommend that you return your voting form as soon as possible.

### I. To vote online

- If you hold **registered shares or units in an FCPE**: access VOTACCESS via the Planetshares site at: <https://planetshares.bnpparibas.com>.
  - for **fully registered shares**: with your usual access codes;
  - for **administered registered shares**: with the login shown in the top right-hand corner of the paper voting form attached to your notice of meeting;
  - for **units in an FCPE**: the login shown in the top right-hand corner of the paper voting form attached to your notice of meeting, and the identification information as shown on your Amundi account statements.

**Once logged on, access VOTACCESS by clicking on "Take part to the General Meeting".**

- If you hold **units in an FCPE and registered shares**: log on to Planetshares using your usual access codes. This enables you to vote your units in the FCPE and your registered shares, in each case using the number shown in the top right-hand corner of your paper voting form. Once logged on, you can access VOTACCESS: click on "Take part to the General Meeting".

**You will then be redirected to VOTACCESS, where you can follow the on-screen instructions to vote, or to appoint or revoke a proxy.**

- If you hold **bearer shares**: ask your accredited intermediary whether they are connected to VOTACCESS and if so, whether that access is subject to specific conditions of use.

**If your accredited intermediary is connected to VOTACCESS, log on to your intermediary's website with your usual access codes. Then click on the icon that appears on the line showing your Sanofi shares and follow the on-screen instructions to access VOTACCESS and vote, or to appoint or revoke a proxy.**

## II. To vote with the paper form

- **If you hold registered shares or units in an FCPE:** send the voting form (which is attached to this notice) to BNP Paribas Securities Services, CTO Assemblées – Les Grands Moulins de Pantin – 9, rue du Débarcadère – 93761 Pantin Cedex – France.
- **If you hold bearer shares:** ask your accredited intermediary to send you the voting form, on or after the date the notice of meeting is issued. Once completed and signed, your intermediary will have to send the form, accompanied by the shareholding certificate, to BNP Paribas Securities Services.

Your signed and completed voting form, or your proxy appointment or revocation, must be received by BNP Paribas Securities Services at least three calendar days before the meeting, i.e. by **Tuesday April 27, 2020**, or they will not count.

**Due to the health crisis, which may result in longer postal delays, we recommend that you return your voting form as soon as possible.**

Do NOT send your voting form directly to Sanofi.

## III. Appointment or revocation of a proxy

For your proxy appointment or revocation to be taken into account, your confirmation must be received by BNP Paribas Securities Services by **Tuesday April 27, 2021** at the latest, by one of the following means:

- either **by post** to BNP Paribas Securities Services, Services Assemblées Générales – CTO Assemblées Générales – Les Grands Moulins de Pantin – 9, rue du Débarcadère – 93761 Pantin Cedex;
- or **by e-mail** to [paris.bp2s.france.cts.mandats@bnpparibas.com](mailto:paris.bp2s.france.cts.mandats@bnpparibas.com). Your e-mail must contain the following information: the name of the company (Sanofi); your surname and first name; your address and bank account details; and the surname, first name and (if possible) address of the proxy you wish to appoint. You must also ask your accredited intermediary to send written confirmation of your request to BNP Paribas Securities Services – CTO Assemblées – Les Grands Moulins de Pantin – 9, rue du Débarcadère – 93761 Pantin Cedex – France.

Moreover, the proxy holder shall send his/her voting instructions for the exercise of his/her proxies to BNP Paribas Securities Services at least four days before the meeting, i.e. on **Tuesday 27, 2021, at 00 a.m.** (Paris time), by e-mail to [paris.bp2s.france.cts.mandats@bnpparibas.com](mailto:paris.bp2s.france.cts.mandats@bnpparibas.com), using the remote voting form available in the section dedicated to the 2020 shareholders' meeting on the Company's website: [www.sanofi.com](http://www.sanofi.com). The voting instructions must be accompanied by a copy of the proxy holder's ID card and, if he/she acts on behalf of a legal entity, a copy of the power appointing him/her as a duly authorized representative.

Only use this e-mail address to appoint or revoke a proxy. Any other requests or notifications on any other subject sent to this e-mail address will be ignored.

## How to ask questions

### I. Written questions

You have the right to ask written questions prior to the General Meeting. Written questions must be sent to the Chairman of the Board of Directors, by registered letter with acknowledgment of receipt, to the registered office, or by email to the email address *assemblee generale@sanofi.com*.

These questions must be accompanied by a shareholding certificate in the registered shares accounts, or in the securities accounts kept by an accredited banking or financial intermediary. They must be sent no later than on the fourth working day preceding the date of the General Meeting, that is to say on Wednesday April 28, 2021 at **midnight**. Pursuant to the applicable law, the answer to a written question will be deemed to have been given from the moment it is available on the Internet website of the Company in a section dedicated to questions and answers.

### II. Questions submitted electronically

In addition to the legally regulated system of written questions, exceptionally, due to the special arrangements for the meeting, you will also be able to ask questions electronically before and on the day of the meeting, by

logging on to the meeting webcast, which you can access at *www.sanofi.com/AG2021*.

The Chairman will spend 90 minutes answering as many questions as possible live.

You will be asked to confirm that you are a shareholder in the following ways:

- shareholders who voted before the meeting, holders of registered shares and holders of FCPE units will not have to carry out any particular formality, as the centralizing bank has already verified their shareholder status;
- holders of bearer shares and shareholders who have not voted prior to the meeting must provide proof of their status as shareholders by sending their proof by email to *agsanofi.questionsorales@sanofi.com* by noon at the latest on Thursday April 29, 2021. In the absence of such proof, their question cannot be processed by the Company.

# HOW TO COMPLETE YOUR VOTING FORM

Please return this form using the enclosed pre-paid envelope which must be received no later than 3 days before the date of the Annual General Meeting, i.e. by **Tuesday April 27, 2021**.

**Important : Avant d'exercer votre choix, veuillez prendre connaissance des instructions situées au verso - Important : Before selecting please refer to instructions on reverse side**  
**Quelle que soit l'option choisie, noircir comme ceci ■ la ou les cases correspondantes, dater et signer au bas du formulaire - Whichever option is used, shade box(es) like this ■, date and sign at the bottom of the form**

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**SANOFI**  
 S.A. au capital de 2 517 943 476 €  
 Siège social : 54 rue La Boétie  
 75008 PARIS  
 395 030 844 R.C.S. PARIS

**ASSEMBLÉE GÉNÉRALE MIXTE**  
 convoquée pour le 30 Avril 2021 à 14h30  
**COMBINED GENERAL MEETING**  
 to be held on April 30<sup>th</sup>, 2021 at 2:30 p.m.

**CADRE RÉSERVÉ À LA SOCIÉTÉ - FOR COMPANY'S USE ONLY**

Identifiant - Account  
 Nombre d'actions / Number of shares  
 Nombre de voix - Number of voting rights

Nominatif / Registered  
 Porteur / Bearer  
 Vote simple / Single vote  
 Vote double / Double vote

---

**A**

**JE VOTE PAR CORRESPONDANCE / I VOTE BY POST**  
Cf. au verso (2) - See reverse (2)

Je vote OUI à tous les projets de résolutions présentés ou agréés par le Conseil d'Administration ou le Directoire ou la Gérance, à l'EXCEPTION de ceux que je signale en noircissant comme ceci ■ l'une des cases "Non" ou "Abstention". / I vote YES all the draft resolutions approved by the Board of Directors, EXCEPT those indicated by a shaded box, like this ■, for which I vote No or I abstain.

	1	2	3	4	5	6	7	8	9	10		A	B
Non / No	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Oui / Yes	<input type="checkbox"/>	<input type="checkbox"/>
Abs.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Non / No	<input type="checkbox"/>	<input type="checkbox"/>
	11	12	13	14	15	16	17	18	19	20		C	D
Non / No	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Oui / Yes	<input type="checkbox"/>	<input type="checkbox"/>
Abs.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Non / No	<input type="checkbox"/>	<input type="checkbox"/>
	21	22	23	24	25	26	27	28	29	30		E	F
Non / No	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Oui / Yes	<input type="checkbox"/>	<input type="checkbox"/>
Abs.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Non / No	<input type="checkbox"/>	<input type="checkbox"/>
	31	32	33	34	35	36	37	38	39	40		G	H
Non / No	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Oui / Yes	<input type="checkbox"/>	<input type="checkbox"/>
Abs.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Non / No	<input type="checkbox"/>	<input type="checkbox"/>
	41	42	43	44	45	46	47	48	49	50		J	K
Non / No	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Oui / Yes	<input type="checkbox"/>	<input type="checkbox"/>
Abs.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Non / No	<input type="checkbox"/>	<input type="checkbox"/>
												L	M
												N	O
												P	Q
												R	S
												T	U
												V	W
												X	Y
												Z	

Si des amendements ou des résolutions nouvelles étaient présentés en assemblée, je vote NON sauf si je signale un autre choix en noircissant la case correspondante.  
 In case amendments or new resolutions are proposed during the meeting, I vote NO unless I indicate another choice by shading the corresponding box.

- Je donne pouvoir au Président de l'Assemblée Générale. / I appoint the Chairman of the general meeting   
 - Je m'abstiens. / I abstain from voting   
 - Je donne procuration (cf. au verso renvoi (4)) à M. Mlle ou Mlle, Raison Sociale pour voter en mon nom   
 / I appoint (see reverse (4) M. Mrs or Miss, Corporate Name to vote on my behalf

Pour être pris en considération, tout formulaire doit parvenir au plus tard :  
 To be considered, this completed form must be returned no later than:

à la banque / to the bank      sur 1<sup>ère</sup> convocation / on 1<sup>st</sup> notification      sur 2<sup>ème</sup> convocation / on 2<sup>nd</sup> notification  
 à la société / to the company      27 avril 2021 / April 27<sup>th</sup>, 2021

**B<sup>1</sup>**

**JE DONNE POUVOIR AU PRÉSIDENT DE L'ASSEMBLÉE GÉNÉRALE**  
Cf. au verso (3)

**I HEREBY GIVE MY PROXY TO THE CHAIRMAN OF THE GENERAL MEETING**  
See reverse (3)

**B<sup>2</sup>**

**JE DONNE POUVOIR À :** Cf. au verso (4) pour me représenter à l'Assemblée  
**I HEREBY APPOINT:** See reverse (4) to represent me at the above mentioned Meeting  
 M. Mme ou Mlle, Raison Sociale / Mr, Mrs or Miss, Corporate Name

Adresse / Address

**ATTENTION :** Pour les titres au porteur, les présentes instructions doivent être transmises à votre banque.  
**CAUTION:** As for bearer shares, the present instructions will be valid only if they are directly returned to your bank.

Nom, prénom, adresse de l'actionnaire (les modifications de ces informations doivent être adressées à l'établissement concerné et ne peuvent être effectuées à l'aide de ce formulaire). Cf au verso (1)  
 Surname, first name, address of the shareholder (Change regarding this information have to be notified to relevant institution, no changes can be made using this proxy form). See reverse (1)

**A<sup>1</sup>**

**C**

**A<sup>2</sup>**

Date & signature

**Z** Whichever option you choose, DATE AND SIGN HERE

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- Si le formulaire est renvoyé daté et signé mais qu'aucun choix n'est coché (partis d'adhésion / vote par correspondance / pouvoir au président / pouvoir à mandataire), cela vaut automatiquement pouvoir au Président de l'Assemblée Générale.  
 - If the form is returned dated and signed but no choice is checked (admission card / postal voter / power of attorney to the President / power of attorney to a representative), the submission applies as a proxy to the Chairman of the General Meeting.



Due to the current health context, please shade either box A (vote by post) or box B (proxy to the Chairman on the General Meeting).

**A** If you want to vote by post:

- shade box **A** "I vote by post":
  - the numbered boxes correspond to the numbered resolutions as proposed or approved by the Board and reproduced in this Notice of meeting,
  - to vote **YES** to the resolutions, **leave the corresponding boxes blank**,
  - to vote **NO** on any of the resolutions, shade the corresponding box,
  - to **ABSTAIN** from voting on some resolutions as proposed or approved by the Board, shade the corresponding box;
- date and sign box **Z** at the bottom of the form.

**A<sup>1</sup>** This box is used only to vote on resolutions submitted by shareholders and not approved by the Board:

- to vote, shade the relevant box ("**Yes**", "**No**" or "**Abs**").

**A<sup>2</sup>** This box should not be completed as shareholders will not be able to submit amendments or new resolutions during the meeting

**B<sup>1</sup>** If you want to give your proxy to the Chairman of the meeting:

- shade box **B** "I hereby give my proxy to the Chairman of the General Meeting", date and sign box **Z** at the bottom of the form.

**B<sup>2</sup>** This box should not be completed as you will not be able to be represented by another person at the meeting.

**C** Give your surname, first name and address:

- if this information is pre-printed on your form, please check it and correct it if necessary,
- if the person signing the form is not the shareholder, he/she must give his/her surname, first name and address, and indicate the capacity in which he/she is signing (e.g. trustee, guardian, etc.).

**Z** All shareholders must date and sign this box.

# AGENDA

## Ordinary business

1. Approval of the individual company financial statements for the year ended December 31, 2020
2. Approval of the consolidated financial statements for the year ended December 31, 2020
3. Appropriation of results for the year ended December 31, 2020 and declaration of dividend
4. Ratification of the co-opting of Gilles Schnepf as a director
5. Reappointment of Fabienne Lecorvaisier as a director
6. Reappointment of Melanie Lee as a director
7. Appointment of Barbara Lavernos as a director
8. Approval of the report on the compensation of corporate officers issued in accordance with Article L. 22-10-9 of the French Commercial Code
9. Approval of the components of the compensation paid or awarded in respect of the year ended December 31, 2020 to Serge Weinberg, Chairman of the Board
10. Approval of the components of the compensation paid or awarded in respect of the year ended December 31, 2020 to Paul Hudson, Chief Executive Officer
11. Approval of the compensation policy for directors
12. Approval of the compensation policy for the Chairman of the Board of Directors
13. Approval of the compensation policy for the Chief Executive Officer
14. Authorization to the Board of Directors to carry out transactions in the Company's shares (usable outside the period of a public tender offer)

## Extraordinary business

15. Authorization to the Board of Directors to reduce the share capital by cancellation of treasury shares
16. Delegation to the Board of Directors of competence to decide to issue, with preemptive rights maintained, shares and/or securities giving access to the share capital of the Company, of any subsidiary, and/or of any other company (usable outside the period of a public tender offer)
17. Delegation to the Board of Directors of competence to decide to issue, with preemptive rights cancelled, shares and/or securities giving access to the share capital of the Company, of any subsidiary, and/or of any other company, via a public offering other than the type specified in Article L. 411-2-1 of the French Monetary and Financial Code (usable outside the period of a public tender offer)
18. Delegation to the Board of Directors of competence to decide to issue, with preemptive rights cancelled, shares and/or securities giving access to the share capital of the Company, of any subsidiary, and/or of any other company in connection with an offering of the type specified in Article L. 411-2-1 of the Monetary and Financial Code, i.e. an offer addressed exclusively to a restricted circle of investors (usable outside the period of a public tender offer)
19. Delegation to the Board of Directors of competence to decide to issue debt instruments giving access to the share capital of subsidiaries and/or of any other company (usable outside the period of a public tender offer)
20. Delegation to the Board of Directors of competence to increase the number of shares to be issued in the event of an issue of ordinary shares and/or of securities giving access to the share capital of the Company, of any subsidiary, and/or of any other company, with or without preemptive rights (usable outside the period of a public tender offer)
21. Delegation to the Board of Directors of competence with a view to the issuance, with preemptive rights cancelled, of shares and/or securities giving access to the share capital of the Company, of any of its subsidiaries and/or of any other company, as consideration for assets transferred to the Company as a capital contribution in kind (usable outside the period of a public tender offer)
22. Delegation to the Board of Directors of competence to decide to carry out increases in the share capital by incorporation of share premium, reserves, profits or other items (usable outside the period of a public tender offer)
23. Delegation to the Board of Directors of competence to decide on the issuance of shares or securities giving access to the Company's share capital reserved for members of savings plans, with waiver of preemptive rights in their favor
24. Authorization to the Board of Directors to carry out consideration-free allotments of existing or new shares to some or all of the salaried employees and corporate officers of the Company
25. Amendment to Article 13 of the Articles of Association to allow the Board of Directors to take decisions by written consultation
26. Amendment to Articles 14 and 17 of the Articles of Association to align their content with the PACTE law

## Ordinary & Extraordinary Business

27. Powers for formalities

# REPORT OF THE BOARD OF DIRECTORS ON RESOLUTIONS SUBMITTED TO THE COMBINED GENERAL MEETING

This text is a free translation from the French language and is supplied solely for information purposes. Only the original version in the French language has legal force. This report describes the proposed resolutions that are being submitted to the meeting by the Board of Directors of your Company. It consists of an introduction and a summary table of financial authorizations. The objective of this report is to draw your attention to the important points in the resolutions, in accordance with the relevant laws and regulations and with best practice in corporate governance as recommended for companies listed in Paris. It is essential that you read the proposed resolutions carefully and in full before exercising your vote.

## I – Ordinary business

The first three resolutions concern the approval of the Company's annual financial statements and the Company's consolidated financial statements, and the appropriation of profits and declaration of the dividend.

### Approval of the financial statements

#### (First and second resolutions)

Acting on the recommendation of the Audit Committee, the Board of Directors proposes that you approve the individual company financial statements (showing a profit of €8,199,648,504.66) and the consolidated financial statements, for the year ended December 31, 2020.

Detailed financial statements, including the income statement for the year ended December 31, 2020, are provided in the 2020 annual report on Form 20F published by the Company.

### Appropriation of profits, declaration of dividend

#### (Third resolution)

Given that retained earnings brought forward of €22,202,689,858.67 plus the profit for the year gives distributable profits of €30,402,338,363.33, the Board of Directors – acting on the recommendation of the Audit Committee – proposes that you resolve to pay a dividend of €3.20 per share, representing a payout ratio of 54.6% of business net income<sup>(1)</sup>.

The dividend will be drawn from the profit for the year, the balance of which will be carried forward as retained earnings.

For the three preceding years, the dividend per share was:

2017	2018	2019
€3.03	€3.07	€3.15

If the General Meeting approves this proposal, the ex-dividend date will be May 5, 2021 and the dividend will be paid on May 7, 2021.

### Composition of the Board of Directors

#### (Fourth to seventh resolutions)

As of February 28, 2021 the Board of Directors had sixteen members, including eleven who are deemed independent and two directors representing employees.

Each year, the Board of Directors conducts a review to ensure that there is an appropriate balance in its composition and in the composition of its Committees. In particular, the Board seeks to ensure gender balance and broad diversity in terms of competencies, experience, nationality and age, reflecting our status as a diversified global business. The Board investigates and evaluates not only potential candidates, but also whether existing directors should seek reappointment. Above all, the Board seeks directors who show independence of mind and are competent, dedicated and committed, with compatible and complementary personalities.

The Appointments, Governance and CSR Committee has a remit to organize a procedure for selecting future independent directors. Once the desired profile and skillset for a new director has been defined, external consultants are retained to search for potential candidates.

Once a shortlist has been established, the Committee interviews two or three candidates. After completing the interviews, the Committee makes a recommendation to the Board on the candidate with the best fit for the profile, supporting that recommendation with an explanation of how the interviews were conducted and giving reasons why the various candidates were selected.

(1) For a definition, see "Item 5. Operating and Financial Review and Prospects — A.1.5. Segment Information — 3/ Business Net Income" of our annual report on Form 20F

Directorships at your Company are for a term of four years, as specified in the Articles of Association.

**1. Ratification of the co-opting of Gilles Schnepf as a director (Fourth resolution)**

Gilles Schnepf was co-opted as a director by the Board of Directors on May 22, 2020, replacing Emmanuel Babeau who had resigned, to serve for the remaining term of office of his predecessor (i.e. until the end of the Ordinary General Meeting called in 2022 to approve the financial statements for the year ended December 31, 2021). Gilles Schnepf was also appointed as a member of the Audit Committee by the Board of Directors on October 28, 2020.

You are being asked to approve the co-opting of Gilles Schnepf.

As a director, Gilles Schnepf will bring to the Board his financial expertise, and experience in senior executive and Board roles with international groups. He is Chairman of the Board of Directors of Danone, and a Board member of both Legrand and Saint Gobain. His term of office as a director of Legrand expires in 2022, and he has made it known that he will not seek reappointment.

Previously, he served in positions of increasing managerial responsibility at Legrand, finally becoming the company's Chairman and Chief Executive Officer. Gilles Schnepf began his career in investment banking, with Merrill Lynch.

He is a graduate of HEC business school.

**2. Reappointment of two directors (Fifth and sixth resolutions)**

The terms of office of Fabienne Lecorvaisier and Melanie Lee expire at the end of this General Meeting.

Acting on the recommendation of the Appointments, Governance and CSR Committee, the Board of Directors proposes that you reappoint Fabienne Lecorvaisier and Melanie Lee as directors for a four-year term (i.e. until the end of the Ordinary General Meeting called in 2025 to approve the financial statements for the year ended December 31, 2024).

Before submitting these reappointments for your approval, the Board of Directors has made sure that the nominees will be committed, and available to fulfill their duties. Neither of them holds an excessive number of directorships, and their individual attendance rates at Board and Committee meetings are high:

	Attendance at Board meetings in 2020	Attendance at Committee meetings in 2020	Attendance at Board meetings during entire term of office	Attendance at Committee meetings during entire term of office
Fabienne Lecorvaisier	100%	100%	97.5%	93%
Melanie Lee	100%	100%	92.25%	100%

The Board also assessed their respective contributions to the work of the Board and of the Committees to which they belong, and decided that keeping them as directors was in the interests of the Company and consistent with the target composition of the Board as identified in the process described above.

As a director, Fabienne Lecorvaisier brings the Board of Directors experience in senior executive roles with international groups, and expertise in mergers and acquisitions and finance/accounting. Melanie Lee brings the benefit of her scientific training and pharmaceutical industry experience to the Board.

**3. Appointment of an independent director (Seventh resolution)**

The term of office of Bernard Charlès, an independent director, expires at the close of the present Annual General Meeting, and at his request will not be renewed. Laurent Aftal has informed the Board that he will step down as a director before the Annual General Meeting of April 30, 2021, due to his taking retirement.

The Board Meeting of March 3, 2021 proposed that Christian Brandts be appointed to replace Bernard Charlès. The University Cancer Center Frankfurt initially consented to the appointment of Christian Brandts as a director of Sanofi, and his appointment was announced in a press release. However, Sanofi has since been informed that this consent has been withdrawn.

Consequently, Bernard Charlès will not be replaced at the forthcoming Annual General Meeting. Acting on the recommendation of the Appointments, Governance and CSR Committee, the Board of Directors proposes that to replace Laurent Aftal, you appoint the following to serve as directors for a four-year term (i.e. until the close of the Annual General Meeting called in 2025 to approve the financial statements for the year ended December 31, 2024):

- Barbara Lavernos  
As a director, Barbara Lavernos would bring to the Board in-depth experience in senior executive roles with international groups, alongside technological expertise. She has spent her entire career with L'Oréal, whom she

joined in 1991. In 2004, she was appointed Global Chief Procurement Officer, and was entrusted with the General Management of Travel Retail in 2012. In 2014, she was appointed Chief Operations Officer and became a member of the L'Oréal group Executive Committee. Since the end of 2018, she has headed up the group's IT teams, with a mission to lead the tech transformation of L'Oréal.

Since February 2021, she has served as the L'Oréal group's President for Research, Innovation and Technologies.

Barbara Lavernos is a graduate of the HEI chemical engineering school at Lille (France).

Full career resumes of the nominee for appointment, reappointment or co-opting as a director can be found on page 39 of the present document.

At the close of the present General Meeting, subject to adoption of the fourth, fifth, sixth and seventh resolutions, the composition of the Board of Directors will be as follows (expiry of term of office in parentheses):

- Serge Weinberg, Chairman of the Board (2023), independent director;
- Paul Hudson, Chief Executive Officer (2022);
- Patrick Kron (2022), independent director;
- Christophe Babule (2022);
- Gilles Schnepf (2022), independent director;
- Rachel Duan (2024), independent director;
- Lise Kingo (2024), independent director;
- Carole Pivnicka (2024), independent director;
- Diane Souza (2024), independent director;
- Thomas Südhof (2024), independent director;
- Barbara Lavernos (2025);
- Fabienne Lecorvaisier (2025), independent director;
- Melanie Lee (2025), independent director;
- Christian Senectaire (2021), director representing employees<sup>(1)</sup>; and
- Marion Palme (2021), director representing employees<sup>(1)</sup>.

In compliance with the AFEP-MEDEF Code and acting on the recommendations of the Appointments, Governance and CSR Committee, the Board of Directors performed a review of director independence at its meeting of March 3, 2021. Based on that review and subject to the adoption of the fourth, fifth, sixth and seventh resolutions, at the close of the Annual General Meeting the number of directors would reduce from 16 to 15; the proportion of independent directors would reduce from 79% to 77%; and the proportion of female directors and of non-French directors would both increase from 43% to 54%.

### Approval of the components of the compensation and benefits of all kinds paid during 2020 or awarded in respect of 2020 to corporate officers (ex-post vote)

#### (Eighth to tenth resolutions)

The proposed resolutions presented below constitute the ex-post vote on the compensation of corporate officers under the rules implemented by Order no. 2019-1234 of November 27, 2019 (the "Pacte Order"), which transposed into French law European Directive no. 2017/828/EU of May 17, 2017 amending Directive 2007/36/EC to promote long-term shareholder engagement.

The ex-post voting arrangements introduced by the Pacte Order require the following to be submitted for your approval:

- the report on the compensation of corporate officers, presented in the report on the corporate governance of the Company referred to in Article L. 225-37 of the French Commercial Code and containing all the information mentioned in point I of Article L. 22-10-9 of that Code: compensation paid during the year just ended or awarded in respect of that year to each corporate officer (Eighth resolution);
- the components of the compensation and benefits of all kinds paid during or awarded in respect of the year ended December 31, 2020 to each corporate officer, which for Sanofi means:
  - Serge Weinberg, Chairman of the Board of Directors (Ninth resolution), and
  - Paul Hudson, Chief Executive Officer (tenth resolution).

#### 1. Approval of the report on the compensation of corporate officers issued pursuant to Article L. 22-10-9 I of the French Commercial Code (Eighth resolution)

In the eighth resolution, you are asked to approve all the information relating to the compensation of corporate officers presented in the report on corporate governance pursuant to Article L. 22-10-9 I of the French Commercial Code ("Report on the compensation of corporate officers").

That information relates to all components of the compensation and benefits of all kinds paid during the year ended December 31, 2020 or awarded in respect of that year to each corporate officer of Sanofi. It also includes pay ratios comparing the level of compensation of Sanofi's executive officers with that of Sanofi employees, and information about trends in the compensation of Sanofi's executive officers and employees relative to the performance of the Company.

(1) The terms of office of the two directors representing employees will expire at the close of the Annual General Meeting of April 30, 2021. In accordance with Article 11 of the Company's Articles of Association, one employee representative director will be designated by the trade union body which is the most representative, within the meaning of the applicable legislation, within the Company and those of its direct or indirect subsidiaries that have their registered office in French territory, and the other director will be designated by the European Works Council.



The report on the compensation of corporate officers consists of the information provided on pages 51 to 61 of the French-language *Document d'enregistrement universel* of Sanofi for 2020, in Chapter "1 Présentation de Sanofi — 1.2 Gouvernement d'entreprise — sub-section 5 Rémunérations — 5.A. Rémunérations et engagements pris au bénéfice des mandataires sociaux — 5.A.B. Éléments de rémunération et avantages de toute nature versés au cours ou attribués au titre de 2020 aux mandataires sociaux". The equivalent English-language text is contained in Item 6.B of Sanofi's annual report on Form 20-F for 2020, in the section entitled "Compensation and benefits of all kinds paid during 2020 or awarded in respect of 2020 to corporate officers"; that document is available in the "Reports and Publications" section of the Investors page of the Sanofi corporate website ([www.sanofi.com](http://www.sanofi.com)).

**2. Approval of the components of the compensation paid during or awarded in respect of the year ended December 31, 2020 to executive officers (Ninth and tenth resolutions)**

In these resolutions, you are asked to approve the fixed, variable and exceptional components constituting the total compensation and benefits of any kind of Serge Weinberg, Chairman of the Board of Directors, and Paul Hudson, Chief Executive Officer.

**a) Serge Weinberg, Chairman of the Board of Directors (Ninth resolution)**

Serge Weinberg has held the office of Chairman of the Board of Directors since May 17, 2010. He has never had, and does not currently have, a contract of employment with Sanofi.

The Chairman of the Board also chairs the Appointments, Governance and CSR Committee and the Strategy Committee, and is a member of the Scientific Committee.

In accordance with our Board Charter, the Chairman:

- in coordination with the Chief Executive Officer, liaises between the Board of Directors and the shareholders of the Company;
- is kept regularly informed by the Chief Executive Officer of significant events and situations affecting the affairs of the Company, and may request from the Chief Executive Officer any information useful to the Board of Directors;
- may, in close collaboration with the Chief Executive Officer, represent the Company in high-level dealings with governmental bodies and with key partners of the Company and/or of its subsidiaries, both nationally and internationally;

- seeks to prevent any conflict of interest and manages any situation that might give rise to a conflict of interest. He also gives rulings, in the name of the Board, on requests to take up external directorships of which he may become aware or that may be submitted to him by a director;
- may interview the statutory auditors in preparation for the work of the Board of Directors and the Audit Committee; and
- strives to promote in all circumstances the values and image of the Company.

The Chairman is also required to develop and maintain a proper relationship of trust between the Board of Directors and the Chief Executive Officer, so as to ensure that the latter consistently and continuously implements the orientations determined by the Board.

In fulfilling his remit, the Chairman may meet with any individual, including senior executives of the Company, while avoiding any involvement in directing the Company or managing its operations, which are exclusively the responsibility of the Chief Executive Officer.

Finally, the Chairman reports to the Board on the fulfilment of his remit.

A description of the activities of the Chairman of the Board in 2020 is provided in the 2020 *Document d'enregistrement universel*, Chapter "1 Présentation de Sanofi — 1.2 Gouvernement d'entreprise — sub-section 5 Rémunérations — 5.A. Rémunérations et engagements pris au bénéfice des mandataires sociaux — 5.A.B. Éléments de rémunération et avantages de toute nature versés au cours ou attribués au titre de 2020 aux mandataires sociaux — 2. Éléments de rémunération et avantages de toute nature versés au cours ou attribués au titre de 2020 à Serge Weinberg, Président du Conseil d'administration". The equivalent English-language text is provided in Item 6.B of Sanofi's 2020 annual report on Form 20-F, in the section entitled "Compensation and benefits of all kinds paid during 2020 or awarded in respect of 2020 to corporate officers".

**Components of compensation paid during or awarded in respect of the year ended December 31, 2020 to Serge Weinberg, Chairman of the Board of Directors, and submitted to a shareholder vote**

Serge Weinberg's compensation for 2020 was determined by the Board of Directors on March 4, 2020, acting on a recommendation from the Compensation Committee and in compliance with the compensation policy for the Chairman of the Board.

The table below shows the components of the compensation and benefits of all kinds paid or awarded to Serge Weinberg for serving as Chairman of the Board in respect of the year ended December 31, 2020, and submitted to you for a vote pursuant to Article L. 22-10-34-II of the French Commercial Code.

Components of compensation submitted to a shareholder vote	Amounts paid during the year ended December 31, 2020 (€)	Amounts awarded in respect of the last financial year or accounting valuation (€)	Comments
Fixed compensation	800,000	N/A	For the 2020 financial year, Serge Weinberg's annual fixed compensation was €800,000 (given that his compensation had remained unchanged since he first took office in 2010, the Board meeting of March 4, 2020 decided to raise his annual fixed compensation from €700,000 to €800,000 with effect from the 2020 financial year).
Annual variable compensation	N/A	N/A	None
Awards of stock options and/or performance shares	N/A	N/A	None
Termination benefit	N/A	N/A	None
Exceptional compensation	N/A	N/A	None
Non-compete indemnity	N/A	N/A	None
Top-up pension plan	N/A	N/A	None
Health coverage and death & disability plans	N/A	N/A	None
Multi-year variable compensation	N/A	N/A	None
Benefits in kind	7,715	N/A	The amount reported for benefits in kind relates to a company car with a driver.
Compensation for serving as a director	N/A	N/A	None

**b) Paul Hudson – Chief Executive Officer  
(Tenth resolution)**

Paul Hudson was appointed Chief Executive Officer by the Board of Directors effective September 1, 2019, for an indefinite term of office. Paul Hudson does not have a contract of employment with Sanofi.

*Components of compensation paid or awarded in respect of the year ended December 31, 2020 to Paul Hudson, Chief Executive Officer, and submitted to a shareholder vote*

Paul Hudson's compensation for 2020 was determined by the Board of Directors on March 4, 2020, acting on a recommendation from the Compensation Committee and in compliance with the compensation policy for the Chief Executive Officer.

The table below shows the components of the compensation and benefits of all kinds paid or awarded to Paul Hudson for serving as Chief Executive Officer in respect of the year ended December 31, 2020, and submitted to you for a vote pursuant to Article L. 22-10-34 II of the French Commercial Code.

Components of compensation submitted to a shareholder vote	Amounts paid during the last financial year (€)	Amounts awarded in respect of the last financial year or accounting valuation (€)	Comments
Annual fixed compensation	1,300,000	N/A	Paul Hudson's annual fixed compensation has been set at €1,300,000 gross (unchanged since his arrival in 2019).
Annual variable compensation	650,000 (1)	2,213,250 (2)	<p><b>(1) Annual variable compensation in respect of 2019, paid in 2020</b></p> <p>Amount of annual variable compensation due to Paul Hudson in respect of the year ended December 31, 2019, payment of which has already been approved by the seventeenth resolution of the Annual General Meeting of April 28, 2020 (<i>ex-post</i> vote)</p> <p><b>(2) Annual variable compensation in respect of 2020</b></p> <p>The gross variable compensation of Paul Hudson is in a potential range between 0% and 250% of his gross annual fixed compensation, with a target of 150%.</p> <p>His variable compensation for 2020 was established on the basis of quantitative and qualitative criteria.</p> <p>Those objectives were 40% based on financial indicators (sales growth, business net income, free cash flow and business operating income margin, each accounting for a quarter), and 60% based on specific individual objectives.</p> <p>For 2020, the criteria were:</p> <ul style="list-style-type: none"> <li>• growth of key new assets (10%) – quantitative objective;</li> <li>• business transformation (15%) – qualitative objective;</li> <li>• organization and people (10%) – qualitative objective;</li> <li>• pipeline (10%) – quantitative objective; and</li> <li>• CSR (15%) – qualitative objective.</li> </ul> <p>Acting on a recommendation from the Compensation Committee, the Board meeting of March 3, 2021 reviewed the attainment level for each criterion and sub-criterion. The Board's conclusions are summarized in the table presented on page 18.</p> <p>The Board of Directors set Paul Hudson's variable compensation for 2020 at €2,213,250, equivalent to 170,3% of his annual fixed compensation.</p> <p>Payment of his variable compensation in respect of 2020 is contingent on approval of the components of the Chief Executive Officer's compensation by the present General Meeting under the present resolution.</p>



Components of compensation submitted to a shareholder vote	Amounts paid during the last financial year (€)	Amounts awarded in respect of the last financial year or accounting valuation (€)	Comments
Compensation for taking up office (sign-on bonus)	N/A	1,951,000*	<p><b>Phantom Stock Units</b></p> <p>Having waived all equity-based compensation not yet vested on leaving his previous employer, Paul Hudson was awarded on joining Sanofi a medium-term incentive plan under which he can be paid a cash bonus subject to continuous presence and performance conditions. Under the terms of the plan, which compensates for around 50% of the incentive plans that Paul Hudson has waived, he is awarded phantom stock units, vesting of which is contingent on (i) his continuous presence and (ii) attainment of performance conditions, with the attainment level of those conditions to be determined for half of the award, i.e. 25,000 phantom stock units, as of March 30, 2021 (the "First Tranche") and for the other half of the award, i.e. 25,000 phantom stock units, as of March 30, 2022 (the "Second Tranche").</p> <p>On expiry of the vesting periods mentioned above, the phantom stock units will vest, entitling Paul Hudson to a cash bonus equal to the value of Sanofi shares, computed as the average of the opening quoted market prices of Sanofi shares on Euronext Paris for the 20 trading days preceding each vesting date.</p> <p>The performance conditions applicable to the phantom stock units, and the reference periods for assessing fulfillment of those conditions, are set forth on pages 56-57 of Sanofi's 2020 <i>Document d'enregistrement universel</i> (an English-language version is included at page 113 of Sanofi's 2020 annual report on Form 20-F).</p> <p>*The Board meeting of March 3, 2021 formally noted the attainment level of the performance conditions, and the overall allocation rate. Paul Hudson was awarded 25,000 Phantom Stock Units in respect of 2020. The amount mentioned in this table is provided by way of indication with reference to the average opening price of the Sanofi share with reference to the average opening price of the Sanofi share on Euronext Paris during the 20 trading days immediately preceding March 3, 2021, date of the Board meeting which determined the components of the Chief Executive Officer's compensation. The final valuation of the 25,000 Phantom Stock Units will be determined as of March 30, 2021 (the vesting date of the First Tranche). It will be equal to the total number of Phantom Stock Units multiplied by the value of the Sanofi share with reference to the average opening price of the Sanofi share on Euronext Paris during the 20 trading days immediately preceding the vesting date, and will be communicated on the Sanofi corporate website.</p> <p>Payment of that amount is contingent on Paul Hudson remaining in post as of March 30, 2021, and is subject to approval of the components of the Chief Executive Officer's compensation by the present General Meeting under the present resolution.</p>
Multi-year variable compensation	N/A	N/A	None

Components of compensation submitted to a shareholder vote	Amounts paid during the last financial year (€)	Amounts awarded in respect of the last financial year or accounting valuation (€)	Comments
Performance shares	N/A	5,708,250	<p>In accordance with the compensation policy for the Chief Executive Officer as approved by the shareholders at the Annual General Meeting of April 28, 2020, and acting on the recommendations of the Compensation Committee, the Board meeting of April 28, 2020 decided to award 75,000 performance shares to Paul Hudson in respect of 2020.</p> <p>Each performance share awarded on April 28, 2020, was valued at €76.11, valuing the total benefit at €5,708,250. Performance shares are valued at the date of grant. The valuation of that award as of April 28, 2020, determined in accordance with IFRS and incorporating a market-related condition, was €5,708,250, equivalent to 4.39 times his fixed compensation.</p> <p>The number of performance shares awarded to Paul Hudson in 2020 represents 0.4% of the total limit approved by the Annual General Meeting on April 28, 2020 and 0.006% of the share capital at the date of grant.</p> <p>His award is contingent upon performance conditions assessed over three financial years (2020-2022), comprising both internal criteria based upon business net income (BNI) and free cash flow (FCF), and an external criterion based upon total shareholder return (TSR) relative to a benchmark panel of twelve of the leading global pharmaceutical companies. The panel comprises: Amgen, AstraZeneca plc, Bayer AG, Bristol-Myers Squibb Inc., Eli Lilly and Company Inc., GlaxoSmithKline plc, Johnson &amp; Johnson Inc., Merck Inc., Novartis AG, Novo Nordisk, Pfizer Inc., and Roche Holding Ltd.</p>
Exceptional compensation	N/A	N/A	None.
Termination benefit	No payment made	No payment made	<p>Paul Hudson is entitled to a termination benefit that only becomes payable if his departure is forced (i.e. in the event of removal from office linked to a change in strategy or control of the Company) and is subject to a performance condition.</p> <p>The terms and conditions for payment of the termination benefit, in particular those related to attainment of a performance condition, are described in the section on the compensation policy for the Chief Executive Officer (starting on page 21 of the present document).</p>
Non-compete indemnity	No payment made	No payment made	<p>In the event of his departure from the Company, Paul Hudson undertakes not to join a competitor of the Company as an employee or corporate officer, or to provide services to or cooperate with such a competitor, during a 12-month period following his departure.</p> <p>The terms and conditions for payment of the non-compete indemnity are described in the section on the compensation policy for the Chief Executive Officer (starting on page 21 of the present document).</p>

Components of compensation submitted to a shareholder vote	Amounts paid during the last financial year (€)	Amounts awarded in respect of the last financial year or accounting valuation (€)	Comments
Top-up pension plan	No payment made	439,156.25	<p>In accordance with the compensation policy for the Chief Executive Officer, Paul Hudson is entitled to benefits under the top-up defined-contribution pension plan introduced within Sanofi on January 1, 2020.</p> <p>This is a collective plan falling within the scope of Article 82 of the French General Tax Code. It is also offered to members of our Executive Committee and all senior executives whose position is classified within the Sanofi grade scale as "Executive Level 1 or 2". The Chief Executive Officer's entitlement under this plan may be withdrawn by a decision of the Board of Directors, but not retroactively.</p> <p>Under the terms of the plan, Paul Hudson receives an annual contribution the amount of which (subject to attainment of a performance condition) may be up to 25% of his reference compensation (annual fixed and variable cash-based compensation only; all other compensation is excluded).</p> <p>The performance condition is linked to the attainment level for his variable compensation, as described in the section on the compensation policy for the Chief Executive Officer (starting on page 21 of the present document).</p> <p>The gross annual contribution is paid as follows:</p> <ul style="list-style-type: none"> <li>• 50% as a gross insurance premium to the fund manager; the amount due to the fund manager with respect to 2020 is €439,156.25; and</li> <li>• 50% to Paul Hudson, to indemnify him for the social security and tax charges for which he will become immediately liable. The amount due to Paul Hudson in respect of 2020 was determined by the Board of Directors on March 3, 2021 and amounts to €439,156.25.</li> </ul> <p>The terms and conditions for payment of the contribution, in particular those related to attainment of a performance condition, are described in the section on the compensation policy for the Chief Executive Officer (starting on page 21 of the present document).</p> <p>Payment of those amounts is contingent on approval of the components of the Chief Executive Officer's compensation by the present General Meeting under the present resolution.</p>
Benefits in kind	168,842	N/A	The benefits in kind received by Paul Hudson in 2020 were valued at €168,842, and correspond to accommodation costs incurred during his acclimatization period (until August 2020).
Compensation for serving as a director	N/A	N/A	None

## Annual variable compensation in respect of 2020 – Attainment level for each criterion

Acting on a recommendation from the Compensation Committee, the Board of Directors meeting of March 3, 2021 reviewed the attainment of each criterion and sub-criterion. The Board's conclusions are summarized in the table below.

	Criterion	Type	Weight	Target/ Maximum (as % of fixed compensation)	Assessment	Comments	Payout (as % of fixed compensation)
Financial objectives (40%)	Sales growth	Quantitative	10%	15%/25%	92.4%	Confidential target, performance below budget	13.9%
	Business net income <sup>(a)</sup>	Quantitative	10%	15%/25%	106.3%	Confidential target, performance above budget	15.9%
	Free cash flow	Quantitative	10%	15%/25%	135.0%	Confidential target, performance well above budget	20.3%
	Business operating income margin	Quantitative	10%	15%/25%	113.4%	Confidential target, performance above budget	17.0%
Individual objectives (60%)	Growth in new key assets	Quantitative	10%	15%/25%	105.5%	Sales above budget for Dupixent®, in line with budget for Vaccines and China	15.8%
	Business transformation	Qualitative	15%	15%/25%	115.0%	Transformation under way in CHC, Industrial Affairs (especially EuroApi spin-out and launch of Evolutive Vaccine Facility) and Digital	25.9%
	Organization and people	Qualitative	10%	15%/25%	120.0%	Executive Committee streamlined and refreshed; evaluation of 50 critical posts and development plan for 100 top talents; realignment of compensation on priorities	18.0%
	Pipeline	Quantitative	10%	15%/25%	140.0%	Pipeline additions ahead of forecast; advances on six priority assets in line with plan; productivity gains ahead of objectives.	21.0%
	CSR	Qualitative	15%	15%/25%	100.0%	Confidential target, performance below budget	22.5%
<b>Total</b>			<b>100%</b>	<b>150%/250%</b>			<b>170.3%</b>

(a) For a definition, see "Item 5. Operating and Financial Review and Prospects — A.1.5. Business net income" in Sanofi's annual report on Form 20-F.

## Compensation policy for corporate officers (*ex-ante* vote)

### (Eleventh to thirteenth resolutions)

The compensation policy for corporate officers, as determined by the Board of Directors at its meeting of March 3, 2021 pursuant to Article L. 22-10-8 of the French Commercial Code, is described (in French) in the "Report on corporate governance", which was prepared by the Board of Directors pursuant to Article L. 225-37 of the French Commercial Code and included within Sanofi's 2020 *Document d'enregistrement universel*. The equivalent information is provided in "Item 6.B Compensation", of Sanofi's 2020 annual report on Form 20-F, available in the "Reports and Publications" section of the Investors page of the Sanofi corporate website ([www.sanofi.com](http://www.sanofi.com)).

The policy describes all the components of compensation awarded to corporate officers of Sanofi as consideration for holding office, and explains the process by which it is determined, reviewed and implemented.

The compensation policy for the corporate officers of Sanofi has three distinct elements: (i) the compensation policy for directors; (ii) the compensation policy for the Chairman of the Board of Directors; and (iii) the compensation policy for the Chief Executive Officer.

Each of those policies is submitted for your approval in accordance with Article L. 22-10-8 II of the French Commercial Code. Subject to adoption of the eleventh to thirteenth resolutions, the compensation policy will apply to any person holding corporate office during 2021. If a new corporate officer is appointed between two Annual General Meetings, their compensation is defined by the Board of Directors, applying the terms of the compensation policy approved by the most recent Annual General Meeting.

### Process for determining the compensation policy for corporate officers

The compensation policy for corporate officers is established by the Board of Directors, acting on the recommendation of the Compensation Committee. The Board of Directors applies the AFEP-MEDEF Code when determining the compensation and benefits awarded to our non-executive and executive officers.

All members of the Compensation Committee are independent directors, and were chosen for their technical competencies and their good understanding of current standards, emerging trends and Sanofi's practices.

To fulfill their remit, the Committee regularly invites the Executive Vice President – Human Resources and the Head of Compensation and Employee Benefits to attend their meetings, although the latter absent themselves when the Committee deliberates. Committee members also work with the Chairman and the Secretary to the Board, who have contacts with our principal institutional shareholders ahead of the Annual General Meeting.

In addition, the Chairman of the Committee:

- discusses the financial, accounting and tax impacts of the proposed compensation policy with the Chairman of the Audit Committee; and
- plays an active role at meetings of the Appointments, Governance and CSR Committee and the Strategy Committee (to both of which he belongs), thereby gaining assurance that the proposed performance criteria are consistent and appropriate in light of Sanofi's strategic ambitions.

The compensation policy is not subject to annual review, although some arrangements for implementing the policy – such as the performance criteria applicable to annual variable compensation, for example – are defined by the Board of Directors on an annual basis.

After consulting the Compensation Committee and as the case may be the other Board Committees, the Board of Directors may temporarily derogate from the approved compensation policy for the Chief Executive Officer in exceptional circumstances and to the extent that the changes are aligned on the corporate interest and necessary to safeguard the continuity or viability of Sanofi. Derogations from the approved policy are possible in respect of the performance conditions applied to the Chief Executive Officer's compensation, and may result in either an increase or a decrease in compensation. The circumstances in which it is possible to apply such a derogation are (i) a change in the structure of the Sanofi group or (ii) major events affecting the markets. Such derogation may only be temporary and must be properly substantiated. Moreover, it will remain subject to approval by the next General Meeting of Sanofi shareholders.

### General principles and objectives

Sanofi's compensation policy is based on the following general principles:

- the policy must be simple;
- the policy must prioritize long-term performance;
- the level of compensation must be competitive, so that the Company can attract and retain talent; and
- there must be a fair balance between the corporate interest, the challenges of delivering on our strategy, and the expectations of our stakeholders.

The Compensation Committee must ensure that trends in the compensation of corporate officers over the medium term are not uncorrelated with trends in the compensation of all our employees. In terms of annual variable compensation and equity-based compensation, the Compensation Committee aims to achieve convergence between the performance criteria applied to our Senior Leaders and those applied to the Chief Executive Officer.

Our equity-based compensation policy, which aims to align employee and shareholder interests and reinforce loyalty to Sanofi, is a critical tool for our worldwide attractiveness as an employer.

Acting on the recommendation of the Compensation Committee, the Board of Directors determines the performance conditions attached to equity-based compensation for all beneficiaries at Sanofi and its subsidiaries worldwide, thereby furthering the attainment of our objectives. Our equity-based compensation plan rules are made available to our shareholders on the governance page of our website ([www.sanofi.com](http://www.sanofi.com)) in the same form as that distributed to our employees.

During 2018 and until June 2019, equity-based compensation awards to senior executives were in the form of performance shares and (for the Chief Executive Officer) stock options. With effect from June 2019, the Chief Executive Officer can only be awarded performance shares. Awarding performance shares makes it possible to maintain a comparable level of employee incentivization while reducing the dilutive effect of equity-based compensation plans for existing shareholders. The Board has sought to standardize the terms of equity-based compensation awards within Sanofi, and has listened to feedback from some shareholders and proxy advisors who have concerns about stock options given their dilutive effect and potential unintended consequences.

The Board of Directors makes any grant of performance shares contingent on multiple, exacting multi-year performance criteria in order to ensure that our equity-based compensation plans incentivize overall performance.

Failure to achieve those criteria over the entire performance measurement period results in a reduction or loss of the initial grant.

In order to align equity-based compensation with our long-term performance, performance is measured over three financial years (the "vesting period"). Awards of performance shares are also contingent on continued employment in the Sanofi group during the vesting period, followed by stringent lock-up obligations in the case of the Chief Executive Officer (see below).

The terms of prior awards cannot be reset subsequently, for instance with less exacting performance conditions..

## 1. Compensation policy for directors (Eleventh resolution)

Directors hold office for a four-year term, as specified in our Articles of Association.

The arrangements for allocating the overall annual amount set by the Annual General Meeting between the directors are determined by the Board of Directors, acting on a recommendation from the Compensation Committee. Directors' compensation comprises (i) an annual fixed amount of €30,000, apportioned on a time basis for directors who assumed or left office during the year, and (ii) a variable amount, allocated by the Board according to actual attendance at Board and Committee meetings. As required by the AFEP-MEDEF Code, directors' compensation is allocated predominantly on a variable basis.

The table below shows how the variable amount payable to directors for attendance at Board and Committee meetings is determined.

	Compensation per meeting			Chairman/ Chairwoman
	Directors resident in France	Directors resident outside France but in Europe	Directors resident outside Europe	
Board of Directors	€5,500	€8,250	€11,000	N/A
Audit Committee	€8,250	€8,250	€8,250	€11,000
Compensation Committee	€5,500	€8,250	€11,000	€8,250
Appointments, Governance and CSR Committee	€5,500	€8,250	€8,250	Determined by reference to place of residence
Strategy Committee	€5,500	€8,250	€11,000	Determined by reference to place of residence
Scientific Committee	€5,500	€8,250	€11,000	Determined by reference to place of residence

Up to and including 2020, a director who participated by a teleconference or videoconference received a payment equivalent to half the amount received by a director resident in France attending in person. The Board meeting of March 3, 2021 decided that from 2021 onwards – in light of public health protection measures, the deployment of appropriate technical solutions, and practices adopted by

other issuers – directors who take part via videoconference will receive compensation equivalent to that paid to a director resident in France and attending in person. Committee Chairmen/Chairwomen will continue to receive the usual compensation in respect of the Committee they chair.



In any event, the Board continues to encourage directors to attend Board and Committee meetings in person, subject to strict compliance with public health protection measures.

As an exception, in certain cases two meetings held on the same day give entitlement to a single payment:

- if on the day of a shareholders' General Meeting, the Board of Directors meets both before and after the meeting, only one payment is made for the two Board meetings;
- if on the same day a director participates in a meeting of the Compensation Committee and a meeting of the Appointments, Governance and CSR Committee, only the higher of the two payments is made to cover both meetings.

The introduction of a separate compensation scale depending on whether or not the director is a European resident is intended to take into account the significantly longer travel time required to attend meetings in person.

Directors do not receive any exceptional compensation or equity-based compensation and have no entitlement to a top-up pension plan.

Neither the Chairman of the Board nor the Chief Executive Officer receives any compensation for serving as a director.

If the Annual General Meeting decides not to vote in favor of the eleventh resolution, the arrangements for allocating the total amount of compensation would be the same as those applicable in 2020. Those arrangements are described in the French-language *Document d'enregistrement universel* of Sanofi for 2020, in Chapter "1 Présentation de Sanofi — 1.2 Gouvernement d'entreprise — sub-section 5 Rémunérations — 5.A.B. Éléments de rémunération et avantages de toute nature versés au cours ou attribués au titre de 2020 aux mandataires sociaux — Item 1 Éléments de rémunération et avantages de toute nature versés au cours ou attribués au titre de 2020 aux administrateurs". The equivalent English-language text is contained in Item 6.B of Sanofi's annual report on Form 20-F for 2020, in the section entitled "Compensation elements and benefits of all kinds paid during 2020 or awarded in respect of 2020 to directors"; that document is available in the "Reports and Publications" section of the Investors page of the Sanofi corporate website ([www.sanofi.com](http://www.sanofi.com)).

## 2. Compensation policy for the Chairman of the Board of Directors (Twelfth resolution)

The term of office of the Chairman of the Board is the same as that of the other directors (four years), and the Chairman's term is aligned with his term of office as a director.

The compensation policy for the Chairman of the Board is discussed by the Compensation Committee, which then makes a recommendation to the Board of Directors. The Chairman of the Board is not a member of the Committee, and does not attend meetings where his compensation is discussed.

The compensation of the Chairman of the Board of Directors (where the office of Chairman is separate from that of Chief Executive Officer, as is currently the case) consists solely of

fixed compensation and benefits in kind and excludes any variable or exceptional compensation, any awards of stock options or performance shares, and any compensation for serving as a director. The Board meeting of March 3, 2021 set the annual fixed compensation awarded to the Chairman of the Board at €800,000 gross, unchanged from 2020.

Where the office of Chairman is separate from that of Chief Executive Officer, the Chairman of the Board is not entitled to the Sanofi top-up defined-contribution pension plan.

Nor is he entitled to a termination benefit or a non-compete indemnity.

Executive officers of Sanofi do not receive any compensation for serving as directors. Consequently, the Chairman of the Board does not receive compensation for chairing Board meetings or meetings of the Appointments, Governance and CSR Committee or the Strategy Committee.

## 3. Compensation policy for the Chief Executive Officer (Thirteenth resolution)

### General principles

Our Chief Executive Officer is not appointed for a fixed term of office.

The compensation policy for the Chief Executive Officer is established by the Board of Directors, acting on the recommendation of the Compensation Committee. The compensation structure is not subject to annual review and is applicable for as long as it remains unchanged. The arrangements for implementing the policy may vary from year to year; a table showing the changes made to those arrangements in 2020 and 2019 is provided at the end of the present section.

The compensation of the Chief Executive Officer is determined with reference to compensation awarded to the chief executive officers of the following 12 leading global pharmaceutical companies: Amgen, AstraZeneca plc, Bayer AG, Bristol-Myers Squibb Inc., Eli Lilly and Company Inc., GlaxoSmithKline plc, Johnson & Johnson Inc., Merck Inc., Novartis AG, Novo Nordisk, Pfizer Inc., and Roche Holding Ltd. This panel comprises companies that are comparable to Sanofi, with no limitation as to geographical region given that Sanofi operates in a particularly competitive international environment. The panel has been expanded so that pharmaceutical companies operating in the biotechnology field are better represented. Consistency with market practice is fundamental in order to attract and retain the talents necessary to our success. In 2020, on the basis of the information published as of the date of the present document, median fixed compensation of the chief executive officers of the aforementioned twelve leading global pharmaceutical companies was in the region of €1,374,000; the median of the annual variable compensation awarded was in the region of €2,279,000; and the median of the long-term compensation awarded (whether equity-based or in cash) represented around 760% of fixed compensation. Within this peer group, Paul Hudson's global compensation (fixed, variable and equity-based compensation) lies within the first quartile. The practices of the main CAC 40 companies are also taken into consideration.

### On taking up office

When the Chief Executive Officer is an outside appointment, the Board of Directors may decide, acting on a recommendation from the Compensation Committee, to compensate the appointee for some or all of the benefits he may have forfeited on leaving his previous employer. In such a case, the terms on which the Chief Executive Officer is hired aim to replicate the diversity of what was forfeited, with a comparable level of risk (variable portion, medium-term equity-based or cash compensation).

### During the term of office

#### Compensation structure

Sanofi's policy aims at achieving and maintaining a balance in the compensation structure between fixed compensation, benefits in kind, short-term variable cash compensation, and medium-term variable equity-based compensation.

The compensation policy for the Chief Executive Officer is designed to motivate and reward performance by ensuring that a significant portion of compensation is contingent on the attainment of financial, operational and extra-financial criteria that reflect Sanofi's objectives, and are aligned with the corporate interest and with the creation of shareholder value. Variable cash compensation and equity-based compensation are the two principal levers for action, and are intended to align the interests of the Chief Executive Officer with those of our shareholders and stakeholders.

During the meeting that follows the Board meeting held to close off the financial statements for the previous year, the Compensation Committee examines the levels of attainment of variable compensation for that year. In advance of that meeting, the Chief Executive Officer presents the Committee with a report containing narrative and quantitative information necessary to measure attainment of the objectives. The members of the Compensation Committee then discuss the information provided and report to the Board on those discussions, giving an evaluation of the Chief Executive Officer's performance against each of the criteria (determining the level of attainment for quantitative objectives, and evaluating the level of attainment for qualitative objectives).

#### Annual fixed compensation

The annual fixed compensation of the Chief Executive Officer is set at €1,300,000 gross.

The amount of fixed compensation is not subject to annual review. It may however be changed, provided that such change is not material:

- on the appointment of a new Chief Executive Officer so as to reflect the new appointee's competencies and/or then current market practice;
- in exceptional circumstances, to take account of changes in (i) the role or responsibilities of the Chief Executive Officer, for example in terms of market conditions or the size of the Sanofi group or (ii) the performance level of Sanofi over a given period.

### Annual variable compensation

Annual variable compensation is in a range between 0% and 250% of fixed compensation, with a target of 150%. It is subject to a range of varied and exacting performance criteria, both quantitative and qualitative. The criteria are reviewed annually in light of the strategic objectives determined by Sanofi. The Board of Directors sets the criteria for each year at the start of that year. For 2021, the criteria are:

- 50% based on financial indicators published by the Company: sales growth, business net income, free cash flow, business operating income (BOI) margin and growth in new key assets, each accounting for a 10%. Free cash flow and BOI margin were chosen because they are in line with the Company's strategic roadmap; and
- 50% based on specific individual objectives (1/3 being quantitative objectives), including one linked to corporate social responsibility criteria for Sanofi (partly quantifiable) underlining the Board's commitment to long-term value creation. The individual objectives set for variable compensation for 2021 are described in Sanofi's French-language *Document d'enregistrement universel* (5.A.C. *Éléments de rémunération et avantages de toute nature attribués aux mandataires sociaux au titre de 2021*), within Chapter "1 Présentation de Sanofi — 1.2 Gouvernement d'entreprise — sub-section 5 Rémunérations". The English-language equivalent is provided in the section entitled "Compensation and benefits of all kinds awarded to corporate officers in respect of 2021", within Item 6.B of Sanofi's annual report on Form 20-F.

The percentage of variable compensation linked to the attainment of quantitative criteria may be scaled down regardless of actual performance, in order to give greater weight to the attainment of qualitative criteria. This flexibility can only operate to reduce the amount of variable compensation, and cannot compensate for underperformance on quantitative criteria.

The policy does not allow for the possibility of clawing back any annual variable compensation.

In accordance with Article L. 22-10-34 II. of the French Commercial Code, payment of annual variable compensation in a given year in respect of the previous year is contingent on a favorable shareholder vote at the Annual General Meeting.

#### Equity-based compensation

The Chief Executive Officer's equity-based compensation, which since June 2019 can only be in the form of performance shares, may not exceed 250% of his target short-term compensation (fixed plus variable).

The Chief Executive Officer's equity-based compensation is contingent upon attainment of exacting performance conditions measured over a three-year-period. Those awards are contingent upon:

- internal criteria, based on business net income and free cash flow (FCF); and
- an external criterion based upon total shareholder return (TSR) relative to a benchmark panel of twelve of the leading global pharmaceutical companies: Amgen, AstraZeneca plc, Bayer AG, Bristol-Myers Squibb Inc., Eli



Lilly and Company Inc., GlaxoSmithKline plc, Johnson & Johnson Inc., Merck Inc., Novartis AG, Novo Nordisk, Pfizer Inc., and Roche Holding Ltd. The panel was expanded from 2020 onwards so that pharmaceutical companies operating in the biotechnology field are better represented.

The valuation of performance shares is calculated at the date of grant. It represents the difference between the quoted market price of the share on the date of grant and the present value of the dividends to be received over the next three years. The parameters used to calculate the valuations are market parameters available in the financial press.

Each award to our Chief Executive Officer takes into account previous awards and his overall compensation. In any event, the maximum number of shares to be delivered may not be more than the number of performance shares initially awarded.

The award proposed by the Board of Directors in respect of 2021 is described in Sanofi's French-language *Document d'enregistrement universel* (5.A.C. *Éléments de rémunération et avantages de toute nature attribués aux mandataires sociaux au titre de 2021*), within Chapter "1 Présentation de Sanofi — 1.2 Gouvernement d'entreprise — sub-section 5 Rémunérations". The English-language equivalent is provided in the section entitled "Compensation and benefits of all kinds awarded to corporate officers in respect of 2021", within Item 6.B of Sanofi's annual report on Form 20-F.

### Share ownership and lock-up obligation of the Chief Executive Officer

The Chief Executive Officer is bound by the same obligations regarding share ownership specified in our Articles of Association and Board Charter as our other corporate officers.

In addition, until he ceases to hold office the Chief Executive Officer is required to retain a quantity of Sanofi shares equivalent to 50% of any gain (net of taxes and social contributions) arising on the vesting of performance shares, calculated as of the date on which those shares vest. Those shares must be retained in registered form until he ceases to hold office.

In compliance with the AFEP-MEDEF Code and our Board Charter, the Chief Executive Officer must undertake to refrain from entering into speculative or hedging transactions.

#### **Multi-year variable compensation**

The Chief Executive Officer does not receive multi-year variable compensation.

#### **Compensation for serving as a director**

Executive officers of Sanofi do not receive any compensation for serving as directors. Consequently, the Chief Executive Officer does not receive compensation in his capacity as a director or as a member of the Strategy Committee.

#### **Exceptional compensation**

No exceptional compensation can be awarded to the Chief Executive Officer.

### On leaving office

The Chief Executive Officer is entitled to a top-up defined-contribution pension plan, a termination benefit, and a non-compete indemnity.

Such arrangements are part of the overall compensation package generally awarded to executive officers; in line with recommendations of the AFEP-MEDEF Code, there are very strict rules about how they are implemented. The termination benefit and non-compete indemnity are intended to compensate for the fact that the Chief Executive Officer may be dismissed at any time.

Each of those benefits is taken into account by the Board of Directors when fixing the overall compensation of the Chief Executive Officer.

#### **Pension arrangements**

The Chief Executive Officer is entitled to benefits under the top-up defined-contribution pension plan introduced within Sanofi on January 1, 2020. This is a collective plan falling within the scope of Article 82 of the French General Tax Code. It is also offered to members of our Executive Committee and all senior executives whose position is classified within the Sanofi grade scale as "Executive Level 1 or 2". The Chief Executive Officer's entitlement under this plan may be withdrawn by a decision of the Board of Directors, but not retroactively.

Under the terms of the plan, the Chief Executive Officer receives an annual contribution the amount of which (subject to attainment of a performance condition) may be up to 25% of his reference compensation (annual fixed and variable cash-based compensation only; all other compensation is excluded). The rights accruing under the plan are those that are generated by the capitalization contract taken out with the insurer, and vest even if the Chief Executive Officer does not remain with Sanofi until retirement. The Chief Executive Officer may elect for the rights to be transferable as a survivor's pension.

The performance condition is as follows:

- if the level of attainment for variable compensation is equal to or greater than the target (i.e. 150% of fixed compensation), 100% of the contribution is paid;
- if the level of attainment for variable compensation is less than 100% of fixed compensation, no contribution is paid; and
- between those two limits, the contribution is calculated on a prorata basis.

Because this performance condition is linked to the attainment of the performance criteria for annual variable compensation (which itself is determined with reference to the strategic objectives of Sanofi), it ensures that no pension contributions could be made in the event that the Chief Executive Officer fails to deliver.

The plan is wholly funded by Sanofi, which pays the full amount of the gross contributions. Because it is treated as equivalent to compensation, the contribution is subject to payroll taxes and employer's social security charges, and to income tax in the hands of the Chief Executive Officer; all of the above are charged on the basis of the bands, rates and other conditions applicable to compensation, paid and declared on his payslips for the contribution period.

Subject to (i) formal confirmation by the Board of Directors that the performance condition for the previous year has been met and (ii) approval of the Chief Executive Officer's compensation package for that year by the Annual General Meeting of our shareholders, the annual gross contribution is paid as follows:

- 50% as a gross insurance premium to the fund manager; and
- 50% to the Chief Executive Officer, to indemnify him for the social security and tax charges for which he will become immediately liable.

In accordance with Article 39.5 bis of the French General Tax Code, deferred compensation as defined in section 4 of Article L. 22-10-9 of the French Commercial Code can be offset against corporate profits as a taxable expense up to a limit set at three times the annual social security ceiling per beneficiary.

The pension entitlement is not cumulative with (i) any termination benefit paid in the event of forced departure or (ii) any non-compete indemnity.

#### **Termination arrangements**

The termination benefit only becomes payable if the departure of the Chief Executive Officer is forced, i.e. in the event of removal from office or resignation linked to a change in strategy or control of the Company. Compensation for non-renewal of the term of office is irrelevant in the case of the Chief Executive Officer, because this office is held for an indefinite term.

In addition, no termination benefit is payable and the arrangement is deemed to have been rescinded in the following circumstances:

- in the event of removal from office for gross or serious misconduct (*faute grave ou lourde*);
- if the Chief Executive Officer elects to leave Sanofi to take up another position;
- if the Chief Executive Officer is assigned to another position within Sanofi;
- if the Chief Executive Officer takes his pension.

Payment of the termination benefit is contingent upon fulfillment of a performance condition, which is deemed to have been met if the attainment rate for the individual variable compensation objectives exceeded 90% of the target; that condition is assessed over the three financial years preceding the Chief Executive Officer leaving office.

The amount of the termination benefit is capped at 24 months of his most recent total compensation on the basis of (i) the fixed compensation effective on the date of leaving office and (ii) the last variable compensation received prior to that date, subject to fulfilment of the performance condition.

The amount of the termination benefit is reduced by any amount received as consideration for the non-compete undertaking, such that the aggregate amount of those two benefits may never exceed two years of total fixed and variable compensation.

#### **Non-compete undertaking**

In the event of his departure from the Company, the Chief Executive Officer undertakes, during the 12-month period following his departure, not to join a competitor of Sanofi as an employee or corporate officer, or to provide services to or cooperate with such a competitor.

In return for this undertaking, he receives an indemnity corresponding to one year's total compensation, based on his fixed compensation effective on the day he leaves office and on the last individual variable compensation he received prior to that date. This indemnity is payable in 12 monthly installments.

However, the Board of Directors reserves the right to release the Chief Executive Officer from that undertaking for some or all of that 12-month period. In such cases, the non-compete indemnity would not be due for the period of time waived by the Company.

#### **Consequences of the Chief Executive Officer's departure for equity-based compensation**

If the Chief Executive Officer leaves Sanofi for reasons other than resignation or removal from office for gross or serious misconduct (in which case any award of equity-based compensation is forfeited in full), the overall allocation percentage is prorated to reflect the amount of time the Chief Executive Officer remained with Sanofi during the vesting period.

If at any time prior to the expiration of the vesting period of his performance shares the Chief Executive Officer joins a competitor of Sanofi as an employee or corporate officer, or provides services to or cooperates with such a competitor, he irrevocably loses those performance shares regardless of any full or partial discharge by the Board of Directors of the non-compete undertaking relating to his office as Chief Executive Officer.

If the Chief Executive Officer retires at statutory retirement age prior to the expiration of the vesting period of his performance shares, the overall allocation rate will be apportioned on a prorata basis to reflect the amount of time for which the Chief Executive Officer remains in the employment of Sanofi during the vesting period. Further to the vote expressed by the shareholders at the 2020 Annual General Meeting on the compensation of the previous Chief Executive Officer for the 2019 financial year, the Board of Directors decided – on a recommendation from the Compensation Committee – to amend the compensation policy for the Chief Executive Officer on this point with effect from 2021. This change reflects feedback from some of our shareholders, and current market practice.

#### **Summary of benefits awarded to the Chief Executive Officer on leaving office**

The table below presents a summary of the benefits (as described above) that could be claimed by the Chief Executive Officer on leaving office, depending on the terms of his departure. The information provided in this summary is without prejudice to any decisions that may be made by the Board of Directors.

	Voluntary departure/ Removal from office for gross or serious misconduct	Forced departure	Retirement
Termination benefit <sup>(a)</sup>	/	24 months of fixed compensation as of the date of leaving office + 24 months of most recent individual variable compensation received <sup>(a)</sup> - Amounts received as non-compete indemnity	/
Non-compete indemnity <sup>(b)</sup>	12 months of fixed compensation as of the date of leaving office + 12 months of most recent individual variable compensation received prior to leaving office	12 months of fixed compensation as of the date of leaving office + 12 months of most recent individual variable compensation received prior to leaving office <sup>(e)</sup>	/
Top-up pension <sup>(c)</sup>	/	/	Annual contribution of up to 25% of reference compensation
Performance share plans not yet vested	Forfeited in full	Rights retained prorata to period of employment within Sanofi <sup>(f)</sup>	Rights retained prorata to period of employment within Sanofi <sup>(f)</sup>

(a) The amount of the termination benefit is reduced by any indemnity received as consideration for the non-compete undertaking, such that the aggregate amount of those two benefits may never exceed two years of total fixed and variable compensation.

(b) The Board of Directors may decide to release the Chief Executive Officer from the non-compete undertaking for some or all of the 12-month period. In that case, the non-compete indemnity would not be due, or would be scaled down proportionately.

(c) Defined-contribution pension plan, within the scope of Article 82 of the French General Tax Code. Subject to fulfillment of the performance condition, assessed each year.

(d) Subject to fulfillment of the performance condition assessed over the three financial years preceding the departure from office, as described above.

(e) Subject to the Board of Directors enforcing the non-compete undertaking, the amount of the termination benefit is reduced by any indemnity received as consideration for the non-compete undertaking, such that the aggregate amount of those two benefits may never exceed two years of total fixed and variable compensation.

(f) In this case, the Chief Executive Officer remains subject to the terms of the plans, including the performance conditions and the non-compete clause.

The table below summarizes adjustments made over the last two years to how the compensation policy for the Chief Executive Officer is implemented, based on in-depth discussions with our shareholders.

2021	2020
Annual variable compensation: <ul style="list-style-type: none"> <li>the quantitative component of the objectives (financial and non-financial) has been changed from 60% to 67% (minimum);</li> <li>Sanofi will now publish the level of attainment of non-financial objectives, on an ex post basis.</li> </ul> Equity-based compensation: <ul style="list-style-type: none"> <li>if the Chief Executive Officer takes retirement at the statutory retirement age before the end of the vesting period, the overall allocation rate is apportioned on a prorata basis to reflect the amount of time for which he remained in the employment of Sanofi during the vesting period.</li> </ul>	<ul style="list-style-type: none"> <li>the Board of Directors may temporarily derogate from the approved compensation policy in exceptional circumstances as defined in the policy;</li> <li>the Chief Executive Officer is only awarded performance shares, he is no longer awarded stock options;</li> <li>for performance shares, the comparison is now made with a panel of 12 leading global pharmaceutical companies (instead of 10);</li> <li>the performance condition applicable to the termination benefit has been modified;</li> <li>top-up pension plan arrangements have changed following the entry into force of Order no. 2019-1234 of July 3, 2019 on compensation arrangements for corporate officers of listed companies.</li> </ul>

## Share repurchase program (Fourteenth resolution)

The Board of Directors proposes, in accordance with Articles L. 225-209 et seq of the French Commercial Code, that you renew the authorization to repurchase the Company's own shares granted to the Board of Directors at the Annual General Meeting of April 28, 2020.

In 2020, the Company used those authorizations to repurchase its own shares directly on the market, acquiring 9,668,365 shares at a weighted average price of €84.81 per share, i.e. a total cost of €820 million. Brokerage fees, financial transactions tax and AMF contributions (net of corporate income taxes) amounted to €2.10 million. The Company did not use derivatives to repurchase its own shares.

The Company did not cancel any of its own shares in 2020.

The Company did not make use of liquidity contracts in 2020.

The Company did not have any shares allocated to stock option plans outstanding at December 31, 2020.

In 2020, in addition to the 19,841 shares allocated to performance share plans outstanding at December 31, 2019, the Company:

- purchased 9,668,365 of its own shares at an average weighted price of €84.81, for a total amount of €819,999,839;
- transferred 1,407,499 of its own shares to beneficiaries of performance shares at an average weighted price of €90.20 for a total amount of €126,956,155; and
- created 838 shares for the "Action 2020" employee share ownership plan, which ultimately were not allocated to employees.

As of December 31, 2020, of the 8,281,185 treasury shares held by the Company (representing 0.66% of our share capital), 838 were allocated to a sales objective plan and the remaining 8,280,347 were allocated to covering performance share plans. Consequently, no treasury shares were held as of that date (i) to cover stock option plans or (ii) for liquidity purposes or (iii) with a view to cancellation.

As of December 31, 2020, the Company directly owned 8,281,185 of its own shares with a par value of €2 (representing around 0.66% of our share capital, and with an estimated value of €694 million based on the share price at the time of purchase).

Under the new resolution submitted for your approval, the Company could repurchase its own shares up to the statutory limit of 10% of its share capital at the date of repurchase (i.e. 125,897,173 shares as of December 31, 2020), and the maximum number of treasury shares held after any repurchases could not under any circumstances exceed 10% of the Company's share capital.

The maximum price for repurchases (excluding acquisition-related costs) would be €150 per share, and the total amount allocated to the share repurchase program could not exceed €18,884,575,950 (excluding acquisition-related costs).

It would not be possible to use this authorization in the event of a public tender offer for Sanofi's shares, and its validity would be limited to a period of 18 months. The objectives of the repurchase program that would be implemented pursuant to this authorization are limited by law, and are described in detail in the resolution. Sanofi would be able to repurchase shares itself or through an intermediary. Information about share repurchases is disclosed regularly on our corporate website ([www.sanofi.com](http://www.sanofi.com)).

## II — Extraordinary business

### Financial management of Sanofi (Fifteenth to twenty-sixth resolutions)

#### 1. General description

1. The fifteenth to twenty-fourth resolutions are all intended to entrust the Board – in part, and subject to conditions – with the financial management of the Company, in particular by increasing the share capital using various techniques and for various purposes as explained in the summary table that follows this introduction. Each resolution deals with a specific objective for which the Board would be authorized to increase the share capital. These financial authorizations would give the Board the necessary flexibility to choose from the various possible types of issue at the appropriate time, and to adapt the nature of the financial instruments used to the prevailing conditions and the opportunities available in French and international capital markets. As before, these authorizations would be suspended and hence not usable during the period of a public takeover offer for the Company, except for reducing the share capital by cancellation of treasury shares (fifteenth resolution) and issues of shares or securities giving access to the capital reserved for members of savings plans (twenty-third resolution).

2. Generally speaking, these resolutions fall into two broad categories:

- those which would result in share issues with preemptive rights maintained; and
- those which would result in share issues with preemptive rights waived.

In principle, any cash issue of shares entitles the shareholders to a “preemptive right”, which may be detached and traded separately during the subscription period. In practice this means that each shareholder has a right, exercisable within a minimum of five trading days after the subscription period opens, to subscribe for a quantity of new shares proportionate to that shareholder’s existing interest in the capital.

Depending on market conditions, the type of investor for whom the issue is intended (institutional or private, in France or international) and the type of securities issued, it may be preferable or even necessary to waive the preemptive right so that the shares can be placed on the best possible terms. This applies particularly when speed is of the essence in successfully carrying out an issue, or for issues carried out on foreign financial markets. Such a waiver can facilitate the Company’s access to capital by enabling more favorable issue terms to be obtained. This is why the Board is asking you to grant it, for some of these resolutions, the option of waiving the preemptive right.

In some cases, preemptive rights are automatically waived by law: a vote in favor of the delegations for the Board to issue shares reserved for members of savings plans (twenty-third resolution) or to allot consideration-free shares to employees and corporate officers of the Sanofi group (twenty-fourth resolution) would by law entail express waiver by the shareholders of their preemptive rights in favor of the beneficiaries of those issues or awards.

In applying the proposed resolutions, the Board may decide to offer existing shareholders a priority subscription period.

3. Issuing debt securities with no dilutive effect (i.e. which do not give immediate or future access to equity instruments) does not require specific authorization from the shareholders, but rather falls within the powers of the Board. There is an exception to this general rule in the nineteenth resolution, which has no dilutive effect on the Company’s share capital but is nonetheless submitted for your approval because the law requires your authorization when debt instruments give access to the capital of other companies.

4. These authorizations are of course governed by the law. Firstly, each of these authorizations would be granted for a limited period only – usually 26 months – which means that they are regularly resubmitted for your approval. In addition, the Board may only exercise this authority to increase the share capital up to strictly defined ceilings, above which the Board would no longer be able to increase the share capital without calling a new Extraordinary General Meeting of the shareholders. The ceilings are indicated in the table below.

These specific ceilings are supplemented by an overall ceiling specified in the sixteenth resolution (issue of shares with preemptive rights maintained); that ceiling is set at €997 million and applies to the sixteenth, seventeenth, eighteenth, twentieth and twenty-first resolutions.

We would also draw your attention to the fact that the sixteenth, seventeenth and eighteenth resolutions do not allow capital increases to be reserved for specific persons or categories of persons. Such issues require specific authorization from the shareholders. That is why you are being asked separately, in the eighteenth resolution, to authorize the Board to carry out capital increases reserved for specific persons or categories of persons, so that the Company can rapidly complete placements of securities that are unlikely to attract non-institutional investors.

With regard to the delegations provided for in the seventeenth and eighteenth resolutions, it is specified that, in accordance with Article L. 22-10-52 paragraph 1 of the Commercial Code:

- the issue price of shares issued directly will be at least equal to the minimum stipulated by the applicable



regulations on the date of the issue (as of now, the weighted average of the quoted market prices during the last three trading sessions on the regulated market of Euronext Paris preceding the start date of the public offering minus any discount that may not exceed 10%, after making any adjustment to that average in the event of a difference in the dates of ranking for dividend);

- the issue price of the securities giving access to the share capital and the number of shares to which conversion, redemption or more generally transformation of each security giving access to the share capital would give entitlement will be such that the amount received immediately by the Company plus any amount to be received subsequently by the Company will, for each share issued as a consequence of the issuance of such securities, be at least equal to the minimum subscription price defined in the previous paragraph.

## 2. Reductions in share capital (Fifteenth resolution)

The fifteenth resolution is intended to authorize the cancellation of Sanofi shares held by the Company itself, in particular those obtained through share repurchases as authorized in the fourteenth resolution (assuming that resolution is adopted).

## 3. Issuance of shares as consideration for contributions in kind (Twenty-first resolution)

The twenty-first resolution would authorize the Company to acquire assets by issuing new shares in payment. In cases where this method of financing suits both parties, this authorization would enable the transaction to be completed quickly with no need to call a new Extraordinary General Meeting, which would not only cause delay due to the notice period but would also incur costs that would not be insignificant for the shareholders. Without this authorization, the Company would be at a disadvantage compared with other potential acquirers not subject to French legislation. This resolution requires the waiver of shareholders' preemptive rights.

To protect the interests of shareholders, French law requires Sanofi to appoint an independent appraiser. As with any other financial resolution, any transaction that exceeds the ceiling set in the resolution would require approval from an Extraordinary General Meeting of the shareholders.

## 4. Capital increases by incorporation of share premium, reserves, profits or other items (Twenty-second resolution)

The twenty-second resolution is intended to delegate to the Board of Directors full competence to decide to carry out increases in the share capital, on one or more occasions, in the proportions and at the times it sees fit, by incorporation of share premium, reserves, profits or other sums that may be converted into share capital under the

law and the Company's Articles of Association, in the form of the issuance and consideration-free allotment of new equity instruments or of an increase in the par value of existing equity instruments or by a combination of those two methods.

The aggregate par value of capital increases thus effected may not exceed five hundred million (500,000,000) euros (representing, for indicative purposes, 19.9% of the share capital as of December 31, 2020), bearing in mind that this ceiling is separate and distinct from that set in the sixteenth resolution.

## 5. Employee share ownership (Twenty-third resolution)

The twenty-third resolution relates to share issues reserved for members of Company savings plans, and would enable the Company to continue its drive to increase the interest held by employees in the share capital.

At its meeting of February 5, 2020, the Board of Directors decided to delegate to the Chief Executive Officer the powers necessary to carry out a capital increase reserved for members of the Company savings plan. Every employee subscribing for at least five shares received one additional new share as an employer's top-up contribution. The employer's top-up contribution was capped at four free shares per subscriber, and subscriptions for more than 20 shares gave no entitlement to any further shares by way of employer's top-up contribution. Consequently, subscriptions for 20 or more shares gave entitlement to four shares by way of employer's top-up contribution. The subscription period was open during June 2020.

33,524 employees from nearly 70 countries subscribed for a total of 2,467,101 shares.

Voting rights attached to shares held by FCPE Relais Actions Sanofi are exercised individually by the employees who hold units in the fund; fractional rights are exercised by the fund's Supervisory Board.

Voting rights attached to shares held by FCPE Relais Sanofi Shares are also exercised individually by the employees who hold units in the fund; any rights not exercised by them are exercised by the fund's Supervisory Board.

In each case, the Supervisory Board of the fund includes an equal number of representatives of employees and of Sanofi management.

At its meeting of February 4, 2021, the Board of Directors decided to delegate to the Chief Executive Officer the powers necessary to carry out a capital increase reserved for members of the Company savings plan, to be implemented in the first half of 2021.

As of December 31, 2020, shares held under the Company savings plan by employees of Sanofi, employees of related companies and former employees amounted to 1.81% of the Company's share capital. As of the same date, shares

held in registered form by current and former employees represented 1.20% of the Company's share capital.

Under French law, where (i) Company employees do not hold 3% or more of the share capital or (ii) a cash share issue reserved for employees is being proposed, a resolution authorizing the Board to carry out a share issue must be submitted to the shareholders for approval. The previous such authorization was adopted by the 2019 Annual General Meeting. The Company is therefore required to submit a new resolution to allow employees access to the share capital.

Over and above this legal obligation, the Board of Directors is keen to promote employee share ownership, and to offer employees the chance to subscribe for shares in the Company everywhere that Sanofi has operations. The Company intends to implement an employee share ownership plan within the next 18 months.

Any share issue reserved for employees will comply with the Board's undertaking not to issue more than 10% of the Company's share capital under such plans in any ten-year period. The potential dilution arising from this authorization would be relatively limited, representing only 1% of the share capital.

The present resolution would entail the waiver of preemptive rights, in favor of the Company's employees.

The subscription price of the new shares or securities giving access to the share capital will be determined on the terms stipulated in Articles L. 3332-18 et seq of the French Labor Code and will not be less than the Reference Price (as defined below), less the maximum discount permitted by applicable laws; the Reference Price designates the average of the quoted market prices of the Company's shares on the regulated market of Euronext Paris during the twenty stock exchange trading sessions preceding the date of the decision setting the opening date of the subscription period for members of an entity or group savings plan (or similar).

In the case of issues of shares that may be reserved for employees of companies belonging to the group consisting of the Company and of the French and foreign entities related to the Company on the conditions stipulated in Article L. 225-180 of the French Commercial Code and falling within the scope of the consolidated or combined financial statements of the Company pursuant to Article L. 3344-1 of the French Labor Code and operating in the United States of America, the Board of Directors may decide that the issue price of the new shares will, subject to compliance with applicable French legal and regulatory requirements and in accordance with Section 423 of the United States Internal Revenue Code, be equal to at least 85% of the quoted market price of the Company's shares on the regulated market of Euronext Paris on the date of the decision setting the opening date of the subscription period of the share capital increase reserved for employees of the companies referred to hereabove.

The authorization granted by the twenty-fourth resolution would have a period of validity of 26 months, to align on the legal requirement mentioned above.

## 6. Consideration-free allotments of existing or new shares to some or all of the salaried employees and corporate officers of the Company

### (Twenty-fourth resolution)

The Board of Directors, acting on a recommendation from the Compensation Committee, is asking you to renew the authorization to award performance shares to the Chief Executive Officer and to some or all of the salaried employees of the Sanofi group, on the terms stipulated in the twenty-fourth resolution. This new authorization would cancel and replace the unused portion of any previous authorization for the same purpose.

### Principal terms of the authorization being requested

The terms of the new authorizations have been subject to extended scrutiny by the Board of Directors, based on the recommendations of the Compensation Committee:

- the limit set at 1.5% of the share capital for performance shares would be applied for a period of thirty-eight (38) months;
- an explicit sub-limit of 5% of the total performance share allocation is set within the resolutions for the extent to which the authorization can be used in favor of the Chief Executive Officer; and
- all awards are subject to the attainment of at least two multi-year performance conditions, and to a condition of continuing employment within the Sanofi group. The Board of Directors must determine those conditions at the time the award is made, and will obviously choose internal and external conditions that align on Sanofi's equity-based compensation policy.

### General equity-based compensation policy

Sanofi's overall compensation policy is designed to motivate and reward performance by ensuring that a significant portion of compensation is contingent on the attainment of financial, operational and extra-financial criteria aligned with the corporate interest and with the creation of shareholder value. Variable cash compensation and equity-based compensation are the two principal levers for action.

Equity-based compensation is a critical tool for Sanofi's worldwide attractiveness as an employer, and aims to align employee and shareholder interests and reinforce employees' ties to the Company. As indicated below, and in compliance with French law, equity-based compensation falls within the competence of the Board of Directors, acting on recommendations from the Compensation Committee. The Board of Directors determines the performance conditions attached to equity-based compensation for all beneficiaries at Sanofi and its subsidiaries worldwide. Imposing performance conditions that apply to all beneficiaries worldwide encourages the attainment of

objectives based on consolidated results and Sanofi's balance sheet. Awards of that type of compensation are made on a more decentralized basis, thereby allowing for personalized incentivization mechanisms (for more information about cash-based variable compensation, and on Sanofi's compensation policy in general, visit the Corporate Governance/Compensation page of the corporate website [www.sanofi.com](http://www.sanofi.com)).

As of December 31, 2020, the potential dilution arising from all options and shares that have been awarded but not yet exercised or cancelled, combined with the unused portion of unexpired shareholder authorizations, was 2.35%. Over the last three years, the potential dilution arising from awards of stock options and performance shares (also known as the "burn rate") has averaged 0.30% a year. Our 2020 annual report on Form 20-F includes a description of the outstanding equity-based compensation plans awarded by Sanofi, starting on page 57 for the Chief Executive Officer's plans and on page 64 for the plans awarded to employees, and in particular to members of the Executive Committee. Sanofi's equity-based compensation plan rules are made available to our shareholders on the Corporate Governance/Compensation page of the corporate website ([www.sanofi.com](http://www.sanofi.com)) in the same form as that distributed to our employees.

French law offers a high degree of protection to the interests of shareholders. Equity-based compensation must always be authorized by a resolution adopted at an Extraordinary General Meeting of the shareholders, which temporarily delegates the meeting's powers to the Board so that the Board can issue a pre-determined number of shares subject to strictly-defined conditions. The Board of Directors may not rely on that authorization for longer than thirty-eight (38) months. Once that period has elapsed, a further authorization must be obtained from the shareholders. French law prohibits any award of equity-based compensation to a Board member (unless that Board member is also an employee or executive officer). That is why the shareholders can be certain that any decision by the Board to award equity-based compensation is taken solely in the long-term interests of the Company and its shareholders, ruling out any temptation to make a personal gain. In determining the size and frequency of the awards, the identity of the beneficiaries and the plan conditions, the Board operates strictly within the limits of the shareholder authorization, and cannot delegate such decisions to employees or senior executives of the Company. In making decisions about equity-based compensation, the Board is guided by the recommendations of the Compensation Committee, which in turn meets the independence criteria laid down in the AFEP-MEDEF Code.

### Reducing the dilution of share capital

Under the terms of the compensation policy, equity-based awards consist solely of performance shares, i.e. vesting of the shares is subject to performance conditions. Consequently, employees benefiting under equity-based compensation plans (around 7,200 people in 2020) and the Chief Executive Officer are awarded performance shares only.

The emphasis on performance shares enables the Board to maintain the same level of staff motivation while reducing the dilutive effect for existing shareholders. The Board of Directors believes that this equity-based compensation policy has the effect of considerably reducing potential dilution.

### Multiple, exacting multi-year performance criteria

Under Sanofi's equity-based compensation policy, all awards of performance shares to the Chief Executive Officer and to employees must be wholly contingent upon the attainment of multi-year performance criteria, such that the entire award is at risk if performances do not attain the objectives set. Whether made to executive officers or to employees, awards of performance shares are part of a general policy of promoting shareholder value, in that no award of shares is guaranteed upfront. The Board of Directors takes the view that the multi-year performance criteria should be assessed over a period of at least three (3) years. The Board of Directors makes any plan contingent on at least two distinct performance criteria in order to ensure that Sanofi's equity-based compensation plans incentivize overall performance and do not encourage excessive risk taking. Failure to achieve those criteria over the entire performance measurement period results in the loss of all, or a substantial proportion, of the award. Awards of performance shares are also contingent on continued employment in the Sanofi group during the vesting period.

As an illustration of how this policy is applied in practice, the plans implemented by the Board of Directors at its meeting of April 28, 2020 are contingent on the attainment of two internal performance criteria based on Business Net Income (BNI) and Free Cash Flow (FCF); a third external criterion, measuring Sanofi's performance relative to a panel of pharmaceutical groups in terms of Total Shareholder Return (TSR) is applied solely to the Chief Executive Officer and senior executives.

The Board of Directors believes that the BNI condition reflects the commitment to delivering challenging bottom-line results in a tough business environment; that the FCF condition, introduced in 2019, is aligned with the Company's current strategic objectives, and is easily understood both within and outside Sanofi; and that the TSR condition reflects the drive for Sanofi to perform well against its peers in terms of shareholder returns.

Performance criteria for awards under the 2020 annual plans are measured over a period of three (3) consecutive years. If TSR is below the median, the TSR criterion is not fulfilled. More generally, the business net income objective may not be lower than the bottom end of the full-year guidance range publicly announced by Sanofi at the beginning of each year. A detailed description of these awards, and of the performance criteria for the 2020 plans, is provided in Sanofi's 2020 annual report on Form 20-F, starting on page 120.

The Board imposes stringent performance criteria, the attainment of which is not guaranteed.



## Transparency

Sanofi has for many years adopted a totally transparent approach. All the criteria applied are quantifiable and verifiable. To start with, the Board of Directors publishes the plan rules on the Sanofi corporate website so that shareholders have access to the same information about how the plans work as the beneficiaries. All aspects of the TSR criterion (including the list of the benchmark panel of companies) are also published on the corporate website. This means that anyone can monitor attainment of that criterion in real time. In addition, the business net income objective may not be lower than the bottom end of the full-year guidance range publicly announced by Sanofi at the beginning of each year. Finally, in line with a commitment made by the Board, actual attainment levels for each of the performance criteria are published ex post in the Sanofi annual report on Form 20F.

## Specific restrictions applied to the Chief Executive Officer

Before awarding performance shares to the Chief Executive Officer, the Board of Directors takes into consideration previous awards and his overall compensation. In addition, each authorization granted by the shareholders to the Board of Directors sets an upper limit for awards to executive officers.

The Board proposes capping awards to the Chief Executive Officer at 5% of the total amount specified in the twenty-fourth resolution.

In accordance with Article L. 225-197-1 of the French Commercial Code, the Board of Directors determines what proportion of the shares obtained from vesting of performance shares the Chief Executive Officer is required to retain in registered form until he ceases to hold office. In accordance with the AFEP-MEDEF Code, which seeks to promote share ownership among executive officers, the Board of Directors has also determined the minimum number of shares the Chief Executive Officer must retain in registered form until he ceases to hold office; consequently, at the time of each performance share award the Board of Directors determines how many additional Sanofi shares the Chief Executive Officer must acquire at his own expense. The use of derivative instruments is of course prohibited.

## No equity compensation awards for the Chairman

No equity-based compensation is awarded to the Chairman of the Board of Directors, who receives fixed compensation only. Consequently, the Chairman of the Board of Directors cannot be a beneficiary under performance share plans awarded by the Board on the basis of the twenty-fourth resolution.

## Other principles specified in the AFEP-MEDEF Code

Awards made by the Board of Directors are subject to many other conditions.

In accordance with the AFEP-MEDEF Code, equity-based compensation plans are awarded annually, and are implemented after publication of the annual financial statements.

All current plans require beneficiaries to remain as an executive officer or employee (as the case may be) within

the Sanofi group from the date of the award until the rights arising under the plan are exercised or vest, with only a few strictly-defined exemptions permitted under French law. Sanofi does not award performance share plans with a vesting period of less than three (3) years. Vesting of the plans awarded by Sanofi cannot be accelerated in the event of a change in control of the Company. The Sanofi Compensation Committee meets the independence criteria required by the AFEP-MEDEF Code, and no executive officer of Sanofi sits on that Committee.

## Additional information

Renewal of the authorization to the Board of Directors to award performance shares to the Chief Executive Officer and Sanofi group employees on the terms proposed would generate (via the cumulative effect of those delegations of authority, plus current and newly-authorized equity-based compensation plans) a maximum potential dilution rate of approximately 5.26%, well below the limit of 10% of the share capital.

If the resolution authorizing the Board of Directors to award performance shares is approved, that would by law entail the express waiver by the shareholders of their preemptive rights, in favor of the beneficiaries of those shares. That authorization would be granted for a limited period of thirty-eight (38) months, and would therefore be resubmitted for approval by the shareholders in 2024. The Board of Directors could only increase the share capital within the strictly-defined limits, and any further increase would require a new Extraordinary General Meeting to be called.

## Commitment to dialogue

For many years, Sanofi has engaged in dialogue with stakeholders – especially with shareholders, proxy advisors and shareholder associations – in order to gain a better understanding of market expectations and to benchmark its practices against best practice.

## Amendments to the company's Articles of Association

### (Twenty-fifth and twenty-sixth resolutions)

#### 1. Allowing the Board of Directors to take decisions by written consultation

The so-called "simplification law" (Law no. 2019-744 of July 19, 2019) allows decisions within the competence of the Board of Directors to be made by written consultation with the directors. Where a company's Articles of Association allow for written consultation, decisions that may be taken in that way are the co-opting of a member of the Board (Article L. 225-24 of the French Commercial Code); amending the Articles of Association in order to bring them into compliance with legal and regulatory requirements (Article L. 225-36, para. 2 of the French Commercial Code); calling a General Meeting of the shareholders (Article L. 225-103-I of the French Commercial Code); and transferring the registered office to another place within the same *département*. In order to take advantage of the option offered by this change in the law, we propose in the twenty-fifth resolution that you amend Article 13 of the Company's Articles of Association accordingly.

## 2. Aligning the Articles of Association on the "PACTE" law

In the twenty-sixth resolution, we propose that you amend Articles 14 and 17 of the Company's Articles of Association to take account of new legal provisions relating to (i) the requirement for the strategic orientations of the company's business as determined by the Board of Directors to be in accordance with the corporate interest and to take account of the social and environmental issues relating to its operations, and (ii) the discontinuation of the term "directors' attendance fees", in accordance with the "PACTE" law (Law no. 2019-486 of May 22, 2019).

## Powers

### (Twenty-seventh resolution)

The twenty-seventh resolution is a standard resolution to allow for filings and other legal formalities.

The Board of Directors proposes that you grant powers to carry out filings and other legal formalities required further to the General Meeting.

If you agree with the Board's proposals, please approve the resolutions as submitted for your vote.

The Board of Directors

## Summary table of financial resolutions proposed at the Annual General Meeting of April 30, 2021

### ORDINARY BUSINESS

No.	Purpose	Period of validity	Possible reasons for use of the delegation of authority	Specific ceiling	Price or method for determining price	Other information and comments
14	Authorization to carry out Transactions in shares issued by the Company	18 months	Permitted uses of the shares repurchased by the Company: <ul style="list-style-type: none"> <li>• implementation of stock purchase option plans or similar plans</li> <li>• allotment or transfer of shares to employees</li> <li>• allotment of consideration-free shares to employees or corporate officers</li> <li>• grant of shares linked to stock option plans or other awards to employees or corporate officers of the Company or associated company</li> <li>• delivery of shares or exercise of rights attached to Securities Giving Access To The Share Capital</li> <li>• cancellation of some or all of the repurchased shares (subject to adoption of the 15th resolution)</li> <li>• delivery of shares in connection with an acquisition, merger, demerger or asset-for-share exchange</li> <li>• market-making in the secondary market or maintenance of the liquidity of Sanofi shares by an investment services provider as part of a liquidity contract consistent with the ethics charter approved by the <i>Autorité des Marchés Financiers</i></li> <li>• any transaction that complies with current or future applicable regulations</li> </ul>	<ul style="list-style-type: none"> <li>• the Company may at no time hold a number of shares representing more than 10% of its share capital, as adjusted to reflect transactions affecting the share capital subsequent to the present General Meeting i.e. for information purposes 125,897,173 shares at December 31, 2019</li> <li>• the number of shares acquired with a view to their retention or future delivery in connection with a merger, demerger or asset-for-share exchange may not exceed 5% of the Company's share capital</li> </ul>	Maximum purchase price of €150 per share	This delegation of authority cannot be used during a public tender offer for the Company's shares
15	Cancellation of treasury shares	26 months	Potentially used to reduce the Company's share capital	No more than 10% of the capital may be cancelled during any 24-month period, i.e. for information purposes 125,897,173 shares at December 31, 2020	/	This delegation of Authority cannot be Used during a public Tender offer for the Company's shares

No.	Purpose	Period of validity	Possible reasons for use of the delegation of authority	Specific ceiling	Price or method for determining price	Other information and comments
16	Issuance, with Preemptive Rights maintained, of shares and/or Securities Giving Access To The Share Capital of the Company, of any Subsidiary and/ or of any other company	26 months	Potentially used by the Board of Directors to provide your Company with the financial resources needed to develop the Company and the Group	<ul style="list-style-type: none"> <li>997 million euros, i.e. 39.6% of the capital at December 31, 2020, not including any additional shares issued to preserve the rights of holders of Securities Giving Access To The Share Capital</li> <li>included in the Overall Ceiling of the same amount</li> <li>€7 billion maximum par value for debt instruments, included in the €7 billion Maximum Par Value Amount</li> </ul>	Price set by the Board	<ul style="list-style-type: none"> <li>refer to the glossary for information about Securities Giving Access To The Share Capital</li> <li>possible introduction of a Prorated subscription right</li> <li>possible authorization to issue Securities Giving Access To The Share Capital of Subsidiaries or Affiliates</li> <li>this delegation of authority cannot be used during a public tender offer for the Company's shares</li> </ul>
17	Issuance with Preemptive Rights* cancelled, of shares and/or Securities Giving Access To The Share Capital of the Company, of any Subsidiary and/ or of any other company by public offering	26 months	<ul style="list-style-type: none"> <li>potentially used by the Board of Directors to provide your Company with the financial resources needed to develop the Company and the Group and to carry out issues, without Preemptive Rights for existing shareholders, both on the French and international markets</li> <li>potentially used to issue shares or Securities Giving Access To The Share Capital as consideration for securities of another company meeting the conditions set by article L. 22-10-54 of the French Commercial Code in a public exchange offer initiated by the Company in France or in another country under local rules</li> </ul>	<ul style="list-style-type: none"> <li>240 million euros, i.e. 9.5% of the share capital at December 31, 2020, not including any additional shares issued to preserve the rights of holders of Securities Giving Access To The Share Capital</li> <li>included in the Overall Ceiling of the 16th resolution</li> <li>€7 billion maximum par value for debt instruments, included in the €7 billion Maximum Par Value Amount</li> </ul>	Price set by the Board, at least equal to the Statutory Minimum Price	<ul style="list-style-type: none"> <li>possible authorization to issue Securities Giving Access To The Share Capital of Subsidiaries or Affiliates</li> <li>possible authorization to issue shares or Securities Giving Access To The Share Capital further to issuance of securities giving access to the Company's share capital by Subsidiaries</li> <li>possible Priority Subscription Period</li> <li>this delegation of authority cannot be used during a public tender offer for the Company's shares</li> </ul>
18	Issuance with Preemptive Rights cancelled, of shares and/or Securities Giving Access To The Share Capital of the Company, of any Subsidiary and/ or of any other company via a private placement	26 months	<ul style="list-style-type: none"> <li>potentially used by the Board of Directors to provide the Company with a swifter and simpler means of funding than issuance by public offering with Preemptive Rights maintained</li> <li>intended mainly for professional investors</li> </ul>	<ul style="list-style-type: none"> <li>240 million shares, i.e. 9.5% of the share capital at December 31, 2020, not including any additional shares issued to preserve the rights of holders of Securities Giving Access To The Share Capital</li> <li>included in the ceiling of the same amount specified in the 17th resolution and in the Overall Ceiling</li> <li>€7 billion maximum par value for debt instruments, included in the €7 billion Maximum Par Value Amount</li> </ul>	Price set by the Board, at least equal to the Statutory Minimum Price	<ul style="list-style-type: none"> <li>possible authorization to issue Securities Giving Access To The Share Capital of Subsidiaries or Affiliates</li> <li>possible authorization to issue shares or Securities Giving Access To The Share Capital further to issuance of securities giving access to the Company's share capital by Subsidiaries</li> <li>this delegation of authority cannot be used during a public tender offer for the Company's shares</li> </ul>

No.	Purpose	Period of validity	Possible reasons for use of the delegation of authority	Specific ceiling	Price or method for determining price	Other information and comments
19	Issuance of debt instruments giving access to the share capital of Subsidiaries and/or of any other companies	26 months	Potentially used by the Board of Directors to provide the Company with the financial resources needed to develop the Company and the Group	€7 billion maximum par value for debt instruments, included in the €7 billion Maximum Par Value Amount	Price set by the Board	This delegation of authority cannot be used during a public tender offer for the Company's shares
20	Increasing the number of securities to be issued in the event of a capital increase with or without Preemptive Rights	26 months	Potentially used to reopen a capital increase at the same price as the original issue in the event of oversubscription (also known as a greenshoe clause)	<ul style="list-style-type: none"> <li>for each issue, the ceiling is the regulatory limit applicable on the issue date (currently 15% of the initial issue)</li> <li>included in the 240 million share ceiling set by the 17th resolution (for issues without Preemptive Rights) and in the Overall Ceiling (for any issue)</li> <li>€7 billion maximum par value for debt instruments, included in the €7 billion Maximum Par Value Amount</li> </ul>	Same price as the initial issue Amount	This delegation of authority cannot be used during a public tender offer for the Company's shares
21	Issuance of shares or Securities Giving Access To The Share Capital as consideration for contributions in kind	26 months	Potentially used in connection with acquisitions	<ul style="list-style-type: none"> <li>10% of the capital adjusted to reflect transactions affecting the share capital subsequent to the 2021 Annual General Meeting, i.e. for information purposes 125,897,173 shares at December 31, 2020</li> <li>included in the 240 million share ceiling set by the 17th resolution (for issues without Preemptive Rights) and in the Overall Ceiling</li> <li>€7 billion maximum par value for debt instruments, included in the €7 billion Maximum Par Value</li> </ul>	The Board will rule on the report of the Independent Reporting Accountants, which includes an assessment of the value of the assets transferred	<ul style="list-style-type: none"> <li>as stipulated by law, this delegation of authority cannot be used for consideration provided in connection with a public exchange offer initiated by the Company within the scope of article L. 22-10-54 of the French Commercial Code.</li> <li>this delegation of authority cannot be used during a public tender offer for the Company's shares</li> </ul>
22	Incorporation of share premium, reserves, profits or other items	26 months	Potentially used to incorporate share premium, reserves, profits or other items into the share capital, enabling the capital to be increased without any new money having to be contributed	<ul style="list-style-type: none"> <li>500 million euros</li> </ul>	The Board determines the amounts incorporated, and the quantity of new equity instruments issued and/or the new par value of existing equity instruments determines the amounts incorporated, and and/or and the quantity of new equity instruments issued and/or the new par value of existing equity instruments	This delegation of authority cannot be used during a public tender offer for the Company's shares
23	Issuance of shares or securities giving access to the share capital reserved for members of employee saving plans	26 months	Potentially used to increase employee share ownership in France and abroad, by setting up employee saving plans	<ul style="list-style-type: none"> <li>1% of the share capital on the date the Board decides to use this delegated authority</li> </ul>	Price set by the Board subject to a minimum issue price for the shares or securities giving access capital determined under applicable legislation (a specified percentage of the Reference Price)	This delegation of authority may be used during a public tender offer for the Company's shares

# INFORMATION ABOUT DIRECTORS

## Current composition of the Board of Directors



**Serge Weinberg**  
Chairman of the Board  
of Directors



**Paul Hudson**  
Chief Executive Officer  
Director



**Laurent Attal**  
Director



**Christophe Babule**  
Director



**Bernard Charlès**  
Independent director



**Rachel Duan**  
Independent director



**Lise Kingo**  
Independent director



**Patrick Kron**  
Independent director



**Fabienne Lecorvaisier**  
Independent director



**Melanie Lee**  
Independent director



**Caroline Pivnica**  
Independent director



**Gilles Schnepf**  
Independent director



**Diane Souza**  
Independent director



**Thomas Südhof**  
Independent director



**Marion Palme**  
Director representing  
employees



**Christian Senectaire**  
Director representing  
employees

# Information about Directors

Co-opted director whose appointment is submitted for ratification by the General Meeting

## Gilles Schnepf



Date of birth: October 16, 1958 (aged 62)  
 Nationality: French  
 First appointed: May 2020  
 Term expires: 2022  
 Business address: Sanofi – 54, rue La Boétie – 75008 Paris – France

### Directorships and appointments of Gilles Schnepf

#### WITHIN THE SANOFI GROUP

#### OUTSIDE THE SANOFI GROUP

#### Current directorships and appointments

##### Independent director of Sanofi\*:

- Member of the Audit Committee of Sanofi

##### In French companies

Member of the Board of Directors of Legrand<sup>(a)\*</sup>  
 Member of the Board of Directors of Saint Gobain\*  
 Lead Independent director on the Board of Directors of Danone

##### In foreign companies

None

None

#### Past directorships expiring within the last five years

##### In French companies

None

Vice-Chairman of the Supervisory Board of PSA\*

##### In foreign companies

None

None

### Education and professional experience

- Graduate of HEC business school

2019-2021	Vice-Chairman of the Supervisory Board of PSA
Since 2020	Member of the Board of Directors of Legrand
Since 2009	Member of the Board of Directors of Saint Gobain
2006	Chairman & CEO of Legrand
2004-2006	CEO of Legrand
2001-2004	Deputy CEO of Legrand
1989-2001	Various positions within the Legrand group
1983	Merrill Lynch

### Number of shares held

1,000 shares

(a) Gilles Schnepf's term of office as a director of Legrand expires in 2022, and he has made it known that he will not seek reappointment.



## Serving directors whose reappointment is submitted for approval by the General Meeting

**Fabienne Lecorvaisier**

Date of birth: August 27, 1962 (aged 58)  
 Nationality: French  
 First appointed: May 2013  
 Last reappointment: 2017  
 Term expires: 2021  
 Business address: Sanofi – 54, rue La Boétie – 75008 Paris – France

**Directorships and appointments of Fabienne Lecorvaisier****WITHIN THE SANOFI GROUP****Mandats en cours****Independent director of Sanofi\*:**

- Chairwoman of the Audit Committee of Sanofi

None

**In French companies****Air Liquide Group\*:**

- Director of Air Liquide International
- Chairwoman and Chief Executive Officer of Air Liquide Finance
- Director of Air Liquide Eastern Europe
- Director of The Hydrogen Company
- Director of ANSA (*Association Nationale des Sociétés par Actions*)

**In foreign companies****Groupe Air Liquide \* :**

- *Executive Vice President* d'Air Liquide International Corporation
- Administrateur d'American Air Liquide Holdings, Inc
- Président d'Air Liquide US LLC

**Past directorships expiring within the last five years**

None

**In French companies****Air Liquide Group\*:**

- Director of Air Liquide France Industries, Aqualung International, Air Liquide Welding SA and SOAEO

**In foreign companies**

None

None

**Education and professional experience**

- Civil engineer, graduate of École Nationale des Ponts et Chaussées

**Since July 2017****Executive Vice President, Chief Financial Officer and Executive Committee member of Air Liquide\***

1985-1989

Member of the Corporate Finance Department, then Mergers and Acquisitions Department of Société Générale\*

1989-1990

Senior Banking Executive in charge of the LBO Department (Paris)/Corporate Finance Department (Paris and London) at Barclays

1990-1993

Assistant General Manager of Banque du Louvre, Taiffinger Group

1993-2008

Various positions within Essilor\* including Group Chief Financial Officer (2001-2007) and Chief Strategy and Acquisitions Officer (2007-2008)

Since 2008

Chief Financial Officer and Executive Committee member of Air Liquide\*

**Number of shares held**

1,000 shares

**Melanie Lee**



Date of birth: July 29, 1958 (aged 62)  
 Nationality: British  
 First elected: May 2017  
 Term expires: 2021  
 Business address: Sanofi – 54, rue La Boétie – 75008 Paris – France

**Directorships and appointments of Melanie Lee**

**WITHIN THE SANOFI GROUP**

**OUTSIDE THE SANOFI GROUP**

**Current directorships and appointments**

**In French companies**

Independent director of Sanofi\*:  
 • Member of the Scientific Committee of Sanofi  
 • Member of the Appointments, Governance and CSR Committee of Sanofi

None

**In foreign companies**

None

Director of Think10 (United Kingdom)  
 Director of Lee Smith Properties Ltd (United Kingdom)

**Past directorships expiring within the last five years**

**In French companies**

None

None

**In foreign companies**

None

Director of Syntaxin Ltd.\* (United Kingdom)  
 Director of BTG plc.\* (United Kingdom)  
 Non-executive director of Lundbeck A/S (Denmark)  
 Director of NightstarRx Ltd. (United Kingdom)  
 Executive director of Celltech plc

**Education and professional experience**

- Degree in Biology, University of York
- Ph.D. from the National Institute for Medical Research, London
- Commander of the Order of the British Empire award in 2009 for services to medical science

<b>Since 2018</b>	<b>Chief Executive Officer of LifeArc (United Kingdom)</b>
1988-1998	Senior Biologist and subsequently Research Unit Head, Receptor Systems at Glaxo/GlaxoWellcome (United Kingdom)
2004-2007	Chairwoman of the Board of Directors of Cancer Research Technology Ltd. United Kingdom
1998-2009	Executive director of Research at Celltech plc., and subsequently Executive Vice President, Research and President New Medicines at UCB Celltech (United Kingdom)
2003-2011	Deputy Chairwoman of Cancer Research UK (United Kingdom)
2009-2013	Chief Executive Officer and director of Syntaxin Ltd.* (United Kingdom)
2014	Founder of NightstarRx Ltd. (United Kingdom)
2014	Named as one of the "leading practical scientists" in the UK by the Science Council
2011-2015	Non-executive director of Lundbeck A/S (Denmark)
2014-2018	Chief Scientific Officer of BTG plc* (United Kingdom)
Since 2013	Director and Consultant, Think10 (United Kingdom)
2019	Bio Industry Association (BIA) lifetime achievement award

**Number of shares held**

1,000 shares

## Whose appointment is submitted for approval by the General Meeting

**Barbara Lavernos**

Date of birth: April 22, 1968 (aged 52)  
 Nationality: French and German  
 First appointed: N/A  
 Term expires: N/A  
 Business address: Sanofi – 54, rue La Boétie – 75008 Paris – France

**Directorships and appointments of Barbara Lavernos****WITHIN THE SANOFI GROUP****OUTSIDE THE SANOFI GROUP****Mandats en cours**

	<b>In French companies</b>
None	None
	<b>In foreign companies</b>
None	None

**Past directorships expiring within the last five years**

	<b>In French companies</b>
None	None
	<b>In foreign companies</b>
None	None

**Education and professional experience**

- Graduate from the School of Advanced Studies of Chemical Engineering (*HEI France*)

Since February 2021	<b>President of Research, Innovation and Technology of L'Oréal</b>
1991-1994	Purchasing Manager at the Aulnay Plant of L'Oréal
1994-1997	Director of Purchasing for the Ormes make-up and fragrance factory of L'Oréal
1997-2000	Head of Product Development for the Consumer Products Division of L'Oréal
2000-2004	Director of the Rambouillet plant of L'Oréal
2004-2012	Chief Procurement Officer of direct and indirect purchases of L'Oréal
2012-2014	General Manager of Travel Retail of L'Oréal Luxe
2014-2021	Chief Operations Officer and member of the Executive Committee of L'Oréal
Since 2014	Member of the Executive Committee of L'Oréal*
Since 201	Leader of the "IT revolution" of L'Oréal

# PROPOSED RESOLUTIONS

## Ordinary business

### 1. Approval of the individual company financial statements for the year ended December 31, 2020

The General Meeting, voting on the quorum and majority conditions for Ordinary General Meetings, having reviewed the reports of the Board of Directors and of the statutory auditors, approves as presented the individual company financial statements for the year ended December 31, 2020 comprising the balance sheet, the income statement and the notes thereto, as well as the transactions reflected in those financial statements and summarized in those reports, showing a profit of €8,199,648,504.66.

Pursuant to Article 223 quater of the French General Tax Code, the General Meeting approves those expenses and charges that are non-deductible for tax purposes under Article 39.4 of said Code and which amount to €42,278.62 for the year ended December 31, 2020, as well as the tax incurred on the basis of those expenses and charges, which amounts to €13,537.61.

### 2. Approval of the consolidated financial statements for the year ended December 31, 2020

The General Meeting, voting on the quorum and majority conditions for Ordinary Meetings, having reviewed the

reports of the Board of Directors and of the statutory auditors, approves as presented the consolidated financial statements for the year ended December 31, 2020 comprising the balance sheet, the income statement and the notes thereto, as well as the transactions reflected in those financial statements and summarized in those reports.

### 3. Appropriation of results for the year ended December 31, 2020 and declaration of dividend

The General Meeting, voting on the quorum and majority conditions for Ordinary General Meetings, having reviewed the reports of the Board of Directors and of the statutory auditors, notes that the financial statements for the year ended December 31, 2020 as approved by this meeting show a profit for the year ended December 31, 2020 of €8,199,648,504.66 and that, after retained earnings brought forward of €22,202,689,858.67, distributable profits amount to €30,402,338,363.33.

The General Meeting, acting on a proposal from the Board of Directors, resolves to appropriate the results for the year ended December 31, 2020 as follows:

Profit for the 2020 financial year		€8,199,648,504.66
Retained earnings brought forward	+	€22,202,689,858.67
Appropriation to the legal reserve		€- <sup>(a)</sup>
<b>Distributable profits</b>	<b>=</b>	<b>€30,402,338,363.33</b>
To be appropriated as follows:		
To the payment of dividends		€4,002,209,769.60 <sup>(b)</sup>
To be carried forward as retained earnings		€26,400,128,593.73

(a) The amount of the legal reserve having reached 10% of the share capital, no appropriation to that reserve is proposed.

(b) The total amount of the dividend distribution shown above is calculated on the basis of the number of shares entitled to dividend as of December 31, 2020, i.e. 1,250,690,553, and may change if the number of shares entitled to dividend changes between January 1, 2021 and the dividend ex-date, in particular as a result of changes in the number of treasury shares, the vesting of consideration-free shares and the exercise of stock options (if the beneficiary is entitled to dividend under the rules of the relevant plan).

Consequently, the General Meeting resolves to pay a dividend of €3.20 per share, i.e. €4,002,209,769.60, the balance being carried forward as retained earnings.

In accordance with Article 243bis of the French General Tax Code, the General Meeting notes that the dividends paid out in respect of the previous three financial years and the amounts eligible for the 40% tax relief specified in Article 158-3-2 of that Code are as follows:

Financial year	Number of shares carrying dividend rights	Dividend per share	Revenues distributed	
			Eligible for the 40% tax relief mentioned in Article 158.3.2 of the General Tax Code	
2018	1,248,983,087	€3.07 <sup>(a)</sup>	€3.07 <sup>(a)</sup>	€3.07 <sup>(a)</sup>
2019	1,249,844,636	€3.15 <sup>(a)</sup>	€3.15 <sup>(a)</sup>	€3.15 <sup>(a)</sup>
2020	1,250,690,553	€3.20 <sup>(a)</sup>	€3.20 <sup>(a)</sup>	€3.20 <sup>(a)</sup>

(a) The full amount of the proposed dividend is eligible for the tax relief specified in Article 158-3-2 of the French General Tax Code, to which natural persons resident in France for tax purposes are entitled on condition that they have elected the global option for taxation on the progressive income tax scale specified in paragraph 2 of Article 200A of that Code.

The ex-date for this dividend on Euronext Paris will be May 5, 2021 and the payment date will be May 7, 2021.

If on the payment date the number of shares carrying dividend rights in respect of the year ended December 31, 2020 were to be lower than the maximum number of shares potentially entitled to dividend indicated above, the profits corresponding to the dividend not distributed in respect of those shares would be appropriated to retained earnings.

#### 4. Ratification of the co-opting of Gilles Schnepf as a director

The General Meeting, voting on the quorum and majority conditions for Ordinary General Meetings, having reviewed the Board of Directors' report, ratifies the co-opting, in accordance with Article L. 225-24 of the French Commercial Code, of Gilles Schnepf as a director, effective from May 22, 2020, for the remainder of his predecessor's term of office, expiring at the close of the Ordinary General Meeting called in 2022 to approve the financial statements for the year ending December 31, 2021.

#### 5. Reappointment of Fabienne Lecorvaisier as a director

The General Meeting, voting on the quorum and majority conditions for Ordinary General Meetings, having reviewed the Board of Directors' report, notes that the term of office of Fabienne Lecorvaisier as a director expires this day and resolves to reappoint her as a director for a four-year term of office as stipulated in the Articles of Association, to expire at the close of the Ordinary General Meeting called in 2025 to approve the financial statements for the year ending December 31, 2024.

#### 6. Reappointment of Melanie Lee as a director

The General Meeting, voting on the quorum and majority conditions for Ordinary General Meetings, having reviewed

the Board of Directors' report, notes that the term of office of Melanie Lee as a director expires this day and resolves to reappoint her as a director for a four-year term of office as stipulated in the Articles of Association, to expire at the close of the Ordinary General Meeting called in 2025 to approve the financial statements for the year ending December 31, 2024.

#### 7. Appointment of Barbara Lavernos as a director

The General Meeting, voting on the quorum and majority conditions for Ordinary General Meetings, after having reviewed the Board of Directors' report, appoints Barbara Lavernos as a director for a four-year term of office as stipulated in the Articles of Association, to expire at the close of the Ordinary General Meeting called in 2025 to approve the financial statements for the year ending December 31, 2024.

#### 8. Approval of the report on the compensation of corporate officers issued in accordance with Article L. 22-10-9 of the French Commercial Code

The General Meeting, voting on the quorum and majority conditions for Ordinary General Meetings, in accordance with Article L. 22-10-34 II of the French Commercial Code, approves the report on the compensation of corporate officers containing the information specified in Article L. 22-10-9 I as presented in the report on corporate governance of the Board of Directors referred to in Article L. 225-37 of that Code (in the 2020 *Document d'enregistrement universel*, Chapter 1, section "1.2 Gouvernement d'entreprise — 5 Rémunérations — 5.A. Rémunérations et engagements pris au bénéfice des mandataires sociaux — 5.A.B. Éléments de rémunération et avantages de toute nature versés au cours ou attribués au titre de 2020 aux mandataires sociaux")<sup>(1)</sup>.

### 9. Approval of the components of the compensation paid or awarded in respect of the year ended December 31, 2020 to Serge Weinberg, Chairman of the Board

The General Meeting, voting on the quorum and majority conditions for Ordinary General Meetings, in accordance with Article L. 22-10-34 II of the French Commercial Code, approves the fixed, variable and exceptional components of the total compensation and benefits of whatever kind paid in respect of the previous financial year or awarded in respect of that year to Serge Weinberg in his capacity as Chairman of the Board of Directors, as presented in the report on corporate governance of the Board of Directors referred to in Article L. 225-37 of that Code (2020 *Document d'enregistrement universel*, chapter 1, section "1.2. *Gouvernement d'entreprise* — 5. *Rémunérations* — 5.A. *Rémunérations et engagements pris au bénéfice des mandataires sociaux* — 5.A.B. *Éléments de rémunération et avantages de toute nature versés au cours ou attribués au titre de 2020 aux mandataires sociaux*")<sup>(1)</sup>.

### 10. Approval of the components of the compensation paid or awarded in respect of the year ended December 31, 2020 to Paul Hudson, Chief Executive Officer

The General Meeting, voting on the quorum and majority conditions for Ordinary General Meetings, in accordance with Article L. 22-10-34 II of the French Commercial Code, approves the fixed, variable and exceptional components comprising the total compensation and benefits of whatever kind paid in respect of the previous financial year or awarded in respect of that year to Paul Hudson in his capacity as Chief Executive Officer, as presented in the report on the corporate governance of the Board of Directors referred to in Article L. 225-37 of that Code (2020 *Document d'enregistrement universel*, chapter 1, section "1.2. *Gouvernement d'entreprise* — 5. *Rémunérations* — 5.A. *Rémunérations et engagements pris au bénéfice des mandataires sociaux* — 5.A.B. *Éléments de rémunération et avantages de toute nature versés au cours ou attribués au titre de 2020 aux mandataires sociaux*")<sup>(1)</sup> and the addendum to the notice of meeting which is posted on the Company's website.

### 11. Approval of the compensation policy for directors

The General Meeting, voting on the quorum and majority conditions for Ordinary General Meetings, having reviewed the report on corporate governance of the Board of Directors referred to in Article L. 225-37 of the French Commercial Code, approves in accordance with Article L. 22-10-8 of that Code the compensation policy for directors, as presented in that report (in the 2020 *Document d'enregistrement universel*, Chapter 1, Section "1.2. *Gouvernement d'entreprise* — 5. *Rémunérations* — 5.A. *Rémunérations et engagements pris au bénéfice des mandataires sociaux* — 5.A.A. *Politique de rémunération des mandataires sociaux* — 1. *Politique de rémunération des administrateurs*")<sup>(2)</sup>.

### 12. Approval of the compensation policy for the Chairman of the Board of Directors

The General Meeting, voting on the quorum and majority conditions for Ordinary General Meetings, having reviewed the report on corporate governance of the Board of Directors referred to in Article L. 225-37 of the French Commercial Code, approves in accordance with Article L. 22-10-8 of that Code the compensation policy for the Chairman of the Board of Directors, as presented in that report (in the 2020 *Document d'enregistrement universel*, Chapter 1, Section "1.2. *Gouvernement d'entreprise* — 5. *Rémunérations* — 5.A. *Rémunérations et engagements pris au bénéfice des mandataires sociaux* — 5.A.A. *Politique de rémunération des mandataires sociaux* — 2. *Politique de rémunération du Président du Conseil d'administration*")<sup>(3)</sup>.

### 13. Approval of the compensation policy for the Chief Executive Officer

The General Meeting, voting on the quorum and majority conditions for Ordinary General Meetings, having reviewed the report on corporate governance of the Board of Directors referred to in Article L. 225-37 of the French Commercial Code, approves in accordance with Article L. 22-10-8 of that Code the compensation policy for the Chief Executive Officer, as presented in that report (in the 2020 *Document d'enregistrement universel*, Chapter 1, Section "1.2. *Gouvernement d'entreprise* — 5. *Rémunérations* — 5.A. *Rémunérations et engagements pris au bénéfice des mandataires sociaux* — 5.A.A. *Politique de rémunération des mandataires sociaux* — 3. *Politique de rémunération du Directeur Général*")<sup>(4)</sup>.

(1) Available in French only. The English-language equivalent of this report is contained in "Item 6.B – Compensation" of Sanofi's 2020 annual report on Form 20-F (refer to section entitled "Compensation and benefits of all kinds paid during 2020 or awarded in respect of 2020 to corporate officers").

(2) Available in French only. The English-language equivalent of this report is contained in "Item 6.B – Compensation" of Sanofi's 2020 annual report on Form 20-F (refer to section entitled "Compensation policy for directors").

(3) Available in French only. The English-language equivalent of this report is contained in "Item 6.B – Compensation" of Sanofi's 2020 annual report on Form 20-F (refer to section entitled "Compensation policy for the Chairman of the Board of Directors").

(4) Available in French only. The English-language equivalent of this report is contained in "Item 6.B – Compensation" of Sanofi's 2020 annual report on Form 20-F (refer to section entitled "Compensation policy for the Chief Executive Officer").



#### 14. Authorization to the Board of Directors to carry out transactions in the Company's shares (usable outside the period of a public tender offer)

The General Meeting, voting on the quorum and majority conditions for Ordinary Meetings, having reviewed the Board of Directors' report and the information contained in the description of the program prepared in accordance with Articles 241-1 et seq of the General Regulation of the *Autorité des marchés financiers*, authorizes the Board of Directors, with powers to subdelegate within the law, in accordance with (i) Articles L. 255-177 et seq of the French Commercial Code, (ii) European Regulation (EU) no. 596/2014 of April 16, 2014 on market abuse and (iii) the General Regulation of the *Autorité des marchés financiers*, to purchase, arrange for the purchase of, or sell shares in the Company, with a view to:

- the implementation of any Company stock option plan under the terms of Articles L. 255-177 et seq of the French Commercial Code or any similar plan; or
- the allotment or sale of shares to employees under the French statutory profit-sharing scheme or the implementation of any entity or group (or similar) savings plan on the conditions stipulated by law, in particular Articles L. 3332-1 et seq of the French Labor Code, including via a consideration-free allotment of such shares by way of top-up employer's contribution and/or in substitution for discount, in accordance with the relevant laws and regulations; or
- the consideration-free allotment of shares under the terms of Articles L. 225-197 et seq of the French Commercial Code; or
- generally, the honoring of obligations relating to stock option programs or other share allotments to employees or corporate officers of the Company or of an associated entity; or
- the delivery of shares on the exercise of rights attached to securities giving access to the share capital by redemption, conversion, exchange, presentation of a warrant or any other means; or
- the cancellation of some or all of the shares purchased; or
- the delivery of shares (in exchange, as payment, or otherwise) in connection with acquisitions, mergers, demergers or asset-for-share exchanges; or
- market-making in the secondary market or maintenance of the liquidity of Sanofi shares by an investment services provider under a liquidity contract that complies with the ethical code recognized by the *Autorité des marchés financiers*.

This program is also intended to allow the Company to trade in its own shares on or off market in connection with any other objective authorized by applicable regulations or any other market practice that is accepted or may be authorized at the date of the transaction in question. In such cases, the Company will inform its shareholders by means of a press release.

Purchases of the Company's own shares may be made such that:

- the number of shares acquired by the Company during the repurchase program may not exceed 10% of the shares which constitute the then share capital of the Company, such percentage being applied to a share capital figure adjusted to reflect transactions affecting the share capital subsequent to the present General Meeting (as an indication, 125,897,173 shares as at December 31, 2020), it being stipulated that (i) the number of shares acquired with a view to their retention and future delivery in connection with a merger, demerger or asset-for-share exchange may not exceed 5% of the Company's share capital; and (ii) where the shares are repurchased to improve the liquidity of Sanofi shares on the conditions specified by the *Autorité des Marchés Financiers*, the number of shares taken into account in calculating the 10% limit mentioned above will be the number of shares purchased minus the number of shares resold during the period of the authorization;
- the number of own shares held by the Company at any time may not exceed 10% of the shares which constitute the share capital of the Company on the date in question.

Acquisitions, sales, exchanges and transfers of shares may be made at any time, other than during the period of a public tender offer for the Company's shares, subject to the limits authorized by the laws and regulations in force, on one or more occasions and by any means, on regulated markets or via a multilateral trading facility or a systematic internalizer or over the counter, including by block purchases or sales (with no limit on the portion of the share repurchase program that can be carried out by this means), by public cash offer or public exchange offer or by the use of options or other derivative forward financial instruments or by the implementation of option-based strategies or by delivery of shares arising from the issuance of securities giving access to the Company's share capital by conversion, exchange, redemption, presentation of a warrant or any other means, either directly or indirectly through a third party acting on the Company's behalf under the conditions specified in Article L. 225-206 of the French Commercial Code.

The maximum purchase price of shares under the present resolution will be €150 per share, excluding acquisition-related costs (or the equivalent value of this amount as at the same date in any other currency or currency unit established by reference to more than one currency).

The General Meeting delegates to the Board of Directors powers to adjust the aforementioned maximum purchase price in the event of a change in the par value of the share, increase in share capital by incorporation of reserves, consideration-free allotment of shares, stock split or reverse stock split, distribution of reserves or of any other assets, redemption of share capital, or any other transaction affecting shareholders' equity, so as to take account of the impact of such transactions on the value of the shares.

The total amount allocated to the share repurchase program authorized above may not exceed €18,884,575,950, excluding acquisition-related costs (or the equivalent value of this amount as at the same date in any other currency or currency unit established by reference to more than one currency).

Shares repurchased and retained by the Company will be stripped of voting rights and will not be entitled to receive dividend.

The General Meeting confers full powers on the Board of Directors, with powers to subdelegate within the law, to decide on and implement the present authorization and if necessary to specify the conditions and determine the terms thereof, to implement the share repurchase program,

and in particular to place stock market orders, enter into agreements, allocate or reallocate acquired shares to desired objectives subject to the applicable legal and regulatory conditions, set any terms and conditions that may be necessary to preserve the rights of holders of securities or options in accordance with legal, regulatory or contractual stipulations, make declarations to the *Autorité des Marchés Financiers* or any other competent authority, accomplish all other formalities and generally do all that is necessary.

This authorization deprives of effect from this day any unused portion of any previous authorization to the Board of Directors for the same purpose, i.e. any authorization to carry out transactions in the Company's shares. It is granted for a period of eighteen (18) months from this day.

## Extraordinary business

### 15. Authorization to the Board of Directors to reduce the share capital by cancellation of treasury shares

The General Meeting, voting on the quorum and majority conditions for Extraordinary General Meetings, having reviewed the Board of Directors' report and the statutory auditors' Special report, authorizes the Board of Directors to reduce the share capital, on one or more occasions, other than during the period of a public tender offer for the Company's shares, in the proportions and at the times it sees fit, by cancellation of whatever number of treasury shares it sees fit up to the limits authorized by law, in accordance with Articles L. 22-10-62 and L. 225-213 of the French Commercial Code.

The maximum number of shares that may be cancelled by the Company by virtue of the present authorization is ten per cent (10%) of the shares comprising the then share capital of the Company (i.e. as an indication, as at December 31, 2020, 125,897,173 shares), at any time and during any period of twenty-four months, it being understood that such limit applies to an amount for the Company's share capital that will be adjusted to reflect any transactions affecting the share capital subsequent to the present General Meeting.

The difference between the carrying amount of the cancelled shares and their par value amount may be allocated to any available reserve or premium account.

The General Meeting confers full powers on the Board of Directors, with powers to subdelegate, to carry out such cancellation(s) and reduction(s) of share capital as may be carried out under the present authorization, amend the Articles of Association accordingly and accomplish all formalities.

This authorization deprives of effect from this day any unused portion of any previous authorization granted for the same purpose as that covered by the present resolution. It is granted for a period of twenty-six (26) months from this day.

### 16 . Delegation to the Board of Directors of competence to decide to issue, with preemptive rights maintained, shares and/or securities giving access to the share capital of the Company, of any subsidiary, and/or of any other company (usable outside the period of a public tender offer)

The General Meeting, voting on the quorum and majority conditions for Extraordinary General Meetings, having reviewed the Board of Directors' report and the statutory auditors' Special report, and in accordance with Articles L. 225-129, L. 225-129-2 et seq, L. 22-10-49 and L. 228-91 et seq of the French Commercial Code:

1. delegates to the Board of Directors, with powers to subdelegate within the law, its competence to decide to issue, on one or more occasions, in France or abroad, in the proportions and at the times it sees fit, with preemptive rights maintained, in euros or in any other currency or currency unit established by reference to more than one currency, whether for valuable consideration or free of consideration, (i) ordinary shares of the Company and/or (ii) securities which are (a) equity instruments of the Company giving access to other equity instruments of the Company and/or giving entitlement to the allotment of debt instruments of the Company, (b) debt instruments giving access to future equity instruments of the Company, such instruments also potentially giving access to existing equity instruments and/or giving entitlement to the allotment of debt instruments of the Company, (c) equity instruments of the Company giving access to existing or

future equity instruments issued by companies of which the Company directly or indirectly owns more than half of the share capital at the time of issue and/or giving entitlement to the allotment of debt instruments of such companies, and/or (d) equity instruments of the Company giving access to existing equity instruments of companies of which the Company does not directly or indirectly own more than half of the share capital at the time of issue and/or giving entitlement to the allotment of debt instruments of such companies;

2. resolves that subscription for the shares and other securities mentioned in paragraph 1 of the present resolution may be in cash, or by offset of debt, or in part by incorporation of reserves, profits or share premium;

3. resolves to set the following limits to share capital increases authorized to be carried out in the event of use by the Board of Directors of the present delegation of competence:

- the total aggregate par value of immediate and/or deferred share capital increases that may be carried out under the present delegation is set at nine hundred and ninety-seven million (997,000,000) euros (representing, for indicative purposes, 39.6% of the share capital as of December 31, 2020) or the equivalent in any other currency or currency unit established by reference to more than one currency, it being stipulated that the total aggregate par value of increases in the Company's share capital made under the present delegation and under those granted by the seventeenth, eighteenth, twentieth and twenty-first resolutions of the present meeting is set at nine hundred and ninety-seven million (997,000,000) euros (representing, for indicative purposes, 39.6% of the share capital as of December 31, 2020) or the equivalent in any other currency or currency unit established by reference to more than one currency,
- added to those ceilings will be the aggregate par value of any additional shares that may be issued in the event of new share capital transactions in order to preserve the rights of holders of securities giving access to the share capital;

4. resolves to set the maximum par value amount of debt instruments of the Company that may be issued under the present delegation at seven billion (7,000,000,000) euros or the equivalent in any other currency or currency unit established by reference to more than one currency, it being stipulated that the maximum aggregate par value of debt instruments of the Company that may be issued under the present delegation and under those granted by the seventeenth to twenty-first resolutions of the present meeting is set at seven billion (7,000,000,000) euros or the equivalent in any other currency or currency unit established by reference to more than one currency;

5. in the event the Board of Directors makes use of the present delegation:

- resolves that the issue(s) will be reserved in priority for the shareholders, who may make irreducible subscriptions in proportion to the number of shares owned by them at the time,
  - formally notes the fact that the Board of Directors has the option of instituting prorated subscription rights,
  - formally notes that any issuance decided upon under the present delegation of competence will entail waiver, in favor of the holders of the securities thereby issued that give access to equity instruments of the Company, by the Company's shareholders of their preemptive rights in respect of the new shares to which such securities will give immediate and/or deferred entitlement,
  - formally notes that, in accordance with Article L. 228-93 of the French Commercial Code, a decision under the present delegation to carry out an issue of the securities mentioned in item 1 (ii) (c) above will, if such securities give access to future equity instruments to be issued by a company of which the Company directly or indirectly holds more than half of the share capital at the time of issue, require the approval of an Extraordinary General Meeting of that company,
  - resolves, in the event of an issue of ordinary shares and/or securities, in accordance with Article L. 225-134 of the French Commercial Code, that if irreducible subscriptions and any prorated subscriptions do not absorb the entire issue, the Board of Directors may use in the order it sees fit, any or all of the options listed below:
    - ◆ limit the amount of the issue to the amount of subscriptions, provided that the amount of the share capital increase reaches at least three-quarters of the amount of the share capital increase initially decided upon,
    - ◆ allocate at its discretion some of all of the unsubscribed shares or securities,
    - ◆ offer to the public, on the French market or on a foreign market, some or all of the unsubscribed shares or securities;
  - resolves that issues of warrants giving entitlement to subscribe for the Company's shares may be carried out not only by subscription but also by consideration-free allotment of warrants to holders of existing shares, it being stipulated that fractional allotment rights will be neither negotiable nor transferable and that the corresponding securities will be sold;
6. The Board of Directors, with powers to subdelegate within the law, may implement the present delegation of competence, and in particular may:
- decide to carry out the issue and determine the securities to be issued,
  - in the event of an immediate and/or deferred issue of ordinary shares, determine the amount of the issue, the price of the issue, and the amount of any premium that may be required on issuance,

- determine the dates and terms of the issue and the nature, number and characteristics of the securities to be issued, and in the case of issues of debt securities determine also whether or not they will be subordinated (and where relevant their subordination ranking); amend, during the life of the securities in question, the above terms, in compliance with the applicable formalities,
- determine the method of payment for shares or securities giving access to the share capital to be issued in immediate and/or deferred issues,
- set the terms for the exercise of rights (in particular rights to conversion, exchange or redemption as the case may be, including by delivery of Company assets such as treasury shares) attached to the securities, and in particular set the date, which may be retroactive, from which the new shares to be issued will rank for dividend, and all other terms and conditions for the completion of the issue,
- set the terms on which the Company will have the option of purchasing or exchanging on the stock market, at any time or during specified periods, securities issued or to be issued in an immediate and/or deferred issue, whether or not such purchase or exchange be made with a view to cancellation thereof in accordance with the law,
- allow for the option of suspending the exercise of the rights attached to the securities thereby issued, in compliance with the laws and regulations,
- at its sole discretion, charge the cost of share capital increases against the premium arising thereon, and deduct from such premium the sums necessary to increase the legal reserve,
- determine and make all adjustments to take account of the impact of transactions, in particular those involving the shareholders' equity of the Company, and set all other terms enabling, in compliance with legal and regulatory requirements and with any contractual stipulations, the rights of holders of securities giving access to the share capital to be preserved (including by means of cash adjustments),
- duly record completion of each share capital increase and make the corresponding amendments to the Articles of Association,
- generally, enter into all agreements, in particular to ensure completion of the proposed issues, take all measures and accomplish all formalities for the issuance, listing and financial administration of securities issued by virtue of the present delegation and for the exercise of the rights attached thereto;

7. formally notes the fact that, in the event the Board of Directors uses the delegation of competence granted to it by the present resolution, the Board of Directors will report to the next following Ordinary General Meeting, in accordance with the laws and regulations, on the use made of the authorizations conferred in the present resolution;

8. formally notes that the present delegation deprives of effect from this day any unused portion of any prior delegation having the same purpose as that covered by the present resolution;

9. sets the period of validity of the delegation of competence covered by the present resolution at twenty-six (26) months from the date of the present meeting, it being stipulated however that the Board of Directors will not be authorized to decide to carry out a share capital increase under the present delegation of competence during the period of a public tender offer for the Company's shares.

**17. Delegation to the Board of Directors of competence to decide to issue, with preemptive rights cancelled, shares and/or securities giving access to the share capital of the Company, of any subsidiary, and/or of any other company, via a public offering other than the type specified in Article L. 411-2-1 of the French Monetary and Financial Code (usable outside the period of a public tender offer)**

The General Meeting, voting on the quorum and majority conditions for Extraordinary General Meetings, having reviewed the Board of Directors' report and the statutory auditors' Special report, and in accordance with Articles L. 225-129, L. 225-129.2 et seq, L. 22-10-51, L. 22-10-52, L. 22-10-54 and L. 228-91 et seq of the French Commercial Code:

1. delegates to the Board of Directors, with powers to subdelegate within the law, its competence to decide to issue, on one or more occasions, in France or abroad, in the proportions and at the times it sees fit, with preemptive rights cancelled, via public offering(s) other than those referred to in Article L. 411-2-1 of the French Monetary and Financial Code, in euros or in any other currency or currency unit established by reference to more than one currency, whether for valuable consideration or free of consideration, (i) ordinary shares of the Company and/or (ii) securities governed by Articles L. 228-91 et seq of the French Commercial Code which are (a) equity instruments of the Company giving access to other equity instruments of the Company and/or giving entitlement to the allotment of debt instruments of the Company, (b) debt instruments giving access to future equity instruments of the Company, such instruments also potentially giving access to existing equity instruments and/or giving entitlement to the allotment of debt instruments of the Company, (c) equity instruments of the Company giving access to existing or future equity instruments issued by companies of which the Company directly or indirectly owns more than half of the share capital at the time of issue and/or giving entitlement to the allotment of debt instruments of such companies, and/or (d) equity instruments of the Company giving access to existing equity instruments of companies of which the Company does not directly or indirectly own more than half of the share capital at the time of issue and/or giving entitlement to the allotment of debt instruments of such companies;



2. resolves that subscription for the shares and other securities mentioned in paragraph 1 of the present resolution may be in cash, or by offset of debt, or in part by incorporation of reserves, profits or share premium. Such shares and/or securities may be issued as consideration for securities that may be contributed to the Company in connection with a public tender offer with an exchange component initiated by the Company in France or abroad under local rules relating to securities meeting the conditions laid down in Article L. 22-10-54 of the French Commercial Code;

3. delegates to the Board of Directors, with powers to subdelegate within the law, its competence to decide upon issues of ordinary shares or of the securities mentioned in items (ii) (a) and (ii) (b) of paragraph 1 above to be carried out further to the issuance, by companies of which the Company directly or indirectly owns more than half of the share capital at the time of issue, of securities giving access to future ordinary shares of the Company or to future securities as mentioned in items (ii) (a) and (ii) (b) of paragraph 1 above. Issuance by such companies of the aforementioned securities will entail unconditional waiver, in favor of the holders of those securities, by the Company's shareholders of their preemptive rights in respect of the ordinary shares or the securities mentioned in items (ii) (a) and (ii) (b) of paragraph 1 above to which the securities thereby issued by those companies will give entitlement, and in respect of the future shares of the Company to which the securities mentioned in items (ii) (a) and (ii) (b) of paragraph 1 above would give entitlement;

4. resolves to set the following limits to the amount of issues authorized to be carried out by the Company in the event of use by the Board of Directors of the present delegation of competence:

- the maximum aggregate par value of immediate and/or deferred share capital increases that may be carried out under the present delegation is set at two hundred and forty million (240,000,000) euros (representing, as an indication, 9.5% of the share capital as of December 31, 2020) or the equivalent in any other currency or currency unit established by reference to more than one currency, it being stipulated that such amount will count towards the overall ceiling for share capital increases stipulated in paragraph 3 of the sixteenth resolution of the present meeting or, as the case may be, towards the overall ceiling stipulated by a resolution of the same kind that may supersede said resolution during the period of validity of the present delegation,
- added to those ceilings will be the aggregate par value of any additional shares that may be issued in the event of new share capital transactions in order to preserve the rights of holders of securities giving access to the share capital;

5. resolves to set the maximum aggregate par value of debt instruments of the Company that may be issued under the present delegation at seven billion (7,000,000,000) euros or the equivalent in any other currency or currency unit established by reference to more than one currency, it being stipulated that such amount will count towards

the overall ceiling for issues of debt instruments stipulated in paragraph 4 of the sixteenth resolution of the present meeting or, as the case may be, towards the overall ceiling stipulated by a resolution of the same kind that may supersede said resolution during the period of validity of the present delegation;

6. resolves to cancel shareholders' preemptive rights in respect of the securities covered by the present resolution, whilst however giving the Board of Directors discretion pursuant to Article L. 22-10-51, paragraph 1 of the French Commercial Code to grant to the shareholders, for a period and on terms to be set by the Board of Directors in compliance with the applicable laws and regulations, and for all or part of any issue that may be carried out, a priority subscription period that does not give rise to negotiable rights and which must be exercised in proportion to the quantity of shares owned by each shareholder and which may be supplemented by an application to subscribe for shares on a prorated basis;

7. resolves that if subscriptions by shareholders and the public do not absorb the entire issue, the Board of Directors may limit the issue to the amount of subscriptions provided that such amount reaches at least three-quarters of the issue decided upon and/or may allocate at its discretion some of all of the unsubscribed shares or securities;

8. formally notes that any issuance decided upon under the present delegation of competence will entail waiver, in favor of the holders of securities thereby issued that give access to the Company's share capital, by the Company's shareholders of their preemptive rights in respect of the shares to which such securities will give immediate and/or deferred entitlement;

9. formally notes that, in accordance with Article L. 228-93 of the French Commercial Code, a decision under the present delegation to carry out an issue of the securities mentioned in item 1 (ii) (c) above will, if such securities give access to future equity instruments to be issued by a company of which the Company directly or indirectly holds more than half of the share capital at the time of issue, require the approval of an Extraordinary General Meeting of that company;

10. formally notes the fact that in accordance with Article L. 22-10-52 paragraph 1 of the French Commercial Code:

- the issue price of shares issued directly will be at least equal to the minimum stipulated by the applicable regulations on the date of the issue (as of now, the weighted average of the quoted market prices during the last three trading sessions on the regulated market of Euronext Paris preceding the start date of the public offering minus any discount that may not exceed 10%, after making any adjustment to that average in the event of a difference in the dates of ranking for dividend),
- the issue price of the securities giving access to the share capital and the number of shares to which conversion, redemption or more generally transformation of each security giving access to the share capital would give entitlement will be such that

the amount received immediately by the Company plus any amount to be received subsequently by the Company will, for each share issued as a consequence of the issuance of such securities, be at least equal to the minimum subscription price defined in the previous paragraph;

11. the Board of Directors, with powers to subdelegate within the law, may implement the present delegation of competence, and in particular may:

- decide to carry out the issue and determine the securities to be issued,
- in the event of an immediate and/or deferred issue of ordinary shares, determine the amount of the issue, the price of the issue, and the amount of any premium that may be required on issuance,
- determine the dates and terms of the issue and the nature, number and characteristics of the securities to be issued, and in the case of issues of debt securities determine also whether or not they will be subordinated (and where relevant their subordination ranking); amend, during the life of the securities in question, the above terms, in compliance with the applicable formalities,
- determine the method of payment for shares or securities giving access to the share capital to be issued in immediate and/or deferred issues,
- set the terms for the exercise of rights (in particular rights to conversion, exchange or redemption as the case may be, including by delivery of Company assets such as treasury shares) attached to the securities giving access to the share capital that may be issued, and in particular set the date, which may be retroactive, from which the new shares will rank for dividend, and all other terms and conditions for the completion of the issue,
- set the terms on which the Company will have the option of purchasing or exchanging on the stock market, at any time or during specified periods, securities issued or to be issued in an immediate and/or deferred issue, whether or not such purchase or exchange be made with a view to cancellation thereof in accordance with the law,
- allow for the option of suspending the exercise of the rights attached to the securities thereby issued, in compliance with the laws and regulations,
- in the event of an issue of securities intended as consideration for securities contributed to the Company in connection with a public tender offer with an exchange component (public exchange offer), establish a list of securities contributed to the exchange, set the conditions of the issue, the exchange ratio and the amount of any cash portion to be paid (without applying the method for determining the price in paragraph 10 of the present resolution), and determine the terms of the issue in connection with a public exchange offer, or an alternative cash or exchange offer, or a single offer to purchase or exchange the securities in question in return for payment in securities and cash, or a principal public cash offer or public exchange offer accompanied by a subsidiary public exchange offer or public cash offer, or any other form of public tender offer in compliance with the laws and regulations applicable to said public tender offer,

- at its sole discretion, charge the cost of share capital increases against the premium arising thereon, and deduct from such premium the sums necessary to increase the legal reserve,
- determine and make all adjustments to take account of the impact of transactions, in particular those involving the shareholders' equity of the Company, and set all other terms enabling, in compliance with legal and regulatory requirements and with any contractual stipulations, the rights of holders of securities giving access to the share capital to be preserved (including by means of cash adjustments),
- duly record completion of each share capital increase and make the corresponding amendments to the Articles of Association,
- generally, enter into all agreements, in particular to ensure completion of the proposed issues, take all measures and accomplish all formalities for the issuance, listing and financial administration of securities issued by virtue of the present delegation and for the exercise of the rights attached thereto;

12. formally notes the fact that, in the event the Board of Directors uses the delegation of competence granted to it by the present resolution, the Board of Directors will report to the next following Ordinary General Meeting, in accordance with the laws and regulations, on the use made of the authorizations conferred in the present resolution;

13. formally notes that the present delegation deprives of effect from this day any unused portion of any prior delegation having the same purpose as that covered by the present resolution;

14. sets the period of validity of the delegation of competence covered by the present resolution at twenty-six (26) months from the date of the present meeting, it being stipulated however that the Board of Directors will not be authorized to decide to carry out a share capital increase under the present delegation of competence during the period of a public tender offer for the Company's shares.

**18. Delegation to the Board of Directors of competence to decide to issue, with preemptive rights cancelled, shares and/or securities giving access to the share capital of the Company, of any subsidiary, and/or of any other company in connection with an offering of the type specified in Article L. 411-2-1 of the Monetary and Financial Code, i.e. an offer addressed exclusively to a restricted circle of investors (usable outside the period of a public tender offer)**

The General Meeting, voting on the quorum and majority conditions for Extraordinary General Meetings, having reviewed the Board of Directors' report and the statutory auditors' Special report, and in accordance with Articles L. 225-129 et seq of the French Commercial Code, and in particular Articles L. 225-129-2, L. 22-10-51 and L. 22-10-52 of said Code, and with Articles L. 228-91 et seq of said Code:



1. delegates to the Board of Directors, with powers to subdelegate within the law, its competence to decide to issue, on one or more occasions, in France or abroad, in the proportions and at the times it sees fit, with preemptive rights cancelled, via private placement(s) in accordance with Article L. 411-2-1 of the French Monetary and Financial Code, in euros or in any other currency or currency unit established by reference to more than one currency, whether for valuable consideration or free of consideration, (i) ordinary shares of the Company and/or (ii) securities which are (a) equity instruments of the Company giving access to other equity instruments of the Company and/or giving entitlement to the allotment of debt instruments of the Company, (b) debt instruments giving access to future equity instruments of the Company, such instruments also potentially giving access to existing equity instruments and/or giving entitlement to the allotment of debt instruments of the Company, (c) equity instruments of the Company giving access to existing or future equity instruments issued by companies of which the Company directly or indirectly owns more than half of the share capital at the time of issue and/or giving entitlement to the allotment of debt instruments of such companies, and/or (d) equity instruments of the Company giving access to existing equity instruments of companies of which the Company does not directly or indirectly own more than half of the share capital at the time of issue and/or giving entitlement to the allotment of debt instruments of such companies;

2. resolves that subscription for the shares and other securities mentioned in paragraph 1 of the present resolution may be in cash, or by offset of debt, or in part by incorporation of reserves, profits or share premium;

3. delegates to the Board of Directors, with powers to subdelegate within the law, its competence to decide upon issues of ordinary shares or of the securities mentioned in items (ii) (a) and (ii) (b) of paragraph 1 above to be carried out further to the issuance, by companies of which the Company directly or indirectly owns more than half of the share capital at the time of issue, of securities giving access to future ordinary shares of the Company or to the securities to be issued mentioned in items (ii) (a) and (ii) (b) of paragraph 1 above. Issuance by such companies of the aforementioned securities will entail unconditional waiver, in favor of the holders of those securities, by the Company's shareholders of their preemptive rights in respect of the ordinary shares or the securities mentioned in items (ii) (a) and (ii) (b) of paragraph 1 above to which the securities thereby issued by those companies will give entitlement, and in respect of the future shares of the Company to which the securities mentioned in items (ii) (a) and (ii) (b) of paragraph 1 above would give entitlement;

4. resolves to set the following limits to the amount of issues authorized to be carried out by the Company in the event of use by the Board of Directors of the present delegation of competence:

- the maximum aggregate par value of immediate and/or deferred share capital increases that may be carried out under the present delegation is set at two hundred

and forty million (240,000,000) euros (representing, for indicative purposes, 9.5% of the share capital as of December 31, 2020) or the equivalent in any other currency or currency unit established by reference to more than one currency, it being stipulated that such amount will count towards the overall ceiling for share capital increases stipulated in paragraph 3 of the sixteenth resolution of the present meeting and towards the ceiling stipulated in paragraph 4 of the seventeenth resolution or, as the case may be, towards the ceilings stipulated by resolutions of the same kind that may supersede said resolutions during the period of validity of the present delegation,

- added to those ceilings will be the aggregate par value of any additional shares that may be issued in the event of new share capital transactions in order to preserve the rights of holders of securities giving access to the share capital;

5. resolves to set the maximum aggregate par value of debt instruments of the Company that may be issued under the present delegation at seven billion (7,000,000,000) euros or the equivalent in any other currency or currency unit established by reference to more than one currency, it being stipulated that such amount will count towards the overall ceiling for issues of debt instruments stipulated in paragraph 4 of the sixteenth resolution of the present meeting or, as the case may be, towards the overall ceiling stipulated by a resolution of the same kind that may supersede said resolution during the period of validity of the present delegation;

6. resolves to cancel shareholders' preemptive rights in respect of the securities covered by the present resolution;

7. resolves that if subscriptions do not absorb the entire issue, the Board of Directors may limit the issue to the amount of subscriptions provided that such amount reaches at least three-quarters of the issue decided upon and/or may allocate at its discretion some of all of the unsubscribed shares or securities;

8. formally notes that any issuance decided upon under the present delegation of competence will entail waiver, in favor of the holders of securities thereby issued that give access to the Company's share capital, by the Company's shareholders of their preemptive rights in respect of the shares to which such securities will give immediate and/or deferred entitlement;

9. formally notes that, in accordance with Article L. 228-93 of the French Commercial Code, a decision under the present delegation to carry out an issue of the securities mentioned in item 1 (ii) (c) above will, if such securities give access to future equity instruments to be issued by a company of which the Company directly or indirectly holds more than half of the share capital at the time of issue, require the approval of an Extraordinary General Meeting of that company;

10. formally notes the fact that in accordance with Article L. 22-10-52 paragraph 1 of the French Commercial Code:

- the issue price of shares issued directly will be at least equal to the minimum stipulated by the applicable regulations on the date of the issue (as of now, the weighted average of the quoted market prices during the last three trading sessions on the regulated market of Euronext Paris preceding the start date of the public offering minus any discount that may not exceed 10%, after making any adjustment to that average in the event of a difference in the dates of ranking for dividend),
- the issue price of the securities giving access to the share capital and the number of shares to which conversion, redemption or more generally transformation of each security giving access to the share capital would give entitlement will be such that the amount received immediately by the Company plus any amount to be received subsequently by the Company will, for each share issued as a consequence of the issuance of such securities, be at least equal to the minimum subscription price defined in the previous paragraph;
- at its sole discretion, charge the cost of share capital increases against the premium arising thereon, and deduct from such premium the sums necessary to increase the legal reserve,
- determine and make all adjustments to take account of the impact of transactions, in particular those involving the shareholders' equity of the Company, and set all other terms enabling, in compliance with legal and regulatory requirements and with any contractual stipulations, the rights of holders of securities giving access to the share capital to be preserved (including by means of cash adjustments),
- duly record completion of each share capital increase and make the corresponding amendments to the Articles of Association,
- generally, enter into all agreements, in particular to ensure completion of the proposed issues, take all measures and accomplish all formalities for the issuance, listing and financial administration of securities issued by virtue of the present delegation and for the exercise of the rights attached thereto;

11. the Board of Directors, with powers to subdelegate within the law, may implement the present delegation of competence, and in particular may:

- decide to carry out the issue and determine the securities to be issued,
- in the event of an immediate and/or deferred issue of ordinary shares, determine the amount of the issue, the price of the issue, and the amount of any premium that may be required on issuance,
- determine the dates and terms of the issue and the nature, number and characteristics of the securities to be issued, and in the case of issues of debt securities determine also whether or not they will be subordinated (and where relevant their subordination ranking); amend, during the life of the securities in question, the above terms, in compliance with the applicable formalities,
- determine the method of payment for shares or securities giving access to the share capital to be issued in immediate and/or deferred issues,
- set the terms for the exercise of rights (in particular rights to conversion, exchange or redemption as the case may be, including by delivery of Company assets such as treasury shares) attached to the securities giving access to the share capital that may be issued, and in particular set the date, which may be retroactive, from which the new shares will rank for dividend, and all other terms and conditions for the completion of the issue,
- set the terms on which the Company will have the option of purchasing or exchanging on the stock market, at any time or during specified periods, securities issued or to be issued in an immediate and/or deferred issue, whether or not such purchase or exchange be made with a view to cancellation thereof in accordance with the law,
- allow for the option of suspending the exercise of the rights attached to the securities thereby issued, in compliance with the laws and regulations;

12. formally notes the fact that, in the event the Board of Directors uses the delegation of competence granted to it by the present resolution, the Board of Directors will report to the next following Ordinary General Meeting, in accordance with the laws and regulations, on the use made of the authorizations conferred in the present resolution;

13. formally notes that the present delegation deprives of effect from this day any unused portion of any prior delegation having the same purpose as that covered by the present resolution;

14. sets the period of validity of the delegation of competence covered by the present resolution at twenty-six (26) months from the date of the present meeting, it being stipulated however that the Board of Directors will not be authorized to decide to carry out a share capital increase under the present delegation of competence during the period of a public tender offer for the Company's shares.

### **19. Delegation to the Board of Directors of competence to decide to issue debt instruments giving access to the share capital of subsidiaries and/or of any other company (usable outside the period of a public tender offer)**

The General Meeting, voting on the quorum and majority conditions for Extraordinary General Meetings, having reviewed the Board of Directors' report, and in accordance with Articles L. 225-129 et seq of the French Commercial Code, and in particular Article L. 225-129-2 of said Code, and with Articles L. 228-91 et seq of said Code (and in particular Article L. 228-93 of said Code):

1. delegates to the Board of Directors, with powers to subdelegate within the law, its competence to decide to issue, on one or more occasions, in France or abroad, in the proportions and at the times it sees fit, in euros or in any other currency or currency unit established by reference to more than one currency, debt instruments giving access

or potentially giving access to future equity instruments to be issued by companies of which the Company directly or indirectly owns more than half of the share capital at the date of issue, said securities also potentially giving access to existing equity instruments and/or entitlement to the allotment of debt instruments of the Company and/or of companies of which the Company directly or indirectly owns more than half of the share capital at the date of issue, and/or of any other company of which the Company does not directly or indirectly own more than half of the share capital at the date of issue, either via a public offering other than of the type specified in Article L. 411-2-1 of the French Monetary and Financial Code, or via an offering of the type specified in Article L. 411-2-1 of the French Monetary and Financial Code;

2. resolves that subscription for the securities mentioned in paragraph 1 of the present resolution may be in cash, or by offset of debt;

3. resolves that the maximum aggregate par value of debt instruments of the Company that may be issued under the present delegation is set at seven billion (7,000,000,000) euros or the equivalent in any other currency or currency unit established by reference to more than one currency, it being stipulated that such amount will count towards the overall ceiling for issues of debt instruments stipulated in paragraph 4 of the sixteenth resolution of the present meeting or, as the case may be, towards the overall ceiling stipulated by a resolution of the same kind that may supersede said resolution during the period of validity of the present delegation;

4. formally notes that, subject to the necessary consents being obtained from within the company concerned, a decision under the present delegation to carry out an issue of securities giving access to future equity instruments to be issued by any company of which the Company directly or indirectly holds more than half of the share capital at the time of issue, will require the approval of an Extraordinary General Meeting of that company;

5. the Board of Directors, with powers to subdelegate within the law, may implement the present delegation of competence, and in particular may:

- determine the dates and terms of the issue and the nature, number and characteristics of the securities to be issued, and also determine whether any debt securities issued are subordinated or not (and as the case may be, their subordination ranking); amend, during the life of the securities in question, the above terms, in compliance with the applicable formalities,
- determine the method of payment for the securities giving access to the share capital,
- set any terms for the exercise of rights attached to the securities giving access to the share capital to be issued,
- set the terms on which the Company will have the option of purchasing or exchanging on the stock market, at any time or during specified periods, securities issued or to be issued in an immediate and/or deferred issue, whether or not such purchase or exchange be made

with a view to cancellation thereof in accordance with the law,

- allow for the option of suspending the exercise of the rights attached to the securities thereby issued, in compliance with the laws and regulations,
- generally, enter into all agreements, in particular to ensure completion of the proposed issues, take all measures and accomplish all formalities for the issuance, listing and financial administration of securities issued by virtue of the present delegation and for the exercise of the rights attached thereto;

6. formally notes that the present delegation deprives of effect from this day any unused portion of any prior delegation having the same purpose as that covered by the present resolution;

7. sets the period of validity of the delegation of competence covered by the present resolution at twenty-six (26) months from the date of the present meeting, it being stipulated however that the Board of Directors will not be authorized to decide to carry out an issue of debt instruments under the present delegation of competence during the period of a public tender offer for the Company's shares.

## **20. Delegation to the Board of Directors of competence to increase the number of shares to be issued in the event of an issue of ordinary shares and/or of securities giving access to the share capital of the Company, of any subsidiary, and/or of any other company, with or without preemptive rights (usable outside the period of a public tender offer)**

The General Meeting, voting on the quorum and majority conditions for Extraordinary General Meetings, having reviewed the Board of Directors' report and the statutory auditors' Special report, and in accordance with Articles L. 225-135-1 and L. 225-129-2 of the French Commercial Code:

1. delegates to the Board of Directors, with powers to subdelegate within the law, its competence to decide to increase the number of shares to be issued in the event of an issue with or without preemptive rights under the sixteenth, seventeenth and eighteenth resolutions, at the same price as that used for the initial issue, within the limits as to time and quantity specified in the applicable regulations as of the date of the issue (as of this day, in accordance with Article R. 225-118 of the French Commercial Code, within the thirty days following the closure of subscriptions, up to a maximum of 15% of the initial issue and at the same price as that used for the initial issue), in particular with a view to granting an oversubscription option in accordance with market practices;

2. resolves that the aggregate par value of increases in the Company's share capital decided upon under the present resolution will count towards the ceiling set forth in the resolution under which the initial issue is decided and towards the overall ceiling stipulated in paragraph 3 of the sixteenth resolution of the present meeting, and in the event of an increase in the Company's share capital

without preemptive rights, towards the ceiling stipulated in paragraph 4 of the seventeenth resolution or, as the case may be, towards the ceilings stipulated by resolutions of the same kind that may supersede said resolutions during the period of validity of the present delegation;

3. resolves that the maximum aggregate par value of debt instruments of the Company that may be issued under the present delegation is set at seven billion (7,000,000,000) euros or the equivalent in any other currency or currency unit established by reference to more than one currency, it being stipulated that such amount will count towards the overall ceiling for issues of debt instruments stipulated in paragraph 4 of the sixteenth resolution of the present meeting or, as the case may be, towards the overall ceiling stipulated by a resolution of the same kind that may supersede said resolution during the period of validity of the present delegation;

4. formally notes the fact that, in the event the Board of Directors uses the delegation of competence granted to it by the present resolution, the Board of Directors will report to the next following Ordinary General Meeting, in accordance with the laws and regulations, on the use made of the authorizations conferred in the present resolution;

5. formally notes that the present delegation deprives of effect from this day any unused portion of any prior delegation having the same purpose as that covered by the present resolution;

6. the present delegation of competence is granted for a period of twenty-six (26) months from the date of the present meeting, it being stipulated however that the Board of Directors will not be authorized to decide to carry out a share capital increase under the present delegation of competence during the period of any public tender offer for the Company's shares.

**21. Delegation to the Board of Directors of competence with a view to the issuance, with preemptive rights cancelled, of shares and/or securities giving access to the share capital of the Company, of any of its subsidiaries and/or of any other company, as consideration for assets transferred to the Company as a capital contribution in kind (usable outside the period of a public tender offer)**

The General Meeting, voting on the quorum and majority conditions for Extraordinary General Meetings, having reviewed the Board of Directors' report and the statutory auditors' Special report, and in accordance with Articles L. 225-129 et seq of the French Commercial Code, and in particular Article L. 22-10-53 of said Code:

1. delegates to the Board of Directors, with powers to subdelegate within the law, its competence to carry out, on one or more occasions, in the proportions and at the times it sees fit, in France and/or abroad, as consideration for assets transferred to the Company as a capital contribution in kind in the form of equity instruments or securities giving access to the share capital of another company, in cases where Article L. 22-10.54 of the French Commercial Code

does not apply, issues of (i) ordinary shares of the Company and/or (ii) securities which are (a) equity instruments of the Company giving access to other equity instruments of the Company and/or giving entitlement to the allotment of debt instruments of the Company, (b) debt instruments giving access to future equity instruments of the Company, such instruments also potentially giving access to existing equity instruments and/or giving entitlement to the allotment of debt instruments of the Company, (c) equity instruments of the Company giving access to existing or future equity instruments issued by companies of which the Company directly or indirectly owns more than half of the share capital at the time of issue and/or giving entitlement to the allotment of debt instruments of such companies, and/or (d) equity instruments of the Company giving access to existing equity instruments of companies of which the Company does not directly or indirectly own more than half of the share capital at the time of issue and/or giving entitlement to the allotment of debt instruments of such companies;

2. resolves that the aggregate par value of immediate and/or deferred share capital increases carried out under the present resolution may not exceed 10% of the share capital, such percentage being applied to a share capital figure adjusted to reflect transactions affecting the share capital subsequent to the present General Meeting (as an indication, 125,897,173 shares as of December 31, 2020);

3. resolves to set the maximum aggregate par value of debt instruments of the Company that may be issued under the present delegation at seven billion (7,000,000,000) euros or the equivalent in any other currency or currency unit established by reference to more than one currency, it being stipulated that such amount will count towards the overall ceiling for issues of debt instruments stipulated in paragraph 4 of the sixteenth resolution of the present meeting or, as the case may be, towards the overall ceiling stipulated by a resolution of the same kind that may supersede said resolution during the period of validity of the present delegation;

4. resolves that the maximum aggregate par value of the immediate and/or deferred share capital increases that may be carried out under the present resolution (i) will count towards the ceiling for the aggregate par value of share capital increases carried out with preemptive rights cancelled as authorized by the present meeting in paragraph 4 of the seventeenth resolution and towards the overall ceiling stipulated in paragraph 3 of the sixteenth resolution or, as the case may be, towards the ceilings stipulated by resolutions of the same kind that may supersede said resolutions during the period of validity of the present delegation and (ii) is understood not to include the aggregate par value of shares that may be issued to preserve the rights of holders of securities giving access to the share capital in accordance with the law and with any contractual terms stipulating other cases where adjustment is necessary;

5. resolves that the Board of Directors will have full powers, with powers to subdelegate within the law, to implement the present resolution, and in particular to:



- decide on the issue to be made as consideration for the assets transferred to the Company and determine the nature and characteristics of the securities to be issued, and in the case of issues of debt securities determine also whether or not they will be subordinated (and where relevant their subordination ranking); amend, during the life of the securities in question, the above terms, in compliance with the applicable formalities,
- establish a list of the securities transferred to the Company, approve the valuation of the capital contributions in kind, set the terms of the issue of securities made as consideration for said contributions, and the amount of any cash portion to be paid,
- set the terms enabling, in compliance with legal and regulatory requirements and with any contractual stipulations, the rights of holders of securities giving access to the share capital to be preserved,
- at its sole discretion, charge the cost of share capital increases against the premium arising thereon, and deduct from such premium the sums necessary to increase the legal reserve,
- duly record completion of each share capital increase and make the corresponding amendments to the Articles of Association,
- generally, take all measures and accomplish all formalities for the issuance, listing and financial administration of securities issued by virtue of the present delegation and for the exercise of the rights attached thereto;

6. formally notes the fact that, in the event the Board of Directors uses the delegation of competence granted to it by the present resolution, the Board of Directors will report to the next following Ordinary General Meeting, in accordance with the laws and regulations, on the use made of the authorizations conferred in the present resolution;

7. formally notes that the present delegation deprives of effect from this day any unused portion of any prior delegation having the same purpose as that covered by the present resolution;

8. sets the period of validity of the delegation of competence covered by the present resolution at twenty-six (26) months from the date of the present meeting, it being stipulated however that the Board of Directors will not be authorized to decide to carry out a share capital increase under the present delegation of competence during the period of a public tender offer for the Company's shares.

## **22. Delegation to the Board of Directors of competence to decide to carry out increases in the share capital by incorporation of share premium, reserves, profits or other items (usable outside the period of a public tender offer)**

The General Meeting, voting on the quorum and majority conditions for Ordinary General Meetings, having reviewed the Board of Directors' report, and in accordance with Articles L. 225-129-2 et seq., L. 22-10-50 and L. 228-92 of the French Commercial Code;

1. delegates to the Board of Directors, with powers to subdelegate within the law, its competence to decide to carry out increases in the share capital, on one or more occasions, in the proportions and at the times it sees fit, by incorporation of share premium, reserves, profits or other sums that may be converted into share capital under the law and the Company's Articles of Association, in the form of the issuance and consideration-free allotment of new equity instruments or of an increase in the par value of existing equity instruments or by a combination of those two methods. The aggregate par value of share capital increases thus effected may not exceed five hundred million (500,000,000) euros (representing, for indicative purposes, 19.9% of the share capital as of December 31, 2020) or the equivalent in any other currency or currency unit established by reference to more than one currency;

2. in the event the Board of Directors makes use of the present delegation of competence, delegates to the Board full powers, with powers to subdelegate within the law, to implement the present delegation, and in particular to:

- determine the amount and nature of sums to be incorporated into the share capital, set the number of new equity instruments to be issued and/or the amount by which the par value of the existing equity instruments will be increased and decide the date, which may be retroactive, from which the new equity instruments will rank for dividend or the increase in the par value of the existing equity instruments will take effect,
- decide, in the event of a consideration-free allotment of equity instruments:
  - ♦ that fractional rights will not be negotiable or transferable and that the corresponding equity instruments will be sold, the proceeds of such sale being allocated to the holders of the rights on the terms specified in the laws and regulations,
  - ♦ that shares allotted under the present delegation on the basis of existing shares enjoying double voting rights will enjoy those same rights from the time of issue;
- make all adjustments to take account of the impact of transactions involving the share capital of the Company, in particular in the event of a change in the par value of the share, share capital increase by incorporation of reserves, consideration-free allotment of shares or equity instruments, stock split or reverse stock split, distribution of dividends, reserves or share premium or of any other assets, redemption of share capital or any other transaction affecting shareholders' equity or the share capital (including in the event of a public tender offer and/or change of control) and set terms enabling, in compliance with legal and regulatory requirements and with any contractual stipulations, the rights of holders of securities giving access to the share capital to be preserved (including by means of cash adjustments),
- duly record completion of each share capital increase and make the corresponding amendments to the Articles of Association,
- at its sole discretion, charge the cost of share capital increases against the premium arising thereon, and

deduct from such premium the sums necessary to increase the legal reserve,

- generally, enter into all agreements, take all measures and accomplish all formalities for the issuance, listing and financial administration of securities issued by virtue of the present delegation and for the exercise of the rights attached thereto;

3. formally notes the fact that, in the event the Board of Directors uses the delegation of competence granted to it by the present resolution, the Board of Directors will report to the next following Ordinary General Meeting, in accordance with the laws and regulations, on the use made of the authorizations conferred in the present resolution;

4. formally notes that the present delegation deprives of effect from this day any unused portion of any prior delegation having the same purpose as that covered by the present resolution;

5. sets the period of validity of the delegation of competence covered by the present resolution at twenty-six (26) months from the date of the present meeting, it being stipulated however that the Board of Directors will not be authorized to decide to carry out a share capital increase under the present delegation of competence during the period of a public tender offer for the Company's shares.

**23. Delegation to the Board of Directors of competence to decide on the issuance of shares or securities giving access to the Company's share capital reserved for members of savings plans, with waiver of preemptive rights in their favor**

The General Meeting, voting on the quorum and majority conditions for Extraordinary General Meetings, having reviewed the Board of Directors' report and the statutory auditors' Special report, and in accordance with Articles L. 225-129-2, L. 225-129-6, L. 22-10-49 et seq and L. 225-138-1 of the French Commercial Code and with Articles L. 3332-1, L. 3332-9 and L. 3332-18 to L. 3332-24 of the French Labor Code:

1. delegates to the Board of Directors, with powers to subdelegate within the law, its competence to decide to carry out increases in the share capital, on one or more occasions, up to a limit of 1% of the share capital as of the date of the Board of Directors' meeting making such decision, by issuing shares or securities giving access to the share capital reserved for members of one or more employee savings plans (or any other plan for whose members a share capital increase may be reserved on equivalent terms under Articles L. 3332-1 et seq. of the French Labor Code or any analogous law or regulation) instituted within an entity or a group of French or foreign entities related to that entity on the conditions stipulated in Article L. 225-180 of the French Commercial Code and falling within the scope of the consolidated or combined financial statements of the Company pursuant to Article L. 3344-1 of

the French Labor Code, it being further stipulated that the present resolution may be used to implement leveraged schemes;

2. resolves that the subscription price of the new shares or securities giving access to the share capital will be determined on the terms stipulated in Articles L. 3332-18 et seq. of the French Labor Code and will not be less than the Reference Price (as defined below), less the maximum discount permitted by applicable laws; for the purposes of the present paragraph and of paragraphs 4 and 7 of the present resolution, the Reference Price designates the average of the quoted market prices of the Company's shares on the regulated market of Euronext Paris during the twenty stock exchange trading sessions preceding the date of the decision setting the opening date of the subscription period for members of an entity or group savings plan (or similar);

3. resolves, by way of derogation from paragraphs 1 and 2 of the present resolution, in the case of issues of shares that may be reserved for employees of companies belonging to the Company consisting of the Company and of the French and foreign entities related to the Company on the conditions stipulated in Article L. 225-180 of the French Commercial Code and falling within the scope of the consolidated or combined financial statements of the Company pursuant to Article L. 3344-1 of the French Labor Code and operating in the United States of America, that the Board of Directors may decide that:

- the issue price of the new shares will, subject to compliance with applicable French legal and regulatory requirements and in accordance with Section 423 of the United States Internal Revenue Code, be equal to at least 85% of the quoted market price of the Company's shares on the regulated market of Euronext Paris on the date of the decision setting the opening date of the subscription period of the share capital increase reserved for employees of the companies referred to in the present paragraph 3, and
- the number of shares issued as a result of the share issues referred to in the present paragraph 3 may not represent more than 0.2% of the share capital as of December 31, 2020, such percentage of the share capital counting towards the maximum aggregate par value of share capital increases stipulated in paragraph 1 of the present resolution;

4. authorizes the Board of Directors to allot free of consideration to the beneficiaries indicated above, in addition to shares or securities giving access to the share capital subscribed for in cash, shares or securities giving access to the share capital to be issued or already issued in full or partial substitution for the discount to the Reference Price and/or by way of top-up employer's contribution, it being stipulated that the benefit resulting from such allotment may not exceed the legal or regulatory limits



applicable under Articles L. 3332-21 in the event of a substitution of some or all of the discount to the Reference Price, and L. 3332-11 et seq of the French Labor Code in the event of a substitution of some or all of the top-up employer's contribution;

5. resolves to waive in favor of the aforementioned beneficiaries the preemptive rights of shareholders in respect of the ordinary shares and securities giving access to the share capital of which the issuance is covered by the present delegation, said shareholders also waiving, in the event of consideration-free allotment to such beneficiaries of ordinary shares or securities giving access to the share capital, any rights to such ordinary shares or securities giving access to the share capital, including the portion of reserves, profits, or share premium incorporated into the share capital to the extent of the consideration-free allotment of securities on the basis of the present resolution;

6. authorizes the Board of Directors, on the terms specified in the present delegation of competence, to make sales of shares as permitted under Article L. 3332-24 of the French Labor Code to members of an entity or group savings plan (or similar plan), it being stipulated that the aggregate par value of shares sold at a discount to members of one or more of the employee savings plans covered by the present resolution will count towards the ceiling mentioned in paragraph 1 of the present resolution;

7. resolves that the Board of Directors will have full powers to implement the present delegation or to defer the completion of the share capital increase, with powers to subdelegate within the law subject to the aforementioned limits and terms, and in particular to:

- establish in accordance with the law the scope of companies from which the beneficiaries indicated above may subscribe for the shares or securities giving access to the share capital thereby issued and who may be allotted consideration-free shares or securities giving access to the share capital,
- decide that subscriptions may be made directly by beneficiaries belonging to an entity or group savings plan (or similar plan), or via dedicated mutual funds or other vehicles or entities permitted under the applicable laws and regulations,
- determine the conditions, in particular as regards length of service, that must be met by the beneficiaries of the share capital increases,
- set the opening and closing dates for subscriptions,
- set the amounts of issues to be made under the present authorization and in particular determine the issue prices, dates, time limits, terms and conditions of subscription, payment, delivery and date of ranking for dividend of the securities (which may be retroactive), rules for prorating in the event of oversubscription and any other terms and conditions of the issues, subject to applicable legal and regulatory limits,

- in the event of consideration-free allotment of shares or of securities giving access to the share capital, determine the nature, characteristics and number of shares or securities giving access to the share capital to be issued, the number to be allotted to each beneficiary, and determine the dates, time limits, and terms and conditions of allotment of such shares or securities giving access to the share capital subject to applicable legal and regulatory limits, and in particular choose to either wholly or partially substitute the allotment of such shares or securities giving access to the share capital for the discount to the Reference Price specified above or offset the equivalent value of such shares or securities against the total amount of the employer's contribution or a combination of the abovementioned options,

- in the event of an issue of new shares, charge any amounts required to pay up said shares against reserves, profits, or share premium,

- duly record the completion of share capital increases equal to the amount of shares actually subscribed,

- as the case may be, charge the costs of share capital increases against the premium arising thereon, and deduct from such premium the sums necessary to increase the legal reserve to one-tenth of the new share capital after each share capital increase,

- enter into all agreements and accomplish directly or indirectly via an agent all transactions and formalities, including formalities required following the share capital increases and the corresponding amendments to the Articles of Association,

- generally, enter into all agreements, in particular to ensure completion of the proposed issues, take all measures and decisions and accomplish all formalities for the issuance, listing and financial administration of securities issued by virtue of the present delegation and for the exercise of the rights attached thereto or required as a result of the share capital increases;

8. formally notes that this delegation of competence deprives of effect from this day any unused portion of any prior delegation for the same purpose as that covered by the present resolution;

9. sets the period of validity of the delegation of issuance powers granted by the present resolution at twenty-six (26) months from the date of the present meeting.

#### **24. Authorization to the Board of Directors to carry out consideration-free allotments of existing or new shares to some or all of the salaried employees and corporate officers of the Company**

The General Meeting, voting on the quorum and majority conditions for Extraordinary General Meetings, having reviewed the Board of Directors' report and the statutory auditors' Special report, and in accordance with Articles L. 225-197-1 and L. 22-10-59 et seq of the French Commercial Code:

1. authorizes the Board of Directors, under Articles L. 225-197-1 et seq and L. 22-10-59 et seq of the French Commercial Code to carry out, on one or more occasions, consideration-free allotments of existing or new ordinary shares to allottees or categories of allottees chosen by the Board from among the salaried employees of the Company or of companies or groupings related to the Company on the conditions stipulated in Article L. 225-197-2 of said Code, and from among corporate officers of the Company or of companies or groupings related to the Company that meet the conditions specified in Articles L. 225-197-1 II, L. 22-10-59 III, and L. 22-10-60 of said Code, on the terms stipulated below;

2. resolves that existing or new shares allotted under this authorization may not represent more than 1.5% of the share capital as of the date of the decision by the Board of Directors to allot the shares free of consideration, with the caveat that this maximum number of existing or new shares does not include the number of any additional shares that could be allotted as a result of an adjustment to the number of shares initially allotted further to a transaction involving the Company's share capital;

3. resolves that shares allotted to corporate officers of the Company under the present authorization may not represent more than 5% of the number of shares specified in paragraph 2 of the present resolution;

4. resolves that allotment of said shares to the allottees will become irrevocable at the end of a minimum vesting period of three years, the allottees being required, as the case may be, to retain said shares for a minimum period of time from the irrevocable allotment thereof, it being further stipulated that allotment of said shares to the allottees will become irrevocable before the expiry of the aforementioned vesting period in the event that the allottee is classified as disabled in the second or third category of disability as defined in Article L. 341-4 of the French Social Security Code or in equivalent cases abroad and that said shares will be freely transferable in the event that the allottee is classified in either of the aforementioned French Social Security Code categories or in equivalent cases abroad;

5. resolves that irrevocable allotment of the shares will be contingent upon performance conditions which will be set by the Board of Directors and will be assessed over a period of at least three years;

6. grants full powers to the Board of Directors, with powers to subdelegate within the limits defined by law, to implement the present authorization, and in particular to:

- determine whether the shares allotted free of consideration will be new shares or existing shares and, as the case may be, to change its choice before the shares are irrevocably allotted,

- select the allottees or categories of allottees from among the employees and corporate officers of the Company or of the aforementioned companies or groupings, and decide on the number of shares to be allotted to each,

- set the terms of and any criteria for the allotment of the shares, in particular the vesting period and, as the case may be, the minimum retention period for each allottee on the aforementioned terms, it being stipulated that in the case of shares allotted free of consideration to corporate officers the Board of Directors must either (a) decide that the consideration-free shares may not be divested by the allottees while they remain in office or (b) specify the number of consideration-free shares that they are required to retain in registered form until they cease to hold office,

- determine the performance conditions to which irrevocable allotment of the shares is subject,

- allow for the temporary suspension of allotment rights in the event of share capital transactions,

- duly record the dates of irrevocable allotment of the shares and the dates from which the shares will be freely transferable, given any legal restrictions,

- in the event of an issue of new shares, charge any sums required to fully pay up such shares against reserves, profits or share premium, duly record completion of the share capital increases carried out under the present authorization, amend the Articles of Association accordingly, and generally carry out all necessary acts and formalities;

7. resolves that the Company may make, during the vesting period, any adjustments to the number of consideration-free shares allotted that may be necessary to preserve the rights of allottees in light of transactions affecting the Company's share capital in the circumstances specified in Article L. 225-181 of the French Commercial Code, it being stipulated that shares allotted as a result of such adjustments will be deemed to have been allotted on the same day as the shares originally allotted;

8. duly records that in the event of a consideration-free allotment of new shares the present authorization will entail, as and when such shares are irrevocably allotted, a share capital increase by incorporation of reserves, profits, or share premium in favor of the allottees of such shares and the correlative waiver by the shareholders of their preemptive rights in respect of said shares in favor of the allottees;

9. formally notes the fact that if the Board of Directors makes use of the present authorization, it will inform the Ordinary General Meeting annually of the transactions carried out pursuant to Articles L. 225-197-1 to L. 225-197-3 and L. 22-

10-59 to L. 22-10-60 of the French Commercial Code, on the terms stipulated in Article L. 225-197-4 of said Code;

10. resolves that the present authorization deprives of effect from this day any unused portion of any prior authorization given to the Board of Directors to carry out consideration-free allotments of existing or new shares to some or all of the salaried employees and corporate officers of the Company. It is granted for a period of thirty-eight (38) months from this day.

### **25. Amendment to Article 13 of the Articles of Association to allow the Board of Directors to take decisions by written consultation.**

The General Meeting, voting on the quorum and majority conditions for Extraordinary General Meetings, having reviewed the Board of Directors' report, resolves to amend as indicated below Article 13 ("Deliberations of the Board") of the Company's Articles of Association, in order to adopt the option permitted under Article L. 225-37 of the French Commercial Code enabling the Board of Directors to take decisions by written consultation on the terms set forth in law:

The following paragraph shall be added to Article 13 of the Company's Articles of Association:

*"The Board of Directors may take decisions by written consultation with the directors on the terms set forth in law. The arrangements for such written consultations shall be specified in the Board Charter."*

The other provisions of Article 13 of the Articles of Association shall remain unchanged.

### **26. Amendment to Articles 14 and 17 of the Articles of Association to align their content with the PACTE law.**

The General Meeting, voting on the quorum and majority conditions for Extraordinary General Meetings, having reviewed the Board of Directors' report, resolves to bring the Company's bylaws into line with the provisions of the PACTE law of May 22, 2019 and resolves to amend the following Articles accordingly:

1. Article 14 "Board Powers", in order to align its content with Article L. 225-35 of the French Commercial Code as amended:

The first paragraph of Article 14 of the Articles of Association shall be amended as follows:

*"The Board of Directors shall determine the strategic orientations of the Company's business and ensure they are implemented, in accordance with the corporate interest and taking account of the social and environmental issues relating to its operations."*

The other provisions of Article 14 of the Articles of Association shall remain unchanged.

2. Article 17 "Observers (censeurs)", in order to replace the term "attendance fees" with the term "compensation":

The fourth paragraph of Article 17 of the Company's Articles of Association shall be amended as follows:

*"The Board may remunerate the observers by allocating sums from the amount of annual compensation allotted by the general shareholders' meeting to Board members."*

The other provisions of Article 17 of the Articles of Association shall remain unchanged.

## **Ordinary & Extraordinary Business**

### **27. Powers for formalities**

The General Meeting, voting on the quorum and majority conditions for Extraordinary Meetings, confers full powers on the bearer of an original, copy or extract of the minutes

of its deliberations to carry out any filings (including filings with the competent registry) and formalities required by law.

# OVERVIEW OF SANOFI 2020

## 1. Business Overview

### 1.1. 2020 significant events

During 2020, Sanofi continued to implement its new “**Play to Win**” strategy, involving major decisions and positive actions that will support and rebuild the competitive margins necessary for Sanofi to continue to deliver on its mission. The strategy is based on four major priorities: focus on growth, lead with innovation, accelerate efficiency, and reinvent how we work. For further information about our strategy, refer to “- Item 4. — B.1. Strategy” of our 2020 annual report on Form 20-F. Other significant events of the year are described below.

On January 23, 2020, Sanofi completed the acquisition of **Synthorx, Inc.**, a biotechnology company focused on prolonging and improving the lives of people suffering from cancer and autoimmune disorders, for \$68 per share in cash, representing an aggregate equity value of approximately \$2.5 billion (on a fully diluted basis).

On February 24, 2020, Sanofi announced its ambition to create a **leading European company dedicated to the production and marketing to third parties of active pharmaceutical ingredients (API)**, the essential molecules responsible for the beneficial effects used in the composition of any drug. The project involves creating a new standalone company combining Sanofi’s API commercial and development activities with six of its European API production sites: Brindisi (Italy), Frankfurt Chemistry (Germany), Haverhill (UK), Saint-Aubin-lès-Elbeuf (France), Újpest (Hungary), and Vertolaye (France). With increasing medicine shortages that critically impact patient care, the new entity is expected to contribute to securing API manufacturing and supply capacity for Europe and beyond. We expect that the new entity will rank as the world’s second-largest API company, with approximately €1 billion of sales anticipated by 2022 and 3,200 employees; it will be headquartered in France. An initial public offering on Euronext Paris is envisaged in 2022, if market conditions allow. Sanofi is fully committed to the long-term success of the new entity, in which it intends to retain a minority stake of approximately 30%. To provide

optimal conditions for success, Sanofi intends the new company to be debt free in order to maximize its future investment capacities, and is committed to remaining an important customer of the new entity.

On February 28, 2020, the Sanofi subsidiary Aventis Inc. acquired from **Bristol-Myers Squibb Investco LLC**, E.R. Squibb & Sons LLC and Bristol-Myers Squibb Puerto Rico, Inc. (all subsidiaries of BMS) their respective equity interests in the three partnerships that organize the commercialization of Plavix® in the United States and Puerto Rico. As a result of those transactions, Sanofi obtained sole control and freedom to operate commercially with respect to Plavix® in the United States and Puerto Rico. Since March 2020, Sanofi has recognized in its consolidated financial statements the revenues and expenses generated by Plavix® in these two territories.

On April 6, 2020, Sanofi announced that it had finalized the planned restructuring related to **Praluent®** (alirocumab) with Regeneron Pharmaceuticals, Inc. (“Regeneron”). Effective April 1, 2020, Sanofi has sole responsibility for Praluent® outside the United States, while Regeneron has sole responsibility for Praluent® in the United States. The restructuring simplifies the antibody collaboration between the companies, increases efficiency, and streamlines operations for Praluent®. Although each company has responsibility for supplying Praluent® in its respective territory, the companies have entered into agreements to support manufacturing needs in the near term. Sanofi had previously announced its intention to restructure the antibody collaboration on Praluent® and Kevzara® (sarilumab) in December 2019.

On May 29, 2020, Sanofi announced the closing of its sale of 13 million shares of **Regeneron** common stock through a registered offering at a price of \$515 per share. This included a previously-announced overallotment option, which was fully exercised by the underwriters. In addition, Sanofi announced the completion of Regeneron’s repurchase of 9.8 million shares or approximately \$5 billion in common stock directly from Sanofi. As a result of the offering, Sanofi

has sold its entire equity investment in Regeneron (except for 400,000 Regeneron shares initially retained by Sanofi to support its ongoing collaboration with Regeneron) for total gross proceeds of \$11.7 billion. Consequently, Sanofi's equity interest in Regeneron ceased to be accounted for by the equity method. The registered offering and share repurchase will not affect the ongoing collaboration between Sanofi and Regeneron: the two companies have had a successful and long-standing clinical and commercial collaboration dating back to 2003 that has resulted in five approved treatments to date, with additional candidates currently in clinical development.

On June 16, 2020, Sanofi announced that it is investing in France to **increase its vaccine research and production capacities**, and to respond to future pandemic risks. In line with the corporate strategy presented in December 2019, Sanofi is investing €610 million to create a new flexible, digitalized production site and a research center in France, both dedicated to vaccines. Sanofi's investment in vaccine production in France involves the creation of an Evolutive Vaccine Facility (EVF) in Neuville-sur-Saône. This state-of-the-art industrial site will use the latest innovative vaccine production technologies. The project represents an investment of €490 million over a five-year period, and is expected to create 200 new jobs. Building this plant will enable Sanofi Pasteur, Sanofi's global vaccines entity, to be the first pharmaceutical manufacturer to benefit from such a facility, and will help secure vaccine supplies in France and the rest of Europe in the event of new pandemics. Sanofi is also investing €120 million to create a new R&D center in France, on the Sanofi Pasteur site at Marcy-l'Étoile. This state-of-the-art digitized facility will house biosecurity level 3 (BSL 3) laboratories for the development of vaccines against emerging diseases and pandemic risks, and aims to set a global standard for pre-clinical research and pharmaceutical and clinical development.

On June 23, 2020, Sanofi Pasteur and **Translate Bio** announced they had expanded their existing 2018 collaboration and license agreement to develop mRNA vaccines for infectious diseases. Under the terms of the expanded agreement, Translate Bio received a total upfront payment of \$425 million, consisting of a \$300 million cash payment and a private placement equity investment of \$125 million at \$25.59 per share, representing a 50% premium to the 20-day moving average share price prior to signing. Translate Bio will also be eligible for potential future milestones and other payments of up to \$1.9 billion, including \$450 million of milestones under the 2018 agreement. Of those potential milestones and other payments, approximately \$360 million are anticipated over the next several years, inclusive of COVID-19 vaccine development milestones (under the collaboration announced on March 27, 2020 as described below). Translate Bio is also eligible to receive tiered royalty

payments based upon worldwide sales of the developed vaccines. Sanofi Pasteur will pay for all costs during the collaboration term. Under this agreement Sanofi Pasteur will receive exclusive worldwide rights for the infectious disease vaccines developed.

In early July 2020, Sanofi entered into an exclusive license agreement with **Kiadis Pharma NV**, a clinical-stage biopharmaceutical company developing natural killer (NK) cell therapies for patients with potentially life-threatening diseases, for Kiadis' previously undisclosed K-NK004 program. The agreement covers Kiadis' proprietary CD38 knock out (CD38KO) K-NK therapeutic for combination with anti-CD38 monoclonal antibodies including Sarclisa®, Sanofi's recently approved therapy for patients with multiple myeloma. Sanofi also obtained exclusive rights to use Kiadis' K-NK platform for two undisclosed pre-clinical programs. As part of the agreement, Kiadis will receive a €17.5 million upfront payment and will be entitled to receive up to €857.5 million upon Sanofi attaining specified preclinical, clinical, regulatory and commercial milestones. Kiadis will also receive double-digit royalties based on commercial sales of approved products resulting from the agreement. On November 2, 2020, Sanofi and Kiadis entered into a definitive agreement under which Sanofi will make a public offer (subject to satisfaction of certain customary conditions) to acquire the entire share capital of Kiadis for €5.45 per share, representing an aggregate equity value of approximately €308 million (adjusted for the value of share warrants that may be exercised in shares or settled in cash based on the Black-Scholes valuation on or after the day immediately following the public announcement of change of control).

Also in early July 2020, Sanofi and **Kymera Therapeutics Inc.** signed a multi-program strategic collaboration agreement to develop and commercialize first-in-class protein degrader therapies targeting IRAK4 in patients with immune-inflammatory diseases. The companies will also partner on a second earlier stage program. Kymera will receive \$150 million in cash upfront and may receive more than \$2 billion in potential milestones, as well as royalty payments. Kymera retains the option to participate in US development and commercialization for both programs subject to its having an equal share in the costs, profits and losses, and to co-promote partnered products in the US.

On August 17, 2020, Sanofi and **Principia Biopharma Inc.**, a late-stage biopharmaceutical company focused on developing treatments for autoimmune diseases, entered into a definitive agreement under which Sanofi was to acquire all the outstanding shares of Principia for \$100 per share in cash, representing an aggregate equity value of approximately \$3.68 billion (on a fully diluted basis). The transaction was approved unanimously by the Boards of Directors of Sanofi and Principia, and was completed on September 28, 2020.



On December 9, 2020, Sanofi announced the signing of its first two **sustainability-linked** revolving credit facilities. The facilities are part of our strategy to secure long-term financing sources, and build in an adjustment mechanism that links the credit spread to the attainment of two sustainable development performance indicators: our contribution to polio eradication, and the reduction in our carbon footprint. What is innovative about those facilities is our commitment to invest a fixed annual contribution to fund environmental or social projects and maximize our impact on the two objectives, via the activities of the Sanofi Espoir Foundation or our Planet Mobilization program. If we meet our annual sustainable development targets, the lender banks will grant a reduction in our credit spread to support our contribution.

On December 10, 2020, Sanofi signed a renewed partnership agreement with the **World Health Organization (WHO)**, extending a 20-year collaboration to fight some of the most neglected tropical diseases and supporting the WHO in its commitment to sustainably eliminate sleeping sickness before 2030. As part of this new five-year commitment, we will provide financial support for disease management, to include screening of populations, disease awareness campaigns, capacity building, and drug donations.

As well as continuing to deliver on its strategy, Sanofi played a leading role in the **fight against COVID-19** on multiple fronts during 2020:

- on February 18, 2020, Sanofi announced that it would leverage previous development work for a vaccine against severe acute respiratory syndrome (SARS) to attempt to unlock a fast path forward for developing a COVID-19 vaccine. Sanofi is collaborating with **BARDA** (the US Biomedical Advanced Research and Development Authority), part of the Office of the Assistant Secretary for Preparedness and Response within the US Department of Health and Human Services, expanding Sanofi's long-standing partnership with BARDA;
- on March 27, 2020, Sanofi Pasteur (our vaccines Global Business Unit) and **Translate Bio**, a clinical-stage messenger RNA (mRNA) therapeutics company, announced a collaboration to develop a novel mRNA vaccine for the virus responsible for COVID-19. This collaboration leverages an existing agreement from 2018 between the two companies to develop mRNA vaccines for infectious diseases. Translate Bio has begun to produce multiple mRNA constructs and will use its mRNA platform to discover, design, and manufacture a number of SARS-CoV-2 vaccine candidates. Sanofi will provide deep vaccine expertise and support from

its external research networks to advance identified vaccine candidates for potential further development. On October 15, 2020, Sanofi and Translate Bio announced that preclinical evaluation of MRT5500 had demonstrated a favorable immune response profile against SARS-CoV-2. Those data support the continuation of clinical development for MRT5500, and the launch of a Phase I/II clinical trial is expected to start in the first quarter of 2021;

- on April 14, 2020, **Sanofi and GSK** announced that they had signed a letter of intent to develop an adjuvanted vaccine for COVID-19, using innovative technology from both companies to help address the pandemic. Sanofi is contributing its spike-protein COVID-19 antigen, which is based on recombinant DNA technology. GSK is contributing its pandemic adjuvant technology. On July 29, 2020, Sanofi and GSK reached an agreement with the **UK government** for the supply of 60 million doses of their COVID-19 vaccine, subject to final contract. On July 31, 2020, Sanofi and GSK announced advanced discussions with the **European Commission** for the supply of up to 300 million doses of their COVID-19 vaccine, with the doses to be manufactured in European countries including France, Belgium, Germany and Italy. On the same date, Sanofi and GSK announced a collaborative effort with the US government to accelerate the development of the vaccine. The collaboration with the US Department of Health and Human Services and Department of Defense will help fund development activities and the scale-up of Sanofi and GSK manufacturing capabilities in the United States for the recombinant protein-based, adjuvanted vaccine, resulting in a significant increase in capacity for the two companies. The US government agreed to provide up to \$2.1 billion, more than half of which is to support further development of the vaccine, including clinical trials, with the remainder used for manufacturing scale-up and delivery of an initial 100 million doses of the vaccine. Sanofi is to receive the majority of the funding from the US government, which has a further option for the supply of an additional 500 million doses in the longer term. The collaboration will help the US government's Operation Warp Speed goals, and provide millions of doses of a safe and effective COVID-19 vaccine. On September 22, 2020, Sanofi and GSK signed agreements with the **Government of Canada** for the supply of up to 72 million doses of an adjuvanted COVID-19 vaccine, beginning in 2021. On October 28, 2020, Sanofi and GSK signed a statement of intent with Gavi, the legal administrator of the **COVAX Facility**, a global risk-sharing mechanism for pooled procurement and equitable distribution of eventual COVID-19 vaccines. On December 11, 2020, Sanofi and GSK announced a delay in their adjuvanted



recombinant protein-based COVID-19 vaccine program, in order to improve immune response in the elderly. **Interim Phase I/II** results showed an immune response comparable to patients who recovered from COVID-19 in adults aged 18 to 49 years, but an insufficient response in older adults demonstrated the need to optimize the concentration of antigen in order to provide high-level immune response across all age groups. Therefore, we initiated a new Phase II study with an improved antigen formulation in February 2021, with support from the US Biomedical Advanced Research and Development Authority (BARDA). A Phase III trial will follow, to start in the second quarter of 2021. The vaccine is now expected to be available in the fourth quarter of 2021, subject to successful completion of the development plan.

In Pharmaceuticals, highlights of our research and development activities in 2020 included launches of Phase III studies of **venglustat** (GZ402671), an orally administered glucosylceramide synthase inhibitor, in the treatment of GM2 gangliosidosis; **Sarclisa**<sup>®</sup> (isatuximab-irfc), in the treatment of smoldering multiple myeloma; **tolebrutinib** (SAR442168, a BTK inhibitor) in the treatment of multiple sclerosis; **SAR408701** (an antibody drug conjugate that binds to CEACAM-5), as a second and third line treatment for non small cell lung cancer; **amcenestrant** (SAR439859, a selective estrogen receptor degrader), as a treatment for breast cancer in combination with palbociclib; **Libtayo**<sup>®</sup> (cemiplimab) as a neoadjuvant treatment for squamous cell skin cancer; **Dupixent**<sup>®</sup> (dupilumab) in the treatment of allergic bronchopulmonary aspergillosis, chronic spontaneous urticaria, prurigo nodularis, and eosinophilic esophagitis in children; and **fitusiran** (siRNA therapeutic agent) in the treatment of hemophilia A and B in children aged 2 to 11 years.

In 2020, we obtained marketing authorizations for a number of our products. In the United States, the Food and Drug Administration (FDA) approved **Sarclisa**<sup>®</sup> (isatuximab-irfc) in combination with pomalidomide and dexamethasone (pom-dex) for the treatment of adults with relapsed refractory multiple myeloma (RRMM). The European Commission and the Japanese healthcare authorities (PMDA) also approved Sarclisa<sup>®</sup> for the treatment of adults with RRMM. The FDA and the European Commission approved **Dupixent**<sup>®</sup> (dupilumab) for children aged 6 to 11 years with moderate-to-severe atopic dermatitis. The Chinese National Medical Products Administration (NMPA) approved Dupixent<sup>®</sup> for the treatment of adults with moderate-to-severe atopic dermatitis whose disease is not adequately controlled with topical prescription therapies, or

when those therapies are not advisable. This came after the NMPA identified Dupixent<sup>®</sup> as an overseas medicine urgently needed in clinical practice, leading to an expedited review and approval process. Dupixent<sup>®</sup> was also approved by the PDMA in Japan for chronic rhinosinusitis with nasal polyposis. The NMPA approved **Aldurazyme**<sup>®</sup> in China for mucopolysaccharidosis type 1. **Soliqua**<sup>®</sup> was approved in Japan for the treatment of type 2 diabetes. The European Commission granted marketing approval for insulin aspart, a biosimilar used to improve blood sugar control in people with diabetes. In China, the NMPA approved **Toujeo**<sup>®</sup> for the treatment of type 1 and 2 diabetes. **MenQuadfi**<sup>™</sup>, a conjugate meningococcal vaccine to prevent invasive meningococcal infections (serogroups A, C, W and Y), was approved by the FDA for ages 2 and older, and by the European Commission for ages 12 months and older. Also approved by the European Commission were **Efluelda**<sup>®</sup>, an inactivated high-dose quadrivalent influenza vaccine; and **Supemtek**<sup>®</sup>, a quadrivalent (four-strain) recombinant influenza vaccine for the prevention of influenza in adults aged 18 years and older.

For further information about the pharmaceutical products and vaccines we sell, and about our research and development portfolio, refer to “- Item 4.B. — Business Overview” of our 2020 annual report on Form 20-F.

Our net sales for 2020 amounted to €36,041 million, 0.2% lower than in 2019. At constant exchange rates (CER<sup>(1)</sup>), net sales rose by 3.3%. Solid performances for Dupixent<sup>®</sup>, and the Vaccines segment, and more generally for all franchises in our Specialty Care global business unit across all geographies, more than offset lower sales in our Diabetes and Cardiovascular & Established Prescription Products franchises.

Net income attributable to equity holders of Sanofi amounted to €12,314 million, compared with €2,806 million in 2019, mainly reflecting (i) the €7,382 million gain on the divestment of Regeneron shares following the transaction of May 29, 2020 (see Note D.1. to our consolidated financial statements, included at Item 18 of our 2020 annual report on Form 20-F) and (ii) the impairment losses taken against intangible assets in 2019, which amounted to €3,604 million due to the impact of write-downs of Elocate<sup>®</sup> assets. Earnings per share was €9.82, compared with €2.24 in 2019. Business net income<sup>(1)</sup> was €7,347 million, up 4.2% on 2019, while business earnings per share (business EPS<sup>(1)</sup>) was 3.9% higher than in 2019 at €5.86.

(1) Non-GAAP financial measure; see “Definitions” section below.

As of December 31, 2020, we had reduced our net debt<sup>(1)</sup> to €8,790 million (versus €15,107 million as of December 31, 2019), due in particular to cash inflows from investing activities during the year, and more specifically to the net proceeds from our sale of Regeneron shares on May 29, 2020. At the Annual General Meeting on April 30, 2021, we will ask our shareholders to approve a dividend of €3.20 per share for the 2020 financial year, representing a payout of 54.6% of our business net income.

## 1.2. Significant events subsequent to December 31, 2020

On January 11, 2021, Sanofi and **Kymab**, a clinical-stage biopharmaceutical company developing fully human monoclonal antibodies with a focus on immune-mediated diseases and immuno-oncology therapeutics, announced that they had entered into an agreement under which Sanofi will acquire Kymab for an upfront payment of approximately \$1.1 billion and up to \$350 million upon achievement of certain milestones. The transaction will result in Sanofi having full global rights to KY1005, a fully human monoclonal antibody that has a novel mechanism of action. KY1005 binds to OX40-Ligand and has the potential to treat a wide variety of immune-mediated diseases and inflammatory disorders. Sanofi plans to finance the transaction with cash on hand. The closing of the transaction is subject to the expiration or termination of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 and other customary closing conditions. Sanofi expects to complete the acquisition in the first half of 2021.

On January 12, 2021, Sanofi unveiled **EUROAPI** as the name of the new industry-leading European company dedicated to the development, production and marketing of active pharmaceutical ingredients (API). Sanofi also announced the appointment of Karl Rotthier as the future Chief Executive Officer of EUROAPI effective January 18, 2020. Karl Rotthier, aged 53, is a seasoned leader with strong API business experience. He was most recently Chief Executive Officer of Centrient Pharmaceuticals. During a 29-year international career in the Netherlands, Germany, Austria, Belgium and Singapore, he has successfully driven a number of operational carve-outs and spin-offs. Karl will lead the creation of EUROAPI, working with the new company's management team to help EUROAPI deliver on its goals. An IPO on Euronext Paris is envisaged by 2022, subject to market conditions.

On January 27, 2021, Sanofi and **BioNTech** entered into an agreement under which Sanofi will support manufacturing and supply of BioNTech's COVID-19 vaccine, which is being

co-developed with Pfizer. Sanofi will provide BioNTech access to its established infrastructure and expertise to produce over 125 million doses of COVID-19 vaccine in Europe. Initial supplies will originate from Sanofi's production facilities in Frankfurt from summer of 2021.

On February 5, 2021, at the **Capital Markets Day**, Sanofi announced that the development of venglustat in Parkinson's Disease had been halted following the MOVES-PD Phase II study readout. The study did not meet the primary or secondary efficacy endpoints.

On February 9, 2021, the US Food and Drug Administration (FDA) approved the PD-1 inhibitor **Libtayo**<sup>®</sup> (cemiplimab-rwlc) as the first immunotherapy indicated for patients with advanced basal cell carcinoma (BCC) previously treated with a hedgehog pathway inhibitor (HHI) or for whom an HHI is not appropriate. Full approval was granted for patients with locally advanced BCC and accelerated approval was granted for patients with metastatic BCC.

On February 12, 2021, Sanofi announced an all-cash offer to all holders of **Kiadis** shares, to acquire their shares at an offer price of €5.45 (cum dividend) in cash. The Acceptance Period commenced on February 15, 2021, and unless extended will expire on April 12, 2021. Completion of the offer is currently expected in the second quarter of 2021.

On February 12, 2021, The Lancet published **Libtayo**<sup>®</sup> (cemiplimab) data showing extended overall survival in patients with first-line advanced non-small cell lung cancer with PD-L1 expression of ≥50%

On February 22, 2021, **Sanofi and GSK** announced the initiation of a new Phase II study with 720 volunteers aged 18 and over to select the most appropriate antigen dosage for Phase III evaluation of their adjuvanted recombinant protein COVID-19 vaccine candidate. In parallel to the new Phase II study and recognizing the global emergence of new SARS-CoV-2 variants and their potential impact on vaccine efficacy, Sanofi has commenced development work against new variants, which will be used to inform next stages of the Sanofi/GSK development program.

On February 22, 2021, the US FDA approved the PD-1 inhibitor **Libtayo**<sup>®</sup> (cemiplimab-rwlc) for the first-line treatment of patients with advanced non-small cell lung cancer (NSCLC) whose tumors have high PD-L1 expression (tumor proportion score ≥50%), as determined by an FDA-approved test.

On March 4, 2021, the US FDA accepted for review the supplemental Biologics License Application (sBLA) for **Dupixent**<sup>®</sup> (dupilumab) as an add-on treatment for children aged 6 to 11 years with uncontrolled moderate-to-severe asthma. Dupixent<sup>®</sup> is currently approved as an add-on

(1) Non-GAAP financial measure; see section "Consolidated Balance Sheet and Debt" below.

treatment for patients with uncontrolled moderate-to-severe asthma aged 12 and older with elevated eosinophils or oral corticosteroid dependent asthma. The target action date for the FDA decision is October 21, 2021 and the EU regulatory submission for children aged 6 to 11 years with asthma is planned for the first quarter of 2021.

## 2. Operating and financial review

### 2.1. Net sales

Consolidated net sales for the year ended December 31, 2020 amounted to €36,041 million, 0.2% lower than in 2019. Exchange rate fluctuations had a negative effect of 3.5 percentage points overall, due mainly to adverse trends in the euro exchange rate against the US dollar, Brazilian real, Argentinean peso and Turkish lira. At constant exchange rates (CER see definition below), net sales rose by 3.3%; solid performances for Dupixent® and Vaccines, and more generally for all franchises in our Specialty Care global business unit across all geographies, more than offset lower sales in our Diabetes and Cardiovascular & Established Prescription Products franchises.

#### Reconciliation of net sales to net sales at constant exchange rates

(€ million)	2020	2019	Change
<b>Net sales</b>	<b>36,041</b>	<b>36,126</b>	<b>-0.2%</b>
Effect of exchange rates	1,293		
<b>Net sales at constant exchange rates</b>	<b>37,334</b>	<b>36,126</b>	<b>+3.3%</b>

### 2.2. Net sales by operating segment and Global Business Unit

Our net sales comprise the net sales generated by our Pharmaceuticals, Vaccines and Consumer Healthcare segments.

The table below also presents an analysis of our net sales by Global Business Unit (GBU).

(€ million)	2020	2019 <sup>(a)</sup>	Change on a reported basis	Change at constant exchange rates
Specialty Care GBU	10,954	9,163	+19.5%	+22.4%
General Medicines GBU	14,720	16,537	-11.0%	-7.6%
<b>Pharmaceuticals segment</b>	<b>25,674</b>	<b>25,700</b>	<b>-0.1%</b>	<b>+3.1%</b>
<b>Vaccines GBU/segment</b>	<b>5,973</b>	<b>5,731</b>	<b>+4.2%</b>	<b>+8.8%</b>
<b>Consumer Healthcare GBU/segment</b>	<b>4,394</b>	<b>4,695</b>	<b>-6.4%</b>	<b>-1.9%</b>
<b>Total net sales</b>	<b>36,041</b>	<b>36,126</b>	<b>-0.2%</b>	<b>+3.3%</b>

(a) To reflect the new organizational structure adopted by Sanofi on January 1, 2020, figures for 2019 have been restated to take account of transfers of products between GBUs, as described below.

With effect from the start of 2020, Sanofi is organized into three major Global Business Units that underpin the corporate strategy: the **Specialty Care GBU** (Dupixent®, Multiple Sclerosis, Neurology, Other Inflammatory Diseases & Immunology, Rare Diseases, Oncology, and Rare Blood Disorders), the **Vaccines GBU**, and the **General Medicines GBU** (Diabetes, Cardiovascular and Established Prescription Products). The **Consumer Healthcare GBU** is now a standalone commercial entity with its own manufacturing and R&D capabilities. Each GBU now includes its own contribution to emerging markets sales. The new structure has led to some products being transferred, and some franchises being combined. Some mature products

formerly in the Oncology franchise (Zaltrap®, Mozobil®, Thymoglobulin®, Clolar®, Fludara®, Taxotere®, Eloxatin® and Campath®) have been transferred to the Established Prescription Products franchise in the General Medicines GBU. The Cardiovascular franchise (Praluent® and Multaq®) and the Established Prescription Products franchise have been combined. Some products formerly in the Consumer Healthcare GBU have been transferred to the General Medicines GBU and vice versa, with virtually no effect on the sales of the two GBUs. Finally, endocrinology products (Thyrogen®, Caprelsa®) have been transferred from the Rare Diseases franchise to the Established Prescription Products franchise.

## 2.3. Net sales by franchise and geographical region<sup>(a)</sup>

(€ million)	Net sales	Change (CER)	Change (reported)	United States	Change (CER)	Europe	Change (CER)	Rest of the world	Change (CER)
Dupixent®	3,534	+73.9%	+70.4%	2,808	+72.1%	386	+89.2%	340	+73.1%
Total Multiple Sclerosis, Neurology, Other Inflammatory Diseases & Immunology	2,394	+3.9%	+2.1%	1,631	+2.5%	578	+4.9%	185	+13.1%
Total Rare Diseases	3,011	+5.7%	+1.9%	1,122	+4.7%	1,010	+2.7%	879	+10.4%
Total Oncology	798	+27.1%	+25.1%	368	+24.6%	299	+34.5%	131	+19.3%
Total Rare Blood Disorders	1,217	+7.1%	+5.6%	837	+0.1%	41	+86.4%	339	+22.2%
<b>Specialty Care GBU</b>	<b>10,954</b>	<b>+22.4%</b>	<b>+19.5%</b>	<b>6,766</b>	<b>+24.8%</b>	<b>2,314</b>	<b>+16.7%</b>	<b>1,874</b>	<b>+21.0%</b>
Total Diabetes	4,709	-4.8%	-7.9%	1,501	-15.6%	1,206	-2.4%	2,002	+3.2%
Total Cardiovascular & Established Prescription Products	10,011	-8.8%	-12.4%	1,368	-11.4%	3,299	-6.7%	5,344	-9.4%
<b>General Medicines GBU</b>	<b>14,720</b>	<b>-7.6%</b>	<b>-11.0%</b>	<b>2,869</b>	<b>-13.6%</b>	<b>4,505</b>	<b>-5.6%</b>	<b>7,346</b>	<b>-6.3%</b>
Total Pharmaceuticals	25,674	+3.1%	-0.1%	9,635	+10.2%	6,819	+0.9%	9,220	-1.8%
Total Vaccines	5,973	+8.8%	+4.2%	2,759	+5.9%	973	+15.4%	2,241	+9.9%
Total Consumer Healthcare	4,394	-1.9%	-6.4%	1,071	-1.6%	1,359	-4.3%	1,964	-0.4%
<b>Total Sanofi</b>	<b>36,041</b>	<b>+3.3%</b>	<b>-0.2%</b>	<b>13,465</b>	<b>+8.2%</b>	<b>9,151</b>	<b>+1.5%</b>	<b>13,425</b>	<b>+0.2%</b>

(a) With effect from January 1, 2020, the geographical split of net sales is aligned on Sanofi's new organizational structure: Europe, the United States, and Rest of the World. In addition, Israel and Ukraine are now included in the Europe region. The presentation of 2019 figures has been amended to facilitate year-on-year comparisons.

### 2.3.1. Net sales – Pharmaceuticals segment

In 2020, net sales for the Pharmaceuticals segment amounted to €25,674 million, down 0.1% on a reported basis but up 3.1% at constant exchange rates (CER). The year-on-year reported-basis decrease of €26 million reflects adverse exchange rate effects of €791 million, and the following effects at constant exchange rates:

- sales growth for Dupixent® (+€1,533 million), the Oncology franchise (+€173 million), the Rare Diseases franchise (+€169 million), the Multiple Sclerosis, Neurology, Other Inflammatory Diseases and Immunology franchise (+€91 million) and the Rare Blood Disorders franchise (+€82 million); and
- lower sales for the Cardiovascular & Established Prescription Products (€(1,011 million)) and Diabetes (€(246 million)) franchises.

#### Specialty care GBU

##### Dupixent®

Dupixent® (developed in collaboration with Regeneron) generated net sales of €3,534 million in 2020, up 70.4% on a reported basis and 73.9% at constant exchange rates. In the United States, sales of Dupixent® reached €2,808 million in 2020, boosted by continuing strong demand in the treatment of atopic dermatitis in adults and adolescents

and a rapid ramp-up in children aged 6 to 11 years (approved in May 2020), plus ongoing adoption of the product for the treatment of asthma. In Europe, the product posted 2020 net sales of €386 million, up 89.2% CER, driven by continuing growth in atopic dermatitis in key markets and by launches in asthma in new European markets. In the Rest of the World region, Dupixent® posted net sales of €340 million (+73.1% CER); that includes €192 million in Japan (+46.6% CER), where the sales impact of strong demand was tempered by price cuts imposed by the government in April 2020. In China, Dupixent® was approved in June 2020 in the treatment of moderate-to-severe atopic dermatitis in adults, and will be listed on the NRDL (National Reimbursement Drug List) as of March 2021. In China the product has generated post-launch sales of €12 million. We are reiterating our objective of achieving sales of Dupixent® in excess of €10 billion by the time the product reaches maturity.

##### Multiple Sclerosis, Neurology, Other Inflammatory Diseases and Immunology

In 2020, the **Multiple Sclerosis, Neurology, Other Inflammatory Diseases and Immunology** franchise generated net sales of €2,394 million, representing growth of 2.1% on a reported basis and 3.9% CER, driven by higher sales of Aubagio® and Kezvara®.



### Rare Diseases

In 2020, net sales for the **Rare Diseases** franchise totaled €3,011 million, up 1.9% on a reported basis and 5.7% at constant exchange rates (CER). In Europe, net sales for the franchise rose by 2.7% CER to €1,010 million. In the United States, net sales advanced by 4.7% CER to €1,122 million. There was a strong performance in the Rest of the World region (+10.4% CER at €879 million), reflecting demand and a favorable sequence of tender bids.

### Oncology

In 2020, net sales for the **Oncology** franchise amounted to €798 million, up 25.1% on a reported basis and 27.1% CER, driven by the launches of Sarclisa® and Libtayo® and by growth for key established products across all three regions.

### Rare Blood Disorders

In 2020, the **Rare Blood Disorders** franchise generated net sales of €1,217 million, up 5.6% on a reported basis and 7.1% at constant exchange rates. Solid performances from Cablivi® and Alprolix® more than offset lower sales of Eloctate® in the United States. Excluding industrial sales of Alprolix® and Eloctate® to Swedish Orphan Biovitrum AB (Sobi), which commercializes the two products in Europe, Russia, the Middle East and some North African countries, sales for the Rare Blood Disorders franchise rose by 2.2% CER in 2020. Industrial sales to Sobi were higher in 2020 due to amendments to the supply agreement (Sobi accounted for 17% of Alprolix® sales and 11% of Eloctate® sales in 2020). We expect these sales to be significantly lower in 2021.

## General medicines GBU

### Diabetes

In 2020, net sales for the **Diabetes** franchise were €4,709 million, down 7.9% on a reported basis and 4.8% at constant exchange rates. This mainly reflects a decrease in sales for the franchise in the United States (-15.6% CER at €1,501 million), especially of insulin glargines (Lantus® and Toujeo®) and Admelog®, and lower sales of Amaryl® in China.

### Cardiovascular & Established Prescription Products

In 2020, net sales for the **Cardiovascular & Established Prescription Products** amounted to €10,011 million, down 12.4% on a reported basis and 8.8% at constant exchange rates, largely as a result of lower sales of Plavix® and of Aprovel® family products in China due to net price adjustments following the nationwide rollout of the VBP program in December 2019. The decrease in the franchise's net sales in 2020 was exacerbated by negative effects of the COVID-19 crisis, especially in the Rest of the World region.

## 2.3.2. Net sales – Vaccines segment/GBU

In 2020, the Vaccines segment posted net sales of €5,973 million, up 4.2% on a reported basis and 8.8% CER. Positive factors were growth in sales of influenza vaccines across all geographies (+37.9% CER at €2,472 million), and a solid performance for Polio/Pertussis/Hib vaccines (+12.6% CER at €2,106 million), especially in the Rest of the World region (+14.6% CER at €1,363 million). Those effects more than offset the negative impact of COVID-19 on sales of travel vaccines (-43.2% CER at €301 million), adult booster vaccines (-14.9% CER, at €467 million), and Menactra® (-15.0% CER, at €559 million). As previously announced, we expect a compound annual net sales growth rate in the mid-to-upper single-digit range from 2018 through 2025 for our Vaccines business, driven by a differentiated product range, market expansion and new launches.

## 2.3.3. Net sales – Consumer Healthcare segment/GBU

In 2020, net sales for the Consumer Healthcare (CHC) segment decreased by 6.4% on a reported basis and 1.9% at constant exchange rates to €4,394 million. This reflects the negative effects of the Zantac® product recall, reduced incidence of some seasonal pathologies due to public health measures, divestments of non-strategic brands, and product suspensions due to tighter regulatory requirements (especially in Europe). In 2020, sales were down year-on-year in the Digestive category (-8.6% CER at €858 million) and the Allergy, Cough & Cold category (-5.3% CER at €1,096 million). Those effects were partly offset by higher sales in the Pain category (+2.3% CER at €1,225 million) and the Nutritionals category (+4.7% CER at €611 million). Excluding Zantac®, CHC net sales were stable year-on-year.

## 2.4. Net sales by geographical region

In 2020, net sales in the **United States** reached €13,465 million, up 5.6% on a reported basis and 8.2% at constant exchange rates. This reflects a strong performance from Dupixent® (+72.1% CER at €2,808 million) and influenza vaccines (+29.9% CER at €1,575 million), more than offsetting lower sales for the Diabetes franchise, for the Cardiovascular & Established Prescription Products franchise (-11.4% CER at €1,368 million), and for Menactra® (-20.3% CER at €392 million).

In **Europe**, net sales advanced by 0.8% on a reported basis and 1.5% at constant exchange rates in 2020 to €9,151 million. A substantial increase in sales of influenza vaccines (+93.9% CER at €441 million), plus strong performances by Dupixent® (+89.2% CER at €386 million) and the Oncology franchise (+34.5% CER at €299 million) offset a decrease in sales for the Cardiovascular & Established Prescription Products franchise (-6.7% CER at €3,299 million).



In the **Rest of the World** region, net sales for 2020 were down 6.0% on a reported basis but rose slightly (by 0.2%) at constant exchange rates, to €13,425 million. The unfavorable effects of the VBP program in China were offset by the performances of Vaccines, Dupixent®, Lovenox® and Rare Diseases franchise products. In China, net sales were 7.7% lower at €2,454 million due to the VBP program, despite strong growth in Vaccines and Consumer Healthcare plus the launch of Dupixent®. In Japan, 2020 net sales were down 9.5% at €1,735 million; lower sales in Established Prescription Products, Consumer Healthcare, Plavix® and the Diabetes franchise were only partly offset by the performance of Dupixent®.

## 2.5. Net income attributable to equity holders of Sanofi

Net income attributable to equity holders of Sanofi amounted to €12,314 million in 2020, compared with €2,806 million in 2019.

Basic earnings per share for 2020 was €9.82, versus €2.24 for 2019, based on an average number of shares outstanding of 1,253.6 million in 2020 and 1,249.9 million in 2019. Diluted earnings per share for 2020 was €9.77, versus €2.23 for 2019, based on an average number of shares after dilution of 1,260.1 million in 2020 and 1,257.1 million in 2019.

## 2.6. Business net income

We believe that understanding of our operational performance by our management and our investors is enhanced by reporting "Business net income". This non-GAAP financial measure represents "Business operating income", less net financial expenses and the relevant income tax effects.

On May 29, 2020, Sanofi sold its entire equity investment in Regeneron (except for 400,000 Regeneron shares retained by Sanofi) for gross sale proceeds of \$11.7 billion (see Note D.1. to our consolidated financial statements of our 2020 annual report on Form 20-F). As a result, the definition of the non-GAAP financial measure "Business net income" has been adjusted such that **Share of profit/(loss) from investments accounted for using the equity method** now excludes the effects of applying the equity method to the investment in Regeneron. The effects of applying the equity method to the investment in Regeneron up to and including May 29, 2020 are now shown on a separate line in the table reconciling "Business net income" to **Net income attributable to equity holders of Sanofi**. The figures presented for 2019 have been restated to reflect that adjustment.

In addition, with effect from January 1, 2020 "Business net income" includes depreciation charged against right-of-use assets recognized under IFRS 16 (Leases), applicable since January 1, 2019, and excludes rental expenses previously recognized under IAS 17.

"Business net income" for 2020 was €7,347 million, 4.2% higher than in 2019 (€7,050 million), and represented 20.4% of net sales (compared with 19.5% in 2019).

We also report "Business earnings per share" ("Business EPS"), a non-GAAP financial measure we define as "Business net income" divided by the weighted average number of shares outstanding. "Business EPS" was €5.86 for 2020, 3.9% higher than the 2019 figure of €5.64, based on an average number of shares outstanding of 1,253.6 million for 2020 and 1,249.9 million for 2019.

## 2.7. Consolidated statement of cash flows

**Net cash provided by/used in operating activities** represented a net cash inflow of €7,449 million in 2020, compared with €7,744 million in 2019.

Operating cash flow before changes in working capital for 2020 amounted to €7,774 million, compared with €8,163 million in 2019. Working capital requirements increased by €325 million in 2020, compared with an increase of €419 million in 2019. The main factors in 2020 were a €593 million rise in inventories (mainly of Dupixent®).

**Net cash provided by/used in investing activities** represented a net cash inflow of €3,588 million in 2020, compared with a net outflow of €1,212 million in 2019. The main movements in 2020 were a cash inflow of €10,370 million from the sale of Regeneron shares on May 29, 2020, and cash outflows related to the acquisitions of Synthorx (€2,245 million) and Principia (€2,972 million).

Acquisitions of property, plant and equipment and intangible assets amounted to €2,114 million, versus €1,816 million in 2019. There were €1,254 million of acquisitions of property, plant and equipment (versus €1,323 million in 2019), mostly (€755 million) in the Pharmaceuticals segment, primarily in industrial facilities. The Vaccines segment accounted for €404 million of acquisitions of property, plant and equipment during 2020. Acquisitions of intangible assets (€860 million, versus €493 million in 2019) mainly comprised contractual payments for intangible rights under license and collaboration agreements.

After-tax proceeds from disposals amounted to €918 million in 2020, the main items being (i) the sale to Baxter of the Septrafilm® activity for a selling price before taxes of €311 million; (ii) the divestment of some of our Established Prescription Products for €97 million before taxes; and (iii) €167 million before taxes of contingent consideration received in connection with a past divestment. In 2019, after-tax proceeds from disposals amounted to €1,224 million, mainly arising on the divestment of our equity interests in Alnylam (€706 million) and MyoKardia (€118 million).

**Net cash provided by/used in financing activities** represented a net cash outflow of €6,485 million in 2020, compared with a net cash outflow of €4,193 million in 2019. The 2020 figure includes net debt repayments of €1,885 million including lease liabilities (versus €491 million in 2019); the dividend payout to our shareholders of €3,937 million (versus €3,834 million in 2019); and the effect of changes in our share capital (repurchases of our own shares, net of capital increases), representing a net cash outflow of €619 million in 2020 and a net cash inflow of €153 million in 2019.

The **net change in cash and cash equivalents** in 2020 was an increase of €4,488 million, versus an increase of €2,502 million in 2019.

**"Free cash flow"**<sup>(1)</sup> for the year ended December 31, 2020 was €6,982 million, an increase on the 2019 figure of €6,014 million. This reflects our operational performance (including the effect of cost containment measures), and asset divestments made during the period.

## 2.8. Consolidated balance sheet and debt

Total assets were €114,529 million as of December 31, 2020, compared with €112,736 million as of December 31, 2019, an increase of €1,793 million.

**Net debt** was €8,790 million as of December 31, 2020, compared with €15,107 million as of December 31, 2019, due in particular to cash inflows from investing activities during the year, and more specifically to the net proceeds from our sale of Regeneron shares on May 29, 2020. "Net debt" is a non-GAAP financial measure which is reviewed by our management, and which we believe provides useful information to measure our overall liquidity and capital resources. We define "net debt" as (i) the sum total of short term debt, long term debt, and interest rate derivatives and currency derivatives used to manage debt, minus (ii) the sum total of cash and cash equivalents and interest rate derivatives and currency derivatives used to manage cash and cash equivalents.

To assess our financing risk, we use the "gearing ratio", a non-GAAP financial measure. This ratio (which we define as the ratio of net debt to total equity) reduced from 25.6%

as of December 31, 2019 to 13.9% as of December 31, 2020. Analyses of debt as of December 31, 2020 and December 31, 2019, by type, maturity, interest rate and currency, are provided in Note D.17.1. to our consolidated financial statements of our 2020 annual report on Form 20-F.

We expect that the future cash flows generated by our operating activities will be sufficient to repay our debt. The financing arrangements in place as of December 31, 2020 at the Sanofi parent company level are not subject to covenants regarding financial ratios and do not contain any clauses linking fees to Sanofi's credit rating.

Other key movements in the balance sheet are described below.

Total **equity** was €63,147 million as of December 31, 2020, versus €59,108 million as of December 31, 2019. The year-on-year change reflects the following principal factors:

- increases: our net income for 2020 (€12,350 million); and
- decreases: the dividend paid to our shareholders in respect of the 2019 financial year (€3,937 million), currency translation differences (€3,978 million, mainly on the US dollar), and repurchases of our own shares (€822 million).

As of December 31, 2020, we held 8.28 million of our own shares, recorded as a deduction from equity and representing 0.658% of our share capital.

**Goodwill and Other intangible assets** (€62,785 million in total) increased by €1,694 million year-on-year, the main factors being:

- increases: movements associated with the acquisitions of Synthorx (€930 million of goodwill, €1,549 million of other intangible assets) and Principia (€913 million of goodwill and €2,534 million of other intangible assets); and
- decreases: amortization and impairment charged in the period (€2,162 million), and currency translation differences (€2,832 million).

**Investments accounted for using the equity method** (€201 million) decreased by €3,390 million following our sale of Regeneron shares in the transaction of May 29, 2020 (see Note D.1. to our consolidated financial statements of our 2020 annual report on Form 20-F).

**Other non-current assets** amounted to €2,734 million, a year-on-year increase of €231 million. This mainly reflects the reclassification of the 400,000 Regeneron shares initially retained following the transaction of May 29, 2020 into the "Equity instruments at fair value through other comprehensive income" category (see Notes D.1. and D.7. to our consolidated financial statements of our 2020 annual report on Form 20-F).

(1) Non-GAAP financial measure; see "Definitions" section below.

**Net deferred tax assets** amounted to €2,442 million as of December 31, 2020, versus €3,140 million as of December 31, 2019, a year-on-year decrease of €698 million. This was largely due to deferred taxes arising on the remeasurement of the acquired intangible assets of Synthorx and Principia.

**Non-current provisions and other non-current liabilities** (€7,536 million) showed a decrease of €105 million, mainly due to a reduction in provisions for pensions and other post-employment benefits.

**Liabilities related to business combinations and to non-controlling interests** (€605 million) were €195 million lower year-on-year. The main movements in this line item are payments and fair value remeasurements of contingent consideration payable to (i) Merck, further to the dissolution of the Sanofi Pasteur MSD joint venture at the end of 2016; (ii) the former shareholders of True North Therapeutics, as a result of an acquisition made by Bioverativ prior to the latter's acquisition by Sanofi in 2018; and (iii) Bayer, as a result of an acquisition made by Genzyme prior to the latter's acquisition by Sanofi in 2011.

## 3. Outlook

### 3.1. Impact of competition from generics and biosimilars

Some of our flagship products continued to suffer sales erosion in 2020 under the impact of competition from generics and biosimilars. We do not believe it is possible to state with certainty what level of net sales would have been achieved in the absence of generic competition. A comparison of our consolidated net sales for the years ended December 31, 2020 and 2019 (see "A.2. Results of Operations — Year Ended December 31, 2020 Compared with Year Ended December 31, 2019" of our 2020 annual report on Form 20-F) for the main products affected by generic and biosimilar competition shows a loss of €525 million of net sales on a reported basis. Other parameters may have contributed to the loss of sales, such as a fall in the average selling price of certain products (e.g. Lantus®).

We expect the erosion caused by generic competition to continue in 2021, with a negative impact on our net income. The products likely to be impacted in 2021 include those that already faced generic competition in 2020, but whose sales can reasonably be expected to be subject to further sales erosion in 2021. In addition, we expect generic competition for Jevtana® from the end of March 2021 in Europe.

In 2020, the aggregate consolidated net sales of those products in Europe, the United States and Japan were €2,743 million; this comprised €1,023 million in the United States (including €929 million in net sales of Lantus® and

€64 million in net sales of Renagel®/Renvela®); €1,468 million in Europe; and €252 million in Japan. The negative impact on our 2021 net sales is likely to represent a substantial portion of those sales, but the actual impact will depend on a number of factors such as the prices at which the products are sold and potential litigation outcomes.

In China, the authorities have implemented a range of healthcare cost containment measures, including a Volume Based Procurement (VBP) program (see also "Item 4. — B.6.4. Pricing & Reimbursement" of our 2020 annual report on Form 20-F). A large number of molecules were selected to submit tenders under the VBP program, with the successful bidders being awarded a high level of market share in return for offering lower prices. Sanofi successfully tendered for Plavix® and Aprovel® family products in 2020, but decided not to submit a tender for Amaryl®. Consequently, net sales of those three products in China have decreased significantly since the VBP started at the end of 2019, with the increase in volumes for Plavix® and Aprovel® only partly offsetting the effect of lower prices (see also "Item 5. — A.2.1. Sales" of our 2020 annual report on Form 20-F).

### 3.2. 2020 outlook

At constant exchange rates, Sanofi expects 2021 business earnings per share (business EPS)<sup>(1)</sup> to grow high single digit at CER, barring unforeseen major adverse events. Applying average January 2021 exchange rates, the currency impact on 2021 business EPS is estimated to be between -4.5% to -5.5%.

In 2020, business net income<sup>(1)</sup> was €7,347 million, giving business EPS of €5.86 per share.

These perspectives were developed on a basis comparable to that of preparing historical financial information and in accordance with Sanofi's accounting principles.

Certain information, assumptions and estimates are wholly or partly derived from or reliant upon judgments and decisions reached by Sanofi management that may be subject to change or adjustment in the future.

In addition, Sanofi expects to expand its business operating income (BOI) margin<sup>(1)</sup> to 30% by 2022, with an ambition for BOI margin to exceed 32% by 2025. In parallel, Sanofi announced a number of smart spending initiatives, expected to generate €2 billion of savings by 2022. Results from similar initiatives already completed have enabled Sanofi to increase that 2022 cost savings target by a further €500 million, to €2.5 billion. These savings will fund investment in our key growth drivers and accelerate priority pipeline projects, as well as supporting the expansion of BOI margin. Finally, Sanofi is aiming to increase free cash flow<sup>(1)</sup> by about 50% by 2022, compared to an adjusted base of €4.1 billion in 2018.

(1) Non-GAAP financial measure; see "Definitions" section below.

## 4. Definitions

### 4.1. Net sales at constant exchange rates and constant structure basis

When we refer to changes in our net sales at constant exchange rates (CER), that means that we have excluded the effect of exchange rates by recalculating net sales for the relevant period using the exchange rates that were used for the previous period.

When we refer to changes in our net sales on a constant structure (CS) basis, that means that we eliminate the effect of changes in structure by restating the net sales for the previous period as follows:

- by including sales generated by entities or product rights acquired in the current period for a portion of the previous period equal to the portion of the current period during which we owned them, based on historical sales information we receive from the party from whom we make the acquisition;
- similarly, by excluding sales for a portion of the previous period when we have sold an entity or rights to a product in the current period; and
- for a change in consolidation method, by recalculating the previous period on the basis of the method used for the current period.

### 4.2. Segment information and results

In accordance with IFRS 8 (Operating segments), the segment information reported by Sanofi is prepared on the basis of internal management data provided to the Chief Executive Officer, who is the chief operating decision maker. The performance of those segments is monitored individually using internal reports and common indicators. The operating segment disclosures required under IFRS 8 are provided in Notes B.26. and D.35. (Segment Information) to our consolidated financial statements, included at Item 18 of our 2020 annual report on Form 20-F.

Sanofi has three operating segments: Pharmaceuticals, Vaccines, and Consumer Healthcare.

The Pharmaceuticals segment comprises, for all geographical territories, the commercial operations of the following global franchises: Specialty Care (Dupixent®, Multiple Sclerosis, Neurology, Other Inflammatory Diseases & Immunology, Rare Diseases, Oncology, and Rare Blood Disorders) and General Medicines (Diabetes, Cardiovascular and Established Prescription Products), together with research, development and production activities dedicated to the Pharmaceuticals segment. This segment also includes associates whose activities are related to pharmaceuticals. Following the transaction of May 29, 2020, Regeneron is no longer an associate of Sanofi (see Note D.1. to our consolidated financial statements of our 2020 annual report on Form 20-F). Consequently, the Pharmaceuticals segment no longer includes Sanofi's equity-accounted share of Regeneron's profits for all the periods presented in this annual report on Form 20-F.

The Vaccines segment comprises, for all geographical territories, the commercial operations of Sanofi Pasteur, together with research, development and production activities dedicated to vaccines.

The Consumer Healthcare segment comprises, for all geographical territories, the commercial operations for Sanofi's Consumer Healthcare products, together with research, development and production activities dedicated to those products.

Inter-segment transactions are not material.

The costs of Sanofi's global support functions (External Affairs, Finance, Human Resources, Legal Affairs, Information Solutions & Technologies, Sanofi Business Services, etc.) are mainly managed centrally at group-wide level. The costs of those functions are presented within the "Other" category. That category also includes other reconciling items such as retained commitments in respect of divested activities.

In 2020, Sanofi adapted its management reporting to reflect its new organizational structure. This resulted in cost reallocations between the Pharmaceuticals, Consumer Healthcare and Vaccines segments and the "Other" category, and product reallocations between Pharmaceuticals and Consumer Healthcare. Expenses relating to Global Medical Affairs, allocated to the "Other" category in the old management reporting structure, were reallocated to the Pharmaceuticals segment.

### 4.3. Business operating income

We report segment results on the basis of "Business operating income". This indicator is used internally by Sanofi's chief operating decision maker to measure the performance of each operating segment and to allocate resources. For a definition of "Business operating income", and a reconciliation between that indicator and Income before tax and investments accounted for using the equity method, refer to Note D.35. to our consolidated financial statements of our 2020 annual report on Form 20-F.

Following the transaction of May 29, 2020, Regeneron is no longer an associate of Sanofi (see Note D.1. to our consolidated financial statements of our 2020 annual report on Form 20-F). Consequently, the definition of the "Business operating income" indicator has been adjusted, and no longer includes Sanofi's share of the net income of Regeneron. This means that the **Share of profit/(loss) from investments accounted for using the equity method** line in the table reconciling Operating income (as shown in the income statement) to "Business operating income" no longer includes the equity-accounted share of profits from Regeneron. The comparatives presented for 2019 have been restated to reflect that adjustment. In addition, the gain arising on the divestment of the equity investment in Regeneron is not included in "Business operating income", with the exception of the gain on the remeasurement of the 400,000 retained shares at market value at the transaction date.



In addition, with effect from January 1, 2020 "Business operating income" includes depreciation charged against right-of-use assets recognized under IFRS 16 (Leases), applicable since January 1, 2019, and excludes rental expenses previously recognized under IAS 17. In the interests of consistency, the "Business operating income" and "Business operating income margin" figures presented for 2019 have been restated to include the effects of IFRS 16, and of certain expenses and income presented differently for segment reporting purposes to align on Sanofi's new 2020 management reporting structure (see "— A.1.5.1. — Operating segments", of our 2020 annual report on Form 20-F).

Our "Business operating income" for 2020 amounted to €9,762 million, versus €9,349 million in 2019, while our "Business operating income margin" was 27.1%, versus 25.9% in 2019. "Business operating income margin" is a non-GAAP financial measure, which we define as the ratio of our "Business operating income" to Net sales.

Because our "Business operating income" and "Business operating income margin" are not standardized measures, they may not be directly comparable with the non-GAAP financial measures of other companies using the same or similar non-GAAP financial measures. Although management uses those non-GAAP measures to set goals and measure performance, they have no standardized meaning prescribed by IFRS.

#### 4.4. Business net income

We define "Business net income" as Net income attributable to equity holders of Sanofi determined under IFRS, excluding the following items:

- amortization and impairment losses charged against intangible assets (other than software and other rights of an industrial or operational nature);
- fair value remeasurements of contingent consideration relating to business combinations or divestments;
- other impacts associated with acquisitions (including impacts relating to investments accounted for using the equity method);
- restructuring costs and similar items (presented within the line item Restructuring costs and similar items);
- other gains and losses, including gains and losses on major disposals of non-current assets (presented within the line item Other gains and losses, and litigation);
- the gain on the divestment of Regeneron shares on May 29, 2020, not including the gain on the remeasurement of the 400,000 retained shares at market value as of that date (see Note D.1. to our consolidated financial statements of our 2020 annual report on Form 20-F);
- other costs and provisions related to litigation (presented within the line item Other gains and losses, and litigation);

- the tax effects of the items listed above, and the effects of major tax disputes;
- the effects of the discontinuation of accounting by the equity method for the investment in Regeneron (see Note D.1. to our consolidated financial statements of our 2020 annual report on Form 20-F); and
- the portion attributable to non-controlling interests of the items listed above.

The most significant reconciling items between "Business net income" and **Net income attributable to equity holders of Sanofi** relate to (i) the purchase accounting effects of our acquisitions and business combinations, particularly the amortization and impairment of intangible assets (other than software and other rights of an industrial or operational nature) and (ii) the impacts of restructurings or transactions regarded as non-recurring, where the amounts involved are particularly significant. We believe that excluding those impacts enhances an investor's understanding of our underlying economic performance, because it gives a better representation of our recurring operating performance.

We believe that eliminating charges related to the purchase accounting effect of our acquisitions and business combinations (particularly amortization and impairment of some intangible assets) enhances comparability of our ongoing operating performance relative to our peers. Those intangible assets (principally rights relating to research, development and commercialization of products) are accounted for in accordance with IFRS 3 (Business Combinations) and hence may be subject to remeasurement. Such remeasurements are not made other than in a business combination.

We also believe that eliminating the other effects of business combinations (such as the incremental cost of sales arising from the workdown of acquired inventories remeasured at fair value in business combinations) gives a better understanding of our recurring operating performance.

Eliminating restructuring costs and similar items enhances comparability with our peers because those costs are incurred in connection with reorganization and transformation processes intended to optimize our operations.

Finally, we believe that eliminating the effects of transactions that we regard as non-recurring and that involve particularly significant amounts (such as major gains and losses on disposals, and costs and provisions associated with major litigation and other major non-recurring items) improves comparability from one period to the next.

We remind investors, however, that "Business net income" should not be considered in isolation from, or as a substitute for, **Net income attributable to equity holders of Sanofi** reported in accordance with IFRS. In addition, we strongly encourage investors and potential investors not to rely on any single financial measure but to review our financial



statements, including the notes thereto, carefully and in their entirety.

We compensate for the material limitations described above by using "Business net income" only to supplement our IFRS financial reporting and by ensuring that our disclosures provide sufficient information for a full understanding of all adjustments included in "Business net income".

Because our "Business net income" and "Business EPS" are not standardized measures, they may not be directly comparable with the non-GAAP financial measures of other companies using the same or similar non-GAAP financial measures.

We remind investors, however, that business net income should not be considered in isolation from, or as a substitute for, **Net income attributable to equity holders of Sanofi**

reported in accordance with IFRS. In addition, we strongly encourage investors and potential investors not to rely on any single financial measure but to review our financial statements, including the notes thereto, carefully and in their entirety.

We compensate for the material limitations described above by using business net income only to supplement our IFRS financial reporting and by ensuring that our disclosures provide sufficient information for a full understanding of all adjustments included in business net income.

Because our "Business net income" and "Business EPS" are not standardized measures, they may not be directly comparable with the non-GAAP financial measures of other companies using the same or similar non-GAAP financial measures.

The table below reconciles our "Business net income" to **Net income attributable to equity holders of Sanofi**:

(€ million)	2020	2019 <sup>(a)</sup>
<b>Net income attributable to equity holders of Sanofi</b>	<b>12,314</b>	<b>2,806</b>
Amortization of intangible assets <sup>(b)</sup>	1,681	2,146
Impairment of intangible assets <sup>(c)</sup>	330	3,604
Fair value remeasurement of contingent consideration	(124)	(238)
Expenses arising from the impact of acquisitions on inventories	53	3
Restructuring costs and similar items	1,064	1,062
Other gains and losses, and litigation <sup>(d)</sup>	(136)	(327)
Gain on divestment of Regeneron shares on May 29, 2020 <sup>(e)</sup>	(7,225)	-
Tax effects of the items listed above:	(264)	(1,857)
amortization and impairment of intangible assets	(541)	(1,409)
fair value remeasurement of contingent consideration	39	(6)
expenses arising from the impact of acquisitions on inventories	(8)	-
restructuring costs and similar items	(293)	(311)
gain on divestment of Regeneron shares on May 29, 2020	477	-
other tax effects	62	(131)
Share of items listed above attributable to non-controlling interests	(3)	(4)
Investments accounted for using the equity method: restructuring costs and expenses arising from the impact of acquisitions	(30)	165
Effect of discontinuation of equity method for investment in Regeneron <sup>(f)</sup>	(313)	(411)
Items relating to the Animal Health business <sup>(g)</sup>	-	101
<b>Business net income</b>	<b>7,347</b>	<b>7,050</b>
Average number of shares outstanding (million)	1,253.6	1,249.9
Basic earnings per share (€)	9.82	2.24
Reconciling items per share (€)	(3.96)	3.40
Business earnings per share (€)	5.86	5.64

(a) "Business net income" for 2019 has been restated to exclude Sanofi's share of profits from its equity investment in Regeneron, and to include the effects of IFRS 16 for comparative purposes.

(b) Includes amortization expense related to accounting for business combinations: €1,592 million in 2020 and €2,044 million in 2019.

(c) For 2020, this line includes impairment losses against in-house R&D programs within the Specialty Care GBU, and the discontinuation of certain R&D programs and collaboration agreements in Diabetes, in line with the strategy announced by Sanofi in December 2019. For 2019, this line includes impairment losses of €2,803 million against Elocetate<sup>®</sup> franchise assets; €352 million against Zantac<sup>®</sup>; and €280 million against in-house and partnered R&D programs.

(d) For 2020, this line mainly comprises the gain on the sale of the Sefpafil<sup>®</sup> activity to Baxter. For 2019, it consists mainly of a gain arising on settlement of litigation.

(e) This line includes the gain on the sale of (i) 13 million shares of Regeneron common stock in the registered public offering and (ii) the 9.8 million shares repurchased by Regeneron, but does not include the gain arising from the remeasurement of the 400,000 retained shares at market value as of May 29, 2020.

(f) "Business net income" no longer includes Sanofi's share of profits from its equity investment in Regeneron (see Note D.1. to our consolidated financial statements of our 2020 annual report on Form 20-F), which is reflected on this line.

(g) This line shows the residual impacts of the divestment of our Animal Health business.

#### 4.5. Free cash flow

"Free cash flow" is a non-GAAP financial indicator which is reviewed by our management, and which we believe provides useful information to measure the net cash generated from our operations that is available for strategic investments<sup>(1)</sup> (net of divestments<sup>(1)</sup>), for debt repayment, and for payments to shareholders. "Free cash flow" is determined from our "Business net income"<sup>(2)</sup> adjusted for depreciation, amortization and impairment, share of undistributed earnings from investments accounted for using the equity method, gains & losses on disposals, net change in provisions including pensions and other post-

employment benefits, deferred taxes, share-based payment expense and other non-cash items. It also includes net changes in working capital, capital expenditures and other asset acquisitions<sup>(3)</sup> net of disposal proceeds<sup>(3)</sup>, and payments related to restructuring and similar items. "Free cash flow" is not defined by IFRS, and is not a substitute for **Net cash provided by operating activities** as reported under IFRS. Management recognizes that the term "Free cash flow" may be interpreted differently by other companies and under different circumstances.

The table below sets forth a reconciliation between **Net cash provided by operating activities** and "Free cash flow":

(€ million)	2020	2019 <sup>(d)</sup>
<b>Net cash provided by operating activities</b>	<b>7,449</b>	<b>7,744</b>
Acquisitions of property, plant and equipment and software	(1,329)	(1,405)
Acquisitions of intangible assets, equity interests and other non-current financial assets <sup>(c)</sup>	(562)	(576)
Proceeds from disposals of property, plant and equipment, intangible assets and other non-current assets, net of tax <sup>(c)</sup>	930	490
Repayments of lease liabilities <sup>(b)</sup>	(234)	(267)
Other items <sup>(c)</sup>	728	28
<b>Free cash flow</b>	<b>6,982</b>	<b>6,014</b>

(a) Free cash flow includes investments and divestments not exceeding a cap of €500 million per transaction.

(b) Following the application of IFRS 16, cash outflows relating to repayments of the principal portion of lease liabilities are included in free cash flow.

(c) This line mainly comprises the reclassification of net foreign exchange gains and losses arising on financial monetary items, and on the related hedging instruments, to Net cash provided by/(used in) financing activities.

(d) The presentation of the 2019 figure has been adjusted to take account of the first-time application of IFRS 16.

(1) Above a cap of €500 million per transaction.

(2) Non-GAAP financial measure; see "Definitions" section above.

(3) Not exceeding a cap of €500 million per transaction.

## Consolidated income statements

(€ million)	2020	as % of net sales	2019	as % of net sales
<b>Net sales</b>	<b>36,041</b>	<b>100.0%</b>	<b>36,126</b>	<b>100.0%</b>
Other revenues	1,328	3.7%	1,505	4.2%
Cost of sales	(12,157)	(33.7%)	(11,976)	(33.2%)
<b>Gross profit</b>	<b>25,212</b>	<b>70.0%</b>	<b>25,655</b>	<b>71.0%</b>
Research and development expenses	(5,529)	(15.3 %)	(6,018)	(16.7%)
Selling and general expenses	(9,390)	(26.1 %)	(9,883)	(27.4%)
Other operating income	696		825	
Other operating expenses	(1,415)		(1,207)	
Amortization of intangible assets	(1,681)		(2,146)	
Impairment of intangible assets	(330)		(3,604)	
Fair value remeasurement of contingent consideration	124		238	
Restructuring costs and similar items	(1,064)		(1,062)	
Other gains and losses, and litigation	136		327	
Gain on Regeneron investment arising from transaction of May 29, 2020	7,382		-	
<b>Operating income</b>	<b>14,141</b>	<b>39.2%</b>	<b>3,125</b>	<b>8.7%</b>
Financial expenses	(390)		(444)	
Financial income	53		141	
<b>Income before tax and investments accounted for using the equity method</b>	<b>13,804</b>	<b>38.3%</b>	<b>2,822</b>	<b>7.8%</b>
Income tax expense	(1,813)		(139)	
Share of profit/(loss) from investments accounted for using the equity method	359		255	
<b>Net income excluding the exchanged/held-for-exchange Animal Health business</b>	<b>12,350</b>	<b>34.3%</b>	<b>2,938</b>	<b>8.1%</b>
Net income/(loss) of the exchanged/held-for-exchange Animal Health business <sup>(a)</sup>	-		(101)	
<b>Net income</b>	<b>12,350</b>	<b>34.3%</b>	<b>2,837</b>	<b>7.9%</b>
Net income attributable to non-controlling interests	36		31	
<b>Net income attributable to equity holders of Sanofi</b>	<b>12,314</b>	<b>34.2%</b>	<b>2,806</b>	<b>7.8%</b>
Average number of shares outstanding (million)	1,253.6		1,249.9	
Average number of shares after dilution (million)	1,260.1		1,257.1	
Basic earnings per share (€)	9.82		2.24	
Basic earnings per share excluding the exchanged/held-for-exchange Animal Health business (€)	9.82		2.33	
Diluted earnings per share (€)	9.77		2.23	
Diluted earnings per share excluding the exchanged/held-for-exchange Animal Health business (€)	9.77		2.31	

(a) Net income/losses arising from the divestment of the Animal Health business are presented separately in accordance with IFRS 5 (Non-Current Assets Held for Sale and Discontinued Operations).

## Non-consolidated financial data of Sanofi (parent company) for the last five years

(€ million)	2020	2019	2018	2017	2016
<b>Capital at period-end</b>					
Share capital	2,518	2,508	2,495	2,508	2,584
Number of shares in issue	1,258,971,738	1,253,846,111	1,247,395,472	1,254,019,904	1,292,022,324
<b>Income statement data</b>					
Net sales	477	450	472	517	406
Net income before tax and non-cash charges (depreciation, amortization and provisions)	8,796	(2,282)	4,900	3,701	4,398
Income tax	8	(8)	(47)	387	(171)
Employee profit-sharing	-	-	-	-	-
Net income after tax and non-cash charges (depreciation, amortization and provisions)	8,200	(4,511)	12,843	4,288	4,542
Dividends paid			3,834	3,773	3,824
<b>Per share data (€)</b>					
Net income after tax but before non-cash charges (depreciation, amortization and provisions)	6.99	(1.83)	3.89	3.26	3.27
Net income after tax and non-cash charges (depreciation, amortization and provisions)	6.51	(3.60)	10.30	3.42	3.52
Dividend per share (net)	3.20 <sup>(a)</sup>	3.15	3.07	3.03	2.96
<b>Employee data</b>					
Number of employees at period-end	11	11	12	13	17
Payroll cost for the year	16	15	21	25	31
Employee benefits for the year (social security and other welfare benefits)	10	11	10	12	9

(a) Dividend submitted for approval at the AGM of April 30, 2021.

## Request for additional documents and information



### Combined General Meeting of April 30, 2021

These documents are available on our corporate website:  
([www.sanofi.com/AGM2021](http://www.sanofi.com/AGM2021))

I, the undersigned

Surname or corporate name.....

First name .....

Address .....

Town/City.....

Zip Code .....

Country.....

Owner of .....registered shares of Sanofi.

Owner of .....bearer shares of Sanofi (attach a copy of the shareholding certificate issued by your accredited intermediary).

hereby request to be sent the documents and information relating to the Combined General Meeting of April 30, 2021, as specified in Article R. 225-83 of the French Commercial Code.

Place of signature ..... Date of signature.....2021

*Signature*

**Please send this form to** BNP Paribas Securities Services  
CTO assemblées – Les Grands Moulins de Pantin –  
9 rue du Débarcadère  
93761 Pantin Cedex – France  
**or to your accredited intermediary.**

**NOTICE:** In accordance with Article R. 225-88 of the French Commercial Code, owners of shares may request the Company to send them the documents and information specified in Articles R. 225-81 and R. 225-83 of the French Commercial Code in advance of all subsequent General Meetings. If you would like to choose this option, please indicate on this request form that you wish to do so.





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