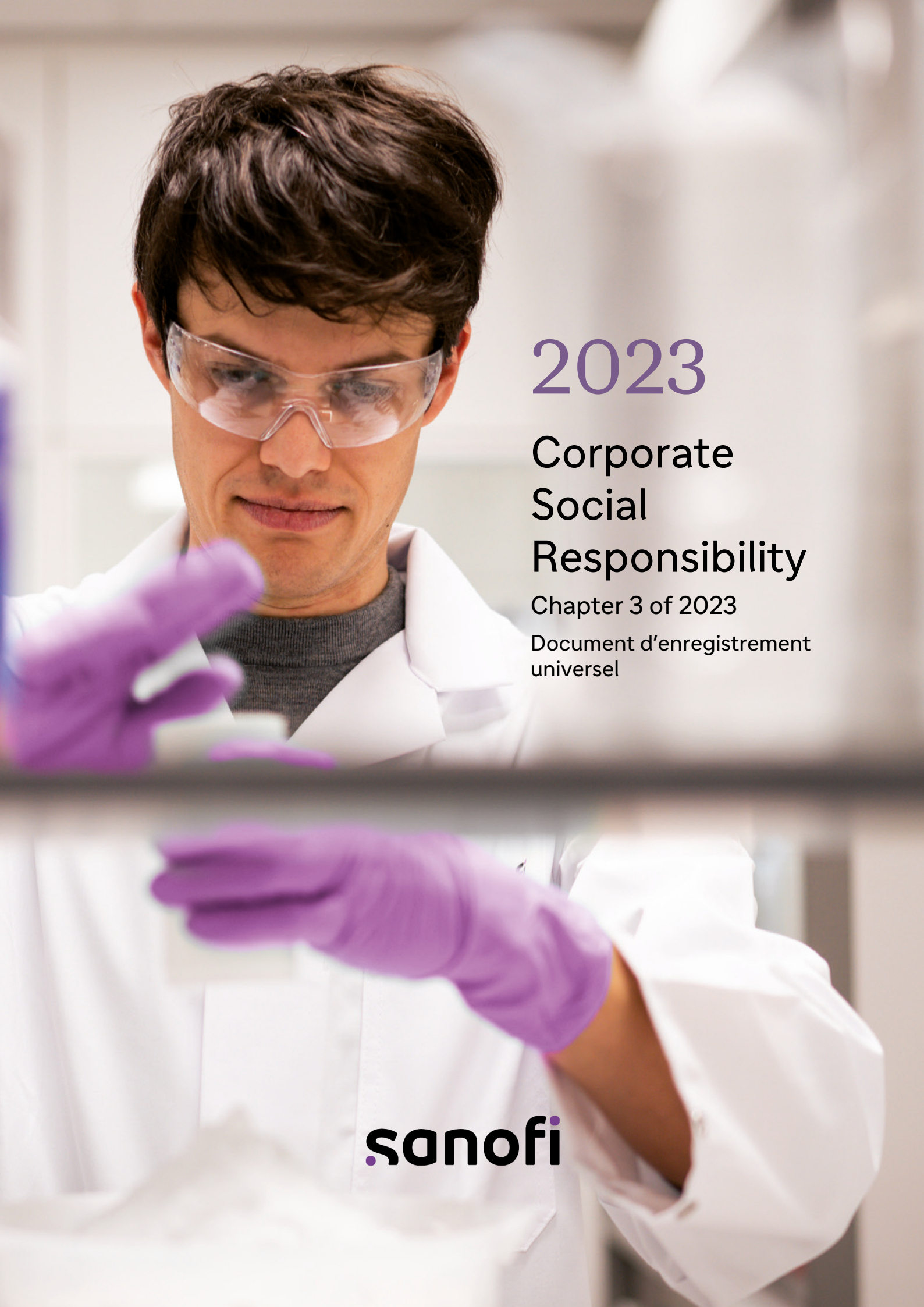

2023

Corporate Social Responsibility

Chapter 3 of 2023

Document d'enregistrement universel

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Forward-Looking Statements

This document contains forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995, as amended. Forward-looking statements are statements that are not historical facts. These statements include projections and estimates and their underlying assumptions, statements regarding plans, objectives, intentions and expectations with respect to future financial results, events, operations, services, product development and potential, sustainable and environmental goals, other ESG matters, and statements regarding future performance. Forward-looking statements are generally identified by the words "expects", "anticipates", "believes", "intends", "estimates", "plans", "strives", "ambition", "goal", "target" and similar expressions. Although Sanofi's management believes that the expectations reflected in such forward-looking statements are reasonable, investors are cautioned that forward-looking information and statements are subject to various risks and uncertainties, many of which are difficult to predict and generally beyond the control of Sanofi, that could cause actual results and developments to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include among other things, the uncertainties inherent in research and development, future clinical data and analysis, including post marketing, decisions by regulatory authorities, such as the FDA or the EMA, regarding whether and when to approve any drug, device or biological application that may be filed for any such product candidates as well as their decisions regarding labelling and other matters that could affect the availability or commercial potential of such product candidates, the fact that product candidates if approved may not be commercially successful, the future approval and commercial success of therapeutic alternatives, Sanofi's ability to benefit from external growth opportunities, to complete related transactions and/or obtain regulatory clearances, risks associated with intellectual property and any related pending or future litigation and the ultimate outcome of such litigation, reputational issues related to ESG matters or our inability to reach our ESG goals, volatile economic, geopolitical, and market conditions, cost containment initiatives and subsequent changes thereto, and the impact that COVID-19 will continue to have on us, our customers, suppliers, vendors, and other business partners, and the financial condition of any one of them, as well as on our employees and on the global economy as a whole. The risks and uncertainties also include the uncertainties discussed or identified in the public filings with the SEC and the AMF made by Sanofi, including those listed under "Risk Factors" and "Cautionary Statement Regarding Forward-Looking Statements" in Sanofi's annual report on Form 20-F for the year ended December 31, 2023. Other than as required by applicable law, Sanofi does not undertake any obligation to update or revise any forward-looking information or statements.

CHAPTER 03

CORPORATE SOCIAL RESPONSIBILITY

Chapter 3 of 2023 Document d'Enregistrement Universel*

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** This is a free translation into English of the "Chapitre 3, Responsabilité Sociale, Environnementale et Sociétale" of our 2023 Document d'enregistrement universel issued in French. It is provided solely for the convenience of English-speaking readers.*

This chapter sets out for 2023 [GRI 3-2] the material issues facing Sanofi in terms of corporate social responsibility (CSR) and the identified risks, in accordance with:

- Articles L. 225-102-1 and R. 225-104 to R. 225-105-2 of the French Commercial Code, which introduced a requirement to publish a statement of extra-financial performance (SEFP) in order to transpose into French law European Directive 2014/95/EU on the publication of non-financial information;
- law no. 2017-399 of March 27, 2017 on the duty of vigilance of parent companies and companies acting as principals; and
- the European Regulation 2020/852 of June 18, 2020 (the "Taxonomy Regulation").

Tables cross-referencing the contents of this chapter to those legal disclosure requirements are provided in section "3.9., Corporate social responsibility cross-reference tables".

Our extra-financial reporting principles are based, among others, on the guidelines of the Global Reporting Initiative (GRI). Some GRI indicators are identified in the body of this report within square brackets. A full cross-reference table, the "GRI Content Index", is available via the Document Center at www.sanofi.com.

This report also follows the guidelines of the SASB (Sustainability Accounting Standards Board) and the TCFD (Task Force on Climate-related Financial Disclosures). The relevant cross-reference tables are available in section "3.9., Corporate social responsibility cross-reference tables" and "3.3.9.4., Resilience to climate change", respectively.

Sanofi is also a signatory of the United Nations Global Compact, and as such discloses annually the progress achieved against the principles contained in the Compact.

A methodological note on how we report our data is provided in section "3.7., Methodological note on data reporting".

This chapter forms an integral part of the French-language *Rapport de Gestion* (Management Report). It has been verified by an independent third party, whose report is presented in section "3.8., Report of the Independent Third Party".

3.1. CSR strategy and governance

[GRI 2-22]

3.1.1. Sanofi's commitment to society

Sanofi's social impact strategy aims to build a healthier, more resilient world by ensuring access to healthcare for the world's poorest people and bringing focus to addressing broader unmet needs. Sanofi's commitment to society also aims to accelerate our goal of reducing the environmental impact of our products and of our worldwide operations. Key to tackling the global challenges that face our company are our people, who each have a role to play in building a diverse and inclusive workplace.

Sanofi relies on three complementary components that are at the heart of its commitment to society: its Corporate Social Responsibility (CSR) strategy, Sanofi Global Health, which provides access to essential medicines in some of the world's poorest countries and Foundation S - The Sanofi Collective, Sanofi's new philanthropic entity, launched in 2022, whose efforts are focused on improving the lives of people in the most vulnerable communities.

Sanofi's CSR strategy focuses on four building blocks integrated into our "Play to Win" core business strategy:

Play to Win Strategy			
Focus on Growth	**Lead with Innovation**	**Accelerate Efficiency**	**Reinvent how we Work**
Integrated Commitments to Society			
Affordable Access	**R&D for Unmet Needs**	**Planet Care**	**In and Beyond the Workplace**
• Non-profit Business Unit Sanofi Global Health to provide 30 essential medicines to 40 of the world's poorest countries • 100,000 vials to be donated to treat people with rare diseases • Global Access Plan for all new products within two years post-launch	• Eliminate sleeping sickness by 2030 • Eradicate polio • Develop treatments for childhood cancers	• Eco-design for all new products by 2025 • Blister free syringe vaccine packs by 2027 • Carbon neutrality all scopes by 2030 including 100% renewable electricity and carbon neutral vehicle fleet	• A senior leadership community representative of society by 2025 • Social & economic engagement in all communities where we operate • Social impact integrated in leaders' career development

3.1.1.1. Affordable Access

A staggering two billion people worldwide still lacked access to quality medicine and healthcare in 2023. Sanofi aims to change this by offering affordable access to medicines for underserved communities, while helping to build sustainable healthcare systems.

Key objectives:

- we aim to use our expertise to reinforce affordable access and quality care, to ensure underserved populations receive the treatments they need. We have created the Sanofi Global Health Unit (GHU), a non-profit business unit that operates in 40 of the world's poorest countries offering at the onset 30 of our essential medicines including treatments for cardiovascular diseases, diabetes and cancer. The GHU aims to be providing care for two million people with non-communicable disease (NCDs) in its 40 countries by 2030;
- we are also committed to helping 1,000 patients living with rare diseases who have no access to treatments, and will donate 100,000 vials of medicine for their treatments each year. This continues our 30-year commitment to patients suffering from rare diseases, such as Fabry, Gaucher or Pompe diseases, for whom access to treatment is often limited; and
- the affordability of our medicines is not the only barrier to access for many people, availability is also key. Our goal is to develop a global access plan for all new products, making them available in selected relevant markets within two years post-launch.

3.1.1.2. R&D for Unmet Needs

As part of our commitment to society, we consider it essential to identify how our science can bring the greatest benefit, especially for vulnerable communities.

Key objectives:

- we continue our contribution to the efforts led by the World Health Organization (WHO) to eradicate poliomyelitis and eliminate sleeping sickness, two diseases that afflict marginalized and vulnerable communities, with vaccines and new therapeutics; and
- we have also identified a significant gap in treatment for children who suffer from cancer. Our R&D teams include world-renowned researchers with a deep understanding of the particular challenges of pediatric oncology and a strong awareness of the need to develop appropriate treatments. We have therefore decided to commit our teams to this cause.

3.1.1.3. Planet Care

We are also mindful of our obligation to do all we can to ensure a healthy planet. Through our "Planet Care" environmental program, we are working to minimize the direct and indirect impacts of our activities and products on the environment. The program covers the entire life cycle of our products, from raw materials to potential end-of-life impact.

Key objectives:

On the environment, Sanofi is committed to:

- move towards carbon neutrality by 2030 and net zero emissions by 2045 for scopes 1, 2 and 3, which would mean (i) a 55% reduction in greenhouse gas (GHG) emissions from our activities (scopes 1 & 2) and a 30% reduction in scope 3 emissions by 2030 (versus a 2019 baseline), and a 90% reduction in our emissions across all scopes by 2045 (targets validated by SBT*i* – Science Based Target *initiative*), (ii) supply all our sites with 100% renewably-sourced electricity by 2030, and (iii) promote an eco-fleet by 2030, iv) engage our suppliers in our efforts on reducing scope 3 emissions; and
- improve the environmental profile of our products by adopting an eco-design approach for all new products by 2025. In particular, we will end the use of plastic in blister packs for all our vaccine syringes by 2027. This is a truly complex industrial endeavor that will address the problem of plastic waste in the environment, while also helping to minimize climate impact.

3.1.1.4. In and Beyond the Workplace

With more than 86,000 employees comprised of 142 nationalities, we work constantly to make our workplace and communities inclusive and diverse.

Key objectives:

- gender diversity: we have set a global ambition of gender balance in senior leadership and 40% women in our executive teams by 2025;
- we are fostering inclusion and sustainability in the local ecosystems in which we operate, serving communities through volunteering; and
- we are embedding our commitment to society in our leaders' career development paths to strengthen the social impact of their decisions. Our Leaders to Citizens program was launched in 2022, with the objective of engaging our leaders to become active CSR catalysts and continue building CSR into our operations.

3.1.2. CSR governance

[GRI 2-12]

Our Board of Directors promotes long-term value creation while taking account of the social and environmental impacts of our activities. A review of our CSR strategy and its performance is therefore conducted by the Board at least once a year.

The Appointments, Governance and CSR Committee of the Board ensures that CSR issues are given due consideration in developing and implementing our corporate strategy. In particular, the Committee ensures that our commitments and policy orientations are consistent with what our stakeholders expect from us. The Committee also regularly reviews the pillars of the CSR strategy.

Our Head of CSR reports to our Head of Corporate Affairs, who in turn reports to our Chief Executive Officer (CEO).

The compensation policy of our CEO is designed to motivate and reward performance, and to ensure that a significant portion of his compensation is contingent on the attainment of financial, operational and social criteria that are aligned with our corporate interest and with creating shareholder value. Since 2020, a specific individual CSR performance criterion has represented 15% of his annual variable compensation package. Furthermore, all ExCom members also have collective CSR objectives covering people and climate topics in their annual variable compensation package.

Since 2023, our equity-based compensation plans also include two CSR criteria (Access and Carbon footprint) representing 10%.

3.1.3. ESG Performance Ratings

Sanofi is rated by several ESG (Environmental, Social, Governance) rating agencies, which aim to assess companies based on their commitment and performance against specific ESG criteria, set by their proprietary methodologies. Below is a selection of Sanofi's current ratings with ESG rating agencies.

Name	Score (December 2023)	Score (December 2022)
S&P Global Ratings	87/100	86/100
Sustainalytics	21.5 (Medium risk)	21.2 (Medium risk)
Dow Jones Sustainability Indexes (DJSI)	79/100	70/100
MSCI	A	A
CDP Climate	A-[(a)]	A
CDP Water	A-[(a)]	A-
ISS	B	B
FTSE4Good	4.5/5	4.3/5
Access to Medicine Index	3.47/5	3.47/5
Vigeo Eiris	65/100	64/100

(a) Published in February 2024.

Our ratings with Sustainalytics, MSCI and DJSI are negatively affected by a significant weighing of legacy product controversies in their rating models.

3.2. Statement of Extra-Financial Performance

3.2.1. Methodology for selecting risks and issues for the Statement of Extra-Financial Performance (SEFP)

[GRI 3-1]

The principal SEFP risks and issues were identified by our Corporate Social Responsibility (CSR) department, in collaboration with our Risk Management department, on the basis of (i) Sanofi's material risks and issues and (ii) material issues identified in the industry-specific standard (Biotechnology & Pharmaceuticals) issued by the Sustainability Accounting Standards Board (SASB).

In 2022, Sanofi conducted a double materiality assessment with support from an independent third party. The results of this assessment are supporting our preparations for the new European Corporate Sustainability Reporting Directive (CSRD), but do not call into question the list of SEFP risks and issues already compiled, as presented in section "3.2.2. - Table of SEFP risks and Issues". The double materiality assessment is described in more detail in section "3.2.3. Double Materiality Assessment".

Policies and action plans for each of those risks are described in section "3.3., Detailed description of SEFP risks and issues".

A cross-reference table showing all the information required in the SEFP, including the presentation of the business model, is provided in section "3.9., Corporate social responsibility cross-reference tables".

3.2.2. Table of SEFP risks and issues

[GRI 3-2]

Category	Field or activity	Type	Description	Risk mentioned in Item 3.D, "Risk Factors", of our 2023 Annual Report on Form 20-F	Section in this chapter
Social	**Human capital**	Issue	We rely on the commitment and expertise of our people to attain our strategic objectives in a fast-changing, highly-competitive environment.		3.3.1. Human capital
	Attracting and retaining talent	Risk	Risk that we will be unable to attract, integrate or retain people with the necessary profiles and skillsets, which could adversely our ability to implement our strategy and attain our objectives.	x	3.3.1. Human capital
Societal	**Access to healthcare**	Issue	An integrated approach to access to healthcare, combined with philanthropy, can generate opportunities for growth, innovation, and unique partnerships.		3.3.2. Access to healthcare
	Product pricing	Risk	Risk that our pricing policy will mean access to our products does not meet the expectations of certain stakeholders and/or the market, undermining our commitment to patients and the healthcare system.	x	3.3.2. Access to healthcare
	Product quality*	Risk	Risk that we will fail to comply with good clinical, laboratory, manufacturing, distribution and pharmacovigilance practices and other regulatory requirements relating to product quality through the entire life cycle of our healthcare products, or that other quality issues will arise that could have an adverse effect on patients or healthcare professionals.	x	3.3.3. Product quality
	Product safety for patients and consumers*	Risk	Risk of product safety breaches, from first administration in clinical trials on humans through to the end of the product's life cycle, that could have an adverse effect on patients or consumers.	x	3.3.4. Product safety for patients and consumers
	Animal protection *	Risk	We must comply with ethical standards and principles that are essential to the responsible use of animals in scientific and medical activities.		3.3.10. Animal protection
	Supply chain continuity*	Risk	Risk of supply chain interruptions, product recalls or loss of inventories due to unforeseen events, which could harm society (patients and healthcare professionals) and damage our reputation.	x	3.3.6. Supply chain continuity
	Ethics and business integrity*	Risk	Risk of non-compliance with the laws and regulations applicable to our operations in jurisdictions where we do business, in particular those relating to combating and preventing corruption and fraud; and also of non-compliance with pharmaceutical industry codes of conduct or our own values and ethical policies.	x	3.3.7. Ethics and business integrity
Environment	**Climate change and carbon footprint**	Risk	We must limit the impact of our operations on climate change, and take account of the consequences of climate change (impact of extreme weather events on our infrastructure and supply chain; scarcity of resources; carbon taxes; financial impacts; and the direct or indirect repercussions for human health).	x	3.3.9.4. Resilience to climate change
	Environmental releases*	Risk	Risk that discharges and emissions from our industrial and R&D operations will adversely affect the environment or human health, or will not be appropriately managed by our own staff or by our suppliers or subcontractors.	x	3.3.9.10. Environmental releases

* *Indicates risks that apply not only to our own operations, but also to those of our suppliers, subcontractors and partners. See section "3.4.14., Procurement and subcontracting", for measures taken to manage risks within our supply chain relating to employee health and safety, environmental releases and human rights.*

3.2.3 Double Materiality Assessment

A materiality analysis helps rank the most important issues and is a key driver in the design of the CSR strategy. It is informed by an analysis of general, healthcare, social and environmental trends, and expectations from stakeholders.

Sanofi has longstanding experience of conducting materiality assessments based on a robust methodology, aligned with key emerging concepts such as double materiality. Our materiality assessments are performed through a formalized stakeholder engagement process. Starting in 2010, they have been updated approximately every two years (2010, 2013, 2015, 2018, 2020, 2022).

In 2022, we performed a double materiality assessment to gain insights into our impact on the external environment and our sustainability risks and opportunities, and to prepare for the upcoming CSRD regulation in the European Union.

The following phases were performed:

- Phase 1: Selection of relevant stakeholder groups and 16 material topics for consideration.
- Phase 2: Interviews with internal and external stakeholders. The 16 material topics were grouped into bundles, and each stakeholder was assigned to one bundle, associated with his or her area of expertise. Stakeholders were asked for their views on impacts, risks and opportunities for Sanofi regarding the topics in their assigned bundle. The outputs of the interviews were aggregated across all interviewees and summarized in factsheets, one for each topic.
- Phase 3: Survey with selected members of Sanofi's senior management to prioritize the 16 material topics. The factsheets were used as a pre-read, for management to have all relevant insights. Survey participants ranked the top five and bottom three topics with regard 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).

After consolidating the responses from the survey, the following results were obtained:

Most Material:	Material:	Least Material:
Accessible & Affordable Medicines	Pharma waste & emissions	Local community engagement
Innovative treatments	GHG emissions	Animal welfare
Safe & qualitative treatments for patients	Resource consumption	
	Responsible supply chain practices	
	Health system strengthening	
	Ethical business practices	
	Responsible governance practices	
	Responsible use of patients' data, biotechnologies & AI	
	Employee health, safety & wellbeing	
	Talent development	
	Diverse & inclusive workforce	

We are reviewing our existing assessment in the light of the proposed implementation guide released for consultation by EFRAG (European Financial Reporting Advisory Group) on December 21, 2023.

3.3. Detailed description of SEFP risks and issues

[GRI 3-3]

3.3.1. Human capital

To implement our Play to Win strategy, we must provide a supportive environment to attract and retain a skilled and engaged workforce in a stretched and competitive talent market. That is why Sanofi has defined a People Strategy – fully aligned with our business goals – which fuels the passion of our people to bring their whole and best selves to an inclusive workplace, to deliver outstanding performance and growth. Our People Strategy combines a strategic people-centric design and solid end-to-end human resources delivery services in a fast-changing environment.

Our People & Culture Organization has been structured to be a strategic partner to our business and a key enabler of the Play to Win behaviors that support the delivery of the Play to Win Strategy.

3.3.1.1. A solid framework to guide our people actions

3.3.1.1.1. Our People Strategy

Sanofi's People Strategy is designed so that Sanofi employees can bring their whole and best selves to do amazing work as One Sanofi. The company has designed its People Strategy around four pillars that enable Play to Win. In 2023, the four pillars were reviewed and changes were introduced to address the evolving external and internal environment: a new Talent Density pillar was created to reflect the people-centric approach of our People Strategy and the importance of talent for advancing Sanofi. Additionally, Winning Culture and Purposeful Experience pillars were merged under the name Winning Culture, to centralize and reinforce our striving for exceptional experience and the wellbeing of our people in a culture of high performance:

Healthy Organization

We aim to be an agile, competitive organization with the right capabilities and skills, which meets patients' and market needs. This means that we need to identify capability needs for today and tomorrow dynamically. We also need to focus where we have a competitive edge to answer future skill needs and enhance our digital and AI capabilities, and data-driven decision-making. Our people are always learning and work flexibly and in an agile manner so they can bring value, drive their careers and seize opportunities swiftly and with minimal risk.

Talent Density

We aim to become the go-to employer in biopharma with a strong employer brand and candidate-centric experience, which attracts and retains the very best talent in the market to join inclusive, motivated, high-performing teams. We are building a sustainable pipeline of best-in-class leaders who know the potential of our people and help them grow and develop through compelling experiences and make bold, deliberate moves.

Winning Culture

We provide a Sanofi experience that is uniquely rewarding, spurring collaboration, wellbeing and high performance. We listen actively to our employees and leverage data and predictive insights to continually adjust our approach to drive engagement and enhance experiences. We are reinventing how we work by living our Sanofi behaviors: We Stretch, we Take Action, we Act for Patients and Customers, and we Think One Sanofi to fuel business success.

Diversity Edge

We build a psychologically safe workplace, where everyone has a fair chance to grow in their career, without barriers to success. We want to achieve social impact thanks to diverse representation of top-tier talent at all levels of the organization, globally. Our data-driven mindset and ways of working help us take the right measures to prevent inequities, connect people, and grow our inclusive culture. This also means going beyond the workplace to embrace and drive diversity, equity and inclusion with our partners and in the communities we serve.

Sanofi has defined five principles for how its team will meaningfully deliver the People Strategy within the business:

- Be human-centric - Move away from bureaucracy and process by focusing on being relevant and empathizing with our employees and customers.
- Inspire trust - Enable the business to make decisions and speed up processes – while putting in place the necessary guard rails and accountability mechanisms.
- Be inclusive - Listen and hear the diverse points of view within our team and across the organization as we collaborate with the business.
- Keep it simple - Focus on efficiency by automating, digitizing, and standardizing where possible to preserve energies.
- Foster brilliant people managers - Empower our people managers by being clear on expectations while offering the right level of support.

Although owned by the People & Culture function, this People Strategy is a responsibility shared with business leaders. For instance, a People and Climate scorecard impacts 20% of the Short Term Incentive payout for our Executive Committee members.

3.3.1.1.2. Our governance and organization

People & Culture at Sanofi is led by a Chief People Officer (CPO), who is a member of the Executive Committee and reports directly to our Chief Executive Officer. Progress on our people agenda is discussed on a regular basis with the Executive Committee and the Board, with a deep dive on focused topics when co-creation, reviews, or decisions are important to our progress.

The Real Estate, Facility and Records Management teams are an integral part of the People & Culture organization, underscoring our ambition to jointly put the employee experience at the center of our thinking and create a workplace that is welcoming, inclusive and sustainable, fosters well-being, creativity and collaboration, and ultimately reflects and reinforces our Play to Win behaviors. Our People & Culture function operates on global lines, with harmonized processes and shared people management systems deployed across all of Sanofi.

The People & Culture operating model is structured around 4 areas:

- Business Partnering to drive business growth and transformation by developing talent, building capabilities and enabling a winning culture. People Business Partners, supporting each Global Business Unit (GBU), Global Function (GF) and region, are aligned with the business organizational structure to ensure total relevance in the way we drive our strategic people agenda and manage senior talent accordingly:
  - GBUs: General Medicines, Vaccines, Specialty Care, and the standalone Consumer Healthcare business;
  - Global Functions: Digital, Research & Development, Manufacturing & Supply, and Corporate functions; and
  - Regions: North America, Europe (including France), International, Japan & Pacific, and China.
- Four Centers of Expertise (CoEs; Talent Office; Reward & Performance; Organizational Capability & Transformation; and Diversity, Culture & Employee Experience) to set strategic directions to enable a best-in-class place to work by developing solutions, programs, and governance. The CoEs lead the development of global People & Culture solutions, which are then translated and deployed by the local People & Culture teams.
- People Excellence to ensure local execution of the People Strategy across GBUs/Global Functions, working with Business Partners and CoEs to execute the end-to-end people priorities, focusing on excellence and highest standards of employee experience as One Sanofi.
- People Services to provide comprehensive, harmonized, digital people services to Sanofi employees and execution support to the People & Culture community. Our People Services organization is centered on a global core model, with both local and centralized teams serving the various geographies. It is responsible worldwide for providing streamlined and automated processes that make up the entire employee lifecycle, from hiring and onboarding, through the various roles an employee occupies in the organization, to leaving.

Overall, the People & Culture organization is staffed by 1,093 people, plus 507 people under the People Services organization.[1]

We are enabling a robust digital transformation to the four pillars of our People Strategy. Our Digital organization is evolving to drive this transformation, working closely with our GBUs, support functions and People & Culture to progress the priority projects. The People & Culture digital environment has evolved thanks to a number of solutions that have been rolled out over the past three years, helping to deliver our People Strategy. Examples include:

- a single Learning Management System across the world;
- a tool for advanced analytics supporting organizational capability planning;
- an executive scouting candidate relation management (CRM) system;
- an innovative Talent Marketplace;
- a revamped feedback feature in our career management tool;
- a People module in Sanofi's data insights app "plai" to democratize data insights, and enable data-driven decision-making;
- an interactive engagement survey platform.

[1] *Excluding Real Estate, Facility and Records Management*

3.3.1.1.3. Our Play to Win culture

Progress in executing our "Reinvent How We Work" Play to Win priority means not only restructuring our organization to make sure we are fit for purpose to Play to Win, but also transforming our culture.

We aim to create a place where employees can bring their whole and best selves to work and are able to contribute to our Play to Win strategy. This means changing the way we behave; how we interact with each other; the systems, tools and processes we use; the way we make decisions; and how we spend our time. This plays a key role in attracting and retaining talent and making sure we remain a high performing organization.

Given the importance of culture in delivering our Play to Win strategy, significant effort and attention have been dedicated to accelerating cultural transformation. Through the People Strategy, Sanofi ensures that culture, mindset, and behaviors are aligned with:

- our Play to Win strategy by practicing our behaviors and providing a coherent framework to improve talent attraction, retention and engagement;
- our Code of Conduct and compliance rules, to achieve the execution of the Play to Win strategy and deliver on the far-reaching goals of our transformation; and
- our Employee Value Proposition (EVP), to attract and retain people in a competitive talent market and meet the aspirations of diverse generations and cultures.

During 2020 and 2021 we had a major focus on building awareness, understanding and grassroots and leadership activation of the four Play to Win behaviors: Stretch, Take Action, Act for Patients and Customers, and Think One Sanofi. The Play to Win rollout was organic, in a bottom-up and country-driven model, through a network of informal in-country influencers and employee-driven, evidence-based storytelling. Leadership activation was centered around 'Leading by example' coaching.

2022 and 2023 have been about embedding these behaviors. Fourteen nominated leaders created a leadership group, called the Culture Collective, which co-built a targeted and intentional business-led plan of action to increase our Employee Net Promoter Score (eNPS, measured through our global Your Voice engagement survey). The score made a 15-point leap, from -8 in 2021 to +7 in 2023, meeting our target.[1]

As part of Sanofi's culture transformation, we believe real change happens best through conversation in teams. We introduced a virtual series called 'Culture Talks,' where external leaders share their experiences on specific topics to help managers unlock each of our Play to Win behaviors with their own teams. These Culture Talks were designed by and for managers, addressing a need for an experience that brings teams together in a hybrid world of work.

We have further scaled Culture Talks by promoting Culture Talk 'Live' events across the organization and our countries in 2023. These are leader-led live events gathering between 80 and 400 people in attendance, and we have hosted them with a live audience and virtually. Members of our global Culture Collective often co-host these events as they travel across Sanofi sites.

Our 2023 Culture Talks covered topics ranging from Psychological Safety and Accountability, to Seizing Opportunities, Recognition and Wellbeing. As of October 2023, our leaders have hosted 82 different Culture Talk 'Live' events all across the organization, with managers integrating them into their team meetings. Culture Talks have been viewed over 38,000 times.

Going forward, we will continue to focus our efforts on targeted geographies and business units that require additional input, with an emphasis on supporting our people managers to help bring Play to Win to life.

[1] *The eNPS is calculated by subtracting the percentage of 'detractors' from the percentage of 'promoters'. The resulting score can range from -100 to +100, with a higher score indicating a more positive employee experience.*

3.3.1.2. Building a clear vision of the workforce to support long term business success

3.3.1.2.1. A glance at our global workforce

[GRI 2-7]

Sanofi had 86,088 employees in the workforce at the end of 2023, including apprentices, which is 4% fewer than at the end of 2022.

External staff represented a total of 5,423 full-time equivalents in 2022 (6,109 in 2022), comprising 4,574 temporary staff (5,169 in 2022), and 849 third-party sales force staff (960 in 2022).

Distribution of employees under contract by type of contract, work time, gender and region

Employees in the workforce as of December 31 [(a)]	**Worldwide**			**Europe** [(b)]			**United States**			**Rest of the world**		
	2023	**2022**	**2021**	**2023**	**2022**	**2021**	**2023**	**2022**	**2021**	**2023**	**2022**	**2021**
Distribution by region												
Employees in the workforce	86,088	89,824	93,548	42,115	42,151	45,351	13,418	13,761	12,886	30,555	33,912	35,311
%	100.0%	100.0%	100.0%	48.9%	46.9%	48.5%	15.6%	15.3%	13.8%	35.5%	37.8%	37.7%
Distribution by gender												
% women[(c)]	49.4%	48.7%	47.5%	50.3%	50.5%	48.5%	52.3%	51.9%	51.5%	47.0%	45.0%	44.9%
% men[(c)]	50.5%	51.3%	52.4%	49.7%	49.5%	51.5%	47.7%	48.1%	48.5%	52.9%	55.0%	55.0%
Distribution by type of contract, work time and gender												
Permanent contracts	87.2%	88.1%	87.2%	92.0%	92.8%	92.0%	99.9%	99.9%	99.9%	75.1%	77.3%	78.5%
% women	49.1%	48.2%	47.0%	50.2%	50.4%	51.4%	52.3%	51.9%	51.4%	45.4%	42.9%	42.9%
Fixed-term contracts	12.8%	11.9%	11.8%	8.0%	7.2%	8.0%	0.1%	0.1%	0.1%	24.9%	22.7%	21.5%
% women	51.7%	51.8%	51.4%	51.1%	50.8%	49.7%	50.0%	47.1%	52.2%	51.9%	52.2%	52.2%
Part-time employees	2,710	3,072	3,303	2,642	2,973	3,147	27	52	115	41	47	41
Full-time equivalents (for part-time employees)	2,069	2,350	2,534	2,018	2,278	2,409	19	37	93	32	35	32
% women (full-time equivalents)	85.7%	86.4%	85.4%	86.1%	86.7%	86.5%	50.4%	65.5%	55.9%	84.0%	87.9%	84.0%

(a) Employees on garden leave and ExCom management level excluded from the data.
(b) For a list of countries included in the Europe region, refer to section "3.7.2.1.2., Regions".
(c) Excludes employees for whom information on gender was not available or undisclosed.

Distribution of employees under contract by activity

Employees in the workforce as of December 31[(a)]	**Worldwide**			**Biopharma**			**Consumer Healthcare**			**Other** [(b)]		
	2023	**2022**	**2021**	**2023**	**2022**	**2021**	**2023**	**2022**	**2021**	**2023**	**2022**	**2021**
Employees in the workforce	86,088	89,824	93,548	65,363	71,042	75,133	10,647	8,889	8,957	10,078	9,893	9,458
%	100.0%	100.0 %	100.0 %	75.9%	79.1 %	80.3 %	12.4%	9.9 %	9.6 %	11.7%	11.0 %	10.1 %

(a) Employees on garden leave and ExCom management level excluded from the data.
(b) The "Other" column comprises employees of our global support functions (Medical Affairs, Corporate Affairs, Finance, People & Culture, Legal Affairs, Information Solutions & Technologies, etc.).

Distribution of employees under contract by function

Employees in the workforce as of December 31[(a)]	**2023**	**2022**	**2021**
Production	34,313	35,953	39,268
Research and development	11,660	11,943	11,756
Sales force	16,835	19,210	20,477
Marketing and support functions	23,280	22,718	22,047
Total	**86,088**	**89,824**	**93,548**

(a) Employees on garden leave and ExCom management level excluded from the data.

Workforce in main countries where Sanofi operates

	Employees in the workforce as of Dec. 31[a]		
	2023	**2022**	**2021**
Worldwide	86,088	89,824	93,548
France	21,759	22,301	23,729
United States	13,418	13,761	12,886
Germany	8,394	8,172	8,902
China	7,516	7,450	7,157
India	3,119	3,979	4,038
Brazil	2,815	2,910	2,895
Rest of the World	29,067	38,701	34,127

(a) Employees on garden leave and ExCom management level excluded from the data.

Distribution of employees under contract by age bracket

	Worldwide		
Workforce as of December 31	**2023**	**2022**	**2021**
Under 21 years	0.3%	0.3%	0.2%
21 to 25 years	4.3%	4.4%	4.5%
26 to 30 years	10.3%	10.5%	10.2%
31 to 40 years	29.9%	30.2%	30.2%
41 to 50 years	29.6%	29.8%	30.2%
51 to 60 years	22.1%	21.6%	21.7%
Over 60 years	3.5%	3.3%	3.0%

The average age of our employees in 2023 was 42.4 years (versus 42.6 years in 2022).

New hires and departures by region[a] Workforce as of December 31	Worldwide			Europe[b]			United States			Rest of the world		
	2023	**2022**	**2021**	**2023**	**2022**	**2021**	**2023**	**2022**	**2021**	**2023**	**2022**	**2021**
Employees in the workforce	**86,088**	**89,824**	**93,548**	**42,115**	**42,151**	**45,351**	**13,418**	**13,761**	**12,886**	**30,555**	**33,912**	**35,311**
Permanent staff[c]	87.2%	88.1%	87.2%	92.0%	92.8%	92.0%	99.9%	99.9%	99.9%	75.1%	77.3%	78.5%
Total number of new hires	11,157	12,841	12,865	4,441	4,610	4636	1,522	2,719	2097	5,194	5,512	6132
of which permanent contracts	*5,700*	*7,204*	*6,056*	*1,851*	*2,004*	*1,975*	*1,515*	*2,708*	*2,082*	*2,334*	*2,492*	*1,999*
of which permanent contracts %	*51.1%*	*56.1%*	*47.1%*	*41.7%*	*43.5%*	*42.6%*	*99.5%*	*99.6%*	*99.3%*	*44.9%*	*45.2%*	*32.6%*
Total number of departures	14,945	16,381	16,850	4,040	7,792	4,382	1,903	1,852	2,168	9,002	6,737	10,300
of which permanent contracts	*10,161*	*11,911*	*11,078*	*2,033*	*5,566*	*2,610*	*1,897*	*1,845*	*2,160*	*6,231*	*4,500*	*6,308*
of which permanent contracts %	*68.0%*	*72.7%*	*65.7%*	*50.3%*	*71.4%*	*59.6%*	*99.7%*	*99.6%*	*99.6%*	*69.2%*	*66.8%*	*61.2%*
Resignation rate on permanent contracts[d]	5.9%	5.5%	6.7%	4.5%	2.4%	2.2%	8.7%	9.1%	11.3%	6.8%	8.4%	11.8%
Turnover – permanent contracts[e]	10.6%	11.9%	10.2%	5.0%	9.3%	5.2%	12.7%	16.6%	16.5%	18.7%	13.3%	15.0%

(a) Data on movements (new hires and departures) cover more than 99% of the reporting scope. Internal transfers are not included.
(b) For a list of countries included in the Europe region, refer to section "3.7.2.1.2., Regions".
(c) Employees on permanent contracts.
(d) Resignation rate on permanent contracts = Voluntary departures of permanent staff / Total permanent staff at year-end.
(e) Turnover of employees on permanent contracts = [(New hires of permanent staff + departures of permanent staff)/2] / Total permanent staff at year-end

Number of departures Based on employees in the workforce as of December 31	Worldwide		
	2023	**2022**	**2021**
Total number of departures	14,945	16,381	16,850
Resignations:	32.6%	37.2%	48.1%
of which voluntary departures: fixed-term contract employees[a]	*33.6%*	*27.6%*	*29.9%*
of which voluntary departures: permanent contract employees	*66.4%*	*72.4%*	*70.1%*
Layoffs	47.0%	45.5%	34.5%
Expiration of fixed-term contracts	15.8%	12.6%	12.3%
Retirement	3.9%	4.2%	4.4%
Other (death and incapacity)	0.6%	0.6%	0.7%

(a) 72.9% of these were in China, where all new hires are generally on fixed-term renewable contracts.

3.3.1.2.2. Organizational capability planning

In support of the "Healthy Organization" People Strategy pillar and our Play to Win strategy, we are working to identify critical organizational capabilities across all our Global Business Units (GBUs) and Global Functions (GFs). Capability based planning is a shift in how organizations consider, plan and deliver on their organizational strategies and is designed to create alignment on the important capabilities and prioritize the actions needed to elevate these capabilities.

The Sanofi organizational capability planning process was designed to be closely aligned with our enterprise strategy planning and budget planning processes. Its objective is to identify the key capabilities needed within each GBU/GF organization in order to execute the defined business strategy. These capability plans can then inform budget, learning, hiring and transformation plans, as well as our skills taxonomy.

Organizational capability planning:

- involves intentional decisions to buy, build, borrow, bot[(2)]: differentially use levers to close capability gaps depending on their strategic importance to Sanofi and their availability in the external market.
- establishes alignment on action plans: a cross-cutting group with ownership of the implementation of identified solutions (e.g. learning, talent acquisition, M&A, digital, transformation), working cross-functionally to close the gaps.

3.3.1.3. How we attract and retain talent to deliver on our strategy

3.3.1.3.1. Efficient hiring and fostering internal mobility

Insights from organizational capability planning, supplemented by external benchmarking, bring the necessary understanding of 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. This leads to a sourcing strategy which combines external talent attraction (for selected hard-to-upskill/reskill jobs and emerging new jobs) with internal transfers and promotions, while fostering diversity.

Our Employee Value Proposition (EVP) was launched in early 2022 and articulates our offering to both current and potential talent. It is the foundation of our employer brand and shapes our competitive positioning from both an employer awareness and reputation perspective. In 2023 we launched an 'influencer pilot program' with the objective of building and training a diverse and global community of engaged employees to share their personal stories on social media and inspire potential talent to work at Sanofi. Data shows that 70% of potential talent research companies on social media before applying, so this ever-expanding community is a critical part of raising awareness of our brand through organic, authentic storytelling and showcasing life at Sanofi. We currently have over 450 active influencers who have achieved 2.6 million combined impressions with their LinkedIn posts.

Our in-house global Executive Recruitment & Scouting team was established in 2021. The team focuses on senior leadership roles with an objective of improved quality of candidates, hired at better speed with reduced reliance on external partners which minimizes risks and reduces costs. The results are positive, with the support of the team more than 30 hires were finalized in 2022 and 35 hires were finalized in 2023. Our proactive talent scouting activity means that as of now, more than 40 external successors have been vetted and are ready to be recontacted in the event of a vacancy.

Downstream, our recruitment model fully supports our transformation by delivering high permanent recruitment volumes (approximately 22,000 appointments). 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 2023, we were able to attract key skills to deliver our strategy, specifically in Specialty Care, Manufacturing & Supply, R&D, mRNA, and Digital. We also appointed several key executives through internal promotion.

As a result:

- 77% of our high potential talents are in the succession pipeline;
- 1,100 of our employees moved to a new position in another function in 2023; and
- the turnover rate of our high potential talents in senior and executive positions was 2.9% overall in 2023 and 2.6% for voluntary turnover.

(2) In a buy, build, borrow, bot approach, 'bot' refers to the automatization of tasks.

Our performance indicators for internal hires and job transfers/promotions are summarized in the table below:

	2023	2022	2021
Internal recruitment rate[a] *(Senior Leaders population)*			
Executive posts[b]	75.0%	74%	76%
Grade 5 posts[b]	70.5%	82%	81%
Total workforce excluding executive posts (in %)	*48.1%*	*41%*	*42%*
Succession planning *Executive posts*	42.8%	43%	45%
Inter-entity job transfers[c] *(cross-GBU/GF) Employees eligible for variable compensation (STI)*	1,110	1,811	4,300
Promotion rate[d] *Employees eligible for variable compensation (STI)*	10.8%	15.0%	16.0%
Staff turnover			
Permanent contracts[e]	10.6%	11.9%	10.2%
Employees eligible for variable compensation (STI)			
Voluntary[f]	8.4%	7.7%	8.9%
Total[g]	11.6%	14.2%	13.8%
High Potential employees eligible for variable compensation (STI)			
Voluntary[f]	3.0%	8.0%	8.3%
Total[g]	4.7%	11.1%	10.0%

(a) Requisition filled internally in period / Total requisitions filled in the period
(b) See section "3.7.2.1.5., Employee grades".
(c) Inter-entity job transfers also include corrections to organizational data, and movements due to the reorganization of our GBUs and global support functions.
(d) Promotion rate = Number of promotions of employees eligible for STI/ Average total number of employees eligible for STI.
(e) Turnover of employees on permanent contracts = [(New hires of permanent staff + departures of permanent staff)/2] / Total permanent staff at year-end
(f) Voluntary staff turnover = Voluntary departures of employees eligible for STI / Total number of employees eligible for STI at year-end.
(g) Total staff turnover = All departures of employees eligible for STI / Total number of employees eligible for STI at year-end.

3.3.1.3.2. Investing to develop our employees

[GRI 404-1, 404-2, 404-3]

Talent development is embedded in our strategic business agenda. Our Executive Committee conducts substantial talent discussion and reviews quarterly, focusing on specific areas in line with organizational capability planning, as well as digging into selected senior roles to ensure that talents are given the right attention and that Individual Development Plans (IDPs) and succession plans are managed with the right discipline.

Our new Leadership Framework for all employees defines four skills (strategic thinking, result orientation, people leadership, relationship & influence) and four behaviors (Stretch, Take Action, Act for Patients & Customers, Think One Sanofi) that are important for executing our strategy and role modeling the Play to Win behaviors that underpin our corporate culture. This framework is embedded in our talent acquisition and development processes, driven by our People Strategy principles: people-centric, inclusive, efficient, and simple, enabling brilliant people management.

We also continue to execute a yearly talent management cycle (Potential for Growth) throughout the entire organization. We utilize the JDI Model of Potential (judgement, drive and influence) to assess talents: managers assess each in-scope direct report, following a list of criteria provided to arrive at three JDI levels: Accelerate, Advance and Grow.

People & Culture partners with managers to support them with talent reviews and succession planning through calibration, delivering workshops, and providing one-on-one coaching as needed. Many global and local talent events are conducted in the various countries to encourage talent discovery, discussion of succession plans, and the development needed to support identified successors. In addition, our Talent Management playbook has been updated to provide managers with guidance and resources to support development planning and discussions.

As part of the Talent Management playbook, we have focused our collective efforts on the following:

- upskilling our managers (>13,000) to complete Potential for Growth assessments on a population of approximately 60,000 employees in-scope to ensure we have fair assessment and a broad view of our people's talent to support succession planning/leadership pipeline and cross-moves.
- providing managers with guidance and tools to prepare for talent reviews where they will discuss talents within their perimeter, exchange feedback, calibrate Potential for Growth assessments, finalize succession plans. As a result of the talent review, all leadership positions should have an identified successor. Additionally, all talents who have been assessed in the Accelerate Potential for Growth category should be included on a succession plan, specifying their level of readiness to move into the position (ready now or ready in 1-2 years).
- identifying appropriate development programs/opportunities for individuals based on needs/skills gaps, with particular focus on individuals assessed in the Accelerate JDI category to develop them towards attainment of the positions for which they've been identified as a potential successor.
- preparing managers to have honest, transparent development conversations with direct reports and providing them with tools and resources to support them with building a meaningful Individual Development Plan (IDP) to achieve their career aspirations. Managers will ensure all Accelerate talents are aware of the succession plans for which they have been identified and confirm if this aligns with their career aspirations.
- differentiating how managers assess Potential for Growth versus performance (via Sanofi's Performance Impact program managed by our Reward & Performance function) to ensure we know, at every level, the potential of our people and the strength of our leadership pipeline (those who exemplify our Leadership Frame skills and behaviors).
- special Care Groups (Talent Accelerator): We are also paying specific attention to the next generation of leaders further along the pipeline by deploying fast-track programs for accelerated development. For 2023, our focus was on commercial roles.

3.3.1.3.2.1. Our career hub: enabling employees to drive their career journey

Every employee owns the creation and execution of an impactful Individual Development Plan (IDP). The IDP entails creating 'Development Items' aligned to targeted development goals, and should be specific, measurable, realistic, and timely (SMART). The development items within the IDP should be based on the "3 E" Development Model (Experience 70%, Exposure 20%, and Education 10%). Employees will review and update their IDP with support from their manager and their People Business Partner on an ongoing basis.

A global "Explore More Week" campaign was launched in 2023 to raise employees' awareness of career development and other resources. This included a launch of learning curricula to educate employees about our talent management process, with specific focus on identifying career aspirations, preparing for development conversations, creating an impactful individual development plan (IDP), and cultivating meaningful mentorships. Through these collective efforts, we experienced a six-fold increase of development items created by employees versus the same period in 2022.

Other global and local campaigns are regularly deployed to promote creation and activation of the IDP. Additionally, employees and their managers can easily access the IDP learning curriculum, which includes an IDP Guide, templates, videos, and a game, via our internal Learning Management System (LMS).

As a result, an IDP has been completed or is in progress for 71% of all employees in scope, and 92% for high potential (Accelerate) talents.

To facilitate this and take full advantage of emerging digital solutions, we started in 2021 to deploy our Career Hub, a centralized platform which enables employees to identify and access various career development opportunities, using different tools and resources such as:

- Gigs: A talent mobility program which provides opportunities to participate in short-term (six-month) projects, using smart technology to match employees' skills and interests with opportunities across Sanofi, within or outside their own organization. In 2023, 1,444 projects were created, enabling 2,482 employees to participate in projects, develop new skills and extend their networks.
- Full-Time Positions: Personalized recommendations for full-time roles based on employees' skills.
- Networking: Employees can connect with and interview co-workers to learn more about different positions or work areas.
- Mentoring: Employees can identify an available mentor and start a mentorship to develop a skill, gain exposure, or explore possible career journeys. A dedicated learning curriculum and guides are available to support mentors and mentees throughout their experience.

3.3.1.3.2.2. Our competency frameworks: enabling focused, relevant development

We now have more than 90% of Sanofi's workforce mapped to our competency framework, enabling them to voluntarily self-assess against target proficiency levels. Progress has also been made through competency survey campaigns covering more than 28,000 employees. The deployment of the competency framework has continued throughout 2023:

- assessment of team competency gaps, to shape learning strategies for various job segments, and hence the deployment of relevant training offers;
- dialogue between employees and managers to deliver focused Individual Development Plans; and
- engagement of a broad capability-building community to support the entire organization in identifying company-wide competency gaps and proposed remedial actions.

3.3.1.3.2.3. A broad learning offer through Sanofi U

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 U is a key resource to help our employees 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). It empowers everyone to drive their own development, helping to unleash their potential and equip them to Play to Win. We aim to ensure our learning is accessible for all, for example to all levels in the organization and diverse ability needs, and we challenge our providers to do the same.

World-class learning and development resources are easily accessible to all our people across the world through our iLearn (Learning Management System) shared platform and Sanofi U (Learning Hub), engaging our employees with a simple and personalized hub to organize all their learning. These include learning opportunities from academic institutions, carefully curated short duration learning, TED talks, playlists specially compiled by learning experts and thought leaders, and much more. Open 24/7 and mobile, it encourages employees to learn when and where they want, fostering a culture of continuous learning to support employees' career evolution and prepare them for their next roles.

Training performance indicators[a] (based on the iLearn[b] system)	2023	2022	2021
Number of employees receiving training	98,631	98,740	105,959
Number of training modules	119,494	122,160	118,723
Number of training hours (total)	2,626,523	2,754,989	2,628,618
Number of training hours (women)[c]	1,215,223	1,324,731	
Number of training hours (men)[c]	1,409,415	1,417,359	

(a) These figures do not include training programs followed by subcontractors.
(b) iLearn delivers all compulsory and support function training.
(c) Excludes training hours of employees for whom information on gender was not available or undisclosed.

In 2023, the number of training hours per employee receiving training was 26.6 hours in 2023 (vs 27.9 hours in 2022 and 24.8 in 2021), with 24.8 hours of training per female employee and 28.4 hours per male employee. At the same time, the portfolio of available training courses continues to be optimized and streamlined, in particular by making available shorter formats that are better adapted to the needs of employees. 100% of employees completed at least one training module.

The following are a few examples of Sanofi's commitment to providing all employees with the opportunities they need to grow in our continuously changing work environment:

A Life in A Day

A Life in a Day is a 24-hour immersive experience that integrates with your daily routine to deliver a visceral insight into patients' lives (developed in partnership with A Life In A Day). It is designed to empower Sanofi employees to deliver our Play To Win strategy, specifically on the promise to put patients first.

For up to 24 hours participants go to work as usual, but for the duration of the immersive experience, they are suffering from a disease or condition that Sanofi helps to treat. A Life in a Day is carefully built, in partnership with patients, to take the learner on an emotive journey through the life of a patient that builds and peaks in intensity. The program goes beyond the physical, focusing on the emotional and social impact of an illness to access what it really feels like to live with a condition.

The experience is delivered through three elements:

- an interactive app
- live role play
- a "kit" of sealed items

2,558 Sanofi colleagues participated drawn from our global and local affiliates and cross-functional roles across 25 countries, and from our three Global Business Units and R&D. This included participants from the Immunology, Oncology, General Medicines Core Assets and DUPIXENT franchises for experiences with asthma, atopic dermatitis, breast cancer, COPD, diabetes, multiple myeloma, clinical trials, RSV and EoE. 97% of the participants would recommend this program to all employees.

Rep As Orchestrator

In the third quarter of 2023, Sanofi launched the Rep as Orchestrator program for sales representatives across the Biopharma entity, and for sales managers (coaches), reaching approximately 13,000 sales representatives and managers. This program provides a safe space to transition Sanofi's sales reps towards a Representative as Orchestrator mindset, and supports them in delivering it in the field. Our approach is based on a personalized learning journey focused on real-world problem solving, backed by strategies that support long-term retention and engagement. The program is personalized, blended, practical, gamified, bite-sized and effective. On completion of the program, participants understand when, why, and how to utilize all available channels to improve the customer experience, enhance customer engagement, and accelerate customer behavior change.

3D: Democratizing Digital and Data

A Sanofi enterprise-wide Digital and Data learning program '*3D: Democratizing Digital and Data*' was created in concept in 2020 and launched in stages across 2021, 2022 and 2023. The program consists of three offerings segmented according to the Digital and Data business transformation need:

DiscoverDigital *for Everyone* (launched 2021) is an online self-led learning program delivered in partnership with Circus Street. It consists of 14 interactive and engaging 30-minute lessons on topics across four skills in Digital Transformation, Data, Agile and Consumer Experience (CX). It is available at scale across all of Sanofi regions, Global Business Units and Global Functions, and in multiple languages. DiscoverDigital *for Everyone* has engaged 26,156 active learners over three years (representing 30% of the total organization), with a triple objective of:

- Increasing Digital Literacy, including an agile mindset and new ways of working and establishing a common global digital language.
- Improving the consumer digital experience, with the customer at the heart of strategy.
- Cultivating a growth mindset where data and insights drive decision making.

Each lesson includes a pre- and post-test to measure knowledge uplift directly linked to the program. The program has achieved a 57% knowledge uplift.

DeliverDigital *for Leaders* (launched 2023) is a dynamic learning program designed to empower participants with the critical skills required for emerging digital skill sets. Rooted in the 70-20-10 learning framework[(1)], this program is a collaborative effort between the Digital Learning Institute and Digital & Data subject-matter experts. The program respects participants' time, requiring approximately five hours of engagement over the course of two months. This efficient time commitment allows participants to balance their learning journey with their professional responsibilities. DeliverDigital *for Leaders* for Digital Specialists & Experts has engaged and impacted approximately 300 learners by the end of 2023.

DriveDigital *for Executives* (launched 2023) is a program designed in partnership with HEC Business School, with a strategic focus on the skills and knowledge our executives need to lead our digital and data driven transformation. This program provides Sanofi executives with an engaging three-month development journey comprising world-class education, exposure to digital experts and external case studies, as well as experiential learning and coaching to apply these concepts in their day-to-day work. The learning journey comprises a combination of virtual engagements with a face-to-face three-day boot camp. A key element of each cohort is that participants work in small cross-functional groups to develop disruptive use cases for pitching to the ExCom-sponsored jury at the end of the development journey. In 2023, we prioritized our top 150 executives to participate and complete the program. From 2024 the program will be provided to the next 300+ executives and their teams.

(1) *The 70-20-10 model is based on the fact that learning comes 70% from job related experiences, 20% from interactions with others and 10% from more formal training*

3.3.1.4. An engaging work environment

3.3.1.4.1. Reward, performance and employee benefits

3.3.1.4.1.1. A thoroughly thought-out compensation policy

Our compensation policy is designed to reward employee performance by delivering fair, market-competitive rewards, while ensuring alignment with Sanofi's strategy via a strong link between corporate and employee performance. It aims to promote a culture of performance and employee development, contributing to the sustainable success of Sanofi.

The compensation arrangements of our Chief Executive Officer and the Chairman of our Board are described in "Item 6. Directors, Senior Management and Employees — B. "Compensation" of our 2023 Annual Report on Form 20-F.

The key components of our compensation policy are:

- fixed reward is in the form of base salary established according to the employee's skills, level of contribution to the organization, and market practices;
- Short-Term Incentive (STI) compensation is our annual variable cash incentive compensation. STI rewards employees individually for their contribution to the attainment of Sanofi's annual corporate goals. The overall STI budget is based on Sanofi's annual performance, which in turn is derived from the annual performance of identified key performance indicators (KPIs), which may vary from year to year; and
- equity-based programs:
  - Long Term Incentive (LTI) compensation is delivered using performance shares, designed to engage and retain employees who will help drive Sanofi's transformation and deliver the company's strategy. Along with the STI, this is a key component of our compensation programs. Awards of performance shares are approved by our Board of Directors, and delivery of the shares is contingent upon Sanofi attaining performance criteria over three financial years; and
  - our Employee Stock Purchase Plan (ESPP) is a company-run program in which employees can become Sanofi shareholders by acquiring our shares on preferential terms.

(€ million)	2023	2022	2021
Net sales	43,070	42,997	37,761
Personnel costs	9,814	9,991	9,340
Ratio of personnel costs to net sales	22.8 %	23.2 %	24.7 %

3.3.1.4.1.2. High quality employee benefits

Sanofi strives to ensure that all employees worldwide receive high-quality benefits covering health, old age, incapacity, disability, and death. Those benefits comply with national regulations, are adapted to local cultures, and provide the coverage that best meets employees' needs. On a regular basis, we take part in a comprehensive market survey, conducted in over 70 countries, to ensure that the employee benefits we offer are in line with current local practices. We also make sure that our employee benefit plans are designed for the long term.

In all countries, employees (and, in general, their spouses and children) receive a fair level of reimbursement of medical expenses as well as death benefits.

In the majority of countries, Sanofi also offers benefits covering temporary or permanent incapacity. In France for example, all Sanofi employees, irrespective of the type of contract they hold (fixed-term or permanent, part time or full time), are entitled to the same medical and welfare benefits from the moment they are hired.

Following best market practice, Sanofi prefers defined contribution plans (where the employer's commitment is restricted to paying the amount of its annual contribution) over defined benefit plans (where the employer's commitment is to pay the amount of the future benefit).

Regarding "insured" plans, Sanofi seeks to optimize funding and reduce administrative costs by using a captive insurance company. This program not only offers economies of scale for Sanofi subsidiaries, but is also designed to ensure financial oversight and optimal governance. Sanofi has had a dedicated Steering Committee since 2010. The remit of the Committee, which is chaired by our Chief Financial Officer and our Chief People Officer, is to:

- review and approve Sanofi's overall employee benefits strategy; and
- review and approve the implementation or amendment of any defined-benefit pension plan.

Whenever possible, Sanofi provides personalized employee benefit programs (medical, screening, vision, dental, etc.) that allow employees to adjust their coverage according to their family situations and personal needs. These types of programs have been instituted in China, US, UK, and Ireland, for example.

3.3.1.4.1.3. 'All Well' - The Sanofi holistic approach to employee benefits & wellbeing

As a healthcare company dedicated to improving people's lives, we have a strong belief in our duty of care to employees. That is why we provide competitive, quality healthcare and benefits to all Sanofi employees, wherever they are in the world.

We build our "All Well" benefit and wellbeing programs on a strong foundation based on four pillars: healthy minds, healthy bodies, healthy financials, and a healthy working culture. Together, they are designed to give every employee the means to take care of their health and wellbeing.

Healthy Bodies: Supporting physical health

We empower everyone at Sanofi to pursue a healthy lifestyle – focusing on disease prevention, health promotion and on quality healthcare. As a global healthcare company, Sanofi believes an employee's physical health is key to their long-term wellbeing. In every country around the world, Sanofi makes sure that all employees, whether on a fixed-term or permanent contract, full time or part time, are well covered in case of health issues.

Sanofi offers a wide variety of health and wellness activities across all our sites to support and encourage employees to exercise regularly (on site gyms, fitness rooms, sport classes, walking challenges, stair use promotion), choose healthy food offered in company restaurants, manage stress, improve sleep quality and participate in free screenings. The initiatives are different depending on countries and needs. We also offer global prevention programs such as vaccinations, stop smoking and eat well campaigns.

Healthy Minds: Supporting emotional and mental wellbeing

We provide access to tools and programs to support the emotional and mental wellbeing of everyone at Sanofi. We offer an Employee Assistance Program (EAP) to all employees globally. This allows confidential access to speak to a counselor, 24 hours a day, 365 days per year. We offer six annual counselling sessions per employee, per topic.

In 2022 we launched a global learning program "Winning Healthy Minds". Its objective is to help employees build tools to support their mental resilience.

In 2023, Sanofi launched a mandatory online course for all employees, called "Fostering a positive and safe workplace" which encompasses a module on Mental Health. Other learning resources include the "Healthy Minds Conversation Guide", accessible to all and providing employees with guidance on how to talk about their mental health. For managers, an e-learning course called "Mental Health: The Pivotal Role You Play As A Leader" was created to help them identify mental health challenges within their teams and access appropriate Sanofi resources. Finally, the "Culture Talks" encourage teams to have open conversations about wellbeing and psychological safety.

Healthy Working Culture: Promoting a respectful, supportive and inclusive environment

Sanofi is committed to promoting a healthy culture, which is supportive, respectful and inclusive, where managers and employees can thrive in their work and feel empowered to innovate and grow. In honor of this commitment, Sanofi requires that managers have regular conversations with their teams about wellbeing and ensure that they receive the support they need.

Since 2022 we:

- launched a global policy offering 14 weeks of paid gender-neutral parental leave for all employees in all countries.
- launched a global flexible work policy so that employees can adapt their working environment and patterns to their individual needs.
- launched a global Speak Up Portal to help employees navigate to the appropriate resources and Speak Up options (e.g., the Speak Up Helpline) so that they can openly raise concerns about the violation of Sanofi's Code of Conduct and feel empowered to share ideas, challenge processes and give feedback.

Healthy Financials: Promoting employee confidence to control finances at whatever stage of life

Financial wellbeing at Sanofi covers a broad range of financial aspects of an employee's lifecycle. Solutions may vary in each country based on market practice and needs. As an employer of choice, we:

- ensure that our employees around the world are covered in case of unfortunate life events such as death and disability, in line with our global consistent standard of care;
- support our employees in securing their future through high-quality well-designed savings arrangements;
- empower our employees to plan for their retirement and their long-term financial projects.

As for all other benefits, Sanofi ensures that when it comes to pensions and savings, our offering is competitive and supports the employees to better plan their retirement. Sanofi encourages the establishment of savings and retirement programs for employees in line with market norms. The Employee Assistance Program also includes confidential contact to ask for advice and support on financial and legal guidance. Finally, Sanofi is globally committed to support employees to save money through its Employee Share Purchase Plan, which provides an attractive way for employees to purchase Sanofi shares at a discounted rate.

3.3.1.4.2. A global framework for flexible work

In line with our DEI strategy, a well-balanced, flexible workplace is essential for maintaining an inclusive culture, which caters to individual needs and working styles. Local situations and regulations differ, so there is no "one-size-fits-all". The key is to strike the right balance between human work interaction and technology-enabled remoteness. Sanofi is committed to offering flexible work globally, providing a set of global guidelines for local execution in accordance with business needs and local laws.

3.3.1.4.3. A welcoming, inclusive and sustainable workplace

In support of the Play to Win strategy, our workplace strategy aims to transform our workplaces into healthy and safe spaces that, unleash the full creative potential of individuals and teams and where every Sanofi employee feels included, valued, and can bring their whole selves to work every day.

By 2025, we want to ensure that 100% of our sites are fully accessible, equipped with inclusive technologies, and adapted to ways of working that allow everyone to be fully productive in the workplace.

3.3.1.4.4. Fostering dialogue to pursue progress

Labor relations in Sanofi are based on respect and dialogue. In this spirit, management and employee representatives meet regularly to exchange views, negotiate, develop and update specific agreements, and to organize their implementation. Social dialogue is structured differently from country to country, as local circumstances call for a differentiated approach. Information, consultation and negotiation processes may take place at the national, regional, or company level and may be organized on an interprofessional or sectoral basis, or both. Social dialogue may be informal or institutionalized, or a combination of both. Whatever the situation, Sanofi encourages employees to voice their opinions, helping to create a stimulating work environment and encourage participation in decisions aimed at improving the way we work.

These efforts reflect one of the principles of our Social Charter: improvements in working conditions and the need to adapt to our environment go hand-in-hand.

Since 2015, Sanofi has applied a worldwide policy on freedom of association that applies to all employees; see the Vigilance Plan, section "3.4.6., Fundamental human rights at work".

Approximately half of our employees globally are covered by collective agreements, while 96% of employees in Europe are represented by workers' representatives and as such are engaged in social dialogue, notably through the European Works Council. In countries where no collective agreements exist, there are other approaches through a specific employee relations Center of Expertise, focus groups, Speak Up events, or similar opportunities to ensure ongoing involvement of employees at all levels.

Focus on France

As part of the organizational change to serve the Play to Win strategy, multiple negotiations were conducted to simplify and harmonize the various existing agreements across entities, or to renew them (profit-sharing plans, SRI initiatives, and the Cancer & Work policy). As a result, more than 15 collective agreements were signed with union representatives in 2023.

In addition, management has decided to introduce retirement savings measures applicable to all employees, irrespective of the number of years of service. A former scheme granting bonuses or days off depending on length of service thresholds was ended.

Reorganization projects were implemented, mainly affecting Manufacturing & Supply (especially the creation of an industrial network), R&D (Global Regulatory Affairs, Clinical Sciences and Operations), Corporate Functions, and the sales force model for the General Medicines GBU. The GEPP (*Gestion des Emplois et des Parcours Professionnels* - Job and Career Path Management) approach provided tools to support implementation.

Focus on Germany

Employees are represented through the Works Council or the Employee Representatives Committee. Both bodies are affiliated with the German chemistry sector, and delegates are elected by employees for a four-year term.

All discussions with these bodies are conducted in such a way so as to strike a balance between the interests of the employees and those of the company. During 2023, negotiations were conducted with these bodies on a range of issues:

- reorganization projects mainly affecting Manufacturing & Supply (ongoing development of the Frankfurt Insulin Cluster and Global Device Unit organization), the General Medicines GBU (finalization of negotiations on a new sales force model, implemented in September 2023) and the Specialty Care GBU (completed negotiations to develop the organization in line with product portfolio changes), alongside ongoing enhancements to our existing people management systems (Workday, iLearn), with the Central Works Council agreeing to the rollout of new functionalities;
- implementation of a renewed local policy for "jubilee premiums" and implementation of all components of the Tariff Agreement for the chemical industry, which was agreed upon in 2022; and
- agreements for new People & Culture programs, such as the rollout of the new "Bravo!" recognition platform, the implementation of the Your Voice 2023 survey, and the new Cancer & Work policy.

3.3.1.4.5. Continuous feedback and employee listening

Feedback is instrumental in enabling our employees to practise Play to Win behaviors. Employees need to feel supported and safe to take action with calculated risks and share their learnings through the following examples:

Individual and team feedback

Having more feedback (informal and formal) and check-ins between managers and teams (as well as between peers, colleagues, and stakeholders) helps everyone to grow and develop. In 2021, we started embedding continuous feedback, and in 2022 we launched *Performance Impact*, our new approach to Performance. *Performance Impact* focuses on setting stretch goals aligned with the business and driving a feedback culture to deliver more impact and stronger individual and collective performance. *Performance Impact* is about regular one-to-one conversations between managers and their teams to review progress on goals and discuss career development and wellbeing topics. These conversations are designed to help everyone thrive and be successful.

As part of *Performance Impact*, in 2022 we implemented 'Manager90', a development tool for managers which consists of receiving feedback from team members to help managers become better coaches and people managers. The tool has been a success: in 2023, 76% of our managers received development feedback, helping them to drive culture change and build high-performing teams.

In June 2023, we launched "Bravo!", our new recognition platform. The platform formalizes a way for employees to give recognition to their colleagues. Bravo! is available to all employees worldwide, enabling them to acknowledge colleagues who have demonstrated and role-modelled our Play to Win behaviors. Since its launch, over 70,000 Bravo! awards have been issued, with 45% of our employees receiving at least one award.

All-employee feedback

Sanofi conducts regular employee engagement surveys ("Your Voice") to solicit employee feedback on their experiences and engagement.

The 2023 edition of "Your Voice " sought so measure progress on the Play to Win transformation and engage managers to help build a more purposeful employee experience and a winning culture.

"Your Voice" uses a confidential third-party platform, which operates in real time, allowing managers to consult aggregated and anonymized results directly after the survey is closed. Managers are empowered to plan and take action directly with their teams to improve their experience. The Your Voice platform also enables them to have regular check-ins with their teams and ask for feedback.

With a response rate of 80% (vs. 75% in 2022), our employee engagement score is trending upwards with a score of 7.5/10 in 2023 (vs. 7.4/10 in 2022). The results show that our employees feel encouraged and supported in their development, appreciate the autonomy and flexibility to do their work, and value relationships with their peers. Employees know what they are expected to deliver and how to support team objectives.

Areas for further improvement include:

- better support for future transformations;
- simplifying our core processes and optimizing our ways of working; and
- promoting a culture of openness and recognition (beyond direct line management).

3.3.1.5. Creating our Diversity Edge

[GRI 405-1, GRI 405-2]

3.3.1.5.1. Our "All In" Diversity edge strategy

Our DEI strategy is shaped and driven by a DEI Board and has been designed to:

- Reflect the diversity of our communities
- Unleash the full potential of our people
- Transform our culture in and beyond the workplace

Three of our Board's founding members are recognized external experts who advise and challenge us, sitting alongside our executives and employees. They hold us to account, ensure we act on our DEI commitments, monitor progress against our 2025 ambitions, and advise on how to accelerate our impact.

We continue to deliver strong outcomes across three key pillars and against ten KPIs:

Building global representative leadership (focused on our workforce)	Creating an inclusive work environment where we can bring our whole and best selves (focused on our workplace)	In and beyond the workplace (focused on our marketplace)
• Gender ambition: gender balance among Senior Leaders and ambition of 40% female executives • Year on Year % increase in local workforce diversity representation for hiring and career progression • Recognized as a Top 10 Employer for different strands of diversity	• 100% of employees have access to flexible working arrangements, subject to job activity • 80%+ score in our Diversity & Inclusion Index • 100% of people with disabilities have workplace accessibility	• Year on Year % increase in clinical trials achieving diversity targets • 100% of senior leaders are active in CSR programs • Spend at least €1.5 billion with diverse suppliers • Double spend on women-owned businesses

In November 2023, Sanofi was recognized at the European Diversity Awards: we won "Diversity Team of the Year", and were shortlisted for "Network of the Year" (for our Cancer & Work Network) and for "Company of the Year".

In 2023, DEI training became mandatory for all employees, with a module built into our Global Code of Conduct training.

As we approach the Paris 2024 Olympics and Paralympics, a Disability Etiquette training package has been prepared for our volunteers in collaboration with our Global Ability+ ERG, to give them the knowledge and skills to interact with people from all walks of life when they arrive in France for the Games. It will be delivered to all 2024 volunteers and subsequently made available across our entire business.

Together we will deepen our understanding by having constant conversations and putting in place more deliberate actions to drive greater equity across five key strands of diversity: Gender, Race/Ethnicity/Faith, Disability, Age and LGBTQ+[(1)].

Employee Resource Groups

Our Global Employee Resource Groups (ERGs), launched in 2022, established themselves across the business with Executive Sponsors, each one a sitting member of our Executive Committee.

In 2023, around 12,000 Sanofi employees identified themselves as members of one or more ERGs based on a question embedded within our "Your Voice" global employee engagement survey.

Over 50 local ERGs have been launched across every region of Sanofi's global footprint under a defined framework aligned on our global model, with clear governance and designed to help guide and grow these communities of practice.

In November 2023, we launched a global ERG membership and engagement platform to grow membership and to also 'connect the dots' across our global corporate responsibility commitments.

Data-Driven DEI Decision Making

We are articulating a more nuanced DEI analytics strategy to inform both global and local People & Culture decisions, rolling out new solutions and methodologies to support our People & Culture Analytics function with a number of use cases across our CSR, recruiting, talent and wellbeing initiatives.

In 2023 we:

- democratized data and insights for all leaders globally to help us enhance analysis and access to DEI Data, starting with our gender ambitions;
- looked beyond gender by collecting disability and ethnicity data where legally possible, and looking at all other forms of diversity: thought, neuro-divergence, education, nationality, skills, etc.; and,
- after the success of the demographic survey in 45 of our 65 countries in 2022, we piloted voluntary, anonymous self-identification barometers in France and Germany in 2023. This is an important step in modernizing our approach to personal data and People Analytics so that we can create a workplace suitable for all. This has been progressively conducted with our social partners and European Works Councils, and with our Privacy Team.

(1) *LGBTQ+ stands for lesbian, gay, bisexual, transgender, queer, and others.*

3.3.1.5.2. Gender Balance

We have set a global ambition of gender balance in senior leadership and 40% women in our executive teams by 2025.

To work toward this ambition, we are combining multiple levers across global Talent Management, Talent Acquisition, and Talent Development activities. Over the past two years:

- a "Career Development Journey for Women" program was launched in February 2022. To date it has helped 135 women to progress towards more demanding executive roles through exposure, networking and coaching; already 43% of our "Career Development Journey for Women" participants have had clear and planned career development (either promotion, lateral move or enlarged responsibilities), and 30% of participants have made a career move since the start of the program
- we launched a Talent Accelerator for commercial roles, and 64% of the 84 participants are women. The international region (countries outside of North America, Europe and China) represents 42% of the 84 participants.
- we implemented diverse hiring slate expectations for Senior Leader roles, subject to local legal requirements.
- we have implemented a policy of offering gender-neutral paid parental leave of 14 weeks (see 3.3.1.5.2.2).
- we have global partnerships in place with Catalyst (our CEO is now a full Board member, and our Chief Diversity Officer is on their Advisory board), the Healthcare Businesswomen's Association (150 members), WIN (Women's International Networking), Global Summit of Women, the Women's Forum, WeQual and The Boardroom.
- we have 45 Gender+ ERG leads across all geographies, covering more than 4,000 members and providing career development tools, visibility and advocacy for women at all professional levels. Dedicated ERGs for female STEM talents are also in place.

In addition, we are embedding gender balance in our hiring, mobility, and succession planning processes, and are monitoring progress through several meaningful levers to ensure we meet our global 2025 ambition. Our 2023 data shows that we are progressing well.

In 2023 we designed a comprehensive dashboard to drive greater visibility and accountability across the organization, which is available to our Top 500 leaders and all Talent and DEI professionals across the organization, a total of over 600 individuals.

	Performance indicators		
Global gender balance	**2023**	**2022**	**2021**
Ambition of gender balance in senior leadership roles (approximately 2,300 positions) by 2025.	44.1 % women	41.7% women	40.1% women
Ambition of 40% women in executive roles (approximately 500 positions) by 2025.	40.1 % women	37.2% women	34.2% women

Gender balance by grade

	Employees		
Employees under contract as of December 31	**2023**	**2022**	**2021**
Worldwide	86,088	89,824	95,442
% Women[(a)]	*49.4 %*	*48.6 %*	*47.7 %*
% Men[(a)]	*50.5 %*	*51.4 %*	*52.3 %*
Non-manager	70,992	74,018	77210
% Women	*50.4 %*	*49.5 %*	*48.6 %*
% Men	*49.6 %*	*50.5 %*	*51.4 %*
Manager [(b)]	15,096	15,806	18,232
% Women	*45.1 %*	*44.4 %*	*44.1 %*
% Men	*54.9 %*	*55.6 %*	*55.9 %*
Senior leader [(b)]	2,264	2,352	2,346
% Women	*44.1 %*	*41.7 %*	*40.1 %*
% Men	*55.9 %*	*58.3 %*	*59.9 %*
Executive posts [(b)]	484	521	530
% Women	*40.1 %*	*37.2 %*	*34.2 %*
% Men	*59.9 %*	*62.8 %*	*65.8 %*
Executive Committee	11	13	13
% Women	*27.3 %*	*15.4 %*	*23.1 %*
% Men	*72.7 %*	*84.6 %*	*76.9 %*

(a) Excludes employees for whom information on gender was not available or undisclosed.
(b) See section "3.7.2.1.5., Employee grades".

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 2023, Sanofi has an average global pay gap of 4.5% in favor of women, mainly driven by our gender distribution in job families and geographical footprint. The nature of the calculation means that the pay gap may fluctuate year on year, influenced by our headcount structure, business model and strategy.

3.3.1.5.2.1. Focus on France

Sanofi in France is part of the following networks, emphasizing our commitment towards gender equality and the elimination of violence against women:

- One in Three Women, the first European network of companies committed to fighting violence against women.[1] Its aim is to create and test measures to combat violence against women and to support affected employees, through specialized NGOs;
- the #StOpE initiative, against so-called "ordinary" sexism in the workplace;
- the Marie Claire Agir pour l'Egalité Think-Tank; and
- Alliance pour la Mixité en Entreprise (AME), a corporate gender balance alliance.

A special leave agreement was unanimously signed by social partners, granting a 4-day paid leave authorization for employees who are victims of domestic violence to carry out various steps (e.g. legal, judicial, psychological or to contact associations or specialized organizations).

3.3.1.5.2.2. Global gender-neutral parental family leave policy

In line with our DEI strategy, we have rolled out a global standard for inclusive and equal parental leave. From January 1, 2022, Sanofi grants 14 weeks paid parental leave to any 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.

It gives our employees the freedom to determine childcare arrangements that work best for them as a family and provide quality time to better bond together: a step forward for driving equality in the workplace. Since its launch in 2022, 5,240 employees took parental leave (nearly 627,900 days), 57% of them women and 43% men.

3.3.1.5.2.3. Ensuring pay equity

At Sanofi we believe in paying equitably for similar work. This does not necessarily mean everyone doing the same job will receive the same pay. Any differences in salary should be clearly explainable in line with Sanofi's pay policies (grade, job profiles, location, skills, etc.).

In 2021 we launched a Global Pay Equity Action Plan to track and reinforce practices to ensure and promote pay equity. This action plan includes three core global commitments:

- regularly monitor gender pay equity across all countries via the available dashboards and develop action plans to remediate any unjustified pay gaps.
- push further for equity in all pay decisions, develop a Pay Equity mindset and address factors that may impact pay gaps at each critical pay step (hiring, pay review, etc.).
- encourage local processes to review base salary for employees returning from parental / family leave, preventing disparities.

We aim to avoid any discrimination (e.g. based on gender, race, etc) while making compensation decisions and base those decisions on Sanofi pay policies. Where disparities exist, we seek opportunities for allocating specific budgets to address pay gaps in one or more steps. For example, in France, 1% of total payroll for 2023, 2024 and 2025 is being allocated to reducing the pay gap between women and men. Many other countries also earmarked a budget to address pay equity related adjustments during 2023.

Sanofi once again ranked in the top companies in the official French gender equality index, achieving scores ranging from 75 to 99 out of 100 in the latest index (published March 2023) and a headcount-weighted average of 93.1/100 (the average for all companies with more than 1,000 employees was 88/100). The index awards scores out of 100 on five key gender equality criteria: pay gap (basic and variable pay plus bonuses); gap in distribution of individual pay raises; gap in distribution of promotions; percentage of female employees receiving a pay raise on return from maternity leave; and number of women in the ten highest-paid employees.

3.3.1.5.3. Disability

Our main areas of focus in 2023 were to set out strategic plans for accessibility to drive the Workplace strategy, and undertake accessibility assessments across our business. We did this by ongoing development and rollout of:

- accessibility training, guidelines, toolkits, and disability awareness resources, and
- enabling allyship in all Sanofi employees through our Ability+ networks

3.3.1.5.3.1. Physical accessibility

- assessments were completed for all 100+ Sanofi office spaces in 2023.
- during the year, six sites were remediated. Eight are still to be addressed, all of which have action plans and senior sponsorship to meet the required standard.
- our Facility Management & Workplace Experience teams launched a new Workplace Accessibility Standard in May 2023, and have extended accessibility assessments and accessibility guidance with three new areas of focus: laboratories, manufacturing (specific areas) and warehouses.

[1] *An initiative of the Foundation Agir Contre l'Exclusion (FACE) and the Kering Foundation.*

3.3.1.5.3.2. Digital accessibility

- we launched our new Elements Design System, featuring 30+ design elements that go beyond standard user experience accessibility.
- we embedded Web Content Accessibility Guidelines into our design system as a default, so as to empower our employees and vendors to build consistent, accessible and scalable digital experiences more efficiently.
- our Brand and Corporate Communications teams launched new corporate MS Office templates with accessibility guidelines embedded by default, as well as global guidance on how to create accessible content, accessible events, accessible communication practices, empowering all Sanofi employees with the right tools to be more inclusive.
- live training continued throughout 2023, with over 1,000 employees participating.
- training on accessible workplace practices and disability etiquette has been made available to Sanofi employees.
- our Ability+ ERG has a global team of over 500 active members in 20 countries, accelerating local and regional initiatives on accessibility, neurodiversity, and mental wellbeing.

3.3.1.5.3.3. Partnerships

We continually build our confidence with global disability inclusion and accessibility partners. In addition to our strategic relationship with The Valuable 500, in 2023 we formed two new partnerships with the International Labor Organisation (ILO) Global Business Disability Network and PurpleSpace to further advance our commitment to disability inclusion.

3.3.1.5.3.4. Focus on France

For more than 15 years, Sanofi France has been committed to recruiting and retaining People with Disabilities (PwD), in particular by entering into agreements with trade unions in France to formalize these commitments. The results speak for themselves: at 7.94%[(1)], the employment rate of PwD is one of the highest among CAC40 companies in France and almost two points above the statutory minimum rate of 6%).

Our commitments to People with Disabilities are:

- priority monitoring of employees with disabilities to ensure they can continue to perform effectively in their job;
- ongoing integration of employees with disabilities, whatever the nature of the disability;
- strengthening communication and information through awareness initiatives;
- constantly improving the accessibility of workstations and information (for example, making Tadeo – a computer-assisted solution which facilitates communication with deaf or hard of hearing people – available to all employees); and
- maintaining strong ongoing relationships with organizations such as the protected and adapted work sector. A network of 35 disability delegates on our sites provides local focus and attention.

3.3.1.5.4. Culture & Origins

There are 147 nationalities in the global Sanofi workforce. Our hiring managers are being trained in effective and inclusive recruitment through inclusion nudges, and we are equipping our search firms with our DEI strategy and expectations. Wherever possible, relevant country ambitions have been identified.

In January 2023, Sanofi joined the Tent Partnership for Refugees, a global business coalition of more than 350 multinational companies committed to supporting the integration of refugees. During 2023, we participated in a professional mentorship program under the scope of WeVolunteer, our global volunteering program in France, Spain, and the UK, which paired 74 Sanofi mentors with 74 female refugees.

Through the Tent Partnership for Refugees, Sanofi also established a collaboration with Place Network to offer Coursera online training licenses for training in digital skills, management and communication as part of Place Network's training programs for newcomers (refugees, asylum seekers, migrants) in France.

Sanofi joined DIAN (Diversity & Inclusion in Asia Network), a business network for companies and professionals committed to advancing diversity and inclusion in Asia, in 2023.

(1) *Disability data for previous financial year (2022), data is available in Q2 every year for N-1.*

3.3.1.5.5. Generations

Sanofi is committed to ensuring that every employee, no matter their age or experience, feels valued and has their place. In 2023, Sanofi continued to partner with AARP International's Learning Collaborative, a business network of over 100 organizations working to identify and share multigenerational, inclusive workforce practices. Sanofi once again partnered with One Young World to connect with and promote youth leadership.

In addition to sponsoring three of our NextGen scholars to attend the conference, Sanofi hosted a dedicated "A Million Conversations" workshop with them, focused on building inclusive healthcare systems. In 2023, Sanofi was the first company in Brazil to achieve certification as a Certified Age Friendly Employer (CAFE) from the Age-Friendly Institute.

Our global goal is to increase early talent representation from 7% to 15% of employees below the age of 30 by 2025 (12,000+ employees).

Population of millennials	2023	2022	2021
New hires of people aged 30 or under as a % of total new hires	50 %	49 %	51 %

Number of interns and apprentices hired (excludes apprentices in Germany):	2023	2022	2021
Apprentices	2,918	1,449	1,451
Interns	3,941	3,051	3,037

3.3.1.5.5.1. Focus on France

In France, Sanofi has for many years been working with young people to support their training and improve their employability through internships, apprenticeships, or "VIE" – Volontariat International en Entreprise – the French international internship program.

The national "1 jeune, 1 solution" plan is fully implemented by Sanofi through recruitment and support programs. This investment is accelerating from year to year, reflecting our responsibility as a large French company to help young people integrate with the world of work.

The following areas highlight our commitment toward diversity:

- in 2023, 1,679 apprentices are part of our headcount, with an increased focus on inclusive hiring.
- as part of our apprentice recruitment campaign, we organized the third edition of *Place d'Avenir* to support efforts to combat self-censorship in employment and help Early Talents find an apprenticeship with advice, coaching and support. For our 2023 event we welcomed 2,000 attendees, with 1 ,200 job datings organized and 111 recruitments confirmed. Of those apprentices, 8.9% come from deprived neighborhoods and were recruited through the *Place d'Avenir* program, which has improved job opportunities.
- we also organized our third Career Day Forum in conjunction with our healthcare partners, bringing together 40 partners to offer employment opportunities to all young people at Sanofi (616 connections, and 328 virtual job datings).

In 2023, out of 493 permanent contract hires, 119 were former apprentices, interns or VIE interns, i.e. 24 % (vs. 21.6% in 2022).

3.3.1.5.6. LGBTQ+

Since 2019, Sanofi has been a supporter of the "Standards of Conduct for Business" established by the United Nations High Commissioner for Human Rights in the fight against discrimination against LGBTQIA+ people.

Sanofi has also (since 2022) been a member of myGwork, a business community that offers a safe space where LGBTQ+ people can connect with inclusive organizations and find jobs, mentors, professional events, and news.

Sanofi USA was named a "Best Place to Work for LGBTQ+ Equality" and received the maximum score of 100 on the 2022 Corporate Equality Index of the Human Rights Campaign Foundation.

3.3.1.5.6.1. Focus on France

Sanofi France has since 2020 been a signatory of L'Autre Cercle's Commitment Charter, which aims to promote the inclusion of LGBTQ+ people in the workplace. We reaffirmed our commitment to the charter's principles by re-signing in 2023.

3.3.1.5.7. A Million Conversations - Rebuilding Trust in Healthcare

A Million Conversations is our global initiative, launched in 2023, to rebuild trust in healthcare with the under-represented. Over the next eight years we will deploy our expertise, networks and a €50 million investment to empower people from marginalized communities to speak directly to the healthcare industry, and to grow a pipeline of diverse healthcare professionals by:

- creating a pipeline of diverse leaders through a global scholarship program (Next Gen Scholars) to grow the number of talents from diverse backgrounds so that they reflect local communities in healthcare. We are funding and establishing this framework for these marginalized diverse communities to study a health-related subject to directly strengthen the pipeline of representative leadership across Sanofi in key areas;
- creating internal dialogue events with our ERGs across different regions, where Sanofi employees hear from those with lived experience of healthcare discrimination;
- hosting external community-led dialogue events involving communities, healthcare professionals, patients and customers across our key markets; and
- giving out 20,000 licenses from a leading online learning platform to offer education to people in disadvantaged and under-represented countries.

3.3.1.5.8. Cancer & Work: Acting Together

Under the leadership of Sanofi employees impacted by cancer, Sanofi made the commitment to expedite change and establish a global standard across Sanofi, expanding on the experiences and success of Sanofi France and its "Cancer & Work : Acting Together" program that was started in 2017.

The global minimum standard is built on a two-pronged approach:

1. a set of minimum benefits and policies provided worldwide to all Sanofi employees, including work flexibility and salary continuation for up to one year globally in the event of long-term illness leave. The coverage is also extended to other critical illnesses as defined by each country.
2. the creation of 'Affinity' groups providing safe spaces for employees to connect, share experiences, and support one another.

The Sanofi commitment is holistic in nature, supporting employees directly touched by cancer and also those indirectly affected such as caregivers, managers and colleagues.

To reinforce our commitment, in 2023 we signed a global #WorkingWithCancer pledge, which calls on companies to publicly commit to fight cancer and its stigmas in the workplace.

3.3.1.5.8.1. Working with Cancer in France

Sanofi France continues with its "Cancer & Work: Acting Together" program to support individuals and teams facing cancer. We remain active members of the "Club des Entreprises" launched by the French National Cancer Institute (INCa), and were one of the first companies to draft and sign the "Cancer & Work" charter to improve support for employees with cancer and promote health.

To meet the commitments of this charter, Sanofi has set up discussion and solidarity spaces in each of its sites in France, combining the real-life experience of employees affected by the disease (patients, caregivers, managers) and the expertise of support functions (occupational health, social services, People & Culture).

- these confidential spaces are open to all employees, and currently include 150 volunteers trained in peer support partnering.
- to date, the network has offered support to more than 300 employees, with a 98% satisfaction rate, and 100% of respondents would recommend it to their colleagues.

Sanofi is also involved in two research projects with external partners:

- a thesis aiming at identifying barriers and levers in managing these complex situations within the workplace
- a multidisciplinary open innovation project led by Le Nouvel Institut and supported by the INCa and the French Ministry of Labor, which aims to trial a "cancer and work recovery module", and gain new insights to help government bodies identify changes needed to the legal and employment-related framework.

In this way, the "Cancer & Work: Acting Together" program also contributes to society in and beyond the workplace.

3.3.1.5.9. Engaging with Communities

Sanofi has a history of engagement with communities through volunteering. Thousands of employees have contributed, and many continue to do so.

To facilitate and encourage employees to be actively involved in volunteering activities, the "We Volunteer" program:

- has clear global guidelines;
- is deployed via a shared global platform, which 50 countries have already joined in 2023; and
- provides all employees with one paid day off per year (or two at the discretion of country-level management) to participate in volunteering activities for good causes proposed by Sanofi.

We Volunteer allows our employees to do good for the communities we care about, develop strong and lasting relationships, and learn and grow together as individuals, living our One Sanofi culture and giving back to communities

In October 2023, our "We Volunteer Month" provided an occasion to promote and celebrate volunteering across Sanofi.

Key figures:

	2023	2022	2021
Number of volunteers	12,240	6,825	4,975
Number of hours of volunteering	75,376	46,976	26,906
Number of countries	45	33	36
Number of NGO partners	765	371	253

3.3.2. Access to healthcare

[GRI 203-1]

3.3.2.1. Context and approach

Sanofi strives to provide broader and equitable access to quality medicines and vaccines for patients, particularly for underserved and vulnerable communities around the world. The company shares this responsibility with various local healthcare systems, and is committed to playing its part. Sanofi employs an approach adapted to the specifics of both, healthcare systems and local needs, through different access models (commercial, social, and philanthropy).

Sanofi's commercial model reflects the commitment to broadly expanding patient access to medicines and vaccines while ensuring sustainability for all stakeholders and incentivizing continued investment in R&D. Broad access to medicines and vaccines requires wealthier countries to partner with the biopharmaceutical industry and make a commitment commensurate with their ability to pay, in order to incentivize continued investment in innovation. Policies that reward the value of innovation ultimately improve the lives of patients around the world.

Sanofi's social model to broaden access is channeled through the Sanofi Global Health Unit, the first initiative of its kind to provide access to a broad portfolio of medicines in 40 of the world's poorest countries and across several therapeutic areas, while funding local support programs, as well as investing in innovative private companies.

Sanofi's philanthropy model supports people, patients, and communities around the world, through donations.

Sanofi's approach to access to healthcare is applicable to all Global Business Units (GBUs) and countries where the company operates.

3.3.2.2. Our R&D endeavors to address unmet needs

As a world leader in healthcare, Sanofi is committed to promoting access to health by conducting innovative research and development to develop sustainable solutions and address unmet medical needs.

3.3.2.2.1 Contribute to sleeping sickness disease elimination in 2030

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 837 in 2022, dropping below 1,000 for the fifth consecutive year.

Sanofi has collaborated with the Drugs for Neglected Diseases initiative (DND*i*) 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 that is effective in both the first and the second stages of the disease in adults and children aged six years and older and weighing 20 kg or more. Fexinidazole also received WHO prequalification in March 2019, and was approved in Uganda and the United States in 2021. It has been included in the WHO Essential Medicines List and WHO sleeping sickness treatment guidelines, as a first-line treatment for first stage and non-severe second stage. Very recently, the European Medicines Agency's (EMA) Committee for Medicinal Products for Human Use (CHMP) has extended the indication of fexinidazole for the treatment, in patients suffering Trypanosoma brucei (T.b.) rhodesiense sleeping sickness, an acute and lethal form of this parasitic disease found in Eastern and Southern Africa. This is the first full oral treatment for these patients whose only option previously had been an arsenic-based treatment.

In September 2020, Sanofi and DND*i* 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. This new chemical entity has been tested in Phase II/III clinical studies in DRC and Guinea. The results, 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 Trypanosoma brucei gambiense (g-HAT) patients, corresponding to the best results from studies with existing treatments (94%). In addition, 100% of the 41 patients with early-stage g-HAT were considered as treatment successes at all timepoints. The study shows that acoziborole has a favorable safety profile, with no significant drug-related safety signals being reported. These pivotal results will form the basis of Sanofi's dossier submission to the European Medicines Agency (EMA), and represent another milestone in the quest to eliminate sleeping sickness.

Through Sanofi's partnership with the World Health Organization (WHO), the company supports disease management, including screening of populations, disease awareness campaign, capacity building, and drug donation. At the end of 2023, Sanofi's total contribution to this WHO program was $115 million. The partnership agreement was renewed in 2020 for another five years, with a commitment to contribute $5 million annually from Sanofi. The program includes controls over the quality and use of the products, as well as distribution, which is handled jointly with *Médecins Sans Frontières* (MSF). This long-term commitment is key to achieving the sustainable elimination of sleeping sickness by 2030, as per the WHO Neglected Tropical Disease roadmap.

As of 2022, the Neglected Tropical Diseases program is managed by Foundation S – the Sanofi Collective. Foundation S is committed to donate acoziborole until sleeping sickness is eliminated worldwide.

3.3.2.2.2 Develop innovative treatments for childhood cancer

Cancer remains the leading cause of death from disease in children in the developed world, and most of the medicines we use to treat childhood cancer today were approved decades ago. While some progress has been made in improving survival rates for certain types of childhood cancer, there remains an unmet medical need, with many survivors experiencing severe long-term side effects. Developing innovative treatments for childhood cancers is challenging due to their rarity and regulatory concerns, resulting in significant delays in making new therapies available for children[(2)]. The median time between the first adult trial and the first child trial is currently 6.5 years[(3)]. As part of its CSR strategy, Sanofi is committed to addressing childhood cancer through a three-pillar approach:

1. Developing innovative treatments: Sanofi aims to develop highly effective and safe treatments to improve outcomes for children with cancer and to reduce clinical trial delays for children. Leveraging its R&D capabilities, Sanofi focuses on its late research and early development pipeline for the timely completion of preclinical studies and the initiation of clinical trials. In November 2023, Sanofi was therefore able to dose the first pediatric patient with one of its assets, less than two years after this same asset had been dosed in the first adult patient.
2. Closing knowledge gaps: Sanofi's second pillar focuses on better understanding childhood cancer and its resistance to standard treatments. This involves leveraging internal programs like the Sanofi i-awards for which a first dedicated project for childhood cancer was selected in in November 2023. Sanofi also engages in partnerships with experts from renowned institutions, and with consortia. Partnerships engaged in since 2021 include those with experts from the MD Anderson Cancer Center and with institutions like the Innovative Therapies for Children with Cancer (ITCC) consortium, the Innovative Therapies for Children with Cancer's Pediatric Preclinical Proof of Concept Platform (ITCCP4), and the FNIH Convening Experts in Oncology to Address Children's Health (COACH). In September 2023, Sanofi and ITCC/Institut Gustave Roussy started building a multi-stakeholder Childhood Cancer Working Group at the Paris Saclay Cancer Cluster (PSCC) to tap into PSCC's impressive infrastructure (data, samples, models) and propose relevant research projects.
3. Raising awareness: We collaborate with patient advocacy groups (e.g. MIB Agents and Imagine for Margo) to embed patient insights into healthcare solutions, and participating in various awareness initiatives including symposia, webinars, and training courses. Sanofi's childhood cancer project team works closely with the Foundation S My Child Matters project team.

3.3.2.2.3 Develop Global Access Plans for our innovation pipeline

In parallel with our efforts to enhance patient access to our existing medicines and vaccines, we are also committed to accelerating broader patient access to our future innovations by developing Global Access Plans (GAPs) at an early stage of clinical development for all our R&D pipeline assets.

Our ambition is to make our innovative products available within two years after first launch wherever we can make an impact on patients, and when external conditions allow. This ambition was shared in a public announcement made in 2021 as part of our renewed commitment to society.

Our GAPs systematically explore the opportunity for establishing access models and conditions as early as Phase II, after proof of concept (POC), in order to consider all potential solutions for broader patient access at scale beyond the usual commercial approaches in baseline countries[(4)]:

- focusing on geographies where a significant unmet medical need remains, and the healthcare ecosystem can support safe integration of innovations into clinical practices;
- adapting actions alongside the value chain: R&D, manufacturing and supply, regulatory pathways, pricing and reimbursement conditions, as well as building health system infrastructure and capabilities to ensure patients have effective access to care and appropriate use of our products; and
- developing access models adapted to local specificities.

The responsibility for developing a GAP lies in the business units for their respective assets, including key global functions and markets specialists, and GAPs are fully embedded in the global brand strategy. Our methodology enables the business to define which assets or countries to prioritize, and which offering is best suited for these assets and geographies. The methodology includes all the steps, implications, and issues to solve alongside the value chain including R&D, and more particularly clinical trial site localization; manufacturing and supply; regulatory pathways; legal considerations; healthcare capability-building; and the go-to-market model.

As of December 2023, 8 Global Access Plans have been initiated or developed, covering more than 12 indications. Sanofi will continue to develop GAPs for future assets when they reach Phase II of clinical development.

(2) *European Journal of Cancer, Volume 112, May 2019, Pages 49-56.*
(3) *The Lancet, Volume 7, February 2023, Pages 214-222.*
(4) *Baseline countries are countries where launch is usually considered within two years of a product's first launch.*

3.3.2.3. Our commercial endeavors to improve access to healthcare

Sanofi has a long history of working with healthcare systems to make its treatments accessible and affordable to patients in need.

3.3.2.3.1. Eradicate Polio

Polio is a contagious disease that mainly affects children under five. One in 200 infections leads to irreversible paralysis. Over the last 30 years, under the Global Polio Eradication Initiative (GPEI), 2.5 billion children have been immunized against polio resulting in a 99% reduction in the number of cases worldwide. At the end of 2023, polio was endemic in only two countries (Afghanistan and Pakistan) with 12 wild polio virus cases reported (compared with 30 in 2022). As a result of the global effort to eradicate the disease, almost 20 million people have been saved from paralysis.[(5)]

Polio eradication is the permanent interruption of the transmission of poliovirus, and the elimination of the disease it causes – poliomyelitis. The polio strategy aims for all polio viruses to have been sustainably eradicated worldwide by 2026[(6)]. Since 1988, Sanofi has been a key partner of the Global Polio Eradication Initiative and has supplied more than 14 billion doses of Oral Polio Vaccine (OPV) and 1.5 billion doses of Inactivated Polio Vaccine (IPV) in the world. In 2023, Sanofi supplied a total of 35 million doses of IPV vaccine to UNICEF for GAVI countries. In addition, 27 million doses of polio vaccine were provided to Brazil, India, Indonesia and the Philippines.

Sanofi has expanded its IPV production capacities and is in a position to contribute greatly to the demand of doses needed for this unprecedented global rollout of polio vaccination. Between 2014 and 2023, Sanofi supplied 430 million IPV doses to UNICEF.

3.3.2.3.2. Access to Diabetes Care

Diabetes is a global pandemic: approximately 6% of the world´s population – more than 537 million people – live with either Type 1 or Type 2 diabetes. Approximately 75% of adults with diabetes live in low- and middle-income countries (LMICs). Estimates suggest that globally around 45% of people with diabetes are unaware of their condition, with great variation in the proportions of undiagnosed diabetes across regions and countries. Those who do receive a diagnosis, be it Type 1 or Type 2 diabetes, face many barriers in access to care. These include capacity and availability of local healthcare resources and professionals; ability of healthcare systems to offer comprehensive diabetes management encompassing treatment of comorbidities; availability of essential supplies; education and support for people with diabetes; and access to affordable, quality medicines. This lack of access to care has led to a renewed focus in global and national public health agendas on improving diagnosis, treatment, and control of diabetes, including the launch of the Global Diabetes Compact by the World Health Organization in 2021.

Access to insulins in most LMICs is limited, as few insulins are registered and approved for use. Even where insulins are available, for underserved populations in wealthier countries, affordability can be an issue – especially for analog insulins. Analog insulins were included in in the WHO List of Essential Medicines in 2021, and Sanofi worked with the WHO for insulin glargine U100 to become the first analog insulin included in the Prequalification of Medicines Program. This will help ensure that this medicine can be supplied by procurement agencies and meet acceptable standards of quality, safety and efficacy.

Sanofi is strengthening its long-standing commitment to access to diabetes care in LMICs and underserved communities through a series of innovative partnerships with local healthcare systems, providers, payers, and global organizations. We are partnering with the International Diabetes Federation (IDF) to provide training for healthcare professionals through the IDF School of Diabetes in LMICs, and to educate children, their parents and teachers through the Kids and Diabetes in Schools (KiDS) program.

In LMICs with a strong commitment towards NCD control and prevention, we are developing a holistic approach to improving diabetes care. We signed Memoranda of Understanding with the Ministry of Health of Ghana in April 2023 and with the Delta State in Nigeria in September 2023. The programs aim to:

- foster a shift of care responsibility from the limited pool of endocrinologists/diabetologists to other healthcare professionals (HCPs) such as general practitioners, pharmacists, nurses or dieticians through training and mentorship programs, hence extending the care reach for patients;
- decentralize care by strengthening providers' capabilities through equipment donations for increased prevention, early diagnosis and care delivery to remote patients; and
- provide access to affordable insulin analog for patients in need.

More specifically, in Ghana the Memorandum of Understanding provides for the deployment of diabetes managements solutions in diabetes centers in Accra, Sunyani and Tamale, where 500 healthcare professionals will benefit from targeted medical training. An initial cohort of the mentor-mentee training program was launched in August 2023, allowing endocrinologists to support 80 general practitioners. In partnership with IDF, Sanofi set up a program to train 170 nurses, dieticians and pharmacists primarily serving people living with diabetes during the first year by following the training sessions of the IDF School of Diabetes. In the Delta State in Nigeria, Sanofi will support the training of 700 healthcare professionals to improve their skills in the management of diabetes, including general practitioners, nurses and pharmacists. Overall, Sanofi and its partners are aiming to impact the lives of 190,000 patients by 2025.

(5) *World Health Organization (2022) Poliomyelitis Factsheet*
(6) *Polio-Eradication-Strategy-2022-2026-Delivering-on-a-Promise.pdf (polioeradication.org)*

For underserved communities in high-income countries like the United States, Sanofi systematically proposes patient support programs and solutions to improve affordable access to care for our analogue insulins. In March 2023, Sanofi announced that it would cut the list price of Lantus® (insulin glargine injection) 100 Units/mL by 78 percent in the United States. It also announced that it would establish a $35 cap on out-of-pockets for Lantus® for all patients with commercial insurance. These moves came into effect on January 1, 2024, and are in addition to decisions taken in June 2022 to lower diabetes medicines costs: placing a $35 cap on out-of-pocket costs on insulin for all people without insurance. In addition, we will also cut the list price of our short-acting Apidra® (insulin glulisin injection) 100 Units/mL by 70%.

In the United States, we will continue to provide different programs to ensure access and affordability to patients depending on their coverage situations and will continue to monitor policy and market changes. Our suite of innovative programs includes:

- 100% of commercially insured people are eligible for Sanofi's copay assistance programs, regardless of income or insurance plan design, which, in 2023 limited out-of-pocket expenses for a majority of participating patients to $35 or less for their diabetes medicines for a 30-day supply
- 100% of uninsured people are eligible for the Insulins ValYouSavings Program – regardless of income level – enabling them to buy one or multiple Sanofi insulins at $35 for a 30-day supply. Sanofi also offers two programs for patients prescribed SOLIQUA 100/33 based on their insurance coverage status:
  - Soliqua Commercial Payer Approved Patients: Eligible patients may pay as little as $35 for a 30-day supply, with a maximum savings of $365 per pack, up to 2 packs, per 30-day supply
  - Soliqua Commercial Payer Rejected and Cash Patients: Eligible patients may pay as little as $99 per pack, up to 2 packs, per 30-day supply
- We also provide free medications to qualifying low- and middle-income patients through the Sanofi Patient Connection program. Some people facing an unexpected financial hardship may be eligible for a one-time, immediate month's supply of their Sanofi medicine as they wait for the application process.

As of 2023, Sanofi insulins and SOLIQUA were included in the Inflation Reduction Act and were covered on Medicare formulary, which provides insulin savings to Seniors who have Medicare Part D, capping monthly cost at $35.

In the United States, Sanofi also contributes to the DRIVE program, intended to address disparities in health and access to type 2 diabetes diagnosis and care and to influenza vaccination. DRIVE is a multi-faceted approach through clinical practices (Quality Improvement projects), communication networks (training health champions), community engagement, and dissemination of tools and resources to practice and community champions. In influenza, DRIVE delivers impactful results, with vaccine coverage rates in local underserved communities rising from 5% to 48% over the past three years, via more than 100 community outreach programs. Sanofi plans to broaden similar initiatives for underserved communities in key clinical focus areas and other geographies.

3.3.2.3.3. Product pricing

Making products, treatments and associated services more affordable is an important aspect of improving access to healthcare. Sanofi is committed to working with governments to strengthen national healthcare systems and ensure that people can access affordable care and medicines.

In a highly competitive environment where payers are subject to tight budgetary constraints, decisions by governments and health authorities - and cost reduction measures - have a growing influence on the pricing and reimbursement of our products. In response, Sanofi is committed to:

- addressing increased scrutiny of the value and price of medicines, whether by the general public or external stakeholders, by clearly explaining the value that underpins how a product is priced; and
- improving affordability and offering solutions to access issues by adopting differentiated approaches in developed countries and emerging markets.

Policies, action plans and performance indicators

Given the growing concerns over rising healthcare costs, Sanofi's approach to pricing reflects its continued efforts to support patient access while minimizing its contribution to overall healthcare system spending. This is why Sanofi has laid down principles for pricing and access globally.

We published our Global Access & Pricing Principles in 2022. They provide a framework for pricing and providing access to our new treatments and vaccines globally and are founded on two pillars:

- Clear rationale for pricing and access at the time of launch of a new medicine or vaccine. This rationale is built around four factors:
  - holistic assessment of value;
  - availability or anticipation of similar treatments at the time of launch;
  - ability of market to afford new medicines; and
  - unique factors specific to the medicine or vaccine at the time of launch.
- Inclusion of affordability criteria into pricing considerations for new launches. For all new product launches, Sanofi systematically considers country affordability (capacity to pay) through different indicators published by the World Bank and International Monetary Fund on an annual basis. Sanofi specifically looks at country wealth (GDP per capita and growth rate); healthcare system ability to pay (public health spending); and the burden of health cost on individuals (individual contribution to health care expenditures) and use these criteria to determine our net price flexibility for the country.

Sanofi's Global Access & Pricing Principles can be found in the Document Center on www.sanofi.com.

Understanding pricing decisions for Sanofi medicines in the United States

Given the unique nature of the United States healthcare system, Sanofi also publishes an annual transparency report specific to the US market.

Our US prescription medicine pricing principles focus on three key areas:

- clear rationale for pricing at the time of launch of a new medicine;
- reporting of pricing actions for our medicines in the United States over time; and
- continued transparency around our pricing decisions.

As of January 1, 2023, with the passage of the Inflation Reduction Act and the presence of other evolving market dynamics, the "Limited US Price Increases" policy, first established in 2017, was revised. As of 2023, our approach to pricing our medicines responsibly will balance:

- our ambition to chase the miracles of science to improve people's lives and ensure patients have access to the medicines they need now and in the future;
- government policies; and
- evolving trends in the marketplace.

For any list price actions taken by Sanofi during 2023 on any of our medicines, the guiding principle has been to adhere to a level that is consistent with our approach on responsible pricing.

Sanofi will annually disclose additional background if price actions trigger a prescription drug mandatory supplemental rebate under the Inflation Reduction Act of 2022.

In 2023, Sanofi increased the price of 48 of its 80 prescription medicines. Of these, our pricing action for Enjaymo® (sutimlimab-jome) resulted in a nominal payment under the Medicare Prescription Drug Inflation Rebate Program for the period from July 1 through September 30, 2023, due to the final calculation of the annual rate of inflation.

Transparency around Sanofi's prices in the United States

Sanofi's policy reflects a desire both to help its stakeholders better understand its pricing decisions and to advance a more informed discussion of issues related to the pricing of medicines. The data Sanofi provides may help illustrate how pricing changes accrue to manufacturers versus others in the value chain, highlighting their discrete role in the broader US health care environment and enabling a better-informed discussion on solutions to improve patient access and affordability.

While list prices (gross prices) often receive the most attention, they are not the prices typically paid by the insurers, employers or pharmacy benefit managers (PBMs) who purchase Sanofi's medicines on behalf of patients in their respective health plans. Sanofi negotiates discounts and rebates with these payers, which are designed to offer the healthcare system lower prices in exchange for greater access and affordability for patients with insurance. List prices also fail to capture the substantial mandated discounts and rebates, sometimes required by law, provided to government programs, including those provided in Medicare Part D, Medicaid, and the 340B drug pricing programs. The net price is what Sanofi receives after discounts, rebates, and fees paid to health plans and other parts of the health care system.

While our efforts focus on securing affordable coverage of our medicines for patients, it is important to note that decisions on patient cost-sharing and coverage decisions are ultimately made by payers and employers, not manufacturers of the medicines. Simply put, patients' out-of-pocket costs depend on how their respective health insurance plan is structured and the extent to which or whether that plan, their employer, or PBM chooses to use the negotiated discounts to directly lower costs for prescription drugs for patients.

This is why we have committed to publish annually the overall increase or decrease in our gross (list) prices and net prices in the United States:

Year	Aggregate annual change in average list price [(a)]	Aggregate annual change in net price [(a)]
2018	+4.6 %	-8.0 %
2019	+2.9 %	-11.1 %
2020	+0.2 %	-8.0 %
2021	+1.5 %	-1.3 %
2022	+2.6 %	-0.4 %
2023 [(b)]	NA	NA

(a) For the entire portfolio of Sanofi prescription medicines.
(b) 2023 data will be published in our Prescription Medicine Pricing Principles in Q1 2024, and made available on https://www.sanofi.us/en/our-company/social-impact/responsible-business-values/pricing-principles

3.3.2.3.4. Patent Management

Patents should not be an obstacle to access to healthcare, and Sanofi believes that being transparent and flexible with its patents can help in responding to urgent health challenges in developing countries. Since December 2019, Sanofi has publicly disclosed the patent status of its essential medicines and vaccines in developing countries. Sanofi's disclosure was updated in 2023, in line with the new List of Essential Medicines published by the WHO in 2023. Sanofi has also confirmed that it will not file or enforce patents in Least Developed Countries (LDCs) or Low-Income Countries (LICs). This also applies to some lower-middle and upper-middle income countries. The disclosures are provided in full in the Document Center on www.sanofi.com.

3.3.2.4. Sanofi Global Health: The cornerstone of Sanofi's Social Business approach

Sanofi's Global Health Unit (GHU) works to address today's many growing healthcare challenges – with a focus on countries with the highest unmet medical needs – through a self-sustained not-for-profit social business model. Its mission is to improve the lives of underserved populations through innovative, inclusive healthcare models and partnerships to deliver sustainable impact. We aim to achieve this by:

- improving access to affordable, quality products through our Impact brand, which provides 30 Sanofi medicines in 40 countries with the highest unmet medical needs and where Sanofi has little or no existing presence;
- strengthening local health systems and the delivery of high-quality care-related services to patients through medical training and self-sustainable and scalable models; and
- building impactful multi-sectoral partnerships. We rely on our global and local partners' expertise to optimize the availability, accessibility and affordability of our products.

3.3.2.4.1. Access to treatment

Sanofi's GHU aims to provide access to a broad portfolio of medicines in 40 countries with the highest unmet medical needs. To that end the GHU created Impact, a unique not-for-profit brand with 30 standard-of-care medicines produced by Sanofi, some of which are considered essential by the World Health Organization (WHO). The Impact medicines cover a wide range of therapeutic areas including diabetes, cardiovascular disease, tuberculosis, malaria and cancer.

Sanofi's GHU aims to reach two million people with non-communicable disease (NCD) care in its 40 countries in scope by 2030.

	Number of patients			Number of countries		
	2023	**2022**	**2021**	**2023**	**2022**	**2021**
Malaria	8,670,327	2,835,392	9,276,504	19	18	23
Tuberculosis	147,321	138,593	146,356	23	17	28
Non-communicable Diseases (NCDs)	261,977	185,151	40,439	31	28	16

3.3.2.4.2. Local healthcare system strengthening

Sanofi's Global Health Unit is working closely with local communities, authorities and non-governmental organizations to support the set-up and development of sustainable healthcare systems for those who suffer from chronic diseases and require complex care, and to develop disease awareness programs and establish partnerships to drive better care through:

- strengthening supply chains;
- conducting medical training; and
- providing services to patients.

Since 2021, Sanofi's GHU 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:

Name	Therapeutic Area	Country(s)	Activity pillar(s)	Overview and progress in numbers
PharmAccess	Cardio Diabetes	Zanzibar	Patient Care model	The project is an integrated patient-centered model of care aiming at improving diagnosis and disease management for patients with cardio-metabolic diseases through a care bundle consisting of access to patient group meetings, digital self-management support, remote care and medications.
CHAZ FBO Zambia	Cardio Diabetes	Zambia	Scaling Patient Care services with faith-based organizations	The primary goal is to institutionalize NCD Prevention WHO Best Buys as a standard of care within the church health institutions participating in the project. It includes building the capacity of health workers and community educators in church health institutions in diabetes and hypertension prevention and management, raising awareness of common NCD risk factors, and providing diabetes and hypertension diagnostic and treatment services in the selected church health institutions.
WCEA	Cardio Diabetes	Malawi, Tanzania, Sierre Leone, Zimbabwe, Uganda	Online HCP Training	Online NCD training of healthcare professionals across multiple countries.
CNSS	Cardio Diabetes	Djibouti	Empowering HCPs and supply chain actors	The specific objectives of this partnership are focused on strengthening advocacy and knowledge about NCDs, increasing the capacity of healthcare professionals for better management of NCDs and of supply chain actors, while building a sustainable procurement mechanism for affordable access to treatment.
Touch Foundation	Cardio Diabetes	Tanzania	Strengthen Supply Chain	The primary goal is to improve supply chain management for NCD medicines and patient tracking at each facility to ensure patients are adhering to treatment.
Action 4 Diabetes (A4D)	Diabetes (type 1)	Cambodia, Laos, Myanmar	Care for Type 1 Diabetes Patients	Action 4 Diabetes focuses on type 1 diabetes patients and includes healthcare professional training, patient services, support in monitoring blood glucose levels and access to insulins, to increase efficiency in the management of type 1 diabetes patients. A4D also holds diabetes camps for patients and their families to build awareness and understanding.
City Cancer Challenge	Oncology	Cambodia Rwanda	Health System Strengthening	Working with City Cancer, the objectives are to create city-wide oncology stakeholder leadership groups and complete situational analysis and needs assessments of oncology services (including digital oncology services), forming the basis for a successful approach to empower and strengthen the health system.

Below are the indicators for Sanofi GHU's healthcare system strengthening activities in 2023:

	2023[(a)]
Number of NCD programs co-designed and activated by the GHU with financial support	33
Number of countries supported by the GHU with local NCD program(s)	15
Number of beneficiaries reached with patient awareness and access to care initiatives	216,237
Number of HCPs and HCWs engaged with NCD training programs	4,474
Number of supply chain facilities upskilled to optimize access and availability of NCD treatments	117

(a) Figures available from January to end of Q3 2023 (October).

3.3.2.4.3. Impact Fund

Our Impact Investment Fund supports startups and innovators to deliver scalable, sustainable healthcare solutions in underserved regions. Through a €25 million commitment, the Impact Investment Fund provides inclusive financing and technical assistance to small businesses, leveraging global, regional and local investment to support transitions to universal health coverage.

The Impact fund's first investment, completed in early 2023, amounted to $2 million and went to SwipeRx. Headquartered in Singapore, SwipeRx operates in six countries: Indonesia, Cambodia (a GHU target country), Vietnam, Thailand, Malaysia and the Philippines. SwipeRx provides pharmacists with unparalleled support to improve the level of services they can deliver to patients through a B2B marketplace, and an online platform for pharmacists.

The Impact Fund has finalized three further investments in December 2023, for a total investment amount of $ 5.8 million, in:

a. Viebeg Technologies, a data-driven healthcare company disrupting the challenges in medical supply chains in hard-to-serve East African countries utilizing data and AI. Viebeg Technologies currently operates in Rwanda, Democratic Republic of Congo, and Kenya and is planning to expand in additional countries.
b. mPharma, a leading healthcare start-up that is redefining how healthcare is accessed and delivered to communities, by putting the pharmacy at the center of primary healthcare delivery. mPharma currently operates in Ghana, Nigeria, Kenya, Uganda, Zambia and Rwanda, and will expand in some Francophone African countries.
c. Dawa Mkononi, an innovative digitalized wholesaler utilizing a business-to-business e-marketplace, last-mile delivery services and other added value services like credit options and traceability solutions to address procurement safety, reliability and convenience challenges that persist in Tanzania.

3.3.2.5. Sanofi's Philanthropy Approach

As part of the different access models described above, Sanofi's philanthropy model supports people, patients, and communities around the world. Through our Rare Disease Humanitarian Program, we help patients and families access life-changing medicines. Through Foundation S – the Sanofi Collective, our philanthropic organization launched in 2022 – we support vulnerable communities around the world by focusing on children and families impacted by childhood cancer; helping communities in low- and middle-income countries (LMICs) adapt and build resilience to the effects of climate change; supporting the global ambition of eliminating sleeping sickness by 2030; and helping displaced populations during times of humanitarian crises with financial aid and medicine donations.

3.3.2.5.1. Provide rare disease treatment to those without access

Rare diseases are serious, chronic conditions that are severely debilitating and potentially fatal. More than 300 million people globally live with one or more of the 7,000 identified rare diseases.[1] Most rare diseases are genetic, and the majority start in childhood. As well as physical symptoms, rare diseases are often accompanied by a significant psychological burden for patients and their families. Even in countries with developed healthcare systems, patients may encounter difficulties accessing treatments for rare diseases due to limited health insurance cover, non-reimbursable treatments, and many other reasons the severity of the condition to age. To address such cases, Sanofi has been operating a humanitarian program over the past 30 years to supply free treatments to people with lysosomal disorders, such as Fabry, Gaucher or Pompe diseases, while also working with governmental authorities, patient groups and health sector decision-makers to develop sustainable access solutions.

As part of our commitment to society, 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 2023, 124,136 vials were shipped, enabling more than 1,160 patients with rare diseases to receive treatment. In 2023, Sanofi not only exceeded its target, but also continued to expand its geographic reach, as our first patients in Uganda and Ethiopia were added to the program. The program now reaches patients in 72 countries across six continents. Cumulatively, the program has supported more than 3,600 people with six types of lysosomal storage disorder in more than 100 countries over the last 30 years. 100 patients have been receiving free therapy for twenty years or longer through the program.

3.3.2.5.2. Fighting Childhood Cancer: My Child Matters

Worldwide, nearly 400,000 cases of cancer are diagnosed in children under the age of 19 every year. Nearly 80% of them live in countries with limited resources where survival rates are as low as 20% to 30%, while in the US and other developed nations 80% of children with cancer survive.[2]

The 'My Child Matters' program (MCM) was launched in 2005 to increase childhood cancer survival rates by providing financial support to families and children living with cancer.The program aims to act in three main dimensions in LMICs :

1. Strengthen healthcare systems by improving their ability to diagnose and treat childhood cancers.
2. Support the families to avoid treatment abandonment.
3. Take care of children with cancer through pain management, palliative care or access to services.

The program focuses on training healthcare professionals, raising public awareness, improving the quality and speed of diagnosis, ensuring treatment continuation and adherence, and improving access to and the delivery of pain relief and palliative care. MCM program delivery is driven by collaboration with regional or global partners such as the Groupe Franco-Africain d'Oncologie Pédiatrique (GFAOP), the International Society of Pediatric Oncology (SIOP), San Juan Deu Hospital and Childhood Cancer International (CCI). In addition, MCM supports local non-governmental organizations (NGOs), and healthcare experts from hospitals across the world. Since 2005, My Child Matters has provided support to more than 140,000 children and training to over 40,000 healthcare professionals from 88 countries. In the last year, close to 50 new projects with around 30 new partners have been launched.

To foster best-practice sharing between experts and countries, the MCM program launched an open data platform in 2022. The aim is to highlight all MCM programs globally and to ensure all stakeholders fighting childhood cancer can benefit from critical data, know-how and the most recent scientific publications in pediatric oncology. In the last year, two main updates on the MCM open data platform were the addition of a publications library and dedicated pages for local projects.

[1] *Rare Diseases International (2019), https://www.rarediseasesinternational.org*
[2] *World Health Organization (2021), https://apps.who.int/iris/handle/10665/347370*

3.3.2.5.3. Providing Disaster Relief: Humanitarian donations

Foundation S provides humanitarian aid to communities and displaced populations during times of emergency and crises. Through multiple partnerships such as with TULIPE or Direct Relief, Foundation S provides medicine donations to countries around the world.

Since its inauguration in 2022, Foundation S has completed 63 donations, combining all types of donations for more than €50 million, including the equivalent of 53 million daily treatments of essential medicines to treat 22 million patients.

In 2023, Foundation S orchestrated directly or through partners more than 30 donations including in Ukraine, Sri Lanka, Lebanon, Morocco, Turkey, Honduras, Dominican Republic, Mexico, India and South Korea. In particular, Foundation S worked with TULIPE to contributed to medicine donations for Sudanese refugees in Chad and to populations in Nogorno-Karabakh.

Donations in 2023 included:

- 8 donations to Ukraine: via several channels (directly, or with TULIPE or RARS[1]), Foundation S continued donating medicines and vaccines to support Ukrainian patients and refugees. Up to three million daily treatments of various essential medicines, including breast cancer treatments and vaccines, were donated in 2023 to treat 10,000 patients.
- Turkey and North Syria (earthquake in February 2023): through AFAD, Turkish Red Crescent (Turk Kizilay), AKUT, PUI, WHO and UNHCR, Foundation S provided support of up to €4 million to displaced and impacted people and communities. Donations included:
  - 100,000 doses of diphtheria / tetanus vaccines;
  - 125,000 units of essential medicines; and
  - cash donation to NGOs

These donations were equivalent to 2.2 million daily treatments, reaching approximately 150,000 people.

- Sri Lanka: Foundation S orchestrated the donation of 600,000 kits of CLEXANE to treat 60,000 patients in Sri Lanka through Direct Relief, for a total value of up to €6.3 million.
- Morocco (September 2023 earthquake): through the King's Fund, Foundation S provided support of up to €1 million to support displaced and impacted people and communities. In addition, matching funding resulted in an additional cash donation of up to €72,000 to the Red Crescent in Morocco.
- One donation completed to ANERA in Lebanon for Palestinian refugees representing 114,000 daily treatments to treat 4,000 patients.
- One donation completed in December 2023, to support population impacted in Mexico by the OTIS Hurricane with General Medicines, Vaccines and Consumer Healthcare products equivalent 500,000 daily treatments to treat 140,000 patients.
- 5 donations completed in the Gaza Israel area, equivalent 120,000 daily treatments for 13,000 patients.

[1] *RARS (Rządowa Agencja Rezerw Strategicznych) is a Ukranian NGO*

3.3.3. Product quality

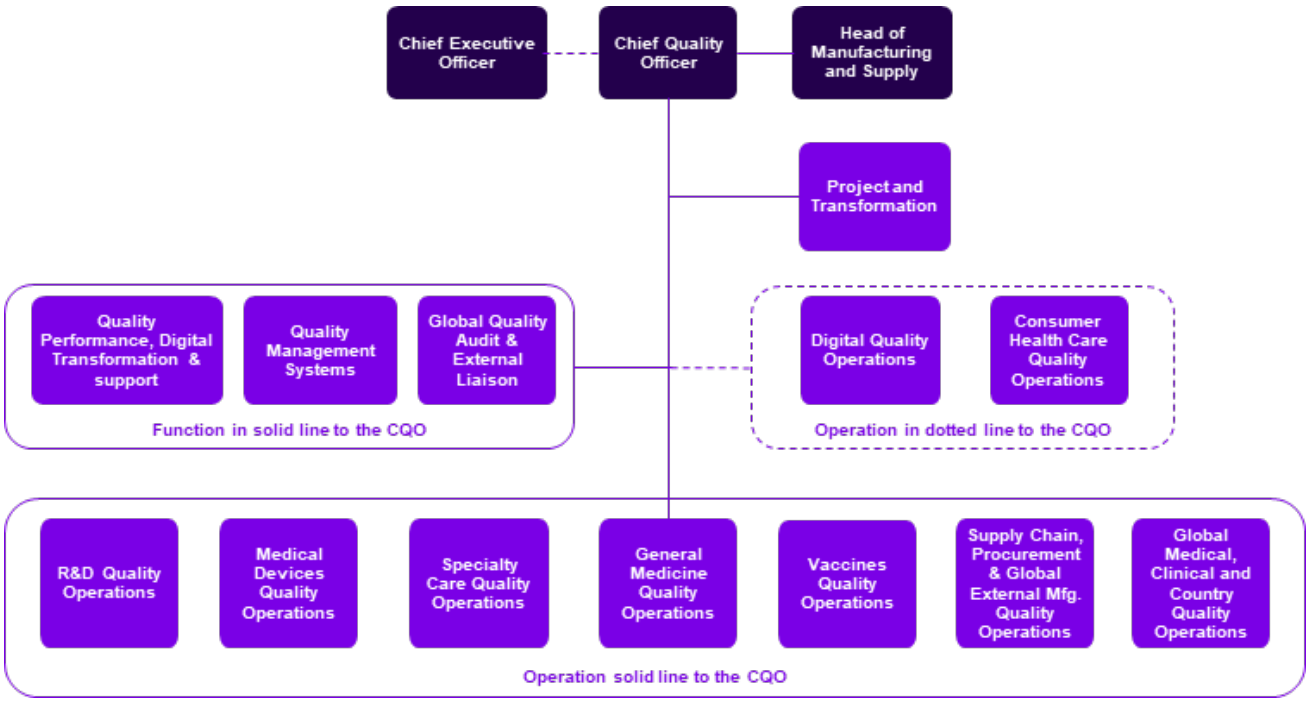
3.3.3.1. Organization

Sanofi's dedicated Global Quality function supports our Global Business Units and Global Support Functions, and our country-level and industrial entities, in line with our *Play to Win* strategy.

Global Quality is headed up by our Chief Quality Officer (CQO), who is directly accountable to our Chief Executive Officer for developing our Quality policy. The CQO also has responsibility for coordinating and implementing that policy within the relevant Sanofi entities, and for compliance with regulatory and Sanofi internal standards.

Our CQO represents Sanofi's senior management on all matters related to quality. The CQO reports directly to our Executive Vice President of Manufacturing & Supply; he is a member of the Manufacturing & Supply Board management team, and is also a member of the Sanofi Global Compliance Committee.

Global Quality organization:



Global Quality implements our Quality management system on a harmonized basis, so as to guarantee the quality of all our products and services across their entire life cycle (from discovery and development to manufacture, distribution and commercialization). Our Global Quality management system is based on our strong commitment to improving patients' lives and meeting public health needs.

At local level, quality managers are appointed at each site and each sales office. Their role is to manage and control the way in which the principles of the Sanofi quality management system are implemented, so that we can be sure that our products meet quality and regulatory standards.

3.3.3.2. Policy and action plan

The fundamental principles of Sanofi's Global Quality policy[1] are set out in a document signed jointly by our Chief Quality Officer and our Chief Executive Officer. This policy document is made available to all our employees in all countries; the latest version was approved in September 2022.

The structure and key processes of our quality management system are described in the Sanofi Quality Manual, which must be applied by everyone at every level in our organization. The Sanofi Quality Manual includes the following processes:

- product life cycle processes: research, lab trials, medical and clinical trials, manufacturing and distribution;
- transverse processes: documentation management, improvements to products and processes, training and certification, management of third-party suppliers, information system management; and
- organizational processes: quality systems management, quality audit, quality risk management.

[1] *Available in the Document Center at www.sanofi.com*

Our quality management system has built-in flexibility, so that it can incorporate quality standards specific to each of our product families. In line with our overall principles of risk management and continuous improvement, we constantly adapt our quality management system in anticipation of regulatory changes and to ensure an optimal response to Sanofi's strategic objectives.

The Sanofi quality management system is wholly aligned with the requirements described in guideline Q10, "Pharmaceutical Quality System", published by the International Council on Harmonization (ICH). It also incorporates all good practice rules - Good Clinical Practice (GCP), Good Distribution Practice (GDP), Good Laboratory Practice (GLP), Good Manufacturing Practice (GMP) and Good Pharmacovigilance Practice (GPVP) - as well as other regulatory requirements relating to human health.

The electronic tools underpinning our quality management system are undergoing significant change, so as to better serve day-to-day operations within our organization. A digital transformation is under way in order to drive continual improvements in our systems and processes, and to improve our overall performance by introducing new technologies.

Our Quality Policy and Quality Manual are the cornerstones of our quality management system. They serve as vectors to ensure that our quality management principles are fully deployed within Sanofi, and are central to our vision of Quality culture.

Practical measures taken to implement the Sanofi quality management system include:

- our Global Business Units, sites, country-level operations and global support functions are subject to regular audits by a dedicated Global Quality Audit team, tasked with giving senior management a clear and impartial evaluation of compliance with the Sanofi quality management system. A risk-based approach is used to determine the frequency and duration of audits, and the number of auditors involved. The audit approach and system used by Sanofi has ISO/IEC 17020:2012 accreditation. The Global Quality Audit team also handles preparations for official inspections of Sanofi entities and functions, so as to ensure that we are in compliance with all our regulatory obligations and commitments;
- throughout the physical journey undertaken by Sanofi products, we maintain the same levels of quality, security and traceability for all our products. To do this, we use technology to protect our products against attempts at misappropriation, counterfeiting or falsification. And at every stage in the logistics chain, Sanofi ensures that products are stored, transported and delivered in appropriate conditions compatible with maintaining product quality;
- quality risk management is integral to Sanofi's quality management system. This means we can take appropriate decisions and provide assurances to regulators about our ability to anticipate and prevent potential crises. Our approach addresses risk both reactively and proactively. In reactive mode, we deal rapidly and efficiently with any quality issue, deploying corrective actions and adequate preventive measures. In proactive mode, we monitor internal and external flags to identify potential risks so that we can take preventive measures; and
- Sanofi has identified the quality culture as an essential factor in our corporate performance and in delivering on our strategy. To catalyze the impact on enterprise value, we founded our Quality Academy, which offers training programs to help ensure that our people are always properly trained and qualified. The Academy is complemented by practice communities, which share and discuss quality-related issues and processes.

Highlights of 2023:

- In 2023, Sanofi partnered with Veeva in our digital quality transformation initiative. We rolled out Veeva's Vault QualityDocs and QMS solutions, to modernize and standardize operational and quality management processes across all Sanofi entities. The ambition was to simplify and to harmonize ecosystem, processes and ways of working for Sanofi Quality Management System (QMS), including Content Management System (CMS). The quality processes in the scope of this project are:
  - audits and regulatory inspections,
  - deviations and CAPA (Corrective Action and Preventive Action),
  - change control,
  - quality alerts,
  - complaints,
  - quality notifications to health authorities,
  - risk management,
  - recalls,
  - quality of third parties,
  - quality documentation.

This project supports the Sanofi ambition to deploy a digital, evolutive, high-powered, data-driven operating model, with one system for quality and documentation management.

3.3.3.3. Performance indicators

	2023	2022	2021
Internal quality audits Note : includes audits of Sanofi entities and third-party audits	172	204	210
Regulatory inspections	251	235	190
of which European inspections	55	48	55
of which US FDA inspections	16	24	13
Number of regulatory actions taken[(a)] *Note: Confirms Sanofi's excellent level of compliance, with no regulatory actions taken in the last three years.*	0	0	0
Recalls	25	40	38
of which Class 1 recalls[(b)]	0	4	3

(a) US FDA Warning Letter, US FDA Consent Decree, suspension/withdrawal of GMP certificate.
(b) Definition as per EMA SOP/INSP/2018 and US 21CFR part 7.

3.3.4. Product safety for patients and consumers

Sanofi develops, manufactures and sells a vast portfolio of healthcare solutions around the globe, from prescription medicines and consumer health products to vaccines and medical devices.

The remit of Pharmacovigilance is 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
- organize a dedicated and holistic approach to fight against falsified medicine and illicit trafficking, protect patients and preserve trust in the supply chain.

Our aspiration is to be a cutting-edge patient safety group, optimizing the benefit-risk (BR) profile of our therapies to best serve our patients and consumers. To reflect this commitment to patient protection and the proactive culture we seek to instill in our operating governance model, and to reflect our new aspirations, our Global Pharmacovigilance was officially renamed Patient Safety & Pharmacovigilance (PSPV) in June 2023.

Built on the solid foundation of our Transformation initiative, PSPV's belief is that the confluence of rapid development of science, technologies and the patient perspective, coupled with the right talent, has created an opportunity to move from our current focus on compliance and post-marketing signal detection to one with predictive capabilities that will inform better decisions across the product value-chain.

3.3.4.1. Pharmacovigilance

3.3.4.1.1. Organization

The Chief Safety Officer (CSO) is responsible for our Patient Safety & Pharmacovigilance (PSPV) organization; this is supervised by our Chief Medical Officer (CMO)/Global Head of Development, who in turn reports to Sanofi's Global Head of R&D. This governance model ensures that information flows directly and rapidly to Sanofi's decision-making bodies, especially in the event of a potential or actual public health crisis.

PSPV is Sanofi's center of excellence for assessing and monitoring the safety and benefit/risk profile of the full spectrum of Sanofi products, except the Consumer Healthcare portfolio.

All pharmacovigilance activities relating to the use of the product portfolio report to PSPV. Staff from PSPV deploy their specialist expertise at all stages of the product life cycle, from pre-development to the end of the commercialization cycle.

To meet the expectations of the supervisory authorities, patients and healthcare professionals, GPV has specialist scientific and medical teams for each therapeutic range. These multi-disciplinary teams prepare the supporting evidence needed for monitoring the benefit/risk ratio and for identifying and assessing potential signals, and for implementing risk minimization measures. This pragmatic, evidence-based approach to the benefit/risk ratio protects patients and consumers in an ethical, scientifically sound and transparent way. PSPV also has a team of pharmaco-epidemiologists, tasked with establishing the methods and /or scientific rationale to be applied in evaluating the efficacy, risk, benefit and use of our medicines in real-life situations over large populations or patient groups, or via specialist databases.

A pharmacovigilance signal (or safety signal) is a hypothesis of a possible risk between taking a medicine and an adverse event, derived from data from one or more of many possible sources. In practice, a safety signal occurs when a parameter (such as the number, incidence or frequency of an adverse event) deviates from what is expected or accepted. This hypothetical deviation then needs to be analyzed, so it can be confirmed or rejected.

To maintain the safety of our Consumer Healthcare (CHC) portfolio, a dedicated Pharmacovigilance organization has been established, which went live in January 2022. The Head of the Consumer Safety & Evidence team reports to the Science Hub Officer, who in turn reports to the Executive Vice President Head of CHC. This organizational set-up ensures rapid information exchange and full managerial oversight. At the same time, efficient and effective collaboration with all other scientific functions is assured by embedding the Pharmacovigilance organization in the Science Hub.

The CHC Pharmacovigilance organization is organized into three main functions: the Therapeutic Area (covering Signal Management aspects), Risk Management, and PV Science. The QPPV Office, which includes the CHC PV Affiliate organization, oversees PV activities, including Quality and Compliance as well as compliance training The PV Operations team maintains our Pharmacovigilance tools and is in charge of periodic safety reports. During 2023, CHC rolled out a standalone Safety Database to further increase the level of autonomy.

3.3.4.1.2. Policy and action plans

PSPV proactively monitors national and international regulations and recommendations. A centralized regulatory watch unit within GPV analyzes changes in pharmacovigilance legislation in real time, so that we can always adapt our work processes to align on the latest requirements and good practices. GPV draws upon a worldwide network of local and regional managers trained in pharmacovigilance. PSPV provides a range of services to this network; these include allocating sufficient resources and budgets to fulfil our mission; monitoring good practices; maintaining regulatory compliance; training; and access to the tools needed for the network to discharge its responsibilities in accordance with quality standards.

Sanofi systematically aligns on the most exacting standards of Good Pharmacovigilance Practices.

PSPV also has a dedicated quality system and dedicated compliance teams in place, to ensure that all our pharmacovigilance activities comply with official regulations.

Sanofi holds memberships in well-established international initiatives such as scientific consortia, international pharmaceutical industry associations, and professional networks working on predictive pharmacovigilance scenarios.

Pharmacovigilance is a constantly changing field, whether scientifically and medically or in terms of data processing. To ensure that as a responsible pharmaceutical company we continue to apply best practice in the changing landscape, PSPV is constantly improving its governance structure as part of its transformation. The core patient safety orientations of PSPV are :

- building and growing the science for patient safety;
- leveraging Artificial Intelligence to support meaningful predictions; and
- continuously improving our scientific and leadership capabilities

Consequently, this year PSPV has invested in the following strategic priorities :

- Incentivizing patient involvement: a key target for Sanofi overall, and PSPV in particular. We have taken several initiatives to make patients more engaged in the safety experience of our products. Patient reporting systems and online digital platforms allow people to report safety experience directly, contributing valuable insights that might otherwise have gone unnoticed.
- Leveraging digital transformation and innovation for patients: in line with the previuous point, numerous digital initiatives and partnerships (also involving our our epidemiology experts) have been initiated by our Global Business Units to support patient engagement and adherence.
- Mastery of innovative, cutting-edge skills in Safety Sciences: our mastery of real-world evidence, pharmaco-epidemiology, translational and genomic medicine safety principles and big data analytics allow for more accurate and timely safety assessments by our PSPV experts. Under our quality system, analysis of digital innovations by our experts is mandatory during the lifespan of our medicinal products, medical devices or vaccines both before and after marketing approval. A valuable example of PSPV's patient-centric innovation is represented by a recent publicized initiative in pharmaco-epidemiology on "how to improve patient centricity in Benefit Risk assessment".
- Technological advancements in PSPV: The growing integration of artificial intelligence, machine learning, and data mining by our operational teams in our "ARTEMIS" PV system intake and reporting is intended to leverage our data analysis capabilities. Advanced algorithms will help in identifying potential clusters of adverse events more efficiently, enabling our experts to take prompt actions. This includes recent advances in signal detection and prioritization methods which have led to more effective identification of potential safety concerns by our safety experts. Improved algorithms have also helped prioritizing signals from any information source using a risk-based approach of information that reflects their clinical significance, aiding in efficient resource allocation for further investigation.
- Qualified pharmacovigilance staff: our flexible recruitment policy and international matrix working model empowers PSPV to recruit higher talent remotely, wherever it is based around the world. This powerful policy is also supported by an advanced online training program and competencies matrix model across our organization.

Since 2022, our Consumer Healthcare (CHC) business has been operating a dedicated Pharmacovigilance system, enabling CHC to establish tailored processes fit for the specificities of a fast-moving consumer healthcare environment. During audits and inspections since the go-live, no critical findings have been raised

One of Sanofi CHC's key objectives in 2023 was to set up a dedicated, validated database system to manage pharmacovigilance cases, including the reporting of case information to health authorities and business partners as per applicable legislation. In parallel with the implementation of new digital tools, numerous processes have been revisited and adjusted for full compliance at best fit for a CHC business.

As part of an internal restructuring, the CHC PV Affiliate setup has been refined. Previously, in a number of countries PV activities were covered by staff in Regulatory or Medical Affairs. Going forward, however, all countries will have resources dedicated to pharmacovigilance. This is expected to further increase our focus on product safety, and to facilitate succession planning by expanding the talent pool. A strategic mix of in-house resources and outsourcing will maximize efficiency and operational flexibility. In 2024, a key aspect will be the migration of CHC PV data into a dedicated Pharmacovigilance database.

3.3.4.1.3. Performance indicators

Signals assessed	2023	2022	2021
Total signals	231	333	375
of which PRAC/HA signals[(a)(b)]	84	126	188

(a) PRAC = Pharmacovigilance Risk Assessment Committee of the European Medicines Agency; HA = Health Authorities.
(b) The difference between total safety signals and PRAC/HA signals represents signals derived from the Sanofi Pharmacovigilance database.

Pharmacovigilance audits and inspections	2023	2022	2021
Number of audits	34	37	41
Number of inspections	12	4	4

These audits and inspections are included in the figures reported in the Product Quality section (“3.3.3.3., Performance indicators”).

Our performance indicator of submissions of individual pharmacovigilance cases to the European healthcare authorities by the regulatory deadline reached 92.2% in 2023.

Performance indicators for Consumer Healthcare are included in the above values.

Product withdrawals for safety reasons: In 2023, one product from the CHC portfolio was withdrawn for safety reasons. A recent study had confirmed that pholcodine, a cough suppressant, can interfere with a certain class of anesthetic drugs used in medical surgery. Any use of pholcodine-containing products during the last 12 months prior to anesthesia could increase the risk of a severe allergic reaction against the anesthetic drug. Sanofi CHC marketed one product in Australia with this ingredient under the BISOLVON brand. In close collaboration with the Australian health authorities, the marketing authorization has been withdrawn and the product has been recalled from the Australian market.

3.3.4.2. Fight against falsified medicine and illicit trafficking

3.3.4.2.1. Organization and governance

The consequences of pharmaceutical crime are serious and far-reaching. Falsified medicine and illicit trafficking harm public health, damage the global economy and contribute to environmental pollution. All regions of the world and all industrial sectors are affected.

E-commerce has become the main threat to our sector, with illegal pharmacies proliferating online with falsified products and fraudulent offers.

For these reasons, Sanofi has put in place a holistic, tailored approach to anti-falsification and illicit trafficking (AF&IT) overall while adapting to the specificities of each challenge, based on seven key actions.

We have established a transversal, centralized organization to coordinate action plans and respond quickly to incidents or crises reported by our Global Business Units, and by our Legal, Manufacturing & Supply, Quality, Regulatory, Pharmacovigilance, Medical, and Corporate Affairs departments.

Seasoned intelligence and investigation experts identify illicit sales of falsified products in the field and on the internet.

Our dedicated AF&IT Central Laboratory (LCAC) based in Tours (France) analyzes suspicious samples and provides scientific information useful for the public health authorities, in compliance with Sanofi procedures and national regulations, for potential prosecutions.

The Sanofi Global Security network supports the implementation of actions to combat falsified medicine and illicit trafficking in liaison with the industry, law enforcement, and health authorities. This provides a capacity to detect medicine trafficking globally and to deploy a consistent level of security measures to prevent risks to products and patients.

3.3.4.2.2. Policy and action plans

The fight against falsified medicine and illicit trafficking strategy includes the following actions:

- monitoring online sales offers (marketplaces, social media, online pharmacies) to request the takedown of illicit offers and investigate sellers;
- analyzing suspicious Sanofi products in our dedicated LCAC Laboratory;
- securing the supply chain to ensure integrity and thus avoid infiltration;
- authenticating products via Simple Authentication and Security Layer (SASL) labels and an innovative digital solution (eSASL);
- conducting awareness programs for specific populations, depending on identified needs;
- actively working within and partnering a wide variety of institutions, professional organizations, and international, regional, and national associations, both public and private (WHO, Europol, G5 Santé, PSI, OCLAESP, Unifab, Leem, EFPIA, etc.) to help design and implement joint programs and initiatives such as:
  - compliance with WHO recommendations by reporting all confirmed cases to national health authorities;
  - supporting the integration of provisions on the danger of counterfeit or falsified medicines for public health into specific laws such as the Digital Service Act; and
  - supporting law enforcement bodies and customs in their efforts to dismantle criminal networks, by providing key information and specialized training;
- supporting efforts by public authorities to maintain the highest standards of drug quality and safety and to combat pharmaceutical crime (e.g. serialisation) by working closely with local authorities and professional organizations to deliver information and design educational programs to create awareness and fight against falsified medical products.

This comprehensive strategy shows our strong commitment to remove dangerous medical products, and hence to protect patients.

3.3.4.2.3. Performance indicators

Since the first quarter of 2020, the COVID-19 pandemic and the successive lockdowns imposed in countries have led to a drastic decrease in field investigations and law enforcement operations. Furthermore, the highest sales volume of falsified products now takes place via online platforms. These factors explain the reduction in the number of seizures and dismantling of illicit manufacturing sites since 2020 (a situation faced by all pharmaceutical companies) and an increase in online detection and investigation.

Fight falsified medical products and illicit trafficking as of December 31, 2023	**2023**	**2022**	**2021**
Number of seizures (doses)	133,158	193,385	706,477
Number of illicit falsified medicine manufacturing facilities	1	21	1
Number of suspect product analyses conducted by LCAC since 2008	48,029	47,097	45,955
Sanofi legal actions against falsified medicines (including pre-litigation)	25	38	42
Web monitoring[(a)]:			
Number of fraudulent offers detected	11,014	5,912	2,062
Number of takedowns (offer removed)	9,349	5,822	1,548
Number of illicit online pharmacies detected[(b)]	2,405	2,266	1,800
Number of takedowns (offline sites)[(b)]	898	1,356	1,109

(a) Reduce illicit offers and mitigate risks on patient's health, a proactive web monitoring and takedown process (since 2021) on life savings products in key markets (North America, Europe, Asia) have been accelerated. All actionable evidence is systematically shared with local authorities to leverage results against criminal networks involved in pharmaceutical fraud.

(b) Initiative of the German affiliate.

3.3.5. Medical ethics and bioethics

3.3.5.1. Scientific and medical integrity – Patient safety in clinical trials

3.3.5.1.1. Organization

Bioethics at Sanofi

At Sanofi, we are keen to constantly improve our bioethics governance, and review it regularly to ensure that we take account of changing stakeholder expectations, enhance the central role of patients, and ensure greater transparency. During 2022, in line with the new strategy and changed remit of Sanofi's Ethics and Business Integrity (EBI) function, bioethics become part of EBI in order to help drive an ethical culture across everything Sanofi does. Bioethics governance was reviewed, and now comprises the following key elements:

- Our internal Bioethics Committee, set up in 2012, is still chaired by our Chief Medical Officer, and its composition has been adjusted to reflect Sanofi priorities. It obtains assurance that the rules applied to our scientific and medical activities meet the highest ethical standards. The Bioethics Committee receives contributions from newly-formed internal working groups, and recommendations from the Advisory Bioethics Council (ABC).
- Supervised by the Bioethics Committee, the seven working groups are responsible for briefing notes that facilitate decision-making by the Committee, drawing up roadmaps in their respective fields, and liaising with operational teams on bioethics issues. They are made up of in-house experts and Bioethics Committee members.
- During 2023, we revisited the remit of the ABC, set up in 2018 and made up of independent international experts, with a view to extending consultation with independent experts beyond the field of bioethics.
- Our EBI network and key internal partners will help strengthen interactions with internal and external stakeholders, so that our practices can evolve and keep pace with innovation.

The Bioethics Committee establishes Sanofi's positions on bioethics, and ensures that its policies are implemented operationally. We have also reaffirmed our determination to move towards greater transparency, both on clinical trials and on the policies adopted by our Bioethics Committee. Issues addressed by the Bioethics Committee are suggested by its members, based on the latest developments in the field or questions raised internally. A Bioethics Committee 2022-2026 roadmap has been prepared, and will be updated regularly as recommended by Committee members or the ABC.

3.3.5.1.2. Policy and action plans

Recommendations from our Bioethics Committee may lead us to implement policies and good practice guidelines, responsibility for applying which rests with the relevant Global Business Units. In 2023, we reviewed and reissued, with no major changes, our policy on clinical trial transparency. The aim is to streamline our policy library, so as to improve internal awareness and make it easier to monitor impacts.

3.3.5.1.2.1. Bioethics and research

Our Bioethics Committee takes a close interest in the ethical use of new technologies in our scientific activities. In 2023, Sanofi undertook a wide-ranging review of its use of artificial intelligence. Bioethics was an integral part of this global initiative, which builds in the ethical principles already set out in our "Guiding Principles for the Use of AI".

3.3.5.1.2.2. Medical ethics and clinical trials

Clinical trials are a mandatory part of the approval process for any new healthcare solution. Their purpose is to collect data about the efficacy and safety of products in healthy subjects and patients, so that the benefit/risk profile can be evaluated. Sanofi organizes clinical trials all over the world. Clinical trials may also be carried out post-marketing approval to develop new indications for a drug, or monitor its safety.

Sanofi applies international standards: the Declaration of Helsinki, the recommendations of the International Council for Harmonization (ICH), and in particular Good Clinical Practices (GCP). In addition to those international standards, Sanofi complies with all national and international rules and laws applicable to clinical trials including European Directives 2001/20/EC (on the implementation of good clinical practice in the conduct of clinical trials on medicinal products for human use, published in Official Journal L 121 of May 1, 2001, page 34, as amended in 2006 and 2009) and 2005/28/EC (laying down principles and detailed guidelines for good clinical practice as regards investigational medicinal products for human use, as well as the requirements for authorization of the manufacturing or importation of such products, published in Official Journal L 91 of April 9, 2005, pages 13-19); the CFR21 regulations issued by the US Food and Drug Administration (FDA); and the regulations issued by the Japanese Ministry of Health, Labor and Welfare (MHLW).

We conduct clinical trials in low-to-middle-income countries in certain very specific circumstances, applying the same quality and ethical standards as we do in higher-income countries (see also section "3.3.2., Access to healthcare"). We also participated in the Clinical Research in Resource-Limited Settings working group of the Council for International Organizations of Medical Sciences (CIOMS), which issued its final report in June 2021.

Sanofi ensures that all participants enrolled in clinical trials (or their legal representatives) give their free and informed consent. Consent must be given before any procedure or intervention required by the study protocol is carried out on a participant, and before any data are collected. All documents related to clinical trials, in particular the consent form, must comply with applicable legislation and must provide participants with exhaustive, easily understandable information. To simplify the consent form supplied to participants and reflect recent major changes in the ethical landscape (especially in terms of informed consent), our teams use an internal reference document that is subject to regular review; the latest version was issued in 2022.

Sanofi has for many years implemented an internal audit program covering clinical trials, associated systems and any subcontractors involved in the conduct of trials. The aim is to obtain assurance that the conduct of trials complies with our quality standards and the applicable regulations, and to continually improve our practices. Our audit program is designed to cover clinical trials of which Sanofi is the sponsor, in various countries and regions around the world. We also perform regular audits of subcontractors retained to improve clinical trial performance.

Finally, we are subject to inspections by health authorities to ensure that we are complying with ethical standards and legislation.

3.3.5.1.2.3. Diversity in clinical trials

As of January 2022, 100% of our clinical trials in the US have set diversity enrollment targets. We have allocated dedicated resources to lead Diversity in Clinical Trials in the US and globally to ensure we increase the number of our clinical trials achieving their diversity targets.

To measure our progress, we have implemented a real-time view of D&I enrollment data in our Clinical Trials in the US through the dashboard DIMO (Diversity & Inclusion Metrics Overview). We are also providing our Clinical project teams with a D&I toolkit to enhance the selection and training of trial sites to include more diverse communities and to involve more diverse investigators to increase diverse participation in our trials.

3.3.5.1.2.4. Transparency of medical and clinical data

We are committed to providing healthcare professionals, patients and the public with all useful information about our medical research, development projects and products so that they can make informed medical decisions. This applies not just to information provided in advance of clinical trials (as described in section "3.3.5.1.2.2., Medical ethics and clinical trials"), but also to the sharing of the data generated by those trials.

Sanofi abides by the principles on the responsible sharing of clinical trial data adopted by PhRMA and EFPIA members in July 2013[1]. In addition to those core principles, we apply our own policy on sharing and transparency of clinical data. Our commitments are described (and fully accessible) on our corporate website.

3.3.5.1.3. Performance indicators

3.3.5.1.3.1. Medical ethics and clinical trials

None of the 48 internal inspections conducted on our clinical research activities in 2023 resulted in regulatory action. The volume of inspections remained roughly stable in the period post Covid-19 with a decrease in remote inspections.

3.3.5.1.3.2. Transparency of medical and clinical data

- Sharing of clinical data: Between January 1, 2014 and December 31, 2023, Sanofi received 280 requests from 29 countries to share data relating to 656 clinical trials.

  Data sharing was approved for 254 clinical trials:

  - data from 204 of these trials have been, are currently, or will be used in active research projects. Data access to 46 of these trials concluded in a publication;
  - data from a further 2 clinical trials will be shared once the data sharing agreement has been signed off; and
  - for the other 48 clinical trials, data sharing agreements have been rejected or abandoned by the researchers making the request.

  In addition, 24 clinical trials are under evaluation, and 378 were not approved for sharing, according to Sanofi's data sharing policy, reasons to exclude these trials from the data sharing program are for example: Sanofi does not have the legal right to share the data, patient privacy cannot be adequately protected, and the requested data are out of scope.
- Scientific papers published in 2023: 766 scientific and medical papers sponsored or signed by Sanofi were included in the PubMed database, which references over 5,200 journals.

[1] *https://www.phrma.org/Codes-and-guidelines/PhRMA-Principles-on-Conduct-of-Clinical-Trials*

3.3.6. Supply chain continuity

As a global healthcare leader, we are committed to organizing our supply chain so that it will deliver medicines and vaccines to the market without interruption, with the goal of protecting patients' health every day.

Global demand for medicines is rising, due to improved access to, and development of, healthcare in many regions of the world. In addition, we expect disruptions due to deglobalization, economic nationalism, wars and natural disasters. The overall environment remains volatile and uncertain for our suppliers of key raw materials and ingredients. Part of our overall Manufacturing and Supply Transformation includes building end-to-end supply chain visibility from raw materials through distribution of our products: we are focused on leveraging data analytics, digital capabilities and standardization to drive proactive supply continuity and capability-building to ensure our resilience.

We have for decades applied a regionalized production strategy in our network of in-house sites, and we evaluate our global sourcing strategies (internal versus external manufacturing) for key products and launches on an ongoing basis. Our global service level for pharmaceuticals (General Medicines and Specialty Care) and vaccines is approximately 98.4%.[1]

3.3.6.1. Organization and policy

The Manufacturing and Supply unit at Sanofi has a governance structure that establishes the sourcing policy for our products: its core mission is to select and allocate the resources of our in-house and third-party manufacturing networks. The sourcing policy lays down rules for securing production of the principal active ingredients and currently marketed products, and on back-up sites for products and launches.

We also have a key focus on supply chain continuity that applies in priority to vital medicines, new and key products, and to pandemics and other major crises.

As such, we evaluate supply chain risks (from raw materials sourcing to active ingredient and marketed product manufacturing, as well as product shipment), and establish fallback plans. This approach is integrated with our supply chain and enterprise risk management process. We also have an ongoing multi-disciplinary process in place to analyze risks related to the raw materials included in our products, and to the suppliers we source those materials from. That process is built into our supply chain continuity strategy, facilitating a coordinated approach to assessing suppliers and back-up manufacturing sites. This helps secure supply chain continuity by reducing mono-source risks and critical regional dependency.

Our Manufacturing and Supply risk governance is in place on several levels, ranging from site to global governance within the organization. Those governance structures support risk identification and the evaluation of major risks related to our industrial operations, and ensure that action plans are implemented. As part of our global supply review process, product shortages are routinely forecasted and fallback solutions are discussed in this forum.

For vital products (i.e. Sanofi medicines and vaccines for which there is no therapeutic equivalent or local alternative available), we make every effort to prioritize supplies and ensure that they are always available in sufficient quantities. Our Global Medical Department has for several years been working with our subsidiaries to identify vital products in each country where we do business.

This list can then be used to determine production priorities and emergency responses in the event of a pandemic, or of a major incident (such as fire, natural disaster or cyber-attack) at one of our production sites.

3.3.6.1.1. Ensuring day-to-day supply chain continuity

Sanofi has a range of instructions, tools and processes in place throughout the supply chain, which are subject to control and monitoring.

Sales & Operations Planning – Integrated Business Planning (S&OP – IBP) is the core tactical process operated within our organization. In this process, key players (marketing, sales, supply chain, industrial, finance, etc.) work together to identify, rank, decide, solve and plan actions to address the medium/long-term risks and opportunities around our portfolio.

It is based on sales forecasts (for up to 36 months) shared with all stakeholders across the organization, and includes an inventory policy that sets target inventory levels for each Sanofi subsidiary (of active ingredients, semi-finished and finished products) for all our products.

The inventory policy is calibrated according to various criteria such as product type (in particular, whether the product is identified as a vital medicine), the complexity of the manufacturing chain, or the number of sources of the various raw materials used. For example, a risk analysis could lead us to constitute buffer stocks. The policy may also vary from one subsidiary to another, depending on specific circumstances in the country of operation.

At site level, sales forecasts are used to determine raw material and production needs for each product; careful resource planning is essential.

Once products have been manufactured and batch released, they are shipped by our logistics organization, which combines in-house distribution centers and external service providers.

[1] *The service level rate measures the actual service achieved after taking account of sales lost due to stock outages (sales not achieved or delayed, relative to sales for the location). For further detail on the calculation, see the methodological note, section 3.7.2.4.*

Our distribution centers deliver products through three main channels, depending on the country:

- directly to pharmacies;
- directly to hospitals; and
- to wholesalers.

To maintain a high level of customer service, we monitor a number of indicators throughout the supply chain that we can use to flag potential risks or incidents with the various players.

In addition, we use long-term projections (from 36 months to five-ten years) to inform our investment decisions by giving us visibility on sales for a product, a region or a specific technology.

3.3.6.1.2. Ensuring good distribution

In every country where we operate our own distribution centers, emergency plans are activated in the event of a supply chain interruption. All our distribution centers use the same information system, facilitating fallback solutions if one of our centers is temporarily out of action.

In countries where we outsource distribution, we apply rigorous selection procedures when referencing service providers, covering not only their financial health but also their service quality and compliance with HSE and CSR principles. If a potential risk is detected, we make sure we have alternative service providers.

The freight companies we use are subject to an audit before they can work with Sanofi, and continue to be audited throughout their service term.

Sanofi's policy on procurement and on the selection of suppliers, service providers and other partners is described in section "3.4.14 Procurement and subcontracting".

We use state-of-the-art techniques to track shipments and confirm delivery to the customer, including GPS tracking, real-time GPRS tracking and electronic signatures. Each center has a fallback plan, including a list of freight companies that can step in at any moment and be operational within 24 hours.

3.3.6.1.3. Ensuring business continuity in a major crisis

We have continuity plans specific to our operations, so that in the event of a pandemic or major crisis (natural disaster, nuclear accident, humanitarian emergency, geopolitical crisis, etc.) we can focus our efforts on simultaneously meeting all of the following objectives:

- guaranteeing and safeguarding continuity of our operations;
- ensuring that all our products meet the same quality standards;
- in the case of a pandemic, reacting as fast as possible to manufacture and distribute a pandemic vaccine in the affected regions;
- maintaining sufficient capacity in the development, production and distribution of medicines and vaccines to prevent or cure infections related to the pandemic in the shortest possible time-frame;
- maintaining business continuity so that we can supply all our medicines and vaccines to patients; and
- continuing to provide assistance to patients and healthcare professionals, in particular through fallback solutions such as 24/7 call centers, while also monitoring any side effects (pharmacovigilance).

Beyond projects which are prioritized to tackle our internal challenges, specific task forces have been implemented in each operation to monitor the performance of its suppliers and identify ways to offset supply risks and avoid product shortages.

Our experience of disasters (such as recent earthquakes in Morocco and Turkey and the ongoing wars in Ukraine and Israel-Gaza, and in previous years the Fukushima disaster in Japan, floods and earthquakes in Italy and the volcanic ash cloud in Iceland), has shown that we are capable of activating solutions such as fallback manufacturing capacity or alternative transportation methods in real time.

The COVID-19 crisis put our pandemic plan to the test. The 20,000 people employed in our industrial operations at that time were able to continue working in compliance with public health restrictions, and all our industrial sites continued operating. We also implemented additional measures:

- using alternative sources of raw materials to ensure continuity of supply when a particular region was affected by the pandemic;
- immediately increasing our output in response to recommendations in the treatment of COVID-19 and associated symptoms (injectable antibiotics, paracetamol, anti-thrombotics); and
- securing freight movements by activating a range of different modes of transport (air, sea, road).

3.3.7. Ethics and business integrity

[GRI 2-26, GRI 205-1, GRI 205-2, GRI 406-1]

Our commitment to behave ethically and with integrity extends beyond mere compliance with laws and regulations. Everyone at Sanofi must have a sound ethical approach to what they do, and the good judgement needed to identify risks and manage difficult situations appropriately. As a business with a wide range of activities spread across many countries and involving a large number of partners, we pay the closest attention to ethical standards in the way we conduct our operations, especially in our interactions with third parties.

Typical situations encountered may include:

- unethical behavior in interactions with third parties, including (but not limited to) government representatives, customers, healthcare professionals, patients, and patient rights groups;
- inappropriate marketing and/or promotional practices;
- fraud (misappropriation of assets, false accounting, corruption); and
- conflicts of interest.

3.3.7.1. Organization

3.3.7.1.1. Background

Sanofi operates in more than 70 countries around the world and is committed to respecting the highest standards of ethics and integrity in its business conduct. Sanofi acts in compliance with the legal frameworks and local pharma codes applicable in each country where we do business. We also have a rigorous internal control system in place.

Embedding ethical values into our mission requires a culture that drives and is driven by ethics and business integrity. To achieve that, our decision-making framework grounded in thoughtful risk-taking, fairness and ethical principles guides us at every level to do the right thing.

This also means taking responsibility for our actions to deliver the best outcome and preserve the trust of our patients, customers, and stakeholders.

The Ethics & Business Integrity (E&BI) department is the cornerstone of Sanofi's approach to promoting and sustaining ethics and integrity in all our activities. This is of course supported by other departments such as, but not limited to: Internal Control and Processes, Internal Audit & Risk Management, Global Quality, Procurement, People & Culture, Health, Safety & Environment and Corporate Social Responsibility (CSR).

3.3.7.1.2. Ethics and Business Integrity Program

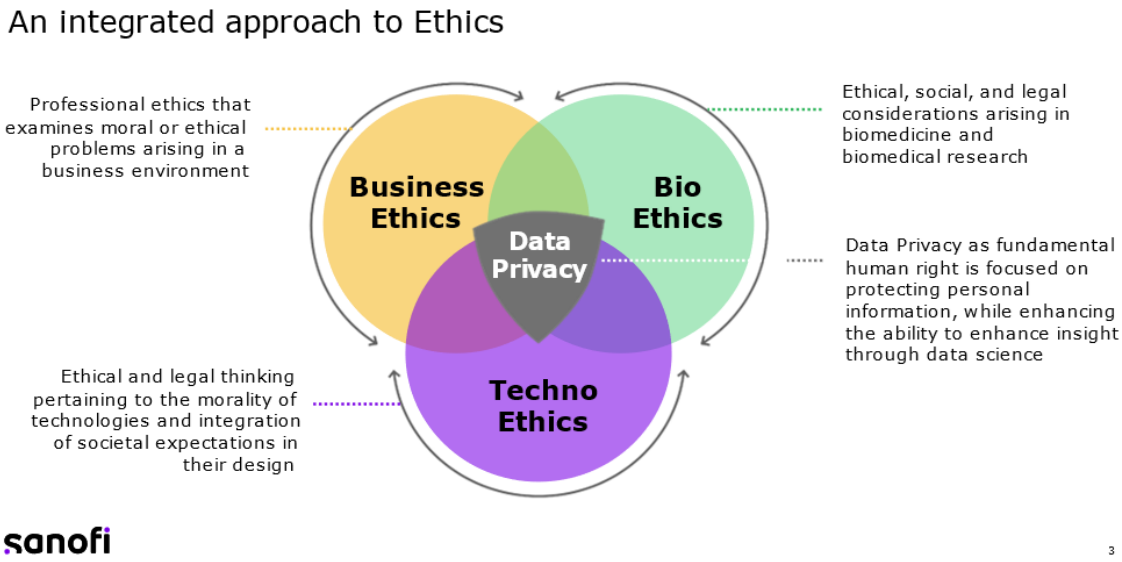
Our Ethics & Business Integrity approach is built on a robust compliance framework which is solidly grounded in the US Department of Health Office of Inspector General's (OIG's) seven fundamental elements of an effective compliance program:

- a dedicated organizational structure;
- a Code of Conduct, policies, and standards;
- education and training;
- monitoring;
- a dedicated helpline collecting alerts;
- internal investigations; and/or
- disciplinary action guidelines.

Starting in 2022 and evolving through 2023, E&BI introduced an innovative strategy, fostering the continuous enhancement and modernization of the program. This transformation connects EBI's strategy seamlessly with Sanofi's Play to Win strategy, and is driven by:

- four key value propositions: Sustainable Business Growth, Ethical Innovation, Smart Assurance and Responsible Healthcare Ecosystem; and
- three enablers focused on Culture of Ethics, Mindset and Capabilities, and Technology & Data.

The new strategy also creates an integrated approach to ethics by combining business ethics with data & tech ethics, biomedical and bioethics and data privacy, under single governance within EBI.



3.3.7.1.3. Ethics and Business Integrity (E&BI) department

Spearheading Sanofi's approach to ethics and business integrity in cooperation with other entities, the E&BI department relies on a dedicated worldwide team - reporting to the Chief Ethics & Business Integrity Officer - reaching from global to local level and supporting our organization at every level: Corporate, Global Business Units, Global Functions, R&D, and Manufacturing & Supply regions and countries.

In line with the integrated approach to Ethics described above, our Bioethics and Global Data Privacy functions joined our Global E&BI department in 2022, reporting to the Chief Ethics & Business Integrity Officer. The respective organizations are described in sections 3.3.5.and 3.4.10.

The structure of E&BI Global Operations was reinforced in 2022 and 2023 to enhance effectiveness and scalability and enable delivery of the modernization program.

Chief Ethics & Business Integrity Officer reporting to our General Counsel and to our Chief Executive Officer	Provides strategic compliance expertise to Sanofi's Executive Committee and Board of Directors. Monitors the implementation and management of our Ethics & Business Integrity Program.
Compliance Business Partners to the Global Business Units/Global Functions	Provide strategic compliance leadership and support to the Global Business Units' and Global Functions' projects and initiatives and act as the primary point of contact for the Global Business Units and Global Functions for implementing, promoting, and enforcing compliance and ethical standards.
Regional Compliance Officers	Lead an Ethics & Business Integrity network in assigned countries and provide direction to ensure consistency and an integrated approach across the region. They support the implementation of the Global Compliance program in the regions.
E&BI Country Heads and E&BI Managers	Ensure the core elements of the Ethics & Business Integrity program are implemented and work as designed in their assigned countries. They act as a trusted business partner at the local business operation on a day-to-day basis.
E&BI Global Operations	Dedicated team working on: risk assessment & third-party risk management; developing and distributing policies, principles and standards; Learning, Culture of Ethics, Dematerialization (Digitalization, Data Analytics); and Organizational Justice & Smart Assurance.
Smart Assurance: Organizational Justice & Smart Monitoring **Specific managers with responsibility for fraud prevention, and internal investigations.**	Chief Anti-Fraud Officer and an Investigation officer, whose main mission is to design and implement a comprehensive Fraud Risk Assessment program consisting of four anti-fraud pillars: prevention, detection, investigation, analysis, and reporting. This role contributes to enhancing the capability to prevent and uncover misconduct. A dedicated function is also in charge of supporting internal investigations including anti-bribery and corruption cases.
A network of 1560 "E&BI Champions" (EBICs) made up of volunteers from countries, regions, GBUs, support functions, R&D, and Manufacturing & Supply	Communicates and reinforces compliance messages developed by E&BI. Supports the implementation of E&BI initiatives. Monitors in real time participation in compulsory training programs. Acts as a contact point for employees and promotes a culture of ethics and business integrity.
Compliance Executive Committee, chaired by the Chief Executive Officer.	Evaluates, recommends and monitors all initiatives intended to support and improve the Ethics & Business Integrity Program, and promotes ongoing adherence by our employees to the Sanofi core values.

3.3.7.2. Policy and action plans

3.3.7.2.1. Code of Conduct, principles and procedures

The Code of Conduct applies to all Sanofi employees and anyone who works for or on behalf of Sanofi, such as contractors and business partners. It helps employees to understand the values and expectations that guide their work, and describes the behaviors all Sanofi employees need to demonstrate in order to bring Sanofi's values and expectations to life. Understanding and living the Code is a condition of employment at Sanofi. We promote high standards of ethical conduct with all our stakeholders, including healthcare professionals and providers, governments, research institutions, and patient organizations.

This Code is the foundational reference document underlying the Sanofi principles and procedures that support a culture of integrity across the organization and with all those with whom we interact.

Translations into 24 languages guarantee accessibility and understanding all over the world.

Our Code of Conduct covers the following: Championing Diversity, Equity and Inclusion; Respecting People, Fostering Psychological Safety and Wellbeing; Accelerating Research and Development with Scientific Integrity; Preserving Benefit-Risk Balance; Commercialization of our Products and Services; Competing Freely and Fairly; Fighting Bribery and Corruption ; Maintaining Financial Integrity; Engaging Business Partners ; Interacting with Stakeholders; Sustaining Good Operating Practices; Safeguarding Data Privacy and Protecting Information; Transforming Medicine through Digital Health; Utilizing Social Media and Communicating Responsibly; Protecting the Environment; Committing to Society.

To support effective application of the principles contained in our Code of Conduct, we have developed a comprehensive set of policies and standards, designed to give guidance on a broad range of situations specific to our industry. In particular, our anti-corruption policy lays down guidance for employees, and for third parties who interact with Sanofi, to help them comply with laws and regulations and to promote a culture of ethics and integrity.

In addition, we conduct anti-corruption due diligence before doing business with a third party; before making any investment in a commercial entity not owned by Sanofi; and before signing any joint venture or partnership agreement.

Sanofi also prohibits any conduct that may negatively affect a person's dignity. Sanofi does not condone or support any form of harassment (physical, sexual, psychological, verbal or any other form) or discrimination. These behaviors are fundamentally incompatible with our core values and are subject to a zero tolerance approach across all our operations globally, as defined in our Corrective & Disciplinary Actions policy.

3.3.7.2.2. Compliance learning and education

We have built an E&BI training program to raise employee awareness and deliver continuing education. Every year, Sanofi employees are requested to complete global compliance learning, to address fundamental topics in the field of compliance and business integrity. eLearning experiences coinsist of online modules and short videos based on real-life situations where employees may be faced with various types of risk, such as (but not limited to) corruption, conflicts of interest, fraud and data privacy.

Our learning modules are assigned, and their completion is tracked, using the iLearn Sanofi learning management system. Non-completion of global compliance learning modules leads to impacts on annual performance evaluations and bonuses.

Upon joining Sanofi, new employees are assigned to a global compliance learning curriculum in iLearn as part of their onboarding program.

3.3.7.2.3. Speak-Up Helpline (Whistleblowing)

We promote "Speak Up" and communication between employees, managers and customers, allowing for a better understanding of the issues and concerns of all stakeholders. Concerns should be raised to the global Speak-Up Helpline which is a safe channel operated by a third-party vendor and overseen by the Ethics and Business Integrity department. Reports to the Speak-Up Helpline can be made (anonymously if a reporter wishes) through a web-form or via a toll-free number available to employees, contractors, and business partners in multiple languages 24 hours a day, 7 days a week in 80 languages. The system allows reporters to check and follow up on their reports and to also check if responses, updates, or requests to provide further details or information have been posted. In the United States, a dedicated toll-free external Speak-Up Helpline number has been set up for Sanofi employees in accordance with local regulations and practices.

If employees have a concern or believe in good faith that a law, a rule or one of the principles in our Code of Conduct has been or is about to be violated, they are encouraged to speak up and report to their line manager or management, by using the compliance reporting helplines or through whatever channel the employee chooses is most appropriate, including (but not limited to) People & Culture, Legal, or the Ethics & Business Integrity department .

Under our alerts management policy, Sanofi employees are encouraged to identify themselves when they report an incident, as this helps the investigation process. If an employee decides not to disclose their identity, an anonymous report can be submitted.

Employees who raise concerns will not be subject to disciplinary action or discrimination if they act in good faith and with no malicious intent, even if the facts reported prove to be inaccurate or no further action is taken.

Use of our compliance helplines is clearly described in the Code of Conduct.

All Sanofi employees and contractors, and everyone conducting business on behalf of Sanofi, receives a copy of our Code of Conduct.

Sanofi received a total of 674 global reports via the compliance helplines, submitted by phone or online form and additional reports were made through other reporting channels such as e-mail and verbal reports. Reports made in 2023 via the compliance helplines accounted for 56% of all alerts, up from 48% in 2022.

3.3.7.3. Performance indicators

2023 Training:

- 88,525 employees followed at least one Ethics & Business Integrity training module; and
- a total of 353,548 Ethics & Business Integrity training modules were followed in the year.

2023 Speak-up hotline (whistleblowing):

- In 2023 the E&BI department received 674 alerts. A total of 273 cases were substantiated. In total 124 dismissals or resignations took place related to misconduct. Other corrective actions were also implemented as per Sanofi's Corrective & Disciplinary Actions policy, such as additional training, process improvement steps, remuneration impacts, and verbal or written warnings.
- The distribution of the 273 substantiated cases was:
  - 27 confirmed fraud[(2)] cases resulting in the termination of 39 employees; and
  - 246 non-fraud cases resulting in the termination of 85 employees.

Category	Number of Cases 2023	Number of Cases 2022
Unethical practices and breach of policies	125	141
Improper Sales practices	58	29
Corruption & Bribery	0	0
Fraud	27	26
Discrimination or Harassment	63	38
Customer Privacy data	0	1
Money Laundering and Insider Trading	0	0
Other	0	3
Total	**273**	**238**

3.3.8. Tax policy

[GRI 207-1]

As a multinational company, we must apply the laws and regulations in force in countries where we do business, and pay the appropriate amounts of taxes and duties under those laws and regulations. Our primary responsibility is to pay taxes and file tax returns with the tax authorities on time, in compliance with laws and regulations.

Responsibility for tax matters lies in the first instance with our Tax Department, supervised by our Chief Financial Officer, which implements and maintains robust tax policies and procedures that are signed off by Sanofi's Board of Directors and Audit Committee. A set of controls has been put in place to ensure that Sanofi's tax strategy is applied effectively.

Our tax policy is published on our corporate website.

We aspire to build and maintain open, transparent and collaborative relationships with tax authorities and other governmental bodies worldwide. Wherever possible, we engage in partnerships with tax authorities, and seek prior consent on complex issues and transfer pricing policies. We apply a similar open and cooperative approach to the regular tax inspections to which we are subject in most countries.

In transfer pricing, Sanofi applies the OECD guidelines and any country-specific legislation, with a view to applying arm's length terms for all intra-group transactions. Our transfer pricing policy is documented, and supported by economic analysis.

Sanofi's tax strategy is driven by operational considerations, and reflects the underlying reality of our activities. We do not engage in tax evasion or tax fraud. Our tax strategy is in keeping with our values, and with the strategic orientations determined by our management.

Income taxes are described in detail in our consolidated financial statements, included at Item 18 of our 2023 Annual Report on Form 20-F, and specifically in "Note B.22., Income tax expense"; "Note D.14., Net deferred tax position", and "Note D.30., Income tax expense". The tax information disclosed in our financial statements is subject to independent audit.

(2) *Fraud: Asset misappropriation (17); Fraudulent reporting (6); Conflict of Interest (4)*

3.3.9. Environment

Environmental protection at Sanofi is part of the overall scope of our Health, Safety and Environment (HSE) approach, as described in section "3.4.7., Employee health and safety".

3.3.9.1. The Planet Care roadmap

[GRI 305-5]

As a responsible business, we have embarked upon an ambitious policy to limit the direct and indirect impacts of our operations and products on the environment. We established our roadmap to reflect current and future issues, stakeholder concerns, and the risks and opportunities, in line with Sanofi's global strategy.

"Planet Care" is our global environmental sustainability program, which sets objectives for our entire value chain for 2030 and 2045.

The program is piloted by a committee consisting of our Executive Vice President, Manufacturing & Supply (also a member of our Executive Committee); the heads of HSE, Environment, Corporate Social Responsibility, Procurement, and R&D France; and senior representatives from our various operations. We also have separate operational committees for each key environmental issue (climate change, responsible water resource management, eco-design, biodiversity, waste management and the circular economy, pharmaceutical products in the environment), to ensure that the roadmap is properly implemented and that we achieve our objectives.

Planet Care is built around five pledges:

- contribute to climate change mitigation: pledge to move towards net zero greenhouse gas emissions (all scopes) by 2045, with a trajectory towards carbon neutrality by 2030;
- limit our environmental footprint, and choose circular solutions that optimize the use and reuse of resources and reduce the impact of our emissions;
- improve the environmental profile of our products, by delivering eco-innovative products and by fostering a sustainable use of medicines;
- mobilize our people for environmental sustainability, by promoting an environmentally-conscious culture in the workplace;
- engage our suppliers in environmental initiatives, by practicing responsible sourcing and leading by example.

We are implementing an action plan to arrive at net zero emissions by 2045, with the following objectives:

- reduce our scope 1 and 2 greenhouse gas emissions by 55% in absolute terms by 2030, versus a 2019 baseline;
- increase our annual supply of electricity from renewable sources to 80% in 2025, and to 100% in 2030;
- reduce our scope 3 emissions by 30 % in absolute terms by 2030, versus a 2019 baseline (scope 3 emissions come from bought-in goods and services, capex, energy and fuel consumption on transport and upstream distribution, waste generated by our operations, and business and staff travel);
- invest in carbon offset projects with a positive impact on communities and the environment, solely to offset any residual emissions beyond 2030; and
- reduce our greenhouse gas emissions across all scopes by 90% in absolute terms by 2045, versus a 2019 baseline.

The Science Based Target *initiative* (SBT*i*) has validated our ambition to move towards net zero by 2045, which aligns with their corporate Net Zero Standard, as well as our interim objectives to reduce emissions by 2030. SBT*i* validation 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.

Our primary focus is on reducing emissions across our entire value chain (Scopes 1, 2 and 3). A carbon offsetting plan solely for our residual emissions beyond 2030 is being developed. Three long-term carbon offset projects (15-20 years) have been launched since 2022, and two more are under consideration. 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 is a member of the RE100 initiative, reinforcing our commitment to use 100% renewably-sourced electricity across the entire Sanofi scope by 2030. We are also accelerating our transition to renewable thermal energy by increasing our use of biomethane and biomass.

Conscious of the need to improve energy efficiency and to use less energy, Sanofi plans to reduce its energy consumption at existing facilities by 15% in 2025, compared to 2021.

We have also pledged to optimize our vehicle fleet (subject to availability of suitable models in the regions where we operate), to reduce greenhouse gas emissions from our fleet. Our aim is that our eco-car fleet reaches 80% of total fleet by 2030. Eco-car fleet combine hybrid, electric or biofuel vehicles. The program also involves reducing distances travelled, training in eco-driving and improving the energy efficiency of the internal combustion vehicles.

We are fully aware of the environmental and public health issues around the use of water in our industrial operations. That is why we perform regular risk assessments at all of our industrial sites aimed at reducing their water footprint. Sites identified as priority are required to implement water management plans by 2025. Those plans will reflect the specific issues at each site, and will help us use water effectively, sustainably and responsibly. A program of this type will be rolled out to all our industrial sites by 2030. This approach will have an overall positive impact on water withdrawals, leading to a 15% reduction by 2030 (against a 2019 baseline).

Similarly, by 2025 all our production sites will have implemented a plan to manage pharmaceutical residues in the environment so as to reduce their potential to significantly impact ecosystems.

Reducing our environmental footprint also calls for local biodiversity management. So by 2025, priority sites with the highest potential impacts on biodiversity will have implemented specific biodiversity management plans, aligned on local initiatives, and all our sites will implement at least one local initiative to support biodiversity.

Finally, we are committed to continuing our efforts in terms of waste management. Our objective is that by 2025, over 90% of our waste will be recycled, reused or recovered via waste-to-energy, and we will no longer use landfill.

Improving the environmental profile of our products is a priority for Sanofi. All our teams, from R&D through to marketing, are working to build eco-design into all new products launched between now and 2025 and improve the eco-profile of our currently marketed products, while retaining as our absolute priority the treatment of health conditions and patient access to healthcare.

We will also deploy pilot schemes to promote the responsible use of medicines, and the proper disposal of unused medicines, medical devices and packaging. Those pilot schemes will form the basis of a global program, to be rolled out by 2030.

3.3.9.2. Energy

[GRI 302-1, GRI 302-4]

3.3.9.2.1. Improve energy efficiency and encourage the use of renewables

To address the challenges of diminishing fossil fuel resources and climate change, we have adopted an approach that combines energy efficiency (consume less, consume smarter) with decarbonization of our energy supplies (consume differently).

Our energy efficiency approach extends to all our activities, buildings, processes and utilities. It takes in the architectural and functional design of new buildings, and our medical rep vehicle fleets. Energy saving programs are in place at all of our sites. All HSE and energy issues at Sanofi are managed via a management system that covers all of our operations and includes a reference framework, and an internal audit and performance review program. In 2023, the Energy management system of Sanofi has been assessed and certified as meeting the requirements of ISO 50001:2018 for the following activities: Research, development, manufacturing, distribution centers and related support functions performed in the Business Units.

Various levers are being activated (depending on the activity carried on at the site), with a specific focus on air treatment systems that ensure high-quality environments in manufacturing and R&D buildings, which can account for up to 70% of energy consumption of these buildings. However, these systems are important for the quality and safety of our medicines, and any alterations must be validated. Sanofi therefore plans to reduce its energy consumption at existing facilities by 15% in 2025, compared to 2021.

We have issued standards requiring energy efficiency to be built into the design and selection of plant and equipment that use energy. Our Sustainable Buildings Charter also helps promote energy-efficient buildings that are certified to LEED (Leadership in Energy and Environmental Design), BREEAM (Building Research Establishment Environmental Assessment Method) or HQE (*Haute Qualité Environnementale*) standards.

We also operate a low-carbon energy policy, favoring the use of lower-carbon energies for our projects and buying in electricity from certified renewable sources. In September 2020, we made a public pledge that by 2030, 100% of the electricity we consume will come from renewable sources, by joining the RE100 initiative.

Our transition to renewables involves the installation of solar panels on available surfaces. A contract was signed in Europe and Asia: the output from the photovoltaic panels installed had risen from 0.5 MW at the end of 2021 to 4.8 MW at the end of 2022, and 13.5 MW at the end of 2023 (Aramon and Montpellier in France and Virginia in Australia). That could represent between 5% and 20% of consumption on the sites. We are topping this up with guaranteed certified origin energy contracts.

As a result, we have raised our use of renewables from 11% of our electricity consumption in 2019 to 79% in 2023. We also have a renewable electricity Power Purchase Agreement (PPA) in Mexico to supply energy to our three Mexican sites, and are looking at the possibility of extending this model to Europe and the United States.

Finally, we are accelerating our transition to renewable thermal energy by increasing our use of biomethane and biomass, and have signed a long-term supply contract (2024-2030) in France for 210 GWh per year.

3.3.9.2.2. Energy consumption

Energy consumption (MWh)	2023	2022	2019 (baseline year)	Change vs 2019 (%)
Natural gas	1,400,771	1,515,845	1,673,843	-16 %
Electricity	211,803	430,929	1,191,012	-82 %
Renewable electricity	1,079,566	902,727	174,872	+517 %
Renewable energies (biomass, biomethane)	145,421	86,120	17,635	+725 %
Coal	0	0	0	0
Other energy sources (bought-in steam, waste-to-energy, etc.)	354,221	335,268	366,004	-3 %
Total	**3,191,782**	**3,270,889**	**3,423,366**	**-7 %**

The 2% reduction in energy consumption in 2023 relative to 2022 reflects lower energy use in response to the energy crisis in Europe; enhanced energy efficiency programs; and the concentration of operations on single sites, such as the regrouping of our R&D operations in France.

3.3.9.3. Greenhouse gas emissions

3.3.9.3.1. Direct and indirect emissions: Scopes 1 & 2

[GRI 305-1, GRI 305-2]

Implementing our Planet Care roadmap is helping us achieve the SBTi target of a 55% reduction in our Scope 1 & 2 emissions by 2030 from the 2019 baseline – including our industrial, R&D and tertiary sites but also our vehicle fleet.

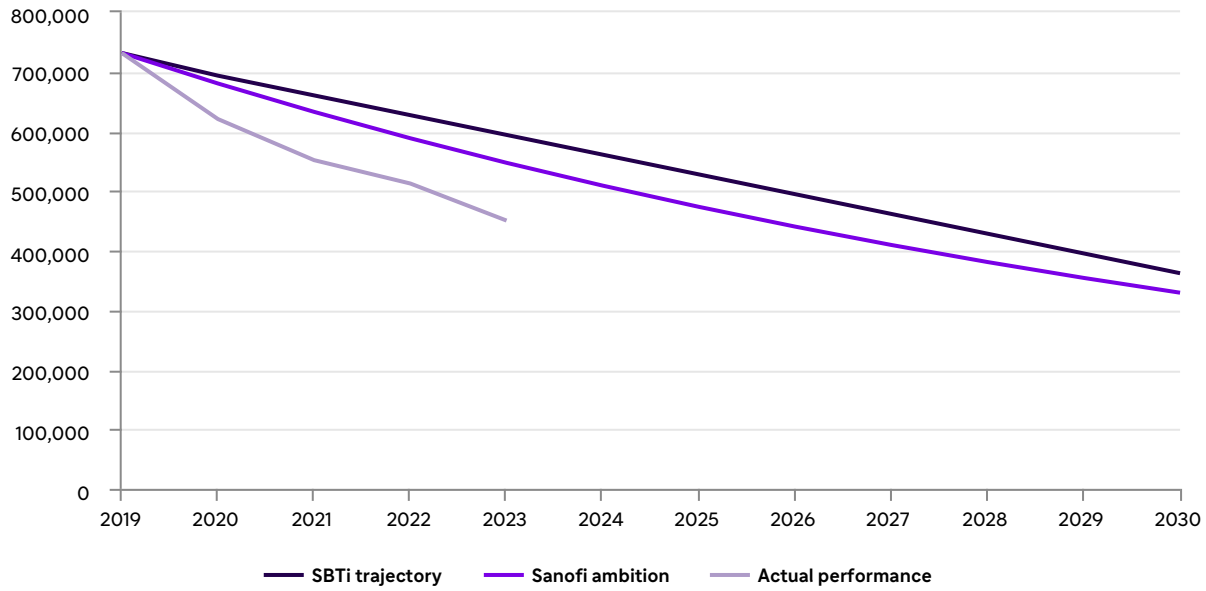
Alongside efforts to make our buildings and processes more energy efficient, we have introduced a policy for sales rep travel (including vehicle buying and eco-driving courses).

We also have policies in place for managing our use of carbon intensive refrigerants. These include switching to substitute refrigerants with a lower global warming impact, improving leak prevention, and systematically analyzing accidental discharges so that we can learn the lessons and share them across all our sites. Since 2019, we have reduced the impact of refrigerant discharges by 31%, saving 7,000 tonnes of CO_2e.

Greenhouse gases (Tonnes of CO_2e)[a]		2023	2022	2019 (baseline year)	Change vs 2019 (%)
Scope 1 [b]	Direct emissions	297,700	324,521	367,074	-19 %
	Direct emissions from medical rep vehicle fleet	43,294	47,450	78,278	-45 %
Scope 2 [b]	Indirect emissions (market based)	109,367	140,590	286,381	-62 %
	Indirect Emissions (location based)	341,643	355,896	375,159	-9 %
Total [b]	**Scope 1 and 2 (market based)**	**450,361**	**512,561**	**731,733**	**-38 %**
	CO_2e Intensity in g /Turnover [c]	**10.5**	**11.9**	**20.3**	**-48 %**

(a) CO_2e = CO_2 equivalent.
(b) Verified by the Independent Third Party with "reasonable" assurance, for the "Worldwide" scope for 2023 and the "France" scope for 2022.
(c) Our carbon intensity is calculated on the basis of our annual market-based scope 1 &2 emissions as a proportion of on annual turnover (i.e. our published net sales for the calendar year).

Scopes 1 & 2 emissions trajectory (market based). Actual vs STBI target in tCO_2e



The chart above compares our actual trajectory in reducing scope 1 & 2 emissions (market based) from 2019 to 2023 with the SBTi-validated trajectory. We are currently ahead of our SBTi trajectory, which sets an ambition of achieving a 55% reduction in scope 1 & 2 emissions versus the 2019 baseline.

Total direct and indirect CO_2e emissions showed a fall of 38% between 2019 and 2023, due to the acceleration of our renewable electricity procurement plan and the signature of a new biomethane contract in France to meet our heating needs.

The "actual performance" curve demonstrates how quickly and effectively we are cutting our scope 1 & 2 emissions.

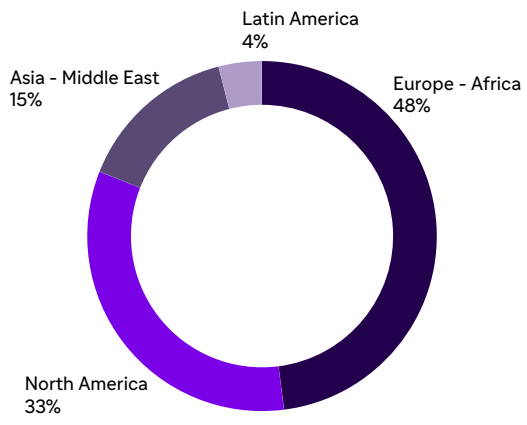
Scope 2 indirect emissions, calculated using the market-based method, are well below emissions measured using the location-based method; this reflects our proactive renewable electricity procurement policy.

We reviewed our global car fleet policy in 2023 so as to cover the cost of installing EV charging points at home for employees who opt for an electric vehicle. Already 43% of our fleet is regarded as eco-fleet and we have cut CO_2e emissions from our sales forces by 45% versus a 2019 baseline.

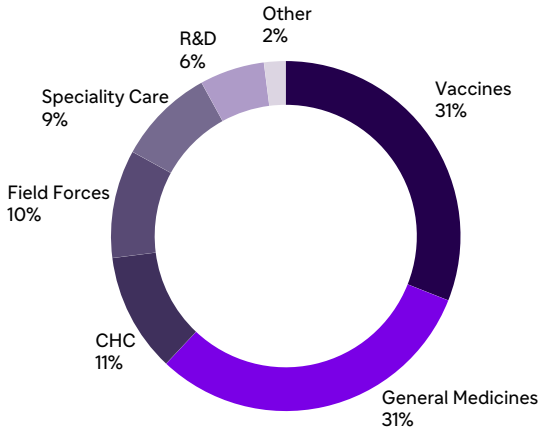
The charts below show how our scope 1 & 2 emissions are split by region and by activity.

Nearly half (48%) of our scope 1 & 2 emissions are generated in Europe and Africa, where the majority of our industrial facilities are located (especially in Europe).

Split of scope 1 & 2 emissions (market-based) by region



Split of scope 1 & 2 emissions (market based) by activity



3.3.9.3.2. Other indirect emissions: Scope 3

[GRI 305-3]

Taking into account Scope 3 emissions allows us to assess the order of magnitude of the total CO_2e emissions generated by Sanofi across the entire value chain. The calculation is based on a large amount of data, which results in a significant level of uncertainty. Sanofi is committed to improving the quality of this data from year to year.

Scope 3 is calculated for 100% of our operations within the 15 categories listed in the Greenhouse Gas (GHG) protocol (including the optional sections). Since 2020, we have used in-house methodology and calculations, to improve the quality of the data collected and fine-tune the assumptions.

In 2021, we developed a digital tool to consolidate, analyze and simulate data sourced from all our stakeholders. With the help of this data analysis tool and the structure of our database, we can compare data by model, organization and year, and recalibrate baseline year values. We disclose values that are comparable from one year to the next, because they use the same scope and apply the same assumptions. We continually fine-tune our in-house software, data collection and emission factor updates throughout the year, so as to reduce uncertainty in our calculations.

Our data are presented on a constant structure basis, which means that prior-period figures are recomputed regularly.

Scope 3 (Tonnes of CO_2e)[(a)]	**2023**	**2022**	**2019 (baseline year)**	**Change vs 2019 (%)**
Calculated Scope 3 emissions (upstream)				
Category 1: Purchased goods and services	2,790,715	2,722,122	2,934,815	-5%
Category 2: Capital goods	293,958	283,521	277,691	+6%
Category 3: Fuel and energy-related activities	126,422	151,037	163,659	-23%
Category 4: Upstream transportation and distribution	164,163	190,999	189,347	-13%
Category 5: Waste generated in operations	162,483	165,480	175,298	-7%
Category 6: Business travel	128,067	75,600	137,591	-7%
Category 7: Employee commuting	102,886	96,241	156,039	-34%
Sub-total: calculated Scope 3 emissions (upstream)	3,768,694	3,685,001	4,034,440	-7%
Estimated Scope 3 emissions (downstream)				
Category 9: Downstream transport and distribution	4,144	3,988	3,633	+14%
Category 10: Processing of sold products	17,212	13,014	15,459	+11%
Category 11: Use of sold products	50,822	73,874	71,728	-29%
Category 12: End-of-life treatment of sold products	173,440	172,074	167,611	+3%
Category 15: Investments	27,413	30,286	35,098	-22%
Sub-total: estimated Scope 3 emissions (downstream)	273,031	293,236	293,529	-7%
TOTAL[(b)]	**4,041,725**	**3,978,237**	**4,327,970**	**-7%**

(a) CO_2e = CO_2 equivalent.
(b) Emission categories as per the GHG Protocol. Categories 8 and 13 (upstream and downstream leased assets) and 14 (franchises) are not material.

In 2023, we had reduced our Scope 3 emissions by 7% versus the 2019 baseline. The main factors are improved raw materials sourcing; a reduction in air freight; management of energy supplies; and staff travel (introduction of hybrid working).

Emissions rose by 2% in 2023, vs 2022, due to a growth-related increase in purchased goods and services and the post-COVID resumption of business travel. Reducing Scope 3 emissions is a challenge. We are working across all Sanofi entities and functions to identify levers for cutting emissions, establish roadmaps and lock in the necessary resources – with a particular focus on raw materials and services. Our eco-design program is also helping us find new ways to decarbonize what we do and what we make. And we are continuing to work with our suppliers to improve their awareness and decarbonize their operations.

In 2023, Sanofi signed an Open Letter to Suppliers published by members of the Sustainable Markets Initiative Health Systems Task Force. This set out minimum targets for supplier decarbonization:

- by 2025, commit to set near-term targets aligned with the 1.5° trajectory;
- by 2025, set targets to reduce waste (including solvents) and energy, and reuse materials in manufacturing;
- by 2030, switch to at least 80% renewable electricity;
- by 2030, explore options to source green heat;
- transport suppliers to make SBTi-aligned commitments by 2025 and include green transportation solutions in core offering by 2030; and
- commit to set standards for their own suppliers.

By contributing actively to partnerships like the Pharmaceutical Supply Chain Initiative, Sustainable Markets Initiative, Energize, and Manufacturing 2030, Sanofi is helping drive supplier decarbonization, switch freight from air to more sustainable transport solutions, and enable improvements at scale across the entire industry. Changes to how some of our highly carbon-intensive raw materials are sourced will improve our emissions in 2024.

The results of our scope 3 calculation are subject to regular review; significant year-on-year changes in emissions are analyzed and explained category by category.

- Category 1: This category covers purchases of raw materials, subcontracting, and services; movements in emission levels reflect trends in our operations.
- Category 2: This category covers emissions related to capital goods. The increase in emissions reflects the investments in construction of new industrial facilities in 2023, such as the Evolutive Vaccines Facilities in France and Singapore, and on the sites at Swiftwater and Cambridge Crossing in the United States.
- Category 3: The steps to migrate towards renewable energies have driven a substantial reduction in this category of emissions (fuel and energy-related activities) since 2019.
- Category 4: Emissions from transportation have fallen due to a reduced use of air freight to ship products to our subsidiaries. During 2023, shipments of vaccines (other than influenza vaccines) from France went by sea to Australia, Japan, Malaysia, Mexico and Brazil, and a number of other sea routes have been validated for vaccines shipments.
- Category 5 : Waste emissions reduction is explained on 3.3.6.1 section on waste production.
- Category 6: Business travel emissions increased in 2023, largely as a result of the lifting of COVID-related restrictions in Asia at the end of 2022, but are still below 2019 levels. This category also includes the medical rep vehicle fleet, which is not managed by Sanofi.
- Category 7: Rolling out our work-from-home policy has significantly reduced emissions from employee commuting.
- Category 15: Because EUROAPI is no longer consolidated by Sanofi, its estimated share of emissions is now included within this category. EUROAPI figures are based on 2022, because 2023 data are not yet available.

3.3.9.4. Resilience to climate change

In December 2020, Sanofi publicly pledged its support to the Task Force on Climate-related Financial Disclosures (TCFD), with the aim of helping disseminate best practice, improving transparency about the risks and opportunities, and providing responses and solutions.

In adopting the TCFD recommendations, we committed to work towards aligning all of our operations with the climate objectives of the Paris Agreement and rethinking traditional growth models, in particular through economic, technical and organizational transformation.

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.

A summary of those analyses is presented below. More detailed information is available on our corporate website, and in our public response to the CDP Climate Change Questionnaire.

Thematic area 2022/2023	TCFD recommendation	CDP Reference	Outcomes and areas for work
GOVERNANCE	a) Describe the Board's oversight of climate-related risks and opportunities	CDP C1.1	Our supervisory and executive bodies are committed to making an ambitious response to the challenges of climate change, delivered through an approach focused on constant progress and joint working across the whole of Sanofi. Board level engagement (see "Item 6. Directors, Senior Management and Employees — A. Directors and Senior Management" of our 2023 Annual Report on Form 20-F) Our Board of Directors sets the strategic orientations of the company, oversees their implementation, and regularly monitors delivery. As part of this role, the Board of Directors monitors Planet Care (Sanofi's environmental program), including climate commitments, and reviews our climate transition plan at least once a year. An update on the transition plan was presented to the Board in December 2023. Additionally, Sanofi's Climate Strategy was presented at the Annual General Meeting in May 2023. Fulfilling this role is facilitated by the engagement and skills of Board members and by the specialist Appointments, Governance and CSR Committee, which meets quarterly with the Global Head of Corporate Social Responsibility (CSR). The Appointments, Governance and CSR committee is tasked with the following roles: 1. review and monitor the Company's corporate social responsibility (CSR) commitments and orientations, assess the extent to which they meet stakeholder expectations, and more generally ensure that CSR issues are taken into account when developing and implementing corporate strategy; 2. review drafts of the Company's governance and CSR reports, and more generally ensure that all related disclosures required by applicable legislation have been made; 3. ensure that regular communication is established with shareholders on corporate governance and CSR issues and determine how this is done, without undermining the principle of equality of treatment between shareholders or the collegiate nature of the Board; 4. identify and discuss emerging trends in governance and CSR, ensure that the Company is preparing as well as possible for the challenges specific to its operations and objectives, and reporting to the Board on such matters. The committee reports to the Board.
	b) Describe management's role in assessing and managing climate-related risks and opportunities	CDP C1.2	A mobilized Executive Committee and organization Planet Care is one of the four pillars of our CSR strategy; it aims to minimize the environmental impact of our products and activities, while strengthening our resilience to environmental changes. The Planet Care Impact Steering Committee oversees our transition efforts. This Committee consists of our heads of Manufacturing & Supply (who is also a member of the Sanofi Executive Committee), Environment, CSR, Procurement, External Manufacturing and R&D France, along with senior representatives from other activities within Sanofi. It submits to the Executive Committee the company's strategic orientations and commitments to reduce our impacts on climate change and the environment. The Executive Committee validates and ratifies these proposals with a view to their operational implementation. The Climate-related Risk & Opportunities Committee (CROC) was created in 2021 and oversees our adaptation efforts. It works closely with the Planet Care Impact Steering Committee to ensure that the TCFD recommendations are applied across all levels of our organization and that robust systems are put in place to manage climate-related risks and opportunities. This group, which meets monthly, consists of our Global Heads of CSR, HSE, Environment, Risk Management and Insurance, along with senior representatives from Strategy, Finance, Legal, CSR and HSE. It leads and coordinates nine working groups set up to address climate risks and opportunities for Sanofi (Carbon Costs, Raw Material Scarcity, Logistics Disruption, Stakeholder Pressure, Eco-Design, Health Resilience, Water Stress, Energy Management and Natural Disasters). The three new risks/opportunities working groups added to the CROC in 2023 were Water Stress, Health Resilience and Natural Disasters. The Executive Committee regularly monitors climate risks and opportunities for Sanofi and the work carried out by the CROC. A member of the Executive Committee has been appointed as "Climate Risks Owner" for Sanofi, and meets quarterly with the Global Heads of Risk Management and CSR and the CROC secretary. In December 2023, a dedicated Executive Committee session was held with the specific aim of sensitizing members to climate change related topics and deepening their knowledge of transition and adaptation issues. In 2020, we raised the weighting of the CSR-based individual performance criterion (which builds in climate-related objectives) within the variable component of our CEO's compensation to 15%. In addition, all members of our Executive Committee are given collective CSR objectives in terms of human capital and climate, which count towards their variable compensation awards Since 2023, all Sanofi performance share plans have incorporated two CSR performance criteria: affordable access to healthcare and reducing our carbon footprint, which together count towards 10% of the award.

Thematic area 2022/2023	TCFD recommendation	CDP Reference	Outcomes and areas for work
STRATEGY	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term	CDP C2.3a, C2.4a	In 2023, we published the results of the climate risk analysis performed in 2021. We used scenario analysis to perform a physical and transition risks assessment based on three of the IPCC climate change scenarios under two different time horizons (2030 and 2050), along with a 1.5°C scenario (RCP2.6) with aggressive mitigation (transitional constraints); a 2.8°C scenario (RCP 4.5), which is an intermediate "most likely" scenario; and a 4°C scenario (RCP8.5) where limited action is taken (physical impacts are more prevalent). Additionally Sanofi uses IEA transition scenarios (IEA Net Zero Emissions and IEA Sustainable Development Scenario) to perform climate-related assessments of transition risks and opportunities. In particular, IEA assumptions for energy prices and carbon costs in 2030 are used to estimate financial impacts related to the energy management opportunity. Seven risks (Carbon Costs, Raw Material Scarcity, Water Stress, Stakeholder Pressure, Logistics Disruption, Natural Disasters, Health System Disruption) and three opportunities (Energy Efficiency, Eco-Design and Health Resilience) were identified as significant for Sanofi. This climate scenario analysis was used to assess the resilience of each aspect of our value chain to climate change scenarios, the materiality of climate-related risks, and the scale of potential opportunities for the business to capitalize on prospects from transition to a low carbon future. For each of the identified climate risks and opportunities, we conducted a materiality assessment to determine which risks and opportunities could have a material financial impact in the mid-term (2030) and long-term (2050) perspectives, along with an approximate scale of impact. The detailed results of this analysis are described below, in a separate table: "Exposure to climate risks and opportunities".
	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning	CDP C2.3a, C2.4a, C3.3, C3.4	
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	CDP C3.2	
RISK MANAGEMENT	a) Describe the organization's processes for identifying and assessing climate-related risks	CDP C2.2	Our Risk Management and CSR departments have fully embedded climate-related risks into the Sanofi risk management system, and support all our functions and operations in implementing and monitoring action plans. <u>Our processes for identifying and assessing climate-related risks</u> We have a robust process in place to identify, evaluate and rank: - risks to which we may be exposed over the next three years: We identify risks through a process of observation and analysis of our operating environment, and interviews with key managers and experts within Sanofi. Those risks are then ranked by criticality (a combination of probability and impact), and by level of control. The formal output generated by this process is a risk profile, updated annually by our risk management team; - emerging risks that may constitute opportunities and/or threats over the next ten years: The identification process is the same as for risks. Emerging risks are classified into the disruption categories highlighted in the World Economic Forum report; they are evaluated and ranked based on their probability, impact, and velocity (i.e. how quickly they could become a risk for Sanofi). The formal output generated by this process is an emerging risks scan. In 2022, the Executive Committee and the Risk Committee approved the inclusion of climate risks in the company risk matrix. The "Climate Transition and Physical Impact" risk, previously identified as emerging, is now managed as an active risk. It includes the following sub-topics: Carbon Costs, Raw Material Scarcity, Water Stress, Stakeholder Pressure, Logistics Disruption, Natural Disasters, Energy Efficiency, and Eco-Design. It is fully embedded into our Risk Management governance and processes, and is reviewed at least on a yearly basis. Among the emerging risks identified, "Adapt our business to climate transition" includes the Health Resilience and Health Systems Disruption sub-topics, both of which may require our business model to evolve over the long term in anticipation of climate change impacts. <u>Our processes for managing climate-related risks</u> Line managers are designated to manage each of the risks evidenced in our risk profile. They are tasked with preparing, implementing and monitoring delivery of adaptation plans. This process applies to climate-related risks. Most of the sub-topics included in the "Climate transition and physical impact" risk are monitored in dedicated working groups. Short, medium and long-term mitigation plans have been defined and have started to be implemented. Monthly reporting is escalated to the Climate Risk and Opportunities Committee (CROC) and progress is presented quarterly to the Executive Committee Climate Risk Owner by the Global Heads of Risk Management, CSR and the CROC leader. Through 2023, Sanofi has developed and started implementing adaptation plans for the sub-topics within the Climate Transition and Physical Impact category. These adaptation plans will continue to be implemented, monitored and adjusted as appropriate throughout 2024 and beyond. Because emerging risks are not yet active risks, our Risk Management department works with in-house experts to develop scenarios to show how these could turn into active risks, identifying the tipping points and early warning signs to look out for. <u>How processes for identifying, assessing and managing climate-related risks are integrated into our overall risk management:</u> Climate-related risks and emerging risks are subject to the same governance as the overall Sanofi risk management process. Our risk profile and emerging risks scan, and scenarios for a selection of emerging risks, are presented annually to the Executive Committee, the Audit Committee, and the Board of Directors. The Executive Committee monitors risk mitigation and obtains assurance that adequate resources are allocated to it, and decides what anticipatory action should be taken to seize opportunities and protect Sanofi from threats arising from emerging risks.
	b) Describe the organization's processes for managing climate-related risks	CDP C2.2	
	c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management	CDP C2.2	
METRICS AND TARGETS	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	CDP C4.1, C4.2, C9.1	Our Planet Care roadmap incorporates outcome and target metrics to 2025; these include indicators for our carbon footprint (see section 3.3.9.3), with quarterly progress reports to the Executive Committee and to our external stakeholders. In line with the TCFD "Guidance on Metrics, Targets and Transition Plans" (October 2021), and with a view to the future implementation of the European Corporate Sustainability Reporting Directive (CSRD), climate-related risk metrics have been defined for monitoring climate-related risks and opportunities. Sanofi continues to analyze and adjust these metrics to ensure that they provide the best picture for monitoring climate risks and opportunities sub-topics based on the available data and for improving our understanding of climate-related impacts, as well as facilitating reconciliations with financial accounting data (see section 3.3.9.4.3).
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	CDP C4.1a, C6.1, C6.3, C6.5	
	c) Describe the targets used by the organization to manage climate-related risks and opportunities, and performance against targets	CDP C4.1, C4.2	

3.3.9.4.1 Exposure to climate risks and opportunities

In 2023, Sanofi updated the 2021 physical and transition risk assessment, using three climate scenarios under future time horizons (2030-2050).

The table below summarizes the main climate-related risks and opportunities identified by the climate scenario analysis conducted in 2023.

	Description	Impact on Financial Performance			Mitigation Actions
		Risks			
Carbon Costs	Category: Transition Carbon pricing policies are already implemented in the EU and other jurisdictions (such as UK, Canada, Chile, South Africa) and carbon pricing initiatives are under consideration in many other regions. These policies could lead to higher operating costs and higher procurement costs for carbon intensive materials, impacting Sanofi's operations and supply chain. In addition, the voluntary market is driven by supply and demand dynamics, and prices for carbon credits can be highly volatile, which could impact Sanofi's financial planning and budget.	Scenario(s): 1.5°C & 2.8°C Magnitude: Medium (1.5°C) Low (2.8°C) Consequences: Opex increase Reduced margin Qualitative Evaluation: Increase in prices of raw materials purchased due to carbon taxes and volatility of carbon credit prices could lead to an increase in operating expenses and to a negative impact on Sanofi's operating margin.	Importance for Sanofi: High	Likelihood: Likely	Velocity: Rapid Reduction of GHG emissions to deliver on Sanofi's ambition to move towards carbon neutrality by 2030 and net zero emissions by 2045.
Raw Material Scarcity	Category: Physical & Transition Risk of higher supply costs or business interruptions due to: - disruption of supply chain due to disease outbreaks and physical hazards such as flooding/hurricanes etc., and indirectly from human rights issues; - chemical raw materials and plastics disrupted by regulatory decisions and climate policies.	Scenario(s): 1.5°C & 4°C Magnitude: Medium (1.5°C) High (4°C) Consequences: Purchasing spend increase Qualitative Evaluation: Exposure to physical climate hazards could lead to failure of materials supply; lower quality of raw materials; and increased competition for usage of materials, generating business interruption costs and higher procurement costs. The development of plastic regulations could also significantly increase Sanofi's operating costs.	Importance for Sanofi: Medium	Likelihood: Likely	Velocity: Moderate to Rapid Development and promotion of sustainable supply chain initiatives. Identifying materials and substances at risk and securing critical supply capacities.
Water Stress	Category: Physical & Transition Water stress and drought conditions can affect Sanofi's operations by affecting our water withdrawal allowances and availability of water to run operations. They can also affect the supply chain as extreme weather events and water stress can lead to supply chain disruption.	Scenario(s): 2.8°C & 4°C Magnitude: Medium Consequences: Capex Increase Opex increase Qualitative Evaluation: Business interruption and implementation of alternative supplies through unconventional means could lead to increased CapEx and OpEx costs. Failure of supply chain could lead to higher procurement costs and/or business interruption.	Importance for Sanofi: High	Likelihood: Certain	Velocity: Rapid Sanofi Planet Care water roadmap, based on the implementation of the water stewardship program and increased water efficiency, assessment of water-related regulatory risks, and a better knowledge of the life-cycle water footprint of Sanofi's products.
Stake-holder pressure	Category: Transition Stakeholder pressure - including, customers, employees, investors and shareholders - could affect our attractiveness to financial and operational partners if our extra-financial performance on climate goals and actions is regarded as insufficient.	Scenario(s): 1.5°C & 2.8°C Magnitude: High Consequences: Financial cost increase Shortfall in revenues Capex and Opex increase Qualitative Evaluation: A low ESG performance compared to stakeholders' expectations could lead to an increase in financing costs and to a potential loss of business opportunities, generating a shortfall in revenues. Maintaining a high level of ESG performance will require significant investments (CapEx and OpEx).	Importance for Sanofi: High	Likelihood: Certain	Velocity: Rapid Sanofi's Planet Care program commitments and alignment on the SBTi Net-Zero Standard, as well as ensuring early alignment with the CSRD, should support market differentiation and maintain a high-level ESG performance.
Logistics disruption	Category: Physical Rising sea levels, extreme weather events and change to weather patterns pose severe and immediate threats to Sanofi logistics chains, which may result in supply disruptions.	Scenario(s): 1.5°C & 4°C Magnitude: Low [(a)] Consequences: Loss of revenues Qualitative Evaluation: Physical hazards could damage key Sanofi transport hubs, and the transportation of temperature-sensitive products could be affected by heatwaves. Both impacts could generate a loss of products, business interruption and decrease in revenue.	Importance for Sanofi: High	Likelihood: Certain	Velocity: Rapid Sanofi's goal is to meet a "zero out-of-stock" objective, and our supply chain strategy aims to guarantee the continuous supply of drugs and vaccines to patients with no disruption.
Natural Disasters	Category: Physical Natural disasters risks refer to natural hazards causing property damage and business interruption. The main natural disasters considered are: floods, heavy rain, winds, thunderstorm, drought, extreme heat, hail and wildfires; they can impact Sanofi's sites, suppliers' sites and logistics hubs. Their occurrence and impacts are heightened with global warming.	Scenario(s): 1.5°C, 2.8°C & 4°C Magnitude: High Consequences: Loss of revenues Opex increase Qualitative Evaluation: Natural disasters could generate increases in operating costs and loss of revenues due to business interruption and damage to Sanofi assets.	Importance for Sanofi: High	Likelihood: Certain	Velocity: Rapid Sanofi has set up insurance programs to cover physical risks in relation to natural hazards that could cause property damage and business interruption. Further individual site action plans are being developed to reduce individual site risk of business interruption.

	Description	Impact on Financial Performance			Mitigation Actions
		Risks			
Health System Disruption	Category: Transition Climate change is expected to have significant social, economic, political, and security implications over the coming decades. Major health crises could happen in the future due to climate change and its externalities, and cause Health System Disruption. Pressure on public finances could be such that public health care systems would see their resources significantly strained, impacting the economics of the pharmaceutical industry- through drugs delisting, increased co-payment or price pressure, and in particular reduction in reimbursement for regions where sales are partly supported by public reimbursement or financing policies.	Scenario(s): 1.5°C, 2.8°C & 4°C Magnitude: High Consequences: Annual revenue decrease Qualitative Evaluation: In the event of a major health crisis, reduced drugs reimbursement could occur, negatively impacting Sanofi revenues.	Importance for Sanofi: High	Likelihood: Possible	Velocity: Slow Sanofi belongs to more than 50 external groups representing various stakeholders in the healthcare sector and the economy at large - including trade associations, think tanks, and local business groups.
		Opportunities [(b)]			
Energy Manage-ment	Category: Transition Energy transition would require significant investment to increase renewable energy production capacities and is expected to result in a long-term uptrend and substantial volatility in energy prices. This new challenge is also an opportunity to improve energy efficiency and increase both our financial and our environmental performance.	Scenario(s): 1.5°C & 2.8°C Magnitude: Low Consequences: Opex savings Capex Increase Qualitative Evaluation: The use of self-produced renewable energies, and reductions in overall energy usage through energy efficiency measures, will generate potential savings in energy costs. Investment spend will be needed to implement energy efficiency measures.	Importance for Sanofi: High	Likelihood: Likely	Velocity: Rapid Sanofi set 2030 targets for energy efficiency as part of the Planet Care Program. This program will rely on the reduction of energy consumption for electricity and gas, but also renewables projects and replacement of natural gas by electricity and biogas.
Health Resilience	Category: Physical Climate change, and broader environmental trends, affect health through three primary exposure pathways: directly through weather variables such as heat and storms; indirectly through natural systems such as disease vectors, waterborne diseases and air pollution; and indirectly through human systems such as undernutrition, mental health disorders and occupational impacts.	Scenario(s): 2.8°C Magnitude: High Consequences: Annual revenue increase R&D costs increase Qualitative Evaluation: Climate change could lead to an increase in revenues from products, both existing and in development, to treat the increased prevalence of climate-related illnesses, and other climate sensitive health issues. An increase in associated R&D costs is expected.	Importance for Sanofi: Medium	Likelihood: Likely	Velocity: Slow As a global healthcare company, Sanofi aims to play a key role in lowering the healthcare industry's impact on the environment and anticipating climate and environment related health issues, especially for the most vulnerable populations. Sanofi is aiming to leverage its medicines portfolio and R&D pipeline to address new healthcare challenges caused by rising environmental changes.

(a) The calculation of the financial impact related to the risk of logistics disruption was limited to considering physical risks to Sanofi assets, with the impact on the supply chain considered under Raw Materials.

(b) Eco-Design is no longer referenced as a long-term opportunity in the opportunities table above given that on October 27, 2023, Sanofi announced its intention to spin out its Consumer Healthcare (CHC) business at the earliest in the fourth quarter of 2024, and the eco-design opportunity is related to the CHC business.

Our performance is also being evaluated by the Carbon Disclosure Project (CDP) using their Climate Change questionnaire. The CDP rating for 2023 was A- which confirms our status as among the best-performing companies and acknowledges our ongoing efforts over several years to decarbonize our activities.

To support our transition plan, we have introduced an internal carbon price of €100 per tonne of CO_2e. This pricing mechanism is built into our calculations of the payback period on investment projects and the purchase cost of key raw materials during calls for tenders. Our internal carbon pricing contributes to decarbonization in Scope 1 & 2, and in categories 1 and 2 of Scope 3.

3.3.9.4.2. Adapting to the consequences of climate change[(1)]

Extreme weather events caused by climate change could present a risk both to our production facilities and to our supply chain, right up to delivery of our products to patients. To guard against these risks, our facilities are constructed using best practice engineering techniques and taking maximum constraints into account in the design phase. In addition, during site visits, technical experts from our insurers issue recommendations for dealing with extreme weather conditions, such as putting in place emergency flood risk plans. Risks related to natural disasters are taken into consideration in our crisis management plan, across all levels of our production sites and supply chains.

3.3.9.4.3. Climate-related health issues

Climate change is one of the greatest health challenges of our century. The World Health Organization (WHO) expects that between 2030 and 2050, climate change will directly lead to nearly 250,000 additional deaths each year.[(1)] As the environment degrades, human health will be impacted directly (extreme weather events, floods, droughts) and indirectly (air pollution, biodiversity loss, infectious vector propagation) through the increased prevalence and severity of existing or emerging diseases.

(1) *This paragraph contains the information required under the application decree of Article 173 of French law no 2015-992 on energy transition for green growth.*

(1) *WHO: COP26 Special Report on Climate Change and Health: The Health Argument for Climate Action, 2021.*

Globally, pollution alone is responsible for nine million premature deaths annually, corresponding to one in six deaths worldwide[2].

Beyond the impacts that Sanofi has on the environment, we are also helping to adapt and build resilience to the new health challenges that a changing environment will bring. We are doing this by developing and manufacturing new medicines and vaccines for the diseases most affected by climate change. We are also playing our part in building strong health systems, especially in locations that are most vulnerable to climate-related shocks.

A better understanding of the implications of a changing environment on human health will allow Sanofi to embed environmental factors at every point of its strategic decision-making journey, from R&D to patient disease management. We have undertaken an end-to-end study to identify the associations between environmental change impacts and our portfolio. The impacts of this study focus on the treatment and prevention of five heavily impacted therapeutic areas: immunology; vector-borne and infectious diseases; pandemic pathogens; non-communicable chronic conditions (like cardiovascular diseases and cancer); and allergies.

Currently we are working on several research and development programs for diseases exacerbated by environmental change:

- the planned registration of a single-dose oral treatment for sleeping sickness;
- developing a novel cell-culture yellow fever vaccine to better address emergency outbreaks;
- launching immunology therapies such as dupilumab for inflammatory conditions to treat patients suffering from asthma and, more recently, chronic obstructive pulmonary disease (COPD), both of which are heavily exacerbated by air pollution[3];
- enhancing our vaccine manufacturing capabilities to reinforce our ability to respond to future pandemics at speed and scale, by investing in two Evolutive Vaccine Facility (EVF) projects in France and Singapore[4]; and
- contributing to improved awareness of the role of indoor and outdoor air pollution in aggravating allergic respiratory symptoms through our Global CHC Allergy Medical Team.

At the same time, we are supporting climate adaptation measures for communities most vulnerable to climate change impacts:

- promoting affordable treatment and prevention programs such as malaria through Sanofi Global Health, a unique non-profit model aiming to improve access to care in 40 low-income countries by distributing 30 drugs covering therapeutic areas exacerbated by environmental degradation;
- bringing humanitarian aid and supporting local initiatives through Foundation S, our philanthropic organization. In Bangladesh, the sixth most impacted country by climate change, Foundation S is working in partnership with the Friendship NGO, supporting projects to restore access to healthcare systems for communities deeply impacted by floods and extreme weather events;
- the launch of the Foundation S Climate Action & Health Resilience Grants Program, which aims to support adaption solutions that are informed and implemented by communities themselves and that seek to address current and future impacts of the climate crisis on community health.

3.3.9.5. Water: a limited resource

3.3.9.5.1. Water resource management plan

[GRI 303-2]

Water is a key component in our industrial operations. We need it to keep our factories running, and it is an integral part of the manufacturing process for medicines.

Water is used directly in chemical and pharmaceutical production, whether as an ingredient at the synthesis or formulation stage or to clean equipment and networks between production cycles. In both cases, a range of water treatment processes are in place at each site to guarantee a very high degree of purity prior to use.

Utility services (steam, process water and cooling systems) are the biggest users of water at Sanofi. Water is primarily used as a vector for calorific transfer (cooling and heating) in the manufacturing processes for our products, from chemical synthesis to vaccine manufacture.

We seek to use this resource responsibly and sustainably, by implementing water management plans at all of our industrial sites. The aim is that all our sites will have such a plan by 2030, and that those with a high level of water-related risks (especially those in water stress zones) will have one by 2025.

Sanofi has completed the Water Security questionnaire of the Carbon Disclosure Project (CDP). The CDP rating for 2023 was A- which confirms our status as among the best-performing companies and acknowledges our ongoing efforts over several years to reduce the water footprint of our industrial operations.

There are many water-related risks, but they can be classed in three main categories: physical, regulatory and reputational. In 2020, we launched a large-scale campaign to update water risk mapping across all our industrial sites, with the help of an external consultant. This program helped to update the list of priority sites in early 2021; a further update is scheduled for 2024.

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[2] *Lancet (2022): Pollution and Health a progress update. https://www.thelancet.com/journals/lanplh/article/PIIS2542-5196(22)00090-0/fulltext*
[3] *Sanofi press release, November 27, 2023: https://www.sanofi.com/assets/dotcom/pressreleases/2023/2023-11-27-06-30-00-2785836-en.pdf*
[4] *"Making vaccines for good public health" [Online], February 2022: https://www.sanofi.com/en/your-health/vaccines/production*

Since the EUROAPI spin-off and the sale in 2023 of our facilities in Saudi Arabia and South Africa, this list has been reduced to eight priority sites, located in Algeria (two), India (three), Mexico (two), and China (one).

3.3.9.5.2. Water consumption

[GRI 303-1]

Water used directly and indirectly during manufacturing is essentially withdrawn directly by Sanofi itself from underground or surface bodies of water. We have specific operating procedures for effectively managing our use of water, and for reducing our consumption through moderation and recycling.

We reviewed our water program in 2021 in order to improve our response to current and future challenges. Water is a local resource, so it is for each site to determine the priority issues in their catchment; that's why our water management plans incorporate context-driven targets. At global level, we define our target for reducing water withdrawal by aggregating our local targets (rather than vice versa); after all, France does not face the same challenges as India.

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.

In 2023, our 15% objective was achieved ahead of the schedule, thanks to the implementation of water-saving solutions (start-up of a water recycling plant at our production facility in Belgium, and improvements to our research and production platform in the Ile-de-France region), which delivered better-than-projected outcomes. Sanofi will continue to improve the efficiency of our processes, however, as our targets are based on absolute volumes, projected business growth and industrial development may limit further improvement.

Water consumption (millions of m^3 per year)	**2023**	**2022**	**2019 (baseline year)**	**Change vs 2019 (%)**
Withdrawal of surface water (lakes, rivers)	1.4	1.8	2.5	-47%
Withdrawal of groundwater	1.6	1.7	2.4	-32%
Withdrawal of water from public supply	5.8	5.9	6.0	-4%
Other sources	2.0	2.0	2.2	-9%
Total	**10.7**	**11.4**	**13.1**	**-18%**

3.3.9.6. Waste: towards a circular economy

The best waste is waste that is never generated in the first place. That's why "zero-waste" sits at the top of our waste hierarchy, as illustrated by our blister-free vaccines project. This commits us to only selling vaccines in syringe packs, with no secondary PVC packing, by 2027. The second level in our waste hierarchy is to reduce waste generation at source, followed by a systematic examination of reuse and then recycling before resorting to any other form of waste disposal (such as incineration with or without thermal recovery). Landfill is only used as a last resort, and must be subject to audit.

We pay particular attention to on-site waste management, so that we can categorize and identify waste generated by each process and then collect, sort, store, transport and treat each type of waste appropriately.

Prior to engaging a new waste contractor, the contractor's qualifications, competence and compliance with regulations are thoroughly verified for each class of waste.

Integrated country-specific waste management approaches have been implemented in those countries where we have our biggest industrial footprint or where the potential synergies are greatest (for example France, Canada and the United States).

Some of our solvents are treated on-site after use so they can be reused, and hence are not counted as recovered waste. In 2023, 56% of solvents were regenerated and reintroduced into the industrial process. This avoided generating the same amount of waste.

We have also scaled up our commitment to reducing and recycling plastics; our aim is that all plastics with even the slightest potential for recycling are actually recycled. Over the last two years, we have worked with our sites to identify three levels of maturity:

- level 1: For sites with a staff restaurant, we have implemented a program to eliminate single-use plastics.
- level 2: The site has at least one specific plastic waste flow suitable for offsite recycling/reuse/recovery.
- level 3: A systematic process is carried out at least every two years to identify new plastic waste flows suitable for recycling/reuse/recovery.

In 2023, 56% of our sites were in level 1, 59% in level 2, and 53% in level 3 (versus 31%, 36% and 27% respectively in 2021). Note that objectives for each level are independent of one another, and a site may meet all three levels simultaneously. The significant increase in level 3 sites is due to the inclusion of this requirement in new contracts for our French sites.

3.3.9.6.1. Waste generated

[GRI 306-2]

As part of Planet Care, Sanofi has set two complementary targets for 2025: to achieve a recovery rate of over 90% and to reduce the landfill rate to 1%.

By the end of 2023, our landfill disposal rate had fallen to 2%, versus 5% in 2022, with a 52% reduction in volumes. Our project to switch from landfill to composting for egg waste at one of our US facilities went live in June 2022 after three years' preparatory work, from impact studies and reconfiguration of packing through to securing licenses; the project has reduced the annual amount of waste going to landfill by nearly 4,000 tonnes.

During 2023, our recovery rate (materials and energy) rose from 86% to 88%, against a target of 90% in 2025. When we launched our waste recycling maximization program back in 2015, our recovery rate was just 56%. Progress on the program has been such that we will hit our 90% target in 2025.

Waste (tonnes)	**2023**	**2022**	**2019 (baseline year)**	**Change vs 2019 (%)**
Hazardous waste				
Recycled hazardous waste	8,417	9,051	17,976	-53%
Hazardous waste incinerated with thermal recovery	35,171	38,311	40,124	-12%
Hazardous waste incinerated without thermal recovery	14,938	13,837	14,726	+1%
Hazardous waste sent to authorized landfills	234	207	513	-54%
Sub-total: hazardous waste	**58,759**	**61,406**	**73,338**	**-20%**
Non-hazardous waste				
Recycled non-hazardous waste	76,562	70,608	69,252	+11%
Non-hazardous waste incinerated with thermal recovery	24,041	22,492	21,753	+11%
Non-hazardous waste incinerated without thermal recovery	1,153	1,280	2,315	-50%
Non-hazardous waste sent to authorized landfills	3,577	7,773	11,542	-69%
Sub-total: non-hazardous waste	**105,332**	**102,154**	**104,862**	**0%**
TOTAL hazardous and non-hazardous waste	**164,091**	**163,560**	**178,200**	**-8%**

NB: Data provided in this section relates to waste from Sanofi's production activities. Data for waste not related to our production activities and for non-recurring waste are not consolidated; this can include waste generated by construction of new buildings or decontamination of land, and other types of non-recurring waste generation.

3.3.9.6.2. Waste generated by patients using our products

As well as tackling industrial waste, we are also looking to reduce waste generated by the use of our products. In line with our circular economy strategy, we have launched two returnable insulin pen pilot projects.

In 2023 we joined forces with Novo Nordisk, Lilly and Merck to launch the world's first collaborative insulin pen recycling scheme. The scheme was rolled out in Denmark, to take advantage of that country's existing recycling infrastructure. At present, the four partner companies produce some six million insulin pens a year in Denmark. An ambitious target has been set for 25% of all the insulin pens distributed by the four companies to be returned, representing more than 25 tonnes of plastic.

The collaboration went live on May 1, 2023, and will make a sustainable, appropriate contribution to reducing the environmental impact of medical injection devices.

And in Germany, we launched an initial collaboration with 35 pharmacies in Berlin in April 2023. This pilot project will help gauge the level of patient take-up, the proportion of pens returned, and scope for further partnerships.

3.3.9.6.3. Initiatives to reduce food waste

Many of our industrial, R&D and tertiary premises in France have already taken measures to cut food waste in three key areas:

- reducing waste at source: enforcing precise contractual specifications on portion size and conducting regular surveys, especially in advance of periods when canteen footfall is expected to be low;
- responsible food service management: matching quantities to needs and using just-in-time techniques for some outlets; charging users for bread so they do not automatically take it without eating it; reducing the range of options available towards the end of mealtimes; and charging users by weight for items such as salad and prepared fruit; and
- management of leftovers and waste: recovering leftover vegetables for reuse the next day; introducing sort bins to facilitate recycling of waste; and setting up food donation agreements with charities to help the needy.

We also conduct regular awareness campaigns at our French sites. These include weighing leftovers (especially bread), using sort bins instead of trash cans, and sharing good practice in preventing food waste.

3.3.9.7. 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 the product's life cycle.

- Sanofi has adopted the Life Cycle Analysis (LCA) environmental metric, which ensures that impacts are not simply displaced to another phase of the product life cycle. Not only is this a holistic, multi-criteria approach, it is also governed by an international standard (ISO 14040/44).
- In addition to this quantitative approach, we are developing qualitative eco-design measures (decision-making tools).

Since 2016, we have completed or started 13 LCAs (six of them in 2023) on flagship Sanofi products, including medicines and vaccines, and with or without medical devices depending on the use case. That has enabled us to identify the greatest environmental impacts and develop an action plan to improve the product's environmental performance.

Drawing on this methodological framework and on these initial results, 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 20 products (by net sales and number of units sold) already commercialized by Sanofi.

In practice, this means that from 2025 onwards, any new vaccine or molecule submitted for marketing approval in its first indication will be subject to an LCA, and its environmental performance will be tracked using both quantitative and qualitative key performance indicators (KPIs). To achieve this, we have aligned our governance, processes and tools:

- in 2023, we embedded eco-design phases in our development processes and our design governance for new products;
- to facilitate measurement of environmental impacts and strengthen our in-house eco-design capabilities, we have developed a digital LCA tool that went live in December 2022. A series of further upgrades and add-ons is in progress, and environmental data for eligible products have already been loaded into the system in 2023 in preparation for the 2025 target.

We share our expertise in working groups at various institutional levels within the pharmaceuticals sector, tackling key issues for the industry such as decarbonizing the patient journey; digitizing clinical trials; substituting digital patient information leaflets for paper versions; and modeling of certain components.

In particular, under the leadership of Sanofi and with backing from Sustainable Markets Initiative Health Systems (SMI) and the Pharmaceutical Environment Group (PEG), a consortium of eight pharma companies (AstraZeneca, GSK, J&J, Novo Nordisk, Roche, Pfizer, Sanofi and Takeda) was set up in October 2023 to establish an industry-wide LCA standard for medicines. The consortium and NHS England will work with the British Standards Institution (BSI) to develop a standard that reflects a consensus between industry players such as healthcare systems, service-providers, healthcare professionals, representative bodies, academics and patients. Supported by experts, the introduction of this new LCA standard will improve transparency, helping to evaluate and reduce the environmental impact of medicines from manufacture and supply through to their use and the end of their life cycle.

We have also developed two guides, "Eco-design x Packaging" and "Eco-design x Devices", to help us eco-design packaging for new products and medical devices. We are also rolling out our "Compact Box" concept. This reduces the volume of packaging for syringe vaccines by 50% and eliminates the need for PVC blister packs, increasing the proportion of recyclable materials. The Compact Box is being accompanied by an upgrade in packaging to optimize cold chain distribution. We are committed to having 100% blister-free packaging for our syringe vaccine by 2027. In 2023, 39% of our syringe vaccines were blister-free.

3.3.9.8. Protecting biodiversity

[GRI 304-1]

Biodiversity is fundamental to maintaining the balance of life on our planet, and critical to human life. However, the pressures of human activity are causing natural ecosystems to degrade at a pace unprecedented in our history. That's why, through the Planet Care road map, we at Sanofi are taking steps to protect biodiversity and to ensure that natural resources are used fairly and sustainably, while also meeting the specific challenges of our industry.

We support Act4Nature International, a proactive alliance of French multinational companies committed to biodiversity.

At Sanofi, we are focused on three specific issues:

a. protecting biodiversity and natural resources;
b. limiting our impact on the environment and ecosystems; and
c. educating and mobilizing our people.

In 2023, we updated the initial assessment (conducted in 2021) that identified and analyzed the main biodiversity dependencies and pressures facing Sanofi throughout the value chain. The assessment drew upon the recommendations of Step 1a of the Science-Based Target Network (SBTN), and on the widely-accepted framework developed by the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES). We supplemented this analysis by using biodiversity footprint metrics to quantify the extent to which our business and our value chain put pressure on biodiversity. This enabled us to clarify the key challenges already identified in 2021, and to update our biodiversity risk mapping. The risks related to biodiversity loss were classified according to the Task Force on Nature-related Financial Disclosure (TNFD) criteria, and incorporated in the emerging risks radar presented annually to the Sanofi Executive Committee, which is chaired by our CEO.

Reducing our environmental footprint also calls for local biodiversity management, in line with our Planet Care pledges.

We completed an update of biodiversity risk mapping for our sites in 2022. The aim was to identify and characterize the potential impacts of our industrial sites on biodiversity, so that we could focus attention and resources appropriately. This involved developing a customized tool, drawing in particular on the Integrated Biodiversity Assessment Tool (IBAT) databases. As a result, we identified a list of priority sites: six in France; two each in Hungary and Mexico; and one each in Germany, Spain and the United States.

In 2023, work to validate our methodology and tools was ongoing at two pilot priority sites (Aramon in France, Swiftwater in the United States).

By 2025:

- priority sites with the highest potential biodiversity impact will be implementing specific biodiversity management plans, aligned on local initiatives; and
- all our sites will have rolled out at least one local biodiversity initiative under a specific standard (currently, 62% of our sites have implemented at least one such initiative).

By 2030:

- all sites located close to sensitive biodiversity zones will have introduced specific biodiversity management plans.

In terms of impacts associated with our value chain, we continue to adapt our practices so that we always remain compliant with international agreements (such as the Nagoya Protocol and the Convention on Biological Diversity), and with applicable laws and regulations (such as the European regulation on deforestation and forest degradation). That calls for strict controls over the use of threatened natural resources, and of products derived from them.

Sanofi has operated a specific program for sustainably sourcing paper and cardboard for several years, but this approach needs to be extended to other products at risk of contributing to deforestation (whether or not imported), such as palm oil derivatives. We have already been tracing palm oil derivatives through our value chain on a voluntary basis for several years, and in 2023 we reported our findings to the Carbon Disclosure Project (CDP) Forest program for the first time.

During 2023, we extended this approach to other nature-derived ingredients, in line with the list of high-impact products issued by the Science-Based Target Network (SBTN) program (such as products derived from soy, corn, cattle, sugar cane). The aim is to focus on the most significant ingredients for Sanofi, so that we can implement a sustainable and responsible procurement strategy for our raw materials.

Finally, we contribute to the development of international and industry-wide nature conservation frameworks through our involvement in working groups, such as a French group working on the application of the Task-force on Nature-related Financial Disclosure (TNFD) framework and the LEAP (Locate, Evaluate, Assess, Prepare) approach.

3.3.9.9. Educating and mobilizing our people on environmental issues

Because we promote an environmental sustainability culture across our entire business, we engage all our people in supporting our environmental ambitions and in helping us achieve our objectives through the work they do every day. We are keen not just to raise awareness, but also to give our people the resources and tools they need to take account of the environment when making decisions.

Every year, we organize an Environment Day around a specific issue, at all our sites around the world. In 2023, the theme was the responsible management of natural resources (water, raw materials, energy), with a global event backed up by local conferences and activities.

Our collective engagement and intelligence program, launched in 2020, gives all our people the opportunity to improve their understanding of current environmental issues, share initiatives and good practices, and work together on new solutions to help the environment. During 2023, 161 ideas were submitted to the environmental sustainability engagement program, from 65 sites in 28 countries.

A full program of boot-camps, hackathons and design thinking workshops – led by one of our in-house innovation labs – helped the finalists transform their ideas into sustainable projects. This year, 7 winning projects were selected by a multidisciplinary jury for implementation with financial backing from the Planet Care fund.

Also in 2023, we began to roll out the "Climate Fresk" awareness workshop in three countries: France, the UK and Ireland. Following a volunteer recruitment and training drive, over 60 of our people are now qualified to lead "Climate Fresk" events. A pilot program in the three countries is due to go live in 2024.

Through the *PLAN BEE* initiative, first rolled out in 2016, Sanofi promotes the installation of beehives at sites around the world. The honey produced is sold to employees and income from the sales is donated to an in-house charity, or reinvested in the *PLAN BEE* initiative.

Sanofi launched a training program devoted to environmental issues in 2021. The aim is to reinforce the environmental culture within Sanofi by giving basic insights into each of the environmental pillars covered by our Planet Care program. Accessible to all and available in eight languages, it's an opportunity for everyone to take a closer look at the environmental challenges they face, and to better understand Sanofi's environmental ambitions.

3.3.9.10. Environmental releases

Our R&D and manufacturing operations – and the storage and transportation of raw materials, products and waste – are associated with various potential risks relating to the release of chemicals or biological pathogens that may adversely affect the environment or human health. We have implemented a range of action plans to limit these impacts, ensure that we comply with regulations and our own internal directives, and anticipate the impact of new and emerging regulations relating to the release of contaminants into the environment in every country where we operate. We are also working on the impacts of our medicines after they have been used by patients.

3.3.9.10.1. Managing pharmaceutical discharges and fighting antimicrobial resistance

[GRI 306-1, GRI 306-5]

Pharmaceutical substances may be found in the environment as a result of medicines taken by patients and then excreted; inappropriate disposal of unused or date-expired medicines; and effluent from manufacturing sites. 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. Our key actions are:

- evaluating and reducing the potential environmental impacts of our production sites, through a global program with a particular focus on the discharge of pharmaceutical substances in effluents;
- obtaining new data to improve our understanding of how medicines impact on the environment, and assessing the environmental risks associated with patient use;
- promoting proper use of our medicines. This involves awareness campaigns directed at healthcare professionals and/or patients. Using medicines properly not only improves patient health, it also helps the environment: correct diagnosis, prescription and dispensing, followed by good therapeutic observation and proper disposal of unused medicines, all reduce the impact of waste medicines on the environment; and
- encouraging responsible disposal of unused or date-expired medicines, by raising patient awareness and supporting collection programs.

We also signed up to the Antimicrobial Resistance (AMR) roadmap to help combat microbial resistance to antibiotics. This initiative initially brought together 13 major players in the pharmaceutical industry, and aims to promote responsible production of antibiotics worldwide. It includes a specific commitment relating to antibiotics manufacturing sites operated by signatories or their suppliers, involving the definition and implementation of a common framework for good practice in managing potential discharges and the setting of common target environmental values.

3.3.9.10.2. Managing other types of wastewater discharge

[GRI 306-1, GRI 306-5]

Directly related to our policy on managing pharmaceutical substances in the environment is our commitment to managing wastewater discharge. We have various programs in place for:

- monitoring trends in the concentration of pollutants in the natural environment;
- reducing the quantities discharged at source; and
- installing state-of-the-art or innovative treatment facilities at sites, where necessary.

Wastewater generated by our operations is always treated before being discharged into the natural environment, either directly using our own installations or indirectly under agreements with municipal or industrial partners to use their treatment facilities.

Our own in-house treatment plants are subject to a rolling program of maintenance, monitoring, reporting and performance optimization. This includes equipment upgrades, and improvements to flow management such as treatment at source, flow segregation and dedicated treatment processes.

Onsite HSE teams are responsible for checking that our discharges comply with all relevant licenses and agreements. They are also tasked with implementing environmental and public health impact assessment programs. These programs involve:

- profiling flows of pollutants (sources, quantities and composition);
- pollution management strategies (reduction at source, segregation, outsourcing, and dedicated or centralized treatment facilities); and
- monitoring discharges and auditing the performance of treatment facilities.

3.3.9.10.3. Managing air emissions: optimizing the use of solvents and control over volatile organic compound emissions

[GRI 305-7]

The use of solvents (primarily used in the production of active ingredients, and in their transformation into pharmaceutical products) follows Sanofi's recommendations on their good use.

Solvents used in the production process are either purchased (consumed quantities), or regenerated on site. We encourage process optimization, regeneration (when possible) and waste-to-energy technology in an effort to reduce consumption.

Controlling volatile organic compound (VOC) emissions from drug synthesis and manufacturing activities is a priority for Sanofi. An integrated approach is applied at each stage of product development, from research to production, aimed at:

- avoiding the use of solvents by substituting biological processes for chemical processes;
- encouraging the recycling of solvents;
- selecting the least toxic solvents;
- reducing emissions at source through specific adjustments to manufacturing processes and maximum containment of solvent use; and
- capturing and treating residual VOC emissions at special treatment facilities using the best available techniques for the specific physico-chemical properties of the VOCs emitted (cryogenic capture, gas scrubbers, thermal oxidizers, activated carbon).

3.3.9.10.4. Performance indicators

Significant events with an environmental or regulatory impact are systematically reported at global level.

3.3.9.10.4.1. Managing releases of pharmaceuticals into the environment

Since 2016, we have been gradually rolling out a program to evaluate and reduce the environmental impact of potential releases of pharmaceutical substances from our manufacturing sites. At site level, this translates into dedicated discharge management plans that include a profile of discharges and emissions, the application of target environmental values, and the implementation of any risk management measures that may be necessary. At the end of 2023, this program covered 100% of our chemical synthesis and dosage form sites.

We are proactively assessing the environmental impact of the active ingredients in the products we sell, focusing initially on a regularly updated list of our strategic products, i.e. our 100 top sellers by net sales or number of units sold. Our efforts in this field are being supported by research partnerships with various stakeholders, including universities and other manufacturers. To date, our evaluation program has already covered 75% of those substances.

The performance of our suppliers and subcontractors is monitored closely as part of our supplier audit approach (see "3.4.14. — Procurement and Subcontracting").

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.

3.3.9.10.4.2. Managing other types of wastewater discharge

Chemical oxygen demand (COD) is the most relevant parameter for assessing the quality of wastewater discharges, since it measures the overall quantity of organic material (biodegradable and non-biodegradable) in the wastewater.

Most of our industrial facilities have their own wastewater treatment plants, regardless of the outfall : direct discharge to the environment or to a third party utility system. In the latter case, the treatment is managed by third parties complying with locally applicable regulations.

For both cases, COD loads reported hereafter are calculated after analyses performed on samples collected at the boundaries of our sites.

Wastewater discharge *(tonnes)*	**2023**	**2022**	**2019 (baseline year)**	**Change vs 2019** (%)
COD	4,129	4,240	4,706	-12%

With several ongoing upgrade programs of our water treatment systems and the implementation of new environmental criteria into the design of our facilities, COD emissions are expected to stabilize or decrease over the next years despite the continuous transformation of our industrial capacities.

3.3.9.10.4.3. Managing air emissions: optimizing the use of solvents and control over volatile organic compound emissions

[GRI 305-7]

Solvents *(tonnes)*	**2023**	**2022**	**2019 (baseline year)**	**Change vs 2019** (%)
Solvents used	85,887	90,058	89,185	-4%
% regenerated	56%	57%	57%	-2%

Volatile organic compounds (VOCs) *(tonnes)*	**2023**	**2022**	**2019 (baseline year)**	**Change vs 2019** (%)
VOCs (estimated)	1,078	1,110	1,272	-15%
SO_x - direct emissions	16	55	202	-92%

NOx (tonnes)	**2023**	**2022**	**2019 (baseline year)**	**Change vs 2019** (%)
NO_x - direct emissions	320	348	402	-20%

We adopt a proactive approach to monitoring and testing, and have invested in new techniques to improve thermal oxidation efficiency, in line with European regulations issued in 2023 (BREF WGC). The sharp fall in SO_x emissions was due to a significant reduction in heavy fuel oil consumption and switch to natural gas at a facility in India, and an overall cut in natural gas consumption.

3.3.9.10.5. Remediation

3.3.9.10.5.1. Programs and resources devoted to preventing environmental risks and pollution

In accordance with our own HSE policy and regulatory requirements, all our sites are equipped with containment systems and/or systems for collecting accidental releases to prevent them from penetrating the soil.

We also have a systematic multi-year soil and groundwater monitoring and evaluation program for our sites, both for those with ongoing operations and those being sold. Where necessary, remediation work is carried out following detailed evaluations.

Capital and operating expenditures incurred on preventing environmental risks and contamination form part of the overall expenditures incurred on the implementation of Sanofi's HSE policy.

3.3.9.10.5.2. Provisions and guarantees for environmental risks

Applicable environmental laws and regulations may require Sanofi to eliminate or reduce the effects of chemical substance discharge at our various sites. The sites in question may belong to Sanofi, and may be currently operational, or may have been owned or operational in the past. In this regard, Sanofi may be held liable for the costs of removal or remediation of hazardous substances on, under or in the sites concerned, or on sites where waste from activities has been stored, without regard to whether the owner or operator knew of or under certain circumstances caused the presence of the contaminants, or at the time site operations occurred the discharge of those substances was authorized.

As is the case for a number of companies in the pharmaceutical, chemical and agrochemical industries, soil and groundwater contamination has occurred at some of our sites in the past, and may still occur or be discovered at others. In Sanofi's case, such sites are mainly located in the United States, Germany, France and the United Kingdom. As part of a program of environmental surveys conducted over the last few years, detailed assessments of the risk of soil and groundwater contamination have been carried out at current and former Sanofi sites. In cooperation with national and local authorities, Sanofi regularly assesses the rehabilitation work required and carries out such work when appropriate. Long-term rehabilitation work is in progress or planned in the United States (Mount Pleasant and Portland); in Germany (Frankfurt); in France (in particular Valernes and Limay); and at a number of sites divested to third parties and covered by contractual environmental guarantees granted by Sanofi.

We may also have potential liability for investigation and cleanup at several other sites. We have established provisions for the sites already identified and to cover contractual guarantees for environmental liabilities for sites that have been divested. In France specifically, we have provided the financial guarantees for environmental protection required under French regulations.

Potential environmental contingencies arising from certain business divestitures are described in Note D.22.d to our consolidated financial statements. In 2023, Sanofi spent €33 million on rehabilitating sites previously contaminated by soil or groundwater pollution.

Due to changes in environmental regulations governing site remediation, our provisions for remediation obligations may not be adequate due to the multiple factors involved, such as the complexity of operational or previously operational sites, the nature of claims received, the rehabilitation techniques involved, the planned timetable for rehabilitation, and the outcome of discussions with national regulatory authorities or other potentially responsible parties, as in the case of multiparty sites. Given the long industrial history of some of our sites and the legacy obligations arising from the past involvement of Aventis in the chemical and agrochemical industries, it is impossible to quantify the future impact of these laws and regulations with precision.

We have established, in accordance with our current knowledge and projections, provisions for cases already identified and to cover contractual guarantees for environmental liabilities relating to sites that have been divested. In accordance with Sanofi standards, a comprehensive review is carried out once a year on the legacy of environmental pollution. In light of data collected during that review, we adjusted our provisions to €494 million as of December 31, 2023, compared with €526 million in 2022. The terms of certain business divestitures, and the environmental obligations and retained environmental liabilities relating thereto, are described in Note D.22. to our consolidated financial statements, included at Item 18 of our 2023 Annual Report on Form 20-F.

3.3.10. Animal protection

The responsible use of animals is essential for the research and production of medicines and vaccines. Our global research and analytical control strategy combines use of animals with non-animal methods, use of patient data, and clinical research.

An Animal Ethics Advisory Committee was set up at the end of 2017 under the direction of Sanofi's Chief Veterinary Officer (who is a member of our Bioethics Committee) to address issues of public concern relating to the use and protection of animals. The Committee meets quarterly to determine guidelines and positions adopted by Sanofi on animal use and care, and ensure they are compatible with international recommendations. For example, the Committee drew up guidelines on crisis management, drawing on experience gained during the COVID-19 pandemic. In 2023, the Advisory Committee embarked on an exercise to evaluate and recast the existing policies, to better understand their real-world impact. Through the Advisory Committee, our Chief Veterinary Officer also handles links between vets and Ethics Committees at all our sites.

In line with our global policy on animal protection, we are committed to developing alternative approaches and subscribe fully to the "3Rs" (Replacement, Reduction and Refinement) principle on the use of animals in research and production. This means that we do not use animals unless there are no adequate alternative methods that can achieve the same purpose (replacement); we minimize the number of animals used to the extent compatible with good science (reduction); and we minimize pain and suffering through good housing and treatment (refinement). Sanofi uses animals only if the scientific and regulatory case for animal experimentation has been clearly established, and within strict ethical guidelines as established in regulations and international standards.

We promote a "Culture of Care", the core value of which is to adopt a responsible approach to animal testing among all professionals working at Sanofi sites.

In line with our long-standing commitment to the "3Rs" rule, this rule applies to all animals used by Sanofi for research; testing and producing medicines; investigational medicines; vaccines; medical devices; and active ingredients. This rule also applies to those who breed, supply and transport animals for use in research, trials or production, and to third parties who use animals under our instruction. Our in-house laboratory animal experts carry out periodic audits of third-party suppliers to make sure that they are complying with our principles of our animal protection.

During 2023, we continued with our efforts to reduce our use of animals. The total number of animals used at Sanofi sites in 2023 was 132,754[(1)]. That compares with our reported figure for 2022 of 188,821 animals, a reduction of 30%. Since 2013, we have reduced the number of animals used by 76%. At the end of 2021, we approved a new integrated research and testing strategy which aims to accelerate our shift to non-animal testing methods. The ultimate aim is to reduce the number of animals used in house and externally by 50% between 2020 and 2030. During 2023, the relevant Sanofi entities shared their action plans in this field, to encourage knowledge-sharing and adoption of best practice.

At end 2023, 12 Sanofi sites in seven countries were using animals. At 10 of those sites, we are directly responsible for housing and caring for the animals we sue. Those 10 sites have AAALAC[(2)] International accreditation, which guarantees high standards in the use and welfare of animals, in line with our voluntary commitment to have independent certification at all Sanofi sites. The other 2 sites, where animals are not housed on Sanofi premises, comply with AAALAC International or equivalent standards.

During 2023, 41 contracted research organizations and 10 universities conducting tests on animals, as well as 7 breeders and suppliers of animals and animal-derived products, were subject to an evaluation and approved by our in-house specialists as entities that comply with our animal protection polices (no critical discrepancies identified).

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(1) *Calculated in accordance with national legislation in each country where we use animals. For our European sites, refer to Commission Implementing Decision 2020/569, available at eur-lex.europa.eu. The figure reported here covers the period from December 1, 2022 through November 30, 2023.*

(2) *Association for Assessment and Accreditation of Laboratory Animal Care International; https://www.aaalac.org/*

3.4. Vigilance plan

3.4.1. Methodology for selecting risks for the duty of vigilance

[GRI 3-1]

Sanofi believes that the risk identification principles applied for SEFP purposes and those applied for duty of vigilance purposes do not wholly overlap. Consequently, we conducted two risk identification exercises in parallel, using the same basic methodological framework but applying criteria specific to each of the two pieces of legislation. Risk identification for SEFP purposes sought to take account of the impacts on Sanofi and its stakeholders, while for the duty of vigilance only the impacts on people and the environment were assessed.

This means that although the risk mapping exercises are complementary and to a very large extent overlap, there are some risks that are specific to just one of the two pieces of legislation. A list of those risks is presented in the table in section "3.4.2., Duty of vigilance risk table"; the related policies and action plans are described in section "3.3., Detailed description of SEFP risks and issues" (for risks identified as common to both exercises) and in the present section (for risks specific to the duty of vigilance).

For risks specific to the duty of vigilance, we apply a three-step methodology:

- identify major issues inherent to the sector in which we operate;
- classify and evaluate, at Business Unit and support function level, the criticality of the risks associated with each major issue; and
- evaluate the level of control over those risks and prepare action plans to manage them.

In determining major risks to people or the environment, we applied a sector-based approach to identify which of our stakeholders are potentially affected and our major vigilance issues. For this, we drew largely upon feedback on our existing policies and internal processes, and in particular:

- the "Human Rights in Our Activities" guide, which identifies key human rights issues over the life cycle of our products; and
- our practice of identifying the highest-risk procurement categories and hence of suppliers; this involves allocating each category a score in terms of inherent risk (to human rights, health and safety, and the environment), and then weighting that score to reflect country risk.

Based on this analysis, backed up by external data - sourced from industry initiatives such as the Pharmaceutical Supply Chain Initiative (PSCI), international research studies and peer benchmarking - we were able to identify major vigilance issues relating to the protection of patients, our employees, the environment, and local communities. These vigilance issues are related to Sanofi's activities, whether we carry out those activities ourselves or through our direct commercial relationships.

For each issue identified, we assessed our existing risk management actions against criteria such as the existence and implementation of a policy (from definition of the commitments underpinning the policy, through to controls over its application) or of a company-wide action plan. Based on this assessment of the level of control, we were able to rank the residual risk and establish adequate action plans.

The Vigilance Plan covers the operations of Sanofi and of entities fully consolidated by Sanofi for financial reporting purposes, as well as the operations of our Tier 1 suppliers and subcontractors.

The duty of vigilance risks identified in this section are those we regard as major; for a presentation of all the issues related to our duty of vigilance, refer to the "*Plan de Vigilance*" (Vigilance Plan) factsheet, available via the Document Center on www.sanofi.com.

A cross-reference table showing all the information required by the duty of vigilance is provided in section "3.9., Corporate social responsibility cross-reference tables".

3.4.2. Duty of vigilance risk table

[GRI 3-2]

Category	Risk	Description	Section in this chapter
Health and safety	**Employee health and safety***	Risk that we may fail to provide a safe work environment and cause harm to our employees, suppliers or subcontractors, with immediate or future consequences for their health.	3.4.7. Employee health and safety
	Product safety for patients and consumers*	Risk of product safety breaches, from first administration in clinical trials on humans through to the end of the product's life cycle, that could have an adverse effect on patients or healthcare professionals. Such risks can be related to product quality, adverse effects (pharmacovigilance) and falsified medicines.	3.3.4. Product safety for patients and consumers (SEFP risk)
Human rights	**Patient safety in clinical trials***	Risk that we will breach ethical standards (informed consent, transparency of results), which could have an adverse effect on patient safety.	3.3.5. Medical ethics and bioethics (SEFP risk)
	Biopiracy*	Risk that we will fail to respect state sovereignty or the intellectual property rights of indigenous peoples when obtaining patents and commercializing endemic resources identified as a result of bio-prospecting traditional practices and know-how.	3.4.13. Biopiracy
	Data Privacy*	Risk that we will fail to respect the privacy of customers, employees, patients or healthcare professionals by compromising the integrity, confidentiality or accessibility of their personal data.	3.4.10. Data Privacy
	Fundamental human rights at work*	Risk that the fundamental human rights of employees will be breached as a result of our operations, or those of our suppliers or subcontractors.	3.4.6. Fundamental human rights at work
Environment	**Minimize water consumption***	Risk that we will withdraw too much water relative to the capacity of the ecosystem and the needs of other users, especially the most vulnerable.	3.3.9.5. Water: a limited resource (SEFP risk)
	Minimize environmental discharges*	Risk that discharges and emissions from our industrial and R&D operations will adversely affect the environment or human health, or will not be appropriately managed by our own staff or by our suppliers or subcontractors.	3.3.9.10. Environmental releases (SEFP risk)

* *Indicates risks that apply not only to our own operations, but also to those of our suppliers, subcontractors and partners. See section "3.4.14., Procurement and subcontracting", for measures taken to manage risks within our supply chain relating to employee health and safety, environmental releases and human rights at work.*

3.4.3. Governance & Oversight

Our vigilance approach is under the joint control of our heads of CSR and HSE. Global coordination is provided by our CSR department, who ensure that there is a good fit between the various measures in the vigilance approach, and that those measures are implemented.

The CSR department works closely with our People & Culture, HSE, Procurement, Legal and Ethics & Business Integrity departments; its remit includes global oversight of Vigilance Plan implementation. Monitoring of risk management policies and whistle-blowing systems is the responsibility of the specific departments concerned, such as HSE. In October 2023, the implementation status of the Vigilance Plan was presented to the Appointments, Governance and CSR Committee of the Board of Directors.

3.4.4. Dialogue with stakeholders

[GRI 2-29]

Sanofi makes regular presentations to trade unions about the rollout and monitoring of the Vigilance Plan, via a working group mandated by the Group Works Council. Since the publication of the initial plan, regular meetings have been held to discuss issues such as risk mapping relating to human rights at work, sustainable procurement, whistle-blowing, and supplier assessments. One meeting was held in November 2023; the issues presented included a follow-up on internal control points relating to policies on human rights at work, and a progress report on sustainable procurement.

3.4.5. Whistle-blowing systems and report-handling

[GRI 2-26]

A whistle-blowing system has been in operation at Sanofi since 2006, enabling any employee to report any breach of our Code of Conduct. It covers the issues identified in the Vigilance Plan, and is described in section "3.3.7.2.3., Speak-Up Helpline".

Alongside this global whistle-blowing system, Sanofi has specific mechanisms in place for patients to flag issues and give early warnings about drug safety, which is described in section "3.3.4. Product Safety for Patients and Consumers."

3.4.6. Fundamental human rights at work

[GRI 406-1, GRI 407-1, GRI 408-1, GRI 409-1]

We employ more than 86,000 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. Fundamental human rights at work refer mainly to rights associated with ILO standards (International Labour Organization), and in particular the following conventions:

- freedom of association and recognition of the right to collective bargaining (ILO conventions 87 and 98);
- elimination of all forms of forced labor (ILO conventions 29 and 105);
- effective elimination of child labor (ILO conventions 138 and 182);
- elimination of discrimination in employment (ILO conventions 100 and 111); and
- just and favorable working conditions (ILO conventions 1, 14, 106, 132 and 138)

Sanofi has committed to applying international standards on human rights, including the United Nations Guiding Principles on Business and Human Rights, and to carrying out 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.

A description of our risk mapping, organization, policies, action plans and performance monitoring in respect of fundamental human rights is provided below.

3.4.6.1. Human rights at work risk mapping

The following risks have been specifically identified as salient for Sanofi as regards the fundamental rights of employees:

- for sales, R&D and support function activities: psychosocial risks, and the risk of isolated practices that may be prejudicial to freedom of association and the principle of non-discrimination; and
- for manufacturing and distribution activities: risk of employing migrant workers in situations that may be tantamount to forced labor; risk of excessive working hours; risk of wages below decent wage levels; risk of hazardous work being carried out by children aged under 18; and the impossibility for Sanofi to meet its commitments on freedom of association and non-discrimination in at-risk countries.

The risk factors we use to identify and evaluate the criticality of human rights risks are related to the characteristics of the labor force used (level of qualification, working conditions, potential presence of vulnerable workers) and of countries where we do business (such as legislation that is inadequate or contrary to international standards, widespread human rights violations, or a large presence of vulnerable populations in the country). Because we classify our employees by what they do (industrial, sales, support functions, etc.), we were able for each risk to determine its probability and severity (the seriousness of the potential risk and the number of people potentially affected, and whether the potential violation is systemic or isolated). This methodology was developed in consultation with our Risk Management department.

A similar methodology has been used to undertake the risk mapping of employees in our supply chain (see section "3.4.14.3 Supplier Risk Assessment").

3.4.6.2. Organization

Sanofi has for many years adopted a proactive vigilance approach to prevent our activities, and those of our business partners, from having negative impacts on human rights. Three of our support functions play key roles in this approach. The human rights manager sitting in our CSR department provides expertise in embedding human rights into our activities and those of our business partners; our People & Culture and Procurement functions implement policies and action plans; and the Internal Control and Internal Audit functions check that the policies are being implemented and complied with.

3.4.6.3. Policies and action plans

We pay particular attention to respect for the fundamental rights of employees, whether employed directly by Sanofi or indirectly by parties with whom we do business.

In 2015, we approved and rolled out three internal policies on freedom of association;; prohibition of forced labor, including modern slavery and human trafficking; and prohibition of child labor. These policies reiterate our commitments to employees, and establish processes to translate those commitments at operational level by identifying and controlling the risk of infringements of these rights and requiring the implementation of due diligence. Our policies are based on ILO conventions, and in particular on those listed in section 3.4.6 regarding:

- freedom of association, protection of the right to collective bargaining;
- child labor; and
- forced labor.

To ensure that these policies are properly implemented, specific control points have been built into our internal control system, covering respect for freedom of association and the right to collective bargaining; the elimination of all forms of forced labor; and the abolition of child labor. We strengthened our existing processes in 2023 to reflect our risk mapping, revising our existing policies to make risk assessment questionnaires compulsory and more operational, and to ensure that data are reported up to our CSR department.

For workers in our supply chain, refer to section "3.4.14.1 Supplier Code of Conduct" for details on the Supplier Code of Conduct and control points.

3.4.6.4. Performance indicators

In 2023, 14 affiliates[1] were identified through our risk mapping as being at risk from a human rights perspective (Algeria, Brazil, China, Colombia, Egypt, India, Mexico, Russia, Saudi Arabia, South Africa, Thailand, Tunisia, Turkey and Vietnam), based on the following criteria: level of country risk, number of employees, and presence of production or distribution activities. Those affiliates represent approximately one third of the Sanofi workforce. Of those 14 affiliates, ten (representing more than a quarter of the Sanofi workforce) have already been subject to audit. Our 2023 internal control efforts focused on these affiliates, which responded to the self-assessment questionnaire. The main findings are summarized below:

Issue	Findings
Child labor Principal control points: • No hiring of children aged under 15, or aged under 18 for dangerous work • Verification of age on hiring • Danger level assessment of jobs for young workers/compliance with ILO working hours	No major compliance breaches reported No employment of persons under the age of 18 Systematic verification of age upon hiring
Forced labor and modern slavery Principal control points: • Existence of written, transparent employment contracts • Regularity of wage payments • Transparency and clarity of calculation methods, payslips, etc. • No need to work overtime to earn a decent wage • No withholding of wages or recruitment costs (including by recruitment agencies) • No retention of identity papers • Compliance with ILO working hours standards: weekly, daily, overtime, paid leave, maternity leave	No major compliance breaches reported Written and transparent employment contracts Regular salary payments No withholding of wages or recruitment fees at the end of the contract. Mechanisms for raisiing wage issues without fear of reprisals No overuse of temporary workers Difficulties encountered in some countries in defining and calculating a decent wage, and in exercising control over hiring agency practices Compliance with 48-hour week and daily working hours, weekly rest day and two weeks paid vacation/year Some countries report discrepancies between Sanofi policy and local regulations relating to overtime thresholds
Freedom of association Principal control points: • No discrimination based on trade union membership, and no abusive practices against worker representatives • Respect for the right to collective bargaining	Reports of difficulties applying standards due to discrepancies between local legislation in certain countries and Sanofi policy

Corrective action plans are being drawn up within the entities concerned, on top of collective actions taken at company-wide level (see above).

Furthermore, one affiliate (Turkey) was audited in 2023 by an independent third party on their self-assessment questionnaire answers and a minor finding on working hours was identified.

Refer to section "3.4.14.3. Supplier Risk Assessment" and section "3.4.14.7. Supplier Audits" for performance monitoring of our sustainable procurement program, covering rights of workers in our supply chain.

[1] *Compared with 16 affiliates at risk from a human rights perspective in 2022, given that during that year we divested our production activities in two countries (Indonesia and Pakistan) where we had affiliates.*

3.4.7. Employee health and safety

[GRI 403-1, GRI 416-1]

The health and safety of our employees is addressed as part of our global Health, Safety and Environment (HSE) strategy.

3.4.7.1. Sanofi HSE strategy

3.4.7.1.1. Sanofi HSE policy

As a global healthcare player, we are committed to providing a safe and healthy workplace for all employees and contractors working at our sites, while minimizing the environmental footprint of our activities and products. To deliver on this commitment, Sanofi has developed an HSE strategy based on a management system that is consistent with the issues faced by the company in its activities, and involves the whole organization. The policy is established by our HSE department, validated by our senior management, and signed off by our CEO.

A cornerstone of the Sanofi HSE strategy, this policy is integral to our commitment to corporate social responsibility:

- we constantly strive to embed an HSE culture where each person takes responsibility for preventing accidents and harm to health, promoting wellness at work, and reducing environmental impacts. This message is shared with everyone in Sanofi;
- development projects and product launches are assessed for potential risks to health, safety and the environment. These assessments draw on all our scientific and technical knowledge, use the best technologies available, and take account of the life cycle of the product in question;
- to protect the environment, we pay close attention to the impacts of our operations and products by conserving water and energy, and reducing the impact of emissions, effluent and waste across all our industrial, R&D and commercial activities. We are also actively engaged in fighting climate change; and
- we encourage our suppliers, co-contractors and subcontractors to apply our HSE rules; when assessing and referencing them, we use application of our HSE rules as a criterion.

We adopt a constructive approach to transparency and dialogue with third parties on our HSE policy.

3.4.7.1.2. Organization

Under the direction of our Global Head of HSE, who reports to a member of our Executive Committee, the global HSE organization covers all business segments and geographies, and the entire life cycle of Sanofi products, and comprises of:

- a global center of excellence, using scientific and technical expertise to develop global strategies across the whole of Sanofi, and providing support to our operations and partners;
- HSE Business Partners for our R&D and Manufacturing & Supply activities, subsidiaries and sales forces, tasked with cascading the global strategies down within their sphere of operations and monitoring performance; and
- regional HSE managers, who provide operational support aligned on global and business-specific strategies and on local regulations.

The global HSE function is backed up by:

- a dedicated HSE department within each of our industrial, research and tertiary sites, representing around 700 employees in total across 45 countries who run and implement HSE programs at site level;
- professional firefighters, at sites where this is required (such as those classified as “Seveso” because of hazardous substances); and
- occupational health services, either in-house or outsourced, offering medical coverage appropriate to the nature of occupational risks. Internationally, the HSE department has a leadership team of eight Key Medical Doctors (KMDs), based in the regions of the world where we operate, who develop and harmonize occupational risk prevention and medical surveillance activities within Sanofi in compliance with local regulations.

Finally, our HSE department heads up a number of expert committees that assess the impacts and hazards of substances and biological agents.

3.4.7.1.3. Managing HSE risks

Our HSE department has established a risk evaluation methodology that is applied to all our sites, and is consistent with Sanofi's global risk evaluation methodology. The aim of this risk mapping process is to obtain a comprehensive overview, from site level upwards, of the criticality of the principal HSE risks to which Sanofi is exposed and the level of control over those risks.

Each site carries out a comprehensive risk evaluation program covering all its activities once a year or whenever a significant change occurs, which is signed off by management at site and activity level. The evaluation methodology identifies and quantifies hazards, and assesses the level of risk in light of the extent to which the risk is controlled and the nature of the site:

- evaluation of regulatory compliance including environmental permits, operating licenses, management of hazardous chemicals, transport of hazardous goods, and any regulated substances on the site;
- evaluation of the risk of exposure in occupational health terms, including potential exposure to chemicals, biosafety hazards and radiation, physical stress factors, noise, vibrations, and ergonomic issues;
- evaluation of major risks affecting business continuity including process safety, risks of explosion or fire, and exposure to natural risks;
- evaluation of workplace risks including solitary work, road safety, asphyxia, hazardous machinery, the risk of working at heights, handling and lifting equipment, electricity, and managing hazardous work sites; and
- evaluation of environmental risks such as soil pollution, waste management, water and effluent management, atmospheric emissions and climate change.

A global HSE Risks Committee consolidates the site-level risk mapping and draws up a company-wide HSE risk map, which is then sent to Sanofi Risk Management.

All risk maps are translated into action plans, which are periodically monitored at site level.

Each site establishes and maintains its own emergency response plan, adapted to reflect site-specific risks and the internal or external resources that would be deployed or called upon in response to those risks.

Special case: sites with "Seveso" classification (major risks)

Our chemical manufacturing sites in Aramon and Sisteron in France are classified as "Seveso III" (from the name of the European directive relating to potentially hazardous sites, providing a list of activities and substances and the associated classification thresholds). In accordance with French law on technological risk prevention, the Aramon and Sisteron sites are subject to more stringent safety inspections due to the toxic or flammable materials stored on the sites and used in their operating processes.

The other European site classified as "Seveso III" establishment has specialized response resources, implemented by standby crews and employees who have received second response training.

3.4.7.1.4. HSE management system

Sanofi distributes an HSE policy reference manual to all sites.

The manual sets out measures to be applied so that activities can be managed in a way that minimizes risks and impacts. It describes Sanofi's standards and methodological tools, and builds in the results of risk/opportunity analysis and expectations on the part of stakeholders – including customers, NGOs, investors and civil society.

Seeking to improve at all times, our HSE management has set out our HSE 2025 ambitions in a roadmap, backed by quantified objectives and action plans, that is shared across all levels of Sanofi.

Each site is subject to periodic monitoring to assess adherence to action plans and attainment of objectives.

The entire management system is reviewed regularly; it covers the full scope of Sanofi, including in-house and external staff.

In 2023, the HSE management system of Sanofi has been assessed and certified as meeting the requirements of ISO 14001:2015 for the following activities: Research, development, manufacturing, supply chain, sales & marketing, administration, and related support functions performed in the Business Units.

3.4.7.1.5. HSE compliance and internal audits

Wherever we do business, we are committed to complying with the HSE laws and regulations that apply to us and to implementing recommendations made by external audits conducted (for example) by our insurers, customers, or standards bodies.

In addition to the regulatory watch role carried out by our global experts within their sphere of competence, individual sites also monitor local HSE regulations and compliance with local administrative and HSE requirements.

The HSE department runs audit programs to assess compliance with internal HSE rules and standards.

Those audits are carried out by Sanofi Lead Auditors, supported by other staff members who have recognized HSE experience and have followed a dedicated training program leading to an examination. Our audit and auditor qualification process has ISO 14001 certification, and is validated annually by a qualified external body. In advance of the periodic HSE audits, an independent expert conducts a compliance audit to check that local regulations are being applied. The HSE audit then checks that this was conducted properly, and that an action plan is in place to deal with any non-compliance.

	2023	2022	2021
Number of internal HSE audits, including Biosafety	33	36	50
Number of auditors trained	17	18	17
Number of employees who have performed audits	54	51	71

In 2023, 35 of our sites were certified to ISO 14001 and 28 to ISO 50001. The ISO 14001 certification coverage represents 54% of our employees in Manufacturing & Supply, R&D, and corporate tertiary premises. The ISO 50001 coverage represents 67% of the Sanofi energy consumption.

In addition to our own internal verification and audit procedures, our sites are also subject to regular inspections by local authorities, or to regulatory inspections by third parties on specific issues. For example, 100 visits were made during 2023 by technical experts from our insurers.

3.4.7.2. Workplace health and safety programs

[GRI 403-2]

3.4.7.2.1. Occupational injury prevention

Preventive measures are designed primarily to reduce the number and severity of occupational injuries and to minimize the exposure of permanent and temporary Sanofi employees as well as our subcontractors.

Sanofi has implemented a sophisticated real-time monitoring tool that alerts management as soon as possible after an accident has occurred, and tracks frequency rates. A monthly report is issued to operational managers, and a quarterly report is sent to the Chief Executive Officer and the Executive Committee members.

Analysis of occupational injuries includes a review of the root causes of serious and potentially serious accidents; identification of non-compliant situations and near misses; safety visits; and sharing of good practice. This helps guide the implementation of specific local or global preventive programs involving technical, organizational and people-based measures. The Sanofi “Safety Culture” program urges all employees to take an active interest in their own safety and that of their colleagues by raising their awareness of the hazards and risks in their day-to-day environment and in their tasks, actions and practices.

Learning from experience (incidents and good practices) is based on a dedicated reporting datasheet containing an analysis of significant incidents, the immediate and root causes, and actions to be taken (some of which, if the issue is serious enough, will have to be completed within a specified time-frame). The datasheets are prepared by experts and disseminated through the entire HSE network, and to operational and site managers (R&D, industrial and administrative). In 2023, 41 datasheets were shared with sites (three vigilance sheets and 38 flashes).

Preventive measures are also taken at site level, based on their risk analyses and actual incidents.

3.4.7.2.2. Road safety

Hands-on training cycles largely replaced and supplemented the online sessions introduced during recent years. This year, a large-scale campaign called "One Hour Stop For Safety" was once again run in the vast majority of countries where we operate. This sees employees taking an hour out of their work routine so they can get together and discuss road safety risks and how to drive more safely.

We revamped the format of road safety training delivered by line managers in 2022 to make it simpler and more impactful. An international working group devised a new approach which encourages drivers to identify how they can improve their driving, and sets up action plans which are then followed up in a second session.

3.4.7.2.3. Occupational health

Based on an evaluation of health risks, each site implements risk prevention programs and occupational health practices in accordance with Sanofi's HSE rules. This mainly involves individual and collective containment and protection measures to prevent exposure at all work-stations where chemical substances or biological agents are handled.

From the development of compounds to the commercial launch of new drugs, Sanofi research scientists continually assess the effects of products on human health, especially that of our employees. These assessments form part of the work of two committees, covering chemical risks (COVALIS) and biological risks (TRIBIO), which determine adequate preventive and protective measures for our people. These committees pool the resources of our network of international experts, and draw upon Sanofi standards and policies.

In addition, specific resources are allocated to the implementation of the European Union regulation on Registration, Evaluation, Authorization and Restriction of Chemicals (REACH). In compliance with the European CLP regulation on the classification, labeling and packaging of chemical substances, we have registered the relevant substances with the European Chemicals Agency (ECHA).

All personnel are monitored under medical surveillance programs that are based on the results of occupational risk assessments linked to their duties.

Occupational diseases and their causes are divided into categories based on international standards. For the purposes of prevention, the number and cause of occupational diseases is consolidated for Sanofi as a whole on an annual basis. This improves data reporting, and gives a better understanding based on local regulations that may vary greatly from country to country.

In line with European statistics, the principal type of occupational disease reported and recognized within Sanofi during 2023 in accordance with local administrative criteria was the musculoskeletal disorder category.

3.4.7.2.4. Health and safety training

[GRI 403-5]

We invest in training and awareness programs designed to embed the prevention of health and safety risks into everything we do.

Each new employee receives initial health and safety training appropriate for their job profile so that they can perform their work in strict compliance with the rules. Depending on their jobs, employees may then follow other training modules specifically related to what they do.

Founded in 2012, the Sanofi HSE Academy enables all employees to access the training programs developed and approved by our HSE department, supplementing the training provided directly by local sites.

Our training offer is a mix of periodic courses and specific training to address new needs and challenges facing Sanofi.

Highlights of 2023 :

- we launched new pilot programs accessible worldwide to improve understanding of hands-on technical HSE issues around chemical risk assessment (30 trainees) and the risk of explosions in laboratories (68 trainees), or to develop human skills such as collaboration and influencing (14 trainees);
- we developed and rolled out three online modules (translated into 10 languages) to support the deployment of QualiPSO, a new HSE and Quality management tool;
- a new Leadership and Safety module was developed for management teams, to raise awareness of emerging challenges in a fast-changing world;
- alongside these new initiatives, we continued delivering our periodic training courses, such as the industrial explosion risk program (49 trainees); onboarding for new HSE managers (4 trainees); Leadership and Safety, delivered to over 100 senior managers; Managerial Safety Visit Coaching (nearly 30 employees certified); and the "Auditor Pool" course, which enabled us to add 17 new auditors to our existing audit teams.

3.4.7.3 Occupational injury/disease indicators

[GRI 403-9, GRI 403-10]

Health and safety in the workplace	2023	2022	2021
Reduce the total occupational injury frequency rate[b] (FR) – any employee[a] to below 2	1.8	2.0	2.1
Reduce the lost time injury frequency rate[b] – any employee[a] to below 1.4	1.2	1.3	1.3

(a) "Any employee" includes Sanofi employees, temporary workers and subcontractors.

Safety indicators	2023	2022	2021
Lost time injury frequency rate[b] – Sanofi personnel	1.1	1.1	1.0
Lost time injury frequency rate[b] – Contractors	1.4	2.3	2.1
Total occupational injury frequency rate – Sanofi personnel	1.6	1.7	1.7
Total occupational injury frequency rate – Contractors	2.6	3.4	3.1
Number of deaths	0	1	0
Number of deaths - Contractors	0	0	0
Number of occupational diseases reported	17	19	28

(b) For definitions, see section "3.7.2.2., Safety indicators".

30% of accidents were due primarily to ground-level falls. However, the ground-level falls prevention program initiated in 2018 has had a positive impact, with the number of accidents of this type well below the 2018 level (105 in 2023, 199 in 2018)

A total of 17 occupational diseases were reported to local authorities in 2023, compared with 19 in 2022. The main reduction was in musculoskeletal disorders, which also accounted for the majority of occupational diseases: 13 in 2023 (76%), and 10 in 2022 (53%).

A total of 15 occupational diseases were reported in Europe (14 in France, 1 in Germany), one in the United States, and one in Canada, where systems for identifying and reporting such diseases are well established.

We also used an additional medical reporting system (Mood), which showed a resurgence in mental health issues that may be partly due to the effect of the pandemic on our people's working lives. To remedy this situation, worldwide guidelines on workplace wellness (including mental health) were rolled out in 2022.

3.4.8. Product safety for patients and consumers

See section "3.3. Detailed description of SEFP risks and issues — 3.3.4., Product safety for patients and consumers".

3.4.9. Patient safety in clinical trials

See section "3.3. Detailed description of SEFP risks and issues — 3.3.5., Medical ethics and bioethics".

3.4.10. Data Privacy

In a world shaped by digital innovation and data exchange, it is essential that we protect and drive the responsible use of personal data of our employees and of patients, healthcare professionals and other partners with whom we interact.

3.4.10.1. Organization

Our Chief Privacy Officer is responsible for implementing a comprehensive privacy program within Sanofi. He manages a team of corporate Legal Privacy Counsels, an international network of Local Privacy Officers (LPOs) in each country where Sanofi has subsidiaries and Functional Privacy Officers aligned to our key Business Units and Functions. Since 2022, this Privacy team is integrated within the Global Ethics & Business Integrity (E&BI) department and is supported by a network of champions to provide practical expertise and support where and when it matters for our stakeholders.

3.4.10.2. Privacy Framework

Sanofi uses a risk based approach to minimize privacy risks and design proportionate controls. Recognizing the variations of regulations in the countries where we operate, we implement a Global Privacy Governance Framework, consisting of standards, procedures, templates, and tools designed to ensure compliance with applicable privacy laws.

Sanofi increases general awareness through education and communication to reinforce its culture of privacy. In 2023, Sanofi has rolled out a mandatory training to all employees addressing Privacy fundamentals.

Sanofi also conducts due diligence and active monitoring to help ensure that we only work with reliable business partners when transferring personal data inside or outside the company, while ensuring that adequate contractual measures are implemented to safeguard all transfers.

The very nature of our business requires the processing of data of individuals who receive our treatments. Such data may be collected in clinical trials or genetic and epidemiological studies, during the monitoring of pharmacovigilance information, and under Patient Support Programs. We actively detect and manage security and privacy events, personal data breaches and data subject rights requests, ensuring relevant parties are informed and supported.

Sanofi ensures each project involving personal data applies privacy-by-design and transparency principles through a step-by-step compliance roadmap.

Furthermore, as the Company harnesses the innovation potential of Artificial Intelligence (AI) at scale, Sanofi has designed and deployed a comprehensive framework to ensure the safe and ethical use of AI in all operations.

3.4.11. Water resource management

See section "3.3. Detailed description of SEFP risks and issues — 3.3.9.5., Water: a limited resource".

3.4.12. Environmental releases

See section "3.3. Detailed description of SEFP risks and issues — 3.3.9.10., Environmental releases".

3.4.13. Biopiracy

Sanofi is committed to complying with conventions on the protection of biodiversity and combating biopiracy. Compliance with local regulations derived from the Nagoya Protocol requires coordinated efforts across all Sanofi entities. In 2017, we put in place appropriate documentation and policies relating to the Nagoya Protocol. We also created a dedicated intranet site, accessible to all our employees, to raise awareness of the Nagoya Protocol. Staff in key departments receive regular training. To continue the internal rollout and ensure compliance, we set up a Nagoya expert group, who report to our Bioethics Committee.

The Nagoya expert group continues to work on issues arising from implementation of the protocol in the signatory states. The aim is to monitor how practices are changing in light of the reaction from stakeholders. The use of digital sequencing information on genetic resources is an issue we are following closely, especially since the COP15 decision to establish a multilateral framework and global fund to share the benefits derived from the use of such data.

Our actions are guided by the principle that when we commercialize products derived from natural substances, we share our profits with countries that allow access to their natural resources and with local populations who have specific know-how. At each stage in the value chain, we obtain assurance that products that contain or are developed from natural products comply with international conventions.

The COVID-19 pandemic has highlighted the difficulties around including human pathogens in the scope of the Nagoya Protocol, and reignited the debate at international level [(1)].

3.4.14. Procurement and subcontracting

[GRI 308-1, GRI 308-2, GRI 414-1, GRI 414-2]

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 (including our Global Business Units and support functions). This structure delivers synergies, in terms of both expertise and procurement costs. Our procurement policy, which applies to all our employees, is based not only on economic principles but also on ethical, environmental and social principles.

Procurement key figures	2023	2022	2021
Procurement spend (€ billion)	15.8	17.8	14.1
in OECD countries	*14.4*	*16.2*	*12.7*
in non-OECD countries	*1.3*	*1.7*	*1.4*
Number of suppliers [(a)]	33,952	43,680	52,563
Number of countries where we have suppliers	119	132	128

(a) The decreasing trend in supplier numbers is due to supplier consolidation, retirement of non active suppliers and implementation of a marketplace for small and one-off suppliers with limited spend.

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.

[(1)] *https://www.ifpma.org/subtopics/public-health-implications-of-the-implementation-of-the-nagoya-protocol/*

For procurement categories considered at risk from a sustainability standpoint, suppliers are either audited (most critical vendors), or subject to thorough due diligence questionnaires.

Supplier audits, focusing primarily on Health, Safety and Environment (HSE) performance, but also (where relevant) on Human Rights issues, are conducted by the Sanofi HSE department or outsourced to external auditors. These supplier audits are mainly targeted at high-risk subcontractors manufacturing critical Sanofi raw materials. Action plans are continuously monitored to ensure issues are remedied.

Due diligence questionnaires are managed through a third-party provider. The detailed questionnaire assesses supplier maturity for a wide range of CSR criteria. A number of other risk assessments also take into consideration the environmental sustainability and ethics-based sourcing of suppliers to calculate the combined supplier risk score.

On labor and human rights, Sanofi suppliers are required to comply as a minimum with international human rights treaties, without prejudice to more favorable national laws. In particular, compliance by suppliers with ILO (International Labor Organization) fundamental conventions is an essential requirement for Sanofi. The following aspects are scrutinized in Sanofi's procurement process: child labor, working hours, wages and benefits, and freedom of association.

3.4.14.1 Supplier Code of Conduct

Sanofi's commitment to responsible procurement is reflected in our Supplier 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 fundamental 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 Supplier Code of Conduct is integrated into our electronic ordering systems. Each time a supplier is onboarded, they must acknowledge and agree to our Supplier Code of Conduct, which is available in the Document Center on www.sanofi.com.

3.4.14.2 Supplier Risk Governance

In 2023, Sanofi built the internal Supplier Risk Governance Structure, which enables us to align our strategic initiatives with our suppliers and helps monitor risk associated with key suppliers. It also enables us to learn, and to improve the capabilities of our suppliers.

Sanofi employs a robust governance model, led by its dedicated risk management team. This model emphasizes continuous interaction and a commitment to the principles of continuous improvement. Key stakeholders involved in this process include procurement teams, regional procurement leads and the risk management team.

The governance model aims to address the three major areas in supplier lifecycle management – Supplier Onboarding, Supplier Risk Assessment and the Business Continuity aspect. The framework involves weekly, monthly and quarterly meetings with Sanofi internal stakeholders to address the supply risks that may arise due to risky suppliers in the system. It aims at preparing exit or mitigation strategies and action plans for Sanofi's suppliers.

3.4.14.3 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. 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; and
- human rights: the characteristics of the workforce (level of qualification, number, temporary or permanent), and specific human rights risks in the sector.

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; and
- group B: Third-party assessment

	2023	2022	2021
Number of suppliers assessed on their CSR performance	225	273	392
Number of assessed suppliers that met our CSR requirement	211	237	315
Percentage of assessed suppliers that met our CSR requirement	94 %	87 %	80 %
Number of buyers trained to use the Responsible Procurement Platform (a)	330	447	389

(a) Cumulative

Sanofi assessed 225 suppliers in 2023. Of those, 214 were undergoing a reassessment and 25% of those had improved their rating after following an action plan.

3.4.14.4 Supplier Selection

Since 2022, suppliers participating in Sanofi tenders have had to go through a compulsory sustainability assessment, encompassing human rights, environmental policies, CO_2 emissions and product/service traceability. This assessment contributes to up to 20% of a supplier's score card in the tender award process. If a supplier does not have measures against forced labor, child labor and discrimination, it cannot be selected.

If not already in place, suppliers need to commit to go through a third-party assessment (all purchases); measure their Scope 1 & 2 CO_2 emissions (goods purchases); have plans to measure Scope 3 and disclose their CDP climate assessment (goods purchases); and apply a robust Diversity, Equity and Inclusion policy (service purchases).

If a supplier is selected and has a sustainability score below average, corrective action plans need to be integrated into the contract and implemented within one year.

3.4.14.5 Supplier Onboarding

As part of their onboarding process, suppliers considered at risk from a sustainability standpoint as per the supplier risk assessment are systematically requested to complete a third-party assessment. This is carried out through a dedicated supplier onboarding platform, which by the end of 2023 covered 85 of the 91 countries where we carry out procurement. This solution also manages other targeted due diligence (anti-bribery, financial and cybersecurity), and the systematic sign-up of our vendors to our Supplier Code of Conduct. Sanofi is transitioning to a new supplier management platform with advanced functionalities, including easier onboarding of its supplier base. This transition started in the fourth quarter of 2023 and is expected to finish in the last quarter of 2024.

3.4.14.6 Supplier Evaluation

Sustainability evaluations are managed through a third party. In line with our CSR ambitions, the scope to be assessed represents 700+ suppliers:

- top 300 suppliers by amount of spend – mandatory;
- high-risk suppliers (approximately 400) – mandatory (as defined in section 3.4.14.3.); and
- suppliers participating in Sanofi tenders (as defined in section 3.4.14.4.).

Our objective is to carry out around 300 supplier assessments per year, the aim being to achieve coverage of all our strategic high-risk suppliers by 2024. We currently stand at around 71%.

The assessment must be renewed at least every three years, and suppliers with a score below target must implement corrective action plans in areas flagged as insufficient. In the event of significant and/or non-remediated deviations, Procurement may decide to conduct on-site audits or terminate the relationship.

3.4.14.7 Supplier Audits

Supplier audits, focusing primarily on Health, Safety and Environment (HSE) performance, but also (where relevant) on Human Rights issues, are conducted by Sanofi's HSE Department or outsourced to external auditors.

In 2023, our objective was to focus on critical and antibiotics suppliers and to continue carrying out audits of all our high risk active pharmaceutical ingredient (API) providers and contract manufacturing providers.

	2023	2022	2021	2020
Number of audits of Sanofi CMOs (Contract Manufacturing Organizations) (a)	39	46	60	42
Number of audits of suppliers of active and intermediate pharmaceutical ingredients (API) (a)	86	81	88	44
Number of audits of other suppliers: packaging, logistics, CROs (Contract Research Organizations), etc. (a)	53	43	24	35
Number of suppliers audited during the year with critical findings	25	11	38	45

(a) Includes PSCI shared audits.

Improvement plans are monitored through re-assessments or follow-up audits:

	2023	2022	2021	2020
Number of active suppliers audited (cumulative)	836	757	667	573
For suppliers audited with critical findings:				
Number of supplier relationships terminated	45	46	14	18
Number of suppliers who have improved	60	22	4	9
Number of suppliers subject to re-audit	79	12	20	18

Data YTD October 2023

3.4.14.8 Cross-sectoral Initiatives

Since 2017, Sanofi has been a member of the Pharmaceutical Supply Chain Initiative (PSCI), a grouping of 72 pharmaceutical and healthcare companies who share a vision of better social, environmental, and economic outcomes for their suppliers. This collaborative initiative will improve our capability, jointly with our suppliers, to uphold our CSR commitments and obligations.

Through the PCSI, Sanofi participates in two major work programs:

- the supplier shared audit program; and
- the supplier performance improvement program: to establish formal industry guidelines and support suppliers to raise their capability to address issues around ethics, labor, health and safety, the environment (such as Scope 3 and decarbonization), and inclusion and diversity.

In addition, Indian and Chinese suppliers are regularly trained through the PSCI group on the following topics: pharmaceutical residues in the environment, antimicrobial resistance, water stewardship, safety, process safety and industrial hygiene. In 2023, 32 of Sanofi's Indian suppliers of active ingredients and 40 of Sanofi's Chinese suppliers of active ingredients participated. As Sanofi is an active member of PSCI, Sanofi hosted the 2023 Spring PSCI Congress in France.

3.4.14.9 Supplier Diversity

In 2022 Sanofi embarked on a mission to foster diversity and inclusion within our global procurement landscape. We implemented the E3 strategy (Educate, Engage, and Excel) as the cornerstone of our Supplier Diversity initiative to strengthen communities' economic engagement and create a positive impact by increasing the inclusion of historically disadvantaged or under-represented groups in our sourcing processes.

From a systems perspective, we enhanced the capabilities of our "Cockpit" dashboard. This tool provides clear insights into our spend, with specific supplier diversity tags in multiple regions across the globe. It also helps track our goals, and our commitment to spend over €1.5 billion (approximately 10% of our global expenditure) with small and minority-owned businesses by 2025. And as part of our E3 strategy, we have created a dedicated Diversity SharePoint, equipped with specialized resources for continuous tracking of diverse spend.

In 2023, we strengthened our partnerships with MSDUK (a certifying body for European supplier diversity) and WeConnect International (certification available in more than 50 countries), to increase our collaboration and engagement with women-owned businesses (at least 51% owned, managed, and controlled by one or more women) and to support women's economic empowerment. Working closely with Diversity Alliance for Science (DA4S), Sanofi provided mentorship for women-owned businesses, facilitating their expansion within corporate networks and pursuit of larger opportunities. As a testament to our proactive approach, we exceeded our €124 million target for women-owned business spend by 68%.

As of 2023, our supplier diversity spend was approximately €1.5 billion and our women-owned business spend approximately €262.1 million.

3.5. Taxonomy

3.5.1. Background

A- EU Taxonomy framework & requirements

The European Union (EU) has published European Regulation 2020/852 of June 18, 2020 (the so-called "Taxonomy Regulation") on the establishment of a framework to promote sustainable investments within the EU[(1)].

Under that framework, companies are required to disclose the percentage of their turnover, capital expenditure (CAPEX) and operating expenditures (OPEX) that is eligible for one or more of the six environmental objectives listed below:

- climate change mitigation;
- climate change adaptation;
- sustainable use and protection of water and marine resources;
- transition to a circular economy;
- pollution prevention and control; and
- protection and restoration of biodiversity and ecosystems.

The Annexes to the Regulation provide definitions of eligible activities, including the corresponding NACE (EC statistical classification of economic activities) codes, and technical criteria to determine whether those activities can be classified as effectively sustainable. Consequently, activities that do not meet those definitions are regarded as not defined in the reference framework ("non-eligible").

The disclosure requirements for key performance indicators (KPIs) for 2023 include eligibility for all six objectives, but also (for the second year) "alignment" for the two climate objectives. Sanofi has an obligation to disclose KPIs that show (i) the proportion of its eligible turnover, CAPEX and OPEX resulting from products and/or services associated with economic activities described in the Taxonomy Annexes, and (ii) the proportion of its aligned turnover, CAPEX and OPEX resulting from products and/or services associated with economic activities defined as "sustainable" in the Annexes to the Delegated Climate Acts[(2)(3)(4)].

Sanofi has analyzed the technical criteria for alignment across the scope of activities eligible for the two climate objectives. At present, these are limited primarily to (i) real estate activities and (ii) transport, as per sections 7 and 6.5 respectively of the climate change mitigation and adaptation Annex to the Regulation[(3)]. This involved reviewing activities eligible for the two climate objectives by reference to the three criteria of (i) substantial contribution, (ii) do no significant harm (DNSH), and (iii) minimum safeguards, as shown in the infographic below:

After this second alignment exercise, we may revise our approach as the regulation stabilizes and more data become available, especially as regards the technical criteria.

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(1) *European Regulation 2020/852 of June 18, 2020. Available at : https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32020R0852&from=EN*

(2) *Commission Delegated Regulation (EU) 2021/2178 of July 6, 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation. Available at: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32021R2178&from=EN*

(3) *Annex I to the Delegated Act on the Climate Change Mitigation and Adaptation objectives, available at: https://ec.europa.eu/finance/docs/level-2-measures/taxonomy-regulation-delegated-act-2021-2800-annex-1_en.pdf*

(4) *IFRS standards applied by the company.*

B- Relationship to our Planet Care roadmap

For the first two climate change objectives that are now applicable (mitigation and adaptation), the European Commission has prioritized those sectors of activity that emit the most greenhouse gases within the European Union. Sanofi's activities are essentially related to research, development, manufacturing and commercialization in the Biopharma and Consumer Healthcare businesses. Those activities are not currently considered to make a substantial contribution to the two climate objectives defined by the Taxonomy.

Following publication of the Delegated Acts for the four remaining environmental objectives of the Taxonomy, Sanofi's economic activities fall fully within the scope of the Pollution Prevention and Control objective. Specifically, our product portfolio is covered by activity 1.2, "Manufacture of Medicinal Products".

Beyond the disclosure requirements related to the EU Taxonomy Regulation, we have implemented an ambitious policy to limit the direct and indirect impacts of our operations and products on the environment. We strive to minimize the environmental impacts of our activities and products through our Planet Care roadmap, as described in section 3.3.9.1. above. The roadmap sets out our ambition to move towards carbon neutrality by 2030 and net zero greenhouse gas emissions by 2045 across all scopes.

The Planet Care roadmap has two pillars: (i) reducing emissions and environmental impacts of our products and activities (mitigation) and (ii) our resilience to climate change (adaptation).

3.5.2. Evaluation and methodology

A. Introduction

With reference to the regulatory framework described above, all our turnover plus the vast majority of our CAPEX and OPEX are eligible for activity 1.2, Manufacture of Medicinal Products, within the Pollution Prevention and Control objective. As in previous years, we have also identified CAPEX related to "individual measures", corresponding to purchases and CAPEX within other eligible activities (primarily real estate activities, as described in Section 7 of the Annex on climate change mitigation and adaptation) as defined in the Taxonomy.

Consequently, the scope of eligible activities in 2023 comprises:

For the Pollution Prevention and Control objective:

- activity 1.2: Manufacture of Medicinal Products.

For the Climate Change Mitigation and Climate Change Adaptation objectives:

- activity 5.3: Construction, extension and operation of waste water collection and treatment;
- activity 7.2: Renovation of existing buildings;
- activity 7.3: Installation, maintenance and repair of energy efficiency equipment;
- activity 7.4: Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings);
- activity 7.5: Installation, maintenance and repair of instruments and devices for measuring, regulating and controlling energy performance of buildings;
- activity 7.6: Installation, maintenance and repair of energy efficiency equipment;
- activity 7.7: Acquisition and ownership of buildings (with reference to net increases in right-of-use assets under long-term real estate leases and construction of buildings for our own use);
- activity 6.5: Transport by motorbikes, passenger cars and light commercial vehicles (with reference to long-term leases of light vehicles).

The financial information for eligibility and alignment KPI screening was sourced from Sanofi's information systems (capex tracking, consolidation) as of the end of the 2023 financial year. It was analyzed and verified jointly at both local and corporate level to ensure that it was consistent with consolidated turnover, CAPEX and OPEX for the 2023 financial year, and to avoid any double-counting of eligible activities in the numerator for the taxonomy KPIs.

B- Approach used to identify eligibility financial indicators (turnover, CAPEX and OPEX)

Turnover

Our Biopharma and Consumer Healthcare activities are fully captured in the Pollution Prevention and Control objective, so we report 100% of our turnover as eligible for the Taxonomy in respect of activity 1.2 Manufacture of Medicinal Products, within that objective.

The consolidated turnover figure used as the taxonomy denominator is our net sales figure of €43,070 million (see our consolidated income statement, included in our financial statements at Item 18 of our 2023 Annual Report on Form 20-F).

CAPEX

In accordance with the Taxonomy Regulation, the CAPEX denominator comprises acquisitions of property, plant and equipment (IAS 16[5]) and intangible assets (IAS 38[4]); acquisitions of right-of-use assets (under IFRS 16[4], a right-of-use asset is recognized on commencement of a lease); and acquisitions related to business combinations (IFRS 3[4]). For 2023, the denominator was €8,303 million, as presented below:

CAPEX relating to:	€ million [a]
Property, plant and equipment (IAS 16)	1,693
Intangible assets (IAS 38)	2,962
Right-of-use assets (IFRS 16)	247
Business combinations (IFRS 3)	3,401
Total CAPEX Denominator	**8,303**

(a) See Notes D.3 and D.4 to our consolidated financial statements, included at Item 18 of our 2023 Annual Report on Form 20-F.

The CAPEX eligible for the Climate Change Mitigation and Climate Change Adaptation objectives corresponds to the elements of CAPEX in the denominator that relate to the economic activities and individual measures presented above. All other CAPEX is regarded as eligible for the Pollution Prevention and Control objective.

OPEX

In accordance with the Taxonomy Regulation, the OPEX denominator consists of non-capitalizable direct costs. These comprise research and development expenses; building renovation costs; repair and maintenance costs; rental expenses reported in the income statement; and any other expense relating to the day-to-day upkeep of assets. Based on the types of OPEX included in the taxonomy, the immateriality exemption does not apply to Sanofi. The taxonomy OPEX denominator mainly comprises research and development expenses, mostly incurred in our Pharmaceuticals and Vaccines operations. The OPEX denominator represents 27% of our consolidated OPEX (see our consolidated financial statements, included at Item 18 of our 2023 Annual Report on Form 20-F), i.e. an absolute value of €4,673 million (see below for a breakdown).

OPEX related to	€ million
R&D	4,318
Other	355
Total OPEX Denominator	**4,673**

We updated our search for eligible OPEX in 2023 to reflect changes in the regulations. Taxonomy OPEX in the denominator, and in particular R&D expenses, have now become fully eligible with respect to the Pollution Prevention and Control objective.

C- Methodology for evaluating activities with reference to alignment criteria

Methodology for analyzing substantial contribution and specific DNSH criteria

Aligned CAPEX screened by Sanofi in this second alignment exercise relates to six taxonomy activities:

- activity 7.3: Installation, maintenance and repair of energy efficiency equipment;
- activity 7.4: Installation, maintenance, and repair of charging stations for electric vehicles inside buildings (and in parking lots attached to buildings);
- activity 7.5: Installation, maintenance, and repair of instruments and devices for measuring, regulating, and controlling the energy performance of buildings;
- activity 7.6: Installation, maintenance, and repair of technologies related to renewable energies;
- activity 7.7: Acquisition and ownership of buildings (in respect of net increases in right-of-use assets under long-term real estate leases, but not of construction of buildings for our own use);
- activity 6.5: Transportation by motorcycles, cars, and light utility vehicles, under long-term leases of fleets of light vehicles.

Activity 7.3:

- CAPEX was regarded as meeting the substantial contribution criterion (as defined in Annex I) in cases where the installation for which the CAPEX was incurred demonstrated better energy efficiency than the previous installation;
- the specific pollution DNSH described for this activity did not apply to the CAPEX eligible for this section and contributing to the alignment.

[5] *IFRS accounting standard applied by Sanofi.*

Activity 7.4, 7.5 and 7.6 :

- the CAPEX are aligned by nature concerning the substantial contribution.

Activity 7.7 (only substantial contribution applies, and there is no specific DNSH criterion):

- leased buildings constructed before December 31, 2020 were regarded as complying with the Energy Performance Certificate (EPC) Class A rating / top 15% criterion where they had either of the following two characteristics:
  - EPC A or B rating (at European level, the top 15% includes at least these two EPC ratings[6]) ;
  - accreditation to at least "Gold Level" for LEED or "Very Good" for BREEAM. Both LEED and BREEAM ratings give significant weighting to energy performance, and the "Gold" and "Very Good" scores represent a good performance for those ratings;
- leased buildings constructed after December 31, 2020 were regarded as aligned on the substantial contribution criteria if they have obtained a "Platinum" rating (the highest) within an accreditation regime that gives significant weighting to energy performance. Obtaining "Platinum" accreditation was also regarded as mitigating the absence of thermal integrity and airtightness tests for the purposes of this initial alignment exercise;
- all buildings with eligible IFRS 16 CAPEX that contributed to alignment were checked for compliance with the energy performance monitoring and assessment criterion (the buildings in question all have a building management system or an online monitoring platform).

For activity 6.5 :

- the CAPEX (Capital Expenditures) have been deemed aligned as they adhere to the required CO_2 emission threshold stipulated in the text for substantial contribution, as well as the criteria for vehicle reuse and recycling rates and pollution standards for specific light-duty vehicles.

Methodology for analyzing generic DNSH criteria and minimum safeguards

DNSH - Adaptation for the Climate Change Mitigation objective

In accordance with Appendix A to Annex I, Sanofi has checked for compliance with the generic DNSH criteria for adaptation, across all our activities that are eligible for the climate change mitigation objective and contribute to alignment. Our in-house Insurance Department already uses a climate model that is deployed across most of our real estate, covering the following climate-related risks: coastal and river flooding, rainfall, wind, hail, hurricanes, drought, heat, forest fires, and cold.

This model projects physical climate-related risks forward to 2030, 2040, 2050 and 2100 based on the SSP1-2.6, SSP2-4.5 and SSP5-8.5 scenarios of the Intergovernmental Panel on Climate Change (IPCC), accompanied by estimates (based on those projections) of the financial impact on the assets and activities affected.

Sanofi draws on those analyses to implement appropriate adaptation measures at each site, commensurate with the degree of risk and location of the asset. In particular, adaptation solutions are systematically implemented at all sites at risk of flooding, precipitation or wind.

Minimum safeguards

In accordance with the guiding principles for minimum safeguards as described in Article 4 of the Taxonomy Regulation, economic activities that contribute substantially to one of the climate objectives and comply with the relevant generic and specific DNSH criteria must also demonstrate that they comply with minimum safeguards. Those safeguards consist of implementing procedures to align on (i) the OECD Guidelines for Multinational Enterprises and (ii) the United Nations Guiding Principles on Business and Human Rights (including the principles and rights laid down by the eight fundamental conventions cited in the International Labor Organization's Declaration on Fundamental Principles and Rights at Work and the International Bill of Human Rights). Such procedures are a prerequisite for eligible activities to qualify as "aligned".

Sanofi also reviewed the Final Report on Minimum Safeguards issued by the EU Platform on Sustainable Finance in October 2022 so as to take account of clarifications regarding the scope and requirements for this second alignment exercise. The report identified four core topics for minimum safeguards: human rights (including the rights of workers and consumers); corruption; taxation; and fair competition. For each core topic, the report describes pre-requisites such as (i) due diligence processes specific to each topic and (ii) absence of any recent court judgment of liability against the company, its management or subsidiaries on any of the four topics.

Sanofi conducted this analysis at corporate level, via workshops with management from the relevant functions. Based on the analysis, it was concluded that Sanofi complies with minimum safeguards. Adequate responses have been implemented through action plans and other measures, as described below.

[6] *https://www.bpie.eu/publication/97-of-buildings-in-the-eu-need-to-be-upgraded/#:~:text=A%20decarbonised%20building%20stock%20by,Certificate%20(EPC)%20label%20A.*

Human rights

In terms of human rights, Sanofi relies on its Vigilance Plan (see section "3.4. Vigilance Plan"); and its sustainable procurement policy (see section "3.4.14. Procurement and Subcontracting"). These two procedures meet the criterion of reasonable due diligence processes on human rights, in line with the United Nations guiding principles required for minimum safeguards.

Sanofi has not identified any procedural breaches and believes that it has not been subject to any court judgments on human rights issues that could undermine our alignment on the minimum safeguards. We believe that we meet the criteria for minimum safeguards on human rights.

Corruption

Sanofi has a range of anti-corruption policies and procedures, including our Code of Conduct (presented in section "3.3.7.2.1. Code of Conduct") and our procurement and anti-corruption policy (presented in section "3.4.14. Procurement and Sub-contracting"). For example:

- For all purchases regarded as at-risk, questionnaires (which include an anti-corruption section) are sent to suppliers, and checks are carried out (see section "3.4.14.3. Supplier Risk Assessment").
- We also give our suppliers access to My Procurement, an online platform where they can upload their latest documentation (including compliance with the "Sapin II" law in France).
- In addition, purchases of real estate (which are at the heart of Sanofi's eligible activities at this stage) are covered not only by our Sustainable Procurement policy, but also by a procurement policy specific to real estate (see section "3.3.6. Supply chain continuity").

Sanofi has not identified any procedural breaches or court judgments on corruption issues that could undermine our alignment on the minimum safeguards.

Taxation

We publish our tax policy annually (see section "3.3.8., Tax Policy"). Application of that policy relies on a network of dedicated tax experts. Sanofi does not engage in tax fraud or tax evasion. A limited number of countries where we operate could be seen as countries with favorable tax regimes. Our presence in those countries is justified by our commitment to provide medicines and vaccines to serve the needs of patients living there, and by substantial commercial or industrial operations.

To ensure that we comply with our tax obligations and implement our tax policy, we rely on a series of internal and external controls, including but not limited to:

- for each country where we operate, local management produces a quarterly report in which tax risks are clearly identified;
- we provide regular anti money-laundering training; and
- regular tax inspections are carried out by the tax authorities in countries where we operate.

The complexity of tax rules and the fact that we operate in numerous jurisdictions may lead to divergences in interpretations between local tax authorities and Sanofi. Consequently, even though we act in good faith (and in many cases, after taking independent advice), we may become involved in tax disputes due to such divergences. Ongoing tax disputes in which we are involved are therefore not regarded as contrary to the minimum safeguards on taxation; and in light of the various tax processes we apply, we consider that Sanofi complies with the minimum safeguards.

Because of the controls applied in tax matters, we consider that we comply with the minimum safeguards, and take the view that this conclusion is not undermined by the existence of tax disputes.

Fair competition

We ensure that our employees are made aware of applicable laws and regulations on fair competition. All employees receive mandatory training on our Code of Conduct, which requires them to comply with applicable laws and regulations and which includes specific principles and rules of conduct in this area. We also apply policies and procedures to ensure that Sanofi and its management, employees, agents, intermediaries and third parties comply with applicable laws and regulations (see "Item 4B.5.2. - Competition" in our Annual Report on Form 20-F).

Sanofi is involved in ongoing litigation and investigations in respect of antitrust law and commercial practices. Based on our analysis of ongoing litigation, we believe that we meet the criteria for minimum safeguards on fair competition.

3.5.3. Results

Summary results for our taxonomy KPIs for 2022 are presented below (for detailed results in the regulatory reporting format, refer to section "3.9.3. Taxonomy Appendix").

A- Eligibility and alignment results for 2023

Turnover eligible for the Pollution Prevention and Control objective for 2023 amounted to €43,070 million (100% of net sales as reported by Sanofi) in the denominator.

Eligible CAPEX amounted to €8,303 million, representing 100% of total CAPEX in the denominator. Of that CAPEX, 11% contributed to the Mitigation and Adaptation objectives, and the remainder to the Pollution Prevention and Control objective. Aligned CAPEX amounted to €13 million, representing 0.2% of total CAPEX in the denominator.

(€ million)	2023	2022	2021
Eligible and aligned CAPEX	13	65	N/A
Aligned CAPEX as a % of total CAPEX	0.2 %	2 %	N/A
Aligned CAPEX as a % of eligible CAPEX	0.2 %	7 %	N/A
Eligible and non-aligned CAPEX	8,290	834	N/A
Eligible CAPEX	8,303	899	1,399
Eligible CAPEX as % of total CAPEX	100 %	29 %	20 %
Non-eligible CAPEX	—	2,251	5,433
Total CAPEX Denominator	**8,303**	**3,150**	**6,832**

Aligned CAPEX mainly comprises leased buildings recognized in accordance with IFRS 16 (see the technical criteria as described above, and the detailed table in section "3.9.3. Taxonomy Appendix".

In 2023, eligible OPEX amounted to €4,673 million, representing 100 % of total OPEX in the denominator.

(€ million)	2023	2022	2021
Eligible and aligned OPEX	Alignment not investigated	Alignment not investigated	N/A
Aligned OPEX as % of total OPEX	Alignment not investigated	Alignment not investigated	N/A
Eligible and non-aligned OPEX	Alignment not investigated	Alignment not investigated	N/A
Eligible OPEX	4,673	81	113
Eligible OPEX as % of total OPEX	100 %	2 %	2 %
Non-eligible OPEX	—	5,126	4,518
Total OPEX Denominator	**4,673**	**5,207**	**4,631**

Alignment of turnover, CAPEX and OPEX eligible for the Pollution Prevention and Control objective will be presented when we report our 2024 figures, as required by the Regulation.

B- Year-on-year trends

Trends in eligibility and alignment results

The proportion of eligible turnover, CAPEX and OPEX is sharply higher than in 2022 due to the fact that from 2023, the regulation now includes the "Manufacture of Medicinal Products" activity within the "Pollution Prevention and Control" objective. The CAPEX denominator has risen as a result of an increase in intangible assets in 2023 relative to 2022, due mainly to a change in the scope of consolidation. The decrease in aligned CapEx is linked to a reduction in individual measures for which alignment could be screened, especially in terms of real estate CapEx..

Methodological changes

Publication of the Delegated Acts for the final four Taxonomy objectives radically changes our eligibility: we are now in a position where all of our activities are captured by the Regulation with respect to the Pollution Prevention and Control objective.

In determining the amount of CAPEX eligible in respect of activity 1.2 (Manufacture of Medicinal Products) and to avoid double-counting, we have considered all our CAPEX to be eligible for the Pollution Prevention and Control objective, with a portion of our CAPEX identified as "individual measures" for the Climate Change Mitigation and Climate Change Adaptation objectives. In terms of OPEX, all our R&D expenses are regarded as eligible for activity 1.2 (Manufacture of Medicinal Products).

3.5.4. Future developments

Given the evolving nature of the European regulatory framework and the information available to date, Sanofi will revise the KPI calculation methodology on the basis of regulatory developments.

Sanofi is also investigating how its information systems can be updated to improve the automated tagging of eligible CAPEX and of some alignment criteria. These taxonomy improvements dovetail with other issues we are investigating, especially in procurement where we are looking at ways of identifying "green" or "sustainable" purchases (based on our own internal definitions, which may not necessarily map on to the taxonomy definitions).

APPENDICES: Tables in regulatory reporting format in section '3.9.3. Taxonomy Appendix'

3.6. Sanofi's contribution to Sustainable Development Goals

Today we are confronted by societal challenges like a growing and aging population, income disparities and climate change. At the same time, technological advances (such as the rise of digitization) present significant opportunities as well as challenges. Given these profound upheavals, companies are not only required to perform well financially, but must also explain what they are doing to respond to those challenges and demonstrate that they are making a positive contribution to society.

Sanofi's primary contribution is to serve patients' needs throughout their health journeys, whether they be someone with a rare disease or one of the millions of men and women living with a chronic illness. It also includes providing vaccine protection to populations, as well as pain relief treatments.

In this respect we contribute to Sustainable Development Goal 3: "Ensure healthy lives and promote well-being for all at all ages", in particular SDG 3.3 on communicable diseases through our vaccine portfolio and SDG 3.4 on non-communicable diseases through our treatments for diabetes, cardiovascular diseases and rare diseases. Details about our programs on access to healthcare are provided in section "3.3.2., Access to healthcare"

In addition to SDG 3, Sanofi initiatives that contribute to SDGs are shown in the table below:

		Progress			
Topic	**Ambition**	**2023**	**2022**	**Contribution to SDGs**	
Access to Healthcare					
Sanofi Global Health	Make affordable 30 essential medicines to treat cardiovascular diseases, diabetes, tuberculosis, malaria, certain neglected tropical diseases, and cancer in the 40 countries with the lowest per capita GDP Help establish and enhance sustainable healthcare systems for people with chronic diseases that require long term care	See section "3.3.2., Access to healthcare".	See section "4.3.2., Access to healthcare".	SDG 3: Good health and well-being	SDG 3.3: By 2030, end the Aids epidemic, tuberculosis, malaria and neglected tropical diseases, and combat hepatitis, water-borne diseases and other communicable diseases SDG 3.4: By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being
Infectious diseases	To help eradicate sleeping sickness by 2030 To help eradicate polio	See section "3.3.2., Access to healthcare".	See section "4.3.2., Access to healthcare".		SDG 3.3
Non-communicable diseases	To help reduce the burden on low and intermediate income countries of non-communicable diseases like childhood cancer, diabetes and mental health disorders Donate 100,000 vials a year to treat people with rare diseases, via the Humanitarian Program launched by Sanofi Specialty Care	See section "3.3.2., Access to healthcare".	See section "4.3.2., Access to healthcare".		SDG 3.4
Human Capital					
Gender balance	Global ambition of gender balance in senior leadership roles by 2025	44.1 %	41.7 %	SDG 5: Gender equality	SDG 5.5: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life
	Ambition of 40% women in executive roles by 2025	40.1 %	37.2 %		
Corporate citizenship					
Decent work	Reduce the total occupational injury frequency rate (FR) – any employee[(a)] to below 2 Reduce the lost time injury frequency rate – any employee [(a)] to below 1.4	Total occupational injury FR – any employee: 1.8 Lost time injury FR – any employee: 1.2	Total occupational injury FR – any employee: 2 Lost time injury FR – any employee: 1.3	SDG 8: Decent work and economic growth	SDG 8.8: Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants and those in precarious employment
Communities	In France, reach 10% of work/study placements occupied by young people from deprived urban areas	8.9%	9.7 %	SDG 4: Quality education	SDG 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
Healthy planet					
Climate change - Carbon footprint (CO_2 emissions)	Industrial, R&D and tertiary sites for Scopes 1 & 2 (including medical rep fleet): 55% reduction in greenhouse gas emissions (CO_2 equivalent) by 2030 (relative to 2019) Carbon neutrality by 2030 and net zero emissions by 2045 (Scopes 1, 2 & 3)	-38 %	-29 %	SDG 13: Climate action	SDG 13: Take urgent action to combat climate change and its impacts
Water	Industrial, R&D and tertiary sites - Quantitative objective: 15% reduction in water withdrawals by 2030 (relative to 2019)	-18 %	-13 %	SDG 6: Clean water and sanitation	SDG 6.4: By 2030, considerably increase rational use of water resources in all sectors, and guarantee the viability of all withdrawals and supplies of fresh water so as to take account of water scarcity and sharply reduce the number of people suffering from water shortages
	Qualitative objective: implementation of efficient water management plans : - By 2025 for 100% of our priority sites - By 2030 for all our sites	See section "3.3.9.5.1., Water resource management plan".	See section "4.2.10.3.1., Water resource management plan".		
Waste	Reuse/recycle/recover at least 90% of our waste by 2025	88 %	86 %	SDG 12: Responsible production and consumption	SDG 12.4: By 2020, achieve environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment SDG 12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse
	Achieve landfill disposal rate of below 1% of total waste by 2025	2 %	5 %		
Sustainable management of products	All new products to be eco-designed by 2025 No vaccines supplied in blister packs by 2027	See section 3.3.9.7. "Eco-design".	See section 4.2.10.4.3., "Eco-design".		
Pharmaceutical products in the environment	Monitor, control and reduce emissions on all production sites by 2025	100% of our chemical synthesis and dosage form sites	100% of priority sites, 72% of production sites	SDG 6: Clean water and sanitation	SDG 6.3: By 2030, improve water quality by reducing pollution, eliminating dumping of waste at sea, reducing emissions of chemicals and hazardous materials to a minimum, reducing by half the proportion of untreated waste water, and significantly scale up recycling and reuse globally with no threat to water
Biodiversity	Biodiversity protection programs at all priority sites located close to sensitive natural spaces by 2025; 100% of sites operating at least one initiative.	62% of sites have implemented at lease one initiative.	48% of sites have implemented at lease one initiative.	SDG 15: Life on land	SDG 15.5: Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species

(a) "Any employee" includes Sanofi employees, temporary workers and subcontractors.

3.7. Methodological note on data reporting

[GRI 2-2, GRI 2-3, GRI 2-4]

3.7.1. General comments

3.7.1.1. Scope of consolidation

Unless otherwise specified,

Social data:

- HR data are consolidated for all Sanofi companies worldwide that are fully consolidated for financial reporting purposes, regardless of their activity (industrial, research, commercial or administrative). Workforce data are derived from Sanofi's payroll system, and other HR data from the Workday Global HR system;
- health and safety data (occupational injuries):
  - are consolidated worldwide for all Sanofi companies fully consolidated for financial reporting purposes. In some tables, the term "any employee" includes Sanofi employees, temporary workers, and subcontractors;
  - in the case of an acquisition, the new site must start reporting in the month when it joins the Sanofi scope of consolidation (official date of first-time consolidation for financial reporting purposes), or in the case of a site under construction, from the commencement of works; and
  - if a site is divested, it ceases to be reported from the official date on which the divestment is recognized for consolidated financial reporting purposes.

Environmental data:

- environmental data (including expenditures) are consolidated for all industrial, R&D and administrative sites, for all Sanofi companies fully consolidated for financial reporting purposes;
- the environmental impact of CO_2 emissions from our vehicle fleet covers all commercial operations (field sales forces, but excluding management and excluding commuting);
- first-time consolidations:
  - if a site is acquired, it must start reporting in the month when it joins the Sanofi scope of consolidation. To ensure year-on-year comparability, data from the year of first-time consolidation are also added back for prior years;
  - if a new facility is installed, data reporting must start in the month when it comes into service. The data are not added back to prior years, because it is a new activity;
- and deconsolidations:
  - if a site is divested without its activities being transferred to another Sanofi site: reporting for the site ends on the official date on which the divestment is consolidated for financial reporting purposes. The historical data are retained but are no longer consolidated;
  - if a site is divested and its activities are transferred to another Sanofi site: reporting for the site ends on the official date on which the divestment is consolidated for financial reporting purposes. The historical data are retained, and consolidated by the transferee site.

Environmental data other than Scope 3 are reported on a proforma constant scope basis.

Vigilance Plan:

The Vigilance Plan covers the operations of (i) Sanofi, (ii) all Sanofi companies fully consolidated for financial reporting purposes, and (iii) Tier 1 suppliers and subcontractors of all companies included in (i) and (ii).

For a list of companies fully consolidated by Sanofi for financial reporting purposes, refer to Note F to our consolidated financial statements, included at Item 18 of our 2023 Annual Report on Form 20-F.

3.7.1.2. Changes in scope of consolidation

See "Item 4. Information on the Company — D. Property, Plant and Equipment", of our 2023 Annual Report on Form 20-F.

Closure with transfer of operations within Sanofi : historical data are retained in prior-year calculations.

Closure without transfer of operations within Sanofi : historical data are deleted from the environmental and health and safety data calculation).

3.7.1.3. Reporting methods

- Social data:

  Workday was rolled out between 2015 and 2017 with the following key objectives:

  - integrating our processes and systems in a two-tier architecture (global/local), such that the global level becomes the master application for most data but local legal requirements could also be addressed;
  - simplifying and standardizing processes across Business Units and support functions;
  - centralizing data management on a single, unified platform, to significantly improve the quality of HR data and reporting;
  - introducing self-service to enhance the user experience for employees and managers and help them engage better with HR issues;
  - improving talent management and staff mobility;
  - streamlining IT mapping; and
  - in 2018, the Workday Global HR platform replaced the Convergence platform as the tool used to record workforce numbers and movements. The Core HR processes were rolled out in waves across successive geographies during 2016 and 2017. In addition to these core processes, the Organization Management, Talent & Performance, Recruitment, Onboarding, Compensation and Grading modules have also been rolled out. Workday is used by all Sanofi employees and managers in Employee Self-Service (ESS) and Manager Self-Service (MSS) modes. Specific work on data quality was carried out during the rollout, and is continuing through maintenance and ongoing improvements to the system.
  - in 2023, a centralized People Analytics team was created under the Organizational Capability & Transformation COE to streamline and simplify all People & Culture data analysis, and evolve reporting methods from simple P&C reporting to perspective and predictive insights.

- HSE data:

  We apply standard reporting frameworks for health, safety and environmental information, so that the indicators monitored across all our entities are consistent and reliable. Those frameworks specify the methodologies to be applied for reporting indicators throughout Sanofi and include definitions, methodological principles, calculation formulae and emission factors. We also use standard data collection tools.

We use the SHERPA system to collect and consolidate health, safety and environmental data across our entire reporting scope.

The reporting period for our environmental indicators for a given calendar year runs from October 1 of the previous year through September 30 of the current year. Environmental indicators are collected during quarterly campaigns except for indicators relating to wastewater discharge and VOC, which are collected annually.

As regards the Planet Care roadmap targets set for 2025 and 2030, companies acquired after 2019 are included in the baseline year according to the following example: a company acquired in 2022 is included in the 2019 baseline year with 2022 values, so that data can be presented on a like-for-like basis.

3.7.1.4. Additional information and methodological limitations

The methodologies applied for some HR and HSE indicators may be subject to limitations as a result of:

- the lack of nationally and/or internationally recognized definitions, in particular for different types of employment contract;
- the need to rely on estimates and on representative rather than actual metrics, and the limited availability of external data required for calculations; and
- practical arrangements for the collection and input of data.

3.7.1.5. Consolidation and internal controls

Data are consolidated by our global HR and HSE functions on the basis of information provided by industrial and R&D sites, Sanofi subsidiaries and tertiary sites throughout the world.

Where sites house more than one function, environmental impact is either attributed to the one with the greatest impact or shared among all the functions. Safety and environmental data are systematically checked by HSE coordinators within each activity before being submitted for consolidation. In addition, our global HR and HSE functions perform consistency controls on data during the consolidation process.

These controls include comparisons with prior-year data; any significant variances are investigated.

To ensure that site correspondents have properly understood the HSE indicators and that the right data are being reported, controls over selected HSE reporting data are performed during internal audits conducted at Sanofi sites.

Workforce data are compared with consolidated data in the finance database.

3.7.2. Detailed indicators

3.7.2.1. Social indicators

3.7.2.1.1. Worldwide workforce

Employees in the workforce include all employees who have a contract with Sanofi, including apprentices.

The figures are expressed in numbers of employees, regardless of hours worked or the date of hiring during the month.

Every employee with a contract with any of the Sanofi entities (permanent or fixed-term) on the last calendar day of the year is considered as under contract. Still, employees on garden leave, in non-operational organizations, and, Executive Committee members, under mandate, are not considered as "in the workforce".

The on-garden-leave employees excluded are seated in specific non-operational organizations. These employees are under contractual termination, terms under which Sanofi might have some remaining financial obligations, such as maintaining some benefits or part of the salary, for a specified period. These employees will not be reinstated in the workforce at any time and are not concerned by any of the P&C initiatives or policies which distinguish them from employees on long term leave of absence.

3.7.2.1.2. Regions

The "Europe" region shown in the workforce data tables is defined as follows:

- Europe: Albania, Austria, Belgium, Bosnia-Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Israel, Italy, Latvia, Lithuania, Luxembourg, Montenegro, Netherlands, North Macedonia, Norway, Poland, Portugal, Romania, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, Ukraine, United Kingdom.

3.7.2.1.3. New hires and departures

New hires and departures for Sanofi as a whole exclude all intra-group movements such as international, inter-company or inter-site transfers.

Data on movements (new hires and departures) cover more than 99% of the reporting scope, and include new hires and departures for companies that were consolidated for the first time or acquired during the year.

Conversions of fixed-term contracts into permanent contracts are not counted unless there is a gap of more than one day between the two contracts, in which case they are counted as a departure and a new hire.

3.7.2.1.4. Training hours

Difference between the number of employees receiving training via iLearn in 2023 and our total workforce as of December 31, 2023:

This difference arises because:

- employees receiving training via iLearn during 2023 who left Sanofi during the year are included in the training data but not in the year-end workforce data; and
- iLearn data include all employees (permanent, fixed-term, apprentices, interns, etc.) other than external contract staff; by contrast, workforce data include only employees on permanent and fixed-term contracts, and apprentices.

3.7.2.1.5. Employee grades

Executive Posts:

- *Executive Level 2*: in charge of alignment on corporate strategy, with a critical impact on return indicators and corporate image, and a solid contribution to Executive Committee orientations.
- *Executive Level 1*: in charge of translating and implementing corporate strategy, with a critical impact on the results and competitiveness of a Global Business Unit or global support function and an important impact on the overall results of Sanofi.

Senior Leaders: includes executive posts (other than Executive Committee members) and Grade 5 posts. Grade 5 posts are people with senior management responsibilities in product innovation, processes or services, who implement policies within their function. They have an impact on the attainment of financial objectives.

This category was created when we set up our new grading system in 2018.

Managers: employees who manage direct subordinates. This includes Senior Leaders and Executives.

3.7.2.1.6. Gender pay gap

- Data effective December 31, 2023.
- Data includes all employees except the Executive Committee.
- Excludes all contingent workers.
- In France, also excluded employees who have taken different pre-retirement plans and not working for Sanofi anymore.
- Data sourced from 69 countries.

3.7.2.1.7. Our "All In" strategy

Diverse supplier: A supplier that is at least 51% owned, operated and controlled by an individual or individuals coming from an underrepresented group. Common classifications are small-business enterprises (SBEs), minority-owned enterprises (MBEs) and woman-owned enterprises (WBEs). We would also consider location-based definitions and business size (designations like suburbs, hub zone and small business enterprises).

3.7.2.2. Safety indicators

3.7.2.2.1. HSE Management systems

In 2023, the HSE management system of Sanofi (Represented by Sanofi Winthrop Industrie, Campus Sanofi Val de Bièvre, 82 Avenue Raspail, 94255 GENTILLY, France) has been assessed and certified as meeting the requirements of ISO 14001:2015 for the following activities: Research, development, manufacturing, supply chain, sales & marketing, administration, and related support functions performed in the Business Units: General Medicines, Specialty Care, Vaccines, Consumer HealthCare; in the 35 listed sites. (Amilly Manufacturing, Anagni, Aramon, Beijing, Cairo, Csanyikvölgy, Frankfurt (SFB&O, Distribution platform, Insulin Cluster), Geel, Gentilly, Goa, Hangzhou, Milan (Italy Commercial operations), Reading (United Kingdom commercial Operations), Luleburgaz, Marcy l'Etoile, Mégrine, Narita, Origgio, Pilar, Ploermel, Rzeszow, Scoppito, Hyderabad (Vaccines and General Medicines), Shenzhen, Singapore, Barcelona (Spain Commercial operations), Swiftwater, Toronto, Val de Reuil, Veresegyhaz, Virginia, and Waterford).

In 2023, the Energy management system of Sanofi has been assessed and certified as meeting the requirements of ISO 50001:2018 for the following activities : Research, development, manufacturing, distribution centers and related support functions performed in the Business Units: General Medicines, Specialty Care, Vaccines, Consumer HealthCare; in the 30 listed sites. (Anagni, Aramon, Beijing, Cairo, Chilly-Mazarin, Cologne, Compiègne, Csanyikvölgyi, Frankfurt (Corporate offices, R&D, SFB&O, Distribution Platfrom, Insulin Cluster), Geel, Gentilly, Le Trait, Luleburgaz, Maisons-Alfort, Marcy l'étoile, Montpellier, Orel, Origgio, Pilar, Scoppito, Val de Reuil, Vitry R&D, Vitry Manufacturing, Swiftwater, Toronto and Waterford).

3.7.2.2.2. Lost time injury frequency rate

The lost time injury frequency rate is the number of accidents resulting in lost time of one day or more within a 12-month period, per million hours worked.

For employees working in a fixed location, accidents occurring during the home-workplace commute are not included in this indicator. However, they are included for travelling medical reps, in accordance with our internal reporting rules. Since 2021, work accidents occurring when teleworking have been included in this indicator.

If additional accidents are identified that had not been recorded by the end of the reporting period, or if the classification of an accident is changed after the end of the reporting period, the frequency rate is adjusted retrospectively.

3.7.2.2.3. Total occupational injury frequency rate

We have decided not to publish the severity rate calculated using the criteria defined by French regulations. Because this rate is calculated solely on the basis of the number of days of lost time, it does not reflect the actual severity of injuries from an international standpoint.

This is because for a given injury, the number of days of lost time may vary considerably from one country to another depending on the applicable regulations and compensation systems. Consequently, we have decided to publish the total occupational injury frequency rate.

The total occupational injury frequency rate is the number of occupational injuries with or without lost time, per million hours worked.

3.7.2.2.4. Motor vehicle accidents

A motor vehicle accident is any accident that occurs when the driver is at the wheel (driving or parking).

This indicator covers all road traffic accidents involving vehicles owned or leased by Sanofi, or owned by an employee and regularly driven for work purposes (medical reps).

Accidents in public transport or taxis are excluded from our reported data because they are not considered to be Sanofi's responsibility.

3.7.2.3. Product safety for patients and consumers

3.7.2.3.1. Fight against falsified medicine and illicit trafficking

For the indicators 'number of seizures' and 'number of illicit falsified medicine manufacturing facilities', the data is derived from reports provided by local authorities. The scope of this indicator may therefore be limited. Data are not always supplied by local authorities and are not always in the same unit, and can therefore be excluded as unreliable.

3.7.2.4. Supply chain continuity

3.7.2.4.1. Service level rate

The service level rate measures the actual service achieved after taking account of sales lost due to stock outages (sales not achieved or delayed, relative to sales for the location).
Calculation: Sum (Invoiced Turnovers) / Sum (Invoiced Turnovers + Ruptures)
Ruptures are shortages that occur within the month and are still not invoiced at the end of the month.

3.7.2.5. Environmental indicators

3.7.2.5.1. Carbon footprint

Emissions for 2019 through 2023 are calculated on a constant scope basis.

Direct emissions are calculated on the basis of Greenhouse Gas (GHG) Protocol data. Indirect emissions from other energy sources purchased from external suppliers are accounted for as follows:

- emissions from electricity generation: emission factors are obtained from data published by the International Energy Agency of the OECD, which fix emission factors for the year before last and estimate emission factors for the current and immediately prior year, and are updated annually;
- emissions generated by the production of steam are calculated on the basis of site-specific factors, or estimated using our own internal standards; and
- emissions from vehicles in our medical rep vehicle fleet owned or leased by Sanofi are included in Scope 1. Emissions from vehicles owned by medical reps are included in Scope 3.

Scope 3 calculation:

- indirect Scope 3 emissions are calculated in accordance with GHG protocol recommendations. We have updated emission factors by using factors from the ecoinvent V3.7 database; for sub-categories not included in that database, we have used other standard calculation methods:
- since 2021, emissions relating to purchased goods and services (Category 1) have been based on our actual volumes, for the same period as our other environmental indicators (October 1 of the previous year to September 30 of the current year). Using an online tool has enabled us to refine the data, giving a more precise analysis of the links between products, models and emission factors:
  - category 1 is calculated on a quantity basis for products, and on the basis of purchases (monetary basis) for services;
  - category 2 is calculated on the basis of purchases (monetary basis);
  - categories 3, 5 and 7 are calculated with Sherpa, our reporting tool for safety and environmental data;
  - category 4 is calculated on the basis of freight contractor data and quantities of products purchased;
  - category 6 is calculated on the basis of business travel data and distances traveled by medical reps;
  - category 9 is calculated on the basis of the energy needed to refrigerate certain products sold by Sanofi;
  - category 10 is calculated on the basis of quantities of active pharmaceutical ingredients contained in products sold by Sanofi;
  - category 11 is calculated on the basis of products sold by Sanofi that contain gas propellants;
  - category 12 is calculated partly on the basis of the proportion of unused medicines to total products sold, and partly on the basis of the recycling phase of bought-in packaging; and
  - category 15 is calculated to reflect Sanofi's equity interest in EUROAPI and is estimated on the basis of prior-year Scope 1 & Scope 2 emissions (30% of EUROAPI Scopes 1 & 2).

The scope of the calculation covers all of Sanofi's operations: production facilities, R&D sites, tertiary sites, and the medical rep vehicle fleet.

The calculation of our greenhouse gas footprint is reviewed by the Independent Third Party.

The SBTi emission reduction targets for 2030 cover Scopes 1, 2 and 3 for the Sanofi scope as defined above.

Reliability of the data and methodology used for the different categories of Scope 3 data

The maturity grade calculation is based on 8 criteria ranked from 1 to 5, which evaluate the quality of the data and the modelling (emissions factor quality):

- completeness of scope;
- frequency of data capture;
- quality of data sources; and
- completeness of data.

The quality of the modelling is assessed on the following criteria:

- method used;
- emissions factor scope;
- assumptions; and
- reliability of emissions factor source.

No.	Quality of the Data	Quality of EF / Modelling
1	3.8	3.9
2	3.8	2.7
3	4.8	3.8
4	3.6	3.5
5	4.8	3.5
6	3.8	3.8
7	3.3	3.1
9	3.8	3.0
10	4.1	3.5
11	4.1	3.5
12	2.8	2.3
15	3	3.5

Sanofi is continually working to improve the quality of our data and our emissions calculation model so as to better understand and quantify our climate impact.

Carbon intensity calculation is computed on the basis of annual market-based Scope 1 & 2 emissions as a proportion of our annual turnover (the annual net sales of Sanofi as published for the calendar year, i.e. from January 1 through December 31).

3.7.2.5.2. Wastewater discharge

The data presented correspond to the characteristics of our effluents as measured within the footprint of our sites.

The data reported cover all Sanofi sites other than tertiary and logistics sites, which contribute only marginally to COD releases.

3.7.2.5.3. Waste

The distinction between hazardous and non-hazardous waste corresponds to that used in European regulations for European Union member countries (Decision 2000/532/EC of May 3, 2000), and that used in local regulations for other countries. Waste arising from soil decontamination operations is not included in the published total for our operating activities. The recovery rate corresponds to waste that is recycled, or incinerated off-site using waste-to-energy technology.

The reuse/recycle/recovery (“3R”) rate used for the Planet Care project is defined as the sum total of waste recycled externally plus waste subject to energy recovery, as a proportion of the total amount of waste plus solvents recycled on site. Waste includes both hazardous and non-hazardous waste.

A site is considered to be no longer using landfill when its landfill disposal rate is less than 1%.

3.7.2.5.4. Volatile organic compounds

Current-year emissions determined by extrapolating prior-year emissions and weighting them for actual quantities of solvents purchased in the current year.

3.7.2.5.5. Eco-design

The blister-free vaccine pack percentage is calculated for the period from January 1 through December 31. The evaluation covers all sites that package Sanofi vaccines in syringes (our own sites, and those of our subcontractors), and the percentage is based on counting the number of vaccine syringe boxes produced.

3.8. Report of the Independent Third Party

[GRI 2.5]

Year ended December 31, 2023

Report of the independent third party on the verification of the consolidated statement of extra-financial performance

This is a free translation into English of the original report issued in the French language and it is provided solely for the convenience of English-speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Annual General Meeting of Sanofi shareholders,

In our capacity as an independent third party accredited by COFRAC under no. 3-1681 (Inspection Accreditation, for details refer to www.cofrac.fr) and as a member of the network of one of the statutory auditors of your company (the "Entity"), we have conducted procedures to enable us to form a reasoned opinion expressing a limited assurance conclusion regarding (i) the compliance of the consolidated statement of extra-financial performance for the year ended December 31, 2023 (the "Statement") with Article R. 225-105 of the French Commercial Code and (ii) the fairness of the historical information (actual or extrapolated) disclosed pursuant to paragraph 3 of I and II of Article R. 225-105 of the French Commercial Code (the "Information"), as prepared in accordance with the Entity's procedures (the "Reporting Framework") and presented in the management report pursuant to Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.

It is also our responsibility to express, at the Entity's request and outside the scope of our accreditation, a reasonable assurance opinion on the indicators selected by the Entity and identified in Appendix 1 (the "A Indicators").

Finally, it is our responsibility to express, at the Entity's request and outside the scope of our accreditation, a limited assurance conclusion on the indicators selected by the Entity and identified in Appendix 1 (the "B Indicators").

Limited assurance conclusion on the Statement and Information

Based on the procedures we conducted, as described in the section entitled "Nature and scope of our procedures on the Statement and Information", and on the evidence we collected, we have not identified any material misstatement that causes us not to believe that the consolidated statement of extra-financial performance complies with the applicable regulatory provisions and that the Information, taken together, is fairly presented, in accordance with the Reporting Framework.

Reasonable assurance opinion on the A Indicators

In our opinion, the A Indicators of the entity have been prepared, in all material respects, in accordance with the Reporting Framework.

Limited assurance conclusion on the B Indicators

Based on the procedures we conducted, as described in the section entitled "Nature and scope of our procedures on the B Indicators", and on the evidence we collected, we have not identified any material misstatement that causes us not to believe that the B Indicators have been prepared, in all material respects, in accordance with the Reporting Framework.

Preparation of the Statement of Extra-Financial Performance

The absence of any generally accepted and commonly used framework or established practice that may be relied upon to evaluate and measure the Information allows for the use of differing, but acceptable, measurement techniques that may affect comparability between entities and over time.

Consequently, the Information should be read and understood with reference to the Reporting Framework, the significant aspects of which are presented in the Declaration.

Limitations inherent in the preparation of the Information

The information may be subject to uncertainties that are inherent in the current state of scientific and economic knowledge and the quality of the external data used. Some of the Information may be sensitive to the methodological choices, assumptions and/or estimates used in its preparation and presented in the Statement.

Responsibility of the Entity

It is the responsibility of management to:

- select or establish appropriate criteria for preparing the Information and Indicators;
- prepare a Statement in compliance with legal and regulatory provisions, including a presentation of the business model, a description of the main extra-financial risks, a presentation of the policies applied in respect of those risks, and the outcomes of those policies (including key performance indicators), along with the information stipulated in Article 8 of Regulation (EU) 2020/852 ("Green Taxonomy");

- prepare the Statement and Indicators in accordance with the Entity's Reference Framework as mentioned above; and
- implement the internal controls it deems necessary for the preparation of Information and Indicators that are free from material misstatement, whether as a result of fraud or error.

The Statement was established by the Board of Directors.

Responsibility of the Independent Third Party

It is our responsibility, based on our procedures, to form a reasoned opinion expressing a limited assurance conclusion on:

- the compliance of the Statement with Article R. 225-105 of the French Commercial Code; and
- the fairness of the historical information (actual or extrapolated) provided pursuant to paragraph 3 of I and II of Article R. 225-105 of the French Commercial Code, i.e. the outcomes of the policies, including key performance indicators, and actions related to the principal risks.

It is also our responsibility to express, at the Entity's request and outside the scope of our accreditation (i) a reasonable assurance opinion that the A Indicators have been prepared, in all material respects, in accordance with the Reference Framework and (ii) a limited assurance conclusion that we have not identified any material misstatement that causes us not to believe that the B Indicators have been prepared, in all material respects, in accordance with the Reporting Framework.

Since it is our responsibility to express an independent conclusion or opinion on the Information and Indicators as prepared by management, we are not permitted to be involved in preparing the Information or the Indicators, as that could compromise our independence.

It is not our responsibility to express an opinion on:

- the Entity's compliance with other applicable legal and regulatory provisions, in particular as regards the information stipulated in Article 8 of Regulation (EU) 2020/852 ("Green Taxonomy"), the Vigilance Plan, and the fight against corruption and tax evasion; or
- the fair presentation of the information stipulated in Article 8 of Regulation (EU) 2020/852 ("Green Taxonomy"); or
- the compliance of the Entity's products or services with applicable regulations.

Regulatory requirements and applicable professional standards

Our procedures as described below were performed in accordance with (i) Articles A. 225-1 et seq of the French Commercial Code; (ii) our verification program comprising our own procedures (Statement of Extra-Financial Performance Verification Program, July, 7, 2023); (iii) the professional standards of the *Compagnie nationale des commissaires aux comptes* (CNCC) applicable to this engagement, and in particular the CNCC technical note on "Auditor engagements - ITP engagements- Statement of Extra-Financial Performance; and (iv) international standard ISAE 3000 as revised[1].

Independence and quality control

Our independence is defined by reference to Article L. 822-11 of the French Commercial Code and the Code of Ethics of our profession. In addition, we have implemented a quality control system, including documented policies and procedures, to ensure compliance with applicable laws and regulations, ethical standards, and professional standards.

Resources

Our procedures involved eleven professional staff and took place between September 2023 and February 2024, over a total engagement period of twelve weeks.

In carrying out those procedures, we obtained assistance from our specialists in the fields of sustainable development and social responsibility. We conducted about thirty interviews with the persons responsible for preparing the Statement, including representatives from Corporate Social Responsibility, People & Culture, Quality, Pharmacovigilance, Bioethics, Business Integrity, HSE, and Procurement.

Nature and scope of our procedures on the Statement and Information

In planning and conducting our procedures, we took account of the risk of material misstatements in the Information.

We believe that the procedures performed, based on our professional judgement, are sufficient to provide a basis for our limited assurance conclusion:

- we obtained an understanding of the operations of all the entities included in the scope of consolidation, and of the summary of principal risks;
- we assessed the appropriateness of the Reporting Framework in terms of its relevance, completeness, reliability, impartiality and clarity, with due consideration of industry best practices where applicable;
- we verified that the Statement includes each category of information specified in Part III of Article L. 225-102-1 of the French Commercial Code in respect of (i) social and environmental issues and (ii) human rights and the fight against corruption and tax evasion and includes, as the case may be, an explanation of the non-disclosure of any information required by the second paragraph of Article L. 225-102-1 III of the French Commercial Code;

[1] *ISAE 3000 (as revised) - Assurance engagements other than audits or reviews of historical financial information.*

- we verified that the Statement presents the information specified in Article R. 225-105 II of the French Commercial Code where such information is relevant to the principal risks;
- we verified that the Statement presents the business model and a description of the principal risks associated with the operations of all the entities included in the scope of consolidation, including where relevant and proportionate risks associated with their business relationships, their products or services, and their policies, actions and outcomes, including key performance indicators relating to the principal risks;
- we consulted documentary sources and conducted interviews to:
  - assess the process for selecting and validating the principal risks, and the consistency of outcomes (including key performance indicators) with the principal risks and policies presented; and
  - corroborate the qualitative information (actions and outcomes) that we regarded as the most important, as presented in Appendix 1. For certain risks (product pricing, product quality, product safety for patients and consumers, patient safety in clinical trials, animal protection, ethics and business integrity, supply chain continuity, falsified medicines, medical ethics and bioethics), we performed our procedures at consolidating entity level. For the other risks, we performed our procedures at consolidating entity level and in a selection of other entities: Sanofi US, Sanofi Turkey, Cologne, One ICF (Frankfurt), Sisteron, Toronto, Swiftwater, Aramon, Frankfurt R&D, Geel, Ho Chi Minh, GOA Pharma, Le Trait, Scoppito, Sidi Abdellah Pharma, Shenzhen, MLA Biocampus, and Origgio;
- we verified that the Statement covers the consolidated scope, i.e. all the entities included in the scope of consolidation in accordance with article L. 233-16 of the French Commercial Code, subject to the limitations set out in the Statement;
- we obtained an understanding of the internal control and risk management procedures applied by the Entity, and assessed the data collection process intended to ensure the completeness and fairness of the Information;
- for the key performance indicators and other quantitative outcomes that we regarded as the most important (as presented in Appendix 1), we carried out:
  - analytical procedures to verify that the data collected had been correctly consolidated, and to check the consistency of data trends;
  - substantive tests using sampling or other selection techniques, in order to verify that the definitions and procedures had been properly applied and to reconcile the data with the supporting documents. Those procedures were conducted at a selection of contributing entities as listed above, and cover between 14% and 67% of the consolidated data selected for those entities (18% of the workforce, 25% of hazardous waste, 14% of VOC emissions, and 67% of COD emissions); and
- we assessed the overall consistency of the Statement based on our knowledge of all the entities included in the scope of consolidation.

The procedures performed in a limited assurance engagement are less extensive that those required for a reasonable assurance engagement conducted in accordance with professional standards; a higher level of assurance would have required us to carry out more extensive procedures.

Nature and scope of our procedures on the A Indicators

For the Entity's A Indicators, we performed procedures of the same nature as those described in the section of this report entitled "Nature and scope of our procedures on the Statement and Information" for those key performance indicators and other quantitative outcomes that we regarded as the most important, but in greater depth, especially as regards the scope of the tests.

The sample selected represents 49% of the A Indicators.

We believe that our procedures were sufficient for us to express a reasonable assurance opinion on the A Indicators.

Nature and scope of our procedures on the B Indicators

For the Entity's B Indicators, we performed procedures of the same nature as those described in the section of this report entitled "Nature and scope of our procedures on the Statement and Information".

The sample selected represents a range from 9% (injury frequency rate for Sanofi employees) to 50% (energy consumption) of the B Indicators.

We believe that those procedures are sufficient to provide a basis for our limited assurance conclusion on the B Indicators.

Paris-La Défense, February 23, 2024

The Independent Third Party

EY & Associés

Christophe Schmeitzky

Partner, Sustainable Development

Appendix 1: Information regarded as the most important

Obligatory information (limited assurance report)

Social information	
Quantitative information (including key performance indicators)	**Qualitative information (actions and outcomes)**
Number of employees under contract at December 31, 2023, split by region, activity, gender, age, and type of contract Number of new hires and departures (all reasons) Turnover – permanent contracts Resignation rate – permanent contracts Total internal transfer rate for executive and Grade 5 posts Number of people trained via the iLearn system Number of training hours delivered via the iLearn system Number of training modules via the iLearn system Number of volunteers Number of volunteering hours Number of countries with at least one volunteering program Number of partner NGOs	Measures taken to attract and retain talent (Talent Management, Career Management, Training, Play to Win cultural change strategy, Diversity and Inclusion, Volunteering)

Environmental information	
Quantitative information (including key performance indicators)	**Qualitative information (actions and outcomes)**
Total quantity of hazardous waste Quantity of hazardous waste reused/recycled/recovered Quantity of hazardous waste recycled Quantity of hazardous waste incinerated with thermal recovery Quantity of hazardous waste incinerated without thermal recovery Quantity of hazardous waste sent to authorized landfills Landfill disposal rate of hazardous and non-hazardous waste Total reuse/recycle/recover rate of hazardous and non-hazardous waste Wastewater discharge (Chemical Oxygen Demand) Airborne emissions (total consumption of solvents, percentage of solvents recycled, emissions of Volatile Organic Compounds) Direct and indirect greenhouse gas emissions (Scopes 1 & 2 market based and location based) – Worldwide scope in 2023 Indirect greenhouse gas emissions (Scope 3) – Worldwide in 2023 1-Purchased goods and services, 2-Capital goods, 3-Energy-related emissions not included in Scopes 1 & 2, 4-Upstream transport of goods, 5-Waste, 6-Business travel, 7-Employee commuting, 9-Downstream transport of goods, 10-Processing of sold products, 11-Use of sold products, 12-End-of-life treatment of sold products, 15-Investments	Measures to prevent, recycle and eliminate hazardous waste Measures to prevent, reduce or remediate releases into the air (management of Volatile Organic Compounds), water (management of environmental releases of pharmaceutical substances) and the soil Greenhouse gas emission reduction targets Proportion of production sites subject to pharmaceutical contamination assessments (cumulative, since 2016) Explanations for variations in direct and indirect greenhouse gas emissions (Scopes 1, 2 & 3) between 2019 and 2023.

Societal information	
Quantitative information (including key performance indicators)	**Qualitative information (actions and outcomes)**
Number of evaluations of compliance with animal protection principles conducted on suppliers and Contract Research Organizations Number of AAALAC International accreditations for Sanofi sites Number of animals used by Sanofi sites Aggregate annual change in average list price in the US Aggregate annual change in net price in the US Number of Global Quality Audits Number of regulatory inspections, and split by authority Number of recalls, including Class 1 recalls Number of internal audits and inspections relating to pharmacovigilance Percentage of individual pharmacovigilance cases submitted to European health authorities within the regulatory deadline Number of signals Number of seizures (doses) Number of falsified medicine manufacturing facilities Number of suspect product analyses conducted by LCAC since 2008 Sanofi legal actions against falsified medicines (including pre-litigation) Web monitoring actions Number of scientific papers published Number of clinical trials with information-sharing Number of inspections conducted on activities relating to clinical trials Overall service level Number of whistle-blowing reports received by Ethics and Business Integrity (E&BI) Number of substantiated whistle-blowing reports to E&BI	Measures taken in Ethics and Business Integrity Measures taken in product pricing Measures taken in product quality Measures taken in product safety (pharmacovigilance) Combating falsified medicines and illicit trafficking Measures taken in medical ethics and bioethics Measures taken in animal protection Measures taken in supply chain continuity

A Indicators (reasonable assurance report)

Environmental information	
Quantitative information (including key performance indicators)	**Qualitative information (actions and outcomes)**
Direct and indirect greenhouse gas emissions (Scopes 1 & 2 market based) Worldwide scope in 2023	

B Indicators (limited assurance report)

Social information	
Quantitative information (including key performance indicators)	**Qualitative information (actions and outcomes)**
Lost time injury frequency rate – Sanofi personnel Lost time injury frequency rate – any employee Total occupational injury frequency rate – Sanofi personnel Total occupational injury frequency rate – any employee Number of occupational diseases reported Percentage of women in Senior Leader roles Percentage of women in executive roles Succession planning (executive posts) Voluntary staff turnover - High Potential population eligible for variable compensation (STI plan) Internal promotion rate - population eligible for variable compensation (STI plan)	Health and safety in the workplace Number of internal HSE audits, including Biosafety Number of auditors trained Number of employees who have performed audits
Environmental information	
Quantitative information (including key performance indicators)	**Qualitative information (actions and outcomes)**
Total quantity of non-hazardous waste Quantity of non-hazardous waste reused/recovered/recycled Quantity of non-hazardous waste recycled Quantity of non-hazardous waste incinerated with thermal recovery Quantity of non-hazardous waste incinerated without thermal recovery Quantity of non-hazardous waste sent to authorized landfills Total water consumption, and split by source of supply Total energy consumption, and split by energy source Renewable energy consumption Percentage of electric, hybrid or biofuel vehicles in total vehicle fleet Percentage of blister free vaccine packs	Water consumption and supply in light of local constraints, explanation of variations in water consumption versus 2019 baseline year Measures to improve energy efficiency and the use of renewables Measures to support biodiversity
Societal information	
Quantitative information (including key performance indicators)	**Qualitative information (actions and outcomes)**
Number of Contract Manufacturing Organization (CMO) audits Number of audits of suppliers of active pharmaceutical ingredients (API) and intermediates Number of audits of miscellaneous suppliers: packaging, distribution, Contract Research Organizations (CROs), etc Number of suppliers assessed on their CSR performance Number of assessed suppliers that met Sanofi CSR requirement Percentage of assessed suppliers that met Sanofi CSR requirement Number of inactivated polio vaccine (IPV) doses supplied to UNICEF for GAVI countries Number of IPV doses supplied to Brazil, India, Indonesia and the Philippines Number of vials donated for rare diseases Number of patients reached by Sanofi Global Health for non-communicable diseases Number of patients reached by Sanofi Global Health for malaria and tuberculosis Number of countries covered by Sanofi Global Health for malaria, tuberculosis and non-communicable diseases (NCDs) Number of countries supported by the Sanofi Global Health Unit with local NCD program(s) Number of NCD programs co-designed and activated by the Sanofi Global Health Unit with financial support Number of healthcare professionals and healthcare workers engaged with NCD training programs Number of supply chain facilities upskilled to optimize access and availability of NCD treatments Number of beneficiaries reached with patient awareness and access to care initiatives Number of countries that responded to the internal control questionnaire on compliance with human rights policies	Actions on access to healthcare Actions in support of human rights, especially compliance with ILO fundamental conventions Consideration of social and environmental responsibility in relations with suppliers and subcontractors

3.9. Corporate social responsibility cross-reference tables

3.9.1. Statement of Extra-Financial Performance (SEFP)

The cross-reference table below shows the disclosures required pursuant to Articles L.225-102-1 and R.225-104 to R.225-105-2 of the French Commercial Code and the European Regulation 2020/852 of June 18, 2020 (the so-called "Taxonomy" Regulation) on the establishment of a framework to promote sustainable investments within the EU.

SEFP topic	Cross-reference to the present document (Chapter 3) or to the 2023 Annual Report on Form 20-F
Business model	
Business environment	
a) Customers	
Distributors/wholesalers, pharmacies, hospitals, clinics, public bodies	• 20-F: Item 4, B.5.1., "Marketing and distribution"
Marketing practices: direct sales, tenders	• 20-F: Item 18, Note B.13., "Revenue recognition"
b) Prescribers	• 20-F: Item 4, B.5.1., "Marketing and distribution"
c) Competition	• 20-F: Item 4, B.5.2., "Competition"
d) Regulatory framework	• 20-F: Item 4, B.5.3., "Regulatory framework"
e) Payers	
Government health insurance systems	• 20-F: Item 4, B.5.4., "Pricing and reimbursement"
Private insurers (e.g. in the United States)	
f) Number of countries in which Sanofi products are sold	• 20-F: Item 4, B.5.1., "Marketing and distribution"
g) Net sales	
3-year trend in net sales	• 20-F: Item 18, "Financial Statements"
Net sales by segment and geographical region	• 20-F: Item 5, A.2.1., "Net Sales"
Organization and structure	
Sanofi	
a) Number of employees	
Total, and split by segment, geographical region, gender, and type of contract	• Chapter 3: "3.3.1.2.1., A glance at our global workforce"
Split by function	• Chapter 3: "3.3.1.2.1., A glance at our global workforce"
b) Sanofi sites	
Number of countries in which Sanofi operates	• 20-F: Item 4, B.5.1., "Marketing and distribution"
Location and number of production/R&D/tertiary sites	• 20-F: Item 4, B.7., "Production and raw materials" • 20-F: Item 4, D.1., "Overview" • 20-F: Item 4, D.2., "Description of our sites"
c) Operations and product life cycle	
Research and development	• 20-F: Item 4, B.4., "Global research & development"
Production: biological, chemical, pharmaceutical, vaccines	• 20-F: Item 4, B.7., "Production and raw materials" • 20-F: Item 4, D.1., "Overview" • 20-F: Item 4, D.2., "Description of our sites"
Sales and distribution	• 20-F: Item 4, B.5.1., "Marketing and distribution"
End of life cycle management	• Chapter 3: "3.3.9.10., Environmental releases"
d) Therapeutic areas and associated products	
Biopharma Consumer Healthcare	• 20-F: Item 4, B.2., "Main Biopharma products" • 20-F: Item 4, B.3., "Consumer Healthcare"
Number of products	• 20-F: Item 4, B.2., "Main Biopharma products" • 20-F: Item 4, B.3., "Consumer Healthcare"
Product types (vaccines, biologics, pills, injectables)	• 20-F: Item 4, B.2., "Main Biopharma products" • 20-F: Item 4, B.3., "Consumer Healthcare"

SEFP topic	Cross-reference to the present document (Chapter 3) or to the 2023 Annual Report on Form 20-F
e) Global Business Unit (GBU) structure	
Overview of GBUs	• 20-F: Item 4, B.2., "Main Biopharma products" • 20-F: Item 4, B.3., "Consumer Healthcare"
Net sales by GBU	• 20-F: Item 5, A.2.1, 1/ "Net sales by operating segment and global business unit"
Suppliers/Subcontractors	
Total amount of purchases Number and type of suppliers Geographical location	• Chapter 3: "3.4.14., Procurement and subcontracting"
Partnerships/alliances	
Regeneron and Bristol-Myers Squibb agreements Alliance with Alnylam	• 20-F: Item 18, Note C, "Principal alliances"
Financial performance	
Management report	• 20-F: Item 5, "Operating and Financial Review and Prospects"
Trends, objectives and strategies	
a) Trends	• 20-F: Item 4, B.1., "Strategy" • 20-F: Item 4, B.5., "Markets"
b) Objectives and Strategy	• 20-F: Item 4, B.1., "Strategy"
Principal extra-financial risks	
Information about how the reporting entity takes account of the social and environmental consequences of its operations, and the effects of those operations on human rights and the fight against corruption and tax evasion	• Chapter 3: "3., Corporate Social Responsibility"
Taxonomy	
Key performance indicators (KPIs) highlighting the proportion of eligible revenues, capital expenditure (CAPEX) and operating expenditures (OPEX) resulting from products and/or services associated with economic activities defined as "sustainable" in Annex I & II of the Climate Delegated Acts	• Chapter 3: "3.5., Taxonomy"
Other topics cited in Article L. 225-102-1 III of the French Commercial Code	
Consequences for climate change of the reporting entity's operations, and of the use of the goods and services it produces	• Chapter 3: "3.3.9., Environment"
Societal commitments in support of sustainable development	• Chapter 3: "3.3.2., Access to healthcare"
Circular economy	• Chapter 3: "3.3.9.6., Waste: towards a circular economy"
Reducing food waste	• Chapter 3: "3.3.9.6.2., Initiatives to reduce food waste"
Combating food insecurity and promoting responsible, fair and sustainable food	• N/A
Respect for animal welfare	• Chapter 3: "3.3.10., Animal protection"
Collective agreements entered into within the reporting entity, and their impacts on the entity's economic performance and on the working conditions of its employees	• Chapter 3: "3.3.1.4.4., Fostering dialogue to pursue progress"
Initiatives to combat discrimination and promote diversity, and measures to support people with disabilities	• Chapter 3: "3.3.1.5., Creating our diversity edge"

3.9.2. Duty of vigilance

The cross-reference table below shows the disclosures required pursuant to law no. 2017-399 of March 27, 2017 on the duty of vigilance of parent companies and companies acting as principals.

Duty of vigilance topic	Cross-reference to the present document (Chapter 3)
Identification and evaluation of risks generated by operations	
	• 3.4.2., Duty of vigilance risk table
Regular evaluation procedures	
Product safety for patients and consumers	• 3.3.3.1., Organization • 3.3.4.1.1., Organization
Biopiracy	• 3.4.13., Biopiracy
Personal data protection	• 3.4.10., Data Pivacy
Employee health and safety	• 3.4.7., Employee health and safety
Environmental releases	• 3.3.9.10., Environmental releases
Water resource management	• 3.3.9.5.1., Water resource management plan
Human rights	• 3.4.6.1., Human rights risk mapping
Procurement and subcontracting	• 3.4.14., Procurement and subcontracting
Appropriate actions to mitigate risk or prevent serious harm	
Product safety for patients and consumers	• 3.3.3.2., Policy and action plans • 3.3.4.2.2., Policy and action plans
Biopiracy	• 3.4.13., Biopiracy
Personal data protection	• 3.4.10., Data Privacy
Employee health and safety	• 3.4.7.2., Workplace health and safety programs
Environmental releases	• 3.3.9.10., Environmental releases
Water resource management	• 3.3.9.5.1., Water resource management plan
Human rights	• 3.4.6.3., Policies and action plans
Procurement and subcontracting	• 3.4.14., Procurement and subcontracting
Whistle-blowing systems and report-handling	
	• 3.4.5., Whistle-blowing systems and report-handling
Arrangements for monitoring actions taken and assessing their effectiveness	
Product safety for patients and consumers	• 3.3.3.3., Performance indicators • 3.3.4.2.3., Performance indicators
Biopiracy	• 3.4.13., Biopiracy
Personal data protection	• 3.4.10., Data Privacy
Employee health and safety	• 3.4.7.3., Occupational injury/disease indicators
Environmental releases	• 3.3.9.10.4., Performance indicators
Minimizing the use of water resources	• 3.3.9.5.2., Water consumption
Human rights	• 3.4.6.4., Performance indicators
Procurement and subcontracting	• 3.4.14., Procurement and subcontracting

3.9.3 Taxonomy Appendix

TAXONOMY APPENDIX – TURNOVER

Fiscal year	2023																	
	Economic Activities (1)	Code(s) (a) (2)	Absolute turnover (3)	Proportion of turnover N (4)	Substantial contribution criteria: Climate change mitigation (5)	Substantial contribution criteria: Climate change adaptation (6)	Substantial contribution criteria: Water and marine ressources (7)	Substantial contribution criteria: Pollution (8)	Substantial contribution criteria: Circular economy (9)	Substantial contribution criteria: Biodiversity and ecosystems (10)	DNSH criteria ("Does Not Signifiantly Harm") (h): Climate change mitigation (11)	DNSH criteria ("Does Not Signifiantly Harm") (h): Climate change adaptation (12)	DNSH criteria ("Does Not Signifiantly Harm") (h): Water and marine ressources (13)	DNSH criteria ("Does Not Signifiantly Harm") (h): Pollution (14)	DNSH criteria ("Does Not Signifiantly Harm") (h): Circular economy (15)	DNSH criteria ("Does Not Signifiantly Harm") (h): Biodiversity and ecosystems (16)	DNSH criteria ("Does Not Signifiantly Harm") (h): Minimun safeguards (17)	Taxonomy-aligned proportion of turnover (A.1.) or eligible (A.2.) to Taxonomy, fiscal year N-1 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
A. TAXONOMY ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
Turnover of environmental sustainable activities (Tanoxonomy-aligned) (A.1.)		0	0 %															0%		
Of which enabling		0	0 %															0%	E	
of which transitional		0	0 %															0%		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																				
Manufacture of medicinal products	PPC 1.2	43,070	100%	N/EL	N/EL	N/EL	EL	N/EL	N/EL									0%		
Turnover of Taxonomy eligible but not environmentally sustainaable activities (not Taxonomy-aligned activities) (A.2.)		43,070	100%	0 %	0 %	0 %	100 %	0 %	0 %									0%		
Total (A.1 + A.2)		43,070	100%	0 %	0 %	0 %	100 %	0 %	0 %									0%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Turnover of Taxonomy-non-eligible activities		0	0 %																	
TOTAL (A.+B.)		43,070	100 %																	

TAXONOMY APPENDIX – CAPEX

Fiscal year	2023			Substantial contribution criteria								DNSH criteria ("Does Not Signifiantly Harm") (h)								
Economic Activities (l)	Code(s) (2)	Absolute CapEx (3)	Proportion of CapEx N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine ressources (7)	Pollution (8)	Circular economy (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine ressources (13)	Pollution (14)	Circular economy (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Taxonomy-aligned proportion of CapEx (A.1.) or eligible (A.2.) to Taxonomy, fiscal year N-1 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
A. TAXONOMY ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Transport by motorbikes, passenger cars and commercial vehicles	CCM 6.5	0.6	0.0%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.0%		T
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	1.6	0.0 %	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.0%	E	
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	0.3	0.0 %	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.0%	E	
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	0.2	0.0 %	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.0%	E	
Installation, maintenance and repair of renewable	CCM 7.6	2.8	0.0 %	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.0%	E	
Acquisition and ownership of buildings	CCM 7.7	7.0	0.1%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	2%		
CapEx of environmental sustainable activities (Tanoxonomy-aligned) (A.1.)		12.5	0.2%	0.2%	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	Y	Y	Y	Y	Y	Y	Y	2%		
Of which enabling		4.9	0.1%	0.1%	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	Y	Y	Y	Y	Y	Y	Y	0%	E	
of which transitional		0.6	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	Y	Y	Y	Y	Y	Y	Y	0%		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
Waste water collection and treatment	CCM 5.3 et CCA 5.3	21.3	0.3%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.0 %		
Transport by motorbikes, passenger cars and commercial vehicles	CCM 6.5 et CCA 6.5	69.1	0.8%	EL	EL	N/EL	N/EL	N/EL	N/EL								1.0 %		
Renovation of existing buildings	CCM 7.2 et CCA 7.2	174.5	2.1%	EL	EL	N/EL	N/EL	N/EL	N/EL								6.0 %		
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3 et CCA 7.3	8.2	0.1%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.0 %		
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4 et CCA 7.4	0.0	0.0 %	EL	EL	N/EL	N/EL	N/EL	N/EL								0.0 %		
Installation, maintenance and repair of renewable energy technologies	CCM 7.6 et CCA 7.6	0.0	0.0 %	EL	EL	N/EL	N/EL	N/EL	N/EL								0.0 %		
Acquisition and ownership of buildings	CCM 7.7 et CCA 7.7	627.6	7.6%	EL	EL	N/EL	N/EL	N/EL	N/EL								19.0 %		
Manufacture of medicinal products	PPC 1.2	7,389.7	89%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								0.0 %		
CapEx of Taxonomy eligible but not environmentally sustainaable activities (not Taxonomy-aligned activities) (A.2.)		8,290.5	99.8%	10.8%	10.0%	0.0%	90.0%	0.0 %	0.0 %								26.0 %		
Total (A.1 + A.2)		8,303.0	100.0%	11.0%	10.0%	0.0%	90.0%	0.0 %	0.0 %								29.0 %		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		0	0.0 %																
TOTAL (A.+B.)		8,303.0	100.0%																

TAXONOMY APPENDIX – OpEx

Fiscal year	2023			Substantial contribution criteria								DNSH criteria ("Does Not Signifiantly Harm") (h)								
Economic Activities (1)	Code(s) (2)	Absolute OpEx (3)	Proportion of OpEx N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine ressources (7)	Pollution (8)	Circular economy (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine ressources (13)	Pollution (14)	Circular economy (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Taxonomy-aligned proportion of OpEx (A.1.) Or eligible (A.2.) to Taxonomy, fiscal year N-1 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
A. TAXONOMY ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmental sustainable activities (Tanoxonomy-aligned) (A.1.)		0	0%														0%		
Of which enabling		0	0%														0%	E	
of which transitional		0	0%	%													0%		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
Transport by motorbikes, passenger cars and	CCM 6.5 et CCA 6.5	0	0%	EL	EL	N/EL	N/EL	N/EL	N/EL								0%		
Renovation of existing buildings	CCM 7.2 et CCA 7.2	0	0%	EL	EL	N/EL	N/EL	N/EL	N/EL								0%		
Installation, maintenance and repair of energy	CCM 7.3 et CCA 7.3	0	0%	EL	EL	N/EL	N/EL	N/EL	N/EL								0%		
Acquisition and ownership of buildings	CCM 7.7 et CCA 7.7	0	0%	EL	EL	N/EL	N/EL	N/EL	N/EL								1%		
Manufacture of medicinal products	PPC1.2	4,673	100%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								0%		
OpEx of Taxonomy eligible but not environmentally sustainaable activities (not Taxonomy-aligned activities) (A.2.)		4,673	100%	0%	0%	0%	100%	0%	0%								2%		
Total (A.1 + A.2)		4,673	100%	0%	0%	0%	100%	0%	0%								2 %		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		0	0 %																
TOTAL (A.+B.)		4,673	100%																

Turnover

	Proportion of turnover/total turnover	
	Aligned on taxonomy per objective	Eligible for taxonomy per objective
CCM	0.0 %	0.0 %
CCA	0.0 %	0.0 %
WTR	0.0 %	0.0 %
CE	0.0 %	0.0 %
PPC	0.0 %	100.0 %
BIO	0.0 %	0.0 %

CapEx

	Proportion of CapEx/total CapEx	
	Aligned on taxonomy per objective	Eligible for taxonomy per objective
CCM	0.2 %	11.0 %
CCA	0.0 %	11.0 %
WTR	0.0 %	0.0 %
CE	0.0 %	0.0 %
PPC	0.0 %	100.0 %
BIO	0.0 %	0.0 %

OpEx

	Proportion of OpEx/total OpEx	
	Aligned on taxonomy per objective	Eligible for taxonomy per objective
CCM	0.0 %	0.0 %
CCA	0.0 %	0.0 %
WTR	0.0 %	0.0 %
CE	0.0 %	0.0 %
PPC	0.0 %	100.0 %
BIO	0.0 %	0.0 %

(a) The Code is made up of the abbreviation of the objective to which the economic activity is eligible to make a substantial contribution, as well as the Section number of the activity in the relevant Annex covering the objective:
- *Climate Change Mitigation: CCM*
- *Climate Change Adaptation: CCA*
- *Water and Marine Resources: WTR*
- *Circular Economy: CE*
- *Pollution Prevention and Control: PPC*
- *Biodiversity and Ecosystems: BIO*

For example, the "Afforestation" activity would have the code CCM 1.1

(b) Y - Yes: activity eligible for the Taxonomy and aligned with the Taxonomy for the relevant environmental objective
N - No: activity eligible for the Taxonomy but not aligned with the Taxonomy for the relevant environmental objective
N/EL – Non-eligible: Activity not eligible for the Taxonomy for the relevant environmental objective

(c) Where an economic activity contributes substantially to multiple environmental objectives, non-financial undertakings shall indicate, in bold, the most relevant environmental objective for the purpose of computing the KPIs of financial undertakings while avoiding double counting. In their respective KPIs, where the use of proceeds from the financing is not known, financial undertakings shall compute the financing of economic activities contributing to multiple environmental objectives under the most relevant environmental objective that is reported in bold in this template by non-financial undertakings. An environmental objective may only be reported in bold once in one row to avoid double counting of economic activities in the KPIs of financial undertakings. This shall not apply to the computation of Taxonomy-alignment of economic activities for financial products defined in point (12) of Article 2 of Regulation (EU) 2019/2088. Non-financial undertakings shall also report the extent of eligibility and alignment per environmental objective, including alignment with each of environmental objectives for activities contributing substantially to several objectives, by using the templates in the following tabs: Turnover (2), CapEx (2), OpEx (2)

(d) An activity may comply with one or more environmental objectives for which it is eligible.

(e) An activity may be eligible for the Taxonomy but not comply with the relevant environmental objectives.

(f) EL - Activity eligible for the Taxonomy for the relevant objective
N/EL - Activity not eligible for the Taxonomy for the relevant objective

(g) Activities shall be reported in Section A.2 of this template only if they are not aligned with any environmental objective for which they are eligible. Activities that align with at least one environmental objective shall be reported in Section A.1 of this template.

(h) For an activity to be reported in Section A.1 all DNSH criteria and minimum safeguards shall be met. For activities listed under A2, columns (5) to (17) may be completed on a voluntary basis by non-financial undertakings. Non-financial undertakings may indicate the substantial contribution and DNSH criteria that they meet or do not meet in Section A.2 by using:
a) for substantial contribution - Y/N and N/EL codes instead of EL and N/EL and
b) for DNSH – Y/N codes.

3.9.4. Sustainability Accounting Standards Board (SASB) index

The cross-reference table below shows the disclosures in line with SASB.

Code	Metrics	Cross-reference to the present document (Chapter 3) or to the 2023 Annual Report on Form 20-F
Safety of Clinical Trial Participants		
HC-BP-210a.1	Discussion, by world region, of management process for ensuring quality and patient safety during clinical trials	• 3.3.5.1.2.2. Medical ethics and clinical trials
HC-BP-210a.2	Number of FDA Sponsor Inspections related to clinical trial management and pharmacovigilance that resulted in: (1) Voluntary Action Indicated (VAI) and (2) Official Action Indicated (OAI)	• 3.3.4.1. Pharmacovigilance: – 3.3.4.1.2. Policy and action plans – 3.3.4.1.3. Performance indicators
HC-BP-210a.3	Total amount of monetary losses as a result of legal proceedings associated with clinical trials in developing countries	• Form 20-F 2023: Item 8, A., "Consolidated Financial Statements and Other Financial Information"
Access to Medicines		
HC-BP-240a.1	Description of actions and initiatives to promote access to health care products for priority diseases and in priority countries as defined by the Access to Medicine Index	• 3.3.2. Access to healthcare
HC-BP-240a.2	List of products on the WHO List of Prequalified Medicinal Products as part of its Prequalification of Medicines Programme (PQP)	• 3.3.2. Access to healthcare
Affordability & Pricing		
HC-BP-240b.1	Number of settlements of Abbreviated New Drug Application (ANDA) litigation that involved payments and/or provisions to delay bringing an authorized generic product to market for a defined time period	• Form 20-F 2023: Item 8, A., "Consolidated Financial Statements and Other Financial Information"
HC-BP-240b.2	Percentage change in: (1) average list price and (2) average net price across U.S. product portfolio compared to previous year	• 3.3.2.3.4. Product pricing
HC-BP-240b.3	Percentage change in: (1) list price and (2) net price of product with largest increase compared to previous year	Not reported
Drug Safety		
HC-BP-250a.1	List of products listed in the Food and Drug administration's (FDA) MedWatch Safety Alerts for Human Medical Products database	• Form 20-F 2023: Item 5, A.2.1., 4/ "Net sales – Consumer Healthcare segment/GBU"
HC-BP-250a.2	Number of fatalities associated with products as reported in the FDA Adverse Event Reporting System	• Information available on the FDA - MedWatch website
HC-BP-250a.3	Number of recalls issued, total units recalled	• 3.3.3.3. Performance indicators
HC-BP-250a.4	Total amount of product accepted for takeback, reuse, or disposal	• 3.3.9.10. Environmental releases
HC-BP-250a.5	Number of FDA enforcement actions taken in response to violations of current Good Manufacturing Practices (cGMP), by type	• 3.3.3.3. Performance indicators

Code	Metrics	Cross-reference to the present document (Chapter 3) or to the 2023 Annual Report on Form 20-F
Counterfeit Drugs		
HC-BP-260a.1	Description of methods and technologies used to maintain traceability of products throughout the supply chain and prevent counterfeiting	• 3.3.4.2. Fight against falsified medicine and illicit trafficking
HC-BP-260a.2	Discussion of process for alerting customers and business partners of potential or known risks associated with counterfeit products	• 3.3.4.2. Fight against falsified medicine and illicit trafficking
HC-BP-260a.3	Number of actions that led to raids, seizure, arrests, and/or filing of criminal charges related to counterfeit products	• 3.3.4.2. Fight against falsified medicine and illicit trafficking
Ethical Marketing		
HC-BP-270a.1	Total amount of monetary losses as a result of legal proceedings associated with false marketing claims	• Form 20-F 2023: Item 8, A., "Consolidated Financial Statements and Other Financial Information"
HC-BP-270a.2	Description of code of ethics governing promotion of off-label use of products	• 3.3.7. Ethics and business integrity
Employee Recruitment, Development & Retention		
HC-BP-330a.1	Discussion of talent recruitment and retention efforts for scientists and research and development personnel	• 3.3.1.3. How we attract and retain talent to deliver on our strategy
HC-BP-330a.2	(1) Voluntary and (2) involuntary turnover rate for: (a) executives/senior managers, (b) midlevel managers, (c) professionals, and (d) all others	• 3.3.1.3.1. Efficient hiring and fostering internal mobility
Supply Chain Management		
HC-BP-430a.1	Percentage of (1) entity's facilities and (2) Tier I suppliers' facilities participating in the Rx-360 International Pharmaceutical Supply Chain Consortium audit program or equivalent third-party audit programs for integrity of supply chain and ingredients	• 3.3.3. Product quality • 3.3.4.1. Pharmacovigilance
Business Ethics		
HC-BP-510a.1	Total amount of monetary losses as a result of legal proceedings associated with corruption and bribery	• Form 20-F 2023: Item 8, A., "Consolidated Financial Statements and Other Financial Information"
HC-BP-510a.2	Description of code of ethics governing interactions with health care professionals	• 3.3.7. Ethics and business integrity • Form 20-F 2023: Item 4, B.5., "Markets"
Activity Metric		
HC-BP-000.A	Number of patients treated	• 3.3.2. Access to healthcare
HC-BP-000.B	Number of drugs (1) in portfolio and (2) in research and development (Phases 1-3)	• Form 20-F 2023: Item 4, B.2., "Main Biopharma products" • Form 20-F 2023: Item 4, B.3., "Consumer Healthcare"

Notes

Notes

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