Sanofi Shareholder Report 2022

sanofi

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Message from the Chairman

Having a rich history of innovation that dates back over 100 years, today Sanofi more than ever stays true to its commitment to transform the practice of medicine by providing potentially life-changing treatments and the protection of life-saving vaccines to millions of people. Building on the success of *Dupixent*, Sanofi aspires to become a global leader in Immunology, delivering the next generation of novel medicines for chronic inflammatory diseases as well as for immunology-driven diseases in areas such as neurology and oncology, where the need for innovation remains extremely high. Over the past year, Sanofi has successfully continued its transformation while delivering strong financial results. Sales reached nearly €43 billion, the highest in recent years. A gradually growing dividend remains an important element of Sanofi's capital allocation policy and is reflected in the fact that the company has consistently increased its dividend payments for the past 28 years.

Economic challenges and a growing aging population will place increasing pressure on healthcare systems, therefore investing into innovation remains critical to future success. We have increased our R&D spending last year by 12% to €6.7bn. With a combination of deep biological pathway expertise, a broad technology platform and a precision-medicine driven approach to clinical development Sanofi is in a much stronger position today to develop new medicines. Data science spans every therapeutic area at Sanofi. Working from bench to boardroom, we are building scalable platforms to help shorten the diagnostic journey and improve both public health and the standard of care for diseases.

Advancing ethics and building a better society are subsumed into modern social expectations for businesses. At Sanofi, we believe providing access to healthcare is our greatest contribution to society and therefore we strive to provide affordable access to our medicines and vaccines for patients and populations who need them around the world. The Sanofi Global Health Unit is designed to improve access to care in 40 of the lowest income countries through a unique self-sustained non-profit model. In the U.S, we provide an unbranded *Lantus* biologic at -60% versus the branded list price, and cap out-of-pocket costs on insulin to $35 for all people regardless of their coverage situation.

This report sets out the essential mutuality of creating value in terms of health, society, scientific and financial strength – this is the winning formula that keeps us focused on long-term success for all our stakeholders.

Serge Weinberg, Chairman

Message from the CEO

By the end of 2022, with 10 consecutive quarters of growth, we closed successfully the first chapter of our 'Play to Win' strategy. We delivered strong proof points of our improved financial performance and achieved our target 30% BOI margin.

The main driver of our performance is *Dupixent*, this unique medicine which we identified in 2019 as a core driver of our transformation. The safety and efficacy profile of *Dupixent* maintains its position as the medicine of choice for many chronic type 2 inflammatory diseases. We keep growing in existing indications and adding significant patient pools through multiple approvals in diseases that are still underserved.

In Vaccines, we have maintained our leadership in flu and are gaining momentum quickly as the pediatric vaccines company of choice. The reinvention of our General Medicines businesses is bearing fruit with a streamlined portfolio of core assets and the robust growth of *Rezurock*. The creation of our stand-alone Consumer Healthcare business has enabled us to strengthen our leading market positions.

In R&D, we come away from 2022 with almost 90 projects in our pipeline, across immunology, oncology, neurology, and vaccines. We launched two new molecular entities, *Xenpozyme* for the treatment of ASMD and *Enjaymo* for Cold Agglutinin Disease. Not only are we transforming in R&D, but we are also doubling down on our responsibility to society. In 2022 we expanded access to medicines with the launch of our impact fund and upgraded our commitment to fighting climate change with a new target towards net zero by 2045.

Moving into the next chapter of 'Play to Win', we are approaching the steady state of transformative launches and breakthrough science. We have embedded our commitment to society within our business strategy for a unified approach to realize our overall ambition to transform the practice of medicine. We are working hard to become the Sanofi we've always aspired to be – a truly modern healthcare company advancing breakthrough science.

Paul Hudson, CEO

Discover who *we* are

From our beginning as a local French enterprise to our position as a leading global healthcare company, reinvention is in our DNA and reflects our quest to make life better for patients, partners, communities, and our own people.

Today, our business units are driven by one purpose and a common ambition. We believe that our cutting-edge science and manufacturing, fuelled by data and digital technologies, have the potential to transform the practice of medicine.

As a global company, and as a pharmaceutical company, we also have a responsibility to play our part in addressing some of the world's most pressing challenges. Sanofi's integrated Corporate Social Responsibility strategy aims to build a healthier, more resilient world by ensuring access to healthcare for the world's poorest people and focusing on addressing broader unmet needs.

Sanofi is structured around 4 business units and present worldwide. While we are looking at expanding our portfolio in Speciality Care and Vaccines, we are also divesting non-core assets in General Medicines and Consumer Healthcare in order to focus our resources behind our key assets.

Specialty Care

Leverage science and innovation to improve people's lives and be the industry leader in immunology and rare diseases.

Vaccines

Improve access to life-protecting vaccines and increase vaccination coverage, while striving to develop new and improved vaccines to enhance health and well-being.

General Medicines

Reverse the course of chronic diseases, combining our experience and portfolio of trusted brands with the power of technology and digital innovation to develop simplified, tailored care solutions.

Consumer Healthcare

Empowering individuals, the community, and healthcare professionals to promote and practice self-care leading to people being healthier.

Our *value* creation in 2022

We are building on our solid fundamentals to create long-term value for our stakeholders as a sustainable business partner, using science and innovation to help deliver better health.

Scientific value

- €6.7bn invested in R&D, representing 15.6% of company sales
- 34 projects in phase 3 or submitted to regulatory authorities for approval
- 84 projects in clinical development including 47 new molecular entities

Health value

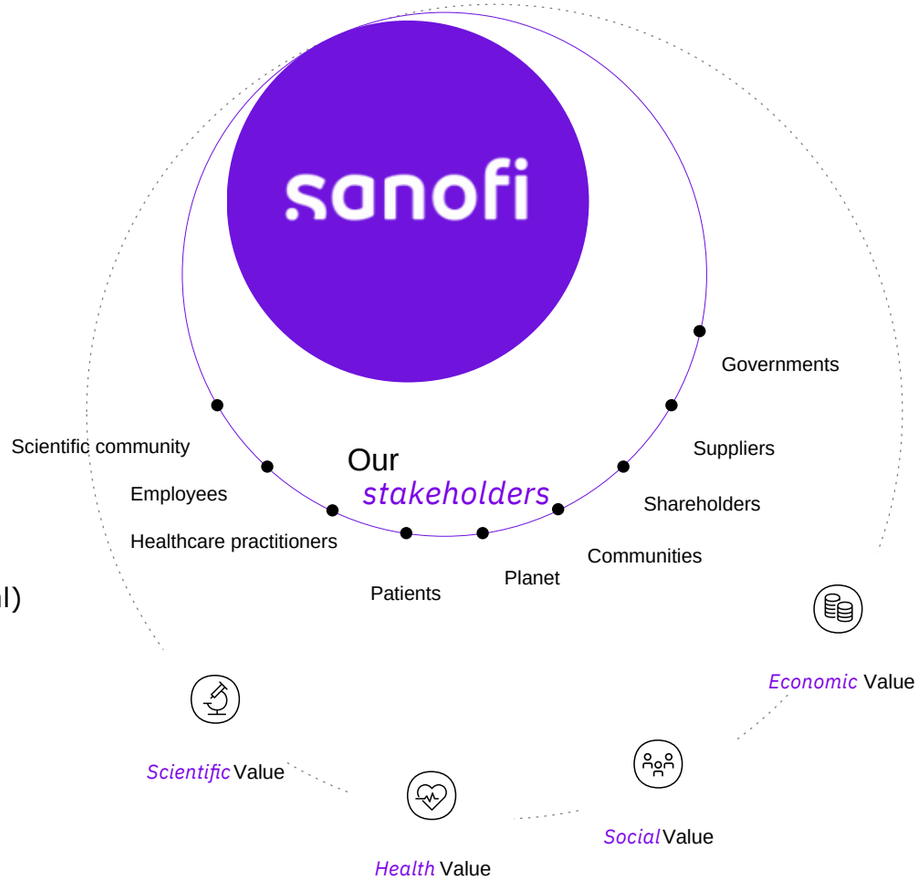
- Over 0.5 bn people vaccinated annually with our vaccines worldwide
- Addressing public health needs:
  - 47 million inactivated polio vaccine doses supplied to UNICEF for Gavi countries
  - 1,100 rare disease patients in 70 countries treated through our humanitarian program
  - 2.8 million patients treated against malaria, 138,000 patients treated against tuberculosis and 185,000 patients treated for non-communicable diseases through Sanofi Global Health
- Pharmaceutical contributions paid to healthcare systems: €5.6bn

Social value

- 47,000 hours of employee volunteering
- 41.7% of Sanofi Senior Leaders and 37.2% of Sanofi's Executive population are women
- Caring for the planet: 13% reduction in water consumption since 2019 and 29% reduction of CO2 emissions since 2019 (Scope 1 & 2)

Economic value

- Dividends: €4.5bn paid out to our shareholders with proposed dividend of €3.56 per share (subject to AGM's approval)
- Suppliers: €17.8bn Sanofi spending, of which approximately €1bn with diverse suppliers
- Personnel costs: €10bn
- Income tax and other taxes paid: €2.9bn



Double *materiality* assessment

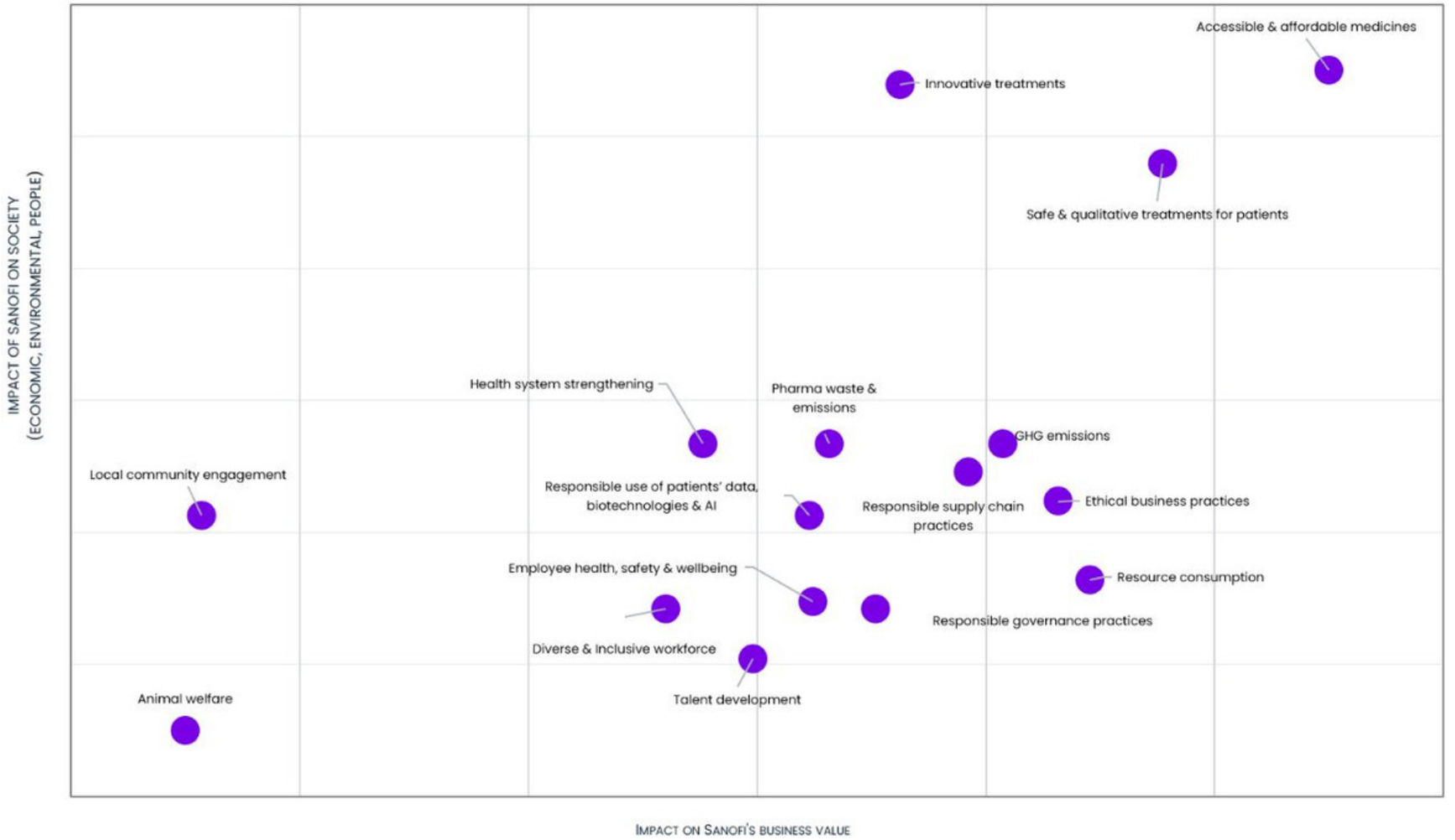
In 2022, we performed a double materiality assessment to gain insights into Sanofi's impact on the external environment and its CSR risks and opportunities.

Sixteen material topics were discussed in-depth with internal and external stakeholders, according to their areas of expertise. With this input from the subject-matter experts, the sixteen material topics were then ranked by selected members of Sanofi's senior management with regards to:

- The impact of Sanofi on society from an economic, environmental, and people perspective (i.e., impact materiality), and
- The impact of society on Sanofi's business value (i.e., financial materiality).

The results of this assessment will support our preparations for the new European Corporate Sustainability Reporting Directive (CSRD) and will help to inform our CSR strategy going forward.

Double Materiality Matrix



Sanofi's comprehensive CSR strategy is embedded in our *Play to Win* company strategy

Focus on growth

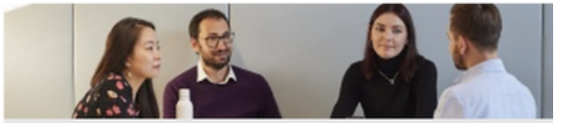
Portfolio prioritization to strengthen profile

Lead with innovation

Bring transformative therapies to patients

Accelerate efficiency

Decisive actions to expand margins

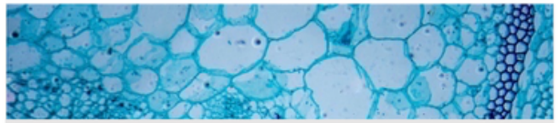


Reinvent how we work

Empowerment and accountability

Affordable access

Ensuring access to healthcare for the poorest countries



R&D for unmet needs

Innovating for the most vulnerable communities

Planet care

Minimize environmental impacts of our activities and products

In and beyond the workplace

Building an inclusive workplace and engaging with communities

Focus on *growth*

Specialty Care
€16.5bn +19.4%

Consumer Healthcare
€5.1bn +8.6%

Vaccines
€7.2bn +6.3%

General Medicines
€14.2bn -4.2%
of which core assets are €6.4bn +5.2%

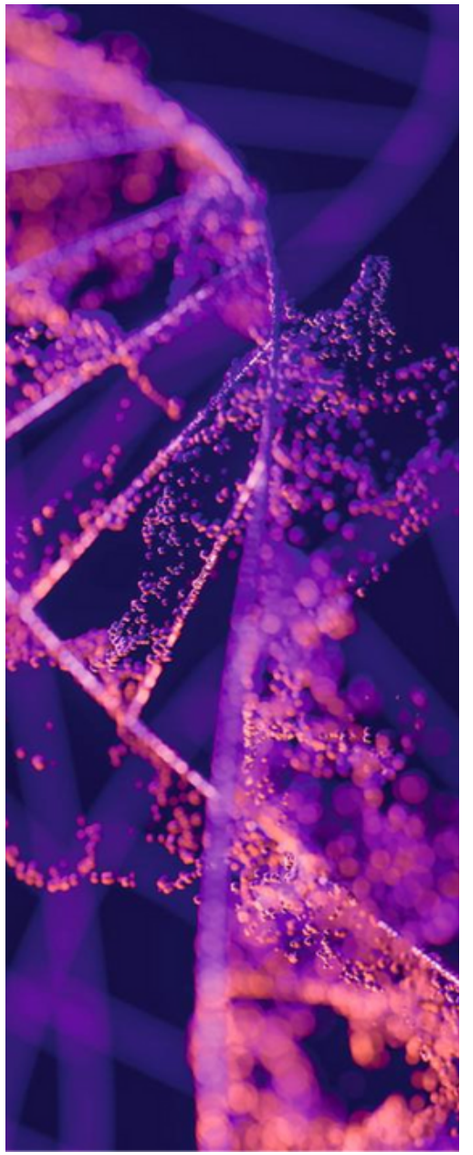
	2022 sales (€m)	*Growth*
Dupixent	8,293	43.8%
Influenza Vaccines	2,977	2.4%
Lantus	2,259	-14.4%
Aubagio	2,031	-4.3%
Lovenox	1,310	-13.8%
Toujeo	1,117	9.8%
Plavix	983	2.5%
Myozyme	958	-8.8%
Fabrazyme	938	5.2%
Cerezyme	707	2.6%

The year 2022 is the first where Specialty Care delivered the highest sales among the Sanofi businesses. The main driver of this performance is *Dupixent* that keeps adding significant patient pools through multiple approvals in diseases that are highly underserved by efficacious biologics. In addition, Rare Diseases is performing well thanks to the good performance of *Fabrazyme* and *Cerezyme* and the 2022 launches of the franchise.

2022 also marks another successful year for Vaccines. We have maintained our leadership in flu with sales growing 2.4% driven by our differentiated flu franchise. The Vaccines performance was also driven by the strong PPH performance and the return to growth of Travel and Booster Vaccines. In the second half of 2023, we will be ready to launch *Beyfortus*, the first and only broadly protective option against RSV infections designed for all infants.

The performance and consistent growth of Consumer Healthcare continues while we reshape the business, executing successfully in its prioritized franchises. Sanofi CHC delivered four consecutive quarters of double-digit growth on a rolling 12-month basis, with strong performance across Digestive Wellness, Allergy and Cough & Cold categories. Meanwhile we have carved-in a stand-alone structure over the past few years and we are embarking on the next phase with enabling CHC to fully manage all of its corporate functions independently.

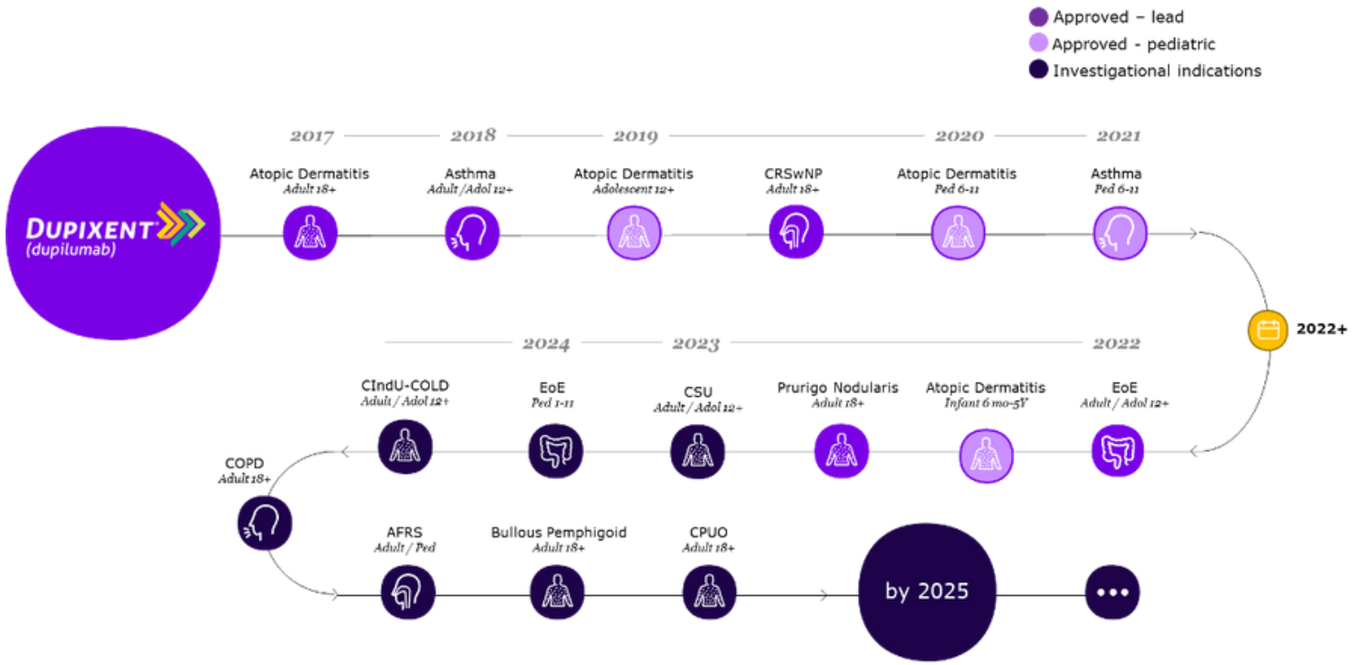
Finally, the progress made by General Medicines in streamlining its business has also delivered encouraging results. Notably, the core assets that we are prioritizing as defined as growth drivers are increasingly contributing to GenMed's performance now totalling €6.4bn of this GBU's sales, up 5.2% from last year. As an illustration of the success of the prioritization, *Toujeo* has reached blockbuster status totaling €1.1bn of sales in 2022.



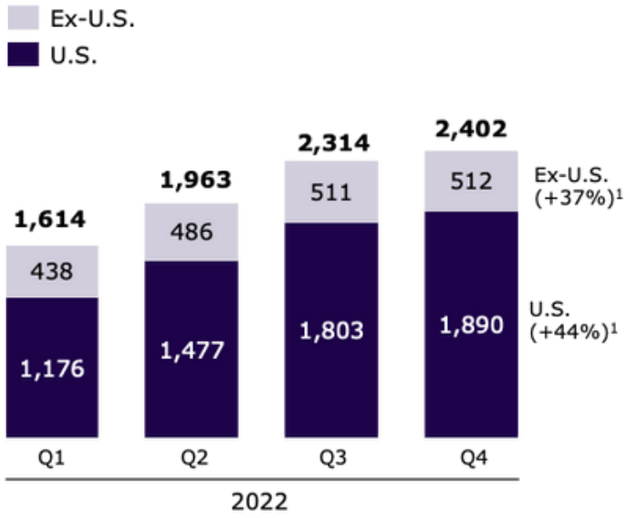
Focus on *growth* - *Dupixent*

The main driver of our 2022 performance is *Dupixent*, this unique medicine which we identified in 2019 as a core driver of our transformation. The biologic profile of *Dupixent*, to this day, remains the best in its class with exceptional ability to balance high efficacy with compelling safety. Blazing the trail in markets that are under-penetrated in terms of eligible patient populations, we are on track to reach our €10bn target in 2023.

Dupixent keeps adding significant patient pools through multiple approvals in diseases that are still underserved. This medicine is now a key cornerstone in treating chronic type 2 inflammatory diseases. In 2022, 225,000 biologics eligible patients were added to *Dupixent*'s label, in the EU through asthma to treat 6-11 year old children, and in the U.S. through eosinophilic esophagitis for patients 12 years and older, atopic dermatitis in infants starting from the age of 6 months, and prurigo nodularis.



Global *Dupixent* sales FY 2022 (€m)



"It has improved drastically, I'm so much more comfortable eating out, and I don't have any more food anxiety or social anxiety when it comes to physically swallowing food."
Patient on EoE biologics

"Felt normal for once. I didn't even know what normal felt like. My rhinitis cleared up, I could breathe, I wasn't itchy, and I didn't have to do an oatmeal bath to sleep."
Dupixent user

Focus on *growth* - Rare Diseases

For more than 40 years, we have been pioneers of science and innovation, rallying our people and resources to help improve the lives of those living with rare diseases. We are proud of the progress made —and there is more to do. Sanofi is committed to faster diagnosis, innovative treatments, sustainable access, and integrated support along the patient journey. Our established Rare Diseases business focused on a group of metabolic disorders caused by enzyme deficiencies (Gaucher disease, Fabry disease, Pompe disease) generated sales of €3.4bn in 2022, growing 10% at CER.

Launch highlights in 2022

Xenpozyme (olipudase alfa)	First and only therapy indicated for the treatment of ASMD (non-CNS manifestations)	~30% of identified patients in early launch countries on therapy
Enjaymo (sutimlimab)	First and only approved treatment for Cold Agglutinin Disease (CAD)	Strong ramp up of patient starts in launch markets U.S. and Japan
Cablivi caplacizumab-yhdp Injection 11 mg	First and only FDA approved therapy specifically indicated for the treatment of aTTP	Strong U.S. performance +74% driven by demand and adherence

Above are some great examples of how Sanofi's R&D transformation has translated to the expansion of our portfolio to address significant unmet medical needs. While the targeted patient populations for these products might be small individually, the importance of improving patients' lives with these first-in-class therapies continues to reinforce our leadership in Rare Diseases. Last year, we have seen strong adoption of *Xenpozyme* and *Cablivi*. *Enjaymo* has seen meaningful growth in new patient starts. Peak sales potential for these products is >€1bn combined.

"So it must have been about six months after she started the treatment, we allowed her to do gymnastics. And she literally went from not being able to do a cartwheel to being a state champion. So, now she's a competitive gymnast. She's completely done a 180, 360, whatever you want to call it. Everything has completely changed. I never, ever worry anymore about her health."– Xenpozyme user, started treatment at 7 years of age.

"My biggest hope would have been to have my life back as it was prior to my diagnoses with CAD. I was hoping for an increase in my energy from an increase in my hemoglobin, and I could resume my activities. That has proven to be true." – Enjaymo user.

Rare diseases Humanitarian Program

As part of our CSR strategy, we have set a target of helping 1,000 patients living with rare diseases who have no access to treatments each year, by donating 100,000 vials of medicine for their treatments annually.

In 2022, more than 120,000 vials were shipped, enabling more than 1,100 patients with rare diseases to receive treatment. Sanofi also added two new treatments to the program: *Xenpozyme* and *Nexviadyme /Nexviazyme*, which treat Acid Sphingomyelinase Deficiency (ASMD) and Pompe disease, respectively.

Focus on *growth* - Vaccines

We supply millions of vaccine doses for nearly a dozen diseases every day, making it possible to vaccinate over half a billion people worldwide, each year.

Thomas Triomphe, Head of Vaccines

Infectious diseases we offer protection against:

Bacterial Infections

- *Cholera*
- *Tetanus*
- *Diphtheria*
- *Typhoid fever*
- *Haemophilus influenzae type b*
- *Whooping cough (Pertussis)*
- *Meningococcal meningitis*

Viruses

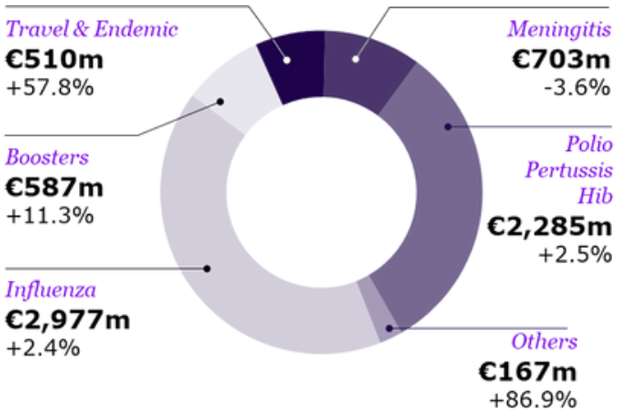
- *COVID-19*
- *Influenza*
- *Rabies*
- *Dengue*
- *Japanese encephalitis*
- *RSV disease*
- *Hepatitis A*
- *Poliomyelitis*
- *Yellow fever*
- *Hepatitis B*

Getting ready for the launch of Beyfortus

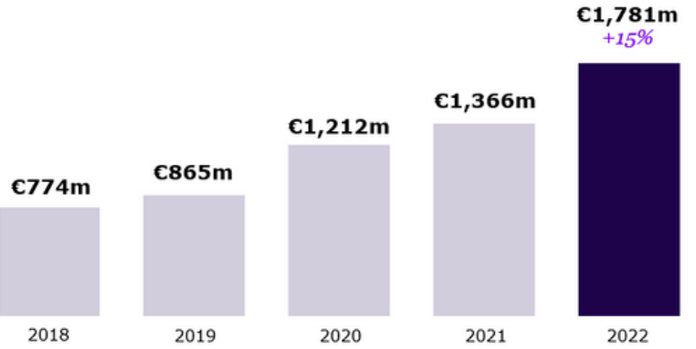
Respiratory Syncytial Virus (RSV) is a common, contagious seasonal pathogen that will infect nearly all babies by their second birthday. RSV is the most common cause of lower respiratory tract infections, such as bronchiolitis and pneumonia, and a leading cause of hospitalizations in infants.

Beyfortus (nirsevimab) is a single-dose long-acting antibody developed to offer newborns and infants direct RSV protection. A Biologics License Application has been submitted to the FDA and we are getting ready to launch *Beyfortus* for the next RSV season in both U.S and Europe.

Vaccines sales grew more than 6% in 2022, in line with our mid- to high-single digit growth guidance (CAGR 2018-2025). This was driven by continued strong performance of the influenza and PPH franchises and the return to growth of Travel and Booster products.



Global sales of differentiated flu vaccines



Influenza: Protection Beyond Flu

With our influenza vaccines, we seek to not only prevent influenza but also protect against its severe complications like heart attack and pneumonia. We aim to ensure these vaccines, supported by a high level of evidence, are available to protect as many people as possible each flu season. Global sales continued to grow and in the U.S. Fluzone HD remains the market leader gaining 4pts market share.

Blister free vaccines

As a pharma company we look at how we can limit our impact on the planet, leveraging the design of our packaging. We plan to have our vaccines blister free by 2027 and obtain the following benefits:

- Avoidance of 80 tons of PVC per year today (33% of packaging blister-free in 2022) and up to 300 tons by 2027
- 30 to 50% reduction in the number of pallets to be stored and transported
- 30% reduction of distribution cost
- Positive impact on the costs of sales

Focus on *growth* - General Medicines

We are focusing on our differentiated core brands in key markets to fully realize their volume potential, compensating for price erosion, and stabilizing sales by 2025. Some of these well-established medicines are the standard-of-care for patients living with diabetes or cardiovascular disease. This objective will be supported by the ongoing implementation of our innovative go-to-market model, while we continue to streamline the tail of the portfolio to improve profitability.

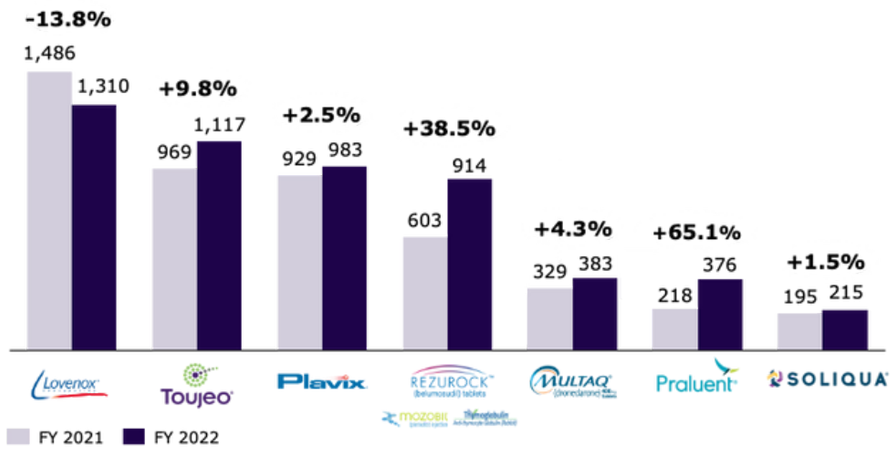
Olivier Charmeil, Head of General Medicines

For the full year 2022, GenMed core asset sales reached €6.4bn growing 5.2% in line with our ambition of a mid-single digit CAGR over the period of 2020-2025.

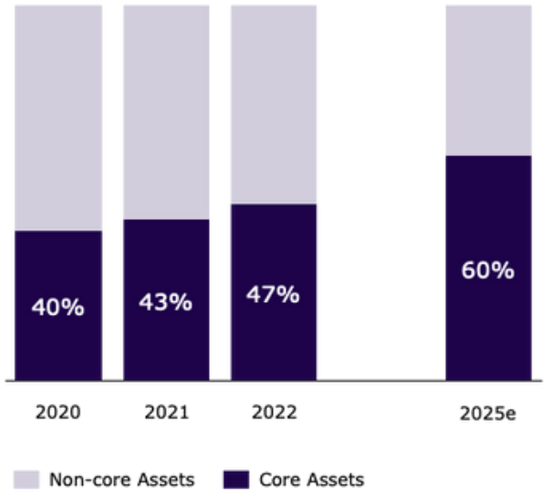
Toujeo, a long-acting analog of human insulin, crossed the €1bn sales mark for the first time and we expect *Toujeo* to continue to be a significant growth contributor in 2023. Our Transplant franchise is expected to continue its growth path, driven by *Rezurock*. *Praluent* growth should continue, driven by Europe and China.

In 2022, our core assets represented 47% of our GenMed sales (vs 43% in 2021) and we remain on track to reach 60% by 2025.

Core asset sales (in € million)



GenMed sales (excl. sales of active ingredients and semi-finished products to third parties)



Affordable access to Insulins in the U.S

In order to lower out-of-pocket cost of insulin for patients living with diabetes in the United States, we have several programs:

- For insured patients: In March 2023, we announced that we will cut the list price of Lantus 100 Units/mL, our most widely prescribed insulin, by 78% and establish a $35 cap on out-of-pocket costs, effective as of January 2024.
- For uninsured patients: In 2018, Sanofi created the Valyou Savings Program for all uninsured patients. In 2022, we enhanced the program by lowering the fixed price for a 30-day supply of Sanofi insulins from $99 to $35.

98,600

Times the Valyou program was used in 2022

$44m

Savings for people living with diabetes through Valyou in 2022

Focus on *growth* - Consumer Healthcare

"With the ongoing implementation of our fully integrated stand-alone model, we look forward to being more agile and reducing the complexity of our portfolio to drive growth with our consumer-centric, data-driven marketing approach. Self care leads to healthier communities and a healthier planet."

Julie Van Ongevalle, Head of Consumer Healthcare

Strategic agenda

Cut & embrace complexity

- Portfolio simplification
- Investment reallocation

Reinforce our consumer-centric mindset

- Consumer Healthcare stand-alone
- Increasing agility
- Strengthening brand equity

Build our digital & data edge

- Building Consumer Healthcare specific fundamentals
- Data driven A&P allocation tools

In 2022, we progressed further in building and simplifying our stand-alone Consumer Healthcare (CHC) organization within Sanofi. Almost all newly-created CHC legal entities are now operational, and our portfolio has been significantly simplified to 140 brands, down from 250 in 2020. Additional support functions have been brought together under the single CHC umbrella including HR, Finance, Legal and most importantly Digital representing a key step towards our target operating model.

Our 2022 sales have been growing 10% organically, supported by the strong performance of our priority brands, in particular in Cough & Cold, Digestive Wellness and Allergy. Cough & Cold brands (*Mucosolvan, Bisolvon, Histiacil*) enjoyed double-digit growth in 2022 and have been the largest contributors to our strong full year performance. This was driven by robust consumer demand, coupled with impactful global campaigns. The Digestive Wellness brands, *Enterogermina*, *Buscopan* & *Dulcolax* continued to deliver outstanding growth, expanding their leadership position in all geographies.

CHC progress on Eco-Design

Sanofi CHC reworked some of its brand packaging to reduce single use plastics and increase recyclability. The packaging of *Allegra*, *Nasacort* and *Gold Bond* were revised, which enabled us to save 35 tons of plastic in 2022 and increased the possibility for consumers to sort and recycle the packaging.

For example, for *Nasacort*, we transitioned from packaging that used a plastic clam shell to a recyclable carton.

Focus on *growth* - Affordable access

Sanofi Global Health Unit

Sanofi Global Health aims to improve the lives of millions of people who now cannot get the help they need. The launch of the Impact® brand and our Impact Fund are our latest steps to make our medicines available and to help bring quality, sustainable healthcare to people in the world's poorest countries. But we know that we cannot do this alone, and so we are building partnerships at global, regional and local levels that will help to improve and establish health systems to reach our goal of a healthier, more resilient world."

Jon Fairest, Head of Sanofi Global Health Unit

Unique go-to-market model to reach all patients

Shaping sustainable market

Reducing mark-up along the chain & controlling parallel trade

Margin reinvested at 100%

Co-designing and financing programs

Impact Investment Fund

Technical assistance through employees engagement

Sanofi Global Health Unit (GHU) is our non-profit business unit with a remit to increase access to healthcare for patients in 40 of the lowest income countries in the world. Sanofi Global Health is self-financed to ensure that it remains sustainable over time, charging just enough to cover local implementation projects.

Its ambition is to provide access to affordable and quality medicines to two million non-communicable disease (NCD) patients by 2030.

Sanofi Global Health has a multi-pronged approach:

Provision of essential medicines: The GHU will operate in 40 of the world's poorest countries, and will supply 30 of Sanofi's most essential medicines, including treatments for diabetes, cardiovascular disease, cancer, tuberculosis and malaria. Products as of today include Lantus, Plavix and Taxotere. In July 2022, the GHU announced the launch of its new, dedicated brand Impact®, under which all products will be commercialized.

Screening, disease management and training programs: As the provision of medicines is not enough in itself to meet unmet needs, the GHU will also work with local health authorities and care providers to train healthcare professionals. This engagement will raise disease awareness and help set up sustainable healthcare systems for diseases that require chronic treatment and complex care.

Funding for inclusive businesses: In 2022, Sanofi also announced the establishment of a €25 million Impact Fund that will support startup companies and other innovators who can deliver scalable solutions for sustainable healthcare in underserved regions. By providing inclusive business financing and technical assistance, the fund will complement the GHU's mission of leveraging global, regional, and local investment to support the training of healthcare professionals and aiding communities in running sustainable care systems.

Focus on *growth* - Affordable access

Sanofi Global Health Unit in 2022

Provision of essential medicines

Non Communicable Diseases

185,151 patients

Across 28 countries

Malaria

2,835,392 patients

Across 18 countries

Tuberculosis

138,593 patients

Across 17 countries

Screening, disease management and training programs

Since 2021, Sanofi Global Health Unit has engaged with Ministries of Health and other partners in several countries, including Rwanda, Uganda, Tanzania and Cambodia. Selected examples of projects supported are described below:

Through a multi-country strategic partnership with Medtronic LABS, Sanofi Global Health supports the project Afya Imara('Strong Health' in Swahili) in Tanzania and Betteh Lyfe ('Better Life') in Sierra Leone. The aim is to improve diagnosis and disease management for patients living with hypertension and diabetes through an integrated patient-centered model of care. The use of digital technology allows providers to manage a cohort of hypertensive or diabetic patients remotely, thereby improving patient outcomes.

To date, more than 71,000 people have been screened for diabetes and hypertension. Over 24,000 have been enrolled into hypertension and diabetes care and are being followed via the project. In addition, over 140 community health workers (CHWs) have been trained on the digital tool and over 260 healthcare professionals, CHWs and peer educators have been trained on guidelines for the management of diabetes and hypertension.

The MedLabs team is currently engaging with the governments of these two countries to explore the scale-up of the programs to public health facilities.

Funding for inclusive businesses

SwipeRx

The GHU impact fund, launched in July 2022, has announced its first investment in SwipeRx.

In January 2023, the GHU's Impact Fund announced its first investment in SwipeRX, a leading tech platform operating across South-East Asia which supports over 250,000 pharmacists and 50,000 pharmacies in improving availability and affordability of medicines, and quality of care delivered to patients.

SwipeRX provides fragmented pharmacies with is a single platform enabling online education and collaboration, centralized purchasing, financing, and logistics solutions for pharmacists.

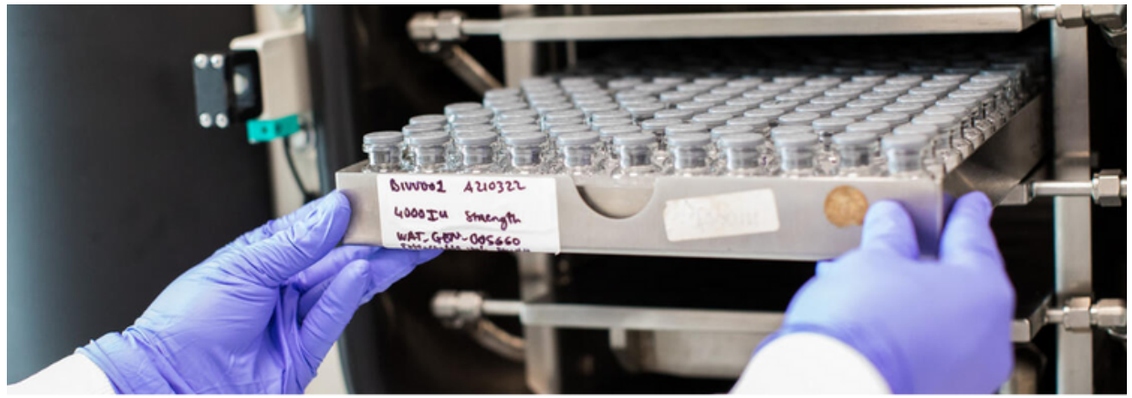
In many lower income countries, lack of access to healthcare professionals often results in a heavy reliance on pharmacists for primary healthcare. This agreement, which includes both a financial investment and leveraging Sanofi's business expertise, will support SwipeRX's ability to strengthen and scale its business model in lower-income Global Health Unit countries, like Cambodia.

Lead with *innovation* - R&D facts and figures

Our approach to the discovery and development of medicines starts with a deep understanding of disease pathways informed by patient insights, and leverages an expanding repertoire of unique, game-changing research platforms. Our goal is to innovate in every aspect of our work, whether it's taking a fresh approach to a scientific problem, helping patients participate in studies from home, or finding a simple way to reduce the cost of goods.

Research enabling technologies

The demonstrated success of mRNA-based vaccines, together with new clinical applications of mRNA in drug and cell therapy design, mark a turning point for genomic medicines. Single-cell genomics is redrawing the map of human biology, while cryo-electron microscopy is giving science a fresh pair of eyes, and sophisticated algorithms to predict protein structures are spotlighting potential new drug targets.



Imaging and data science

Combining data and information from multiple sources can give scientists essential insights into the likelihood of success in the clinic. AI and other machine-learning techniques help power the engine behind studies that can clarify disease drivers, help match patients to treatments, and reveal opportunities for new treatment options such as combination therapies.

€6.7bn
invested in R&D, representing 15.6% of company sales

373
clinical studies underway:
27,406 patients participating on 3,834 partner sites

Pipeline breakdown by new molecular entities and therapeutic areas

7 Vaccines	**14** Immunology and inflammation	**13** Oncology	**4** Rare blood disorders	**5** Neurology	**4** Rare diseases

2022 Key *R&D* pipeline highlights

- 84 projects in clinical development
- 34 of these projects in phase 3 or submitted to regulatory authorities for approval

12 Positive pivotal read-outs Allowing regulatory milestones and approvals

5 Priority Reviews/accelerated assessment with Altuviiio Breakthrough Theapy Designation

7 Phase 1 entered the clinical pipeline

Lead with *innovation* - *ALTUVIIIO,* setting a new standard of care

""... efanesoctocog alfa stands out as a winner – a major therapeutic advance that achieves highly protective factor VIII levels with a once-weekly infusion."

Cindy Leissinger, M.D.

The approval of ALTUVIIIO allows patients and physicians to reimagine living with hemophilia. The high sustained factor activity levels that can be achieved with ALTUVIIIO have the potential to change the hemophilia landscape. For the first time, with a once-weekly dose, powerful bleed protection is a reality for patients. Significant shifts in treatment paradigms that improve people's lives, like ALTUVIIIO, are what we have committed to delivering at Sanofi.

Dietmar Berger
Head of Global R&D ad interim

Hemophilia A is a rare, lifelong condition in which the ability of a person's blood to clot properly is impaired, leading to excessive bleeds and spontaneous bleeds into joints that can result in joint damage and chronic pain, and potentially impact quality of life. The severity of hemophilia is determined by the level of clotting factor activity in a person's blood, and there is a negative correlation between risk of bleeding and factor activity levels.

ALTUVIIIO is the first and only hemophilia A treatment that delivers normal to near-normal factor activity levels (over 40%) for most of the week with once-weekly dosing, and significantly reduces bleeds compared to prior factor VIII prophylaxis. It was approved in February 2023 by the U.S. Food and Drug Administration (FDA) for routine prophylaxis and on-demand treatment to control bleeding episodes, as well as perioperative management (surgery) for adults and children with hemophilia.

Altuviiio patient

The FDA evaluated the application under Priority Review, which is granted to therapies that have the potential to provide significant improvements in the treatment, diagnosis, or prevention of serious conditions.

The FDA previously granted *ALTUVIIIO* Breakthrough Therapy designation in May 2022 – the first factor VIII therapy to receive this recognition. Regulatory submission in the EU is anticipated in the second half of 2023. The European Commission granted Orphan Drug designation in June 2019.

Responsible pricing: To ensure that patients have access to the improved bleed protection provided by *ALTUVIIIO*, Sanofi will price *ALTUVIIIO* at parity to the annual cost of treating a prophylaxis patient on *Eloctate*. Sanofi will also provide comprehensive patient support services and resources.

Lead with *innovation* - R&D for unmet needs

Develop innovative treatments for childhood cancer

Cancer remains the leading cause of death from disease in children in the developed world and progress in new therapeutic development has been limited. As part of its CSR strategy, Sanofi has set itself the ambition to develop innovative treatments to eliminate cancer deaths in children.

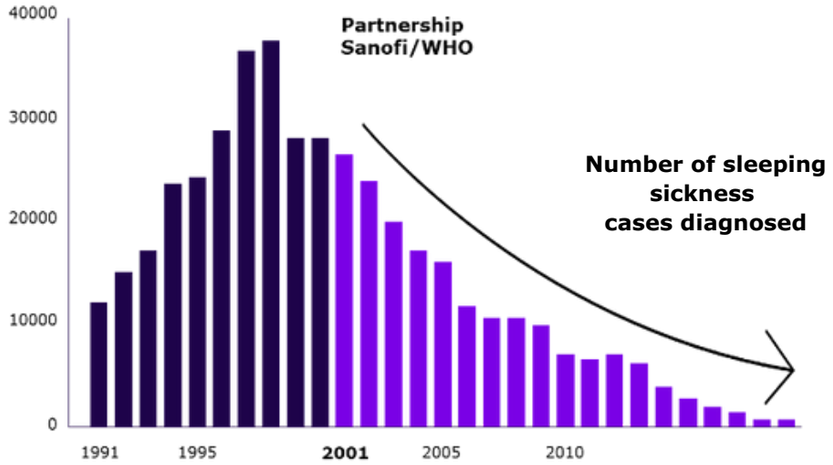
To achieve this, Sanofi is leveraging its R&D capabilities to develop highly effective, less toxic novel therapeutics for children with cancer. Sanofi also aims to reduce delays in launching clinical trials for children with cancers from currently 6.5 years to less than 3 years relative to adult trials. The company is looking at compounds at very early stages of development – ideally before entering human trials – to consider what additional laboratory data is needed, and be ready to initiate pediatric clinical trials on a timely basis.

In addition, Sanofi is working with experts at institutions and other childhood cancer research networks to help prioritize pipeline drugs for development based on emerging data and unmet patient need. Sanofi has completed the pre-clinical assessment for one asset and now has this asset in protocol preparation for the first clinical trial under this initiative, with an estimated start in 2024. One additional asset has been identified for clinical development.

"It's not to extend life by a few months. The goal is to give childhood cancer survivors normal life expectancy. We are willing to incur more risk, because that risk allows for a long-term cure."

Peter Adamson, Head of Oncology Development and Pediatric Innovation

Our commitment to eliminate sleeping sickness



Sanofi has collaborated with the World Health Organization (WHO) since 2001, with the objective of contributing to eliminate sleeping sickness, or Human African Trypanosomiasis (HAT), by 2030. Sleeping sickness is a Neglected Tropical Disease, which affects mostly poor populations living in remote rural areas of sub-Saharan Africa. If left untreated, the parasitic disease is usually fatal. Since the start of Sanofi's collaboration with the WHO, the number of cases of sleeping sickness has fallen by 97%, from 26,950 in 2001 to 805 in 2021, dropping below 1,000 for the fourth consecutive year. Through Sanofi's partnership with the World Health Organization (WHO), the company supports disease management, including screening of populations, disease awareness campaign, capacity building, as well as drug donation.

Sanofi has collaborated with the Drugs for Neglected Diseases initiative (DNDi) to develop a new all-oral monotherapy, fexinidazole, which was first approved at the end of 2018 in the Democratic Republic of Congo (DRC). While previous treatments required long hospitalizations and intravenous administration, this new, all-oral monotherapy reduces treatment to a ten-day once-a-day treatment. It has been included in the WHO Essential Medicines List and WHO sleeping sickness treatment guidelines.

In September 2020, Sanofi and DNDi signed an agreement to develop and roll out *Acoziborole*, a second innovative sleeping sickness treatment. Once approved, the treatment could be administered in a single dose at the point of diagnosis making it a game-changer to support the sustainable elimination of the disease.The results of phase II/III clinical studies, which were published in The Lancet Infectious Diseases medical journal in November 2022, showed that the 18- month treatment success rate for acoziborole was 95% in late-stage g-HAT patients. The study shows that acoziborole has a favorable safety profile, with no significant drug-related safety signals being reported.

Accelerate *efficiency* - Financial performance

Despite facing a challenging macroeconomic environment in 2022, we have delivered a strong performance. Full year company sales reached almost €43bn, growing 7%, and delivering the 10th consecutive quarters of growth. The Gross margin improved by 180 basis points, driven by product mix and efficiencies that more than offset increased costs of energy and transportation, as well as higher labor costs.

Operating expenses grew roughly in-line with sales, the majority coming from R&D to fund and expand our pipeline for future growth. Our cost savings plan was also a success with €2.7bn savings reinvested being our growth drivers.

We also recorded capital gains from divestments totaling €615M in this line. We continue to identify assets across GenMed and CHC that are non-core and expect to generate capital gains from divestment in the future.

Our BOI margin reached 30% at CER and 30.3% at published. An improved effective tax rate of 19.3% and higher financial income also contributed to the Business EPS growth of 17.1% at CER.

BOI margin

30%

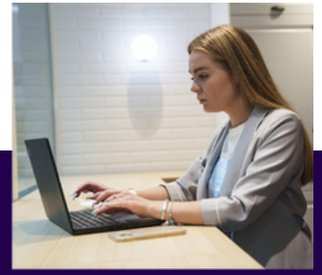
Strong cash flow

EPS growth

~16%

growth at CER

Ahead of guidance



Communication best practices: "one agency" ecosystem

The ambition was to create a “one agency” ecosystem for the global brands with 2 main partners for strategic and creative work worldwide and a content adaptation hub for localization/adaptation work at local level.

Each global brand should work with a unique vendor at global and local levels for any strategic and creative work to ensure brand strategic alignment, consistency on the communication, more co-creation and re-use and less duplication at local level.

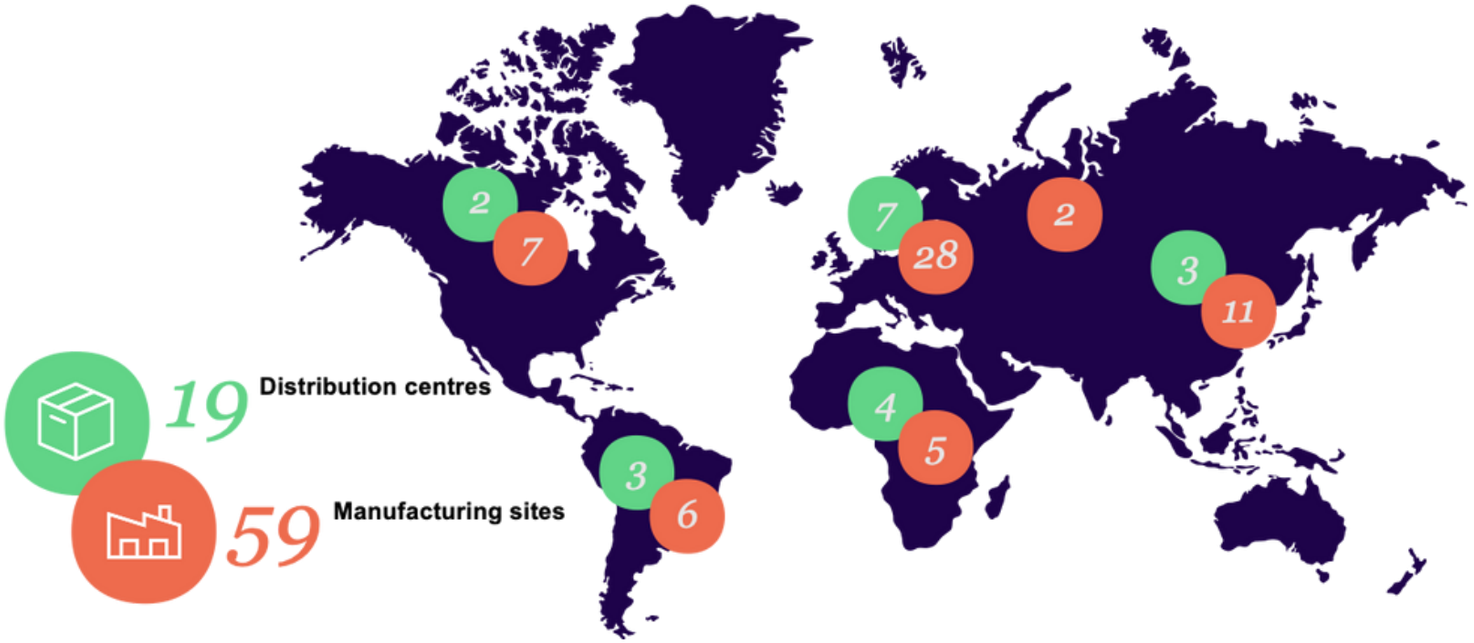
We have also implemented an asset base price remuneration model, providing more costs transparency, pre-agreed deliverables and resources by each kind of asset, enabling to use existing deliverables/content in new jobs engaged driving efficiencies.

The outcomes of this new model are :

- The reduction of the number of hours required in each asset,
- The ability to adapt the deliverables in each asset to answer to business needs,
- The revision of scope and fees are much more straight forward.

The savings generated were €55M / 16% in 2022 while unlocking higher brand strategic alignment, more re-use, less duplication on assets creation.

Accelerate *efficiency* - Our industrial network



Evolutive vaccine facility in Singapore: Low energy intensity and 100% electrified by design

Building a path towards carbon neutrality is not only about facilities revamping or optimization but also about designing new factories with the lowest environmental footprint. Our new vaccine facility in Singapore maximized its energy efficiency and is 100% electrified, with heat-pumps and energy recovery in all processes. All available surfaces are equipped with solar panels to generate renewable electricity. The remaining electricity supply will be sourced from renewable alternatives such as long-term power purchase agreements and renewable energy certificates, with the objective to source 100% renewable electricity by 2030, in line with Sanofi RE100 commitment.

Learn more here.

34,000

Employees work daily to produce high quality treatments

8%

Our dependence on Chinese and Indian suppliers [1]

97.4%

Our global service level on prescription products

All figures concerning sites as of December 2022, unless otherwise indicated
1. This calculation relates only to chemical active ingredients, which tend to be manufactured in Asia. It does not include biological active ingredients or vaccines.

Accelerate *efficiency* - Planet care

We have embarked on a ambitious sustainability program to limit the direct and indirect impacts of our operations and products on the environment.

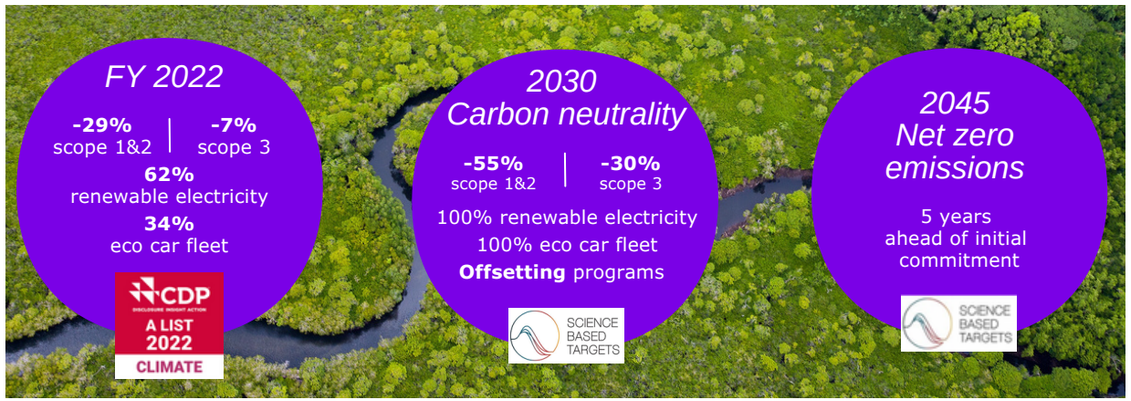
Mitigating climate change

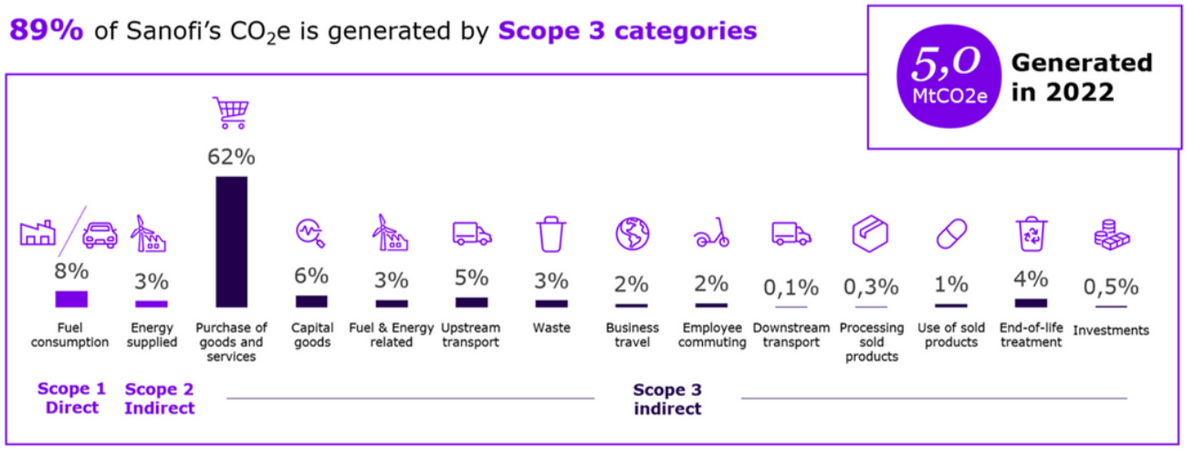
Because we want to play our part in combating climate change, we pledged in 2021 to move towards carbon neutrality by 2030 across our entire value chain; and in 2022, we brought forward our net zero greenhouse gas emissions target to 2045, five years earlier than our previous target.

Validation of our objectives by the Science Based Target initiative (SBTi) provides a scientific seal of approval for our objectives, as part of the planet-wide efforts needed to limit global warming to 1.5°C.

We commit to:

- Reducing our scope 1 and 2 greenhouse gas emissions by 55% in absolute terms by 2030, versus a 2019 baseline;
- Increasing our annual supply of renewably-sourced electricity from 11% in 2019 to 80% in 2025 and 100% in 2030;
- Reducing our scope 3 emissions by 30% between 2019 and 2030.
- Reducing absolute scope 1, 2 and 3 greenhouse gas emissions 90% by 2045, versus a 2019 baseline.





Meeting our 2030 targets

To build the road to carbon neutrality by 2030, Sanofi focuses above all on reducing its emissions across its entire value chain (Scopes 1, 2 and 3). A carbon offsetting plan for residual emissions alone is being developed. Two pilot projects were launched in 2022. The selection of compensation mechanisms will focus on effective projects that associate a positive social impact on communities and on the environment, with "best in class" international certification standards recognized by financial regulators.

Sanofi also joined the RE100 initiative in 2020, reinforcing our commitment to use 100% renewably-sourced electricity across the entire Sanofi scope by 2030.

Assessing climate-related risks and opportunities

Sanofi has pledged its support to the Task Force on Climate-related Financial Disclosures (TCFD), with the aim of helping disseminate best practice, improve transparency about the risks and opportunities, and provide responses and solutions. Our commitment is based on in-depth analyses of the impacts of climate change on what we do, and on robust systems put in place for each of the four TCFD pillars. Read more about our TCFD Reporting.

Accelerate *efficiency* - Planet care

Water

Water is a key commodity for our industrial operations. Utility systems (steam, process water and cooling systems) are the most important users of water at Sanofi. Through a water risks mapping, we have defined 10 priority sites, located in Algeria, India, Mexico, South Africa, China, and Saudi Arabia. We aim for our priority sites to have implemented efficiency management plans with context based targets by 2025, and for all of our manufacturing sites by 2030.

We have estimated that implementing our sustainable water management program will reduce our global water withdrawals by 15% by 2030 versus the 2019 baseline, despite the ongoing development of our industrial capacities.

Waste

Sanofi has set two complementary targets for 2025: to achieve a recovery rate (reuse, recycle, recover) of over 90% and to reduce the landfill rate to 1%. During 2022, our waste recovery rate (materials and energy) rose from 84% to 86%. Progress on the program has been such that we expect to meet our 90% target in 2023/24, two years ahead of schedule. By the end of 2022, our landfill disposal rate had fallen to 5%, versus 7% in 2019, with a 35% reduction in volumes.

Pharmaceuticals in the environment (PIE)

We strive to prevent and reduce the environmental impact of pharmaceutical substances (including antibiotics) by taking actions across the entire life cycle of our products, from development and manufacturing to end-of-life post patient use:

- At the end of 2022, our program to evaluate and reduce the environmental impact of potential releases in water of pharmaceutical substances from our manufacturing sites covered 72% of our chemical synthesis and dosage form sites, and 100% of our priority sites (which are identified on the basis of a risk analysis by substance and by site).
- We assess the environmental impact of our products. In 2022, we identified our top 100 selling products (by sales and unit sold). To date, our evaluation program has already covered 66% of those substances.
- The environmental performance of our suppliers and subcontractors is assessed as part of our sustainable procurement approach.
- We also support unused medicine collection schemes (like the Cyclamed scheme in France) in many countries.
- Finally, we conduct awareness campaigns to help patients use medicines properly, especially antibiotics.

Biodiversity

We seek to protect biodiversity and ensure that natural resources are used fairly and sustainably. We adapt our practices to comply with international frameworks such as the Nagoya Protocol and the Convention on Biological Diversity (CBD) and the local regulations. We also work towards elimination of the use of endangered natural resources and their derivatives.

In 2022, we updated the biodiversity risks mapping of our sites to identify and assess the extent to which our sites could impact biodiversity. 13 priority sites were identified. Two pilot sites (Aramon in France, Toronto in Canada) started to implement biodiversity protection programs in 2022, and similar programs will be rolled out across all priority sites exposed to highest operational risks to biodiversity by 2025.

Eco-design

Eco-design is a systemic approach that aims to embed environmental criteria not only in the initial design of a product, but also in continuous improvements through its life cycle.

We have pledged that by 2025 all new products we bring to market will have been eco-designed. By 2030, this will be extended to the top selling products. To strengthen our in-house eco-design capabilities, we have developed a digital life cycle analysis tool that went live in December 2022.

Accelerate *efficiency* - Sustainable procurement strategy

Our commitment:

As a signatory of the UN Global Compact, Sanofi is committed to supporting and applying fundamental principles in the areas of human rights, labor, environmental protection, and anti-corruption. These principles, detailed in the Suppliers' Code of Conduct, are part and parcel of our relations-management practices for our current and future suppliers.

We buy raw materials, goods and services all round the world, and use a diversified panel of suppliers reflecting the diversity of our activities. Our Procurement function is centralized, and acts in the name of all Sanofi entities. This structure delivers synergies, in terms of both expertise and procurement costs. Our procurement policy, is based not only on economic principles but also on ethical, environmental and social principles.

Through responsible sourcing, Sanofi aims to minimize risks and create stable, long-term business relationships with selected partners who are screened through a risk-based approach. For procurement categories considered at risk from a sustainability standpoint, suppliers are either audited (most critical vendors), or subject to thorough due diligence assessments.

Supplier risk assessment

Our procurement risk approach encompasses all procurement categories and assesses macro risks (geopolitical, economic, technological, legal, natural disasters); operational risks, such as supply (single source, dependency); financial and strategic business issues; compliance risks, such as fraud and business ethics issues; and sustainability risks, including environmental, social and governance issues.

Sustainability risks are assessed through our 267 procurement sub- categories. The categories are assessed based on their inherent risk in terms of health and safety, the environment and human rights, each of which is scored from 1 to 4. Inherent risk is determined regardless of the country of operation, as follows:

- Health and safety: Number of people potentially affected, and seriousness and irreversibility of the consequences on people;
- Environment: Extent of the negative consequences (in terms of pollution and use of natural resources) on the environment, communities and biodiversity (whether or not limited to the site), and their irreversibility;
- Human rights: The characteristics of the workforce (level of qualification, number, temporary or permanent), and awareness of human rights issues around the products used.

As a result of this compound rating, 47 procurement categories are considered at risk from a sustainability standpoint. The underlying purchases are mostly related to the following activities and products: Capex, Energy, Packaging, Consumables, Waste Management, Active Ingredients, Raw Materials, Subcontracting, Clinical Trials, Transport and Distribution.

Suppliers belonging to these 47 categories are monitored depending on their sub-classification:

- Group A: Audits
- Group B: Third-party assessment

Our Suppliers Code of Conduct

Sanofi's commitment to responsible procurement is reflected in our Suppliers Code of Conduct, with which any supplier – and any supplier of our suppliers – must comply.

They are expected to respect:
Labor regulations against child labor, forced labor, violence, and discrimination (ILO (International Labor Organization) core conventions);
Decent working conditions (working hours, wages and benefits, freedom of association);
Health and safety: workers' health and safety protection, hazard information and training, and emergency preparedness; and
Environment: regulatory compliance, climate change mitigation, minimizing releases in the environment (air, water, soil), pollution prevention, reduction of energy and water usage, and biodiversity.
The Suppliers Code of Conduct is integrated into our electronic ordering systems. Each time a supplier is onboarded, it must acknowledge and agree to our Supplier Code of Conduct.

Audits

757 Active suppliers and Contract Manufacturing Organizations (CMOs) audited (cumulative until the end of 2022)

92% Reduction of critical findings during audits of suppliers and CMOs from 2019 to 2022 [1]

Third-party assessments

273 Suppliers assessed via due diligence questionnaires in 2022

234 of those suppliers were undergoing a reassessment

67% those had improved their rating after following an action plan.

1. Data YTD October 2022.

Reinvent how we work - Talent attraction & development

Strategic workforce planning and talent sourcing

Strategic Workforce Planning helps us to identify our internal strengths and overall challenges to focus our efforts on what matters most when it comes to attracting and retaining the talents we need to succeed. Sourcing strategy combines external talent attraction (for selected up-skill/re-skill jobs and emerging new jobs) with internal transfers and promotions, while fostering diversity.

Our newly established Executive Recruitment and Scouting team enables us to access talents in the market and to support our effort to secure solid succession plans, with reliance on head hunters limited to specific cases. There were positive results in 2022 as the team achieved more than 15 hirings, avoiding agency costs in excess of €4m. Strong roots have been established with Research & Development, Manufacturing and Supply, Vaccines and global support functions. The team is expected to keep on growing, and to broaden the service out to other GBUs and global functions in 2023.

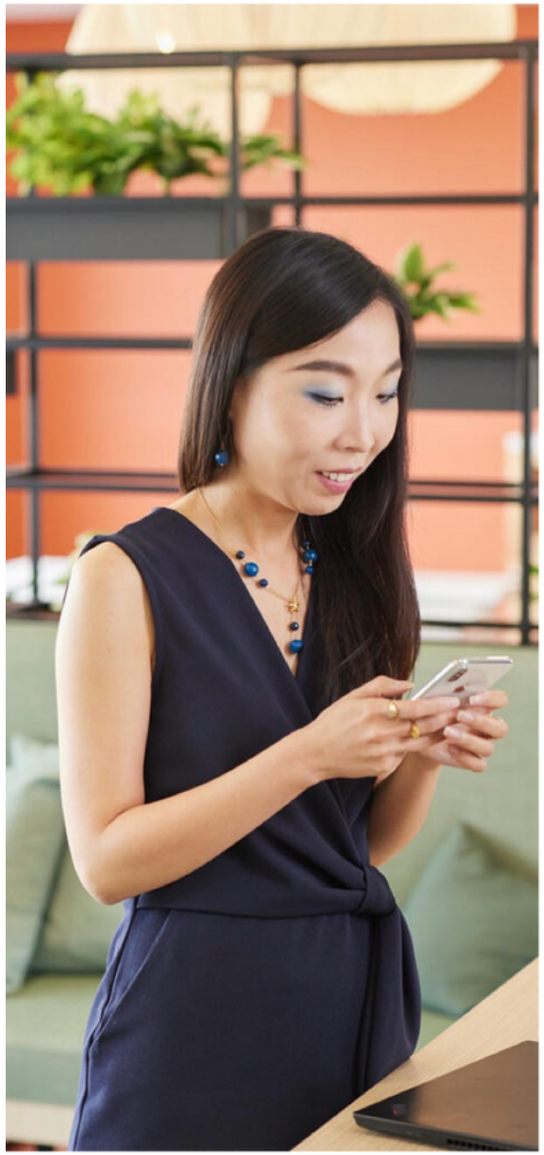
Downstream, our recruitment model fully supports our transformation by delivering high permanent recruitment volumes (20% increase), with spikes in the U.S. and Europe. Overall, our internal hiring rate remains high (over 40% of permanent positions), enriching the pipeline of our next generation of leaders and offering diversified career opportunities. In 2022, we were able to attract key skills to deliver our strategy, specifically in *Dupixent*, Oncology, R&D, mRNA, and Digital. We also appointed several key executives through internal promotion.

72%
Of our high potential talents are in the succession pipeline

3.1%
Turnover of our high potential talents in senior and executives positions in 2022

A broad learning offer

Sanofi continues to invest substantially in offering multiple learning opportunities that are critical to our competitive advantage and success in tomorrow's world and are aligned with our Play to Win strategy. Sanofi University is a key resource to help our employees to own their skills for today and tomorrow by accessing learning content from across our eight Learning Institutes: People Development, Research & Development, Medical, Digital, Manufacturing & Supply, Sales Transformation, Corporate Expertise, and Global Marketing Excellence. In 2022, the number of training hours per employee increased by approximately 12%, to 27.9 hours.



Reinvent how we work - In and beyond the workplace

Our strategic focus on Diversity, Equity & Inclusion (DEI) helps us reinvent how we work and enables our cultural transformation. In this context, we launched our first ever global DEI strategy in June 2021 called "All In," aiming to drive greater equity across five key strands of diversity: Gender, Race/Ethnicity/Faith, Disability, Age and LGBTQ+. We will also ensure that anti-racism is a systemic part of our organization and is reflected in everything we do.

2022 was a year spent embedding the "All In" strategy, and the resources for all employees to engage and interact with it. We established five Employee Resource Groups (ERGs - Gender+, Pride+, Ability+, Generations+ and Culture & Origins+) at both global and local levels with a universal framework and playbook to drive adoption.

Focus on gender balance

We have committed to achieving gender balance of 50% in senior leadership and 40% of women in our executive teams by 2025. Supporting KPIs are included in the performance objectives for the annual variable compensation of all our executive teams. To achieve this commitment, we are combining several actions covering talent management, acquisition and development.

At Sanofi, the gender pay gap is driven primarily by higher representation of one gender in traditionally higher and/or lower paid skill sectors/jobs and locations. As of December 2022, Sanofi has an average global pay gap of 5.7% in favor of women, mainly driven by our gender distribution in job families and geographical footprint.

41.7%
of our senior leader positions are held by women [1]

37.2%
of our executive positions are held by women [2]

5.7%
gender pay gap in favor of women

49%
of our new hire are aged 30 or under

1. Senior Leaders: Approximately 2,340 positions
2. Executive Leaders: Approximately 500 positions

Global gender-neutral paid parental leave

From January 1, 2022, Sanofi grants 14 weeks paid parental leave to any Sanofi employee welcoming a new child through childbirth or adoption, no matter which country they are working in and irrespective of gender or sexual orientation, as long as the employee is recognized as the child's parent as per local legislation or practice.

Since pioneering this policy in Latin America in 2020, we have seen first-hand the concrete and positive impact it can have. It gives our employees the freedom to determine the childcare arrangements that work best for them as a family and provide quality time to better bond together, and aims to reduce gender bias during the hiring process: a step forward for driving equality in the workplace.

In 2022, 2,915 employees took parental leave, 57% women and 43% men respectively.

Governance - Responsible business

Patient safety always comes first

Sanofi develops, manufactures and sells a vast portfolio of healthcare solutions around the globe. We are obliged to meet legal and regulatory requirements on the safety of products through their entire life cycle, from research to end use, and aim to:

- Protect patient health by monitoring the safety of our medicines and constantly assessing the benefit/risk profile of our products;
- Supply physicians, healthcare professionals and patients with full and up-to-date safety information, including potential risks associated with a product;
- Report to the regulatory authorities on a timely basis, in accordance with international and local regulatory requirements and our own Global Quality standards; and
- Set up a dedicated and holistic approach to fight against falsified medicine and illicit trafficking, to protect patients and preserve trust in the supply chain.

Ethics & business Integrity

Sanofi operates in more than 100 countries around the world and is committed to respect the highest standards of ethics and integrity in its business conduct. Embedding ethical values into our day-to-day activities is essential to preserve the trust of patients and communities, to safeguard our image and reputation and to protect Sanofi employees. To sustain our commitment, we have implemented a robust governance. We have established and enforced clear rules in accordance with the legal framework in each country where we operate. A rigorous internal control framework is also implemented to prevent violations of internal rules.

A new Code of Conduct

We have recently published a new Code of Conduct, which serves as the moral compass that guides us when chasing the miracles of science to improve people's lives. You can discover our new Code of Conduct by visiting our dedicated website.

Promotional practices

We ensure compliant and ethical marketing as well as ethical interaction with healthcare professionals and patients by adhering to the codes on promotional activities governing our industry worldwide.

More on Promotional practices.

Human rights

We employ more than 91,000 people in many countries and work with a large number of suppliers and subcontractors. This gives us a duty to respect the human rights of workers both in our own operations and in our supply chain.

Sanofi has committed to applying international standards on human rights, including the *United Nations Guiding Principles on Business and Human Rights*, and to carrying on its activities in compliance with national regulations such as the French Duty of Vigilance law.
To do this, we identify the nature and extent of potential human rights violations in every country in which we, our suppliers and direct subcontractors operate, and take action to prevent any breach of the rules or of our own internal policies. Regarding human rights assessments for suppliers, see our dedicated Sustainable Procurement page.

More on Human rights due diligence

9 *Out of 18 identified at-risk countries have already been audited by an independent party on their human rights practices. No findings were identified.*

Medical ethics and bioethics

Our Bioethics Committee, chaired by our Chief Medical Officer, ensures we make progress through responsible practices in research and clinical development. It reviews bioethical standards and working practices in R&D for consistency and transparency and determines relevant policy positions.
In 2022, we reviewed and reissued, with no major changes, our policies on access to products (post-trial access policy), compassionate use, humanitarian donations of medicine, gene therapy and genetic engineering technology, and other policies related to the use of animals.

Our Bioethics Committee also takes a close interest in the ethical use of new technologies in our scientific activities. In particular, we have published a policy on gene editing and gene therapy technologies (reviewed in 2022), which describes the opportunities for those technologies but also sets limits on their use. We have also issued principles on the use of artificial intelligence, which applies in particular to our scientific and medical activities.

55 *Internal inspections conducted on our clinical research activities in 2022. None resulted in regulatory action.*

More on Medical ethics and bioethics

Governance - Our Board of Directors & CEO compensation

The Board of Directors establishes the orientation of Sanofi's activities and ensures that they are implemented, paying due consideration to social and environmental issues.

The Board monitors progress on our CSR strategy implementation, including our climate commitments. Since 2020, 15% of the annual variable compensation of our CEO has been linked to CSR criteria, including an objective to cut our greenhouse gas emissions; and starting in 2023, our equity-based compensation plans will also include CSR criteria.

The Board has completed an overview of the competencies currently represented. The matrix on the right shows a comprehensive, balanced spread of the types of competencies required, both in general terms and with respect to our strategic ambitions (the matrix shows the number of directors possessing each of those competencies). This is based on the composition of the Board as of February 22, 2023.

16 Board Members

- 71% independent directors
- 43% women
- 8 nationalities

9 Executive Committee Members

- 2 women
- 6 nationalities

CEO annual variable compensation and objectives for the 2023 financial year

50% based on specific financial objectives:
- Sales growth (10%)
- Business net income (10%)
- Free cash flow (10%)
- Business operating income margin (10%)
- Growth of new assets (10%)

And 50% based on individual objectives:
- Business transformation (15%)
- People and culture (7.5%)
- Pipeline development (12.5%)
- CSR (15%)

3 Scientific training:
Thomas Südhof, Emile Voest and Antoine Yver

11 Senior executive role in international group:[2]
Serge Weinberg, Paul Hudson, Christophe Babule, Rachel Duan, Carole Ferrand, Lise Kingo, Patrick Kron, Barbara Lavernos, Fabienne Lecorvaisier and Gilles Schnepp

11 International experience:[3]
Serge Weinberg, Paul Hudson, Christophe Babule, Rachel Duan, Lise Kingo, Patrick Kron, Fabienne Lecorvaisier, Gilles Schnepp, Diane Souza, Barbara Lavernos and Antoine Yver

5 Finance/Accounting:
Christophe Babule, Fabienne Lecorvaisier, Carole Ferrand, Gilles Schnepp and Diane Souza

5 Healthcare/pharmaceutical industry experience:
Paul Hudson, Rachel Duan, Lise Kingo, Antoine Yver and Diane Souza

7 Board membership in international group:
Serge Weinberg, Rachel Duan, Carole Ferrand, Patrick Kron, Fabienne Lecorvaisier, Lise Kingo and Gilles Schnepp

7 Mergers & acquisitions:
Serge Weinberg, Paul Hudson, Christophe Babule, Patrick Kron, Fabienne Lecorvaisier, Gilles Schnepp and Diane Souza

All figures as of February 2023
1. Qualify as independent under the Afep-Medef code.
2. Executive Committee member within an international group.
3. Operational role within an international group.
The information shown excludes directors representing employees.

Financial calendar

April 27 2023 : Q1 2023
May 25 2023 : AGM
July 28 2023 : Q2 2023
October 2023 : Q3 2023

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