

Committed to *a Healthier India*



We chase the miracles of science
to improve people's lives



sanofi

Sanofi India Limited
Integrated Annual Report 2022

Our approach to reporting

Introduction to the Report

We are proud to present our first Integrated Annual Report for FY 2022, which showcases our efforts towards creating long-term value for our stakeholders. This Report covers our performance, related to Environment, Social, and Governance parameters in our operations. This Report is based on the Value Reporting Foundation's Integrated Reporting Framework. The Value Reporting Foundation is a global non-profit organisation comprising the International Integrated Reporting Council (IIRC) and Sustainability Accounting Standards Board (SASB).

Statement of responsibility

The Board believes that Sanofi India Limited's Integrated Annual Report FY 2022 addresses all material topics relevant to the Company and provides insights into its approach and processes. This is being done with a view to address the needs of our stakeholders, while creating long-term value. The Board acknowledges the contents of this Report, which have been developed under the guidance of Sanofi India's senior management.

Forward-looking statements' disclosure

This Report contains a few forward-looking statements that reflect Sanofi India Limited's views concerning future events and performance. These statements are based on reasonable assumptions and past performance, and involve a variety of risks and uncertainties. These statements include all the statements other than historical facts, performance highlights, objectives, approaches, and mitigation plans. They are subject to change considering developments

in the industry, geographical market conditions, government regulations, laws, and other incidental factors. Consequently, no forward-looking statement can be guaranteed, and actual results may vary, causing a material impact on the Company's operations and performance.

Reporting period

This Report covers disclosures for the reporting period from 1st January 2022 to 31st December 2022 (FY 2022).

Reporting boundary

This Report covers the financial and non-financial performance of Sanofi India Limited. This includes our India operations at the Goa factory, Mumbai corporate office, and other branch offices in India.

Defining report content and topic boundaries

Our approach to sustainability reporting involves giving attention to material issues and activities, in line with stakeholder concerns and relevance to our business and society in terms of framework, comprehensiveness, and balance. Material topics have been identified based on our interaction with our internal and external stakeholders as well as suggestions from our senior management. This entire process has facilitated the disclosures on key material topics. We believe that this Report addresses all the topics that are material to our stakeholders. This Report for FY 2022 does not feature any restatements for information about previous financial years.

Alignment with nationally and internationally agreed standards

The non-financial performance has been reported in accordance with the Value Reporting Foundation's Integrated Reporting Framework. It is also aligned with the leading national and global frameworks, such as Global Reporting Initiatives (GRI) Standards 2021, Business Responsibility and Sustainability Report (BRSR), Sustainability Accounting Standards Board (SASB), as well as the United Nations Sustainable Development Goals (UN SDGs).

The financial and statutory details disclosed in this Report are as per the requirements of the Companies Act, 2013 (including the rules made thereunder); Indian Accounting Standards; the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and the Secretarial Standards issued by the Institute of Company Secretaries of India.

Contact point for questions

We value your feedback, which will allow us to disclose pertinent information most effectively and transparently. This feedback allows us to recognise evolving risks, in addition to addressing stakeholder concerns and improving our response time. If you have any queries or suggestions about our performance or this Report, you may write to us at IGRC.SIL@sanofi.com or contact us on (91-22) 28032000.

Contents

02-31

Corporate overview

- 04 Who we are
- 06 Committed to a healthier India through our growth pillars
- 07 Committed to a healthier India with our customers



- 08 Committed to a healthier India by curbing the diabetes epidemic
- 10 Committed to a healthier India through consumer healthcare
- 12 Committed to a healthier India by leveraging digital innovation



- 14 Committed to a healthier India through social impact
- 16 Product portfolio
- 20 Chairman's message
- 22 Managing Director's message
- 24 Governance at Sanofi India

32-39

Value creation approach

- 32 Value creation model
- 34 Stakeholder engagement
- 38 Materiality assessment

40-69

Our capitals

- 40 Financial capital
- 44 Manufactured capital
- 46 Intellectual capital
- 50 Natural capital
- 56 Human capital
- 64 Social and Relationship capital

70

Awards and recognition

- 70 Awards and recognition

72-151

Statutory reports

- 72 Notice
- 83 Report of the Directors
- 88 Annexures
- 97 Management Discussion and Analysis
- 104 Business Responsibility & Sustainability Report
- 134 Report on Corporate Governance

152-216

Financial statements



We chase the miracles of science to improve people's lives



Committed to a healthier India

Scientific discoveries do not happen overnight or without hard work. But our determination to find answers for patients motivates us to develop breakthrough medicines.

And to never settle.

We are driven by a unifying purpose and ambition. Guided by our purpose – chasing the miracles of science to improve people's lives – we are redefining who we are and why we exist, with greater clarity for our people, partners, patients, and healthcare professionals.

2022 was a year of transformation. We examined what today's India needs, and in turn our product portfolio, structure, processes, and ways of working. We are now on an exciting journey of pursuing strategic innovations and delivering sustainable solutions that facilitate well-being and wellness. We are chasing ways in which we can deliver our miracles of science to benefit patients and create value for society, thus contributing to making a healthier India.

Case in point

One in seven people with diabetes is an Indian. Of epidemic proportions, diabetes poses a substantial economic burden on the country and its healthcare system, as well as people with the disease, and their families.

Diabetes though is often just the starting point for other related problems like retinopathy, heart disorders, nerve damage and kidney diseases, among others. What makes the situation even more challenging is the lack of awareness, diagnosis and access to treatment, social barriers, and adherence to recommended guidelines.

Therefore, we have prioritised diabetes management as a core area of focus at Sanofi India. By bringing

our comprehensive range of diabetes management solutions (orals and injectables) and complementing it with education about the disease, its causes, and preventive measures, we are making significant progress in addressing this health issue.

Likewise, we are equally committed to the other areas of therapy that we have expertise in. Across India, people's needs vary from well-being (consumer healthcare) to diseases of epidemic proportion (allergy and cardiology) or maligned with stigma (epilepsy). We bring them quality products, devices, services, and access to information that empowers them to manage their condition and lead healthier lives.

Who we are

In India for India

Sanofi India is a five-time 'Top Employer' and has products that are present in one out of three Indian households. Our priority is to lead with innovation and bring transformative therapies to patients, while accelerating operational efficiency and reinventing our ways of working.

We have a well-established large-scale manufacturing presence with a site in Goa and 12 Contract Manufacturing Organisations (CMOs) in different parts of India. Our corporate office is headquartered in Mumbai, Maharashtra. We produce pharmaceutical formulations, dosage forms and offer an extensive range of innovative medicines across vital therapeutic areas.

Our brands are leaders in their respective categories and are a testament to our long history of superior quality, consistent supply, and demonstrated scientific competence. Our endeavour is to align ourselves with India's healthcare needs by building expertise, capability, and capacity, through continued investments, strategic partnerships, and a shared commitment towards the well-being of patients.



Manufacturing site, Goa

Among
Top 4

Multinational pharma companies in India

3

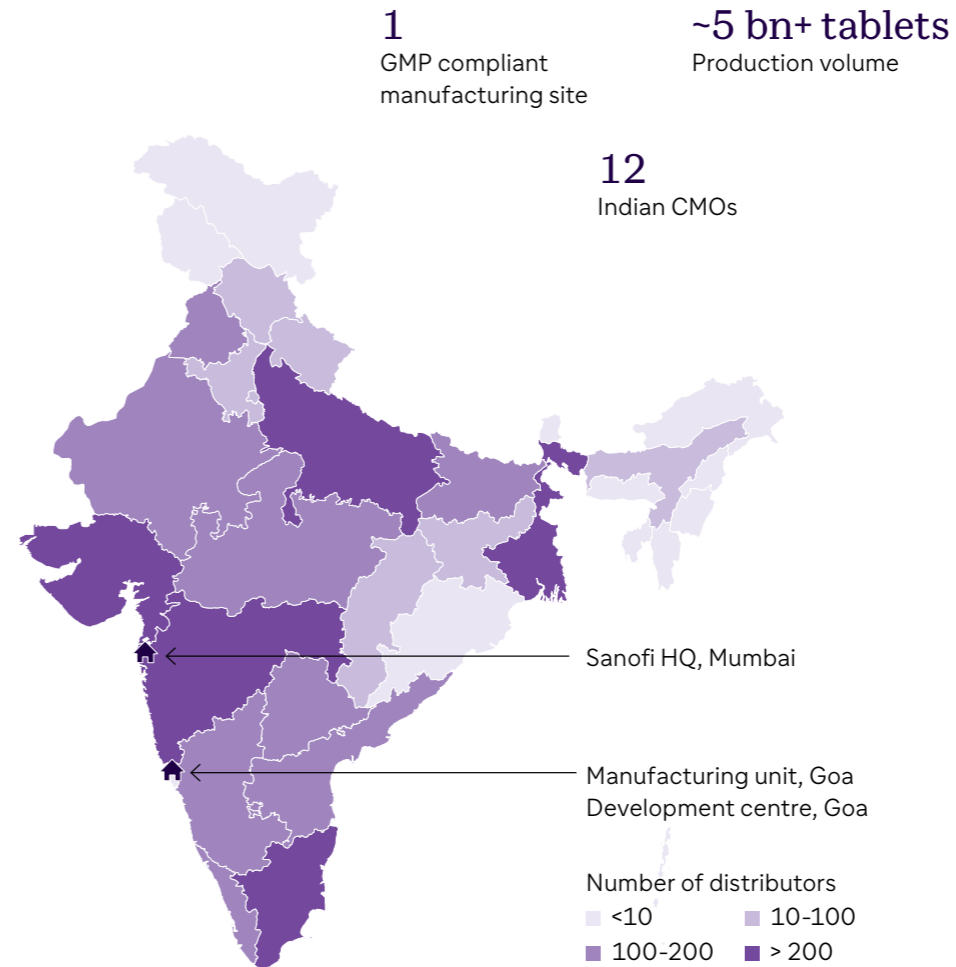
Brands within the top 100 pharma brands

₹127 billion

Market capitalisation as on 24th February 2023



Superior quality and compliance track record backed by robust distribution presence across India



Our social impact initiatives are in partnership with state governments and NGOs to improve access to healthcare in diabetes and other non-communicable diseases.

We export our wide range of finished formulation dosages and medical devices to 60+ developed, as well as developing countries. We are listed on

Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). We are a public-private limited company having 60.4% promoter holding and the balance held by foreign, domestic and retail investors. In FY 2022, the number of shareholders increased by 50% since the previous year.

~100,000

Total pharmacies reached across India

~3,000

Total distributors across India

Sanofi Global

As an inventive healthcare enterprise, our ultimate goal is to enhance the well-being of individuals by pursuing scientific breakthroughs. With a workforce spanning over 100 nations, we strive to revolutionise medical practices by aiming to achieve what was once considered unattainable.

Our mission involves offering treatment options that could significantly improve lives and provide vaccines, that can potentially save lives of countless people worldwide. Furthermore, we prioritise sustainability and social responsibility as essential components of our aspirations.

100 countries

Presence

~100,000

Total employees

~70

Manufacturing units

~20

R&D sites

To know more about Sanofi, please visit

<https://www.sanofi.com/en>

Committed to a healthier India *through our growth pillars*



Diabetes

- Strengthening position
- Expanding spectrum of offerings
- Stronger disease awareness initiatives



Consumer Healthcare (CHC)

- Doubling down on our winning brand - Allegra®
- Deepening consumer understanding
- Expanding range



Innovation

- Leveraging global and local innovation
- Exploring supply localisation
- Forging partnerships for reach expansion



Go-To-Market (GTM)

- Customer-centric and hybrid models
- Trade organisations (retail and non-retail)
- Piloting transformative models



Committed to a healthier India *with our customers*

●
The healthcare ecosystem is evolving with science becoming more complex and the use of digital tools expanding. As a result, the exchange between the physician, patient and the pharma industry are transforming.
●



In this fast-paced world, we are introducing hybrid customer experiences that quicken knowledge transfer and support individualised treatment and disease management.

Our customers are mainly healthcare professionals or consultants, pharmaceutical retailers and distributors, e-pharmacies and e-commerce companies.

Committed to a healthier India *by curbing the diabetes epidemic*



Numbers speak volumes

1 out of 7

Indians accounting for all adults with diabetes globally

~40 million

Indian adults (20-79 years) with undiagnosed diabetes in 2021

~77 million

Indian adults (20-79 years) with diabetes in 2021

230,000

India now has the highest estimated number of prevalent type 1 diabetes cases in people under 20 years of age

Clearly, there is an urgent need to detect diabetes early and initiate treatment for better disease management.

At Sanofi India, we believe that the only way of transforming the management of chronic diseases like diabetes is to reverse the course of the epidemic.

We do not just stop at creating a diversified portfolio of products, but go the extra mile to deepen disease and therapy awareness.

We do not just interact with our customers, but strive to create an ecosystem that provides all the relevant information pertaining to diabetes.



Hybrid HCP engagements

The iCON program is designed as an integrated customer journey of 4 months hosted on an in-house developed app - Sanofi Knowledge Academy (SKA).

During this programme, multiple touch-points are planned with HCPs, including various in-person and digital meetings, along with a rich repository of virtual resources and digital engagements.

Since the launch of the iCON initiative in Q4 FY 2019, >6,000 HCPs have been engaged in unique capability-building initiatives.

Patient Support Programme

Saath7 is Sanofi's unique and longest running Patient Support Programme (PSP) that helps lakhs of people living with diabetes, manage their condition better. Our stellar team of professionally trained counsellors from across 45 cities provide educational and counselling support to patients from across India, who are enrolled in our programme by over 5,000 doctors.

Comprehensive product portfolio

We offer a balanced portfolio of orals and injectables for different stages of diabetes, in different types of patients for optimal management.

Insulin delivery simplified

Toustar® is India's first reusable insulin pen with a dedicated cartridge. Most patients living with diabetes find disposable insulin pens prone to error and too cumbersome to keep changing. We launched the TouStar® reusable pen in India, adding another device to the versatile, multi-award winning AllStar platform. The TouStar® pen contains 50% more insulin than a regular cartridge, making it more convenient and long-lasting. The new dedicated cartridge system is intended to simplify the cartridge exchange process and help prevent insulin mix-ups, by preventing users from accidentally attaching an incompatible insulin cartridge.



Mrs. Usha Thorat, Independent Director at the mobile medical van-NCD screening, Mudshingi, Kolhapur

Committed to a healthier India *through consumer healthcare*

If this pandemic has taught us something, it is that health is no longer a set of symptoms to be treated in isolation. Health is inextricably linked to the world around us.



People's lifestyle and the environment are causing several ailments like allergies and pain, which are common and everyday occurrences. Vitamin D deficiency (VDD) and insufficiency is found in 76% Indians. This high prevalence of VDD in a sun-rich country like India has been reported due to several reasons that include inadequate exposure to sunlight,

dietary factors, and pollution hampering the penetration of ultraviolet rays.

Over the course of the pandemic, the world has witnessed a sea-change in awareness and willingness amongst many people to take a proactive role in managing their own health and well-being.



Allergies

The prevalence of allergies in India has doubled over the past decade. While our direct physical reach is to ~8,000 physicians, we have increased our reach to 1 lakh physicians across India by adopting an omni-channel strategy. We continue to strengthen our Nasal Allergy portfolio with innovative and patient-centric solutions since ~70% allergic rhinitis patients exhibit nasal congestion as a bothersome symptom.

Pollution is a key aggravator to allergic rhinitis and India is home to 9 out of the 10 most polluted cities in the world. Despite such high occurrences, awareness about allergic rhinitis remains low, causing aggravated symptoms. Sanofi India has taken a lead in creating awareness on the impact of pollution on allergies in India.



Vitamin D deficiency or insufficiency

Post-covid, the awareness and importance of immunity has gone up significantly. We have leveraged this to drive growth for our wellness portfolio with DePura Kids by highlighting how optimal Vitamin D levels help maintain good bone health and immunity.



Pain management

Pain is one of the most common health issues today. For over 30 years, people across India have trusted and relied on Combiflam®, one of our flagship prescription brands.

Committed to a healthier India by leveraging digital innovation

Achieving an ambition to serve people across the length and breadth of the nation, can only be achieved efficiently and effectively through digital innovations.

Our initiatives are tailored to engage Healthcare Professionals (HCPs) and create digital platforms for them to exchange and learn, which in turn, benefits the people they treat.



Sanofi Campus India

Our branded knowledge platform that provides HCPs with relevant medical content. Through Sanofi Campus, we significantly drive local HCP engagement.

~50%

of overall traffic on Sanofi Campus comes organically

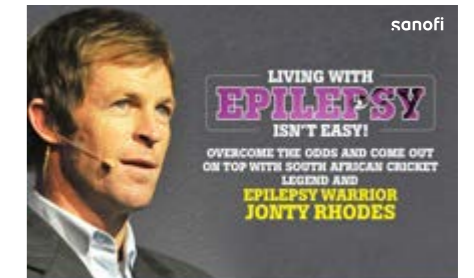


Elite Academy

Tailored to drive insulin adoption for better diabetes management, Elite Academy was highly successful, as ~60% of our HCPs treating diabetes participated in at least three in a series, of four live sessions with subject matter experts.

~60%

attended ≥ three of four live sessions



Social media and radio campaigns

Digital campaign – Since 2020, Jonty Rhodes, an international cricketer living with epilepsy, has partnered Sanofi in our crusade to normalise living with this condition and eradicating taboos and stigmas around it. In 2022, we partnered the widely watched TV news channel 'Times Now' as well as their social media platforms to host a panel discussion and several influencer videos.

Since there is a need to educate people about epilepsy, we are reaching out to people through media, several times a year. Doctors shared their messages through Radio Mirchi covering 26 cities in 19 states.

~1.8 crores

Total listeners of the radio campaign

>50 lakhs

Total views of the digital campaign



Podcasts

We created an eight-part podcast series on Venous Thromboembolism (VTE), which was consumed across 110 hours by 1,000+ doctors.

1,000+

Doctors through a podcast series



Basal Café

A digital platform created to increase awareness and preference for basal insulin. 1,350 HCPs experienced an integrated customer journey of 4 eCMEs (e-Continuing Medical Education) over four months. The basal café model is a mentor-mentee cohort model where 1 mentor is assigned to 15 mentees. The feedback for this initiative has been exceptional.

1,350

HCPs interacted with mentors

Committed to a healthier India through social impact

To reverse the course of the diabetes epidemic in India, our people must be aware and seek diagnosis and treatment. Specifically for children with Type 1 diabetes, there is a need for many more doctors, educators and counsellors with required training.



Instilling educational and behavioural change

- Entered a Public Private Partnership (PPP) in Goa to sensitise children, teachers, and parents about Type 1 diabetes and to mitigate the issue of obesity
- Conducted school outreach programmes in 467 secondary schools and educated ~1,900 teachers and ~1,50,000 children since 2019
- Launched two programmes to foster healthier living: 'Sakhar Free Shukrawar' inculcates healthy food choices, and 'STEP' inculcates a daily walking habit



Early diagnosis for the underprivileged

- Introduced free medical check-ups and follow-up consultations for non-communicable diseases (NCDs) in 10 districts across Maharashtra: Pune, Jalgaon, Parbhani, Satara, Dhule, Sindhudurg, Ratnagiri, Kolhapur, Thane and Mumbai



All-India Type 1 (T1) diabetes access programme

- Focused on capacity and capability building for Healthcare Professionals (HCPs) and diabetes educators to ensure timely diagnosis and efficient Type 1 diabetes management
- Offered free insulin and related consumables for 1,200+ underprivileged children across the country

1. The Rosary High School, Bambolim, Goa
2. STEP-UP Saturday in Mhapusa market, Goa
3. Mobile medical van-NCD screening, Mumbai
4. Distribution of treatment products at AIIMS, Bhatinda (In frame- Harsimran Kaur with her parents)

Product portfolio

An array of offerings

We have been at the forefront of supplying innovative and affordable medicines to patients in India for the last seven decades. We have earned the trust of our customers and stakeholders for our commitment towards promoting healthcare. While pursuing our purpose of chasing the miracles of science to improve people's lives, we engage across the entire health spectrum from the prevention of various diseases and vitamin deficiencies to wellness, treatment, patient support and capacity-building.

We offer a wide range of medicines for the treatment of diabetes through both insulins and oral medicines. We offer medicines for cardiological issues, thrombosis, epilepsy, allergies, and infections, in addition to providing supplements for vitamin deficiencies. At Sanofi India Limited, we focus on affordable medicines for all. We undertake localised low-cost manufacturing, leading to more than 21% of the portfolio in value terms with a price of less than ₹5 per tablet. Our product portfolio mainly focuses on five therapeutic areas:

-  Diabetes
-  Pain care
-  Cardiology
-  Allergy
-  Epilepsy



Diabetes

With our wide range of quality medicines and patient support programmes, we are committed to improving the lives of people with diabetes. We have medicines and medical devices for diabetes treatment. Our insulin portfolio, under the brand name of Lantus®, is very effective for controlling high blood sugar in adults and children with diabetes mellitus.

In 2021, we launched a unique Toustar® pen, along with dedicated Toujeo™ cartridges, addressing the need for a reusable delivery device. The concept of a dedicated cartridge is unique and was pioneered in India

by us. This has augmented the current insulin portfolio, offering an advanced standard of care for patients.

We are producing an oral drug named Amaryl MV, which belongs to a category of medicines known as anti-diabetic drugs. It is a combination of medicines used to treat Type 2 diabetes mellitus in adults. It helps control blood sugar levels in people with diabetes.

We are creating awareness amongst our customers through our initiative 'INTOLIFE' (www.intolife.in) by means of social media campaigns. Under the aegis of 'INTOLIFE,' we have activated a series of programmes to educate people about various aspects

of diabetes management. Some of our diabetes-driven campaigns were targeted at improving the capabilities of healthcare professionals. We are learning the new hybrid way of working and are actively leveraging digital mediums to stay engaged and connected with key stakeholders for diabetes awareness and management.



Pain care

Combiflam is one of the most widely prescribed pain killers by healthcare professionals (HCPs) to reduce pain and inflammation in conditions like headache, muscle & joint pain, sprains & strains, period pain & toothache. It also reduces fever.



Manufacturing site, Goa

Product portfolio



Cardiology

The flagship brand in cardiology, Cardace® group, is an Angiotensin Converting Enzymes (ACE) inhibitor prescribed by cardiologists, diabetologists and consulting physicians alike for controlling high blood pressure. This drug reduces stress on the heart, relaxes the blood vessels and widens them, making it easier for the heart to pump blood around your body, thereby lowering your blood pressure. We are focused on going beyond blood pressure (BP) control for better cardiovascular outcomes, coupled with addressing under-utilisation of ACE inhibitors in post Myocardial Infarction patients.



Allergy

Our flagship brands Allegra and Avil (in the allergy category) are used for treatment of allergic conditions like allergic rhinitis, chronic idiopathic urticaria, hay fever, allergic conjunctivitis, etc. Allegra is also available as Nasal Spray, named Allegra Nasal Duo, a unique offering apart from tablets and its liquid form. In keeping with our philosophy of partnering with HCPs to deliver better care, Allegra played a leadership role and was instrumental in driving continued medical education during the COVID-19 lockdown, particularly establishing the role of fexofenadine and montelukast in managing allergies.



Epilepsy

Frisium® is one of our brands developed to treat epilepsy, which is essentially clobazam, which is a 1,5-benzodiazepine with anxiolytic and anti-convulsant properties and can be used as an add-on therapy in patients with epilepsy. Due to its unique properties, it is less sedative and has a lower potential of developing tolerance as compared to other benzodiazepines is suitable for an add-on ASM.



Manufacturing site, Goa



Thrombosis

In the anti-coagulant space, Clexane®, a renowned Sanofi brand, is used to stop unwanted blood clots from forming and can stop pre-formed blood clots from growing bigger. The impactful work done towards raising awareness for the risk of Venous Thromboembolism (VTE) led to a significant uptake in VTE prophylaxis rates among hospitalised patients. Our effort is focused on improving VTE management practices and protocols in hospitals, to help improve outcomes for patients.



Antibiotics

In the resistant Gram+ segment, our anti-infective brand, Targocid®, is backed by real life experience of over 20 years. It is used to kill bacteria responsible for infections, which can occur in your blood, bones or joints. Targocid® is generally used when the bacteria causing the infection are not satisfactorily eliminated by other antibiotics or when patients may be allergic to other antibiotics.



Nutritional health

Vitamin D deficiency continues to plague almost every person in India, across strata and geographies. With almost every Indian being Vitamin D3 deficient, health related concerns could range from mild to grave. Under the brand name DePura Kids, we have developed tablets and a syrup, which help in boosting immunity and promote bone-building, keeping them strong. This drug can be an essential supplement for patients with diabetic complications or cardiovascular diseases.



Chairman's message

*Shaping the future of healthcare
in India*

To bridge the gaps in health infrastructure and make quality healthcare affordable to all, the Government of India has rightly prioritised its efforts towards strengthening the country's healthcare ecosystem. This provides enormous opportunities to make a difference to more than a billion lives.



Sanofi India is well positioned to capitalise on the opportunities while staying true to its commitment for a healthier India.

Dear Shareholders,

It is indeed a privilege for me to present to you our first Integrated Annual Report for FY 2022. Given the nature of our business and our close to seven decades of existence as a socially responsible and ethical organisation, your Company has earned both respect and trust of doctors and people across India. Therefore, demonstrating the highest levels of corporate governance is a logical step towards further improving transparency in our interactions with stakeholders.

While the world battles geo-political tensions and economic stress caused by untamed inflation and supply disruptions, India continues to demonstrate admirable resilience and a growth-focused policy environment. The Covid-19 pandemic brought about a tectonic shift in the way people view health and overall well-being. To bridge the gaps in health infrastructure and make quality healthcare affordable to all, the Government of India has prioritised its efforts towards strengthening the country's healthcare ecosystem. This provides enormous opportunities to make a difference to more than a billion lives. Sanofi India is well positioned to capture some of these opportunities while staying true to its commitment for a healthier India.

The focus on sustainability challenges continues unabated with climate change becoming a global and national task at hand. At Sanofi, our

purpose 'To chase the miracles of science to improve people's lives' provides an impetus to us, as the Board, to have a stronger focus on ESG (Environmental, Social, and Governance) matters.

As you know, the DNA of your Company is intrinsically ethical, responsible and process-driven. With increasing awareness about ESG, we are adopting newer ways to have an integrated business strategy, that generates long-term value for our stakeholders. Our programmes for planet mobilisation, diversity, equity & inclusion, social impact and employee well-being, now include impact measurement so that we can assess how well we are doing against these. Inspired by Sanofi's global ESG strategy, Sanofi India undertook a materiality survey to establish a baseline in our very first Integrated Annual Report for 2022 last year. Along with the details of the financial out-turn, you will find comprehensive disclosures on various ESG topics in this report.

As you will recall, in June 2022 your Company had a change in leadership with Rodolfo Hrosz taking over the reins as the new Managing Director. Rodolfo brings with him a wealth of experience spanning commercial, marketing, and general management roles across various multinational companies. He joined Sanofi in 2017 as General Manager of the consumer healthcare business in Brazil and

led its transformation, starting from setting up the business unit to helping it become a significant growth contributor and a digital acceleration benchmark within the Sanofi Group.

With his leadership, your Company has already refreshed its strategy with a renewed focus on growth and improving operational efficiencies. The entire team is motivated to unleash the potential of your Company for the next phase of its development. Your Company will mobilise energies, increase agility and capitalise on the emerging opportunities that lie ahead to improve more lives across the country, and simultaneously, minimise the potential environmental impacts of our activities and products throughout their life cycle.

Before closing, I would like to record my gratitude to all our customers, employees, business partners, regulatory agencies and all other stakeholders for their contribution in our progress during 2022 and seek their continued support in our onward journey.

Also, my sincere thanks to each one of you for your unstinted support in our progress so far and look forward to your continued endorsement for all we do in the times ahead.

Best wishes,

Aditya Narayan
Chairman

Managing Director's message

Serving a universe called 'India'



Dear Shareholders,

1.4 billion people across India are bound together in a shared pride of being part of a young nation that is a rising superpower.

The country's rich diversity makes chasing the miracles of science to improve people's lives in India not just challenging, but also promising. In the vastly transformed post-

pandemic world, healthcare is expected to continue experiencing significant growth, as health and wellness become a greater priority for individuals and governments.

It is my privilege to assume the office of the Managing Director of Sanofi India Limited, when India is prioritising health and wellness. In this context, the year 2022 showed

progress on different fronts by the Company. Toujeo®, our U300 insulin, doubled its sales post the launch of Toujeo® cartridges. In the consumer healthcare business, our flagship brands like Allegra® and Avil® have registered a high double-digit growth rate during the year. DePura Kids is a Nano Vitamin D brand with published evidence, which has helped gain the trust of paediatricians. In our epilepsy



portfolio, Frisium® continued to be the most prescribed brand across anti-convulsants in India.

While your Company has been evolving and transforming over almost seven decades, in 2022, your leadership team decided that your Company must refocus its strategy and execution, in order to be fully geared to capture current key growth opportunities in the country.

By the end of 2022, our leadership team devised our 'India for India' strategy, electing to focus on four main growth pillars:

First, the diabetes segment continues to be our biggest driver of growth. Today in India, Sanofi has the most comprehensive portfolio in this segment. With the changing trends in treatment, we will further strengthen our diabetes portfolio, and increase our engagement activities to multiply awareness.

Second, the consumer healthcare business led by big brands including Allegra®, Avil®, Combiflam®, will be another major growth driver. We will continue to deepen our understanding of the consumer healthcare business and focus on expanding our portfolio by leveraging the wide array of products available in our global portfolio.

Third, we will significantly step up our focus on increasing our market share through a combination of product innovation (both globally and locally developed), supply localisation and strategic partnerships.

Fourth, our go-to-market strategy has a large role to play. In line with emerging market trends, your Company is now structured to be more customer-centric and has a hybrid model to optimally capture the demand generated by Healthcare

Professionals (HCPs) in the treatment of patients.

As part of the transformation, we changed our organisation structure from eight Business Units (BUs) to a focused group of three BUs: (i) Diabetes; (ii) Consumer Healthcare; and (iii) Transplants & Cardiology.

Fewer BUs with broader portfolios, allows our Company to better serve the HCPs with a wider range of related products, while improving our reach and presence.

Your Company also deployed dedicated resources to drive multiple innovation projects and a new trade organisation within the Company to improve and fully develop our commercial network and partnerships.

We have also taken steps to simplify processes and ways of working, so that we can become more agile and empower our teams.

What has not changed though is that patients continue to be at the core of Sanofi India. This has always been our strength and continues to be the lighthouse for us all. I am so proud of every member at Sanofi India, from manufacturing and supply, to regulatory, to the medical team, other support functions, and most importantly, of our front-line sales force who never waiver from being attentive to what is best for the patient.

Accordingly, we maintain high ethical values and single-minded focus on delivering high quality medicines to anyone in India who suffers from diseases like diabetes (Lantus® and our entire range of orals and injectables), struggles with respiratory allergies (Allegra®) or pain management (Combiflam®), has vitamin D deficiency (DePura®) and relies on quality intensive care

products (Clexane®) for successful surgical outcomes.

Your Company will now also benefit from ESG (Environmental Social Governance) reporting, including the ability to identify and manage risks and opportunities related to environmental and social impact, and further build trust and transparency with investors and stakeholders.

We have in place a robust governance structure, which I believe is essential to drive a responsible and ethical business culture that goes beyond regulatory compliance. The structure includes policies, procedures and ongoing communication and trainings that set clear expectations on ethical behaviour and accountability in our employees, leadership, and partners. We also excel in our people practices. I am particularly proud to share that for the fifth-year in a row (since 2019), Sanofi India has been recognised as a 'Top® Employer'.

As we stand here today, I take this opportunity to thank all the employees associated with Sanofi, present and past. The fact that Sanofi India has been able to fortify its position as one of the leading pharma companies in the country, boils down to the sheer grit and determination demonstrated every single day.

On behalf of the Board of Directors, I thank all our stakeholders for their continued support. I am very optimistic of the times that lie ahead of us and we look forward to creating a long-lasting impact on the lives of millions across the country.

Best wishes,

Rodolfo Hrosz
Managing Director

Governance

Upholding the highest standards

We are led by a strong team of experts with diverse industry experience and skillsets. With a focus on meritocracy and empowerment, our leadership provides a strategic direction to our organisation through a decentralised decision-making process. Our corporate governance practices continue to exemplify trust, transparency and integrity, and we hold ourselves and our business partners to the highest level of integrity and accountability.

Governance structure

Our Board of Directors represents a mix of professionalism, qualification, knowledge, skillsets, integrity, expertise, and diversity of experience. The Board understands the dynamics of our operations and provides guidance in making efficacious decisions to propel our organisation towards growth, while safeguarding stakeholder interests. The Board always acts in good faith, with due diligence and care, keeping in mind the best interests of the shareholders. The Board provides oversight on all economic, environmental and social aspects and reviews our strategy on an annual basis.

Ethics and compliance

At Sanofi India, our comprehensive Code of Conduct defines the standards of conduct. Corporate values, dealing with corruption, insider trading and conflicts of interest are important components of this document, which we consider our constitution. The Code highlights our

values and principles and provides a guide for ethical conduct to all employees, senior management, third parties and contractors that work on behalf of Sanofi. Each individual must comply with the Code, adhere to the highest ethical standards, report concerns as soon as they are observed and behave with honesty, fairness, and integrity, according to the guidelines set out therein.

Accountability and transparency

We believe in maintaining open and transparent communication with all our stakeholders. We endeavour to provide comprehensive disclosures regarding our financial and non-financial aspects of business on an ongoing basis.

We also maintain close communication with our stakeholders through various channels accompanied by a robust feedback mechanism. To hold ourselves responsible towards our commitment, we have set up

elaborate governance systems and rules, which are strictly enforced in accordance with the legal framework we operate in. We prevent violations of internal rules by implementing a strong internal control framework, which is defined in our 'Leading with Integrity Handbook.' This document helps us to create an open, values-based culture, where employees understand the importance of compliance and ethics and feel free to discuss and proactively address concerns.

The Handbook prescribes competencies to be inculcated and demonstrated by individuals in their managerial roles to enable them to become good leaders. The Handbook contains clear guidance and tips that managers can use to:

- Enhance employee interactions and drive productivity;
- Reinforce corporate commitment to integrity;
- Embed integrity into daily operations; and
- Build the desired corporate culture



The Handbook also outlines five specific responsibilities for managers, along with tips and practical resources that would help in:

- Communicating team expectations;
- Conducting effective team meetings;
- Supporting ethics and business integrity initiatives;
- Receiving and escalating concerns; and
- Taking disciplinary actions

Responsibilities of the Board

The Board oversees the functioning of the Company and provides guidance to the operations along with reviewing and approving policies, assessing their effectiveness and taking care of the long-term interests of stakeholders and the organisation.

Board Committees

The Board has delegated its authority to various Committees. These Committees review the activities with the mandate to deal with governance issues and report to the Board on their activities on periodic basis. Each Committee operates under specific

terms of reference, which speak of its roles and responsibilities, composition and scope of authority.

We have the following Board Committees:

- A** Audit Committee
- N** Nomination and Remuneration Committee
- S** Stakeholders Relationship Committee
- CS** Corporate Social Responsibility Committee
- R** Risk Management Committee



Board composition

3 Executive Directors	2 Non-Executive Directors
3 Independent Directors	



Board age profile

2 30-55 Years	4 56-70 Years
2 > 70 Years	



Gender diversity

2 Female	6 Male
--------------------	------------------

Membership of associations

We are working with trade associations for matters related to public health, e.g., support for improving access to affordable healthcare through sustainable business practices, pricing policy, development of an eco-system that supports innovation and ethics, etc. We are members of the following trade associations:

- Organisation of Pharmaceuticals Producers of India (OPPI)
- Federation of Indian Chambers of Commerce and Industry (FICCI)
- Confederation of Indian Industry (CII)

- Indo French Chamber of Commerce and Industry (IFCCI)
- The Associated Chambers of Commerce & Industry of India (ASSOCHAM)
- US India Strategic Partnership Forum (USISPF) g) EBG Federation Mumbai (EBG)

Public policy advocacy

The pharmaceutical industry is highly regulated, with government and administrative bodies setting the standards for research, intellectual property protection, payment practices, and marketing authorisation procedures.

In our advocacy efforts through the industry associations, we participate in policy discussions that have an impact on the regulatory environment and the Company.

We engage in sustainable interactions with governments and other stakeholders to work toward the joint objective of enhancing the accessibility for the greatest number of patients to the best medications and healthcare products. We have not made any contributions to political organisations, lobbyists, or other tax-exempt groups, during the reporting period. Any such donations, if carried out, are in compliance with regulatory governing requirements and are disclosed as part of our Annual Report.

Governance

Our Board of Directors



Mr. Aditya Narayan
Chairman



Mr. Rodolfo Hrosz
Managing Director

S CS R



Mrs. Usha Thorat
Independent Director

A CS N



Mr. Rahul Bhatnagar
Independent Director

A N S CS R



Mr. Marc-Antoine Lucchini
Non-Executive Director

N



Ms. Annapurna Das
Non-Executive Director

A



Mr. Vaibhav Karandikar
Whole-time Director
and Chief Financial Officer

S R



Mr. Mathew Cherian
Whole-time Director

R

- A Audit Committee
- N Nomination and Remuneration Committee
- S Stakeholders Relationship Committee

- CS Corporate Social Responsibility Committee
- R Risk Management Committee
- Chairman
- Member





Governance

Our leadership team



Top row (left to right)

Mr. Gaurav Bahadur

Senior Director - HR India and South Asia

Mr. Bratin BagSenior Director - Ethics & Business Integrity,
South Asia**Mr. Vaibhav Karandikar**

Whole-time Director and Chief Financial Officer

Middle row (left to right)

Mr. Cherian Mathew

Whole-time Director

Ms. Vinita Korti Patil

Senior Legal Director - South Asia

Dr. Shalini MenonGeneral Medicines Medical Head - India,
India Medical Lead**Mr. Linumon Thomas**

Digital Leader - India

Bottom row (left to right)

Ms. Yasmin Shenoy

Senior Director - Regulatory Affairs

Ms. Aparna ThomasSenior Director -
Corporate Communications and CSR,
India and South Asia**Mr. Rodolfo Hrosz**

Managing Director

Ms. Radhika ShahCompany Secretary and
Compliance Officer**Mr. Nakul Verma**

Senior Director - Public Affairs

Governance

Mitigating risks, amplifying efficiency

We are functioning in an ever-changing, uncertain and complex environment. In keeping with it, and with a view to create long-term stakeholder value, foster continuous improvement and innovate and protect Company's assets, we have set up a risk management framework. This framework is in compliance with regulations and industry best-practices.

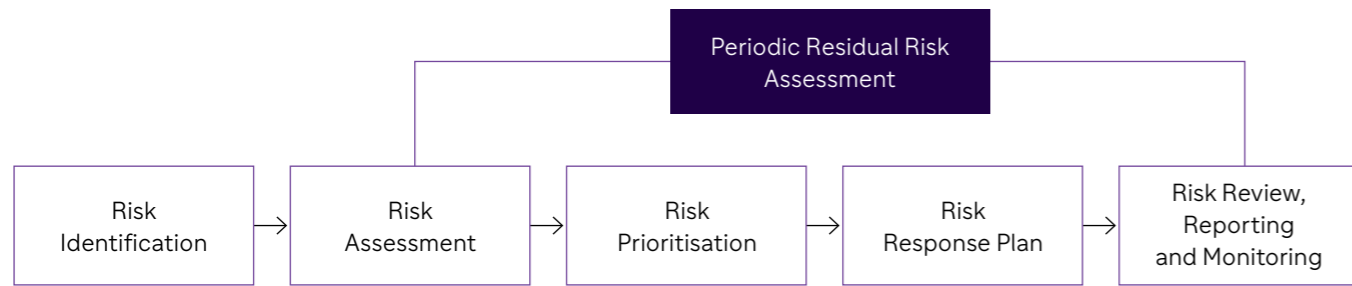
The purpose of our risk management framework is to ensure accountability and competence for managing risks across the organisation. The framework strives to ensure effective, relevant, and timely exchange of

information with internal and external stakeholders, while supporting decision-making processes fully aligned with risk exposure. It also lays down activities for risk identification, monitoring, review, control and risk prioritisation, along with development of a risk response plan. The Risk Management Policy is reviewed periodically, at least once in a year.

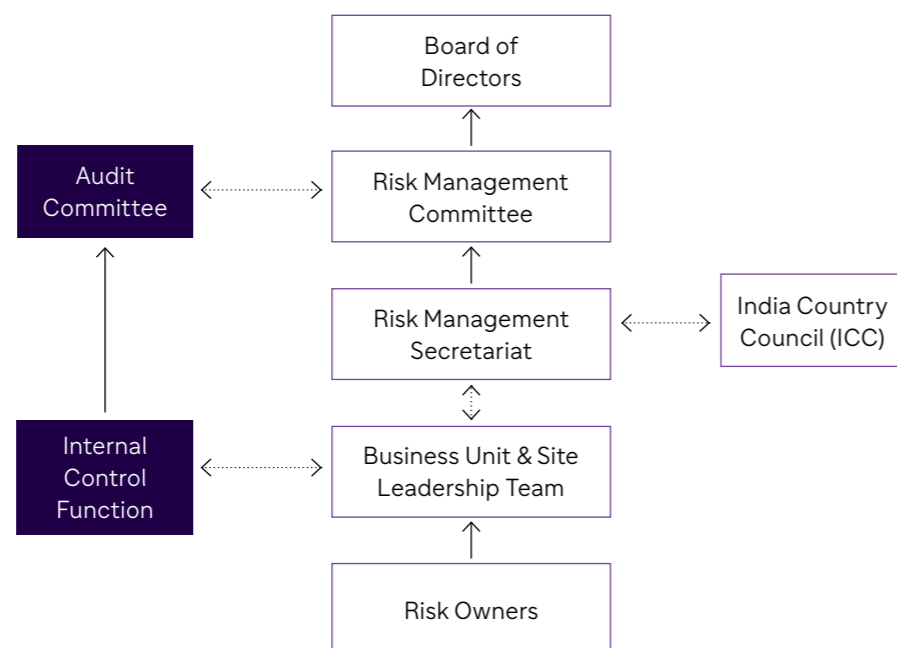
Risk management governance

The Risk Management Committee is a Board-constituted committee, which works with the Board to

manage the Risk Management Policy, direct implementation, and track and assess its effectiveness. The Risk Management Committee has detailed a stage-wise approach for risk identification. Each business head is responsible for identifying risks, basis which, risk owners are identified to analyse the key contributors to the risks, and subsequently design appropriate risk mitigation plans.



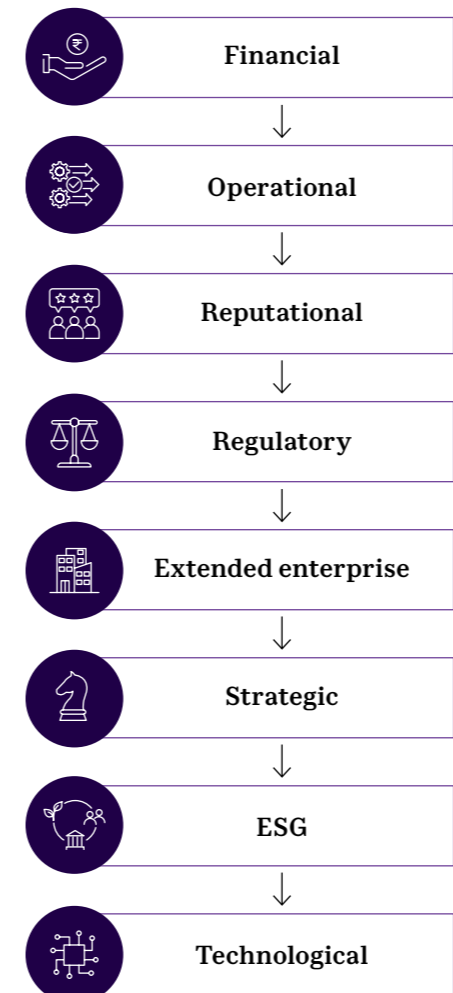
The Risk Management Committee meets on a quarterly basis to effectively manage identified risks. To oversee, assess, monitor, and control risks in an efficient manner, we have established specific roles and responsibilities.



Risk management process

Risk identification is an ongoing process. The Risk Register is collated containing potential risks across each of the business units and functions. Each identified risk is assigned to a risk owner, which is decided on the basis of the nature of the risk, the potential impact, and the people responsible for acting on the mitigation plans.

The process enables identification of potential future events that could affect assets critical to the execution of business model of the Company, business units, and enabling functions. The identified risks are categorised under the following categories:



Risks identified are assessed on the basis of the risk rating criteria. Risk rating criteria is used for evaluation and prioritisation of identified risks. Risk rating involves analysing and evaluating the probable impact and likelihood of risk occurrence. The Company has developed impact scales for rating the degree of consequences to the organisation, should the event occur.

We acknowledge that risk management is a dynamic and ever-evolving concept. Hence, it is important to revisit the policies, framework and practices periodically to ensure that they remain relevant and adequate.

At Sanofi India, we review the risk framework regularly to align with the changing regulatory requirements and to increase maturity and resilience of the Company's risk response mechanism. Risk response planning is an important step that involves

identifying the most appropriate strategies to manage risks and reduce them to an acceptable level. The response planning for each risk balances efforts and benefits for the Company, maintaining its compliance to legal, regulatory and other requirements.

The risk owners review the risks periodically, in line with changes in the internal and external environment in which we operate.

Risk culture

We have attempted to consolidate all risks so that the management/Board of Directors have full visibility on the risk events including business, financial, operational, sectoral, sustainability (particularly, ESG-related), information, cybersecurity or any other risk, as may be determined by the Risk Management Committee.



Value creation model

Creating shared value for all

Approach



Financial capital
Prudent use of financial resources to harness opportunities for sustainable economic growth



Manufactured capital
Providing effective accessible and safe products through strategic innovation and sustainable solutions



Intellectual capital
Building strong brands with world-class products well entrenched in the minds of stakeholders



Natural capital
Responsible use of natural resources and contribute to combating climate change



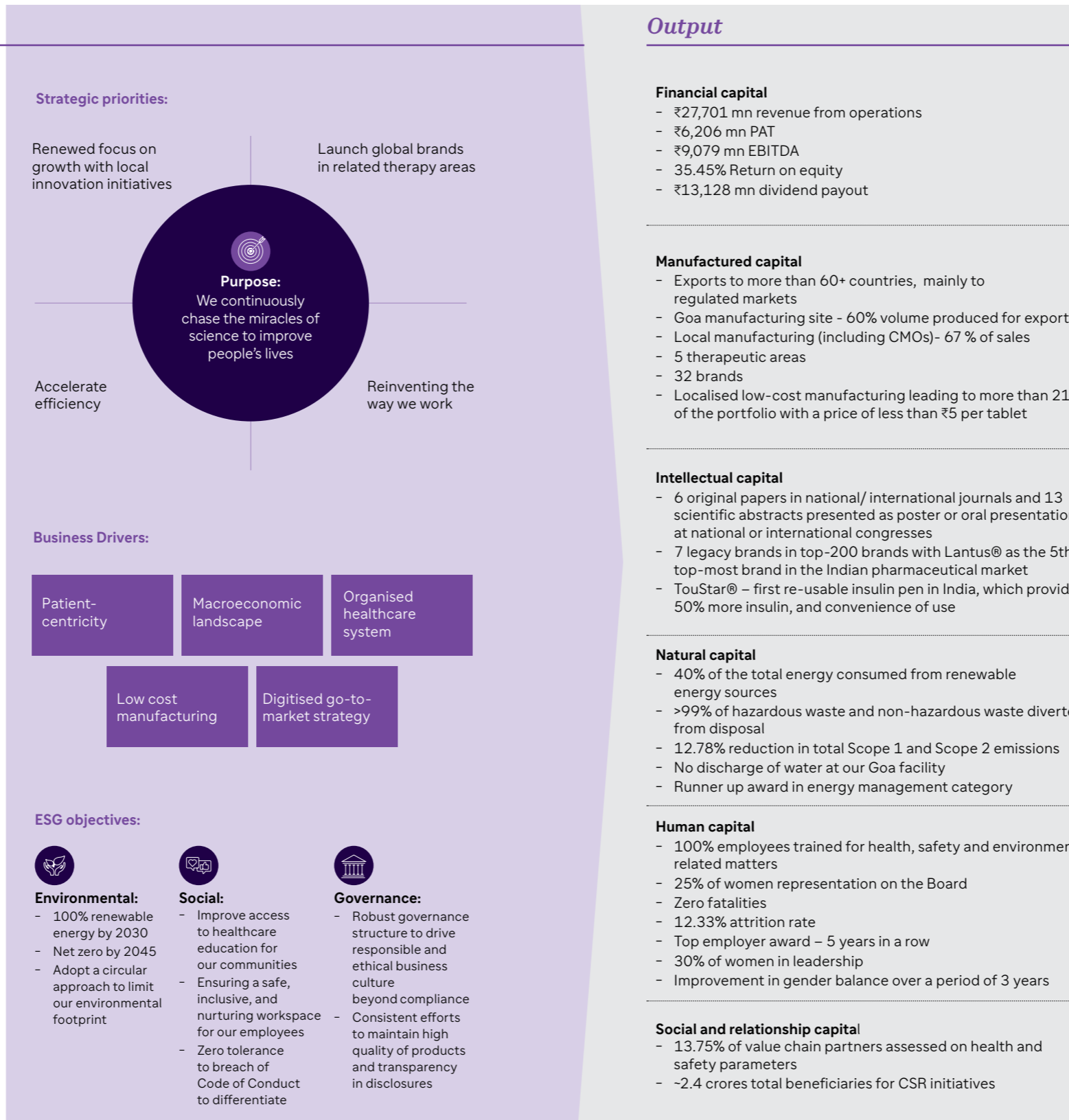
Human capital
Fostering employees' skillsets and competencies while consistently ensuring their safety and well-being



Social and relationship capital
Strengthening stakeholder relationships through continuous engagement
Focusing on healthcare awareness & education and disaster relief to empower our communities

Input

- ₹12,758 mn capital employed
- ₹3,987 mn operating cash flow
- 12 contract manufacturing facilities across India
- Best-in-class global manufacturing site at Goa (India and export volumes total up to approx 5 Bn tablets/capsules annually)
- Robust supply of world-class products from Sanofi Global Group
- Drive local innovation with Sanofi's Global R&D team
- ₹47 mn spent on clinical trials and pharmacovigilance
- ₹13.5 mn spent on environmental initiatives
- ₹32 mn spent on renewable energy installation through leased Solar Plant for Goa
- 78,220 GJ total energy consumption
- 1,02,752 KI water withdrawn
- ~2,800 workforce (including contractual employees and workers for FY 2022)
- 147 new recruits onboarded
- ₹87 mn spent on health, safety and well-being of the workforce
- 12,000+ training hours conducted
- 2,079 supplier base
- ₹143 mn CSR expenditure
- 5,700 hours volunteering hours contributed by employees



Our established Value creation model revolves around our purpose of 'Chasing the miracles of science to improve people's lives', which is central to our functioning.

Keeping in mind our values and the strategic action areas concerning our business, the value creation model aptly takes into account numerous internal and external factors impacting our business activities and operations. In doing so, the business model aids us in enhancing our positive impacts, while minimising the negative impacts, thereby resulting in the creation of long-term value.

Output

Financial capital

- ₹27,701 mn revenue from operations
- ₹6,206 mn PAT
- ₹9,079 mn EBITDA
- 35.45% Return on equity
- ₹13,128 mn dividend payout

Manufactured capital

- Exports to more than 60+ countries, mainly to regulated markets
- Goa manufacturing site - 60% volume produced for export
- Local manufacturing (including CMOs)- 67 % of sales
- 5 therapeutic areas
- 32 brands
- Localised low-cost manufacturing leading to more than 21% of the portfolio with a price of less than ₹5 per tablet

Intellectual capital

- 6 original papers in national/ international journals and 13 scientific abstracts presented as poster or oral presentations at national or international congresses
- 7 legacy brands in top-200 brands with Lantus® as the 5th top-most brand in the Indian pharmaceutical market
- TouStar® – first re-usable insulin pen in India, which provides 50% more insulin, and convenience of use

Natural capital

- 40% of the total energy consumed from renewable energy sources
- >99% of hazardous waste and non-hazardous waste diverted from disposal
- 12.78% reduction in total Scope 1 and Scope 2 emissions
- No discharge of water at our Goa facility
- Runner up award in energy management category

Human capital

- 100% employees trained for health, safety and environment related matters
- 25% of women representation on the Board
- Zero fatalities
- 12.33% attrition rate
- Top employer award – 5 years in a row
- 30% of women in leadership
- Improvement in gender balance over a period of 3 years

Social and relationship capital

- 13.75% of value chain partners assessed on health and safety parameters
- ~2.4 crores total beneficiaries for CSR initiatives

Outcome and linkage to SDGs

- Strong cash flow generation
- Healthy Balance Sheet and stable capital allocation



- Access to responsible quality products
- Robust systems and processed for higher productivity and efficiency at manufacturing facilities



- Intensive approach towards invention
- Responsible assessment of products through clinical trials
- Minimise pharmaceuticals in environment through innovation



- Minimise environmental impact
- Reduction in consumption of natural resources
- Transform to sustainable, circular and Net Carbon Zero material business



- Build a nurturing and inclusive workplace
- Ensure employee well-being and access to healthcare for all
- Increase in productivity of the workforce by building their skillsets and technical knowledge



- Empowering underserved communities through various CSR initiatives
- Improving accessibility and affordability of healthcare facilities for vulnerable communities



Stakeholder engagement

Prioritising stakeholder interests



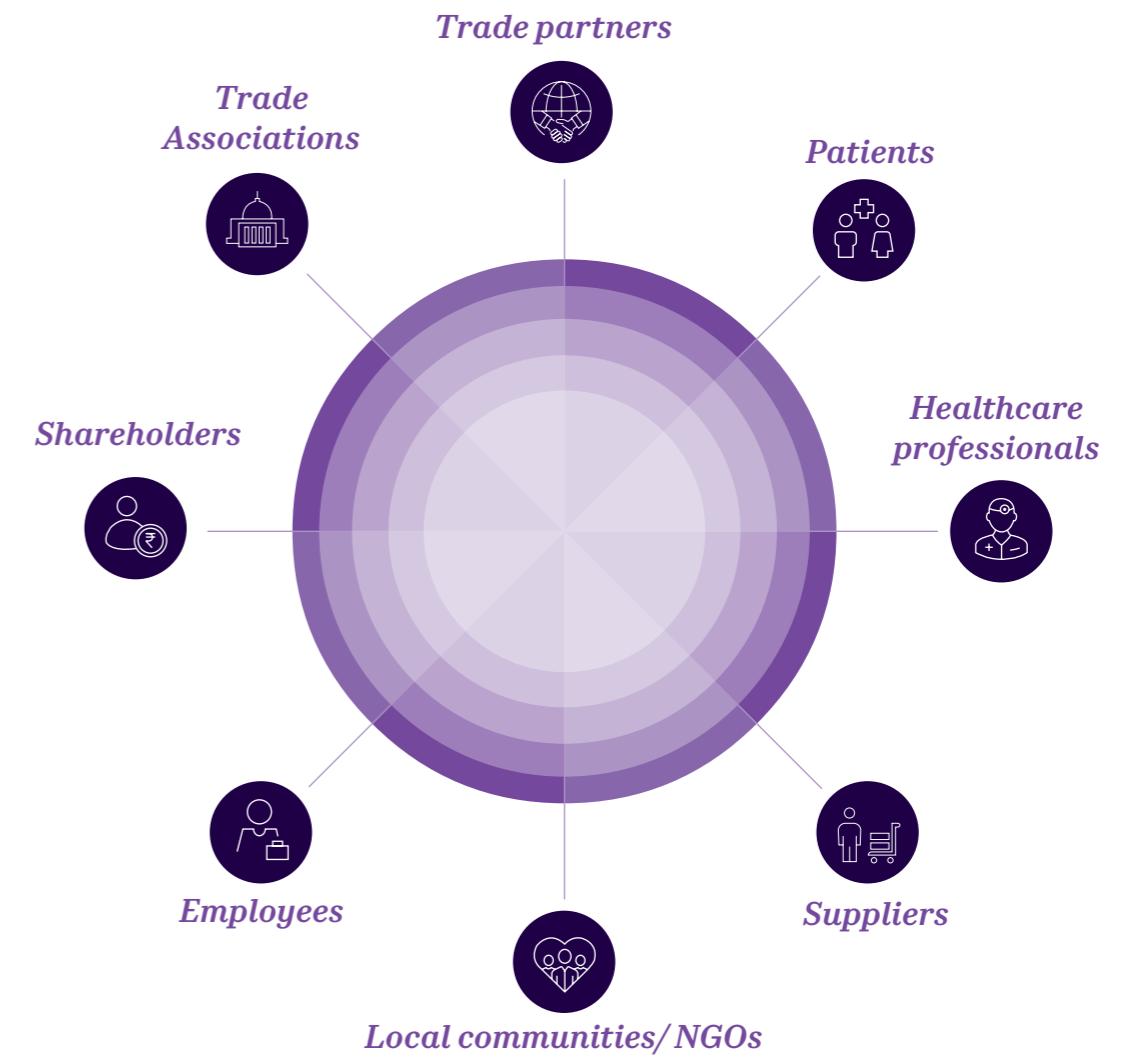
Stakeholder interest and effective engagement with them are of paramount importance to us at Sanofi India. We are committed to building strong and long-lasting relationships with our stakeholders. While doing so, we strive to foster a healthy dialogue with them to understand their needs and expectations. We have adopted a systematic approach towards identifying our key internal and external stakeholders. This has been achieved through peer reviews and analysis of stakeholder groups. We have examined the potential impact

or influence that the stakeholders in question can have on our business operations, in addition to looking at the impact our Company might have on them. Our key stakeholders include patients, healthcare professionals, local communities/NGOs, suppliers, employees, shareholders, trade associations and trade partners.

To promote value-enriching partnerships with stakeholders, we have deployed open, ongoing, and methodical processes with varied channels of communication. Our

diverse stakeholder group allows us to gain holistic insights of their expectations, thus helping us align our business objectives and goals to meet their needs.

Engaging with our stakeholders help us prioritise our resources for sustainability issues that matter the most to our business. Stakeholder communication and involvement are crucial for us to comprehend and include their perspectives in determining our material issues.





Stakeholder engagement

Patients	Healthcare professionals (HCPs)	Suppliers	Local communities/ NGOs	Employees	Shareholders	Trade associations	Trade partners
							
<p>Significance</p> <p>The centre of our business mission and purpose. End users of our products and services</p>	<p>The connecting bridge between us and patients</p>	<p>Providers of goods and services</p>	<p>Help us create societal value</p>	<p>Backbone of the organisation that contributes to value creation</p>	<p>Fund allocators</p>	<p>Works with regulators and government bodies for policy changes and industry issues</p>	<p>Provide reach to the patients Provide access to medicines</p>
<p>Frequency of engagement</p> <p>Continuous</p>	<p>Continuous</p>	<p>Continuous</p>	<p>Continuous</p>	<p>Continuous</p>	<p>Periodically/Need basis</p>	<p>Need basis</p>	<p>Periodically / Need basis</p>
<p>Medium of engagement</p> <ul style="list-style-type: none"> - Market research surveys - Grievance redressal mechanism - Workshops and conferences with patient advocacy groups - Patient support/ assistance programmes 	<ul style="list-style-type: none"> - Regular business interactions - Customer satisfaction surveys - Feedback system - Grievance redressal mechanism - Workshops and conferences - Educational programmes 	<ul style="list-style-type: none"> - Emails and meetings - Training workshops and seminars - Supplier assessment and review - Supplier grievance mechanism 	<ul style="list-style-type: none"> - Need assessment surveys - Regular meetings - Trainings and workshops - Emails and telephonic conversations - CSR reports 	<ul style="list-style-type: none"> - Townhall meeting - Training programmes - Employee engagement surveys - Employee engagement programmes - Performance appraisal reviews - Grievance redressal mechanism - Emails and meetings 	<ul style="list-style-type: none"> - Annual General Meeting - Quarterly investor reports - Annual Reports - Newsletters - One-on-one interactions 	<ul style="list-style-type: none"> - Emails and letters - Regular meetings - Policy updates - Communication with regulatory bodies - Formal dialogues, conferences and industry forums 	<ul style="list-style-type: none"> - Emails and meetings, newsletters
<p>Key expectations¹</p> <ul style="list-style-type: none"> - Gather insights and address patient queries and unmet needs 	<ul style="list-style-type: none"> - Address queries/ unmet needs - Share information on quality of products, scientific data and services - Access to quality and affordable healthcare - Ensure safety and efficacy of medicine 	<ul style="list-style-type: none"> - Value creation - Long-term business relation - Pricing and negotiation 	<ul style="list-style-type: none"> - Access to healthcare including the right information, health screening management and treatment - Improving quality of life 	<ul style="list-style-type: none"> - Career growth - Training and development - Employee engagement and well-being - Updates and information 	<ul style="list-style-type: none"> - Profitable growth - Consistent return on investments - Continuous operational performance 	<ul style="list-style-type: none"> - Responsible business practices 	<ul style="list-style-type: none"> - Ensure market fulfilment - Meet the demand and ensure supplies with right inventory management
<p>Our approach</p> <ul style="list-style-type: none"> - Insights on strengthening R&D and improving product quality - Responding to queries and complaints 	<ul style="list-style-type: none"> - Information in and around the product and therapy area - Insights on strengthening R&D and improving product quality - Frequent engagement and understanding of HCPs and patient needs - Responding to queries and complaints 	<ul style="list-style-type: none"> - Supplier development - Promoting local suppliers - Supplier assessments - Promoting shared growth 	<ul style="list-style-type: none"> - Increasing awareness and understanding of diseases - Providing access to affordable healthcare - CSR activities 	<ul style="list-style-type: none"> - Employee health, safety and well-being initiatives - Providing e-learning and development platforms for behavioural and skill development - Employee engagement and satisfaction - Updates and communication on policies, processes, and systems - Initiatives on culture 	<ul style="list-style-type: none"> - Enhancing enterprise value - Strengthening R&D and improving product quality - Improve profitability - Transparency in disclosure 	<ul style="list-style-type: none"> - Industry issues - Improve the healthcare ecosystem 	<ul style="list-style-type: none"> - Constant evaluation GTM models - Ensure availability of products - Exploring emerging channels of trade

¹GRI 102-44: Key topics and concerns raised

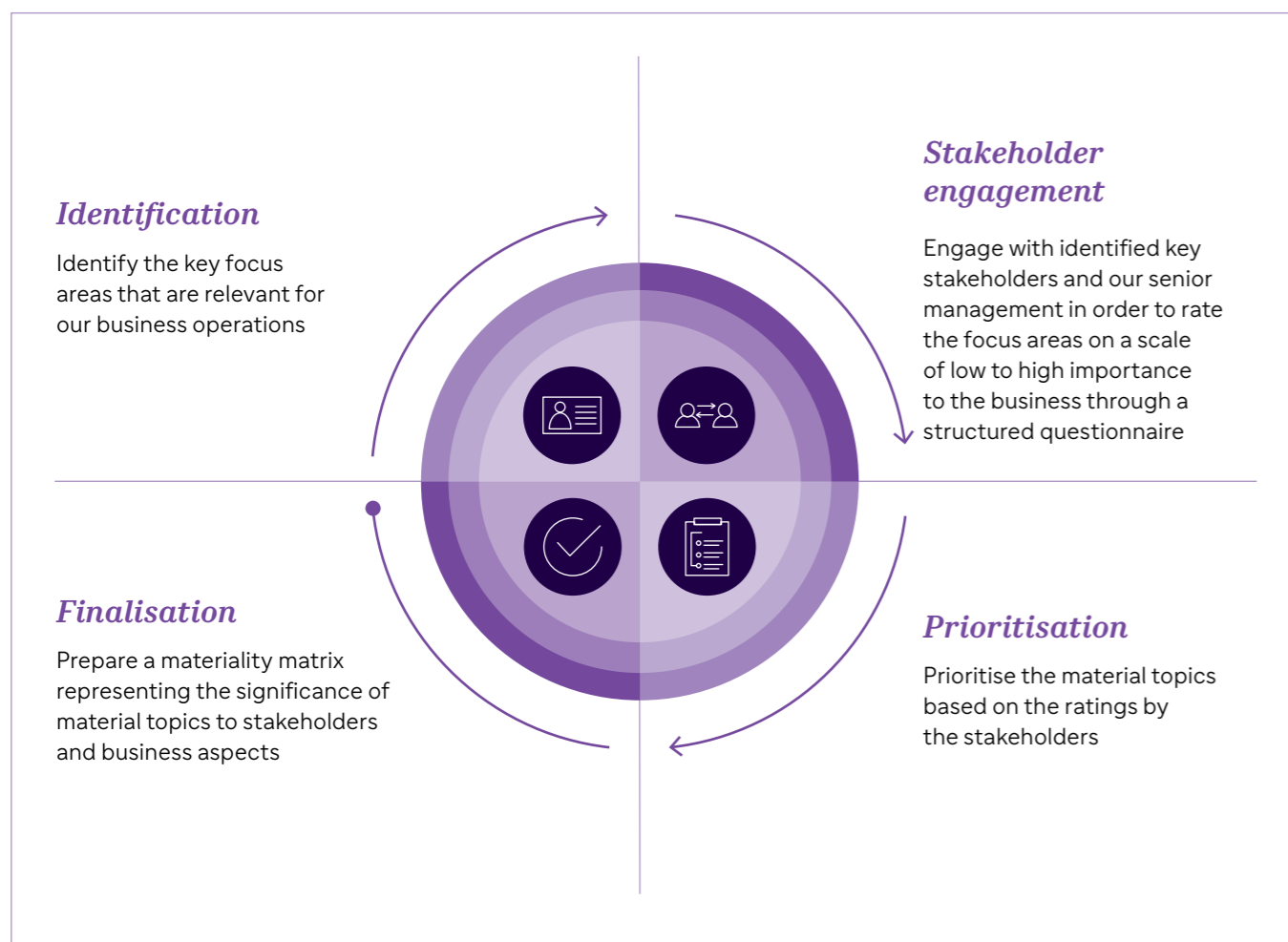
Materiality assessment

Focusing on issues that matter

Our materiality assessment was done in alignment with the Sanofi global materiality assessment framework. Globally, Sanofi has identified its material topics basis their relevance and impact on the business as well as its stakeholders. Out of these focus areas, topics which

were relevant to Sanofi India were chosen considering our operating environment. With the objective of integrating a sustainability-focused approach in our business strategy, we have identified our key material topics through consultation with our senior management and identified

stakeholder groups. The materiality assessment exercise was conducted based on Global Reporting Initiative (GRI) standards. A structured process was followed to determine our material topics as mentioned:



Our material topics

Through our materiality assessment, we have identified 10 key topics as mentioned below:

Environment



Resource Consumption

Preserving resources by using them efficiently and promoting circular practices.



GHG emissions

Running our operations in a way that GHG emissions are minimised in the entire value chain (scope 1, 2 and 3)

Social



Health system strengthening

Contributing to improving healthcare infrastructure, healthcare access, and health education (e.g. health literacy, disease prevention awareness)



Local community engagement

Engaging with local communities to understand their needs and desires and take those into consideration (e.g. local employment, community partnerships)



Talent development

Providing training & development opportunities for all employees



Employee health, safety, well-being and working conditions

Providing a safe & healthy (both physical and mental) work environment for all employees and ensuring fair employment practices (e.g., upholding labour rights)



Safe and qualitative treatments for patients and clinical trial participants

Ensuring the safety of our patients and clinical trial participants by providing high quality, safe and effective medicines and recording and communicating



Diverse and inclusive workforce

Offering an inclusive, fair and supportive work environment for all employees

Governance



Responsible governance practices

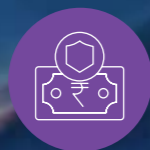
Governing our business in a responsible way by considering ESG factors in our operational and strategic business decisions (e.g., remuneration, providing transparency to stakeholders, capital allocation etc.)



Ethical business practices

Running our daily activities in an ethical way (e.g., ethical marketing, lobbying, anti-bribery measures etc.)

Financial capital



Maximising returns

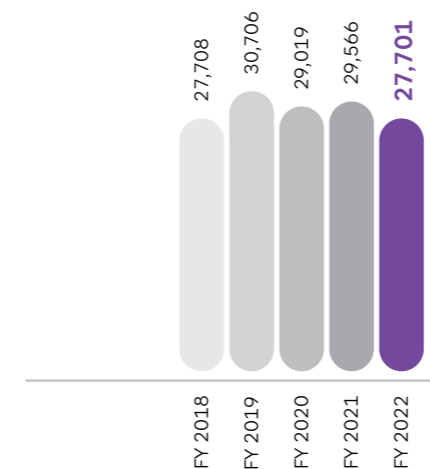
At Sanofi India, we strive to make a positive impact on the lives of millions of people. Our operations are backed by rational capital allocation, a dedicated workforce, world-class medicines and strong corporate governance. We always aim to ensure strong cash flow generation and consistent returns for our shareholders, while ensuring the safety and well-being of our stakeholders and creating value for all.

SDG Linkages



Revenue from operations[#]

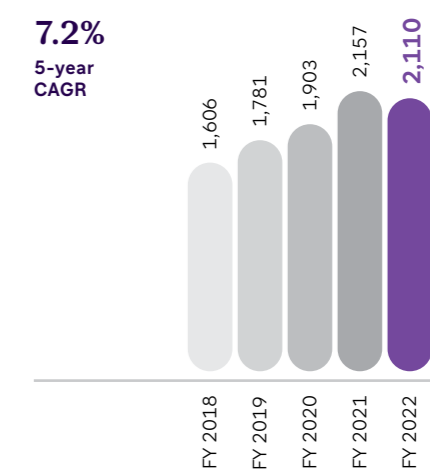
(₹ in mn)



Domestic sales performance: retained business

(₹ in mn)

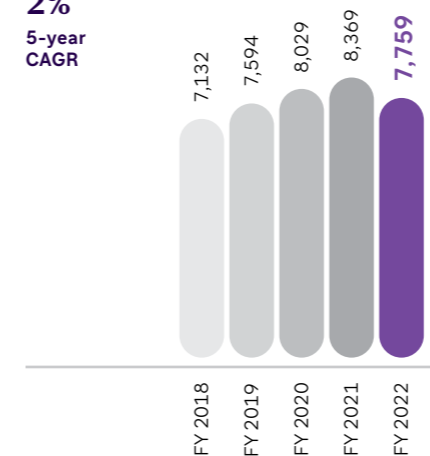
7.2%
5-year CAGR



EBITDA* performance through the cycle

(₹ in mn)

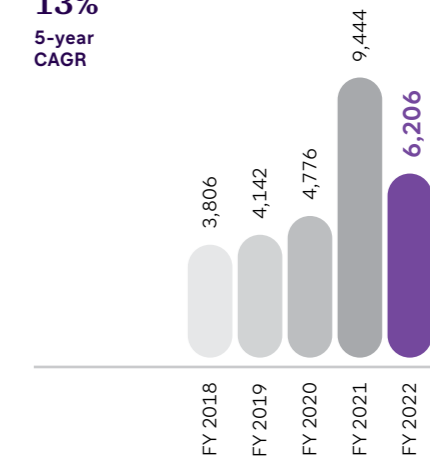
2%
5-year CAGR



Profit after tax (PAT)**

(₹ in mn)

13%
5-year CAGR



* EBITDA - Earnings before exceptional item

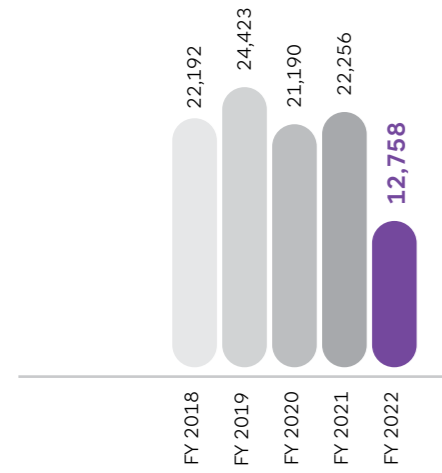
** Includes impact of exceptional items

Revenue and profit are not comparable due to the divestment and exceptional items involved between the period

Financial capital

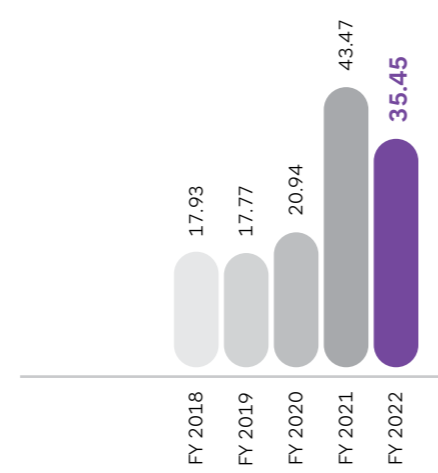
Net worth

(₹ in mn)



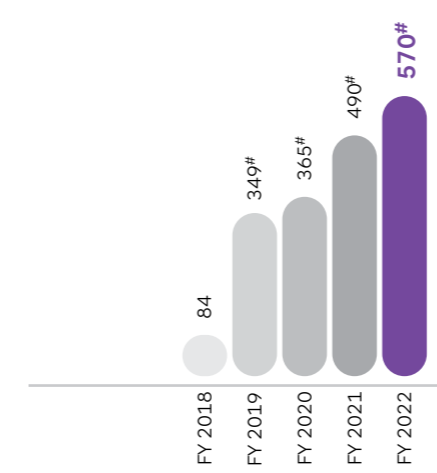
Return on equity**

(%)



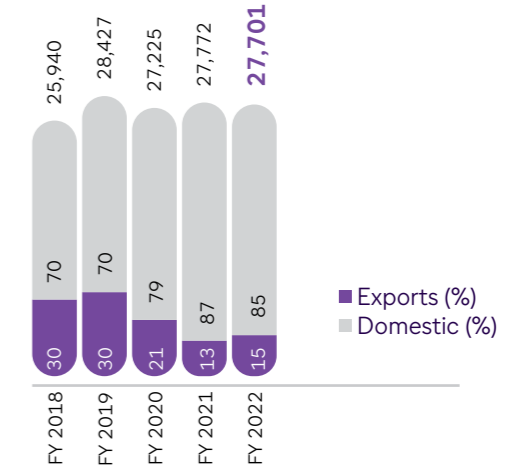
Dividend per share

(in ₹)



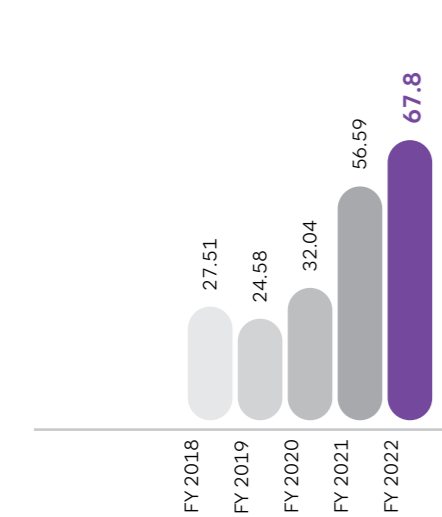
Sales mix

(₹ in mn)



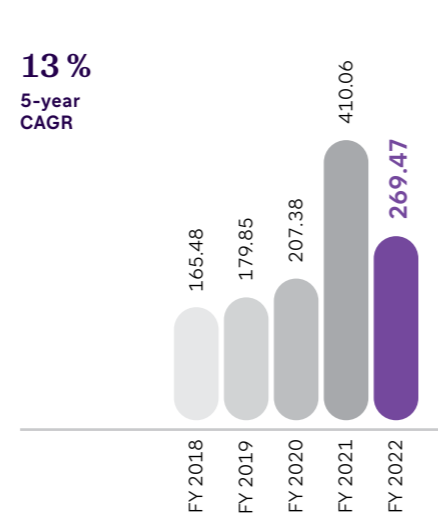
Return on capital employed

(%)



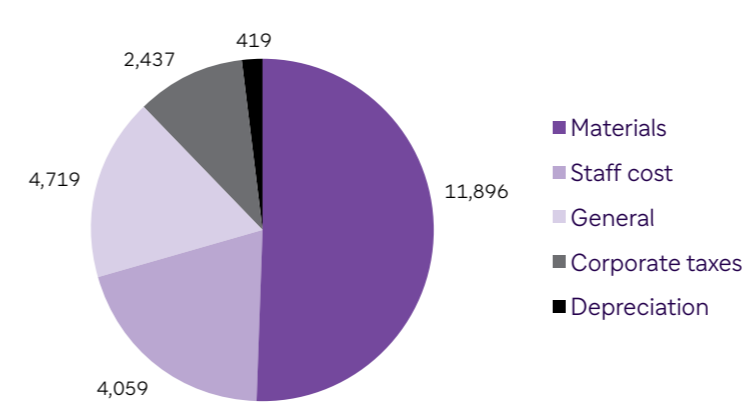
Earnings per share (EPS)**

(in ₹)



FY 2022 revenue distribution

(₹ in mn)



** Includes impact of exceptional items
Includes special dividend

Manufactured capital



Improving lives with innovation

Manufacturing site, Goa

Our purpose is to transform the practice of medicine by chasing the miracles of science and we take great pride in our efforts to prevent and help fight serious health issues at every step of a patient's health journey.

SDG Linkages



Therapeutic areas

We constantly work towards meeting the needs of community by manufacturing and distributing wide range of innovative and affordable medicines across key therapeutic areas. These include diabetes, epilepsy, cardiology, allergy and pain. Depending on the therapeutic effect required, dosage and its concentration form a critical part of medication. By leveraging the best in science, we offer a variety of dose forms like tablets, capsules (hard and soft), eye/ear drops, ampoules, vials, creams, and ointments, among others.

Tablets and capsules are the most widely utilised dosage forms in pharmaceuticals. During the manufacturing process, exposure to high levels of humidity can increase the degradation rate of

these medicines. Catering to this need, we have mastered the art of manufacturing medicines with demand for low humidity.

We have a state-of-art production facility in Goa in India. We ensure that the manufacturing processes at our plant comply with current Good Manufacturing Practices. The Goa manufacturing site is a strategic sourcing site for the Sanofi group and is constantly evaluated for newer sourcing opportunities in the area of tablet formulations. In addition to these facilities, we have 12 Contract Manufacturing Organisations (CMO)

12

Contract Manufacturing Organisations (CMO)

spread across the country (as on December 31, 2022) . We continuously consolidate the network of CMOs for better cost efficiency and management of third-party sites. Our medicines are exported to countries across the world. During the reporting period, 60% volume of production at Goa was exported.

We have supplied Sodium Valproate to South Africa, a life-saving medicine that prevents epileptic seizures. Our medicine was approved by South Africa Regulatory Agency for usage.

Diabetes and cardiovascular diseases are major contributors to the global challenge of chronic diseases. With a view to modernise technology and make therapeutic options accessible, we have enhanced our capacity for continuous production of Ramipril PC granules, a medication intended to lower blood pressure. This is done by installation of a new fluid bed drier at our facility.

A special spray coating technique has been developed in order to improve the stability and extend the shelf-life of Ramipril PC granules. We have also initiated the process of supplying validation quantity of Ramipril PC granules to 15 countries.

In addition to international regulations, approvals as per Indian legislation also endorse the quality and safety of the medicines manufactured at our sites. some of the Indian regulatory approvals include: Certificates issued by the State Licensing Authority Directorate of food and Drugs Administration – Government of Goa e.g., Good Laboratory practices (GLP) – Schedule M – Good Manufacturing Practices (GMP) WHO-GMP certification in form of COPP (Certificate of Pharmaceutical

Our products are approved by the following international regulatory agencies:

- Ministry of Industry & Trade of Russian Federation, Russia
- Therapeutic Goods Administration (TGA, Australia)
- EU GMP certification based on Regierungspräsidium Darmstadt (Germany)
- MHRA, UK
- Taiwan FDA after the PMF review
- COBEL DAROU - Sanofi MAH - On behalf of Iran MOH, Iran
- National Medicines Regulatory Authority (NMRA), Sri Lanka

product) assessed jointly by the CDSCO under the Central Union Ministry of Health & The State DFDA of

Government of Goa, export products Manufacturing license issued under Drugs and Cosmetics Act 1940, issued by the State Licensing Authority among many others.

Besides our own manufacturing plant, we ensure that our third-party manufacturers also meet our standards for safety, quality control, and customer service.

We follow a patient-focused quality management culture through a robust quality check system, while adhering to high-quality benchmarks for all our products and services. Our state-of-the-art manufacturing and quality practices are looked after by the manufacturing and supply function. A structured and standardised approach is followed at our manufacturing site, and this is ensured through our stringent SOP management, internal audits, along with employee skill development trainings. In line with the guidelines on Good Pharmacovigilance Practices (GVP), we have a stringent Risk Minimisation Measures system that ensures the safe and effective use of products and services throughout their life cycles.

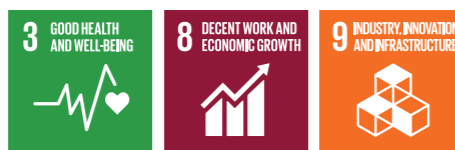
Intellectual capital



*Leveraging
our competencies*

In Sanofi, at the core of our operations lie the pillars of research, innovation, and development. Our unwavering goal is to prioritise the well-being and safety of our people, while ensuring the production of the highest quality products.

SDG Linkages



We believe that innovation is not just an option, but a necessity to make a real difference in the lives of millions that we touch. With the help of our global world-class laboratories equipped with state-of-the-art equipment, we continuously strengthen our research capabilities and offer our consumers tested and proven therapeutic products. Our parent Company, Sanofi Global, leads our research and development (R&D) capabilities, and our sister companies across the globe work together to provide affordable, high-quality products to our valued customers.

Our global R&D capabilities help us to not only develop quality products but also help us reduce our environmental and social impacts through continual improvements. We have stringent and rigorous testing and clinical trial processes to ensure that our products are safe and effective. Our deep expertise in disease pathways helps us take aim at smart targets, while our unique technologies empower us to develop drugs, biologics, and genomic medicines with the potential to transform the practice of medicine.

Pharmacovigilance

We are committed to ensuring the drug safety and impact of our products on the consumers. We not only carry out safety monitoring during clinical trials, but also after access to the market. We are committed towards ensuring patient and consumer safety. Our dedicated pharmacovigilance (PV) team monitors safety and impact of our products throughout their lifecycle. Our PV

team conducts regular trainings for all Sanofi employees, vendors, business partners and any individuals involved in the production, transport and use of our products on safety data vigilance reporting.

Among the mandatory PV data to be reported by all Sanofi employees, the most common is the 'Adverse Event' data. Other important recorded PV data are incidents, product complaint and death



Product complaint

- Anyone who thinks the Company product they are using has a technical defect should contact the Company to report it
- E.g.: Patient informed that when he opened the company's medicine pack, he found 3 pills missing
- This data needs to be reported to Country Quality Team
- Even though this is not Safety Vigilance Data, but rather a 'Quality Information' Company needs to know about it

Incident

- Anyone who thinks the Company product they are using has a technical defect should contact the Company to report it E.g.: Malfunctioning of the Company's device

Death

- Company also needs to know about deaths associated with the use of company products, whether or not considered related to the product as this could be an important safety concern

Intellectual capital

Four essential Elements of Safety Vigilance (PV) Data

- 1 **An identifiable patient:**
Who has experienced the event?
- 2 **An identifiable reporter:**
Who has reported the event?
- 3 **A suspect drug:**
Which drugs were involved?
- 4 **ADR:**
What event has the patient experienced?

Reporting our research findings transparently is crucial, and we must comply with global regulatory requirements, such as Food and Drug Administration (FDA), Central Drug Standard Control Organisation (CDSCO), Medicines and Healthcare Products Regulatory Agency (MHRA), Therapeutic Goods Administration (TGA), European Medicines Agency (EMA), and Pharmaceuticals and Medical Agency (PMDA Japan). To manage PV effectively, we have

developed automated tools to monitor the latest developments, patient programs, contracts, PV databases, signalling risk management, literature search, and deviation management system. Our facilities follow standard operating procedures, which are accessible globally, and we conduct frequent audits and inspections to meet regulatory criteria. A Quality Management System is established in PV for all activities.

Technology platforms

Our global drug development process is firmly backed by industry-leading technology platforms. Our global R&D teams use world-class tools and equipment to target the root causes of disease with more precise medicines and stay updated with the changing technological landscape in the medicine and pharmaceutical sectors. We use the most advanced technology platforms to pioneer new, innovative approaches for preventing diseases and ensuring the well-being of patients.

Our technology toolkit relies on four key technologies

- Revolutionary chemistry**
 - Small molecules
 - Tailored covalency
- Novel antibody technologies**
 - Monoclonal antibodies
 - Multi-specific antibodies
 - Antibody drug conjugates
 - NANOBODY technology
- Protein therapeutics**
 - Enzymes
 - Fusion protein
 - Peptides
- Genomic medicine**
 - Gene editing
 - Gene therapy
 - Messenger RNA (mRNA)
 - siRNA conjugates
 - Synthetic biology



Digital innovation

Digital innovation is an integral part of our operations. We have been successfully able to navigate the changing landscape of working in the past few years with the help of modern technology and digitisation across our business functions. We successfully onboarded over 10,000 healthcare professionals (HCPs) through innovative strategies such as our Tele-engagement Model supported by Omnichannel and our Triple Partnership model. Over 75% of the HCPs who were onboarded belong to the highly engaged cohorts. We adopted Sanofi Campus India, a global platform to drive local HCP engagement. This platform helped to the management of 50% of the overall traffic. To drive preference for basal insulin, we engaged with over 1350 HCPs through Basal Café, a digital engagement platform to create a customer journey of 4 electronic Continuing Medical Education (eCME) programmes over a span of 4 months. These eCMEs were developed in the

form of a mentor-mentee cohort model of 1 mentor:15 mentees. We leveraged another digital engagement platform called Elite Academy to drive Insulin adoption.

We adopted various digital campaigns to enhance our presence across social media platforms to communicate our initiatives and spread awareness regarding healthcare to our stakeholders. Our digital initiatives have collectively garnered over 50 lakhs views in FY 2022. Our radio campaign, held in 7 different languages, reached nearly 1.8 crores listeners, including 120 doctors across 22 cities were engaged by creating their radio bytes and broadcast on radio. As an innovative approach to engage with our HCPs, we also created podcasts - 15 episodes in 5 series and received a great response from the target audience.

LANDMARC is a large, real world, long term prospective study of a pan-india cohort of type 2 diabetes patients - to capture and understand the

progression of the disease, its control and treatment, and complications over time.

There is a belief that diabetes in our country is different from the western population - in terms of progression, management, complications and this study will help us all generate hard evidence to support/ disprove this theory.

We have several epidemiological data on diabetes in our country, but they are mostly cross-sectional studies / regional. There is there is a lack of data on diabetes and its progression on a country-wide level over a period of time. Through this longitudinal prospective study over 3 years, we hope to generate long-term data on diabetes care in our country.



Natural capital



Embedding sustainability into operations

We strive to achieve environmental stewardship by developing cutting-edge, environment-friendly products, while also putting a strong emphasis on sustainable resource management. In our endeavour to build sustainable value for our stakeholders, our natural capital has proven to be a strong pillar. Our key focus areas have been defined to contribute towards minimising our environmental impacts and bringing about a positive change, not only in our operations, but also across our value chain.

SDG Linkages



We have established and aligned our Health, Safety and Environment, Management (HSEM) system to our Sanofi group's objectives and targets in an effective manner to safeguard natural resources. We stand by our HSE management system which enables us to work towards nurturing our natural capital. With the support of Sanofi group guidelines and the Country HSE Committee, there are further sub committees who support in deployment of entire HSE management system, policies, decision and action plans. We follow industry best practices and undertake initiatives to further improve operational efficiencies. Led by the Managing Director, this Committee helps us keep track of our performance through periodic reviews. The Committee also emphasises on the alignment of focus areas as per the global context, evolving statutory frameworks and the local risks.

HSE management system

As part of management systems, we have implemented Environment Management Systems (ISO 14001:2015), Energy Management Systems (ISO 50001:2018) and Occupational Health

and Safety Management Systems (ISO 45001:2018). Our HSE Management System is based on the 'Plan – Operate – Monitor – Improve' structure. This is equivalent to the management approach known as Plan-Do-Check-Act or PDCA cycle. Our HSE policy is part of engagement to carry out our activities in conformity with our values. Policy establishes a dynamic framework for HSE management on continual improvement and protection of environment and our employees and relevant stakeholders. Our policy's main areas include preventing pollution, protecting natural resources, and reducing energy usage. Effective management of resources like raw material, water, waste management, and energy conservation are material to us, and we are working towards their efficient use. Our commitment towards fight against climate change reflects in all our strategic decisions and actions. Our HSE management

1,683

Employees who were provided training on environmental aspects across Goa and Mumbai offices in FY 2022

system assesses and manages the environmental aspects and impacts on our operations. This system comprises a management plan as well as Standard Operating Procedures (SOPs) defined by Sanofi Global to identify and mitigate environmental risks. We periodically review the HSE management plan and policies to ensure responsiveness to the changing environmental and social risks and demands.

We carry out internal as well as external audits to monitor our HSE performance and compliance as per regulatory requirements. We also carry out periodical internal as well as external audits of HSE management system.

We have developed processes to ensure that employees are properly trained on environmental topics and specific missions. Our parent Company, Sanofi, has a Health, Safety and Environment (HSE) training academy which aims at developing core expertise and competencies in relation to applicable regulations, scientific and technological advances in the framework of HSE missions.

Precautionary approach

We follow a precautionary approach towards minimising our operational impact on the environment. We have applied robust best-in-class technology for the manufacturing of medicines and vaccines to limit our environmental and ecological footprint. At our Goa site, we have implemented Health Safety and Environment (HSE) Management systems to monitor and address any concerns that arise or may arise as a result of our operations.

Climate change

Climate change is undoubtedly one of the greatest global concerns. Going beyond healthcare, we care for the planet by reducing the environmental impacts of our products and activities, while strengthening our resilience in the face of climate change. This risk related to climate change poses severe challenges to business and the economy. Currently, climate change is a major element in defining our environment-related decisions and prompting us to focus on promoting cleaner technologies and innovations.

Sanofi has joined the 'Race to Zero' initiative, a global commitment to Net Zero carbon emissions by 2045. We are working towards three goals set by Sanofi Global:

- Build the road to carbon neutrality by 2030 and Net Zero by 2045
- Limit our environmental footprint and adopt circular solutions
- Improve the environmental profile of our products

Natural capital

Energy management

Energy management is one of our key business imperatives. Energy consumption is a major source of greenhouse gas emissions, while energy costs have a direct impact on the cost of operations. We are cognizant of the necessity to

improve our energy efficiency and are continuously upgrading our energy management systems. To promote this, we strive to make optimum use of existing energy-consuming assets, espouse energy management best practices, and prioritise the implementation of energy-efficient technology.

Our energy consumption needs are mostly met through the electricity grid and renewable energy sources. We used 39.7% of renewable energy in FY 2022 through solar power generation and biomass utilisation. We are using 51.9% of energy from the purchased electricity grid and 6.9% from renewable solar energy.

Our energy consumption details:

Category	Unit	FY 2022	FY 2021	FY 2020
Electricity purchased from the grid: Non-renewable sources	GJ	40,605.14	46,081.03	47,394.76
Direct energy - Fuel consumption	GJ	6,576.12	6,540.64	5,455.31
Electricity purchased from the grid - Renewable energy (Solar)	GJ	3,494.88	-	-
Renewable energy solar generation within the organisation	GJ	1,895.66	-	-
Renewable energy - Biomass consumption	GJ	25,648.00	24,615.00	28,083.60
Total energy consumption	GJ	78,219.80	77,236.67	80,933.67

Energy conservation

We place high importance on resource conservation while formulating operating strategies. Considering the finite nature of non-renewable energy resources, we are in the process of increasing the use of renewable energy resources wherever possible throughout our business and manufacturing operations. We are committed to lowering the total energy usage by enhancing energy efficiency and incorporating alternate energy sources. We have implemented

efficient monitoring methods to record energy usage throughout our organisation. At our Mumbai office, energy is completely obtained from renewable energy sources and for Goa operations, we have installed a solar panel project of 1,809 kWp to fulfil our energy requirement for FY 2022. We have put together concerted efforts to raise awareness on energy conservation through trainings and awareness programs. We have installed energy-efficient motors and Variable Frequency Drives (VFDs) to increase energy efficiency.

₹3.2 cr

Amount invested in energy management projects in FY 2022

1,809 kWp

Installed capacity of the solar power project in Goa

Case study



The BOOT project, Goa

Our Goa site procured electricity from the Goa Electricity Department, using coal as a primary fuel source in India. We utilised 12 million units of power purchased through the grid in FY 2021. With an aim to adopt a sustainable approach and reduce environmental impacts at our site, we have installed a solar panel with a capacity of 1,809 KWP in September 2022. This project, called BOOT (build, own, operate, transfer), is a funding model, based on a third party arrangement.



Case study



Renewable solar energy project, Mumbai

We have installed a photovoltaic cell-based solar power plant at Sanofi India's corporate office in Mumbai. The initiative was spearheaded considering our move towards the use of green energy and mitigation of our carbon footprint. The system capacity is of 104.16 kWp, which helps us to reduce power cost by approximately 10-12% due to a reduction in electricity bills.

Emissions

The use of fossil fuels and grid electricity contributes significantly to our Scope 1 and Scope 2 emissions. We have set yearly targets, and also installed the required pollution control machinery to track and monitor emissions periodically. Our aim is to minimise GHG emissions and increase the proportion of renewable energy in the total energy mix of our operations. We are also consciously trying to mitigate emissions by adoption of energy-saving programmes and the installation of energy-efficient equipment.

Our electricity purchased from the grid has decreased as compared to the past year due to installed solar energy units at the Goa factory and Mumbai office.

Air emissions

We regularly measure our stack emissions for SOx, NOx and particulate matter (PM) at our Goa site, and Mumbai office. As per the regulatory requirements, we monitor these emissions for DG set and boiler stacks and submit it to the respective State Pollution Control Board. To ensure ambient air quality across our operations, we abide by the National Ambient Air Quality Standards (NAAQS) 2009.

Environmental compliance

We are committed to abiding by all environmental norms and regulations at all our manufacturing operations and corporate office as set forth by the relevant regulatory authorities. To guarantee and adhere to the legal and regulatory framework, each unit competent HSE teams, who are managing these compliance. All enquiries related to environmental compliance are resolved on a timely basis. During FY 2022, we did not incur any fines or penalties with regard to any environmental violations.

Summary of Scope 1 and Scope 2 emissions

Category	Unit	FY 2022	FY 2021	FY 2020
Direct GHG (Scope 1) emission	tCO ₂ e	486.63	484.01	403.69
Indirect GHG (Scope 2) emission	tCO ₂ e	9,136.16	10,368.23	10,663.82
Total absolute GHG emissions	tCO ₂ e	9,622.79	10,852.24	11,067.51
(Scope 1 + 2)	tCO₂e/ MT turnover	0.347	0.367	0.381
Total GHG emission intensity				

Air emissions

Particulars	Unit	FY 2022	FY 2021	FY 2020
NOx	MT	0.053	0.010	0.004
Sox	MT	3.610	3.463	4.508
Particulate matter (PM)	MT	2.093	2.485	2.130
Non-methyl hydrocarbon (NMHC)	MT	0.012	0.015	0.023

Natural capital

Water management

We acknowledge the crucial role of water as a basic and irreplaceable natural resource. Our operations are dependent on water and we are cognizant of the impact of our operations. We are committed to focusing on efficient water management across our operations.

Water management

Water withdrawal by source	Unit	FY 2022	FY 2021	FY 2020
Groundwater	Kl	12,785	39,657	1,25,033
Third-party water	Kl	89,967	52,783	38,620
Total volume of water withdrawal	Kl	1,02,752	92,440	1,63,653

Conserving water resources

We, at Sanofi, always strive to work and contribute for a sustainable world. We have taken series of actions to optimise the uses of natural resources and reduce our environmental impacts.

On water sustainability, we have worked and identified areas of action to reduce our water consumption. As part of long-term actions, we have gradually reduced our dependency on groundwater and switched to surface water supplied by Goa Industrial Development Corporation.

Our sustainable approach limits our water footprint and ensures no negative impact on any water source due to our operations. We have taken series of actions for creating awareness amongst our employees towards conservation of water, arresting leakages, optimising processes and innovative initiatives. We have defined our approach to

700 Kl

Size of the rainwater harvesting tank at Goa in FY 2022 (300Kl in the previous year)

Effluent management

We have installed an Effluent Treatment Plant at our Goa site to effectively treat the effluent generated from manufacturing operations. At Mumbai office, we treat wastewater through a Sewage Treatment Plant. The treated wastewater is tested to meet the stipulated discharge limit as per regulatory requirements.

identifying the operations, where water requirements can be minimised, water can be recycled or rainwater harvesting can be adopted. To reduce our fresh water intake, we are focusing on developing infrastructure for rainwater harvesting at our site and office. At the Goa site, we have set up a rainwater collection tank inside our premises. During this reporting year, we have increased the size of the rainwater collection tank from 300 Kl to 700 Kl. This rainwater is filtered and used in cooling towers and utilities purpose. By this initiative, we are able to reduce our freshwater intake of approx. 2000 Kl. In our manufacturing process, we have optimised the requirement of rinse water from 15 minutes to 5 minutes during every rinse cycle, achieving water savings of 2.3 million litres per year. While making these process changes & optimisations, its made sure that it passes through strict validation process.

2.3 mn litres

Water saved by optimising the requirement of rinse water from 15 minutes to 5 minutes during every rinse cycle per year

At Mumbai, more than 65% of water is recycled and the remaining water is discharged to municipal water drain as per consent received from the Maharashtra Pollution Control Board (MPCB). At our Goa operations, we treat all the wastewater generated on site. Currently, treated water is used for horticulture purposes and in restrooms. There is no disposal of wastewater outside the plant boundaries.

Waste management

We are committed to minimising our environmental footprint through reducing waste generation and promoting reuse or recycling of the same. Proper resource utilisation and conservation with good waste reduction practices are the key concerns of being a responsible business.

We integrated best industry practices and adhered to the waste management standards that meet our applicable legal requirements. We have complied with all applicable Health Safety and Environment (HSE) requirements to ensure environmentally sound disposal practices.

Hazardous as well as non-hazardous waste is generated at our Goa site and Mumbai office. Non-hazardous waste includes paper, glass, etc. These generated waste are diverted from

Zero

Waste landfill site



disposal by handing it over to State Pollution Control Board approved third-party vendors for recycling. The food waste generated is converted into manure at the internal plant for in-house gardening. E-waste generated from our manufacturing sites and offices are disposed off periodically through the pollution control board approved vendor.

Hazardous waste generated in our operations are disposed off as per environmental guidelines to cement industries for co-processing. There is zero waste sent to landfill. Hazardous wastes like batteries are given for recycling, while ETP sludge is sent for coprocessing. Biomedical wastes like syringes and other medical waste generated at Goa site OHC are

disposed through a deep bury pit constructed on site. At our Mumbai office, biomedical waste are sent for incineration.

Biodiversity

Biodiversity management is one of our main focus areas, directed towards responsible business practices. We strive to ensure that our operations have the least impact on biodiversity. We have aligned our biodiversity management with Sanofi Global's biodiversity commitment. Sanofi India manages the biodiversity around its sites through its environmental sustainability programme called 'Planet Care.' We actively contribute to protect biodiversity through our

'planet care' roadmap, addressing environmental challenges, such as climate change, waste management, pharmaceuticals in the environment and water stewardship, among others.

Apart from this, at the Mumbai office, our premises are covered with gardens. We are not using any pesticides or insecticides at the office and have also constructed bird nests to support biodiversity.

Waste management

Particulars	Unit	FY 2022	FY 2021	FY 2020
Total hazardous waste generated	MT	92.75	153.54	135.93
Total non-hazardous waste generated	MT	382.83	368.77	385.00
Total waste generated	MT	475.58	522.31	520.93
Total hazardous waste disposed	MT	0.01	0.00	0.01
Total non-hazardous waste disposed	MT	0	0	0
Total waste disposed	MT	0.01	0.00	0.01
Total hazardous waste diverted from disposal	MT	92.74	153.54	135.92
Total non-hazardous waste diverted from disposal	MT	382.83	368.77	385.00
Total waste diverted from disposal	MT	475.57	522.31	520.92

Case study



Butterfly garden at Sanofi's Goa site

As a part of our commitment to fostering biodiversity at our site, we have taken an initiative for maintaining the ecosystem by developing a butterfly garden. Butterflies play a significant role as indicators of a healthy environment, as plant pollinators and are also a source of food for other organisms. This garden was developed with the help of Goa Biodiversity Board, a government organisation that has guided us in selecting species of plants that would attract butterflies. Needless to say, the beautiful sight of different species of butterflies in the garden is a stress-buster for all the employees. This site is maintained by the Sanofi team under guidance of Goa Biodiversity Board.

Human capital



Our most valuable assets

Our human capital plays a crucial role in the functioning of our business. Striving to cultivate a thriving work environment by building a diverse workforce, investing in enhancing the workforce's skills and career development pathways, and ensuring the workforce's well-being is imperative to our success at Sanofi.

SDG Linkages

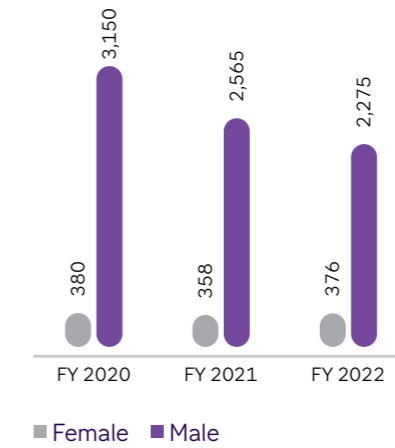


Trends in our workforce

We follow Sanofi Global's Human Rights policy, which is applicable to all our employees including workmen and have set commitments with respect to Human Rights at our organisation. Our strong Human Rights policy plays a pivotal role in tracking, monitoring and fulfilling the Human Rights commitments. The status report emerging from the findings of the same is submitted to our Sanofi global headquarters.

During this financial year, the adjacent trends were observed in the terms of gender and age, employee turnover rates, and new employee hires-related information:

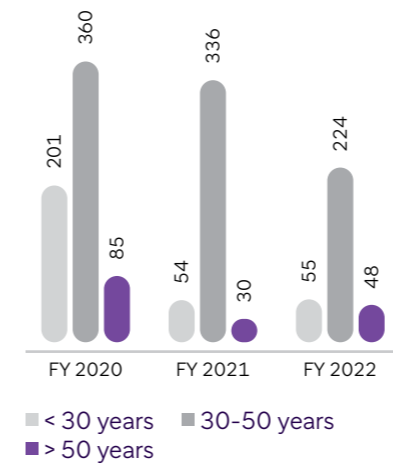
Total number of permanent employees segregated as per gender



Total number of permanent employees segregated age-wise

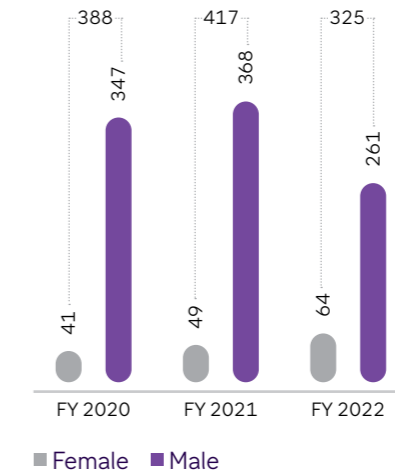


Workforce separation age-wise

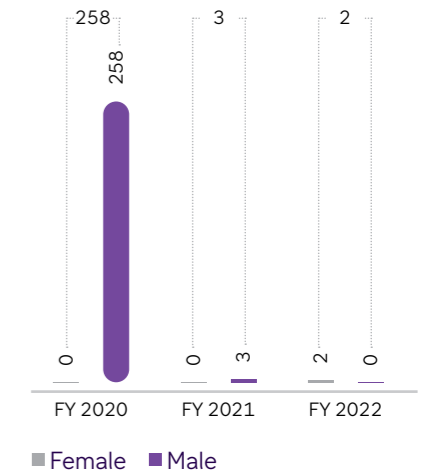


Workforce separation by gender

Permanent employees

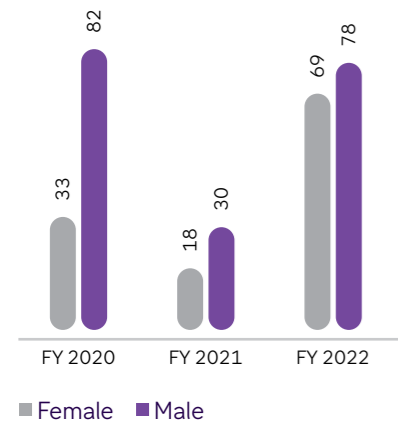


Permanent workers

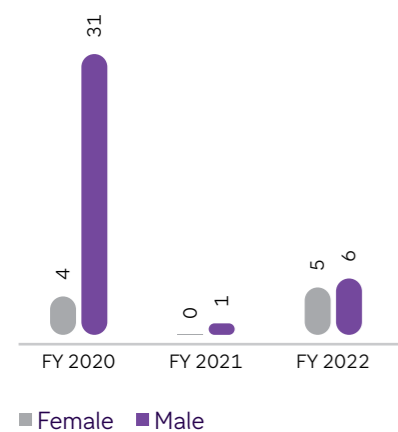


Human capital

Gender-wise breakdown of new hires



Gender-wise separation of new hires



Furthermore, we recognise the freedom of association and in this financial year, several of our employees hold memberships in association(s) or union(s). The below table provides further details of the same:

Age-wise breakdown of new hires



Age-wise separation of new hires



Membership of employees and workers in association(s) or union(s)

Category	FY 2022	FY 2021
Total permanent employees	165	246
Male	159	236
Female	6	10
Total permanent workers	142	70
Male	142	70
Female	0	0

In the event, that operational changes are introduced in the organisation, we ensure to conduct meetings with representatives of the recognised union and work towards entering into an agreement regarding the implementation of the operational changes. We also make sure to hold consultations and carry out negotiations during regular meetings scheduled with the elected body of the unions.

Diversity at workplace

Diversity, equity and inclusion are critical enablers of how we operate at Sanofi. It is fully integrated with our people strategy and our commitment to society. Our strategy has been co-created with a cross-section of employees around the world and likewise, in India, we aim to ensure that every employee feels like they can bring their full selves to work, every day.

For us, diversity means taking competitive advantage of our collective difference. Equity is about providing customised resources that different groups need, to be successful at work and inclusion means feeling that you belong, are respected and always valued.

Promoting diversity across all levels of the workforce is well-valued and imbibed across every level in Sanofi. We embarked on this journey a few years ago and we have undertaken numerous initiatives across various pillars like talent and hiring, culture building, enablers, development and governance to ensure we are consistently fostering diversity and inclusion within and throughout our organisation. In our approach to enabling a diverse and inclusive work environment, the key impact areas we closely look into are gender, PRIDE (i.e., the LGBTQ+ community) and ability. We have focused on improving the gender balance over a number of years and have taken significant strides in this direction.

Likewise, in areas of PRIDE and disability, we are at the nascent stages and have charted a roadmap that will enable us to be an organisation, where people from all walks of life feel included. In order to make our office premises more accessible to our differently-abled employees, workers and visitors, we have made the necessary infrastructural arrangements by establishing a dedicated parking lot, washrooms, providing security support, creating adequate space for wheelchair movement, putting in place visual and audio alarms, an emergency evac chair, ramps in the basement for ease of wheelchair movements at the entry, and making braille additions as required in all the lifts. It is our endeavour to constantly work towards identifying the need of our differently-abled employees and proactively update our facilities to meet their needs.

We are pleased to note that in this financial year, the percentage of women represented in the Board of Director's body stands at 25%, whilst the percentage of women represented in the key management team stands at 25%. Additionally, the percentage of women in the total workforce is 17% and similarly, the percentage of external women hired has increased to 48%.

The remuneration structure at Sanofi India is solely based on the employee's role and not their gender. The range of remuneration is competitive in nature and is derived based on a market study considering a group of our peers. This study is conducted by an external entity. We are happy to note that this year, there have been no delays in the payment of wages to our employees.

This financial year, there were no complaints pertaining to child labour, forced labour, or involuntary labour. No employee or worker under the age of 18 was recruited at Sanofi India. We are consistently ensuring that we associate ourselves with suppliers, who hold zero-tolerance for forced labour.

During the year, there were no complaints made by employees on working conditions, health and safety, child labour, forced/involuntary labour, wages and other human rights-related issues. There was only one complaint received under the Prevention of Sexual Harassment Policy and law, which was addressed in accordance with the policy.

Additionally, in our efforts to uphold human rights and the highest ethical values, we provide training sessions on human rights issues and policies established for our workforce.

We ensure that all our employees are paid more than minimum wages. We provide health insurance benefits to all permanent employees and workers.

Advancing diversity, equity and inclusion at Sanofi India Limited

The efforts taken by Sanofi India in the space of Diversity, Equity & Inclusion are under the global banner of 'All In'. We want to **reflect** on the diversity of our communities, **unleash** our best selves every day to **transform** the practice of medicine. We truly believe that diverse teams lead to better outcomes and thus, we are working towards building a company that is representative of the society – in other words, of the people and patients we serve. We aim to create a culture that allows people to unleash the very best version of themselves, every day.

- Under the 'Reflect' pillar we aim to build a representative leadership, which clearly reflect the diverse nature of the communities we serve.
- Through the 'Unleash' pillar we hope to create a thriving environment for our workforce to enable each one of them to bring their full and best selves at work.
- Under the 'Transform' pillar, we are looking to impact society in a positive manner by advocating for our diverse set of communities.

When we started on this journey several years ago, we realised that there were a number of quick, yet important wins in making Sanofi more inclusive, especially from the gender balance perspective. We were one of the first organisations to change our maternity leave from 3 months to 6 months, two years prior to the official government mandate. We also provided a number of enablers in the form of self-defense workshops, enhanced hotel and travel coverage and security helpline numbers, among others, to ensure our women employees felt safe and fully-equipped to make meaningful contributions at work.

Furthermore, we ran sensitisation workshops from the top-most leaders right down to the first line managers, to ensure they understood what biases are, how each one of us has them and how they can negatively impact the person experiencing them. This, in turn, helped create a culture where employees and managers were more sensitive to the needs of others. We also instituted development programmes for women employees to help them overcome their own barriers and fulfil their own potential to take on the next level roles. In 2022, we introduced Gender Neutral parental leave giving men 14 weeks paternity leave which 66 men availed in 2022. Also, we introduced Employee Assistance programme to support mental well-being and Inclusive job templates to ensure we remove hidden biases when advertising roles.

Today, we see sponsorship for diversity, equity and inclusion from the top business leaders and have instituted Employee Resource Groups, which provide a platform for all employees to make their voices heard and contribute meaningfully to the initiatives introduced under these. One of the achievements we are very proud of is compelling the Goa government to allow us to increase the shift timings for women employees so they can contribute fully during the evening shift.

Human capital

Our achievements in 2022



Reflect

17%
Women at Sanofi India

25%
Women at senior leadership (CXO) level

48%
External women hires

Creation of employee resources for 3 workstreams -

gender+ **pride+**
ability+



Unleash

Launch and adoption of **Gender-neutral parental leave, EAP & inclusive job templates**

100%
People Managers covered through CYB in 2021-22

Focus on **sensitisation towards PRIDE and Ability** communities



Transform

Launch of **volunteering leave** empowering employees for their contribution to society

Extension in **shift work hours** for **women employees at Goa factory**

Partnerships with **start-ups** and focus on **procurement from MSMEs**

Employee health, safety and well-being

Occupation health and safety (OHS)

We have established a well-defined HSE policy and HSE management system with a robust monitoring plan, operating with a multi-year approach, to ensure the effective implementation

of the HSE policy. This system is designed according to the 'Plan-Do-Check-Act' cycle of continual improvement. This approach includes the undertaking of assessments of various risks, such as: workplace risks, fire risks, process safety, ergonomics machinery risk, occupational health and chemical risks and so on. We also have institutionalised an HSE system, which is adopted from the global

safety processes and policies. Our Goa plant is ISO 14001, ISO 50001 and ISO 45001 certified.

We conduct a quarterly review of our HSE performance and the findings from this review are discussed during the country HSE committee meeting under the able leadership of our MD and other senior leadership of Sanofi India Limited.

Details about safety-related incidents, which have or have not occurred at Sanofi India

Category	Type	FY 2022	FY 2021
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	2.20	0.66
	Workers	0.00	1.51
Total recordable work-related injuries	Employees	12	4
	Workers	0	1
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0



As for the provision of OHS trainings for employees, certain trainings are mandatory for all the employees, and particular operations-specific trainings are provided with reaching an intended target of 100% employee and contractor coverage. We provide trainings on health and safety measures to all our employees and workers each year.

Internal and external HSE audits are conducted periodically. In addition to these audits, the site teams also undergo an internal review to examine their performance. During this financial year, our Goa plant was assessed for health and safety practices, and working conditions adopted and present at Sanofi India. Mumbai office and Sales operation were audited by Sanofi group HSE auditing team.

Furthermore, all of the safety-related incidents along with the near-misses are thoroughly investigated as per our HSE management system. Upon the completion of the investigations, all the identified Corrective and Preventive Action (CAPA) are defined and implemented horizontally across our operations to ensure that the reoccurrence of the same type of incidents can be prevented. The safety-related incidents occurring at our operational site are reviewed on a periodic basis to check the implementation and effectiveness of both the HSE management and the CAPA systems.

Employee well-being

The health of the workers has several determinants, including risk factors at the workplace leading to accidents, musculoskeletal diseases, and other types of disorders and occupational diseases

Sanofi has taken a multi-disciplinary approach for management of occupational health and ensuring compliance with safe working practices, and maintaining the health and well-being at work.

Suitable measures implemented for prevention of workers from exposure to hazardous environment. It includes the development of comprehensive programs that maintain and enhance employee health, that improve safety and will increase productivity in the workplace.

Health programmes cover prevention against chemical, biological, radiation, physical and psychological hazards. It involves also wellness.

Within Sanofi, this multi-disciplinary approach of occupational health includes:

Wellness: Programmes for all employees to develop a healthy individual behavior for managing non communicable disease.

Biosafety & Biosecurity: The discipline that addresses the safe handling and containment of infectious micro-organisms and hazardous biological materials.

Product stewardship: An international team responsible for the hazard assessment of chemicals and their regulatory management (e.g. Safety Data Sheets).

Occupational hygiene: A generalist involved to manage risks by assessing and controlling exposure on hazards in the workplace that could cause disease.

Occupational health: A specialised staff in charge of the medical surveillance of the employees, based on the preventive medicine in order to promote and maintain physical and mental health at the workplace.

The prioritisation of our employees' well-being needs is well ensured, and we are consistently working to create a conducive work environment, one that places great emphasis on each and every employees' long-term well-being.

In order to consistently promote the well-being of both our employees and workers, the provision of health insurance, accident insurance, maternity benefits, paternity benefits as well as day care facilities, are ensured. Our permanent employees and workers are covered 100% for health and accident insurance. All female employees and workers are covered for maternity benefits.

Paying equal attention to developments occurring in our employees' lives, we also provide parental leaves.



Road safety coach certification program

Human capital



Celebrating team success

Details of parental leaves provided and availed

	Number of employees entitled to parental leave		Number of employees who took parental leaves		Number of employees, who returned to work after parental leave ended and who were still working at Sanofi India Limited	
	Female	Male	Female	Male	Female	Male
FY 2022	376	2,275	10	66	10	66
FY 2021	358	2,565	8	60	8	60
FY 2020	380	3,150	16	69	16	69

Keeping in mind our workforce's retirement plans, we have ensured to cover 100% of all our employees with several types of retirement benefits, such as Provident Fund, Gratuity, Employees' State Insurance Scheme, etc.

Furthermore, for the well-being of our workforce, we have launched an initiative called 'all well,' which focuses on the 'healthy mind' and 'healthy

body.' The pillars of this programme engage with four initiatives to prevent non-communicable diseases and decrease absenteeism. The four initiatives include:

- Encouraging consumption of a balanced and varied diet
- Promoting regular physical activity
- Supporting smoking cessation and preventing diseases

- Improving quality of sleep and managing stress

To enable our workforces across all categories of employees and workers, we have in place necessary mechanisms to receive and redress grievances raised by all the employees and workers.



Learning and development

Contributing to the holistic development of our employee's functional, technical skillsets and competencies is imperative to us. To this end, we have closely looked into numerous activities, such as transversal learning solutions, managerial capability building programmes, capacity building interventions helping strengthen the learning culture, and digital campaigns.

We have a learning experience platform, Learning Hub, which comprises a learning management system and also provides access to multiple learning libraries. The provisions made for learning activities and programmes, are guided by the global learning standards, while also being adapted for the Indian market context. At the beginning of this calendar year, we introduced the People Development Learning Institute (PDLI) portfolio, which is made accessible to all our employees and is aimed at cultivating both transversal skills and career management and other competencies. On the other hand, several types of trainings are provided to our employees, and these include the following: induction training, cross over training, sales training and learning institute curriculum, micro-

learning apps, digital learning institute curriculum, e-learning modules, training on omni-channel and multi-channel engagement, trainings in the form of coaching for line managers and so on and so forth.

Furthermore, we also ventured into the digital learning areas for our employees. The campaigns from our digital learning institute - Discover Digital, have helped enhance the digital learning experience for all our employees. During this calendar year, 12,000 plus hours of trainings were provided to all our permanent employees and workers.

We also have a corporate university structure in place, which provides access to multiple learning institutes. Each of these institutes focuses on the provision of developmental inputs linked to a specific skills portfolio. In the programmes provided, there has been a 10-20% of participation from the People Development Learning Institute per annum. The quantitative impact for all sales skill development programmes provided are tracked through the NPS scores, whilst the behavioural change is tracked with the help of the field coaching report, knowledge scores and certifications and assessments. Moreover, individual performance appraisal is applicable to all employees at Sanofi India and this is conducted via a global tool operating

with a 4-point rating scale. At Sanofi India, we are also working towards advancing the growth and career development of our women employees and have launched the 'Horizons' programme, which provides access to a networking programme, and a mentoring programme, and also aids with effective career management.

Committed to providing required guidance to our employees and workers regarding their performance and career development trajectories at Sanofi India Limited, we ensure to conduct complete performance and career development reviews. 100% of all our employees and workers are appraised year-on-year basis.

To help understand our employees' viewpoints and concerns, we conduct employee engagement surveys annually. The surveys, provided in an online mode, make use of the external platform Peakon. The employees' responses are received on a scale of 0 (not at all) to 10 (absolutely), and they also have an option to provide a comment, if needed. One of our employee engagement surveys, titled 'Your Voice' looks into several parameters, such as culture, engagement, diversity and inclusion, and health and well-being. The results of all the surveys undertaken are communicated to the Board.



Social and relationship capital



Investing in people and relationships

At Sanofi, we understand the importance of valuing our social and relationship capital. We continue to invest in building strong relationships with all our stakeholders, prioritising their needs and concerns. This focus on relationship building has helped us foster long-term partnerships, enhance our reputation, and drive sustainable growth. We remain committed to valuing and nurturing our relationship capital to ensure mutual success and shared value creation.

SDG Linkages



Customer relationship management

Concerns and queries raised by customers are addressed in a timely and efficient manner. The majority of the queries are regarding medical information, whilst the remaining set of queries are about general administrative matters, technical aspects of the products, and adverse events. Queries concerning medical information are regarding product usage (in cases of pediatric, geriatric, pregnancy, and breast feeding), dosing, concomitant medication, food interaction, shelf-life and availability of products.

While standard response documents are put in place to address frequently asked questions, we also have in place pathways to facilitate escalation of

queries and concerns, which are not explicitly answered via the frequently asked questions. We ensure to address queries within 24 hours.

As for the processes established to manage product technical complaints, a series of steps are followed to ensure that each and every received complaint is resolved effectively. Upon receiving a product complaint, it is logged in the local tracker and an acknowledgment is sent to the complainant through e-mail or an SMS. The complaint is then registered on COMET, a global tool, and is assigned to the relevant manufacturing site. Complaint sample availability is checked from the complainant, and it is sent across to the manufacturing site

for the purpose of investigating the complaint further. Post the completion of investigation, the complaint is declared as closed. If requested, a response regarding the investigation of the particular complaint is sent to the complainant. Lastly, corrective actions may be undertaken wherever needed.

Furthermore, we also conduct various outreach educational programmes to educate doctors, nurses, pharmacists and distributors on a regular basis which aids in fostering a sustained relationship with healthcare professionals.

Supply chain management

At Sanofi, we understand the importance of maintaining a supply chain that is both secure and sustainable for years to come. Our dynamic supply chain enables us to continuously enhance our efforts in accelerating innovation, and achieving excellence across our product portfolio. We are committed to constantly improving the adaptability and efficiency of our supply chain to support our long-term goals and objectives.

The implementation of various measures to maintain and manage our supply chain in a sustainable manner has been initiated. To help reduce emissions, we have taken into consideration setting up a solar plant in Goa. Secondly, 13.75% of our value chain partners were assessed against health and safety practices, working conditions, and human rights issues which include sexual harassment, discrimination at the workplace, child labour, forced labour/involuntary labour, wages and other issues.

Furthermore, in line with Sanofi Global's Sustainable Procurement Policy, our supplier risk assessment takes into account all categories of procurement and also considers the following risk areas, thereby positioning us to assess our suppliers at a holistic level:

- Macro risks: geopolitical, economic, technological, legal and natural disasters
- Operational risks: supply (single source, dependency), financial, strategic business issues
- Compliance risks: fraud and business ethics issues
- Sustainability risks: environmental, social and governance issues

2,079

Supplier base

13.75%

value chain partners assessed against health and safety practices, working conditions, and human rights

Social and relationship capital

We also carry out supply chain due diligence of our critical suppliers to help identify the presence of risks in our supply chain. This process serves as a check-and-balance system to address significant concerns regarding the health and safety practices, environment, and working conditions of our value chain partners. The assessment of our suppliers on sustainability metrics during the

selection, evaluation and onboarding stages is managed through EcoVadis ratings.

Moreover, given that waste produced in the supply chain due to packaging is the major source of waste as observed at the sites, we have worked towards recycling packaging waste materials. These include Polyvinyl Chloride (PVC) and other plastic PPE, paper,

aluminium, glass, etc. We have also undertaken initiatives to change the packaging format of some of our products, to further help reduce the environmental impacts associated with the disposal of packaging materials. As for the hazardous waste materials, they are either incinerated or co-processed at our Goa site as well as the head office location.

Corporate Social Responsibility (CSR)

Impacting lives

We are committed to enhance access to quality healthcare to improve the lives of people across communities. While doing so, we are driven to promote the welfare of the underprivileged segments of our societies.

To carry out our CSR objectives and vision, we pay attention to those focus areas wherein we are able to contribute the most to the societies' well-being. Our CSR strategy is in alignment with the United Nations third sustainable development goal 'Good Health and Well-Being'. Further, our CSR commitments are fulfilled keeping in mind our purpose of improving people's life, to enable them to lead healthier lives by tackling primary healthcare issues of accessibility, awareness and affordability.

To help govern as well as streamline the delivery of all the CSR initiatives and programmes, we have established a CSR Committee of the Board.

The responsibility of the CSR Committee, includes but is not limited to, formulating a CSR policy, providing strategic direction for CSR initiatives, selecting the CSR projects to be introduced, and monitoring the implementation of both the CSR policy as well as the CSR projects. The established CSR governance structure aids us in carrying out a variety of initiatives, thus allowing us to deliver valuable, lasting outcomes for our society.

Key CSR focus areas

- Promotion of healthcare including preventive healthcare solutions, which are majorly concerned with non-communicable diseases
- Promotion of education initiatives related to healthcare services or systems



Mobile medical van-NCD screening, Jalgaon



Government High School, Fatorpa-Quepem, Goa

Social impact programme for Type 1 diabetes

Type 1 Diabetes Mellitus (T1D) is on the rise in India, with an annual increase of 3-5%. There are 2.3 lakhs individuals under the age of 20 with T1D. T1D requires a lifetime of specialised care, including diabetes education, multiple insulin injections per day, daily blood glucose monitoring, ongoing screening for and management of chronic complications, psychological support, and societal

support rather than discrimination. This can be a demanding and expensive condition for both, the affected child and their family to manage. Additionally, optimal T1D management requires significant resources and can be costly.

There is currently no cure for T1D, and if it is not properly managed, it can reduce an individual's productivity and life expectancy. Access to affordable insulin and other necessary medical supplies, as well as the availability of knowledgeable medical personnel, are major issues in the management of T1D. Adding to the complexities of T1D are challenges, such as the lack of diagnosis, social stigma surrounding T1D, lack of refrigeration for the storage of insulin, and lack of patient education. It is also observed that T1D results in social isolation, particularly for girls.

We introduced a social impact programme for Type 1 Diabetes,

with an aim to improve the health status (mortality and morbidity) of T1D care and support programme by initiating 'Education of Healthcare Professionals (HCPs)' to ensure correct diagnosis and management. This will lead to the reduction in the occurrences of chronic complications. We aim to create a network of T1D educators and provide them with trainings to improve both, their care and management skills. Furthermore, through the programme, we are ensuring that individuals diagnosed with T1D along with their respective care givers, are being educated about the best practices of managing Type 1 Diabetes. Lastly, free treatment, which includes provision of insulin, syringes, lancets, and glucose strips, is provided for the underprivileged patients. RSSDI (Research Society for Study of Diabetes in India), PPHF (People to People Health Foundation) and Diabetes Foundation are our partners for this programme.

Source: https://diabetesatlas.org/idfawp/resource-iles/2021/07/IDF_Atlas_10th_Edition_2021.pdf



Mobile medical van-NCD screening, Mumbai

Establishing mobile medical units for non-communicable diseases screening in Maharashtra

Rural parts of India and the urban slums lack basic amenities and have poor health indicators. This poor

healthcare condition reveals the extent to which the primary healthcare in rural areas and urban slums in India remains underdeveloped and faces challenges including shortage of personnel, inadequate resources, and poor infrastructure. The primary healthcare needs, especially regarding non-communicable diseases (NCDs),

must be addressed for those facing challenges with gaining access to quality healthcare, given that early screening services for NCDs are often lacking. Taking this into consideration, the social impact initiative of establishing mobile medical units in Maharashtra for non-communicable diseases (NCDs) screening and awareness, was introduced. We have been able to successfully deploy the mobile medical units in a total of 10 districts in Maharashtra. This initiative, carried out in partnership with Piramal Swasthya Foundation, can potentially benefit close to 1,50,000 individuals each year.

Social and relationship capital



Government High School, Fatorpa-Quepem, Goa

Social impact programme for diabetes and a healthy lifestyle in Goa

According to a survey conducted in 2019 involving 14,957 students in the age bracket of 5-15 years, in the states of Haryana, Goa, Gujarat, and Manipur, two out of every 10 school-going children suffer from hypertension, indicating that the set of risk factors affecting non-communicable diseases (NCDs) is high.¹

Keeping this in mind, the objective of this social impact programme was to raise awareness on and strengthen knowledge of diabetes prevention, enabling behaviour change for attaining a healthier lifestyle. The programme aims to do so by building the capacities of doctors to improve NCD management, engaging with education systems, principles, teachers and children of secondary schools through the Kids and Diabetes in Schools (KiDS) programme.

Additionally, the programme has helped build a healthier lifestyle for the general public through mass media campaigns and events, such as 'Sakhar Free Shukrawar' and the 'STEP challenge,' which encouraged students to lead a healthy life by incorporating walking into their routine and covering 10,000 steps daily for three months, in collaboration with Conexus Social Responsibility Foundation and Departments of Health and Education, Goa.

¹Source: <https://timesofindia.indiatimes.com/city/delhi/2-in-every-10-schoolkids-suffer-from-hypertension/articleshow/67507403.cms>

Supporting NCDs through other programmes

1) Supporting NCD awareness and screening in Hyderabad

To contribute to the national goal of both reducing mortality as well morbidity rates occurring due to the NCDs, we supported PPHF to implement the NCD awareness and screening programme in Hyderabad.

We aim to contribute to the national goal by enhancing the level of awareness about timely screening, prevention and management of NCDs amongst communities by improving the healthcare personnel's capacities. This will help in identifying diabetes, hypertension, and cancers in a timely manner, and will aid in recording the learnings achieved through this programme to help extend the

interventions introduced. Doing so will improve access to healthcare services, increase the primary care worker's competence levels, establish referral mechanisms, and empower communities and individuals for self-care and treatment adherence.

2) Building awareness on cervical and oral cancers

Cervical and oral cancers account for 20% of the cancers that are diagnosed in India. In keeping with this, we have introduced a programme for creating awareness about the existence of these cancers and nudging at-risk households/individuals to undergo regular screenings and check-ups and treatment, counseling for patients with head & neck cancers. This programme was initiated in Maharashtra, West Bengal and Telangana in 2021, in collaboration with Indian Cancer Society.



NCD screening, Hyderabad



Training of frontline workers at the Primary Health Center - Narapally, Medchal-Malkajigiri District, Telangana



Americares India Foundation, Assam

In solidarity with the people of Assam

In association with Americares India Foundation, we initiated a programme to help the survivors of the Assam floods to return to their normal lives by providing the necessary relief support.



Employee volunteering, supporting local communities

Encouraging our employees to create impact through volunteering

During the year 2022, in partnership with Project Heena, employee volunteering programmes were implemented to support communities under the Health, Education, Environment, and Capacity Building categories.

912 employees also accompanied by their family members successfully participated in numerous virtual and on-ground volunteering activities focused on social causes. Approximately 5,700 volunteering hours were contributed by the employees.

The table below summarises the number of individuals positively impacted through the CSR programmes as well as the finances allocated for these programmes:

CSR programme	Finances Allocated (in ₹)	Beneficiaries
Social impact programme for Type 1 diabetes:	47,633,264	Raised awareness for 1,236 patients and their caregivers; Initiated capacity building for 310 doctors and 270 educators; Improved access to treatments for 1,236 patients enrolled
Establishing mobile medical units for non-communicable diseases screening in Maharashtra	56,941,629	Raised awareness for 1,45,400 individuals; close to 25,000 individuals were diagnosed with diabetes and were referred to the nearest public health centre for further treatments and management
Social impact programme for diabetes and healthy lifestyle in Goa	10,503,512	Currently conducting behaviour change programmes, where close to 57,000 children as well as 4,30,000 community members are participating
Supporting NCDs through other programmes:		
1) Supporting NCD awareness and screening in Hyderabad	10,000,000	Mobilised 5,73,000 as well as screened 3,40,000 individuals; 73,000 individuals were enrolled for different NCD treatment at government facilities
2) Building awareness on cervical and oral cancers and supporting treatments	8,000,000	22,500,000 reached out through media campaigns for oral & cervical cancers awareness and prevention
Assam flood support	2,000,000	Positively impacted 1,000 families
Encouraging our employees to create impact through volunteering	702,554	912 employees participated through 5,700 volunteering hours.

Awards and recognition



Sanofi India won the prestigious **ACEF Asian Leader Gold Award** - for **ICON** - for innovative content marketing in the 'pharma industry' category.

In picture: Sanofi wins st the ACEF Asian Leaders Awards 2022



Toustar® insulin pen has won the **Pharmapack Award 2022** in the Eco-design category! The revolutionary insulin pen also won an award for Excellence in Engineering at the 71st Good Design awards.



Top Employer 2023 by the Top Employers Institute for the **5th consecutive time**.

It's a Hat-trick!

Sanofi Social Impact - 3 awards in 2022 for the Goa program

Our Social Impact program **KiDS** (Kids & Diabetes in Schools) and the initiatives **Sakhar Free Shukrawar** & **STEP** have received 3 coveted awards in 2022.

Sanofi was declared '**Winner**' in the **Healthcare (small) category** at the **CSR Box Awards 2022**.

Sanofi's KiDS also won a **gold** and a **bronze** recognition at the **CSR Journal Excellence Award** and the **IHW CSR Health Impact Award**, respectively.



Sanofi India's CSR & Comms' team receiving the CSR Box 2022 award from Major Gen. Amit Loomba, Indian Army



Sanofi India's CSR team receiving the IHW CSR Health Impact award from Hon'ble Minister Shri Ramdas Athawale

Statutory reports & Financial statements

72-151

Statutory reports

- 72 Notice
- 83 Report of the Directors
- 88 Annexures
- 97 Management Discussion and Analysis
- 104 Business Responsibility & Sustainability Report
- 134 Report on Corporate Governance

152-216

Financial statements

Notice of the Annual General Meeting

NOTICE IS HEREBY GIVEN THAT THE SIXTY-SEVENTH ANNUAL GENERAL MEETING (AGM / 67th AGM) of the Members of SANOFI INDIA LIMITED ("the Company") will be held on THURSDAY, MAY 11, 2023 at 3:00 p.m. (IST), through Video Conferencing / Other Audio - Visual Means ("VC / OAVM") facility, to transact the following business:

Ordinary Business

- To receive, consider and adopt the Annual Audited Financial Statements of the Company for the year ended December 31, 2022 including the Balance Sheet as on December 31, 2022, the Statement of Profit and Loss and the Cash Flow Statement for the Financial Year ended on that date and Reports of Board of Directors and Auditors thereon.
- To confirm the payment of Interim Dividend for the Financial Year ended December 31, 2022.
 - To declare a final dividend of ₹ 194 per equity share and a second special dividend of ₹ 183 per equity share for the Financial Year ended December 31, 2022.
- To re-appoint Mr. Marc-Antoine Lucchini (DIN 08812302), who retires by rotation and being eligible, offers himself for re-appointment.

Special Business

4. Ratification of remuneration to Cost Auditors:

To consider and, if thought fit, to pass, the following resolution as an **Ordinary Resolution**

"RESOLVED THAT pursuant to Section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Cost Auditors appointed by the Board of Directors of the Company, M/s. Kirit Mehta & Co., Cost Accountants, to conduct the audit of the cost accounting records maintained by the Company for the financial year ending December 31, 2023, be paid remuneration of ₹ 460,000, plus applicable Goods and Services Tax and out of pocket expenses, in performance of their duties.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take such steps and do all such acts, deeds, matters and things as may be considered necessary, proper and expedient to give effect to this Resolution."

5. Approval of overall limits of remuneration payable to Non-Executive Director(s):

To consider and, if thought fit, to pass, the following resolution as an **Ordinary Resolution**

"RESOLVED THAT in supersession of the resolutions passed at the earlier meetings of Members and pursuant to the provisions of Sections 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the Articles of Association, the Company be and is hereby authorised to pay its Non-Executive Directors, other than the Managing Director or Whole-time Director(s) or Director(s) who are employees of Sanofi or companies of the Sanofi group, in addition to sitting fees paid to them for attending the meetings of the Board of Directors or its Committees, such sum by way of commission, every year for a period of five financial years commencing from January 1, 2024, as the Board may determine from time to time, but not exceeding 1% (one percent) or such other percentage of the Net Profits of the Company in any financial year as may be specified under the Act and computed in the manner provided under Section 198 of the Act.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take such steps and do all such acts, deeds, matters and things as may be considered necessary, proper and expedient to give effect to the aforesaid Resolution."

By Order of the Board of Directors

Radhika Shah

Company Secretary
Membership No: A19308

Registered Office:
Sanofi House,
CTS No. 117-B, L&T Business Park,
Saki Vihar Road, Powai,
Mumbai – 400072.
CIN: L24239MH1956PLC009794
E-mail: igrc.sil@sanofi.com
February 23, 2023



Notes:

- The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 ("the Act") with respect to Item nos. 4 and 5 of the Notice is annexed hereto and forms part of this Notice. The Board of Directors has considered and decided to include Item Nos. 4 and 5 as given above as Special Business in the forthcoming AGM as they are unavoidable in nature. The relevant details as set out under Item No. 3 of the Notice pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standard - 2 on General Meetings issued by the Institute of Company Secretaries of India ("ICSI") in respect of the Director seeking re-appointment at this AGM are also annexed to this Notice.
- In view of the COVID-19 pandemic, the Ministry of Corporate Affairs, Government of India ("MCA") issued General Circular Nos. 14/2020, 17/2020, 20/2020, 02/2021, 19/2021, 21/2021, 2/2022 and 10/2022 dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 8, 2021, December 14, 2021, May 5, 2022 and December 28, 2022, respectively, ("MCA Circulars") allowing, *inter-alia*, conducting of AGMs through Video Conferencing / Other Audio-Visual Means ("VC / OAVM") facility on or before September 30, 2023, in accordance with the requirements provided in paragraphs 3 and 4 of the MCA General Circular No. 20/2020. The Securities and Exchange Board of India ("SEBI") also vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020; Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022; and Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 ("SEBI Circulars") has provided certain relaxations from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") due to the COVID-19 pandemic. In compliance with these Circulars, provisions of the Act and Listing Regulations, the 67th AGM of the Company is being conducted through VC / OAVM facility, without the physical presence of Members at a common venue. The deemed venue for the 67th AGM shall be the Registered Office of the Company.

As the AGM shall be conducted through VC / OAVM, the facility for appointment of Proxy by the Members is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.
- In compliance with the aforementioned provisions of the Act and Listing Regulations, electronic copy of the Annual Report for the Financial Year 2022 is

being sent to all the Members whose e-mail addresses are registered with the Company / Depository Participant(s) for communication purposes.

In case any Member is desirous of obtaining hard copy of the Annual Report for the Financial Year 2022 and Notice of the 67th AGM of the Company, may send request to the Company's e-mail address at igrc.sil@sanofi.com mentioning Folio No./DP ID and Client ID

Members who have questions or seeking clarifications on the Annual Report or on the proposals as contained in this Notice are requested to send email to the Company on igrc.sil@sanofi.com on or before 5:00 p.m. on Thursday, May 4, 2023. This would enable the Company to compile the information and provide the replies at the meeting. The Company will be able to answer only those questions at the meeting which are received in advance as per the above process. The Company will allot time for members to express their views or give comments during the meeting. The Members who wish to speak at the meeting need to register themselves as a speaker by sending an e-mail from their registered e-mail ID mentioning their name, DP ID and Client ID / Folio number and mobile number, on e-mail ID, igrc.sil@sanofi.com on or before 5:00 p.m. on Thursday, May 4, 2023. Depending on the availability of time, the Company reserves the right to restrict the number of speakers at the meeting

- Pursuant to Section 113 of the Act, institutional / corporate members are requested to send a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the AGM, before e-voting / attending AGM, to igrc.sil@sanofi.com.
- Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standard on General Meetings (SS-2) issued by the Institute of the Company Secretaries of India ("ICSI"), Regulation 44 of Listing Regulations 2015, and the Circulars issued by the MCA dated April 8, 2020, April 13, 2020 and May 5, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the 67th AGM to those Members participating in the 67th AGM to cast vote through e-voting system during the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited ("NSDL") for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a member using remote e-voting system as well as e-voting on the date of the AGM will be provided by NSDL.

6. The Board of Directors of the Company has appointed Ms. Deepti Kulkarni (Certificate of Practice No. 22502), or failing her, Mr. Omkar Dindorkar (Certificate of Practice No. 24580) Designated Partners of M/s. MMJB & Associates LLP, Practicing Company Secretaries as Scrutinizer for conducting the voting process of remote e-voting and e-voting during AGM in a fair and transparent manner. The Scrutinizer shall submit his / her report, to the Chairman or any person authorized by him, on the voting in favour or against, if any, within two working days from the conclusion of the Meeting. The results declared along with the consolidated Scrutinizer's Report and the recorded transcript of the meeting shall be placed on the website of the Company at <https://www.sanofiindia.com/en/investors/agm/2023>. The results shall simultaneously be communicated to the Stock Exchanges.
7. The Register of Directors and Key Managerial Personnel (KMP) and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the Directors are interested under Section 189 of the Act and all other documents referred to in the Notice can be inspected in electronic mode by sending a request on email to igr.sil@sanofi.com.
8. The Register of Members of the Company shall remain closed from Saturday, April 29, 2023 to Thursday, May 11, 2023 (both days inclusive).
9. Payment of dividend as recommended by the Board of Directors, if approved at the meeting, will be made on or after May 22, 2023, to those members whose names are on the Company's Register of Members on April 28, 2023 and those whose names appear as Beneficial Owners as at the close of the business hours on April 28, 2023 as per the details to be furnished by the Depositories, viz. NSDL and CDSL for this purpose.
10. In accordance with the provisions of the Income Tax Act, 1961 as amended by and read with the provisions of the Finance Act, 2020, with effect from April 1, 2020, dividend declared and paid by the Company is taxable in the hands of its Members and the Company is required to deduct tax at source (TDS) from dividend paid to the Members at the applicable rates. A separate email had been sent at the registered email ID of the members describing about the detailed process to submit the documents / declarations along with the formats in respect of deduction of tax at source on the dividend payout. Sufficient time had been provided for submitting the documents / declarations by the Members who are desiring to claim beneficial tax treatment. The intimation will also be uploaded on the website of the Company at www.sanofiindia.com.
11. Members holding shares in electronic form are advised to keep the bank details updated with the respective Depositories, viz., NSDL and CDSL. Member holding shares in physical form are requested to update bank details with the Company's Registrar and Share Transfer Agents.
12. Pursuant to the provisions of the Act and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and Amendment Rules 2017 notified by the Ministry of Corporate Affairs, the Company is required to transfer all shares in respect of which dividend has not been paid or claimed by the Members for seven consecutive years or more in the name of Investor Education and Protection Fund (IEPF) Suspense Account. Adhering to various requirements set out in the Rules, the Company has taken appropriate action for transferring the shares to the Demat Account opened by the IEPF Authority. The Company has also uploaded details of such Members whose shares are transferred to IEPF Suspense Account on its website at <https://www.sanofiindia.com/en/investors/transfer-of-shares-to-iepf>. The shares transferred to IEPF Suspense Account including all benefits accruing on such shares, if any, can be claimed by the Members from IEPF Authority, after following the procedure prescribed under the Rules. Pursuant to the provisions of Sections 124 and 125 of the Act, dividends which remain unpaid or unclaimed for a period of seven years from the date of transfer to the unpaid dividend account are required to be transferred to IEPF established by the Central Government. The details of unpaid dividend are uploaded on the website of the Company at <https://www.sanofiindia.com/en/investors/unclaimed-dividends>. During the year 2022, the Company transferred unclaimed dividend amounts of ₹ 2,637,180 and ₹ 1,502,856 pertaining to the Final Dividend for the year 2014 and Interim Dividend for the year 2015 respectively, to the IEPF.

Members who have not claimed their dividend for last seven years are requested to write to the Company's Registrar and Share Transfer Agents and claim their dividends. The total amount of unclaimed dividend has been disclosed in the financial statements.

Members are requested to note that the unclaimed dividends will be transferred to the IEPF after the below mentioned last date of claim which has been calculated by adding 37 days and 7 years in the date of declaration:

Dividend and Year	Dividend per Share (₹)	Date of Declaration	Last Date for Claim
Final Dividend 2015	47	29-04-2016	05-06-2023
Interim Dividend 2016	18	22-07-2016	28-08-2023
Final Dividend 2016	50	05-05-2017	11-06-2024
Interim Dividend 2017	18	19-07-2017	25-08-2024
Final Dividend 2017	53	08-05-2018	14-06-2025
Interim Dividend 2018	18	25-07-2018	31-08-2025
Final Dividend 2018	66	07-05-2019	13-06-2026
Final and One Time Special Dividend 2019	349	07-07-2020	13-08-2027
Final and One Time Special Dividend 2020	365	27-04-2021	03-06-2028
Final and One Time Special Dividend 2021	490	26-04-2022	02-06-2029
Interim Dividend 2022	193	26-07-2022	01-09-2029

13. Pursuant to Regulation 39 and Schedule V and VI of the Listing Regulations the Company has transferred unclaimed shares in its Unclaimed Suspense Account details of which are given below:

Particulars	No. of Records	No. of shareholders	No. of Equity Shares
Aggregate number of shareholders/records and the outstanding shares in the Unclaimed Suspense Account	219	204	10,950
Number of shareholders who approached the Company for transfer of shares and shares transferred from suspense account during the year	5	5	250
Number of shareholders/records whose shares were transferred from suspense account to the demat account of Investor Education and Protection Fund under the provisions of Section 124(6) of the Companies Act, 2013	10	10	700
Number of shareholders/records and aggregate number of shares transferred to the Unclaimed Suspense Account during the year	-	-	-
Aggregate number of shareholders and outstanding shares in the Unclaimed Suspense Account lying as on December 31, 2022	204	189	10,000

All Corporate benefits on such shares including dividend shall be credited to the account of the IEPF Authority. The voting rights on shares lying in the Unclaimed Suspense Account shall remain frozen till the rightful owner of such shares establishes his / her title of ownership to claim the shares.

14. SEBI has mandated that securities of listed companies can be transferred only in dematerialised form. In view of the above and to avail various benefits of dematerialisation, Members are advised to dematerialise shares held by them in physical form, for ease in portfolio management.
15. SEBI has mandated the updation of PAN, contact, Bank account, specimen signature and nomination details, against folio / demat account. PAN is also required to be updated for participating in the securities market, deletion of name of deceased holder and transmission / transposition of shares. As per applicable SEBI Circular, PAN details are to be compulsorily linked to Aadhar details by the date specified by Central Board of Direct Taxes. Members are requested to submit PAN, or intimate all changes pertaining to their bank details,

mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, specimen signature (as applicable) etc., to their Depository Participant ("DP") in case of holding in dematerialised form or to Company's Registrar and Share Transfer Agents through Form ISR-1, Form ISR-2 and Form ISR-3 (as applicable) available at <https://www.sanofiindia.com/en/investors/shareholder-corner> in case of holdings in physical form.

16. As per the provisions of the Act and applicable SEBI Circular, Members holding shares in physical form may file nomination in the prescribed Form SH- 13 with Registrar and Share Transfer Agents or make changes to their nomination details through Form SH-14 and Form ISR-3. In respect of shares held in dematerialised form, the nomination form may be filed with the respective DP. For relevant forms, please visit the Company's website at <https://www.sanofiindia.com/en/investors/shareholder-corner>
17. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed

companies to issue securities in dematerialized form only while processing service requests, viz. Issue of duplicate securities certificate; renewal/ exchange of securities certificate; endorsement; sub-division/ splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Further SEBI vide its circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/65 dated May 18, 2022 has simplified the procedure and standardized the format of documents for transmission of securities. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4 & ISR-5, as the case may be. The said forms can be downloaded from the Company's website at <https://www.sanofiindia.com/en/investors/shareholder-corner>.

18. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company's Registrar and Share Transfer Agents, the details of such folios together with the share certificates along with the requisite KYC documents for consolidating their holdings in one folio. Requests for consolidation of share certificates shall be processed in dematerialized form.

E-voting facility:

- The remote e-voting period will begin on Monday, May 8, 2023 at 9:00 a.m. and will end on Wednesday, May 10, 2023 at 5:00 p.m. During this period members of the Company holding shares either in physical form or dematerialised form as on cut-off date, i.e., May 4, 2023 may exercise their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter.
- A person whose name is recorded in the register of members or in the beneficial owners maintained by depositories as on the cut-off date i.e., May 4, 2023 shall be entitled to avail the facility of remote e-voting as well as e-voting system during the AGM. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member / beneficial owner (in case of shares held in dematerialised form) as on the cut-off date i.e., May 4, 2023.
- A person who is not a member as on the cut-off date should treat this Notice for information purposes only.
- The voting during the AGM will begin on May 11, 2023 at 3:00 p.m. and will end on completion of 30 minutes from the time of the conclusion of the AGM. Within this period, all Members who are present at the AGM through VC facility and who have not yet exercised their vote through remote e-voting, can exercise their vote electronically.
- The facility for e-voting during the meeting is available only to those Members participating in the meeting through VC facility. If a Member has exercised his / her vote during the AGM through e-voting but not attended the AGM through

VC facility, then the votes casted by such Member shall be considered invalid.

- The Members can join the AGM in the VC / OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC / OAVM will be made available for 1,000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- The attendance of the Members attending the AGM through VC / OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
- Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standard on General Meetings (SS-2) issued by the Institute of the Company Secretaries of India ("ICSI"), Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 8, 2020, April 13, 2020 and May 5, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the 67th AGM to those Members participating in the 67th AGM to cast vote through e-voting system during the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a member using remote e-voting system as well as e-voting on the date of the AGM will be provided by NSDL.
- In line with the Ministry of Corporate Affairs Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.sanofiindia.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-voting facility) i.e., www.evoting.nsdl.com.



Instructions for Members for Remote e-voting and Joining General Meeting are as Under:

The remote e-voting period begins on Monday, May 8, 2023 at 9:00 a.m. and will end on Wednesday, May 10, 2023 at 5:00 p.m. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e., May 4, 2023, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being May 4, 2023.

How do I vote electronically using NSDL e-voting system?


The way to vote electronically on NSDL e-voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-voting system

A. Login method for e-voting for Individual Shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-voting facility provided by Listed Companies, Individual Shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email ID in their demat accounts in order to access e-voting facility.

Login method for Individual Shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-voting services under Value added services. Click on "Access to e-voting" under e-voting services and you will be able to see e-voting page. Click on company name or e-voting service provider i.e., NSDL and you will be re-directed to e-voting website of NSDL for casting your vote during the remote e-voting period. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder / Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password / OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on company name or e-voting service provider i.e., NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period. Shareholders / Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. 
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Users who have opted for CDSL Easi / Easiest facility, can login through their existing user ID and password. Option will be made available to reach e-voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password. After successful login of Easi / Easiest the user will be also able to see the E-Voting Menu. The Menu will have links of e-voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi / Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN No. from a e-voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP i.e., NSDL where the e-voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL / CDSL for e-voting facility. Upon logging in, you will be able to see e-voting option. Click on e-voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on company name or e-voting service provider i.e., NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID / Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e., NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at Toll free no.: 1800 1020 990 and 1800 224 430
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 225 533

B. Login Method for e-voting and joining virtual meeting for Shareholders other than Individual Shareholders holding securities in demat mode and Shareholders holding securities in physical mode.

How to Log-in to NSDL e-voting website?

- Visit the e-voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a personal computer or on a mobile.
- Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder / Member' section.
- A new screen will open. You will have to enter your User ID, your Password / OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e., IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e., Cast your vote electronically.

iv. Your User ID details are given below:

Manner of holding shares i.e., Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****
b) For Members who hold shares in demat account with CDSL	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form	EVEN Number followed by Folio Number registered with the company For example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

v. Password details for Shareholders other than Individual shareholders are given below:

- If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
- If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- How to retrieve your 'initial password'?
 - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a (".pdf file.") Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for



- shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - If your email ID is not registered, please follow steps mentioned below in **process for those Shareholders whose email IDs are not registered.**
 - If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - Click on **"Forgot User Details / Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name, and your registered address etc.
 - Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.
 - After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
 - Now, you will have to click on "Login" button.
 - After you click on the "Login" button, Home page of e-voting will open.
- Select "EVEN" of company for which you wish to cast your vote during the remote e-voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC / OAVM" link placed under "Join General Meeting".
 - Now you are ready for e-voting as the Voting page opens.
 - Cast your vote by selecting appropriate options i.e. assent or dissent, verify / modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
 - Upon confirmation, the message "Vote cast successfully" will be displayed.
 - You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
 - Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-voting system.

How to cast your vote electronically on NSDL e-voting system?

- After successful login at Step 1, you will be able to see all the companies 'EVEN' in which you are holding shares and whose voting cycle and General Meeting is in active status.

General Guidelines for Shareholders

- Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF / JPG Format) of the relevant Board Resolution / Authority letter etc., with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to scrutinisers@mmjc.in with a copy marked to evoting@nsdl.co.in.
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details / Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
- In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download

section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 224 430 or send a request to Ms. Pallavi Mhatre, Senior Manager - NSDL or Mr. Amit Vishal, Assistant Vice President - NSDL at evoting@nsdl.co.in.

Process for those Shareholders whose email IDs are not registered with the depositories for procuring user ID and password and registration of e-mail IDs for e-voting for the resolutions set out in this notice:

- A. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to evoting.investors@linkintime.co.in.
- B. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to evoting.investors@linkintime.co.in. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **Step 1(A)** i.e., **Login method for e-voting for Individual shareholders holding securities in demat mode.**
- C. Alternatively, shareholder may send a request to evoting@nsdl.co.in for procuring user ID and password for e-voting by providing above mentioned documents.
- D. In terms of SEBI circular dated December 9, 2020 on e-voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-voting facility

The instructions for members for e-voting on the day of the AGM are as under:-

1. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members / Shareholders, who will be present in the AGM through VC / OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.
3. Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-voting on the day of the AGM shall be the same person mentioned for remote e-voting

Instructions for Members for attending the AGM through VC / OAVM are as under:

1. Member will be provided with a facility to attend the AGM through VC / OAVM through the NSDL e-voting system. Members may access by following the steps mentioned above for **Access to NSDL e-voting system**. After successful login, you can see link of "VC / OAVM link" placed under **"Join General meeting"** menu against company name. You are requested to click on VC / OAVM link placed under Join General Meeting menu. The link for VC / OAVM will be available in Shareholder / Member login where the EVEN of Company will be displayed. Please note that the Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio / Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.



19. As required by Regulation 36(3) of the Listing Regulations and the Secretarial Standards on General Meetings (SS-2) as laid down by The Institute of Company Secretaries of India, additional information relating to the particulars of Director who is proposed to be re-appointed are given below:

Agenda Item No.	3
Name	Mr. Marc-Antoine Lucchini
Age	58
Qualifications	Graduation (Bio Chemistry Professional)
Brief profile including expertise and experience	Mr. Marc-Antoine Lucchini is a French national who has over 30 years of experience in the pharmaceutical industry. During his career, he has been successfully operating in many different environments in Pharma Operations in France first, and then in the United States in more strategic roles in the company's headquarter. Through the different acquisitions or mergers of the company, he had the opportunity to work in Spain as the General Manager for Iberia, in Egypt and then in France since 2014 to lead the French affiliate, one of the biggest and most complex ones for a French Pharma group. In 2016 he moved to a Regional Role as Head of the European Region for the Primary Care Business Unit in which he has been driving an important transformation of the European organization and footprint. In 2020, he was appointed Head of the International Region, representing 68 countries with a direct reporting of 10 high potential countries of the region amongst which India is a key one. Marc-Antoine has been appointed Head of Foundation General Medicines since February 2021 managing a large legacy business with diverse portfolio and strong brands all over the world. His initial training is in Biochemistry, and he speaks French, Spanish and English fluently.
Directorships in other companies in India	None
Committee Memberships and Chairmanships	He is a member of Nomination & Remuneration Committee of Sanofi India Limited.
Number of Board meetings attended during the year	In the year 2022, Mr. Marc-Antoine Lucchini attended 5 out of 8 Board meeting held during the year
Remuneration last drawn for the financial year 2022	None
Remuneration sought to be paid	N.A.
Terms and conditions of appointment	N.A.
Relationship with other Directors and KMP	None
Date of first appointment on the Board	July 29, 2020
Shareholding in Sanofi India Limited	Nil

Explanatory Statement

Explanatory Statement relating to the business mentioned in Item Nos. 4 & 5 in the accompanying Notice of the Annual General Meeting (AGM) is given below:

Item No. 4

The Board of Directors, on the recommendation of the Audit Committee, has approved the appointment of M/s. Kirit Mehta & Co., Cost Accountants, as Cost Auditors to conduct the audit of the cost accounts maintained by the Company for the financial year ending December 31, 2023.

In accordance with the provisions of Section 148 of the Act, read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors must be ratified by the members of the Company. Accordingly, consent of the members is sought for approval of the remuneration payable to the Cost Auditors for the financial year ending December 31, 2023.

The Board recommends the approval of the remuneration payable to M/s. Kirit Mehta & Co., Cost Accountants for conducting the cost audit and passing of the Ordinary Resolution set out at Item no. 4 of the Notice.

None of the Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in this Resolution.

Item No. 5

The Non-Executive / Independent Directors of your Company bring with them significant professional expertise and rich experience across a wide spectrum of business, technology, strategy, policy matters and corporate governance. In line with the Company's Nomination and Remuneration Policy, it is proposed to pay commission to the Non-Executive Directors commensurate with their roles and responsibilities. As per the Policy the Non-Executive Directors are entitled to pay commission as a percentage to profit and the sitting fees for attending the meeting(s) of the Board / Committees of the Board.

The Company had earlier sought approval of the Members for paying commission as approved by the Board, not exceeding 1% (one percent) of the profits of the Company to the Non-Executive Directors, other than the Managing Director or Whole-time Director(s) or Director(s) who are employees of Sanofi or companies of the Sanofi Group, in addition to sitting fees paid to them for attending the Meetings of the Board of Directors or its Committees, for a period of five financial years from January 1, 2019 to December 31, 2023.

It is now proposed to extend the time period for payment of Commission without any change in the maximum limit of 1% (one percent) of the profits of the Company payable to the Non-Executive Directors for a further period of five years starting from January 1, 2024 to December 31, 2028.

Accordingly, the Board recommends the resolution at Item no. 5 of the Notice for approval by the members. The Non-Executive Directors, other than the Managing Director, Whole-time Directors and Directors who are employees of Sanofi or companies of the Sanofi group, are interested in matter to the extent of the remuneration proposed for them.

None of the other Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in this Resolution.

By Order of the Board of Directors

Radhika Shah
Company Secretary
Membership No: A19308

Registered Office:
Sanofi House,
CTS No. 117-B, L&T Business Park,
Saki Vihar Road, Powai,
Mumbai – 400072.
CIN: L24239MH1956PLC009794
E-mail: igrc.sil@sanofi.com
February 23, 2023

Report of the Directors

To the Members of the Company

Your Directors have the pleasure of presenting their report and the Audited Accounts of your Company for the Financial Year ended December 31, 2022.

	₹ in Million	
Financial Results	2022	2021
Revenue from operations	27,701	29,566
Other income	715	744
Total income	28,416	30,310
Profit before exceptional items and tax	7,323	7,684
Profit before tax	8,643	12,576
Tax expense	2,437	3,132
Profit for the year	6,206	9,444
Other comprehensive income (Net of tax)	5	(33)
Total comprehensive income for the year	6,211	9,411

The financial results for the year ended December 31, 2022 are not comparable with that of year ended December 31, 2021 due to the following:

- During the previous financial year 2021, the Board of Directors of the Company approved a transaction for the slump sale and transfer of the Company's Nutraceuticals business, on a going concern basis to Universal Nutriscience Private Limited for the consideration of ₹ 5,860 million (after working capital adjustments).
- The Board of Directors of the Company at its meeting held on November 25, 2021, approved the transfer of certain assets namely marketing intangibles, customer lists / database, trade channel knowledge / wholesaler lists, vendor / supplier database, pharmacovigilance / medical database that are related to the distribution business of Soframycin and Sofradex conducted by the Company and product inventory to Encube Ethicals Private Limited. The transaction concluded during the year on January 31, 2022 after fulfillment of the underlying conditions and the Company received the full consideration of ₹ 1,369 million including working capital adjustments and consequently, during the quarter ended March 31, 2022.

Transfer to Reserves

Your Company does not propose to transfer any amount to the general reserves of the Company.

Dividend

Your Directors at their meeting held on February 23, 2023 have recommended payment of final dividend of ₹ 194 per equity share of ₹ 10 each and a second special dividend of ₹ 183 per equity share of ₹ 10 each for the year ended December 31, 2022, considering the business and cash

requirements of the Company. The dividend is subject to approval of members at the ensuing Sixty-Seventh Annual General Meeting (AGM) of the Company.

The dividend, if approved by the Members at the AGM scheduled on May 11, 2023, will result in cash outflow of ₹ 8,683 million.

During the year under review, the Board of Directors approved and paid a one-time special Interim Dividend of ₹ 193 per equity share of ₹ 10 each for the year ending December 31, 2022, which was paid on August 22, 2022.

The total dividend for the Financial Year 2022, including the proposed final dividend and second special dividend, amounts to ₹ 570 per equity share of ₹ 10 each. The normal dividend without exceptional and special dividend results in a payout of 85% of the profits of the Company.

In view of the changes made under the Income-tax Act, 1961, by the Finance Act, 2020, dividends paid or distributed by the Company shall be taxable in the hands of the Members. The Company shall, accordingly, make the payment of the dividend after deduction of tax at source.

Pursuant to the requirements of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the Dividend Distribution Policy of the Company is available on the Company's website at <https://www.sanofiindia.com/en/investors/corporate-policies>

Unpaid / Unclaimed Dividend

In terms of the provisions of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 (including amendments and modifications, thereof), ₹ 4.14 million of unpaid / unclaimed dividends were transferred during the year 2022 to the Investor Education and Protection Fund.

Directors and Key Managerial Personnel (KMP)

During the year under review, Mr. Rajaram Narayanan (DIN: 02977405) stepped down as the Managing Director of the Company with effect from close of business hours on April 10, 2022. The Board places on record its immense appreciation for his contribution to the Company.

The Board of Directors of the Company at its meeting held on April 18, 2022, based on the recommendation of the Nomination and Remuneration Committee approved the appointment of Mr. Rodolfo Hrosz (DIN: 09609832) as the Managing Director of the Company with effect from June 1, 2022.

Mr. Rodolfo Hrosz joined Sanofi Group as General Manager of the Consumer Healthcare business in Brazil in 2017 and has successfully led the organisation through several transformative stages, right from its inception to it becoming a top growth contributor and a digital-acceleration reference point within the Sanofi Group.

He has wealth of rich experience from commercial, marketing, and general management roles across several multinational companies. Prior to joining Sanofi, he has worked with Pfizer, LVMH, Heineken and Procter & Gamble in USA and in Brazil.

The shareholders approved the appointment of Mr. Rodolfo Hrosz, as the Managing Director through Postal Ballot conducted in accordance with Section 108 and Section 110 and other applicable provisions of the Companies Act, 2013 (hereinafter referred to as "the Act") read with the applicable Rules, Secretarial Standards and the Listing Regulations on June 22, 2022, with requisite majority. The Company has made an application to the Central Government pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, read with Schedule V of the Act and Rules framed thereunder to obtain approval for his appointment, and is awaiting approval.

Further, Mr. Charles Billard (DIN: 08173583) informed the Board vide his letter dated October 26, 2022 that he would like to resign as the Non-Executive Director of the Company, with effect from November 3, 2022, as he was pursuing other opportunities within Sanofi Group. The Board noted and accepted his resignation at its meeting held on November 3, 2022. The Board places on record its immense appreciation for his contribution during his tenure as a Non-Executive Director of the Company.

At the same Board Meeting, based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company approved the appointment of Ms. Annapurna Das (DIN: 08634664) as a Non-Executive Non-Independent Director of the Company with effect from November 3, 2022. Ms. Annapurna Das, currently is the Head of Asia, Sanofi Vaccines since June 2022 with responsibility for commercial operations for countries across Asia including India. Prior to this, she was the General Manager,

Sanofi Vaccines, India, since Nov 2019. She has over 23 years of experience and a successful career with major pharmaceutical organisations in India holding roles across sales, marketing, and strategy and business development. The Members approved appointment of Ms. Annapurna Das as the Non-Executive Directors, of the Company through Postal Ballot on December 28, 2022, with requisite majority.

As on the date of this Report, Mr. Rodolfo Hrosz, Managing Director; Mr. Cherian Mathew, Whole-time Director; Mr. Vaibhav Karandikar, Whole-time Director and Chief Financial Officer and Ms. Radhika Shah, Company Secretary & Compliance Officer are the Key Managerial Persons of the Company.

Mr. Aditya Narayan, Chairman, Mrs. Usha Thorat, Chairperson of the Audit Committee and Nomination and Remuneration Committee and Mr. Rahul Bhatnagar, Chairman of Stakeholder Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee are the Independent Directors of the Company.

The Company has received declarations from all Independent Directors that they meet the criteria of independence as laid down under Section 149(6) of the Act and the Listing Regulations and they have registered themselves with the Independent Director's Database maintained by the IICA (The Indian Institute of Corporate Affairs). In the opinion of the Board, the Independent Directors fulfill the conditions specified in these regulations and are independent of the Management.

Mr. Marc-Antoine Lucchini, Non-Executive Director (DIN: 08812302) is liable to retire by rotation at the ensuing Sixty-Seventh Annual General Meeting and being eligible offers himself for re-appointment. The Board of Directors recommend his re-appointment to the Members.

Cash Flow and Consolidated Financial Statements

As required under Regulation 34 of the Listing Regulations, a Cash Flow Statement is part of the Annual Report. The Company does not have any subsidiaries and hence not required to publish Consolidated Financial Statements.

Management Discussion and Analysis

As required by Regulation 34(2) of the Listing Regulations, a Management Discussion and Analysis Report forms part of this Report.

The state of the affairs of the business along with the financial and operational developments has been discussed in detail in the Management Discussion and Analysis Report.

Business Responsibility and Sustainability Report

The Business Responsibility and Sustainability Report for the year ended December 31, 2022, forms part of this Report.



Report on Corporate Governance

As required under Regulation 34 of the Listing Regulations, a Report on Corporate Governance along with a Certificate of Compliance from the Statutory Auditors is part of this Report.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Information on Conservation of Energy, Technology absorption and Foreign Exchange earnings and outgo pursuant to Section 134(3)(m) of the Act, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is given in **Annexure - A** to this Report.

Subsidiaries, Associate Companies and Joint Ventures

Your Company does not have any subsidiaries, associate companies or joint ventures.

Meetings of the Board

During the year under review, Nine (9) meetings of the Board were held. The dates, attendance of the Directors and other details of the meetings are given in the Report on Corporate Governance. The maximum interval between any two meetings did not exceed 120 days, as prescribed by the Act and Listing Regulations.

Familiarization Program for Independent Directors

The Independent Directors are regularly informed during meetings of the Board and Committees on the business strategy, business activities, manufacturing operations, updates on the pharmaceutical industry and regulatory updates. The Directors when they are appointed are given a detailed orientation on the Company, pharmaceuticals industry, Sanofi Global strategy, policies and Code of Conduct, regulatory matters, business, financial matters, human resource matters and Corporate social responsibility initiatives of the Company. The details of familiarisation programs provided to the Directors of the Company are mentioned in the Report on Corporate Governance and on the Company's website at <https://www.sanofiindia.com/en/investors/corporate-policies>.

Performance Evaluation of the Board

During the year under review, the performance evaluation of the Board, Committees and Directors was conducted based on the criteria, framework and questionnaires approved by the Nomination and Remuneration Committee and the Board. The details of the performance evaluation exercise conducted by the Company are set out in the Report on Corporate Governance.

Nomination and Remuneration Policy & Remuneration of Directors, Key Managerial Personnel and Senior Management

During the year under review, the Board of Directors approved the revised Nomination and Remuneration Policy of the Company which now captures the Company's Leadership Framework for its employees and explains the principles of the overall remuneration including short-term incentive and the long-term incentive payable to the Executive Directors, Key Managerial Personnel, Senior Management, and other employees of the Company. The Policy also provides guidance on selection and nomination of Directors to the Board of the Company and appointment of the Senior Management Personnel of the Company. The remuneration paid to the Executive Directors, Key Managerial Personnel and Senior Management is in accordance with the Nomination and Remuneration Policy formulated in accordance with Section 178 of the Act and the Listing Regulations. Further details form part of the Report on Corporate Governance and a Statement of Disclosure of Remuneration pursuant to Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided as **Annexure - B** to this Report.

The statement showing particulars of employees pursuant to Section 197 of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is not being sent to the Members along with this Annual Report in accordance with the provision of Section 136 of the Act. Any person interested in receiving the said statement may write to the Company Secretary stating their Folio No./ DPID & Client ID.

Audit Committee

Details pertaining to composition and re-constitution of the Audit Committee are included in the Report on Corporate Governance. All the recommendations made by the Audit Committee were accepted by the Board.

Vigil Mechanism

As per the provision of Section 177(9) of the Act and Regulation 22 of the Listing Regulations, the Company is required to establish a Vigil Mechanism. The Company's Code of Conduct, Whistle blower and other Governance Policies lays out the principles of highest ethical standards. The details of the Whistle blower Policy are provided in the Report on Corporate Governance forming part of this Report.

Related Party Transactions

All related party transactions, which were entered into during the year under review were on arm's length basis and in the ordinary course of business. There were no materially

significant related party transactions by the Company with the Promoters, Directors and Key Managerial Personnel which may have a potential conflict with the interests of the Company at large.

The Company adopted the revised Policy on Materiality of Related Party Transactions and also on Dealing with Related Party Transactions in line with the amended Listing Regulations. The policy is available on the Company's website at <https://www.sanofiindia.com/en/investors/corporate-policies>. The Form AOC – 2 envisages disclosure of material contracts or arrangements or transactions at arm's length basis. The details of the material related party transactions for the Financial Year ended December 31, 2022, as per the Policy on dealing with related parties adopted by the Company are disclosed in **Annexure – C** to this Report. The Company had extended a loan of ₹ 4,450 million to Sanofi Healthcare India Private Limited which has been fully repaid in the month of July 2022. Accordingly, the said material related party transaction stands closed.

The Company has entered into material related party transactions with Sanofi-Aventis Singapore Pte. Ltd., and Sanofi Healthcare India Private Limited for purchase and sale of products and services. These transactions were in the ordinary course of business and at arm's length duly certified by third-party experts. The transactions were within the limits approved by the Members.

Corporate Social Responsibility

The Board has constituted a Corporate Social Responsibility (CSR) Committee to monitor the implementation of CSR activities of your Company. The details of the composition of the CSR Committee, CSR policy, CSR initiatives and activities undertaken during the year are given in the Annual Report on CSR activities in **Annexure – D** to this Report.

Risk Management

Your Company has implemented a mechanism for risk management and formulated a Risk Management Policy. The policy provides for the creation of a risk register, identification of risks and formulating mitigation plans. Your Company has also constituted a Risk Management Committee, details of which are disclosed in the Corporate Governance Report. As per the governance process described in the Policy, the Risk Management Committee reviews the risk identification, risk assessment and minimisation procedures on quarterly basis and updates the Audit Committee and the Board periodically.

The key risks impacting the Company are discussed in the Management Discussion and Analysis section forming part of this Report.

Deposits from Public

Your Company has not accepted any deposits from the public and as such no amount of principal or interest on deposits from the public was outstanding as on the date of the Balance Sheet.

Loans, Guarantees or Investments

The Company has not granted any loan or provided any guarantees to or invested in securities of any other body corporate during the year. The Company had extended a loan of ₹ 4,450 million to Sanofi Healthcare India Private Limited which has been fully repaid in the month of July 2022.

Directors' Responsibility Statement

As required by Section 134(3) of the Act, your Directors, to the best of their knowledge and belief, confirm that:

1. in the preparation of the annexed accounts for the Financial Year ended December 31, 2022 all the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
2. your Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year, 2022 and of the profit of the Company for that year;
3. your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. the said accounts have been prepared on a going concern basis;
5. internal financial controls to be followed by the Company have been laid down and that internal controls are adequate and were operating effectively; and
6. proper systems to ensure compliance with the provisions of all applicable laws have been devised and that such systems are adequate and operating effectively.

Cost Audit

Pursuant to Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, the Company is required to maintain cost records. The accounts and records are made and maintained by the Company and are required to be audited. Your Directors have, on the recommendation of the Audit Committee, appointed M/s. Kirit Mehta & Co., Cost Accountants to audit the cost accounts maintained by the Company for the financial year ending December 31, 2023.

As required by the Act, the remuneration payable to the Cost Auditor is required to be placed before the members in General Meeting for their ratification. Accordingly, a resolution seeking ratification of the remuneration payable to M/s. Kirit Mehta & Co. as approved by the Audit Committee and Board is included in the Notice convening the Annual General Meeting of the Company. In the opinion



of the Directors, considering the limited scope of audit, the proposed remuneration payable to the Cost Auditors would be reasonable and fair and commensurate with the scope of work carried out by them.

Auditors

Previous year, M/s. Price Waterhouse & Co. Chartered Accountants LLP (Firm Registration Number 304026E / E-300009) were re-appointed as Statutory Auditors of your Company for a further period of Five (5) years, to hold office from the conclusion of the Sixty-sixth AGM held in the year 2022, until the conclusion of the Seventy-first AGM to be held in the year 2027.

The Statutory Auditors have issued an unqualified audit report on the annual accounts of the Company for the year ended December 31, 2022.

Reporting of Fraud by Auditors

During the year under review, the Statutory Auditors, Cost Auditors and Secretarial Auditors have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee under section 143(12) of the Act, details of which needs to be mentioned in this Report.

Prevention of Sexual Harassment Policy

The Company has in place a Prevention of Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the year 2022, the Company did not receive any complaint of alleged sexual harassment. As on December 31, 2022 no complaints related to sexual harassment are pending for disposal.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Directors had appointed M/s. Makarand M. Joshi & Co., a firm of Company Secretaries in Practice, to undertake the Secretarial Audit of your Company for the year ended December 31, 2022.

The Secretarial Auditors have issued an unqualified audit report for the year ended December 31, 2022. The comments made by the Secretarial Auditors are self-explanatory. Their report is annexed herewith as **Annexure – E** to this Report.

Secretarial Standards

The Company has complied with all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and adopted under the Act.

Annual Return

As required under Section 92(3) of the Act, Annual Return is hosted on the website of the Company at <https://www.sanofiindia.com/en/investors/annual-return>.

Material Changes and Commitments After the Financial Year

No material changes and commitments have occurred after the closure of the Financial Year ended December 31, 2022 till the date of this Report, which would affect the financial position of your Company.

There has been no change in the nature of business of your Company.

Significant and Material Orders passed by the Regulators / Courts / Tribunals

No significant or material orders were passed by the Regulators or Courts or Tribunals which impacts the going concern status and Company's operations in future.

Acknowledgements

Your Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment. The Board also places on record its appreciation for the support and co-operation that your Company has been receiving from the medical fraternity, suppliers, distributors, retailers, business partners, government departments both at Central & State level and all other stakeholders.

On behalf of the Board of Directors

Aditya Narayan
Chairman

February 23, 2023

DIN: 00012084

Annexure – A to the Report of the Directors

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Statement containing particulars pursuant to Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 and forming part of the Report of the Directors for the year ended December 31, 2022.

A. Conservation of Energy

Aligned to Sanofi group's commitment towards mitigating climate change, to the trajectory of limiting global warming by 1.5 °C, we have targeted to achieving carbon neutrality by 2030 and Net Zero by 2050. Thus, energy Management becomes one of our key requirements for running and governing our business. Energy consumption is one of the major sources of greenhouse gas emissions, while energy costs have a direct impact on the cost of operations. We are increasingly cognizant of the necessity to improve our energy efficiency and are continuously upgrading our energy management systems. To promote this, we strive to make optimum use of existing energy-consuming assets, promote energy management best practices, help prioritize the implementation of energy-efficient technology. Energy consumption includes energy consumption at our operations, buildings, and offices.

Our energy consumption needs are mostly met through the electricity grid and renewable energy sources. We used 39.7% of renewable energy in Financial Year 2022 through solar power generation and biomass utilization. We are using 51.9% of energy from the purchased electricity grid and 6.9% from renewable solar energy. However, 8.4% of energy is consumed using fossil fuel sources.

Energy Conservation measures undertaken in 2022:

Goa factory

- HVAC energy optimization project for production -2 building completed. For production -1 building, work is in progress and is expected to be completed by 2024. Once the project is executed, this will generate good savings.

- 1.8 MW Solar power system installed under Opex model, this will reduce 22% CO2 emission for Goa Site and will generate annual savings of ₹ 4.4 Million for next 15 years.
- In 2022 a multi-site ISO 50001 certification was launched. Such certification attests to the effectiveness of our sites' energy management systems.
- In Financial Year 2022 we have increased our overall load (corporate offices and manufacturing site) on renewable sources by 5%. Which means 39.7% of total energy consumed are green energy.
- Biomass used for Steam Generation is helping to reduced dependency on fossil fuel
- Upgradation of the existing facility of Solid oral line to meet the state of art technology.
- White Color sheets for lesser heating for technical areas
- Deployed robust mechanism by using automation and digital tools to collect equipment wise Equipment efficiency data, to ensure our equipment's are used efficiently with less wastage. For blister packaging line 10, already completed for other lines work is in progress.

Mumbai Office

- At our Mumbai office 100% of energy procured is green energy.
- Solar power plant installed at roof top of Mumbai office with capacity of 104.16 KWP.
- As Mumbai office is already LEED Platinum certified, energy efficient design aspects are already built in. Operational aspects optimized for energy conservation, including managing settings of HVAC systems, automation, LED lightings, awareness



initiatives, switching off lights during lunch break, efficient use of diesel generator sets, managing and monitoring equipment efficiency etc.

B. Technology Absorption:

Research and Development (R & D):

1. Efforts in brief made towards technology absorption:

The Company on an on-going basis takes steps to enhance its technical expertise for pharmaceutical formulations. The Company puts emphasis on innovation in its operations.

2. Benefits derived as a result of the above efforts:

The Company has benefited substantially as a result of the emphasis on innovation. Developing product line extensions, improvement in product quality, operational excellence projects, technology transfer of products and reduction in energy consumption are some of the benefits derived as a result of above efforts carried out during the year under review.

The Site further adopted automated technology and installed new equipment which met Sanofi Quality and HSE standards.

3. Imported technology (imported during the last 3 years reckoned from the beginning of the financial year):

- The details of technology imported: Nil
- The year of import: Not applicable

- Whether the technology has been fully absorbed: Not applicable
- If not fully absorbed, areas where absorption has not taken place and reasons thereof: Not applicable

As mentioned in (1) we continue to receive technology, process know-how and technical assistance from time to time from the Parent Company.

4. Expenditure on Research and Development

- | | |
|---|----------------|
| a) Capital | ₹ Nil |
| b) Revenue | ₹ Nil |
| c) Total | ₹ Nil |
| d) Total R&D expenditure as a percentage of total turnover: | Not applicable |

Foreign Exchange Earnings and Outgo

- | | |
|----------------------------------|--------------------|
| a) Total Foreign Exchange used | ₹ 4,036.77 Million |
| b) Total Foreign Exchange earned | ₹ 3,904.02 Million |

On behalf of the Board of Directors

Aditya Narayan

Chairman

DIN: 00012084

February 23, 2023

Annexure – B to the Report of the Directors**Statement of Disclosure of Remuneration**

Information pursuant to Section 134(3)(q) and Section 197 (12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended December 31, 2022 and forming part of the Directors' Report for the said year.

A. Ratio of the remuneration of each Executive Director to the Median remuneration of the Employees of the Company:

Name of the Director	Designation	Ratio of remuneration of each Executive Director to median of remuneration of Employees
Mr. Rodolfo Hrosz	Managing Director	24:1
Mr. Cherian Mathew	Whole-time Director	27:1
Mr. Vaibhav Karandikar	Whole-time Director and Chief Financial Officer	20:1

Percentage increase in remuneration of each Executive Director, Chief Financial Officer (CFO), Chief Executive Officer and Company Secretary:

Name of the Director and KMP	Designation	Percentage increase in remuneration (%)
Mr. Rodolfo Hrosz*	Managing Director	Not Comparable
Mr. Cherian Mathew	Whole-time Director	5.1
Mr. Vaibhav Karandikar	Whole-time Director and Chief Financial Officer	5.5
Ms. Radhika Shah#	Company Secretary	Not Comparable

* Details not given as he was Managing Director for part of the Financial Year 2022

Details not given as she was Company Secretary for part of the financial year 2021

Notes:

- The Independent Directors of the Company are entitled to Sitting Fees and Commission as per the statutory provisions. The details of remuneration of Non-Executive Directors are provided in the Corporate Governance Report. Sitting fees is paid based on the number of meetings attended by an Independent Director and hence the % increase is not comparable.
- Non-Executive Directors who are employees of Sanofi group do not receive do not receive any Sitting Fees or Commission.
- Director / KMP who resigned during the year have not been included in the above statement.

B. The percentage increase in the median remuneration of employees in the financial year: 6.82%**C. The number of permanent employees on the rolls of the Company as on December 31, 2022: 2,651****D. Average percentile increase already made in the salaries of the employees other than the managerial personnel in last financial year and comparison with percentile increase in the managerial remuneration and justification thereof:**

The average percentile increase in salaries of the employees other than managerial personnel was 7% and for managerial remuneration it was 5.3%.

The increases are a function of the Company's market competitiveness within its comparator group as ascertained through the detailed salary benchmarking survey the Company undertakes annually and reflects the Company's reward philosophy along with creating differentiation based on Performance impact levels.

E. Affirmation that the remuneration is as per Remuneration Policy of the Company:

It is hereby affirmed that the remuneration paid to the Directors and Employees is as per the Remuneration Policy of the Company.

On behalf of the Board of Directors

Aditya Narayan
Chairman
DIN: 00012084

February 23, 2023

**Annexure – C to the Report of the Directors****Form No. AOC-2: Material Related Party Transactions**

[Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Act including certain arm's length transactions under third proviso thereto.

A. Details of contracts or arrangements or transactions not at arm's length basis during the year ended December 31, 2022:

Nil

B. Details of material contracts or arrangements or transactions at arm's length basis during the year ended December 31, 2022:

Sr. No.	Particulars	Details of Transaction - 1	Details of Transaction - 2	Details of Transaction - 3
1.	Name(s) of the related party	Sanofi-Aventis Singapore Pte. Ltd.	Sanofi Healthcare India Private Limited (formerly known as Shantha Biotechnics Private Limited) (SHIPL)	Sanofi Healthcare India Private Limited (formerly known as Shantha Biotechnics Private Limited) (SHIPL)
2.	Nature of relationship	Related Party in Sanofi Group where Common control exists	Related Party in Sanofi Group where Common control exists	Related Party in Sanofi Group where Common control exists
3.	Nature of contracts / arrangements / transactions	Purchase, sale, transfer or receipt of products, goods, active pharmaceutical ingredients, materials, services or other obligations, if any, for an amount not exceeding in aggregate ₹ 20,000 million in each financial year.	Loan up to ₹ 4,450 million*	Purchase, sale, transfer or receipt of products, goods, active pharmaceutical ingredients, materials, services or other obligations, if any, for an amount not exceeding in aggregate ₹ 10,000 million in each financial year.
4.	Duration of the contracts / arrangements / transactions	Ongoing	Up to April 15, 2023	For period of five years commencing from Financial Year 2022 to Financial Year 2026
5.	Salient terms of the contracts or arrangements or transaction including the value, if any	On arm's length basis and in the ordinary course of business. The total value of the transactions in the financial year was ₹ 6,459 million	Loan given to SHIPL was at interest rate of 9.5% (till April 14, 2020, 7.5% from April 15, 2020, 5.5% from April 15, 2021 & 5.55% from October 15, 2021) per annum payable quarterly or at such rate of interest as may be mutually decided by the Board of Directors (on the approval of the Audit Committee) and SHIPL, but not lower than the prevailing yield of Government security closest to the tenure of the loan. The total value of the transactions in the Financial Year in terms of interest income was ₹ 137 million	On arm's length basis and in the ordinary course of business. The total value of the transactions in the Financial Year was ₹ 4,910 million
6.	Date of approval by the Board	February 27, 2017	May 5, 2017, October 31, 2018, November 12, 2019, February 25, 2020, October 27, 2020, February 23, 2021 and October 26, 2021	February 14, 2022**
7.	Amount paid as advances, if any	None	None	None

*During the year SHIPL had repaid the loan of ₹ 4,450 million to the Company and thus there was no amount outstanding as on December 31, 2022. Accordingly, the said material related party transaction stands closed.

**The transaction was approved by the Board through a circular resolution dated February 14, 2022 and subsequently noted at the meeting of the Board held on February 23, 2022.

The aforesaid transactions have been approved by the Audit Committee and shareholders with requisite majority. They are in the ordinary course of business and at arms' length.

On behalf of the Board of Directors

Aditya Narayan
Chairman
DIN: 00012084

February 23, 2023

Annexure – D to the Report of the Directors

Annual Report on Corporate Social Responsibility Activities

1. Brief outline on CSR Policy of the Company:

The Company's approach towards Corporate Social Responsibility (CSR) is to focus in areas where it can make a difference and have the most impact. The Company will leverage its expertise and resources to improve access to quality healthcare for people.

The Company aims to partner projects in Diabetes, Hypertension, Cardiovascular Disease and Cancer by sharing its expertise and experience. The Company believes that to make a meaningful impact, it needs to partner with the Government and like-minded organizations. Accordingly, it engages in Public-Private Partnership (PPP) projects aimed at effectively and transparently implementing healthcare programs for marginalized communities.

2. Composition of CSR Committee:

Sr. No.	Name of the Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Rahul Bhatnagar	Chairman, Independent Director	3	3
2.	Mrs. Usha Thorat	Member, Independent Director	3	3
3.	Mr. Rajaram Narayanan*	Member, Managing Director	3	1
4.	Mr. Rodolfo Hrosz**	Member, Managing Director	3	2

Note: * Resigned as Managing Director w.e.f. April 10, 2022 and accordingly ceased to be a Member of CSR Committee as on said date.

** Appointed as Managing Director and Member of CSR Committee w.e.f. June 1, 2022.

3. Provide the web-link(s) where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

The web-links are as follows:

Composition of CSR Committee: <https://www.sanofiindia.com/en/investors/board-of-directors-and-board-committees>

CSR Policy: <https://www.sanofiindia.com/en/investors/corporate-policies.com>

CSR projects: <https://www.sanofiindia.com/en/investors/disclosures/other-disclosures>

4. Provide the executive summary along with the web-link(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable: There are no projects completed during the Financial Year 2022 for which impact assessment is applicable.

5. (a) Average net profit of the company as per sub-section (5) of section 135: 7,144 million
- (b) Two percent of average net profit of the company as per sub-section (5) of section 135: 142.9 million
- (c) Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years: Nil
- (d) Amount required to be set off for the Financial Year, if any: Nil
- (e) Total CSR obligation for the Financial Year [5(b)+5(c)-5(d)]: 142.9 million
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 135,781,059
- (b) Amount spent in Administrative Overheads: ₹ 7,145,000
- (c) Amount spent on Impact Assessment, if applicable: NA
- (d) Total amount spent for the Financial Year [6(a)+6(b)+6(c)]: ₹ 142,926,059

(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
142.9 million	Nil	NA	NA	NA	NA

(f) Excess amount for set off, if any:

Sr. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	142.9 million
(ii)	Total amount spent for the Financial Year	142.9 million
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6	7	8
Sr. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any	Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer	
1.	2021	37 Million	37 Million	37 Million	-	-	Nil

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Yes No

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135: Not Applicable

On behalf of the Board of Directors

Rahul Bhatnagar
Chairman CSR Committee
DIN:07268064

Mr. Rodolfo Hrosz
Managing Director
DIN: 09609832

Annexure – E to the Report of the Directors

FORM NO. MR. 3

SECRETARIAL AUDIT REPORT

For the Financial Year Ended December 31, 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Sanofi India Limited
Sanofi House,
CTS. No.117-B, L&T Business Park,
Saki Vihar Road, Powai,
Mumbai - 400072

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Sanofi India Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Auditor's Responsibility:

Our responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. We have conducted the audit in accordance with the applicable Auditing Standards issued by The Institute of Company Secretaries of India. The Auditing Standards requires that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Due to the inherent limitations of audit including internal, financial, and operating controls, there is an unavoidable risk that some material misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on December 31, 2022 (hereinafter called the 'Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on December 31, 2022 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment (**External Commercial Borrowings and Overseas Direct Investment are not Applicable to the Company during the Audit Period**);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; ('PIT Regulations')
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (**Not Applicable to the Company during the Audit Period**)
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (**Not Applicable to the Company during the Audit Period**)
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (**Not Applicable to the Company during the Audit Period**)
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;



- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (**Not Applicable to the Company during the Audit Period**) and
- (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018. (**Not Applicable to the Company during the Audit Period**)

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments made thereunder. ('Listing Regulations')

We further report that, having regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has generally complied with the following law applicable specifically to the Company:

- Drugs and Cosmetics Act, 1940 & Rules thereto
- Drugs Price (Control) Order, 2013
- Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954
- Narcotic Drugs and Psychotropic Substances Act, 1985
- Food Safety and Standards Act, 2006
- Legal Metrology Packaged Commodities Act.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards etc. made there under. *Further, Company has delayed in two instances for annual routine submissions to Stock Exchange.*

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive

Directors, and Independent Directors. The changes in the composition of the Board of Directors that took place during the audit period were carried out in compliance with the provisions of the Act and Listing Regulations.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance (except few meetings were convened at a shorter notice for which necessary approvals obtained as per applicable provisions), and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, and guidelines.

We further report that during the audit period, the company has completed its divestment in Soframycin and Sofradex businesses.

Further, we have relied upon independent third-party opinion obtained by the Company w.r.t maintenance of structured digital database under Regulation 3(5) of PIT Regulations.

For **Makarand M. Joshi & Co.**
Company Secretaries

Makarand M. Joshi

Partner

FCS: 5533

CP: 3662

PR: 640/2019

Date: February 23, 2023

Place: Mumbai

UDIN: F005533D003192519

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

'Annexure A'

To,
The Members,
Sanofi India Limited
Sanofi House,
CTS. No.117-B, L&T Business Park,
Saki Vihar Road, Powai,
Mumbai - 400072

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **Makarand M. Joshi & Co.**
Company Secretaries

Makarand M. Joshi
Partner
FCS: 5533
CP: 3662
PR: 640/2019
UDIN: F005533D003192519

Date: February 23, 2023
Place: Mumbai



Management Discussion and Analysis Report

Economic outlook

India's economy has now become the fifth-largest in the world on nominal GDP (US dollars) and is set to become the second-fastest growing economy in FY 2023, despite the slower global demand and tightening of monetary policy to manage inflationary pressures.

The Indian economy is projected to record a relatively healthy Gross Domestic Product (GDP) growth of 6.1% (Source: IMF) in FY 2023 and is showing signs of moderation.

GDP growth is expected to decline to 5.7% in FY 2024, as exports and domestic demand growth moderate. Inflation will slow private consumption but moderate along with improved global conditions, to accelerate growth to 6.9% in FY 2025. The key drivers for medium-term growth are increasing public sector expenditure on infrastructure, supply-side and financial reforms (GST and better tax compliance, bankruptcy court, bad bank, etc.), India's digital architecture that includes the universal payment systems, nationwide identification framework, distribution of welfare schemes, healthcare official data stack intended to solve social, inclusion needs, and logistics and favourable demographics are expected to set the economy on the path of recovery.

Retail inflation prints peaked in September 2022 and have since begun to ease, helped by favourable base effects. Inflation is expected to remain sticky in the coming months before gradually rolling off in 2023-24 as growth slows and input price pressure abates. The USD/₹ s expected to consolidate between 80 and 84 over the next two years.

Industry update

The Indian pharmaceutical industry has been growing at an average of ~10% over the past five years. The industry growth was severely impacted in 2020 owing to the COVID-19 pandemic. In 2021, however, the growth reached spiked to 18%, with higher sales in acute care therapies and COVID-related medicines. In 2022, the industry grew by 6.5%, adding nearly ₹ 12,000 crores of incremental sales. The demand for acute therapies increased, while most chronic therapies like diabetes and cardiovascular treatments remained relatively steady.

The IQVIA Prognosis Report (2022) projects that the Indian pharmaceuticals market is expected to grow at a CAGR ~9.2% (+/-2%) between 2021-26 and reach a market size of ₹ 2,951 billion by 2026. Acute therapies will continue to drive growth, along with an increase in the incidence of non-communicable diseases (NCDs). Improvements in the drug registration process will make India more attractive for the early launch of innovative drugs. The rapid expansion

of the e-pharmacy sector, expansion of co-marketing agreements, coupled with the introduction of new OTC regulations will also be a growth driver till 2026.

~₹ 3,000 billion

Projected size of Indian Pharmaceutical Market by 2026

India advantages

Growth in partnerships and co-marketing agreements:

Partnerships and co-marketing agreements between Indian and foreign companies are expected to increase, reflecting benefits for both originators and local partners. Such alliances will drive rapid and broader market penetration for new brands while increasing sales for more established products.

Expansion of e-pharmacy and chain businesses:

E-pharmacy sales, which were already rising rapidly, saw a strong surge in demand during the second wave of the pandemic, registering more than 25% growth in 2021. The rapid growth of the sector is encouraging investments from large businesses, and consolidation of smaller players; however, it will lead to increased competition and pressure on drug prices.

Increase in health insurance coverage:

The central government's Ayushman Bharat – Pradhan Mantri Jan Arogya Yojana (ABPMJAY) health insurance scheme will drive healthcare access, affordability and improve health outcomes over the forecast period. The 'Aap Ke Dwar Ayushman' campaign, to facilitate door-to-door beneficiary mobilisation, identified over 40 million people under the scheme.

Low cost of production:

The presence of various generic drug companies is a major factor for India to establish a leadership position in the global pharmaceutical sector. Furthermore, India provided for ~40% of the generic demand in the United States and 25% of all medicine in the United Kingdom. India is the world's largest supplier of generic medications, accounting for ~20% of the worldwide supply by volume and supplying about half of the global vaccination demand. This is based on India Brand Equity Foundation's Pharmaceutical Industry Report published in March, 2022.

~50%

Global vaccine demand fulfilled by India

Company performance

We are multinational healthcare organisation with the purpose of “Chasing the miracles of science to improve people’s lives”. In India, we have been at the forefront of providing patients with cutting-edge, cost-effective medications for the past 75 years. Our portfolio includes a wide range of medications and dietary supplements for the treatment of heart disease, thrombosis, epilepsy, allergies, infections, and diabetes (both insulins and oral medications).

Insulin for diabetes

Diabetes portfolio

India is referred to as the diabetes capital of the world. However, Sanofi, with its 70 years of legacy, is committed to make a change and treat people with diabetes by providing high-quality medicines and services. Our differentiated offerings give us a unique position as the only company with a substantial presence in oral anti-diabetes drugs and insulin.

The likely price rationalisation of our flagship brand Lantus® would make this world-class insulin more affordable for people with diabetes in the extra rural segments as well. Our increased footprint in the market followed through with our renewed marketing strategies, would ensure that we further cement our leadership position in the diabetes segment in India.

To secure our future leadership in the coming years, we would continue to enhance our product portfolio. In 2022, we received approvals and positive comments for three new products, which we would launch over the foreseeable future and make our offerings more comprehensive for clinicians. In line with our India for India strategy, we have researched and developed insulin injection devices like the TouStar® pen, with a dedicated cartridge that is available only in our country.

We would continue to invest in science through clinical studies and research to get a higher level of understanding of the diabetes paradigms in our country. Our recently concluded longitudinal RWE (Landmarc) data saw multiple publications in Indian and international scientific meetings on diabetes and is a reference document on diabetes epidemiology and management.

Toujeo®, our U300 insulin, doubled its sales in 2022, in the first full year post the launch of Toujeo® cartridges.

Patient support programmes

As leaders in this segment, we recognise how capability and capacity building among our stakeholders is crucial to reduce the burden of diabetes in our country. Thus, it is incumbent on us to shape the diabetes ecosystem and manage it sustainably. Our flagship doctor education programs like ICON and B-School are led by centres of

excellence and aims to improve the physician capability in managing complex diabetes situations.

Our commitment to patients is underlined by our longest patient support programme: Saath 7. It touches the lives of more than 100,000 patients each year, in every major city of India, by educating and hand-holding them through their insulin journey. Through this process, they are provided with solutions, better education and increased medical adherence to help them achieve better therapeutic outcomes.

Through our customer-awareness initiative ‘INTOLIFE’ (www.intolife.in), we activated a series of social media programmes to educate people about various aspects of diabetes management. Our Sanofi Campus programme keeps physicians updated on the latest trends in diabetes management and is gaining traction towards being the go-to place for diabetes clinical information.

*More details of the success of this initiative are available on (www.intolife.in)

Digitalisation

Digitalisation is an acknowledged change in the way we all live and interact with each other. Thus, we leverage our digital experience by unobtrusively increasing reach and intensity with doctors and patients alike, enabling them to consume information at their convenience and in formats of their choice.

Digitalisation and evolution of market economies have resulted in a large imprint of e-commerce and modern trade in our distribution pipelines, and we now do 20% of our business with these emerging stakeholders. We shall continue to partner with them to get insights of the market and patient purchasing patterns and behaviours which would allow us to fine tune our approach as we move forward. In 2022, we collaborated with one of the leading e-pharmacy players to jointly run a programme for making our insulin administration pen device accessible free of cost to patients newly initiated on our Insulin.

The year 2022 also saw us getting regulatory approvals and positive regulatory comments for the future launches in the diabetes segment which shall augment our current portfolio in 2023. Our longitudinal RWE (Landmarc) data saw multiple publications in Indian and international scientific meetings on diabetes. We also participated in ‘World Diabetes Day 2022’ - a campaign targeted towards access to diabetes care.

Oral diabetes

The oral anti-diabetes drug portfolio maintained its competitive position at #5 in an extremely fragmented market. The newest line extension, Amaryl MV recorded market-beating growth and has consolidated its rank in the represented category. An innovative content strategy of unbranded digital connect allowed our teams to break the cluster and engage in insightful discussions with our HCPs. Our digital outreach initiative - Sanofi connect - with our

external partners, reaches out to 10,000 doctors not met by our field force and shown initial success programme. Dedicated efforts were undertaken towards conducting medico-marketing initiatives.

Consumer healthcare portfolio

Allergy

Allegra® and Avil®, our flagship brands, are the leaders in the allergy category. With a high double-digit growth rate, they account for 8% share of the market. Allegra® Nasal portfolio presents major growth opportunities and is driven by Allegra® M, Allegra® Nasal Spray and Allegra® Duo Spray.

The burden of allergies in India has doubled in the past decade and pollution has been identified as a key aggravator. Allegra® played a leadership role in driving awareness in this area with the HCPs, basis the available evidence linking pollution with allergies. We are on the way of enhancing awareness in this area by engaging with local and internal experts in various scientific forums.

Apart from this, Allegra® also has developed a strong Physician outreach initiative by deploying a robust omnichannel activation. This has helped us garnering considerable brand visibility amongst ~100,000 Consulting Physicians across India.

100,000

Physicians reached for Allegra® through the omni-channel approach

Nutritional Health

DePura Kids outperformed the market growth in 2022 with a strong double-digit growth and became the #1 brand in vitamin D kids category. DePura Kids is a Nano Vitamin D brand with published evidence which have helped gain the trust of paediatricians. On World Vitamin D Day, Sanofi conducted various activities to spread awareness on the importance of optimal vitamin D levels for a healthy lifestyle. Apart from this, D3 Expert Cross Talks were conducted across India to drive advocacy for Nano Vit-D and DePura Kids at key specialties including Pediatricians, Neonatologist and Endocrinologists. On DePura Kids 60K, there were HCP engagement initiatives for Orthos and Gynecologists driving the benefits of our Nano Vit-D formulation.

#1

Brand in vitamin D kids category

Pain care

Combiflam®, our heritage brand in Pain Care continued its growth journey and achieved the milestone of ₹ 200 crores in 2022. Multi-layered channel engagement campaigns led

to fulfil demand and continue its position as the preferred choice in pain management. Nearly 3000 wholesalers were engaged during the year to drive this business with various trade marketing campaigns. Various initiatives were also undertaken to enhance our indirect distribution coverage throughout the year.

3,000+

Wholesalers engaged for driving volumes

Central Nervous System (CNS)

Our epilepsy portfolio recorded good growth during the year, with Frisium® registering a double-digit growth. Frisium® continues to be the most prescribed brand across all anti-convulsants in India. The CNS portfolio maintained its market share in epilepsy, through regular digital customer connects, market-shaping activities and academic engagements. A world-class HCP education and certification programme was developed in collaboration with Boston University School of Medicine. Despite being the 2nd most common neurological condition and India being home to 1 out of 6 people suffering from epilepsy worldwide, epilepsy awareness in India is limited. Keeping this in mind, we launched a mega public awareness initiative: DARE (Drive for Awareness & Right information on Epilepsy), coinciding with ‘National Epilepsy Awareness Month’ (November 2022). We further partnered with leading neurologists and the cricket legend, Jonty Rhodes to spread awareness about the ailment via digital and radio channels. We are planning to strengthen epilepsy management in the paediatric age group with the launch of a new SKU in 2023. In 2022, Sanofi published the first Indian data on clobazam usage in epilepsy management to strengthen our commitment towards patient benefits. It was then presented in the National Conference of Neurologists.

Frisium®

Most prescribed brand in India in anti-convulsion segment

GEMS portfolio

Thrombosis

In the anti-coagulant space, Clexane is the standard of care for more than 25 years. Clexane® continued to strengthen its leadership position led via the vision of ‘VTE free India’. We stand committed to raising awareness for the risk of Venous Thromboembolism (VTE) among hospitalised patients. The brand focused on providing trusted solutions to HCPs in thrombosis care among medical and surgical settings by collaborating with International scientific associations like Royal College of Surgeons and American College of Chest Physicians. Several first-of-its-kind initiatives like podcasts titled ‘VTE Unplugged’ were rolled

out throughout the year which drove significant traction among HCPs. The brand also took another giant leap towards driving patient education around VTE risk factors on World Thrombosis Day by driving a well-orchestrated omnichannel experience through different channels.

Cardiology

Cardace®, the flagship brand in cardiology with more than 28 years of Indian clinical experience, continues to be the leading Angiotensin Converting Enzymes (ACE) inhibitor brand. The brand is working towards strengthening the Post MI Protection Space for better cardiovascular outcomes and addressing underutilisation of ACE inhibitors among these patients. A focused omnichannel approach was put in place which helped improve brand preference for the Cardace® group in the post MI space.

Leading Angiotensin Converting Enzymes (ACE) for 28 Years

Antibiotics

Targocid® is backed by real-life experience of over 20 years and continues to commit towards superior patient safety outcomes. In the resistant Gram+ segment, Targocid® is a preferred anti-MRSA agent in critically ill patients amongst all stakeholders and continues to lead this space.

Targocid®'s performance was negatively impacted in 2022 due to a long period of non-availability and supply issues. Moving ahead, the priority for Targocid® will be to focus upon early initiation of antibiotics to reduce mortality among hospitalised patients.

20 years

Targocid®'s commitment towards superior patient safety outcomes

Financial review

During the year ended December 31 2022, the Company registered Revenue from Operations of ₹ 27,701 million as against ₹ 29,566 million in the previous year, representing de-growth by 6%.

Net revenue from India, which constituted 84.11% of Net Revenue from Operations, decreased from ₹ 25,535 million in 2021 to ₹ 23,421 million in 2022, reflecting a de-growth of 8.76%.

The Profit before Tax decreased from ₹ 12,576 million to ₹ 8,643 million, representing a de-growth of 31.27% for the year ended December 31 2022. The Profit after Tax decreased from ₹ 9,444 million to ₹ 6,206 million, representing a de-growth of 34.28% for the year ended December 31 2022. Revenue and Profit are not comparable

due to the divestment and exceptional items involve between the period.

Details of changes in key financial ratios are explained in the table below:

Particulars	2022	2021
Operating profit margin (%)	24.37	23.92
Net profit margin (%)	21.84	31.16
Debtors' turnover ratio	20.37	20.33
Current ratio	2.17	2.85
Inventory turnover ratio	2.97	3.44
Interest coverage ratio	NA	NA
Debt equity ratio	NA	NA
Return on Net Worth (%)	67.88	56.59

Manufacturing operations

The manufacturing facility in Goa has prioritised safer, healthier, and environment-friendly working practices with strong quality systems. The manufacturing operations are heavily regulated by governmental health authorities around the world, including Regierungspräsidium Darmstadt – Germany, USFDA, Australia - TGA, WHO, Health Canada, NMRA – Sri Lanka and by many regulatory approvals as per the Indian legislations. These regulations endorse the quality and safety of the products manufactured. We incorporate various digital capabilities for data integrity through automation of the manufacturing process, removal of physical leaflets and implementation of the QR Code.

The manufacturing operations at the Goa site are done in compliance with local and global regulatory norms, and the limits of any environmental exposures are in line with these standards. The waste generated from manufacturing operations are disposed as per the local regulations / Sanofi guidelines.

Our customer service level has been >98% in 2022 and we plan to maintain the same. The manufacturing process is done basis market demand to ensure Sanofi products are not out of stock. The Goa site has state-of-the-art automation systems for the manufacturing process, which ensures closed loop operations with minimum manual material handling. The automation is further being enhanced to adhere to DIRA (Data Integrity Risk Assessment) compliance and reduction of manual errors. The site at Goa is a strategic sourcing site for the Sanofi Group and is continuously assessed for newer sourcing opportunities in the area of tablet formulations.

We continue to consolidate the network of CMOs (Contract Manufacturing Organisations) for better cost efficiency and management of third-party sites. These third-party manufacturers are qualified at the same level as the owned sites of the Company, in terms of customer service, quality systems and safety. They are regularly audited and supported by a team of specialists.



The Goa site has an in-house effluent treatment plant, wherein the effluent generated by the process is treated inhouse and used for landscaping. There is ZERO discharge of our treated effluent outside the site.

The site has a system for periodic medical check-ups to ensure employee wellness. Voluntary stress tests has been initiated for employees above 40 years post COVID. There are bimonthly health awareness programmes conducted at site by the internal or external faculty.

All activities are assessed for operational safety risks, and actions are outlined to mitigate any risk identified. Internal audits and external agency audits are conducted to ensure HSE standards are met. Employees are trained on operational safety, site leadership team and managers conduct managerial safety visits to ensure safe working practices and employees are encouraged to proactively identify workplace weak signals.

Human resources

The Company had 2,651 employees as on December 31 2022.

The overall industrial relations atmosphere continued to be cordial. Further details on the Human resources forms part of Human Capital of the Integrated Report

Internal control systems and adequacy

The internal control systems of the Company which are configured in the ERP (SAP) are adequate and commensurate with the size of operations and are well fortified with a combination of standard operating procedures, delegation of authority for approval and segregation of duties in critical activities. These controls are regularly reviewed as per Audit Plan approved by Audit Committee, the recommendations of which are presented to the Audit Committee and are followed up regularly with respect to implementation for necessary remediation.

In addition, quarterly testing of key mandatory controls is undertaken which includes the financial control framework (FCF).

These controls ensure that transactions are authorised, recorded, and reported on time. They ensure that assets are safe guarded and protected against loss or unauthorised disposal. The Internal Audit department has adapted to hybrid way of auditing (physical or remote) depending upon business dynamics / external context to provide assurance to Management that all key controls were operating in line with our guidelines.

Along with a strong focus on internal controls, efforts have been directed towards automating monitoring controls of the business by using automation tools which has unlocked huge amount of employee productivity by automation of repetitive and manual tasks, which can now be redirected for achieving our strategic goals. We continue to expand the scope of automated controls monitoring to bring more simplification and standardisation in operations to continue to generate operational efficiency.

The Audit Committee of the Board of Directors reviews quarterly audit findings identified by the Internal Audit department and the audit program which encompasses all risks including operational, financial, strategic, technological etc.

As a way of reinforcing its Internal Controls & Compliance culture, your Company has identified colleagues as "Compliance / Control Champions" who act as ambassadors for the Internal Controls and Compliance teams to spread message to different areas peer-to-peer and in a common language.

ESG including Environment, Health and Safety, and Corporate Social Responsibility

We have a detailed Health, Safety and Environment policy that is applicable to our employees' and external partners.

The Management proactively runs programmes to build awareness and adoption of practices in this area. We have a dedicated programme called 'Planet Mobilisation,' which focuses on key environmental risks, and provides a suitable framework to manage risks and opportunities.

We also have a well-defined framework to guide our Corporate Social Responsibility (CSR) programmes. We are committed to working in collaboration with relevant stakeholders to increase access to healthcare and quality medicines, designed to improve people's health within an economically sustainable framework that supports innovation. The details of our initiatives in ESG forms part of the Integrated Report.

Medical affairs

Two all India multicentric real-world evidence studies of more than 6,300 people with diabetes and more than 400 people with epilepsy, were presented at National / International congresses. About four posters and two oral presentations were made at the Indian National RSSDI congress 2022 and five posters at the American Diabetes

Association were made on 'The need for timely initiation and intensification in people with diabetes, to improve sugar control and outcomes.' In the area of neurology, the team had a panel discussion on results of the study for Frisium® at IANCON 2022.

Six papers were published in scientific journals in areas of Diabetes, Anti-infectives, Neurology and Thrombosis which included a scientific review on 20 years of insulin glargine-100 in the Diabetes Therapy journal. The published content is further being shared with physicians through meetings and via omnichannel communication.

Mentor-mentee education programmes, co-created with the Royal College of Physicians, were conducted through virtual fora, upskilling more than 2,000 Health Care Professionals on insulin initiation and titration. Online newsletters and podcasts were created and disseminated to physicians to increase awareness on recent updates in management of Venous Thromboembolism, in addition to international speaker meets and webinars.

Pause Atopic March programmes, conducted by the Allegra® Medical Team in association with 'Association of Physicians of India', was to equip pulmonologists, ENTs, paediatricians, dermatologists, CPs & GPs to be able to manage their patients better by helping them identify the markers of atopy and halt the Atopic March at the correct stage. International speaker programmes on vitamin D were conducted by the DePura Kids medical team, with the National webinar received a high Net promoter score of 76. The flagship programme on Sulphonylureas namely 'Safe and Smart' summit involving experts was conducted and the programme for critical care specialists on anti-infectives 'Ideas Evolve' was cascaded to physicians across India.

Teams gather customer insights from interaction with physicians. Advisory boards and consultations were conducted through office based medical as also expert group meetings and >8000 one-to-one hybrid interactions were achieved through field-based medical teams.

With a patient-centric purpose, disease awareness aimed to remove myths related to epilepsy were conducted during World Epilepsy Month, reaching more than 21 lakh viewers through a talk on Facebook and more than 1.64 crore viewers through radio programmes with expert physicians across the country. On World Diabetes Day, the diabetes medical team reached out through national and regional newspapers to a wide group of readers with an aim to increase awareness on managing diabetes in a timely manner.

Opportunities and risks

We believe that the Indian pharmaceutical market would continue to grow due to factors such as improved healthcare access, awareness and diagnosis around non-communicable diseases, and government interventions to expand healthcare infrastructure.

Digital health will emerge as a key enabler of demand and delivery. There is a large opportunity to have more efficient supply chain operations, after the implementation of GST. We are working on harnessing efficiencies in this area.

Our business is also exposed to few risks. Some of the key risks are listed below:

- In past few years, the Government of India has made frequent changes in regulations covering drug pricing, trade margins and other laws which impact us. Any adverse changes in government policies with respect to pricing or trade margins with respect to our products may impact our performance.
- We are present in therapy areas such as Diabetes, Cardiology, Thrombosis, Anti-infectives, Central Nervous System and Allergy and Vitamins, Minerals & Supplements. We depend on the research and development conducted by the Sanofi Group for new product commercialisation. The future research and product pipeline strategy of the Sanofi Group may not always be in these therapy areas. This may impact our growth in the long-term.
- The prices of active pharmaceutical ingredients and intermediates fluctuate based on the market demand and supply conditions. We may not be able to pass on any sharp increases in the prices of raw material to consumers, resulting in margin contraction.
- We are also exposed to risks like falling interest rates, cyber security failures, adverse social media, counterfeit drugs, adverse orders passed by courts in pricing, tax and other litigations, among others.

However, we continue to take steps to mitigate the above risks by:

Outlook – Renewed strategy and focus on growth

We are moving towards ensuring greater access to quality healthcare products for the Indian population. We lay emphasis on innovating new products as well as accelerating efficiency for a sustainable growth. Some of our priorities going forward will:



Focus on growth

Grow the businesses in line with the strategy, leverage trade organisation to capture demand and drive growth, and broad public national disease and therapy awareness campaigns on core assets.

Lead with innovation

Deliver the product innovation plans. Generate localised scientific content. The pharma industry drives 40% of the growth from New Introductions. Thus, innovation will play a strong role as we drive our India for India strategy on the same lines. Your Company is taking a multipronged approach involving global launches, exploring local sourcing and leveraging existing brand equities through line extensions. Strategic partnerships will pave the way to have Sanofi present in those geographies where Sanofi has limited or no presence. The last year has seen some supply issues from Sanofi global plants, and the India team is working on exploring localisation of some formulations to avoid supply disruptions.

Accelerate efficiency

- Continue to simplify the business while maximising profitability.
- Advance localisation plans to improve margins and supply reliability.
- Improve supply of products and leverage it for performance tracking.

Reinvent work

- Strengthen our capability building, talent management, and Play to Win culture.
- Achieve greater heights in Corporate Social Responsibility and ESG.

Cautionary statement

Certain statements in the above Report may be forward-looking and are stated as required by the legislations in force. The actual results may be affected by many factors that may be different from what is envisaged in terms of future performance and the outlook presented above.

Business Responsibility & Sustainability Report

Section A: General Disclosures

I. Details of the Company

1.	Corporate Identity Number (CIN) of the Company	L24239MH1956PLC009794
2.	Name of the Company	Sanofi India Limited
3.	Year of incorporation	1956
4.	Registered office address	Sanofi House, CTS No. 117-B, L&T Business Park, Saki Vihar Road, Powai, Mumbai – 400072
5.	Corporate address	Sanofi House, CTS No. 117-B, L&T Business Park, Saki Vihar Road, Powai, Mumbai – 400072
6.	E-mail	igrc.sil@sanofi.com
7.	Telephone	(022) 28032000
8.	Website	www.sanofiindia.com
9.	Financial year for which reporting is being done	January 1, 2022 to December 31, 2022
10.	Name of the Stock Exchange(s) where shares are listed	BSE Ltd and National Stock Exchange Limited
11.	Paid-up Capital	230.3 million
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Ms. Radhika Shah, Company Secretary Address: Sanofi House, CTS No. 117-B, L&T Business Park, Saki Vihar Road, Powai, Mumbai – 400072, India. Tel. No.: (022) 28032000 E-mail: IGRC.SIL@sanofi.com
13.	Reporting boundary	The disclosures made in this report are on a standalone basis

II. Products / services

14. Details of business activities (accounting for 90% of the turnover):

Sr. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the Company
1.	Manufacture and sale of pharmaceutical products	Drugs and Pharmaceuticals	100%

15. Products / Services sold by the Company (accounting for 90% of the Company's Turnover):

Sr. No.	Product / Service	NIC Code	% of total Turnover contributed
1.	Drugs and Pharmaceuticals	21002	100%

III. Operations

16. Number of locations where plants and / or operations / offices of the Company are situated:

Location	Number of Plants	Number of Offices	Total
National	1	3	4
International	0	0	0

17. Markets served by the Company:

a. Number of locations

Locations	Number
National (No. of States)	Pan India
International (No. of Countries)	28*

*The number of international countries served by Sanofi India is for products exported to its affiliates in the respective countries.



b. What is the contribution of exports as a percentage of the total turnover of the Company?

Our contribution of export is 15% of our total turnover during the Financial Year 2022.

c. A brief on types of customers

Customers are important stakeholders in our business. Our Company's customer base includes stockists, Health Care Professional (HCPs) and Government Institutions to whom our Company sells its products.

IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	2445	2075	85%	370	15%
2.	Other than Permanent (E)	64	20	31%	44	69%
3.	Total employees (D + E)	2509	2095	83%	414	17%
WORKERS						
4.	Permanent (F)	206	200	97%	6	3%
5.	Other than Permanent (G)*	0	0	0	0	0
6.	Total workers (F + G)	206	200	97%	6	3%

b. Differently abled Employees and workers:

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	1	0	0%	1	100%
2.	Other than Permanent (E)	0	0	0%	0	0%
3.	Total differently abled employees (D + E)	1	0	0%	1	100%
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	0	0	0%	0	0%
5.	Other than permanent (G)	0	0	0%	0	0%
6.	Total differently abled workers (F + G)	0	0	0%	0	0%

* Sanofi India has always been an equal opportunity employer that looks at getting diverse talent into the organization. Our appointments have always been based on merit, with an aim to minimize biases. We have recently begun our journey of expanding our scope of diversity to include disability and have also started hiring employees who have physical disabilities. At Sanofi India, we will be focusing on this in the future and will put in place the measures to track and measure this going ahead.

19. Participation / Inclusion / Representation of women:

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	8	2	25%
Key Management Personnel*	1	1	100%

*Key Management Personnel other than Board of Directors

20. Turnover rate for permanent employees and workers:

	FY 2022			FY 2021			FY 2020		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	12.6%	17.3%	13.3%	15.6%	13.9%	15.4%	12.9%	11%	12.7%
Permanent Workers	1%	0%	1%	1.5%	0%	1.5%	56%	0%	55.2%

V. Holding, Subsidiary and Associate Companies (including joint ventures)**21. Names of holding / subsidiary / associate companies / joint ventures:**

Sr. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding / subsidiary / associate / joint venture	% of shares held	Does the Company indicated at Column A, participate in the Business Responsibility initiatives of the Company
1.	Hoechst GmbH	Holding company	60.37%	No
2.	Sanofi S.A.	Ultimate holding company	0.02%	No

The Company does not have any subsidiary companies or associate companies or joint ventures.

VI. CSR Details**22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes**

(ii) Turnover (in ₹): 27,701 Million

(iii) Net worth (in ₹): 12,758 Million

A detailed report on CSR projects undertaken during the Financial Year 2022 has been provided in 'Annexure - D' to the report of the Directors.

VII. Transparency and Disclosures Compliances**23. Complaints / Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:**

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes / No) (If Yes, then provide web-link for grievance redress policy)	FY 2022			FY 2021		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Local Communities	Yes, we have a mechanism in place to receive and redress stakeholder complaints. (web link https://www.sanofi.in/)	Nil	Nil	-	Nil	Nil	-
Shareholders	Yes, we have a mechanism in place to receive and redress stakeholder complaints. (web link https://www.sanofiindia.com/en/investors/contact-us)	28	-	-	15	-	-
Employees and workers	Yes, we have a mechanism in place to receive and redress stakeholder complains	23	9	Includes anonymous complaints	20	3	Includes anonymous complaints
Customers	Yes, we have a mechanism in place to receive and redress stakeholder complains. (web link https://www.sanofi.in/)	791*	47	Product quality / technical complaints	687*	68	Product quality / technical complaints

* Complaints are received from different stakeholders like Patients, Distributors, Pharmacists, HCPs via Phone, Email, Website & Social media. For Customer complaints we have only enlisted product technical complaints in the table given above. These include all received, including those that may later not be classified as a quality complaint (e.g.: lack of understanding on how to use the device) and are addressed with relevant response to the customer.

**24. Overview of the Company's material responsible business conduct issues:**

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R / O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Ethical business practices	Risk	Running our daily activities in an ethical way (e.g., ethical marketing, lobbying, anti-bribery measures etc.)	i. Development of Code of Conduct ii. Development of policies, programs and mechanisms for avoiding unethical practices	Any instances of unethical practices have the risk of tarnishing our reputation and attracting fine / penalty / lawsuits which can in turn affect business continuity
2.	Safe and qualitative treatments for patients and clinical trial participants	Risk and Opportunity	Ensuring the safety of our patients and clinical trial participants by providing high quality, safe and effective medicines and recording and communicating on any safety or quality issues	We believe that it is our responsibility to provide our consumers with safe products that positively impact health outcomes for the society. Our Quality and Pharmacovigilance teams proactively tracks regulatory and non-regulatory complaints and grievances and works towards redressing them in a timely and effective manner.	Any health and safety incident can lead to decreased trust amongst our customers and adversely impact the demand of products. Moreover, instances of non-compliance with product marketing and labeling can lead to legal implications and reputation damage.
3.	Employee health, safety, wellbeing and working condition	Risk and Opportunity	Providing a safe & healthy (both physical and mental) work environment for all employees and ensuring fair employment practices (e.g., upholding labor rights, freedom of association)	i. Implementation of a Company-wide robust HSE management system ii. Ensuring periodic internal and external audits iii. Training all employees and workers on safe working practices iv. Investigation of each reported case and taking corrective actions to avoid reoccurrence	The nature of operations exposes Sanofi India's employees and contractors to a wide range of occupational health hazards as well as safety risks due to complexity of operational requirements
4.	Responsible governance practices	Opportunity	Governing our business in a responsible way by considering ESG factors in our operational and strategic business decisions (e.g., remuneration, providing transparency to stakeholders, capital allocation etc.)	-	Leadership oversight on the ESG strategy, action plan and performance promote the Sanofi India's positive impact on environment and community. It also enables us to further embed robust ESG mechanisms across our business operations.
5.	Health system strengthening	Opportunity	Contributing to improving healthcare infrastructure, healthcare access, and health education (e.g. health literacy, disease prevention awareness)	-	We strive to improve the healthcare system across our markets and understand the importance of being a responsible organization. We endeavor to solve the problems of lack of product availability and pricing and work towards business growth in the long term.

Section B: Management and Process Disclosures

The National Guidelines for Responsible Business Conduct (NGRBC) as prescribed by the Ministry of Corporate Affairs advocates nine principles referred as P1-P9 as given below:

Principle 1: Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent and accountable

Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe

Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains.

Principle 4: Businesses should respect the interests of and be responsive towards all its stakeholders

Principle 5: Businesses should respect and promote human rights

Principle 6: Businesses should respect, protect, and make efforts to restore the environment

Principle 7: Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Principle 8: Businesses should promote inclusive growth and equitable development

Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner.

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and Management Processes									
1. a. Whether your Company's policy / policies cover each principle and its core elements of the NGRBCs. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web Link of the Policies, if available:	Policies are uploaded on the website of the Company at www.sanofiindia.com and on the Company's intranet portal.								
2. Whether the Company has translated the policy into procedures (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4. Name of the national and international codes / certifications / labels / standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your Company and mapped to each principle:	Yes. Policies have been developed considering relevant national standards acts like Factories Act,1948, Companies Act, 2013, the Listing Regulations, and various other Statutes. Also, the Policies are compiled based on different global standards including that of the United Nations and International Labour Organisation and various ISO standards. Sanofi is a signatory to the UN Global Compact.								
5. Specific commitments, goals and targets set by the Company with defined timelines, if any:	Globally, Sanofi is working to minimize the impact of its activities on the environment by committing: <ul style="list-style-type: none"> - 100% Renewable Energy by 2030 across all global operations and; - Net Zero emissions by 2045 As part of the global commitment, Sanofi India will also accelerate its sustainability journey.								
6. Performance of the Company against the specific commitments, goals, and targets along-with reasons in case the same are not met:	Sanofi India has set up solar energy project at Mumbai office and Goa site in FY 2022 as per our alignment with Sanofi Global commitment towards renewable energy and emission reduction. We are recycling and reusing all wastewater generated at our manufacturing plant within the premises for gardening and flushing purpose. We have implemented a comprehensive program for the management of solid waste generated from our operations. We achieved zero waste to landfill by adopting 3R approach (Reduce, Reuse, Recycle) at our office and manufacturing plants.								

The Company has taken many initiatives towards the aforesaid commitments which are explained in the Integrated Report



Governance, leadership and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements:

We have embarked on the journey of disclosing our sustainability performance through the BRSR for FY 2022. As an organisation we are committed to integrating ESG into our organisational culture, business conduct, as well as across our value chain. In our endeavour to adopt and implement robust ESG structures and systems, we strive to align with our Global ESG practices so as to meet the industry best practices. To this end, we aim to reach 100% adoption of renewable energy by the year 2030, attain net-zero emission by 2045. We have adopted a circular approach to minimize our environmental footprint and developing a holistic vision. We believe our

strength lies in our efficient workforce and we give due importance to the well-being of our employees across our business operations. We believe in cultivating a nurturing workplace and encourage gender diversity and inclusion, non-discrimination policies, and work-life balance and further encourage employee wellbeing and safety. It is our constant endeavor to deliver products and services of the highest quality to our customers while ensuring minimal harm to the environment and society. Our robust business model, adoption of emerging technology and automation, brand strength, and customer-centric approach back our robust economic performance. We aim to continue strengthening our ESG efforts to accelerate the embedding of ESG in our business ecosystem to place Sanofi on a positive trajectory with regard to achieving sustainability across our operations as we chase the miracles of science to improve people's lives.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies):

Mr. Rodolfo Hrosz, Managing Director, reports to Board periodically on progress made on the ESG agenda of the Company.

9. Does the Company have a specified Committee of the Board / Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details:

Mr. Rodolfo Hrosz, Managing Director

There is a Management level ESG Committee comprising Managing Director, Chief Financial Officer, Company Secretary, HR representative, Head of Health, Safety and Environment, Head - Ethics and Business integrity, Manufacturing Site Director, Head - Communication and CSR. The Committee meets periodically to review progress on ESG.

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board / Any other Committee									Frequency (Annually / Half yearly / Quarterly / Any other - please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Y	Y	Y	Y	Y	Y	Y	Y	Y	The policies are reviewed on an annual basis								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Y	Y	Y	Y	Y	Y	Y	Y	Y	Annual basis								

Note: In line with Sanofi Code of Conduct, all Board level meetings and business meetings are led by the Managing Director for sustainability and business responsibility discussions on continual basis. The Directors and Senior Management members affirm compliance with the Code of Conduct on annual basis.

The Company publishes the Business Responsibility Report in its Annual Report. The Corporate Social Responsibility (CSR) Committee of the Company is responsible for formulating, implementing and monitoring the CSR Policy of the Company under the guidance of the Board. Managing Director is a member of this Committee. The Committee meets at least twice a year to review progress on various CSR initiatives. The CSR Committee also approves Annual CSR Report as per the provisions of the Act. CSR Report is part of the Directors' Report. The HSE Committee meets regularly to assess the health and sustainability aspects.

11. Has the Company carried out independent assessment / evaluation of the working of its policies by an external agency? (Yes / No). If yes, provide name of the agency:

P1	P2	P3	P4	P5	P6	P7	P8	P9
Most of our policies are internal and some of them are Sanofi Global policies which are adopted by the Company. They are reviewed internally on a periodic basis. No review is conducted through external partners.								

If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The Company does not consider the Principles material to its business (Yes / No)	Not Applicable								
The Company is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes / No)									
The Company does not have the financial or / human and technical resources available for the task (Yes / No)									
It is planned to be done in the next financial year (Yes / No)									
Any other reason (please specify)									

Section C: Principle wise Performance Disclosure

This section is aimed at helping companies demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every Company that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the Financial Year 2022:

Our employees have lived up to the highest standard of business integrity, transparency, ethics and compliance. Our values are aligned with Sanofi Global’s principles and guide our Company culture and operations. To further enhance this and ensure that the competency of our workforce is at par with the best industry practices, we provide online as well as offline training programmes and capacity building workshop to our entire workforce covering all various principles given by NGRBC. The coverage of our training programmes can be understood as follows.

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	3	As a part of Agenda of Board / Committee Meetings presentations are regularly made to the Independent Directors on various matters <i>inter-alia</i> covering the Company’s strategy, Business, operations, markets, performance, organization structure, product brands, finance, risk management framework, quarterly and annual financial results, human resources, technology, health safety & environment, regulatory updates and future outlook. We also provide trainings and updates as follows, - Internal Controls and Compliances update	100%
Key Managerial Personnel*	4	- HR Related – Policies, Compensation & benefits, Talent management and the Succession Planning programmes - Cyber Security and Internal controls on Cyber security Risk Management Strategy and Framework. For further updates kindly refer to the weblink https://www.sanofiindia.com/dam/jcr:be06094a-ec56-46f8-9468-93350ec224e0/Familiarization-programme-for-Independent-Director-2022-n.pdf	100%
Employees other than BoD and KMPs	24	Curated training programs covering wide gamut spread across all principles including topics such as (but not limited to) Code of Conduct, PoSH, skill upgradation, health safety and environment etc.	100%
Workers	680	In addition to trainings on health and safety and skill upgradation, we provide training to our workers on various topics such as, - Current Good Management Practices (cGMP and Mixup) - Data Integrity - Manufacturing related Standard Operating Procedures (SOPs).	100%

*3 out of 4 KMPs are also Board Members.

2. Details of fines / penalties / punishment / award / compounding fees / settlement amount paid in proceedings (by the Company or by Directors / KMPs) with regulators / law enforcement agencies / judicial institutions, in the financial year:

During the Financial Year 2022, no fines / penalties / award / compounding fees / settlement amount was paid in proceedings by the Company or by its Directors / KMPs as per the materiality policy and SEBI Regulations.

Monetary

NGRBC Principle	Name of the regulatory / enforcement agencies / judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes / No)
Penalty / Fine		Nil		
Settlement				
Compounding Fee				

Non-Monetary

NGRBC Principle	Name of the regulatory / enforcement agencies / judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes / No)
Imprisonment		Nil		
Punishment				

3. Of the instances disclosed in Question 2 above, details of the Appeal / Revision preferred in cases where monetary or non-monetary action has been appealed:

Not Applicable

4. Does the Company have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy:

Yes, Sanofi India has adopted the Global Code of Ethics (<http://www.codeofethics.sanofi/>) applicable worldwide which lays out the defining principles that guide each employee of the Company and its contractors on conducting business in line with the highest ethical standards.

Sanofi also has a standalone Anti-Bribery Policy ([Anti-bribery Policy](#)). This Policy is global in scope and applies to Sanofi worldwide, all Sanofi Employees and Third Parties engaged in activities with Sanofi.

Sanofi has zero-tolerance for bribery. Sanofi has been engaged for many years in fostering relationships not only throughout its organization, but also in its relationships with external stakeholders, an ethical culture aiming at reaching the highest standards in terms of responsibility and business integrity.

The purpose of this policy is to establish guidance for Sanofi’s Employees and Third Parties interacting with Sanofi to comply with applicable anti-corruption and anti-bribery laws and regulations, as well as to promote a culture of ethics and integrity. This policy also aims at protecting Sanofi and Sanofi Employees’ reputation and at avoiding potential civil and criminal fines.

Note: The Code of Ethics is now replaced by the Code of Conduct which will be implemented by first quarter of 2023.

5. Number of Directors / KMPs / employees / workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery / corruption:

	FY 2022	FY 2021
Directors	Nil	
KMPs		
Employees		
Workers		

6. Details of complaints with regard to conflict of interest:

During the Financial Year 2022, no complaints were recorded with regard to conflict of interest.

	FY 2022		FY 2021	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Not Applicable	Nil	Not Applicable
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	Not Applicable	Nil	Not Applicable

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators / law enforcement agencies / judicial institutions, on cases of corruption and conflicts of interest:

Not Applicable

Leadership Indicators**1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:**

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
Nil	Nil	Nil

The Company's value partners / suppliers follow the Sanofi Supplier's Code of Ethics which is sent to them while onboarding them as suppliers and vendors. The Company is in process of setting up training for its value chain partners going forward.

interest and specifies actions to prevent any conflicts along with actions to be taken in case any conflict of interest arises.

At every Board meeting, the Board Members are requested to disclose on any conflicts in case of all Board matters discussed. Further, there is a policy on related party transactions. In case of conflict of interests the respective board member abstains from voting on the particular topic.

For further details, refer to the web link: [Code of Conduct for the Board](#)

2. Does the Company have processes in place to avoid / manage conflict of interests involving members of the Board? (Yes / No) If Yes, provide details of the same:

Yes, the Company has put in place Code of Conduct for the Board. This document defines conflicts of

Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe**Essential Indicators****1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the Company, respectively:**

	FY 2022	FY 2021	Details of improvements in environmental and social impacts
R&D	0	0	Not Applicable
Capex*	7.11%	16.28%	Installation of solar plant at Sanofi House and Goa site and upgradation of rainwater harvesting tank and Sewage treatment plant.

* The details are provided as part of the Integrated Report.

2. a. Does the Company have procedures in place for sustainable sourcing? (Yes/No)

Yes, we are following the global supplier code of conduct laid down by Sanofi Global for sustainable procurement. We aim to minimize our risk through a risk-based approach to create stable, long-term business relationships with selected partners.

b. If yes, what percentage of inputs were sourced sustainably?

We are currently developing a mechanism to track and monitor the percentage of input materials that are sourced sustainably. Our practices are aligned with the global Supplier Code of Conduct laid down by Sanofi Global. Link <https://www.codeofconduct.sanofi/>

**3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste:**

Structured waste management program is implemented across manufacturing site and offices. All waste materials are segregated at the point of generation, collected and managed as per the nature of waste material. All onsite generated non-hazardous waste materials like plastic, paper, wood, metal, glass etc. are given to authorized recyclers. All the e-waste generated is given to Pollution Control Board approved recyclers. All the pharmaceutical waste and ETP sludge are sent to cement plants for co-processing. Used oil generated is also sent to Pollution Control Board approved agencies for refining. We have successfully implemented the program and achieved zero landfill from our operations. Plastic waste generated in the market from product packaging is managed in accordance with Plastic Waste Management Rules.

4. Whether Extended Producer Responsibility (EPR) is applicable to the Company's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same:

Yes, EPR is applicable to us. Plastic waste generated in the market from product packaging is managed in

accordance with Plastic waste management rules. Sanofi India is registered with Central Pollution Control Board (CPCB) as a Brand Owner. We submit our EPR plan to CPCB and collect multi layered plastic wastes through waste management agencies and sent for recycling, co-processing or energy recovery as per guidelines issued by CPCB.

Leadership Indicators**1. Has the Company conducted Life Cycle Perspective / Assessments (LCA) for any of its products:**

To better understand the environmental impact of medicines, Sanofi conducts life cycle assessments on key products, develops tools and performance indicators. This approach allows us to be more efficient on action plans. Sanofi group has been implementing an eco-packaging project which applies an eco-design to packaging. This approach starts by carrying out a life cycle assessment (LCA) to quantify the environmental profile of products, with a focus on the packaging across the entire value chain. This method is scientifically recognized and standardized and allows comparisons to be made. It is therefore possible to check whether the technical modification options on a package are beneficial for several environmental indicators. In 2021, a digital tool dedicated to eco-packaging was deployed, which enables us to complete a LCA on existing packaging and compare it with potential improvements.

NIC Code	Name of Product	% of total Turnover contributed	Boundary for which the Life cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No) If yes, provide the web-link.
21002	TOUSTAR – For India Market	0.04%	Cradle to Grave – Which includes all steps of the life cycle (Raw materials, Manufacturing, Packaging, Distribution, Use, End of life)	Yes	No

2. If there are any significant social or environmental concerns and / or risks arising from production or disposal of your products, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same:

Name of Product	Description of the risk / concern	Actions Taken
TOUSTAR	Weight of plastic, use of natural resources, Emissions generated at different stages	TouStar Toujeo® as first-in-class reusable pen won the Eco-Design award at Pharmapack as well as the Good Design award 2022. TouStar is the first reusable injection pen for a concentrated insulin, designed with a dedicated replaceable cartridge system TouStar as a 3 years reusable device performs better than SoloStar in Indian market. The potential environmental reduction is of: - 57% for Climate change - 74% for Water use - 58% for Fossil resource depletion These results are to the plastics saved & reused in a closed loop over 3 years. TouStar has further helped by avoiding Airfreight while importing components to India, optimizing the device packaging, having a recyclable / takeback device etc.

Eco-design approach being applied to the new devices which are in development to reduce the weight, assembly complexity, and the number of materials which in aggregate result in a significant reduction in the overall environmental impact.

Sanofi group has adopted eco-design approach that aims to improve the environmental performance of a product or service at the design stages throughout its whole life cycle. It is based on a holistic approach which considers: all steps of the life cycle (Raw materials, Manufacturing, Packaging, Distribution, Use, End of life); multi-criteria indicators (Climate change,

Ecosystems, Resources, Water, Human health); and reduction of the environmental impacts in a global perspective. Sanofi believes that implementing projects to promote eco-design principles can foster innovation, reduce costs, and decrease the environmental impact of its activities while developing the social dimension of its projects

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry):

Being a pharmaceutical products manufacturer, we cannot utilize reused or recycled input material in production. Based on the product's nature, its cruciality from the perspective of patients' health, safety, compliance with relevant regulations and clinical trials, there is no scope of reusing or recycling any input material directly associated with the products.

Indicate input material	Recycled or reused input material to total material	
	FY 2022	FY 2021
Not Applicable	-	-

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed:

The packaging of the Company's products plays an important role in delivering safe, stable and trusted medicines. However, the plastic used in product packaging has an impact on the environment. In alignment with our commitment to environmental sustainability, we comply with our Extended Producer Responsibility (EPR) obligation and collected back the total 877 MT of post-consumer plastic waste from the market and safely recycled and recovered it through authorized third parties in line with the guidelines issued by Central Pollution Control Board.

Sanofi India has a process in place for reclaiming the expired medicine stock from the direct distribution network. In 2022 total 56.4 MT of expired medicine stocks were collected back and then disposed in a safe manner, as per the regulatory guidelines.

Sanofi also has a process to safely reclaim products for reusing, recycling and disposing of the end-of-life e-waste, hazardous waste and other waste are in alignment with the waste handling Rules of the Central Pollution Control Board and other applicable local laws and regulations.

	FY 2022			FY 2021		
	Reused	Recycled	Safely Disposed	Reused	Recycled	Safely Disposed
Plastics (including packaging)	Nil	877	Nil	Nil	1,478	Nil
E-waste	Nil	Nil	Nil	Nil	Nil	Nil
Hazardous waste	Nil	Nil	Nil	Nil	Nil	Nil
Other waste- Expired Pharmaceutical products waste	Nil	Nil	56.4	Nil	Nil	66.4

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category:

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Plastic packaging material as per EPR	70%

Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	2,075	2,075	100%	2,075	100%	0	0%	2,075	100%	2,075	100%
Female	370	370	100%	370	100%	370	100%	0	0%	370	100%
Total	2,445	2,445	100%	2,445	100%	370	15%	2,075	85%	2,445	100%
Other than Permanent Employees											
Male	20	20	100%	20	100%	0	0%	20	100%	0	0%
Female	44	44	100%	44	100%	44	100%	0	0%	0	0%
Total	64	64	100%	64	100%	44	69%	20	31%	0	0%

Note:

- All permanent employees are covered by well-being measures such as life insurance, health insurance, accident insurance, maternity benefits, paternity benefits and day care facilities (if applicable).
- Other than permanent employees are also covered by well being measures, except the day care facilities.

b. Details of measures for the well-being of workers:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Workers											
Male	200	200	100%	200	100%	0	0%	200	100%	200	100%
Female	6	6	100%	6	100%	6	100%	0	0%	6	100%
Total	206	206	100%	206	100%	6	3%	200	97%	206	100%
Other than Permanent Workers											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-

Note: All permanent workers are covered by well-being measures such as life insurance health insurance, accident insurance, maternity benefits paternity benefits day care facilities (if applicable).

2. Details of retirement benefits, for current financial year and previous financial year:

Benefits	FY 2022			FY 2021		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI	100%	100%	Y	100%	100%	Y

3. Accessibility of workplaces:

Are the premises / offices of the Company accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes. We have required arrangements for the differently abled employees like:

- Dedicated Parking
- Security Support
- Washrooms
- Adequate space for Wheelchair movement
- Visual and Audio alarms
- Emergency Evacuation Chair
- Ramps in the basement at entry points
- Braille in Lifts etc.

We are constantly working towards identifying the need of differently abled employees and proactively supporting them on the same. We are also working on the overall Accessibility of our office premises to meet the highest standards possible.

4. Does the Company have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy?

Yes. At Sanofi, we want to reflect the diversity of our communities, unleashing our bestselves every day to transform healthcare practices. Sanofi India is committed to bringing value through equality and to foster and promote human diversity across our operations. We encourage an inclusive work philosophy of creating a supportive professional atmosphere that promotes trust, compassion, and mutual respect. Our policy on Code of Ethics has been developed in line with our commitment. Refer to the web link – [Code of Conduct](#).

The efforts taken by Sanofi India in the space of Diversity, Equity & Inclusion are under the global banner of 'All In'. We want to reflect the diversity of our communities, and unleash our best selves every day to transform the practice of medicine. We truly believe that Diverse Teams lead to better outcomes and thus, we are working towards building a company

5. Return to work and Retention rates of permanent employees and workers that took parental leave:

Gender	Permanent employees			Permanent workers		
	No. of employees who availed of parental leave	Return to work rate	Retention rate	No. of employees who availed of parental leave	Return to work rate	Retention rate
Male	66	100%	100%	22	100%	100%
Female	10	100%	100%	1	100%	100%
Total	76	100%	100%	23	100%	100%

that is representative of the society, in other words, of the people and patients we serve. We aim to create a culture that allows people to unleash the very best version of themselves, every day.

Under the 'Reflect' pillar we aim to build a representative leadership which clearly reflect the diverse nature of the communities we serve, whilst through the 'Unleash' pillar we hope to create a thriving environment for our workforce to enable each one of them to work to their fullest potential. Lastly, under the 'Transform' pillar, we are looking to positively impact the society in a positive manner by advocating for our diverse set of communities.

When we started on this journey several years ago, we realized that there were a number of quick yet important wins in making Sanofi more inclusive, especially from the Gender Balance perspective. We were one of the first organizations to change our maternity leave from 3 months to 6 months, two years prior to the official government mandate. We also provided a number of enablers in the form of self-defense workshops, enhanced hotel and travel coverage security helpline numbers etc. to ensure our women employees felt safe and fully equipped to make meaningful contributions while at work. Furthermore, we ran sensitization workshops from the topmost leader right down to the first line manager, to make sure they understood what biases are, how each one of us has them and how they can negatively impact the person experiencing them. This in turn helped to create a culture where employees and managers were more sensitive to the needs of others. We also instituted development programs for women employees to help them overcome their own barriers so as to prepare them they were capable of and to take on the next level roles.

Today, we see sponsorship for DE&I from across the top business leaders and have instituted Employee Resource Groups which provide a platform for all employees to make their voice heard and contribute meaningfully to the initiatives introduced under DE&I. One of the achievements we are very proud of is compelling the Goa government to allow us to increase the shift timings for women employees so they can contribute fully during the evening shift.

**6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief:**

	Yes / No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes
Other than Permanent Workers	Yes
Permanent Employees	Yes
Other than Permanent Employees	Yes

Yes, Sanofi India has adopted the Global Code of Ethics (<http://www.codeofethics.sanofi/>) applicable worldwide which lays out the defining principles that guide each employee of the Company and its contractors on conducting business in line with the highest ethical standards. Sanofi has a policy on Prevention of Sexual Harassment of employees. This Policy applies to all employees, both female and male, of Sanofi in India and will be deemed to form part of their conditions of employment. Sanofi believes and commits as follows: (a) All employees have the right to be treated with dignity. (b) Sexual harassment in the workplace will not be permitted or condoned. (c) Persons who have been subjected to sexual harassment in the workplace have a right to raise a grievance about it and to expect that the Company will take appropriate action as per legal provisions. (d) Sanofi will ensure providing of adequate training to all employees of the organization. It will act promptly and intervene appropriately whenever it observes any sign or communication of sexual harassment, whether formal or informal, written or verbal, during the employment or after the cessation of employment and will take necessary steps to arrest its potential escalation. (e) It will sincerely attempt fair treatment to all stakeholders irrespective of gender within the provisions of law. It will also deal with all situations of sexual harassment which do not find specific mention

in the law, in a just and fair manner, eg, any verbal complaints. (f) It will proactively work towards fostering a culture of mutual respect, dignity and equality. (g) It will act promptly and intervene appropriately in any situation that demands intervention to prevent and redress sexual harassment.

The Company also has Vigil Mechanism / Whistle Blower policy under the Company's Code of conduct which can be used by employees to raise any concerns or alerts.

7. Membership of employees and worker in association(s) or Unions recognized by the Company:

Our Company believes that all employees are important stakeholders and it is imperative to build a culture of mutual trust and respect, interdependence, and meaningful engagement. This approach helps in building, strengthening and sustaining harmonious employee relations across the organization. Your Company believes that in respecting the dignity of the individual and the freedom of employees to lawfully organize themselves into interest groups, independent of supervision by the management. It is ensured that employees are not discriminated against for exercising this freedom in a lawful manner and consistent with the Company's core values.

Category	FY 2022			FY 2021		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	2,445	165	7%	2,715	246	9%
Male	2,075	159	8%	2,363	236	10%
Female	370	6	2%	352	10	3%
Total Permanent Workers	206	142	69%	208	70	34%
Male	200	142	71%	202	70	35%
Female	6	0	0%	6	0	0%

8. Details of training given to employees and workers:

Category	FY 2022					FY 2021				
	Total (A)	On Health and Safety Measures		On Skills upgradation		Total (D)	On Health and Safety Measures		On Skills upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	2,075	2,075	100%	405	20%	2,363	2,363	100%	578	24%
Female	370	370	100%	110	30%	352	352	100%	149	42%
Total	2,445	2,445	100%	515	21%	2,715	2,715	100%	727	27%
Workers										
Male	200	200	100%	0	0%	202	202	100%	0	0%
Female	6	6	100%	0	0%	6	6	100%	0	0%
Total	206	206	100%	0	0%	208	208	100%	0	0%

Note: Further details on the training are provided in Integrated Report.

9. Details of performance and career development reviews of employees and worker:

Category	FY 2022			FY 2021		
	Total (A)	No. (B)	% (B/A)	No. (C)	Total (D)	% (C/A)
Employees						
Male	2,075	2,075	100%	2,363	2,363	100%
Female	370	370	100%	352	352	100%
Total	2,445	2,445	100%	2,715	2,715	100%
Workers						
Male	200	200	100%	202	202	100%
Female	6	6	100%	6	6	100%
Total	206	206	100%	208	208	100%

Committed to providing required guidance to our employees and workers regarding their performance and career development trajectories at Sanofi India, we ensure to conduct complete performance and career development reviews. 100% of all our employees and workers are appraised year-on-year basis.

To help understand our employees' viewpoints and concerns, we conduct employee engagement surveys annually. The surveys, provided in an online mode, make use of the external platform Peakon.

The employees' responses are received on a scale of 0 (not at all) to 10 (absolutely), and they also have an option to provide a comment, if needed. One of our employee engagement surveys, titled 'Your Voice' looks into several parameters, such as culture, engagement, diversity and inclusion, and health and wellbeing. The results of all the surveys undertaken are communicated to the Board.

10. Health and safety management system:**a. Whether an occupational health and safety management system has been implemented by the Company? (Yes / No). If yes, the coverage of such system?**

Yes. Sanofi India has adopted and implemented the ISO 45001 by integrating all critical business activities and applying principles and processes in order to provide safe and healthy workplaces at

our Mumbai office and Goa site. We further take measures to prevent work related injury and ill health, minimize risks and continuously improve safety performance. Sanofi India's Goa site is certified with ISO 45001 and ISO 14001.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the Company?

Health Safety and Environment (HSE) Strategy is monitored at Sanofi global as well as Sanofi India level operations. High-level strategies are decided by global teams to which countries later develop their own specific strategies. We have prepared Environment, Health and Safety (HSE) manuals, SOPs and conducted comprehensive Risk assessment to manage HSE risks effectively. We regularly conduct audit and inspections of our occupational health and safety management systems. The team at the site has individually set an internal review mechanism to check performance.

The HSE management system gets audited time to time. Leadership reviews are conducted on a quarterly basis. Injuries and HSE-related parameters are calculated as per Sanofi Global standards.

**c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y / N)**

Yes, Sanofi India has a process in place where safety related incidents are reported and these include but are not limited to injury related incidents, near misses, road accidents, etc. These cases get reported and are investigated as per our HSE management system framework in a time bound manner.

We have life-saving rules which empower everyone to stop any unsafe actions and conditions. These life saving rules are minimum expected behavior to be followed by all Sanofi employees. The training on these rules are mandatory for all employees and workers on a periodic basis.

d. Do the employees / worker of the Company have access to non-occupational medical and healthcare services? (Yes / No)

Yes, the employees and other than permanent employees have access to non-occupational medical and healthcare services and are provided medical insurance facilities in case of hospitalization. We have occupational health centers set up at the Goa site as well as the Corporate office in Mumbai which are attended by visiting physicians.

For wellbeing of our workforce, we have launched a program, wellbeing program called 'all well' which focuses on the 'healthy mind' and 'healthy body'. All Well program deployed by engaging with four initiatives to prevent non-communicable diseases and decrease absenteeism. The four initiatives include: a) encourage consumption of a balanced and varied diet, b) promote regular physical activity, c) support smoking cessation and prevent diseases, and d) improve quality of sleep and manage stress.

11. Details of safety related incidents:

Safety Incident / Number	Category	FY 2022	FY 2021
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	2.20	0.66
	Workers	0	1.51
Total recordable work-related injuries	Employees	12	4
	Workers	0	1
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the Company to ensure a safe and healthy workplace:

We have established a well-defined HSE policy and HSE management system with a robust monitoring plan, operating with a multi-year approach, to ensure the effective implementation of the HSE policy. This system is designed according to the Plan-Do-Check-Act cycle of continual improvement. This approach includes the undertaking of assessments of various risks such as: workplace risks, fire risk, process safety, ergonomics machinery risk, occupational health and chemical risks and so on and so forth. We also have institutionalized an HSE system which is adopted from the global safety processes and policies. Our plant and offices are ISO 14001, ISO 50001 and ISO 45001 certified.

We conduct quarterly review of our HSE performance and the findings from this review are discussed during the country HSE committee meeting under the able leadership of our Managing Director and other Senior Leadership of Sanofi India.

Following steps are undertaken in Sanofi India business to ensure safe and healthy workplace:

- Established HSE policy, targets and HSE management system
- Driving safety initiatives through safety champions and site level safety committee members
- Robust audit mechanism through safety governance for performance monitoring and measurement of safety activities
- Identifying the hazards, risks and control measures through Hazard Identification and Risk Assessment (HIRA) and allocating required resource to eliminate the risks while performing activities
- Investigation of all incidents and ensuring implementation of identified corrective and preventive action plan to stop the reoccurrence of similar incidents
- The necessary safety competence which includes education, work experience and training requirements, and arrangements established and maintained to ensure that all persons have been trained and are competent to carry out the safety and health aspects of their duties and responsibilities

13. Number of Complaints on the following made by employees and workers:

	FY 2022			FY 2021		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Health and safety practices	0	0	-	0	0	-
Working Conditions	0	0	-	0	0	-

14. Assessments for the year:

	% of your plants and offices that were assessed (by Company or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working condition:

All the safety related incidents and near misses are investigated as per our HSE management system. All the identified Corrective and Preventive Action (CAPA) are defined and implemented horizontally across our operations to stop reoccurrence of similar incident. We track all our safety related incidents and is reviewed on a periodic basis to check the implementation and effectiveness.

Leadership Indicators**1. Does the Company extend any life insurance or any compensatory package in the event of death of (A) Employees (Y / N) (B) Workers (Y / N)**

Yes, Sanofi India extends compensatory packages to employees as well as workers in the event of death.

2. Provide the measures undertaken by the Company to ensure that statutory dues have been deducted and deposited by the value chain partners:

We ensure that all statutory dues as applicable to the transactions are deducted and deposited in accordance with applicable regulations. This activity is also reviewed as part of our internal and statutory audit. We expect our value chain partners to uphold business responsibility principles and value transparency and accountability.

3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees / workers		No. of employees / workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022	FY 2021	FY 2022	FY 2021
Employees	0	0	0	0
Workers	0	0	0	0

4. Does the Company provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No)

Yes, we provide transition assistance on termination of employment.

**5. Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	13.75%
Working Conditions	13.75%

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners:

No significant risks were observed through assessments conducted on health and safety practices and working condition of our supply chain.

We carry out supply chain due diligence to identify risks across our supply chain. Our Active Pharmaceutical Ingredient (API) suppliers and third-party logistic partners are assessed by third party auditors to ensure compliance.

Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders**Essential Indicators****1. Describe the processes for identifying key stakeholder groups of the Company:**

We have identified our key internal and external stakeholders through peer review and analysis of stakeholder groups that could have potential impact or influence on our business operations as well as the impact our Company might have on them. We commit to actively engage with our stakeholders to understand their key expectations and develop strategies to address them.

2. List stakeholder groups identified as key for your Company and the frequency of engagement with each stakeholder group:

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Emails, SMS, Newspapers, Pamphlets, Advertisement, Community meetings, Notices Board, Website others)	Frequency of engagement (Annually / Half yearly / Quarterly / others - Please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagements
Patients	No	- Market research surveys - Grievance redressal mechanism - Workshops and conferences with patient advocacy group - Patient support / assistance programs	Continuous (but limited and on need basis)	- Insights on strengthening R&D and improving product quality - Responding to queries and complaints
Healthcare Professionals	No	- Regular business interactions - Customer satisfaction surveys - Feedback system - Grievance redressal mechanism - Workshops and conferences - Educational programs	Continuous	- Information in and around the product and therapy area - Insights on strengthening R&D and improving product quality - Frequent engagement and understanding HCP and patient needs - Responding to queries and complains
Local Communities / NGOs	Yes	- Need assessment surveys - Regular meeting - Trainings and workshops - Emails and telephonic conversations - CSR reports	Continuous	- Increasing awareness and understanding of disease - Providing access to affordable healthcare - CSR Activities
Suppliers	No	- Emails and meetings - Training workshops and seminars - Supplier assessment and review - Supplier grievance mechanism	Continuous	- Supplier development - Promoting local suppliers - Supplier assessments - Promoting shared growth

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Emails, SMS, Newspapers, Pamphlets, Advertisement, Community meetings, Notices Board, Website others)	Frequency of engagement (Annually / Half yearly / Quarterly / others - Please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagements
Employees	No	<ul style="list-style-type: none"> - Townhall meeting - Training programmes - Employee engagement surveys - Employee engagement programs - Performance appraisal reviews - Grievance redressal mechanism - Emails and meetings 	Continuous	<ul style="list-style-type: none"> - Employee health, safety and well-being initiatives - Providing E-learning and development platforms for behavioral and skill development - Employee engagement and satisfaction - Updates and communication on policies, processes, systems
Shareholders / Investors	No	<ul style="list-style-type: none"> - Annual General Meeting - Quarterly investor reports - Annual Reports - Newsletter - One-on-one interaction 	Annually / Quarterly / Frequently	<ul style="list-style-type: none"> - Enhancing enterprise value - Performance and finance results, strategy, and business operations of company - Corporate governance - Transparency in disclosure
Trade Partners	No	<ul style="list-style-type: none"> - Emails and Meetings - Newsletter 	Periodically / Need basis	<ul style="list-style-type: none"> - Constant evaluation of GTM models - Ensure availability of products - Explain emerging channels of trade

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board:

As a business practice, departmental heads interact with their internal and external stakeholders on regular intervals and stakeholder insights are shared with top management and subsequently with Board Members to take appropriate steps and actions as required.

We have a Stakeholder Relationship Committee to discuss shareholders and investors matter. The compliance report of our code of conduct is reviewed by our audit committee on a periodic basis. We also have a quarterly meeting with our Board members to review ESG and safety related aspects such as MIS, injuries, safety issues, environmental performance, etc. at our site and company-wide safety practices.

The CSR Committee communicates closely with the local communities to understand their concerns and issues and redress any issues. The CSR committee meets with the Board on a quarterly basis and appraises the Board regarding any updates regarding CSR.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the Company:

Our Materiality Assessment was conducted in consultation with our key identified stakeholder groups. We engaged with our stakeholder groups (both internal and external stakeholders) through one-on-one interaction and gathered their inputs to determine and prioritize the sustainability issues that matters most to our business operations.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable / marginalized stakeholder groups:

We have implemented several CSR programmes in FY 2022 under the focus areas:

- Promotion of healthcare including preventive healthcare solutions which are majorly concerned with non-communicable diseases, and
- Promotion of education initiatives related to healthcare services or systems. Through these programmes, we are committed to working towards enhancing the access to quality healthcare to improve the lives of people across communities and promote the welfare of the underprivileged segments of our societies.

Principle 5: Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the Company:

Category	FY 2022			FY 2021		
	Total (A)	No. employees / workers covered (B)	% (B / A)	Total (C)	No. employees / workers covered (D)	% (D / C)
Employees						
Permanent	2,445	1,449	59%	2,715	514	19%
Other than permanent	64	0	0	75	0	0
Total Employees	2,509	1,449	58%	2,790	514	18%
Workers						
Permanent	206	109	53%	208	NA*	NA
Other than permanent	0	0	0	0	NA*	NA
Total Workers	206	109	53%	208	NA	NA

*No training was provided to workers in FY 2021.

Note: Sanofi is an equal opportunity employer and we have established systems and processes around the topic of Human Rights. Employees are periodically trained on the subject. With respect to other than permanent employees, these are not directly hired by Sanofi. They are provided by agencies with whom Sanofi has a contract and thus their respective employers are responsible for providing these trainings. Going forward, Sanofi will guide the agencies to conduct such trainings periodically.

2. Details of minimum wages paid to employees and workers:

Category	FY 2022					FY 2021				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent	2,445	-	-	2,445	100%	2,715	-	-	2,715	100%
Male	2,075	-	-	2,075	100%	2,363	-	-	2,363	100%
Female	370	-	-	370	100%	352	-	-	352	100%
Other than Permanent	64	-	-	64	100%	75	-	-	75	100%
Male	20	-	-	20	100%	27	-	-	27	100%
Female	44	-	-	44	100%	48	-	-	48	100%
Workers										
Permanent	206	-	-	206	100%	208	-	-	208	100%
Male	200	-	-	200	100%	202	-	-	202	100%
Female	6	-	-	6	100%	6	-	-	6	100%
Other than Permanent	Not Applicable									
Male										
Female										

3. Details of remuneration / salary / wages:

Please refer to "Annexure B – Statement of Disclosure of Remuneration" of Director's report in the Integrated Annual Report for FY 2022.

4. Do you have a focal point (Individual / Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes / No)

Yes. There is Human Right policy in place at global level. For Sanofi India, Mr. Pankaj Khanna, Associate Director, HR Sales, is the focal point responsible for human right related aspects.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

There is a structured platform called "SAY" that is institutionalized at Sanofi India. On this platform, Sanofi India's complete field organization is divided in 19 circles and for each circle there are 5-7 SAY champions appointed, who constantly stay in touch

with the field colleagues of their respective circles. For each circle a senior leader is assigned as a mentor so that any concern / grievance can be immediately shared by the SAY champion to the corporate team through this mentor. Additionally, there are regular SAY champion connects with regional leadership team to discuss and resolve local concerns.

6. Number of Complaints on the following made by employees and workers:

Category	FY 2022			FY 2021		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual Harassment	Nil	Nil	NA	Nil	Nil	NA
Discrimination at workplace	Nil	Nil	NA	Nil	Nil	NA
Child Labour	Nil	Nil	NA	Nil	Nil	NA
Forced Labour / Involuntary Labour	Nil	Nil	NA	Nil	Nil	NA
Wages	Nil	Nil	NA	Nil	Nil	NA
Other human rights related issues	Nil	Nil	NA	Nil	Nil	NA

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases:

The details of the complainant are kept confidential and the authenticity of the complainant's report is investigated by the assigned committee. The details regarding the investigation are also limited to the committee and kept confidential. The complainant is protected from any discrimination and harassment till the issue is resolved.

8. Do human rights requirements form part of your business agreements and contracts? (Yes / No)

Yes, due diligence is conducted for the human rights compliance. It is ensured that the human rights framework is actively communicated internally and externally through agreements and contracts and further substantiated through Code of Conduct.

9. Assessments for the year:

	% of your plants and offices that were assessed (by Company or statutory authorities or third parties)
Sexual harassment	100%
Discrimination at workplace	100%
Child labour	100%
Forced / involuntary labour	100%
Wages	100%

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above:

Sanofi India conducts reviews on an annual basis and collects declaration from all employees and workers. The declarations are recorded and shared with global team. Additionally, awareness programs on the global disciplinary frameworks are conducted for all employees and workers.

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances / complaints:

Nil. We did not receive any grievances / complaints regarding Human Rights principles and guidelines. Maintaining a proactive approach, we have introduced paternity leave policy and travel guidelines for our women colleagues ensuring their safety at the workplace as well as travelling to and from work.



2. Details of the scope and coverage of any Human rights due-diligence conducted:

All on roll employees and workers are covered as part of human rights due diligence. This includes assessment on Freedom of Association, Prohibition of Forced Labour, Prohibition of Child Labour, POSH policy, etc.

3. Is the premise / office of the Company accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes. We have required arrangements for the differently abled visitors like:

- Dedicated Parking
- Security Support
- Washrooms
- Adequate space for Wheelchair movement
- Visual and Audio alarms
- Emergency Evacuation Chair
- Ramps in the basement at entry points
- Braille in Lifts etc.

We are constantly working towards identifying the need of such visitors and proactively supporting on the same. We are also working on the overall Accessibility of our office premises to meet the highest standards possible.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	13.75%
Discrimination at workplace	13.75%
Child Labour	13.75%
Forced Labour / Involuntary Labour	13.75%
Wages	13.75%
Others – please specify	13.75%

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above:

We carry out supply chain due diligence to identify Human Rights related concerns and risks across our supply chain. No significant risks and concerns were identified from Human Rights assessments of value chain partners through these assessments. However, we carry out stringent vendor and distributor assessment through elaborate procedures to ensure that they adhere to all the relevant Human Rights laws and regulations.

Principle 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2022	FY 2021
Total electricity consumption (A)	45,995.68	46,081.03
Total fuel consumption (B)	32,224.12	31,155.64
Energy consumption through other sources (C)	0	0
Total energy consumption (A+B+C)	78,219.80	77,236.67
Energy intensity per rupee of turnover (Total energy consumption / turnover in rupees)	2.82	2.61

Note: No external assurance was carried out on environmental parameters for FY 2022

2. Does the Company have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any:

Sanofi India does not have sites / facilities identified as designated consumer under PAT.

3. Provide details of the following disclosures related to water:

Parameter	FY 2022	FY 2021
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Ground water	12,785	39,657
(iii) Third party water	89,967	52,783
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	102,752	92,440
Total volume of water consumption (in kilolitres)	75,437	62,866
Water intensity per rupee of turnover (Water consumed / turnover)	2.72	2.12

Note: No external assurance was carried out on environmental parameters for FY 2022

4. Has the Company implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation:

At Goa manufacturing site, we have installed effluent treatment plant to treat the wastewater generated from production processes. We are using this treated effluent for gardening purpose post treatment. For Mumbai office location, we have installed sewage treatment plant to treat domestic sewage and it is then further reused for toilet flushing and gardening. Excess quantity at Mumbai office is discharged to the Municipal Corporation of Greater Mumbai (MCGM) drain as per the norms given by the Pollution Control Board.

5. Please provide details of air emissions (other than GHG emissions) by the Company:

Parameter	Unit	FY 2022	FY 2021
NOx	MT	0.053	0.010
SOx	MT	3.610	3.463
Particulate matter (PM)	MT	2.093	2.485
Non Methyl Hydrocarbon (NMHC)	MT	0.012	0.015

Note: No external assurance was carried out on environmental parameters for FY 2022

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity:

Parameter	Unit	FY 2022	FY 2021
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	486.63	484.01
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	9,136.16	10,368.23
Total Scope 1 and Scope 2 emissions per rupee of turnover		0.35	0.37

Note: No external assurance was carried out on environmental parameters for FY 2022

7. Does the Company have any project related to reducing Green House Gas emission? If Yes, then provide details:

In FY 2022, Sanofi India installed solar plants at the Mumbai office and Goa site which are active since May 2022 and September 2022 respectively. This has helped us reduce our dependency on the grid for consumption of purchased electricity. Further, we started procuring green energy at Sanofi House (Mumbai office) in FY 2022, which is sourced from renewable sources (Tata Green power). 100% of our energy requirements at the Mumbai office are met via green energy procurement.



8. Provide details related to waste management by the Company:

Parameter	FY 2022	FY 2021
Total Waste generated (in metric tonnes)		
E-Waste (A)	1.30	0.00
Bio-medical Waste (B)	0.01	0.00
Battery Waste (C)	3.21	0.00
Used oil	13.21	1.47
Miscellaneous Hazardous Waste (Process Waste, ETP sludge, etc.) (D)	75.02	152.07
Paper and Cardboard Waste (E)	92.04	73.34
Plastic Waste (F)	40.38	36.84
Metal Scrap (G)	157.22	174.94
Glass Waste (H)	2.07	2.12
Wood Waste (I)	44.32	38.82
Miscellaneous Non-Hazardous Waste (J)	46.79	42.71
Total (A + B + C + D + E + F + G + H + I + J)	475.58	522.31

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)

Category of waste	FY 2022	FY 2021
(i) Recycled	400.55	370.24
(ii) Re-used	0.00	0.00
(iii) Co-processing	75.02	152.07
Total	475.57	522.31

For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)

Category of waste	FY 2022	FY 2021
(i) Incineration	0.01	0.00
(ii) Landfilling	0	0
(iii) Other disposal operations	0	0
Total	0.01	0.00

Note: No external assurance was carried out on environmental parameters for FY 2022

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such waste:

Sanofi India has implemented a comprehensive program for the management of waste generated from our operations. All the waste streams are identified and segregated at source. We have adopted the 3R approach (Reduce, Reuse and Recycle), which helped immensely in reduction of waste generation and promote recycle and reuse across our operations. We are committed to use environmentally sound methods of the waste disposal. As a part of our resource optimization and waste minimization process, we have implemented a series of initiatives to minimize generation of waste in our manufacturing processes. At the Mumbai office, processes are identified to eliminate the use of paper by adopting digital alternatives, such as use of e-guides in place of paper based medical guides, e-transactions and billing, etc. All hazardous waste generated onsite like ETP

sludge, e-waste, used oil, batteries, biomedical waste, etc. are sent for co-processing, recycling, refining or incineration depending on the category of waste. We have successfully eliminated landfilling of hazardous waste from our operations. All non-hazardous waste like plastic, paper, wood, glass, metal etc. is sent for recycling.

Sanofi India adheres to the mandates of Extended Producer Responsibility (EPR), by way of collection of end-use plastic and dispose of by the methods approved by Central Pollution Control Board. All the non-saleable pharmaceutical products at distributor locations are collected back and sent for incineration.

10. If the Company has operations / offices in / around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details:

Sanofi India's manufacturing facility and offices do not fall in or around ecologically sensitive areas.

11. Details of environmental impact assessments of projects undertaken by the Company based on applicable laws, in the current financial year:

During the reporting period, Sanofi India has not conducted any environment impact assessment.

12. Is the Company compliant with the applicable environmental law / regulations / guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection Act and rules thereunder (Y / N). If not, provide details of all such non-compliances:

During the reporting period, there were no cases of non-compliance to applicable laws, regulations, guidelines in India. Our Goa Site has got Valid Consent to Operate, issued by Goa state Pollution Control Board.

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources:

Parameter	FY 2022	FY 2021
From renewable sources (in GJ)		
Total electricity consumption (A)	5,391	0
Total fuel consumption (B)	25,648	24,615
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	31,039	24,615
From non-renewable sources (in GJ)		
Total electricity consumption (D)	40,605	46,081
Total fuel consumption (E)	6,576	6,541
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	47,181	52,622

*At our Goa plant, we use biomass as a renewable energy source for energy generation.

Note: No external assurance was carried out on environmental parameters for FY 2022

2. Provide the following details related to water discharged:

Parameter	FY 2022	FY 2021
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
(ii) To Ground water	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
(iii) To Seawater	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
(v) Others	-	-
No treatment	-	-
With treatment – Tertiary Treatment	27,315	29,080
Total water discharged (in kilolitres)	27,315	29,080

Note:

- Treated water is not discharged outside the premises. It is used for gardening and other utility purposes.
- No external assurance was carried out on environmental parameters for FY 2022

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

None of our offices and manufacturing plant fall under areas of water stress.



4. Please provide details of total Scope 3 emissions & its intensity:

Sanofi India's Scope 3 emissions tracking mechanism is aligned with Sanofi Global's practices. We are currently in the process of quantifying our scope 3 emissions and will disclose it in the upcoming years.

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the Company on biodiversity in such areas along-with prevention and remediation activities:

Sanofi India's manufacturing facilities does not fall in or around ecologically sensitive areas.

6. If the Company has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives:

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	LEED platinum	LEED Platinum Certification was received. Through this certification, Sanofi House becomes one of the first 100 environment-friendly buildings in India.	The following was achieved: water conservation, water recycling, water reuse, indoor air quality, noise protection, energy efficiency, ground water recharge, and chemical use.
2.	Solar Energy	A solar panel project of 1800 KWH installed at our Goa site. This Project follows a BOOT (build, own, operate, transfer) funding model based on a financial agreement between a Fourth partner and Sanofi for fifteen years. Solar power plant of installed at roof top of Mumbai office is having capacity of 104.16 KWP	We will generate 1900 Kwh energy from installed solar panels and this will help us to reduce 9713 tons of CO2 emissions per year, along with total savings of more than 950 K Euros in 15 Years.
3.	Green Energy	Our Mumbai office, energy is completely obtained from renewable energy sources and for Goa operations, we have installed a solar panel project of 1800 KWH to fulfil our energy requirement partially in this FY 2022	
4.	Bio-diversity park	As part of our Planet Mobilization program laid down by Sanofi Global, we aim to nurture bio-diversity spaces at all our sites through dedicated initiatives by 2030. As a part of our commitment to fostering bio-diversity at our site, we have taken initiative for maintaining the ecosystem by developing a butterfly garden at our Goa site.	The butterfly arden was developed with the help of Goa Bio-diversity Board a government organization that has guided us in selecting species of plants that would attract butterflies.

7. Does the Company have a business continuity and disaster management plan? Give details in 100 words / web link:

Yes, we have a comprehensive business continuity and disaster management plan developed and deployed to manage any emergency, disaster, crisis and business interruption scenario. Emergency Response Plan has been systematically identified for all the HSE-related emergency situations and suitable handling mechanism has been defined. A line of command and procedure to be followed is established. A global business continuity and Impact assessment is carried out for all functions and operations. Business Continuity and Impact Assessment is carried out globally for all functions and operations, basis which business continuity and disaster recovery plans are formulated. The assessed operational impacts include those related to life safety, health, product crisis,

cyberattack, customer service, revenue / cash flow, public image, regulatory, product development, etc.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the Company. What mitigation or adaptation measures have been taken by the Company in this regard:

We carry out supply chain due diligence to identify environmental risks across our supply chain. No significant risks and concerns were identified from Human Rights assessments of value chain partners through these assessments. Our HSE team has a forward-looking approach and ensures that any potential risks identified across the operations as well as value chain are addressed immediately.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts:

Sanofi India has not monitored data on percentage of value chain partners assessed during year. However, we have adopted the Global Supplier Code of Conduct laid down by Sanofi Global through which we are following Supplier Code of Conduct. This document has laid few guidelines on environmental aspects. We are in the process of developing assessment in coming years at India level.

Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers / associations:

Sanofi India is member of the six trade associations.

b. List the top 10 trade and industry chambers / associations (determined based on the total members of such body) the Company is a member of / affiliated to:

Sr. No	Name of the trade and industry chambers / associations	Reach of trade and industry chambers / associations (State / National)
1.	Organisation of Pharmaceuticals Producers of India (OPPI)	National
2.	Federation of Indian Chambers of Commerce and Industry (FICCI)	National
3.	Confederation of Indian Industry (CII)	National
4.	Indo French Chamber of Commerce and Industry (IFCCI)	National
5.	The Associated Chambers of Commerce & Industry of India (ASSOCHAM)	National and International
6.	US India Strategic Partnership Forum (USISPF)	National and International

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the Company, based on adverse orders from regulatory authorities:

Not Applicable since there were no cases of anti-competitive conduct by Sanofi India in FY 2022.

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your Company:

We do not have any projects for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by Sanofi India Limited

3. Describe the mechanisms to receive and redress grievances of the community:

Communities and NGOs can reach to us through emails and corporate inbox responsibility@sanofi.com for any grievances. The grievances are responded by the CSR team or directed to the relevant department for resolution.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2022	FY 2021
Directly sourced from MSMEs / small producers	Nil	Nil
Sourced directly from within the district and neighbouring districts	Nil	Nil

We currently do not track input material sourced from MSMEs / small producers, the Company will take appropriate steps to do so in future.

Leadership Indicators

1. Details of public policy positions advocated by the Company:

We work closely with various trade and industry associations including industry representations to the government and regulators. We ensure that policy advocacy is carried out in a transparent and responsible manner taking into account our as well as the larger national interest.

Principle 8: Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the Company based on applicable laws, in the current financial year.

Social impact assessments have not been currently conducted, but Sanofi plans on conducting them in the future once the projects reach an appropriate maturity level.



Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Not Applicable

2. Provide the following information on CSR projects undertaken by your Company in designated aspirational districts as identified by government bodies:

Sr. no	State	Aspirational District	Amount spent (in ₹)
1	Maharashtra	Jalgaon	52,55,469

3. a. Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized / vulnerable groups? (Yes / No)

No

b. From which marginalized / vulnerable groups do you procure?

Not Applicable

c. What percentage of total procurement (by value) does it constitute?

Not Applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your Company (in the current financial year), based on traditional knowledge:

Sr. No	Intellectual Property based on traditional knowledge	Owned/Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
	Nil	-	-	-

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved:

We did not have any case of intellectual property related disputes in FY 2022.

6. Details of beneficiaries of CSR Projects:

Sr. No	CSR Project	No. of persons benefited from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1.	Type 1 program	1,236	100%
2.	KiDS program in Goa	Approx 500,000	-
3.	Mobile Medial units in Maharashtra	145,400	-
4.	NCD awareness and screening in Hyderabad	Awareness for 573,000 and screening of approx. 340,000 individuals	-
5.	Support patients with Head & Neck cancers	100 patients	100%
6.	Awareness on Cervical and oral cancers	22,500,000 reached out through media campaigns for oral & cervical cancers awareness and prevention	-
7.	Assam floods support	Golpara district. 1000 families	100%
8.	Employee volunteering	More than 30,000	-

Principle 9: Businesses should engage with and provide value to their consumers in a responsible**Essential Indicators****1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback:**

We have a comprehensive process of Product Technical Complaint (PTC) Management to facilitate timely redressal of the consumer complaints received. The process is initiated once a product quality complaint is received and logged with the Company's system. Some of the salient features of put PTC management system can be enlisted as follows:

- On receipt of the product complaint, the complaint is logged in local tracker and acknowledgement is sent to the complainant through email / SMS

- Complaint is registered in the global tool, COMET and assigned to the manufacturing site
- Complaint sample availability is checked from complainant and the same is forwarded to the manufacturing site for further investigation
- Case is closed after the completion of investigation from the manufacturing site
- Response to the complainant is provided if requested
- Corrective actions may be taken depending on the issue and the decision taken by the manufacturing site / Business unit
- Example: Improving strength of AllStar pen cap to avoid breakage
- Analysis done on Number of PTC received and any adverse trend

2. Turnover of products and / services as a percentage of turnover from all products / service that carry information about:

As a percentage to total turnover	
Environmental and social parameters relevant to the product	Nil
Safe and responsible usage	100% of our products carry information about its responsible and safe usage. We display relevant information on the product labels as per the requirement of national and international regulatory bodies guidelines for responsible and safe consumption of medicines.
Recycling and/or safe disposal	Nil

3. Number of consumer complaints in respect of the following:

	FY 2022			FY 2021		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	Nil	Nil		Nil	Nil	
Advertising	Nil	Nil		Nil	Nil	
Cyber-security	Nil	Nil		Nil	Nil	
Delivery of essential Services	Nil	Nil		Nil	Nil	
Restrictive Trade Practices	Nil	Nil		Nil	Nil	
Unfair Trade Practices	Nil	Nil		Nil	Nil	
Other	Nil	Nil		Nil	Nil	

In the regular course of business, we receive and resolve all our consumer queries in a timely manner. Currently, there are no litigations in the respect of the enlisted matters.

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	Nil	Nil
Forced recalls	Nil	Nil

**5. Does the Company have a framework / policy on cyber security and risks related to data privacy? (Yes / No) If available, provide a web-link of the policy.**

Yes. We are aligned with Sanofi Global's policy related to data privacy. Link of website is given herewith <https://www.sanofi.com/en/our-responsibility/sanofi-global-privacy-policy>

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services:

For FY 2022, there were no complaints received for issues pertaining to delivery of essential services, advertising, action taken by regulatory authorities on safety of products / services.

Leadership Indicators**1. Channels / platforms where information on products and services of the Company can be accessed (provide web link, if available):**

Information related to our products and services can be found on our website: www.sanofi.in

2. Steps taken to inform and educate consumers about safe and responsible usage of products and / or services:

We adhere to relevant regulatory requirements by disclosing information to our stakeholders on the safe and responsible usage of products. The packaging or information label attached to each product informs the consumers about instructions for safe use, composition, effects, and guidance on appropriate storage conditions, among others. We also provide QR codes which opens a link that carries in-depth information related to product safety and proper usage. We empower our patients towards self-management of their conditions through education, support, technology and training that play a critical role in preventing acute complications and reducing long-term health risks.

3. Mechanisms in place to inform consumers of any risk of disruption / discontinuation of essential services:

As per the guidelines of National Pharmaceutical Pricing Authority, we disclose discontinuation of any scheduled formulation by issuing a public notice for relevant stakeholders in addition to informing the Government at least six months prior to the intended date of discontinuation.

4. Does the Company display product information on the product over and above what is mandated as per local laws? (Yes / No / Not Applicable) If yes, provide details in brief. Did your Company carry out any survey with regard to consumer satisfaction relating to the major products / services of the Company, significant locations of operation of the Company or the Company as a whole? (Yes / No)

Yes, we regularly carry our such surveys with doctors. This is used for assessment and improvement of processes internally. In case of any disruption / discontinuation of essential services like supply of medicine, we get the status of the product in the market from supply chain team and respond to our customers.

When we get queries about product shortage, either our Supply chain customer relations team to the customer or we get the status of the product in the market from supply chain team and respond to the customer accordingly.

5. Provide the following information relating to data breaches:

- Number of instances of data breaches along-with impact
No data breaches were recorded in FY 2022.
- Percentage of data breaches involving personally identifiable information of customers
No data breaches were recorded in FY 2022.

Report on Corporate Governance

Company's philosophy on Code of Governance

Sanofi India Limited ("the Company") believes that good Corporate Governance fosters long-term corporate goals and enhances stakeholders' value. Every day at Sanofi, we chase the miracles of science to improve people's lives. This means being exemplary in how we do business and unlock our innovation potential because when it comes to building trust, the actions we take and decisions we make speak louder than words. Our Code of Conduct is our constitution, supporting each of us to maximize opportunities while minimizing risks; to make bold and ethical decisions that activate our purpose; and to keep our patients and customers at the heart of all we do.

We implement policies and guidelines, communicate and train all stakeholders to develop a culture of compliance at every level of the organization. With more than 67 years of presence in India and building a legacy of heritage brands and best-in-class medicines for the people, the Company's governance framework has evolved over decades fueled by its purpose. Conducting the operations with ethics and integrity, is fundamental to the Company's philosophy and business ambitions. The Company will continue to foster responsible growth, creating long-term value for our stakeholders and business partners.

The Company continues to be in compliance with the provisions of Corporate Governance as set out in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Board of Directors

The Board is at the helm of the governance structure at the Company. The Board has a good, diverse, and optimum mix of Executive and Non-Executive Directors. With the number of Non-Executive and Independent Directors more than one-half of the total number of Directors, the composition is in line with the applicable provisions of Companies Act, 2013 ("the Act") and Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). As on date of this Report, the Board consists of eight Directors comprising three Executive Directors, two Non-Executive Directors and three Independent Directors with the Chairman of the Board being an Independent Director. The composition of the Board represents optimum combination of the knowledge, experience and skills which are required by the Board to discharge its responsibilities effectively.

As on the date of this report, Mr. Aditya Narayan, Independent Director is the Chairman of the Board, Mrs. Usha Thorat, Independent Director is the Chairperson of the Audit Committee and Nomination and Remuneration Committee of the Board and Mr. Rahul Bhatnagar, Independent Director is the Chairman of the Corporate

Social Responsibility Committee, Stakeholders Relationship Committee and the Risk Management Committee of the Board. Mr. Marc-Antoine Lucchini and Ms. Annapurna Das are the Non-Executive Directors of the Company. Mr. Rodolfo Hrosz is the Managing Director, Mr. Cherian Mathew is the Whole-time Director and Mr. Vaibhav Karandikar is the Chief Financial Officer and the Whole-time Director of the Company.

Changes in Directorate:

During the year under review, Mr. Rajaram Narayanan, resigned as the Managing Director of the Company and the Board accepted his resignation at the Board meeting held on January 13, 2022. Accordingly, Mr. Rajaram Narayanan ceased to be the Managing Director effective close of business hours on April 10, 2022, to pursue an opportunity outside of Sanofi. Mr. Charles Billard resigned as the Non-Executive Director of the Company, with effect from November 3, 2022. The Board places on record its appreciation for their contribution to the Company. Mr. Rodolfo Hrosz, was appointed as the Managing Director of the Company with effect from June 1, 2022. Further, Ms. Annapurna Das was appointed as Non-Executive Director of the Company with effect from November 3, 2022.

The Directors take active part in the deliberations at the Board and Committee Meetings by providing valuable guidance and advice to the Management on various aspects of business, policy direction, governance, compliance, etc. and play a critical role on strategic issues and add value in the decision-making process of the Board of Directors.

The maximum tenure of Independent Directors is in compliance with the Act and the Listing Regulations. All the Independent Directors have confirmed that they meet the criteria as mentioned in Regulation 16(1)(b) of the Listing Regulations and section 149(6) of the Act. The Independent Directors provide an annual confirmation that they meet the criteria of Independence. Based on the confirmations/disclosures received from the Independent Directors, the Board is of the opinion that the Independent Directors fulfil the conditions specified in the Listing Regulations and are Independent of the Management. There are no inter-se relationships between the Directors of the Company.

As of December 31, 2022, none of the Directors of the Company hold shares or convertible instruments in the Company.

The Company has obtained a certificate from M/s. MMJB & Associates LLP, Company Secretaries, confirming that none of the Directors on Board of the Company are debarred or disqualified from being appointed or continuing as Director of the Company by the Securities and Exchange Board of India (SEBI) and Ministry of Corporate Affairs or any such authority. The certificate forms part of this Report.

Composition and Directorship(s) / Committee Membership(s) / Chairmanship(s) and number of other Board and Committees as on December 31, 2022 are given below:

Name of the Director	Category	No. of Directorships / Committee Memberships / Chairmanships (Including Sanofi India Limited) as on December 31, 2022			
		Directorships ⁽¹⁾ under Section 165		Committee Memberships ⁽²⁾	Committee Chairmanships ⁽²⁾
		Public Companies			
		Listed	Unlisted		
Mr. Aditya Narayan	Non-Executive Independent Director and Chairman	1	-	-	-
Mrs. Usha Thorat	Non-Executive Independent Director	1	-	1	1
Mr. Rahul Bhatnagar ⁽³⁾	Non-Executive Independent Director	3	1	4	3
Mr. Marc-Antoine Lucchini	Non-Executive Director	1	-	-	-
Ms. Annapurna Das ⁽⁴⁾	Non-Executive Director	1	-	1	-
Mr. Rodolfo Hrosz ⁽⁵⁾	Managing Director	1	1	1	-
Mr. Cherian Mathew	Whole-time Director	1	-	-	-
Mr. Vaibhav Karandikar	Whole-time Director and Chief Financial Officer	1	-	1	-

Notes:

- Excluding Private Limited Companies, Foreign Companies, Section 8 Companies and Alternate Directorships.
- Membership or Chairmanship in Audit Committee and Stakeholder Relationship Committee of all public limited companies as on December 31, 2022, whether listed or not, including Sanofi India Limited.
- As on December 31, 2022, no Director, other than Mr. Rahul Bhatnagar holds position of an Independent Director in any other listed company. Mr. Rahul Bhatnagar is also an Independent Director of Rossell India Limited and Whirlpool of India Limited.
- Ms. Annapurna Das was appointed as a Non-Executive Non Independent Director w.e.f. November 3, 2022.
- Mr. Rodolfo Hrosz was appointed as Managing Director w.e.f. June 1, 2022.
- The number of Directorship(s), Committee Membership(s) / Chairmanship(s) of all Directors is within respective limits prescribed under the Act and Listing Regulations as amended from time to time.

Board Meetings

During the year ended December 31, 2022, 9 (Nine) Board Meetings were held on the following dates through video-conferencing / other Audio-visual means:

January 13, 2022, February 23, 2022, March 3, 2022, April 18, 2022, April 26, 2022, April 27, 2022, July 26, 2022, November 1, 2022 and November 3, 2022.

Attendance details of each Director at the Board Meetings held during the Financial Year ended December 31, 2022 and the last Annual General Meeting are given below:

Name of the Director	No. of Board Meetings held during the tenure of the Director	No. of Board Meetings attended	Attendance at last AGM held on April 26, 2022
Mr. Aditya Narayan	9	9	Yes
Mrs. Usha Thorat	9	9	Yes
Mr. Rahul Bhatnagar	9	9	Yes
Mr. Marc-Antoine Lucchini	9	7	Yes
Mr. Charles Billard*	9	7	Yes
Ms. Annapurna Das**	-	-	No
Mr. Rajaram Narayanan***	3	3	No
Mr. Rodolfo Hrosz [#]	3	3	[#] Yes
Mr. Cherian Mathew	9	8	Yes
Mr. Vaibhav Karandikar	9	9	Yes

* Resigned as Non-Executive Non Independent Director w.e.f. the close of business hours on November 3, 2022.

** Ms. Annapurna Das was appointed as a Non-Executive Non Independent Director w.e.f. November 3, 2022.

*** Resigned as Managing Director w.e.f. April 10, 2022.

[#] Mr. Rodolfo Hrosz was appointed as Managing Director w.e.f. June 1, 2022 and had attended the last AGM as an Invitee.

The Chairpersons of the Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee were present at the last Annual General Meeting.

Board processes:

1. A detailed agenda, setting out the business to be transacted at the meeting(s), supported by detailed notes and presentations, if any, is sent to each Director at least seven days before the date of the Board Meeting(s) and of the Committee meeting(s) except where meetings have been convened at a shorter notice to transact urgent business.
2. The Directors are provided with the VC facility to participate in the meetings of the Board and of Committees. The Directors participated in the Meeting of the Board and Committees through VC facility / physically.
3. All material information is circulated to the Directors before the meeting, including minimum information required to be made available to the Board as prescribed under Part A of Schedule II of the Listing Regulations. The Board also, *inter-alia*, periodically reviews strategy and business plans, annual operating and capital expenditure budget(s), investment(s), compliance reports of applicable laws, as well as steps taken by your Company to rectify instances of non-compliances, if any, minutes of the Committees of the Board, approval of quarterly / half-yearly / annual results, updates on labour issues, safety and risk management, transactions pertaining to purchase / disposal of property(ies), divestments, etc.
4. The Company has well-established framework for the meetings of the Board and its Committees to enable decision making process at the meetings in an informed and efficient manner. The Directors have unrestricted access to all the information pertaining to the Company.
5. The Board has constituted Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders Relationship Committee and the Risk Management Committee. Each of the Committees deal with matters as mandated by the statutory regulations and play a very crucial role in the overall governance structure. All the Committees have specific terms of reference approved by the Board which outlines the composition, scope, powers & duties and responsibilities. At each Board meeting, the Chairperson of respective Committees briefs the Board on matters discussed by the Committee at their respective meetings. The minutes of the meeting of all Committees are placed before the Board for review. During the year, all recommendations of the Committees of the Board which were mandatorily required have been accepted by the Board.
6. The Company Secretary attends the meetings of the Board and its Committees and is, *inter-alia*, responsible for recording the minutes of such meetings. The draft minutes of the Board and its Committees are sent

to the Chairpersons and Members for their comments in accordance with the Secretarial Standards. The Company adheres to the provisions of the Act, Secretarial Standards and Listing Regulations with respect to convening and holding the meetings of the Board of Directors, its Committees and the General Meetings of the members of the Company.

Meeting of the Independent Directors:

The Independent Directors of the Company meet without the presence of the Executive Directors and other Non-Executive Director or any other Management Personnel. These Meetings are conducted to enable the Independent Directors to, *inter-alia*, discuss matters pertaining to review of performance of Executive and Non-Independent Directors and the Board of Directors as a whole, assess the quality, quantity, and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to perform their duties effectively. During the year ended December 31, 2022, the Independent Directors met once on February 22, 2022. Mr. Aditya Narayanan Chaired the meeting.

Familiarization Programme for Directors:

Familiarization Programmes are conducted for Independent Directors to enable them to understand their roles, rights and responsibilities. Presentations are also made at the Board meetings which facilitates them to clearly understand the business of the Company and the environment in which the Company operates. Regulatory updates are provided with necessary documents required for them to have a good understanding of Company's operations, businesses and the industry as a whole. Further, they are periodically updated on material changes in regulatory framework and its impact on the Company. When a Director is inducted on the Board, a detailed induction program is conducted including organization structure, ethics and compliance practices, key therapies and products in which the Company operates, human resources overview like talent acquisition initiatives, performance management, succession planning, Company policies, etc.

The details of such familiarization programmes for Independent Director(s) are put up on the website of the Company and can be accessed through the following link: <https://www.sanofiindia.com/en/investors/corporate-policies>.

Committees of the Board:**Audit Committee**

The Audit Committee comprises of three Directors of which, two Independent Directors and one Non-Executive / Non-Independent Director, with the Chairperson being an Independent Director. All the members of the Committee have relevant accounting or related financial management expertise.

The terms of reference of the Audit Committee are wide and cover all the matters specified for Audit Committee under Regulation 18 read with Part C of Schedule II to the Listing Regulations and the Act.

The terms of reference of the Audit Committee include *inter-alia*, overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible; reviewing and examining with management the quarterly and annual financial results and the auditors' report thereon before submission to the Board for approval; reviewing management discussion and analysis of financial condition and results of operations; reviewing, approving or subsequently modifying any related party transactions in accordance with the Company's policy on Related Party Transaction; recommending the appointment, remuneration and terms of appointment of Statutory Auditors of the Company and approval for payment of any other services; reviewing and monitoring the auditor's independence and performance and effectiveness of audit process; reviewing management letters / letters of internal control weaknesses issued by the Statutory Auditors; reviewing with management, Statutory Auditors and Internal Auditor, the adequacy of internal control systems; reviewing the adequacy of internal audit function and discussing with Internal Auditor any significant finding and reviewing the progress of corrective actions on such issues; evaluating internal financial controls and risk management systems; reviewing the functioning of the Code of the Company and Whistle-Blowing Mechanism; and review of internal controls pertaining to compliances under the Insider Trading Regulations.

In addition to quarterly meetings for consideration of financial results, special meetings of the Audit Committee are convened for approving related party transactions, valuation reports of assets/ businesses, risk assessment, controls and internal audit and control reports pertaining to the Company.

The meetings of the Audit Committee are also attended by the Head of Accounts, the Statutory Auditors, the Internal Auditors and the Company Secretary. The Audit Committee meets the Statutory Auditors in absence of the Management.

During the year, the Audit Committee was re-constituted due to resignation of Mr. Charles Billard and appointment Ms. Annapurna Das, as a Member with effect from November 3, 2022.

During the year ended December 31, 2022, 6 (Six) Audit Committee meetings were held on February 1, 2022, February 22, 2022, April 25, 2022, July 25, 2022, November 2, 2022 and December 15, 2022.

The constitution of the Audit Committee and attendance details during the Financial Year ended December 31, 2022, are given below:

Name of the Director	Category	No. of Committee Meetings held during the tenure of the Director	No. of Committee Meetings attended
Mrs. Usha Thorat	Chairperson of the Committee, Independent Director	6	6
Mr. Rahul Bhatnagar	Member, Independent Director	6	6
Mr. Charles Billard*	Member, Non-Executive Director	6	4
Ms. Annapurna Das**	Member, Non-Executive Director	1	1

* Resigned as Non-Executive Non Independent Director w.e.f. the close of business hours on November 3, 2022 and accordingly ceased to be a Member as on said date.

** Ms. Annapurna Das was appointed as a Non-Executive Non Independent Director and a Member w.e.f. November 3, 2022

The Company Secretary acts as Secretary to the Committee.

Nomination and Remuneration Committee

The Nomination & Remuneration Committee comprises of three Directors of which, two Independent Directors and one Non-Executive / Non-Independent Director, with the Chairperson being an Independent Director.

The terms of reference of the Committee are in line with the requirements of Regulation 19 read with Part D of Schedule II to the Listing Regulations and the which Act include:

1. Formulate and recommend Nomination and Remuneration Policy to the Board
2. For every appointment of an Independent Director, the Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - a) use the services of an external agencies, if required;
 - b) consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c) consider the time commitments of the candidates

3. Identify the candidates who are qualified to become Directors
4. Identify the persons who are qualified to become Senior Management as per the Nomination and Remuneration Policy
5. Recommend to the Board the appointment and removal of the Directors and Senior Management
6. Review and approve the remuneration policies and annual payments to Directors; make sure that the remuneration to Senior Management and other employees are as per the remuneration policy
7. Recommend to the Board, all remuneration, in whatever form, payable to Senior Management
8. Lay down the process for evaluation of the performance of Board, its Committees and individual Director and review its implementation and compliance
9. Devise and review Board Diversity Policy
10. Review the succession policies and plans for Directors and Senior Management
11. Decide whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.

During the year ended December 31, 2022, 5 (Five) Nomination and Remuneration Committee Meetings were held on January 13, 2022, February 23, 2023, March 3, 2022, April 18, 2022 and November 3, 2022.

The constitution of the Nomination and Remuneration Committee and attendance details during the financial year ended December 31, 2022, are given below:

Name of the Director	Category	No. of Committee Meetings held during the tenure of the Director	No. of Committee Meetings attended
Mrs. Usha Thorat	Chairperson of the Committee, Independent Director	5	5
Mr. Rahul Bhatnagar	Member, Independent Director	5	5
Mr. Marc-Antoine Lucchini	Member, Non-Executive Director	5	4

The Company Secretary acts as Secretary to the Committee.

Nomination and Remuneration Policy

The Nomination and Remuneration Policy of the Company is performance driven and is designed to motivate

employees, recognize their achievements, and promote excellence in performance.

During the year under review, the Board amended the Nomination and Remuneration Policy to include the Company's Leadership Competency Framework. The policy was also revised to explain the variable pay including the Long-term incentive and the Short-term Incentive Policy of the Company. Overall the policy provides guidance on:

- (1) Selection and nomination of Directors to the Board of the Company;
- (2) Appointment of the Senior Management Personnel of the Company; and
- (3) Remuneration of Directors, Key Management Personnel and other employees.

The Policy is available on Company's website at <https://www.sanofiindia.com/en/investors/corporate-policies>

Board Selection Criteria / list of core skills / expertise / competencies identified in the context of the business:

The Nomination and Remuneration Committee has approved the Nomination and Remuneration Policy which sets out criteria for inducting Board members:

- The candidate shall have appropriate skills and experience in one or more fields of management, sales, marketing, medical, finance, HR, law, public administrative services, research, corporate governance, technical operations or any other disciplines related to the Company's business.
- The Committee shall keep Board diversity policy in mind while recommending a candidate for appointment as Director
- The number of companies in which the candidate holds directorship should not exceed the number prescribed under Companies Act, 2013 or under the Listing Regulations requirement
- The candidate should not hold Directorship in any of the competitor companies and should not have any conflict of interest with the Company.
- The candidate proposed to be appointed as Independent Director, should not have any direct or indirect material pecuniary relationship with the Company and must satisfy the requirements imposed under Act or under the Listing Regulations requirement.
- The candidate should also have the ability to exercise sound business judgment, demonstrate leadership or prominence in a specified field, willingness to devote the required time and possess integrity and moral reputation

In terms of requirement of Listing Regulations, the Board has identified the following skills / expertise / competencies of the Directors as given below:

Skills & Description



Strategy Development and Insight:

Developing long-term strategies to sustainably grow business, profitably and competitively, in a highly regulated and fast changing environment.



Business Leadership and management:

Leading complex organizations with understanding of changes in external environment, business development and competitive landscape. All Directors have these competencies.



Pharma Business:

Expertise on pharma business matters including unmet medical needs of patients / healthcare systems / healthcare professionals, competitive landscape in pharma business, pharma regulations, emerging business opportunities and risks.



Finance and Accounts:

Understanding of accounting and financial statements.



Governance, Risk and Compliance:

Understanding of the governance principles, Board accountability, internal control and regulatory environment, risk management in a large complex organization and emerging local and global trends.

Mr. Aditya Narayan



Mrs. Usha Thorat



Mr. Rahul Bhatnagar



Mr. Marc-Antoine Lucchini



Ms. Annapurna Das



Mr. Rodolfo Hrosz



Mr. Cherian Mathew



Mr. Vaibhav Karandikar



Remuneration to Executive Directors

The Nomination and Remuneration Committee recommends to the Board the remuneration payable to the Managing Director, Whole-time Directors and the Key Managerial Personnel. The elements of remuneration package include salary, benefits, retinals, performance linked incentives, etc. and is decided based on the performance, Company policy and benchmarks.

Annual increments are recommended by the Nomination and Remuneration Committee to the Board for approval within the salary range approved by the Shareholders and in line with the Nomination and Remuneration Policy. The Executive Directors are entitled to Performance Linked Incentives with target payouts fixed and payout ranges of 0% to 200% of the target amounts to be paid at the end of the financial year as may be determined by the Board and are based on certain pre-agreed performance parameters.

The details of remuneration paid to the Managing Director and the Whole-time Directors during the Financial Year ended December 31, 2022 are given below:

Name of the Executive Director	Salary and Allowances (₹ million)	Perquisites and Allowances as per Income Tax Rules (₹ million)	Company's contribution to the Funds	Performance Linked Incentive (₹ million)	Total (₹ million)	Contract Period
Mr. Rajaram Narayanan*	17.34	1.31	0.96	13.17	32.78	Not Applicable as ceased to be a Director
Mr. Rodolfo Hrosz**	12.82	4.19	0.84	**	17.85	3 years w.e.f June 1, 2022
Mr. Cherian Mathew	18.93	0.24	1.86	5.49	26.52	5 years w.e.f July 29, 2019
Mr. Vaibhav Karandikar	12.35	0.47	2.22	4.92	19.96	5 years w.e.f February 23, 2021

* Mr. Rajaram Narayanan ceased to be the Managing Director with effect from close of business hours of April 10, 2022.

** Mr. Rodolfo Hrosz was appointed as Managing Director w.e.f. June 1, 2022, Performance Linked Incentive not applicable as he was managing Director for part of the Financial Year 2022.

Notes:

- Except for Mr. Rajaram Narayanan, the above excludes provision for leave encashment, gratuity, long service award and pension which are determined on the basis of actuarial valuation done on an overall basis for the Company.
- Notice period applicable to each of the Whole-time Directors is three months. The Whole-time Directors are not entitled to any severance pay on termination of their respective contract.

The Company does not have a scheme for grant of stock options. However, the Managing Director and the Whole-time Directors and few Senior Executives of the Company are granted stock options / performance shares of the ultimate holding company, Sanofi.

The amounts accrued in the financial statements for the year ended December 31, 2022 for stock options / performance shares granted to Mr. Rodolfo Hrosz, Mr. Cherian Mathew and Mr. Vaibhav Karandikar are ₹ 6 Million, ₹ 6 Million and ₹ 4 Million respectively.

Remuneration to Non-Executive Directors

The Non-Executive Directors are paid remuneration in the form of Sitting fees and Commission. During the year, there were no pecuniary relationships or transactions between the Company and any of its Non-Executive Directors apart from Sitting fees and Commission.

Non-Executive Directors who are employees of Sanofi group do not receive any Sitting fees or Commission from the Company. Independent Directors are paid Sitting fees for attending Board and Committee Meetings.

Pursuant to the approval of the Members at the Annual General Meeting of the Company held on May 7, 2019, the Independent Directors also receive Commission on the net profits of the Company, as may be determined by the Board from time to time, subject to a ceiling of one per cent of the net profits of the Company.

The Sitting fees paid and Commission payable to such Directors for the Financial Year ended December 31, 2022 is given below:

Name of the Director	Sitting Fees paid (₹ million)	Commission Payable (₹ million)	Total (₹ million)
Mr. Aditya Narayan (Chairman)	0.95	2.34	3.29
Mrs. Usha Thorat	1.81	1.20	3.01
Mr. Rahul Bhatnagar	2.05	1.20	3.25

Performance Evaluation of the Board / Committees / Directors:

The Company follows a structured assessment process for evaluation of performance of the Board, Committees of the Board and individual performance of each Director including the Chairman based on the criteria approved by the Nomination and Remuneration Committee. The Chairman of the Board leads the exercise of the Performance Evaluation with the Company Secretary, assisting him.

The evaluation is based on parameters like level of participation of the Directors, understanding of the roles and responsibilities of Directors, understanding of the business and competitive environment in which the Company operates, understanding of the strategic issues and challenges for the Company, etc. The performance



of the Independent Directors is also evaluated taking into account the time devoted, strategic guidance to the Company, advice given for determining important policies, external expertise provided and independent judgment that contributes objectively to the Board's deliberation.

The performance evaluation of the Board is carried out taking into account the various parameters like composition of Board, process of appointment to the Board, common understanding amongst Directors of their role and responsibilities, timelines and content of Board papers, strategic directions, advice and decision making, etc. The Board also notes the actions undertaken, pursuant to the outcome of previous evaluation exercises. Each Committee's self-assessment is carried out based on the degree of fulfillment of the key responsibilities as outlined by its terms of reference.

For the year ended December 31, 2022, evaluation forms were circulated to the Board Members. Each Director completes the evaluation form and shares feedback. The feedback scores as well as qualitative comments are then shared with the Nomination and Remuneration Committee and presented by the Chairman to the Board. The feedback on Committee Evaluation is shared by the Committee Chairperson with the Committee Members. Nomination and Remuneration Committee is convened to discuss the outcome of Performance evaluation exercise. The Chairman of the Board and the Chairperson of the Nomination and Remuneration Committee briefs the Board on the overall outcome.

The evaluation of individual Directors is on parameters such as attendance, contribution and independent judgement.

During the year, Board evaluation exercise was completed by the Company internally which included the evaluation of the Board as a whole, Board Committees and Peer evaluation of the Directors. The outcome and action points were discussed by the Board in February 2023. The Board agreed to focus on areas of succession planning for key roles and implementation of strategic initiatives as part of the outcome of Board evaluation for the year 2022.

Stakeholders Relationship Committee

The role of the Stakeholders Relationship Committee includes:

- Resolving the grievances of security holders of the Company.
- Reviewing the measures taken for effective exercise of voting rights by shareholders.
- Reviewing of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent (RTA).
- Reviewing various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend

warrants / annual reports / statutory notices by the shareholders of the Company.

During the year ended December 31, 2022, 2 (Two) Stakeholders Relationship Committee Meeting were held on July 5, 2022 and November 2, 2022. The composition of the Committee was also changed twice when Mr. Rajaram Narayan ceased to be the Managing Director and Member. Mr. Mathew Cherian, Whole-time Director was appointed as a Member of the Committee for the period April 10, 2022 to June 1, 2022. At the Board meeting held on April 18, 2022, Mr. Rodolfo Hrosz, Managing Director was appointed as a Member of the Stakeholders Relationship Committee with effect from June 1, 2022.

Constitution of the Stakeholders Relationship Committee and attendance details during the Financial Year ended December 31, 2022, are given below:

Name of the Director	Category	No. of Committee Meetings held during the tenure of the Director	No. of Committee Meetings attended
Mr. Rahul Bhatnagar	Chairman of the Committee, Independent Director	2	2
Mr. Rajaram Narayanan*	Member, Managing Director	Nil	Nil
Mr. Mathew Cherian**	Member, Whole-time Director	Nil	Nil
Mr. Rodolfo Hrosz***	Member, Managing Director	2	2
Mr. Vaibhav Karandikar	Member, Whole-time Director	2	2

* Mr. Rajaram Narayanan ceased to be the Managing Director with effect from close of business hours of April 10, 2022 and accordingly ceased to be a Member as on said date.

** From April 10, 2022 to June 1, 2022.

*** Mr. Rodolfo Hrosz was appointed as Managing Director and Member w.e.f. June 1, 2022.

Ms. Radhika Shah, Company Secretary of the Company acts as the Secretary and Compliance Officer to the meetings of the Stakeholders Relationship Committee.

During the Financial Year, 28 (Twenty-Eight) complaints were received from Shareholders. All these were attended / resolved and there were no pending complaints from Shareholders as on December 31, 2022.

Corporate Social Responsibility (CSR) Committee

The CSR Committee provides guidance on various CSR activities to be undertaken by the Company and monitors its progress.

The terms of reference for the CSR Committee include:

- Formulate, review, amend and recommend CSR Policy to the Board for approval

2. Review the Annual CSR action plan and the CSR budget and give recommendations to the Board for its approvals
3. Monitor the CSR programs from time to time as per CSR Policy, provide update to the Board to help Board in monitoring the implementation of CSR programs
4. Review the impact assessments on CSR programs and provide update to the Board as part of the CSR Report.

During the year ended December 31, 2022, 3 (Three) CSR Committee Meetings were held on February 8, 2022, July 25, 2022 and November 3, 2022. The composition of the Committee was also changed twice when Mr. Rajaram Narayan ceased to be the Managing Director and Member. Mr. Mathew Cherian, Whole-time Director was appointed as a Member of the Committee for the period April 10, 2022 to June 1, 2022. At the Board meeting held on April 18, 2022, Mr. Rodolfo Hrosz, Managing Director was appointed as a Member of the Corporate Social Responsibility Committee with effect from June 1, 2022.

The constitution of the CSR Committee and attendance details during the Financial Year ended December 31, 2022 are given below:

Name of the Director	Category	No. of Committee Meetings held during the tenure of the Director	No. of Committee Meetings attended
Mr. Rahul Bhatnagar	Chairman of the Committee, Independent Director	3	3
Mrs. Usha Thorat	Member, Independent Director	3	3
Mr. Rajaram Narayanan*	Member, Managing Director	1	1
Mr. Vaibhav Karandikar **	Member, Whole-time Director and Chief Financial Officer	Nil	Nil
Mr. Rodolfo Hrosz***	Member, Managing Director	2	2

* Mr. Rajaram Narayanan ceased to be the Managing Director with effect from close of business hours of April 10, 2022 and accordingly ceased to be a Member as on said date.

** From April 10, 2022 to June 1, 2022.

*** Mr. Rodolfo Hrosz was appointed as Managing Director and Member w.e.f. June 1, 2022.

The Company Secretary acts as Secretary to the Committee.

Details on the CSR activities forms part of the Directors' Report.

Risk Management Committee

The role of Risk Management Committee includes the implementation of Risk Management Systems and Framework, review the Company's financial and risk management policies, assess risk and procedures to minimize the same.

The terms of reference of the Risk Management Committee are in line with the requirements of Regulation 21(4) read with Part D of Schedule II to the Listing Regulations and the Act which include:

1. Formulate a detailed risk management policy which shall include:
 - a) A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - b) Measures for risk mitigation including systems and processes for internal control of identified risks.
 - c) Business continuity plan.
2. Ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. Monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. Periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. Keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6. Review appointment, removal and terms of remuneration of the Chief Risk Officer (if any).

During the year ended December 31, 2022, 3 (Three) Risk Management Committee Meetings were held on February 8, 2022, July 5, 2022 and November 2, 2022. The Risk Management policy was amended during the year to include the revised governance and focus on Risk management in the Company. The details of the governance and process followed is covered in the Governance chapter of the Integrated Annual Report.

The composition of the Committee was changed when Mr. Rajaram Narayan ceased to be the Managing Director and Member. Mr. Rodolfo Hrosz, Managing Director was appointed as a Member of the Committee with effect from June 1, 2022.

The constitution of the Risk Management Committee and attendance details during the Financial Year ended December 31, 2022 are given below:

Name of the Director	Category	No. of Committee Meetings held during the tenure of the Director	No. of Committee Meetings attended
Mr. Rahul Bhatnagar	Chairman of the Committee, Independent Director	3	3
Mr. Rajaram Narayanan*	Member, Managing Director	1	1
Mr. Rodolfo Hrosz**	Member, Managing Director	2	2
Mr. Cherian Mathew	Member, Whole-time Director	3	3
Mr. Vaibhav Karandikar	Member, Whole-time Director and Chief Financial Officer	3	3

* Mr. Rajaram Narayanan ceased to be the Managing Director with effect from close of business hours of April 10, 2022 and accordingly ceased to be a Member as on said date.

** Mr. Rodolfo Hrosz was appointed as Managing Director and Member w.e.f. June 1, 2022.

Code of Conduct and Business Ethics

The Company has adopted a Code of Conduct and Business Ethics for Directors and Senior Management of the Company, as required under Regulation 17(5)(a) of the Listing Regulations. The Company has received confirmations from the Directors and Senior Management regarding compliance with the Code for the year ended December 31, 2022.

A certificate from the Managing Director to this effect is attached to this Report.

The Code has been displayed on the Company's website at <https://www.sanofiindia.com/en/investors/corporate-policies>.

Whistle Blower Policy

The Vigil Mechanism as envisaged in the Act and the Rules prescribed thereunder and the Listing Regulations is implemented through the Code of Conduct, Whistleblower and other Governance Policies of the Company. Sanofi's Code of Conduct ([Code of Conduct | Sanofi](#)) lays out the defining principles of highest ethical standards. Sanofi employees are trained to use the Code of Conduct as a part of their day-to-day functional responsibilities. The Company has established a 24x7 Compliance Helpline which can be accessed through Toll Free Number 0008004401286, or through webpage: [EthicsPoint - Sanofi-Aventis Group](#) where employees can report incidents with complete anonymity.

Besides this, the Company's Whistleblower policy also provides option to employees to raise concerns directly to Chairperson of Audit Committee via email to chairman.silauditcommittee@sanofi.com.

As required under Listing Regulations, the Company has a Whistle Blower Policy which has been displayed on its website at <https://www.sanofiindia.com/en/investors/corporate-policies>.

No personnel have been denied access to the Audit Committee.

Code of Conduct for Prevention of Insider Trading

As required by the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted Sanofi India Limited - Code of Conduct to Regulate, Monitor and Report Trading by Insiders. The Company Secretary acts as the Compliance Officer.

The Code of Conduct is applicable to all Directors and designated persons of the Company who are expected to have access to unpublished price sensitive information relating to the Company. The Code of Conduct lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with securities of the Company and cautions them of the consequences of violations.

Related Party Transactions

During the year under review, there were no material transactions or arrangements entered into between the Company and its Promoters, Directors or their Relatives or the Management, Subsidiaries, etc. that may have potential conflict with the interests of the Company at large.

All the Related Party Transactions were in the ordinary course of business and at arm's length, approved by the Audit Committee and Board in line with the Company's policy on Related Party Transactions. Policy on transactions with related parties has been displayed on the Company's website at <https://www.sanofiindia.com/en/investors/corporate-policies>. The Audit Committee has granted omnibus approval for related party transactions in the ordinary course of business. The same are reviewed on a quarterly basis by the Audit Committee. Transactions with related parties, including the promoter / promoter group which hold(s) more than 10% shareholding in the Company, have been disclosed in the Annual Accounts. All Material Related Party Transactions defined as per the Listing Regulations were approved by the shareholders of the Company.

The details of related party transactions are presented in Note No. 40 to Annual Accounts in the Annual Report.

In addition, as per the Listing Regulations, your Company has also submitted within 15 days from the date of publication of financial results for the half year, disclosures of related party transactions, in the format specified in the relevant accounting standards for annual results and same is also available on the website of the Company at <https://www.sanofiindia.com/en/investors/disclosures/other-disclosures>

General Body Meetings

The last three Annual General Meetings were held as under:

Financial Year	Date	Time	Location
January – December 2019	July 7, 2020	3:00 p.m.	At Registered Office - through Video Conferencing facility
January – December 2020	April 27, 2021	3:00 p.m.	At Registered Office - through Video Conferencing facility
January – December 2021	April 26, 2022	3:00 p.m.	At Registered Office - through Video Conferencing facility

All the resolutions set out in the respective Notices were passed by the Shareholders.

During the previous three Annual General Meetings, following resolutions were passed as Special Resolutions:

AGM Date	Special Resolutions
July 7, 2020	None
April 27, 2021	Re-appointment of Mr. Aditya Narayan as Independent Director for a second term of five consecutive years from April 30, 2021 to April 29, 2026. Re-appointment of Ms. Usha Thorat as Independent Director for a second term of five consecutive years from April 30, 2021 to April 29, 2026.
April 26, 2022	None

Postal Ballot

During the Financial Year 2022, the following Ordinary Resolutions were passed by the Company through Postal Ballot by way of remote of e-voting:

Sr. No.	Resolution	Votes in favour of the resolution (%)	Votes against the resolution (%)
1.	Approval for Material Related Party Transaction(s) with Sanofi Healthcare India Private Limited	99.99	0.01
2.	Appointment of Mr. Rodolfo Hrosz (DIN : 09609832) as Director	98.79	1.21
3.	Appointment of Mr. Rodolfo Hrosz (DIN : 09609832) as Managing Director	91.05	8.95
4.	Appointment of Ms. Annapurna Das (DIN: 08634664) as a Non-Executive (Non-Independent) Director	99.13	0.87

Procedure for Postal ballot

The Company had issued Postal Ballot Notice dated February 14, 2022, April 26, 2022 and November 3, 2022 to the Members, seeking their consent with respect to the aforesaid resolutions.

The Postal Ballots were conducted in compliance with Section 108 and 110 of the Act, read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations and in accordance with the guidelines prescribed by the Ministry of Corporate Affairs for holding General Meetings / conducting Postal Ballot process, vide General Circulars Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 10/2021 dated June 23, 2021, 20/2021 dated December 8, 2021 and 3/2022 dated May 5, 2022.

The consolidated results of the voting by Postal Ballots and e-voting along with the Scrutinizer's Report was intimated to BSE Limited and National Stock Exchange of India Limited where the Equity Shares of the Company are listed. Additionally, the results were uploaded on the Company's website and on the website of National Securities Depository Limited.

No Special Resolution is proposed to be conducted through Postal Ballot as on the date of this Integrated Annual Report.

Means of Communication

Quarterly, Half-Yearly and Annual Results of the Company are published in newspapers, Business Standard and Sakal. These results are promptly submitted to the Stock Exchanges facilitating them to display the same on their website.

The Company's results and press releases are available on the Company's website at <https://www.sanofiindia.com/en/investors/financial-results/financial-results-2022>

During the year, the Company held an Investor Call on March 2, 2022 to discuss the performance of the Company for the financial year 2021.

Management Discussion and Analysis Report forms part of this Annual Report.

General Shareholder Information

AGM Date, Time and Venue:	Thursday, May 11, 2023 at 3:00 p.m. through Video Conferencing facility
Financial Year:	January to December
First Quarter Results:	1st Fortnight of May, 2023
Half Yearly Results:	1st Fortnight of August, 2023
Third Quarter Results:	1st Fortnight of November, 2023
Fourth Quarter and Annual Results:	2nd Fortnight of February, 2024
Dates of Book Closure:	Saturday, April 29, 2023 to Thursday, May 11, 2023 (both days inclusive)
Dividend payment date:	On or after May 22, 2023, if declared at ensuing Annual General Meeting scheduled on Thursday, May 11, 2023.
Listing on Stock Exchanges:	The Company's Shares are listed on the Stock Exchanges mentioned below and accordingly the Company has paid the Listing Fees to them for the Financial Year 2022. BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001. National Stock Exchange of India (NSE) C-1, Block G, Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051.
Stock Code:	500674 on BSE and SANOFI on NSE
ISIN Number for NSDL & CDSL:	INE058A01010

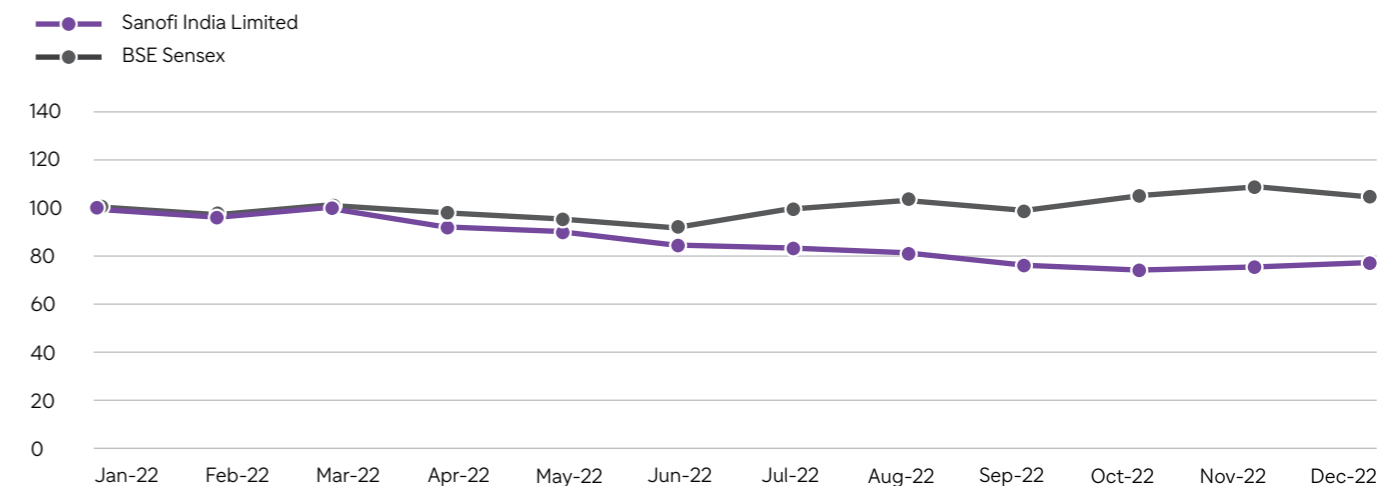
Market Price Data

High / Low during each month in the Financial Year 2022. Share Price on BSE and NSE (Face Value ₹ 10 each)

Months	BSE		NSE	
	High ₹	Low ₹	High ₹	Low ₹
Jan-22	7,897.10	6,949.35	7,899.00	6,945.00
Feb-22	7,670.00	7,074.50	7,599.95	7,068.70
Mar-22	7,726.50	7,010.00	7,725.00	7,003.10
Apr-22	7,938.90	6,950.00	7,929.45	6,951.00
May-22	7,018.40	6,320.70	7,010.00	6,351.00
Jun-22	7,020.00	6,351.00	7,035.95	6,352.00
Jul-22	6,900.00	6,328.00	6,889.95	6,328.00
Aug-22	6,645.35	6,130.00	6,633.00	6,130.00
Sep-22	6,196.15	5,751.05	6,198.70	5,757.85
Oct-22	6,051.25	5,520.00	6,050.00	5,520.00
Nov-22	5,734.00	5,454.10	5,735.00	5,454.00
Dec-22	5,995.00	5,656.55	5,947.80	5,652.00

(Source: Websites of BSE and NSE)

Stock Performance in comparison to BSE Sensex



Note: The monthly closing prices of the BSE Sensex and Sanofi equity shares have been indexed to 100 as on January 1, 2022.

Registrar and Share Transfer Agents

Link Intime India Pvt. Ltd.,
C-101, 247 Park, L. B. S. Marg,
Vikhroli West, Mumbai 400083.
Contact person: Ms. Sujata Poojary
Telephone No.: 810 811 6767
Fax No.: (022) 49186060
Email: rnt.helpdesk@linkintime.co.in

Share Transfer System

The Board has delegated the authority for approving transfer, transmission, issue of duplicate shares, name deletion and such other related matters to the Share Transfer Committee.

During the year, all share transmission, issue of duplicate shares, name deletion and such other related matters were approved by the Share Transfer Committee within prescribed timelines. There is no set frequency of the Share Transfer Committee meetings and transactions are approved as and when received.

A summary of transactions so approved by the Committee is placed at the Board Meeting held quarterly. The Company obtains a certificate from Practicing Company Secretaries as per the requirement of Regulation 40(9) of Listing Regulations and same is filed with the Stock Exchanges.

Transfer of shares to Ministry of Corporate Affairs Investor Education and Protection Fund ('IEPF') Account

Pursuant to the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and Amendment Rules 2017

notified by the Ministry of Corporate Affairs, the Company is required to transfer all shares in respect of which dividend has not been paid or claimed by the Members for seven consecutive years or more in the name of Investor Education and Protection Fund (IEPF) Suspense Account. Adhering to various requirements set out in the Rules, the Company has taken appropriate action for transferring the shares to the Demat Account opened by the IEPF Authority. The Company has also uploaded details of such Members whose shares are transferred to IEPF Suspense Account on its website at <https://www.sanofiindia.com/en/investors/transfer-of-shares-to-iepf>.

The shares transferred to IEPF Suspense Account including all benefits accruing on such shares, if any, can be claimed by the Members from IEPF Authority, after following the procedure prescribed under the Rules.

Pursuant to the provisions of Sections 124 and 125 of the Act, dividends which remain unpaid or unclaimed for a period of seven years from the date of transfer to the unpaid dividend account are required to be transferred to IEPF established by the Central Government. The details of unpaid dividend are uploaded on the website of the Company at <https://www.sanofiindia.com/en/investors/unclaimed-dividends>

Members who have not claimed their dividend for last seven years are requested to write to the Company's Registrar and Share Transfer Agents and claim their dividends. The total amount of unclaimed dividend has been disclosed in the financial statements. Members are requested to note that the unclaimed dividends will be transferred to the IEPF after the below mentioned last date of claim which has been calculated by adding 37 days and 7 years in the date of declaration:

Dividend and Year	Dividend per Share (₹)	Date of Declaration	Last Date for Claim
Final Dividend 2015	47	29-04-2016	05-06-2023
Interim Dividend 2016	18	22-07-2016	28-08-2023
Final Dividend 2016	50	05-05-2017	11-06-2024
Interim Dividend 2017	18	19-07-2017	25-08-2024
Final Dividend 2017	53	08-05-2018	14-06-2025
Interim Dividend 2018	18	25-07-2018	31-08-2025
Final Dividend 2018	66	07-05-2019	13-06-2026
Final and One Time Special Dividend 2019	349	07-07-2020	13-08-2027
Final and One Time Special Dividend 2020	365	27-04-2021	03-06-2028
Final and One Time Special Dividend 2021	490	26-04-2022	02-06-2029
Interim Dividend 2022	193	26-07-2022	01-09-2029

**Transfer of shares to Unclaimed Suspense Account**

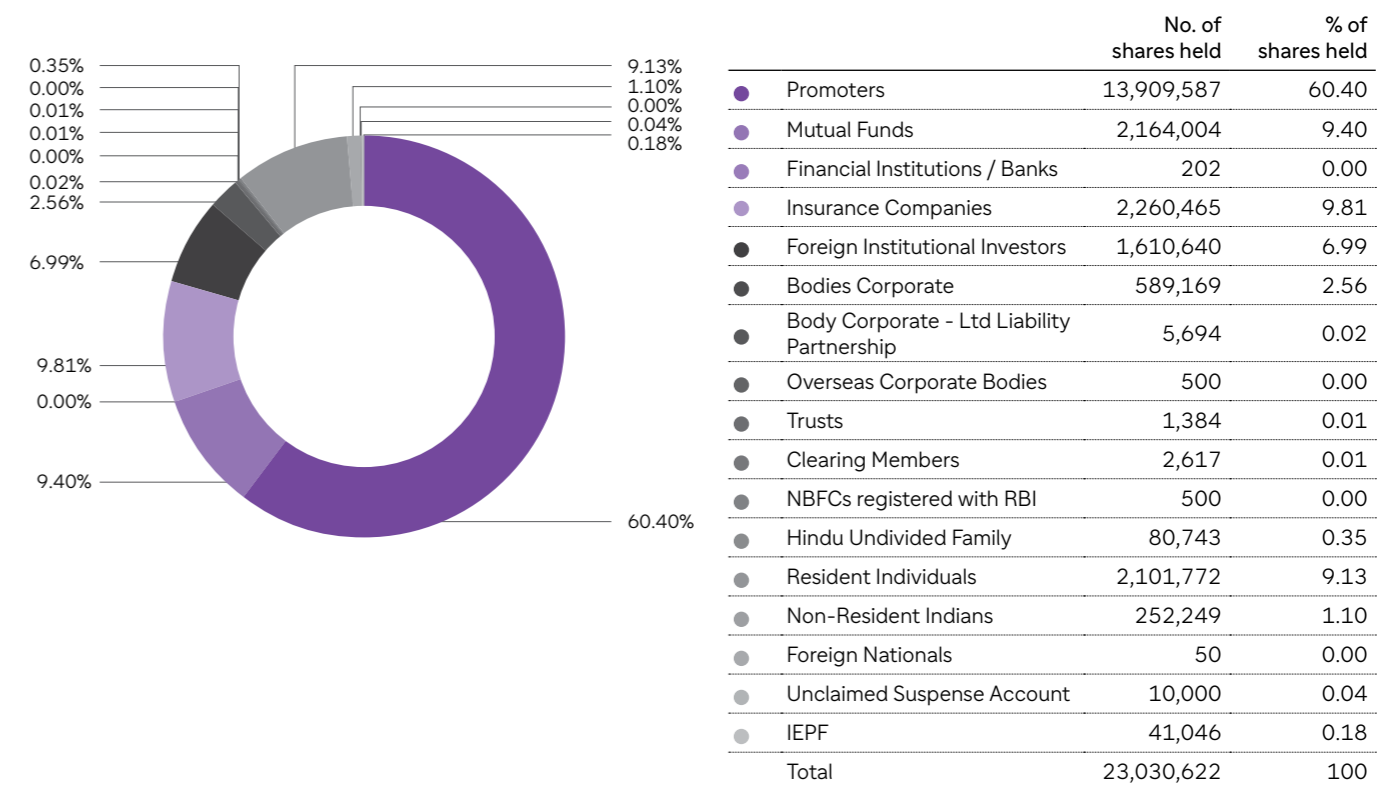
Pursuant to Regulation 39 and Schedule V and VI of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") the Company has transferred unclaimed shares in its Unclaimed Suspense Account details of which are given below:

Particulars	No. of Records	No of shareholders	No. of Equity Shares
Aggregate number of shareholders/records and the outstanding shares in the Unclaimed Suspense Account	219	204	10,950
Number of shareholders who approached the Company for transfer of shares and shares transferred from suspense account during the year	5	5	250
Number of shareholders/records whose shares were transferred from suspense account to the demat account of Investor Education and Protection Fund under the provisions of Section 124(6) of the Companies Act, 2013	10	10	700
Number of shareholders/records and aggregate number of shares transferred to the Unclaimed Suspense Account during the year	-	-	-
Aggregate number of shareholders and outstanding shares in the Unclaimed Suspense Account lying as on December 31, 2022	204	189	10,000

All Corporate benefits on such shares i.e., bonus shares, split shares etc., including dividend shall be credited to the account of the IEPF Authority. The voting rights on shares lying in the Unclaimed Suspense Account shall remain frozen till the rightful owner of such shares establishes his/her title of ownership to claim the shares.

Distribution of Shareholding as on December 31, 2022

Sr. No	Range of the number of shares	No. of Shareholders	% of Shareholders	No. of shares held	% of shareholding
1.	1 to 500	76,442	99.29	1,911,021	8.30
2.	501 to 1,000	270	0.35	196,226	0.85
3.	1,001 to 5,000	175	0.23	388,422	1.69
4.	5,001 to 10,000	26	0.03	181,208	0.79
5.	10,001 & Above	77	0.10	20,353,745	88.38
	Total	76,990	100.00	23,030,622	100.00

Shareholding Pattern as on December 31, 2022

Dematerialization of shares and liquidity

As on December 31, 2022, 99.59% of the paid-up share capital had been dematerialized.

Outstanding GDRs / ADRs / warrants or any Convertible instruments, Conversion date and likely impact on equity

There are no outstanding GDRs / ADRs / warrants or any convertible instruments as at December 31, 2022.

Commodity price risk or foreign exchange risk and hedging activities

The Company classifies this risk as market risk. This risk comprises three types of risks namely interest rate risk, currency risk and other price risk, such as commodity risk. The Company is not exposed to interest rate risk and commodity price risk.

Currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates and arises where transactions are done in foreign currencies. It arises mainly where receivables and payables exist due to transactions entered in foreign currencies. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies including use of derivatives like foreign exchange forward contracts to hedge foreign currency risk.

The exposure to currency risk is explained in detail in the notes to the financial statements.

Plant location

GIDC, Plot No. L - 121, Phase III, Verna Industrial Estate, Verna, Goa - 403722

Address for correspondence

Shareholders correspondence should be addressed to the Company's Registrar and Share Transfer Agent or contact the Company Secretary and Compliance Officer at the addresses mentioned below.

Link Intime India Pvt. Ltd.,
C-101, 247 Park, L. B. S. Marg,
Vikhroli West, Mumbai 400083.
Contact person: Ms. Sujata Poojary
Telephone No.: 810 811 6767
Fax No.: (022) 49186060
Email: rnt.helpdesk@linkintime.co.in

Radhika Shah
Company Secretary and Compliance Officer
Sanofi House,
CTS No.117-B, L&T Business Park,
Saki Vihar Road, Powai,
Mumbai - 400072.
Telephone No.: (022) 28032000;
Fax No.: (022) 28032939
E-mail: igrc.sil@sanofi.com

Shareholders holding shares in dematerialized form should address all their correspondence (including change of address, nominations, ECS mandates, bank details to be incorporated on dividend warrants, powers of attorney, etc.) to their Depository Participant.

Other Disclosures and Affirmations:

- a) As required by Regulation 17(8) of the Listing Regulations, the Managing Director and the Chief Financial Officer have submitted a Certificate to the Board in the prescribed format for the Financial Year ended December 31, 2022. The Certificate has been reviewed by the Audit Committee and taken on record by the Board.
- b) The Company has not obtained any credit rating for the Financial Year ended December 31, 2022.
- c) There were no instances of non-compliance nor have any penalties, strictures been imposed by Stock Exchanges or SEBI or any other statutory authority during the last three years on any matter related to the capital markets.
- d) The Company does not have any subsidiaries, associate companies or joint ventures. The Company has in place the Policy on Material Subsidiary and same is available on the website at <https://www.sanofiindia.com/en/investors/corporate-policies>
- e) The Company has not raised any funds through preferential allotment or QIP in the Financial Year ended December 31, 2022.
- f) The Company has obtained a certificate from M/s. MMJB & Associates LLP, Company Secretaries, as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 confirming that none of the Directors on Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI / Ministry of Corporate Affairs or any such statutory authority, which forms part of this Report.
- g) The Company has paid ₹ 4.74 million as total fees for all services provided by M/s. Price Waterhouse & Co., Chartered Accountants LLP and all entities in the network firm in the Financial Year ended December 31, 2022.
- h) During the year 2022, the Company did not receive any complaint of alleged sexual harassment. As on December 31, 2022 no complaints related to sexual harassment are pending for disposal.
- i) During the year, the Company has not provided any loans and advances in the nature of loans to firms / companies in which directors are interested.
- j) The Company has complied with the requirements as mentioned in Schedule V, Para C, sub-para (2) to (10) of the Listing Regulations.



- k) The Company has complied with all the requirements as specified in the Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

Non-Mandatory Requirements:

The Board: The Chairman of the Board does not maintain a Chairman's office at the Company's expense.;

Shareholders' Rights: The quarterly and half-yearly financial results are submitted to Stock Exchanges and published in the newspapers as mentioned above and are also uploaded under the "Investor" section on the Company's website at <https://www.sanofiindia.com/>. Therefore, the results were not separately circulated to all shareholders.;

Modified opinion(s) in audit report: The Company has adopted a discretionary requirement of the Listing Regulations and confirm that the Financial Statements of the Company are unqualified.;

Separate posts of Chairperson and the Managing Director: Mr. Aditya Narayan, Non-Executive Independent Director is the Chairman and Mr. Rodolfo Hrosz is the Managing Director of the Company.;

Reporting of Internal Auditor: The Internal Auditor presents the Internal Audit and Remediation Status report on a quarterly basis to the Audit Committee and satisfactorily addresses the queries/ clarifications sought by the Committee.

Compliance with Code of Business Conduct and Ethics

In accordance with Regulation 17(5)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and Senior Management Personnel of the Company have confirmed compliance with the Code of Business Conduct and Ethics for the financial year ended December 31, 2022.

For Sanofi India Limited

Rodolfo Hrosz
Managing Director
DIN: 09609832

February 23, 2023

Auditors' Certificate regarding compliance of conditions of Corporate Governance

To the Members of Sanofi India limited

We have examined the compliance of conditions of Corporate Governance by Sanofi India Limited, for the year ended 31 December 31, 2022 as stipulated in Regulations [17, 17A, 18, 19, 20, 21, 22, 23, 24A, 25, 26, 27 and clauses (b) to (i) and (t) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V] of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (collectively referred to as "SEBI Listing Regulations, 2015").

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us,

We certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For and on behalf of Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009

UDIN: 23112433BGYMKT4508
Place: Mumbai
Date: February 23, 2023

Arun Kumar Ramdas
Partner
Membership No: 112433



Certificate of Non-Disqualification of Directors

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members
Sanofi India Limited

We have examined the relevant disclosures provided by the Directors (as enlisted in Table A) to **Sanofi India Limited** having CIN **L24239MH1956PLC009794** and having registered office at **Sanofi House, CTS No. 117-B, L&T Business Park, Saki Vihar Road, Powai, Mumbai 400072** (hereinafter referred to as 'the Company') for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information, based on (i) Documents available on the website of the Ministry of Corporate Affairs (MCA) (ii) Verification of Directors Identification Number (DIN) status on the website of the MCA, and (iii) disclosures provided by the Directors to the Company, we hereby certify that none of the Directors on the Board of the Company (as enlisted in Table A) have been debarred or disqualified from being appointed or continuing as Directors of the Companies by the Securities and Exchange Board of India, MCA or any such other statutory authority as on December 31, 2022.

Table A

Sr. No.	Name of the Directors	Director Identification Number	Date of appointment in Company
1.	Mr. Aditya Narayan	00012084	April 30, 2016
2.	Mrs. Usha Thorat	00542778	April 30, 2016
3.	Mr. Rahul Bhatnagar	07268064	July 29, 2020
4.	Mr. Marc-Antoine Lucchini	08812302	July 29, 2020
5.	Ms. Annapurna Das	08634664	November 3, 2022
6.	Mr. Rodolfo Hrosz	09609832	June 1, 2022
7.	Mr. Cherian Mathew	08522813	July 29, 2019
8.	Mr. Vaibhav Karandikar	09049375	February 23, 2021

General Disclaimer: Our Analysis for this certificate does not covers the verification of criteria pertaining to appointment as Independent Director under Section 149 and criteria pertaining to appointment as Managing Director under section 196 and Schedule V of the Companies Act, 2013.

For **MMJB & Associates LLP**
Company Secretaries

Saurabh Agrawal
Designated Partner
FCS No. F9290
CP No. 20907
PR: 904/2020

Place: Mumbai
Date: February 23, 2023

UDIN: F009290D003191293

Independent Auditor's Report

To the Members of Sanofi India Limited

Report on the Audit of the Financial Statements

Opinion

- We have audited the accompanying financial statements of Sanofi India Limited ("the Company"), which comprise the Balance Sheet as at December 31, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
- In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at December 31, 2022, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

- We conducted our audit in accordance with the Standards on Auditing (SA) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

- Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Tax litigations and contingencies. (Refer Note 9(a), 9(b), 39(a), 39(b) and 43 to the financial statements)</p> <p>As at December 31, 2022, several litigations under direct and indirect tax laws are pending for decision at various authority levels, in respect of which, the Company has disclosed contingent liabilities of ₹ 2,694 million.</p> <p>The management's assessment with regard to the tax matters is supported by advice from independent consultants.</p> <p>We considered this as a key audit matter, as evaluation of these matters requires significant management judgement and estimation, interpretation of laws and regulations and application of relevant judicial precedents to determine the probability of outflow of economic resources for recognising provisions and making related disclosures in the financial statements. The application of accounting principles as given under Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets, in order to determine the amount to be recognised as a provision, or to be disclosed as a contingent liability, needs careful evaluation and judgement to be applied by the management.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> Understanding and evaluation of the design and testing the operating effectiveness of controls in respect of assessment of tax, its accounting and disclosures in the financial statements; Obtaining a complete list of litigation matters and reading the underlying orders and other communications received from tax authorities and management's responses thereto, to assess the status of the litigations; Evaluating the independence, objectivity and competence of management's experts involved; Reading the management's experts advice, as applicable; Evaluating the management's assessment on the probability of outcome and the magnitude of potential outflow of economic resources in respect of tax matters including involvement of our tax experts for assessing complex tax matters, based on recent rulings and latest developments in case laws; Evaluating appropriateness of the Company's disclosures in the financial statements. <p>Based on the audit procedures performed, we did not identify any significant exceptions relating to the provisions recognised and disclosures made in the financial statements in respect of the tax matters.</p>



Other Information

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

- The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
- In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable,

matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

- Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
- As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Annexure A to Independent Auditor's Report

Referred to in paragraph 14(f) of the Independent Auditor's Report of even date to the members of Sanofi India Limited on the financial statements for the year ended December 31, 2022.

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Sanofi India Limited ("the Company") as of December 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial

statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at December 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/ E-300009

Arunkumar Ramdas

Partner

Place: Mumbai

Membership Number: 112433

Date: February 23, 2023

UDIN: 23112433BGYMKU4843

Annexure B to Independent Auditor's Report

Referred to in paragraph 13 of the Independent Auditor's Report of even date to the members of Sanofi India Limited on the financial statements as of and for the year ended December 31, 2022

- i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.
- (B) The Company is maintaining proper records showing full particulars of Intangible Assets.
- (b) The Property, Plant and Equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant and Equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 5(a) Property, Plant and Equipment and Note 18 on assets classified as held for sale to the financial statements, are held in the name of the Company.
- (d) The Company has chosen cost model for its Property, Plant and Equipment (including Right of Use assets) and intangible assets. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or intangible assets does not arise.
- (e) Based on the information and explanations furnished to us, no proceedings have been initiated on the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise.
- ii. (a) The physical verification of inventory has been conducted at reasonable intervals by the Management during the year and, in our opinion,
- the coverage and procedure of such verification by Management is appropriate. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.
- (b) During the year, the Company has not been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate from banks and financial institutions on the basis of security of current assets and accordingly, the question of our commenting on whether the quarterly returns or statements are in agreement with the unaudited books of account of the Company does not arise.
- iii. (a) The Company has, during the year, not made investments in companies, firms, Limited Liability Partnerships. The Company has, during the year, not granted secured/unsecured loans/advances in nature of loans to companies, firms, Limited Liability Partnerships and other parties other than loans to 520 employees, including one of the directors. The Company, during the year, did not stand guarantee, or provided security to companies, firms, Limited Liability Partnerships and other parties. The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans are as per the table given below:
- | | Loan Amount
(₹ in million) |
|--|-------------------------------|
| Aggregate amount granted during the year | |
| - Employees | 36 |
| - Director | * |
| Balance outstanding as at the balance sheet date in respect of the above | |
| - Employees | 20 |
| - Director | * |
- (* denotes figures less than a million)
(Also refer note 15 to the financial statements)
- (b) In respect of the loans, the terms and conditions under which such loans were granted are not prejudicial to the Company's interest.
- (c) In respect of the loan to employees including loan to a director, the schedule of repayment of principal has been stipulated, and the employees including director are repaying the principal amounts, as stipulated given in the earlier year. As per the Company's policy these loans are interest-

- free. In respect of loan to a related entity, the schedule of repayment of principal and payment of interest has been stipulated; however, the entity has prepaid the loan amount and also the entity was regular in payment of interest.
- (d) In respect of the loans, there is no amount which is overdue for more than ninety days.
- (e) There were no loans which fell due during the year and were renewed/extended. Further, no fresh loans were granted to same parties to settle the existing overdue loans.
- (f) The loans granted during the year, including to a director had stipulated the scheduled repayment of principal and the same were not repayable on demand. As per the Company's policy these loans are interest-free.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 186 of the Companies Act, 2013 in respect of the loans provided by it. The Company has not granted any loans to the parties covered under Sections 185 of the Companies Act, 2013. The Company has not made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Companies Act, 2013.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues of provident fund, employees' state insurance, duty of customs, cess, goods and service tax, service tax and value added tax which have not been deposited on account of any dispute. The particulars of other statutory dues referred to in sub-clause (a) as at December 31, 2022 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in million) ^	Period to which the amount relates	Forum where the dispute is pending
The Income-tax Act, 1961	Income-tax including tax deducted at source and interest as applicable	51	Assessment Year 2011-2012	Income Tax Appellate Tribunal
		1,029	Assessment Years 2008 - 2009, 2011 - 2012 to 2019 - 2020	Upto Commissioner's level
The Central Sales Tax Act, 1956 and Local Sales Tax Acts	Sales tax	2	1999-2000	Sales Tax Appellate Tribunal
		10	1998 - 1999, 2008 - 2009, 2012 - 2013, 2015 - 2016	Upto Commissioner's level
The Central Excise Act, 1944	Disallowance of MODVAT	39	2007 - 2008 to 2011 - 2012	Appellate Tribunal
		23	1993 - 1997, 2005 - 2007, 2015 - 2016	Assistant Commissioner and Commissioner of Central Excise, Service Tax and Customs
Medicinal and Toilet Preparation (Levy of Excise Duty) Act, 1955	Dispute whether Central or State Excise Duty	23	January 1990 to August 1997	Central Board of Excise and Customs
		13	1996 - 1997 to 1998 - 1999	Commissioner of State Excise Duty, Maharashtra

^ Net of amount paid under protest.

- viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- ix. (a) As the Company did not have any loans or other borrowings from any lender during the year, the reporting under clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.
- (c) According to the records of the Company examined by us and the information and explanations given to us, the Company has not obtained any term loans.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, the Company has not raised funds on short term basis.
- (e) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year.
- x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud
- by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, the Company has received whistle-blower complaints during the year, which have been considered by us for any bearing on our audit and reporting under this clause. In respect of certain complaints, for which preliminary findings of the investigations have been provided to us by management, our consideration of the complaints having any bearing on our audit is limited to such preliminary findings.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 Related Party Disclosures specified under Section 133 of the Act.
- xiv. (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The reports of the Internal Auditor for the period under audit have been considered by us.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance



- with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted non-banking financial or housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) Based on the information and explanations provided by the management of the Company, the Group does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause (xviii) is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 55 to the financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.
- xx. As at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable.
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.
- For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/ E-300009
- Arunkumar Ramdas**
Partner
- Place: Mumbai
Date: February 23, 2023
- Membership Number: 112433
UDIN: 23112433BGYMKU4843

Balance Sheet

as at December 31, 2022

(₹ in Million)			
Particulars	Notes	As at December 31, 2022	As at December 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	5 (a)	2,463	2,724
Capital work-in-progress	5 (b)	188	89
Right-of-use assets	5 (c)	589	604
Intangible assets	6 (a)	3	13
Intangible assets under development	6 (b)	48	39
Financial assets			
i. Loans	7	-	4,450
ii. Other financial assets	8	147	156
Income tax assets (net)	9 (a)	1,099	1,111
Other non-current assets	10	77	45
Total non-current assets		4,614	9,231
Current assets			
Inventories	11	4,080	3,924
Financial assets			
i. Trade receivables	12	1,291	1,429
ii. Cash and cash equivalents	13	10,049	15,380
iii. Bank balances other than (ii) above	14	120	123
iv. Loans	15	20	27
v. Other financial assets	16	70	18
Other current assets	17	463	439
		16,093	21,340
Assets classified as held for sale	18	10	39
Total current assets		16,103	21,379
TOTAL ASSETS		20,717	30,610
EQUITY AND LIABILITIES			
Equity			
Equity share capital	19 (a)	230	230
Other equity			
Reserves and surplus	19 (b)	12,528	22,026
Total equity		12,758	22,256



Balance Sheet

as at December 31, 2022

(₹ in Million)			
Particulars	Notes	As at December 31, 2022	As at December 31, 2021
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease liabilities	5 (c)	149	176
Employee benefit obligations	20	355	619
Deferred tax liabilities (net)	35 (d)	49	63
Total non-current liabilities		553	858
Current liabilities			
Financial liabilities			
i. Lease liabilities	5 (c)	87	70
ii. Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	21	198	285
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	21	3,366	3,482
iii. Other financial liabilities	22	113	82
Provisions	23	1,427	1,300
Employee benefit obligations	24	1,130	1,064
Current tax liabilities (net)	9 (b)	900	1,067
Other current liabilities	25	176	137
		7,397	7,487
Liabilities directly associated with assets classified as held for sale	26	9	9
Total current liabilities		7,406	7,496
Total liabilities		7,959	8,354
TOTAL EQUITY AND LIABILITIES		20,717	30,610

The above balance sheet should be read in conjunction with the accompanying notes.
This is the balance sheet referred to in our report of even date

For Price Waterhouse & Co Chartered Accountants LLP For and on behalf of the Board of Directors
Firm Registration No. : 304026E/E-300009

Arunkumar Ramdas
Partner
Membership No: 112433
Place: Mumbai
Date: February 23, 2023

Rodolfo Hrosz
Managing Director
DIN: 09609832
Place: Mumbai
Date: February 23, 2023

Usha Thorat
Director
DIN: 00542778
Place: Kolhapur
Date: February 23, 2023

Vaibhav Karandikar
Whole Time Director & CFO
DIN: 09049375
Place: Mumbai
Date: February 23, 2023

Radhika Shah
Company Secretary
Membership No: A19308
Place: Mumbai
Date: February 23, 2023

Statement of Profit and Loss

for the year ended December 31, 2022

Particulars	Notes	(₹ in Million)	
		Year ended December 31, 2022	Year ended December 31, 2021
Revenue from operations	27	27,701	29,566
Other income	28	715	744
Total income		28,416	30,310
Expenses			
Cost of materials consumed	29	5,497	5,551
Purchases of stock-in-trade		6,510	7,086
Changes in Inventories of work-in-progress, stock-in-trade and finished goods	30	(111)	431
Employee benefits expense	31	4,059	4,339
Finance costs	32	17	18
Depreciation and amortisation expense	33	419	667
Other expenses	34 (a)	4,702	4,534
Total expenses		21,093	22,626
Profit before exceptional item and tax		7,323	7,684
Exceptional items (Net)	48 and 49	1,320	4,892
Profit before tax		8,643	12,576
Tax expense			
- Current tax	35 (a)	2,452	3,360
- Deferred tax	35 (a)	(15)	(228)
Total tax expense		2,437	3,132
Profit for the Year		6,206	9,444
Other comprehensive income			
Items that will not be reclassified to the statement of profit and loss			
- Remeasurements of post-employment benefit obligations	42 (v)	6	(44)
- Income Tax impact relating to these items	35 (b)	(1)	11
Other comprehensive income for the year, net of tax		5	(33)
Total comprehensive income for the year		6,211	9,411
Earnings per Share – Basic and Diluted (Refer note 38) [per Equity Share of ₹ 10 each]		269.47	410.06

The above statement of profit and loss should be read in conjunction with the accompanying notes.
This is the statement of profit and loss referred to in our report of even date

For Price Waterhouse & Co Chartered Accountants LLP For and on behalf of the Board of Directors
Firm Registration No. : 304026E/E-300009

Arunkumar Ramdas
Partner
Membership No: 112433
Place: Mumbai
Date: February 23, 2023

Rodolfo Hrosz
Managing Director
DIN: 09609832
Place: Mumbai
Date: February 23, 2023

Usha Thorat
Director
DIN: 00542778
Place: Kolhapur
Date: February 23, 2023

Vaibhav Karandikar
Whole Time Director & CFO
DIN: 09049375
Place: Mumbai
Date: February 23, 2023

Radhika Shah
Company Secretary
Membership No: A19308
Place: Mumbai
Date: February 23, 2023

Statement of Cash Flows

for the year ended December 31, 2022

Particulars	(₹ in Million)	
	Year ended December 31, 2022	Year ended December 31, 2021
Cash flow From operating activities		
Profit before tax	8,643	12,576
Adjustment for:		
Depreciation and amortization expenses	419	667
Unrealised exchange Loss (net)	23	7
Loss of sale of property, plant and equipment (net) / (Gain) on sale of asset held for sale	2	(66)
Impairment on assets classified as held for sale	29	-
Gain from transfer of Nutraceuticals business (net of incidental expenses) (Refer note 49)	-	(4,892)
Gain on transfer of distribution business of Soframycin and Sofradex (net of incidental expenses) (Refer note 48 a)	(1,181)	-
Gain on sale of Property (net of incidental expenses) (Disclosed under Exceptional items) (Refer note 48 b)	(320)	-
Finance costs	17	18
Interest income	(589)	(631)
Share based payment	21	61
Provision for bad and doubtful debts (net)	(15)	18
Provision for doubtful advances and deposits (net)	1	(2)
Operating profit before working capital changes	7,050	7,756
Adjustments for (increase) / decrease in operating assets		
Non-current financial assets	10	1
Other non-current assets	-	1
Inventories	(314)	(336)
Trade receivables	206	12
Current financial assets	(43)	9
Other current assets	(24)	265
Adjustments for increase / (decrease) in operating liabilities		
Employee benefit obligations	(192)	98
Trade payables	(280)	671
Current financial liabilities	15	26
Other current liabilities & provisions	166	(66)
Cash generated from operations	6,594	8,437
Taxes paid (net of refunds)	(2,607)	(2,849)
Net Cash inflow from operating activities (A)	3,987	5,588
Cash flow from Investing activities		
Sale proceeds of property, plant and equipment and assets held for sale	33	105
Sale proceeds of Ankleshwar manufacturing unit (net of incidental expenses)	-	273
Sale proceeds of Nutraceuticals business (net of incidental expenses) (Refer note 49)	-	5,529
Sale proceeds of distribution business of Soframycin and Sofradex (net of incidental expenses) (Refer note 48 a)	1,339	-
Gain on sale of Property (net of incidental expenses) (Disclosed under Exceptional items) (Refer note 48 b)	320	-
Interest received	589	631
Loan given	-	(50)
Repayment of loan	4,450	50
Purchase of property, plant and equipment and Intangible assets	(222)	(230)
Net cash inflow from investing activities (B)	6,509	6,308

Statement of Cash Flows

for the year ended December 31, 2022

Particulars	(₹ in Million)	
	Year ended December 31, 2022	Year ended December 31, 2021
Cash flow from financing activities		
Principal elements of lease payments	(80)	(66)
Interest paid	(17)	(18)
Dividend paid	(15,730)	(8,406)
Net cash outflow from financing activities (C)	(15,827)	(8,490)
Net (decrease) /increase in cash and cash equivalents (A+B+C)	(5,331)	3,406
Effect of Exchange differences on cash and cash equivalents held in foreign currency	*	*
Cash and Cash Equivalents at the beginning of the year	15,380	11,974
Cash and Cash Equivalents at the end of the year	10,049	15,380
Non- cash financing and investing activities (D)		
Acquisition of Right-of-use assets	78	94
Components of Cash and Cash Equivalents		
Cash and Cash Equivalents (as per Note 13)	10,049	15,380

* denotes figure less than a million.

Notes:

1. Previous year comparative figures have been regrouped wherever necessary.
2. The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS) 7 Statement of Cash Flows.

The above statement of cash flows should be read in conjunction with the accompanying notes.
This is the statement of cash flows referred to in our report of even date

For **Price Waterhouse & Co Chartered Accountants LLP** For and on behalf of the Board of Directors
Firm Registration No.: 304026E/E-300009

Arunkumar Ramdas
Partner
Membership No: 112433
Place: Mumbai
Date: February 23, 2023

Rodolfo Hrosz
Managing Director
DIN: 09609832
Place: Mumbai
Date: February 23, 2023

Usha Thorat
Director
DIN: 00542778
Place: Kolhapur
Date: February 23, 2023

Vaibhav Karandikar
Whole Time Director & CFO
DIN: 09049375
Place: Mumbai
Date: February 23, 2023

Radhika Shah
Company Secretary
Membership No: A19308
Place: Mumbai
Date: February 23, 2023

Statement of changes in equity

for the year ended December 31, 2022

A. Equity share capital

Particulars	(₹ in Million)
	Amount
As at January 1, 2021	230
Changes in equity share capital	-
As at December 31, 2021	230
Changes in equity share capital	-
As at December 31, 2022	230

B. Other equity [Refer note 19 (b)]

Particulars	Attributable to owners of the Company				Total
	Reserves and surplus				
	Share options outstanding account	Securities premium	Retained earnings	General reserve	
As at January 1, 2021	540	20	16,946	3,454	20,960
Profit for the year	-	-	9,444	-	9,444
Other comprehensive income	-	-	(33)	-	(33)
Total comprehensive income for the year	-	-	9,411	-	9,411
Transactions with owners in their capacity as owners:					
Dividend paid	-	-	(8,406)	-	(8,406)
Employee stock options expense (Refer note 41)	61	-	-	-	61
As at December 31, 2021	601	20	17,951	3,454	22,026
Profit for the year	-	-	6,206	-	6,206
Other comprehensive income	-	-	5	-	5
Total comprehensive income for the year	-	-	6,211	-	6,211
Transactions with owners in their capacity as owners:					
Dividend paid	-	-	(15,730)	-	(15,730)
Employee stock options expense (Refer note 41)	21	-	-	-	21
As at December 31, 2022	622	20	8,432	3,454	12,528

The above statement of changes in equity should be read in conjunction with the accompanying notes.
This is the statement of changes in equity referred to in our report of even date

For **Price Waterhouse & Co Chartered Accountants LLP** For and on behalf of the Board of Directors
Firm Registration No.: 304026E/E-300009

Arunkumar Ramdas
Partner
Membership No: 112433
Place: Mumbai
Date: February 23, 2023

Rodolfo Hrosz
Managing Director
DIN: 09609832
Place: Mumbai
Date: February 23, 2023

Usha Thorat
Director
DIN: 00542778
Place: Kolhapur
Date: February 23, 2023

Vaibhav Karandikar
Whole Time Director & CFO
DIN: 09049375
Place: Mumbai
Date: February 23, 2023

Radhika Shah
Company Secretary
Membership No: A19308
Place: Mumbai
Date: February 23, 2023

Notes forming part of financial statements

as at and for the year ended December 31, 2022

1. Corporate Information

Sanofi India Limited ('the company') is a public limited company listed on Bombay Stock Exchange and National Stock Exchange, incorporated and domiciled in India and has its registered office at Sanofi House, CTS No. 117-B, L&T Business Park, Saki Vihar Road, Powai, Mumbai – 400072, India. It is primarily engaged in the business of manufacturing and trading of drugs and pharmaceuticals. The Company has its own manufacturing facility at Goa. The Company has various independent contract / third party manufacturers based across the country. The Company sells its products through independent distributors primarily in India.

These financial statements were authorised for issue by the Board of Directors on February 23, 2023.

2. Summary of Significant Accounting Policies

2.1 Basis of preparation

The financial statements are prepared on the accrual basis of accounting and in accordance with the Indian Accounting Standards (hereinafter referred to as the Ind AS) as prescribed under Section 133 of the Companies Act, 2013 (the Act) (as amended) and other relevant provisions of the Act.

2.2 Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities are measured at fair value;
- assets held for sale – measured at fair value less cost to sell;
- share based payments; and
- defined benefit plans - plan assets measured at fair value

The accounting policies adopted are consistent with those of the previous financial years and corresponding reporting year.

The financial statements are presented in ₹ million and all values are rounded to the nearest million (₹ 000,000), except when otherwise indicated.

2.2 (a) New and amended standards adopted by the Company

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing January 1, 2022:

- 1) On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III. Key amendments relating to Division II relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules. (Refer Note 53)
- 2) The Ministry of Corporate Affairs (MCA) notified the Companies (Indian Accounting Standards) Amendment Rules, 2021 (the 'Rules') on June 18, 2021. Key amendments are:

COVID-19 related concessions - amendments to Ind AS 116

Interest Rate Benchmark Reform - amendments to Ind AS 109 and Ind AS 107

The amendments listed above did not have a material impact on the company.

2.3 Summary of significant accounting policies

i. Current and non-current classification

The assets and liabilities reported in the balance sheet are classified on a "current / non-current basis".

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting date, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.



Notes forming part of financial statements

as at and for the year ended December 31, 2022

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

ii. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming the market participants act in their economic best interest.

The fair value measurement of a non-financial asset takes into account, market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Where required/appropriate, external valuers are involved.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) prices in active market for identical assets or liabilities.
- Level 2 (if level 1 feed is not available/ appropriate) — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 (if level 1 and 2 feed is not available/ appropriate) — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amount approximates fair value due to the short maturity of these instruments.

The Company recognizes transfers between levels of fair value hierarchy at the end of reporting period during which the change has occurred.

iii. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Chief Operating decision-maker is responsible for allocating resources and assessing performance of the operating segments and makes strategic decisions. Refer Note 36 for segment information presented.

iv. Foreign currency translation

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian ₹ (INR), which is Sanofi India Limited's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement

Notes forming part of financial statements

as at and for the year ended December 31, 2022

of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in the Statement of Profit and Loss.

Non-monetary items that are measured at historical cost in foreign currency are not retranslated.

All non-monetary items denominated in foreign currency are carried at historical cost or other similar valuation and are reported using the exchange rate that existed when the values were determined.

v. Revenue recognition

According to Ind AS 115, revenue is measured at the amount of consideration the Company expects to receive in exchange for the goods or services when control of the goods or services and the benefits obtainable from them are transferred to the customer. Revenue is recognised using the following five step model specified in Ind AS 115:

Step 1: Identify contracts with customers

Step 2: Identify performance obligations contained in the contracts

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations

Step 5: Recognize revenue when the performance obligation is satisfied.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold, and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

Sale of goods

The Company derives revenue principally from sales of pharma products. Revenue from sale of products is recognized when the Company

satisfies a performance obligation in accordance with the provisions of contract with customer. This is achieved when control of the product has been transferred to the customer, which is generally determined when title, ownership, risk of obsolescence and loss pass to the customer and the Company has present right to payment. Revenue is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discount and volume rebates, and goods and service tax.

Provision is made for the non-saleable return of goods from the customers estimated on the basis of historical data of sales return trends. Such provision for non-saleable sales returns is reduced from sale of products for the year.

Sale of services

Revenue is recognized from rendering of services when the performance obligation is satisfied, and the services are rendered in accordance with the terms of customer contracts. Revenue is measured based on the transaction price, which is the consideration, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

vi. Export Incentives

Export benefits available under prevalent schemes are accrued in the year in which the goods are exported and there is no uncertainty in receiving the same.

vii. Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences.

Current income tax

The current income tax charge is calculated based on the Indian Tax Laws enacted or substantively enacted at the end of the reporting period. The provision for current tax is made at the rate of tax as applicable for the income of the previous year as defined under the Income tax Act, 1961.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provision where appropriate on the basis of amounts expected to be paid to the tax authorities.



Notes forming part of financial statements

as at and for the year ended December 31, 2022

Current tax assets and current tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is recognised using the liability method, on temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts for the financial reporting purpose at the reporting date.

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forward and unused tax credits could be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

viii. Leases

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the company.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments, less any lease incentives receivable
- Variable lease payments
- Amount expected to be payable by the lessee under residual value guarantee

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct cost and restoration costs

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

ix. Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of non-financial assets except inventories to ascertain whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets excluding goodwill with indefinite useful lives are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Notes forming part of financial statements

as at and for the year ended December 31, 2022

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount of the asset does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

x. Cash and cash equivalents

For the purpose of presentation in the Statement of Cash Flows, Cash and Cash Equivalents includes balance with banks and demand deposits with banks with original maturities of three months or less and other short term highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

xi. Inventories

Inventories consist of raw materials, packing materials, work-in-progress, stock-in-trade and finished goods. Inventories are valued at lower of cost and net realizable value (NRV). Cost is determined on weighted average basis.

Cost of raw materials and packing materials includes cost of purchases and other costs incurred in bringing the inventories to their present location and condition.

Cost of work-in-progress and finished goods includes direct materials, labour and proportion of manufacturing overheads based on the normal operating capacity, wherever applicable. Cost of

finished goods includes other costs incurred in bringing the inventories to their present location and condition.

Cost of stock-in-trade includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be used are expected to be sold at or above cost.

xii. Financial instruments

A financial instrument is any contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another entity.

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial assets:

Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and
- those measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Initial recognition and measurement

Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through Profit and Loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through Profit and Loss are expensed in the Statement of Profit and Loss.



Notes forming part of financial statements

as at and for the year ended December 31, 2022

Subsequent measurement

After initial recognition, financial assets are measured at:

- fair value (either through other comprehensive income or through Profit and Loss), or
- amortized cost.

Debt instruments

Debt instruments are subsequently measured at amortized cost, fair value through other comprehensive income ('FVTOCI') or fair value through Profit and Loss ('FVTPL') till de-recognition on the basis of (i) the entity's business model for managing the financial assets and (ii) the contractual cash flow characteristics of the financial asset.

There are three measurement categories into which the Company classifies its debt instruments.

(a) Amortised cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in the Statement of Profit and Loss when the asset is derecognised or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.

(b) Fair value through other comprehensive income (FVTOCI):

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the Statement of Profit and Loss and recognised in other gains/ (losses). Interest income from these financial assets is

included in other income using the effective interest rate method.

(c) Fair value through profit or loss (FVTPL):

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in the Statement of Profit and Loss in the period in which it arises. Interest income from these financial assets is recognised in the Statement of Profit and Loss.

Equity instruments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL.

The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in Other Comprehensive Income (OCI). There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Impairment of financial assets

The Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- financial assets that are debt instruments, and are measured at amortised cost e.g., loans, deposits, and bank balance.
- trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

Notes forming part of financial statements

as at and for the year ended December 31, 2022

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Derecognition of financial assets

A financial asset is derecognized only when:

- the Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows from the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

Income recognition

Interest income

Interest income from debt instruments is recognized using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

Financial liabilities:

Initial recognition and measurement

Financial liabilities are initially measured at its fair value plus or minus, in the case of a financial liability not at FVTPL, transaction costs that are directly attributable to the issue/origination of the financial liability.

Subsequent measurement

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held- for-

trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in Statement of Profit and Loss. Any gain or loss on derecognition is also recognized in the Statement of Profit and Loss.

Derecognition

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires.

Derivative financial instruments

The Company uses derivative financial instruments, such as foreign exchange forward contracts to manage its exposure to interest rate and foreign exchange risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The Company enters into derivative contracts to hedge risks which are not designated in any hedging relationship i.e. hedge accounting is not followed. Such contracts are accounted for at FVTPL.

Offsetting financial instruments

Financial assets and liabilities are off-set and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

xiii. Property, Plant and Equipment (PPE)

Items of Property, plant and equipment acquired or constructed are initially recognized at historical cost net of recoverable taxes, duties, trade discounts and rebates, less accumulated



Notes forming part of financial statements

as at and for the year ended December 31, 2022

depreciation, and impairment loss, if any. The historical cost of Property, plant and equipment comprises of its purchase price, borrowing costs and adjustment arising for exchange rate variations attributable to the assets, including any cost directly attributable to bringing the assets to their working condition for their intended use.

Capital Work-in-Progress represents Property, plant and equipment that are not ready for their intended use as at the reporting date.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

The Company identifies and determines cost of each component/part of the plant and equipment separately, if the component/part has a cost which is significant to the total cost of the plant and equipment and has useful lives that is materially different from that of the remaining plant and equipment.

The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the year in which they are incurred.

Gains and losses arising from derecognition of PPE are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognized.

Depreciation methods, estimated useful lives and residual values

Depreciation is provided, pro-rata for the period in use, on the straight-line method based on the respective estimate of useful lives given below. Estimated useful lives of assets are determined based on technical parameters/assessments.

The management believes that useful lives currently used, which is prescribed under Part C of Schedule II to the Companies Act, 2013, fairly reflects its estimate of the useful lives and residual values of PPE, though these lives in certain cases are different from lives prescribed under Schedule II.

Asset Category	Useful Lives (in Years)
Buildings - Factory	30
Buildings - Non-Factory*	30
Plant and Machinery*	10
Furniture and Fixtures	10
Office equipment	10/5
Computers	3
Laptops	3
Motor vehicles	8
Leasehold improvements	Amortised over the lease period

*In respect of these assets, management estimates different useful life than prescribed under part C of Schedule II based on internal assessment and independent technical evaluation.

Estimated useful lives, residual values and depreciation methods are reviewed annually, considering into account of commercial and technological obsolescence as well as normal wear and tear and adjusted prospectively, if appropriate.

Advances paid towards the acquisition of PPE outstanding at each Balance Sheet date is classified as capital advances under 'Other non-current assets' and cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

xiv. Intangible assets

Intangible assets are stated at cost of acquisition less accumulated amortization / impairment losses.

Acquired intangible assets

Separately acquired intangible assets are shown at historical cost. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses, if any.

The Company amortizes intangible assets with a finite useful life using the straight-line method over the estimated useful lives. The estimated useful lives of assets are as follows:

Asset Category	Useful Lives (in Years)
Brand	10
Software	3
Technical know-how	5

Notes forming part of financial statements

as at and for the year ended December 31, 2022

In respect of the above assets, management's estimate is based on internal assessment and independent technical evaluations.

The amortisation period and the amortisation method for intangible assets are reviewed at the end of each reporting period. The amortisation expense on intangible assets is recognised in the Statement of Profit and Loss.

Losses arising from retirement and gains or losses arising from disposal of Intangible assets are determined by comparing sale proceeds with carrying amount and are disclosed in the Statement of Profit and Loss.

Research and development expenditure

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalised.

Development expenditure on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale.
- Its intention to complete and its ability and intention to use or sell the asset.
- How the asset will generate future economic benefits.
- The availability of resources to complete the asset.
- The ability to measure reliably the expenditure during development.

The amount capitalised comprise of expenditure that can be directly attributed or allocated on a reasonable and consistent basis for creating, producing and making the asset ready for its intended use.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized on a straight-line basis over the period of expected future benefit from the related project, i.e., the

estimated useful life. Amortization is recognized in the Statement of Profit and Loss. During the period of development, the asset is tested for impairment annually.

xv. Provisions and contingent liabilities

Provisions

Provisions are recognized when there is a present legal or constructive obligation as a result of a past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingencies

Contingent liabilities are disclosed in the Notes to the financial statements. Contingent liabilities are disclosed for

- when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or
- a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation, or a reliable estimate of the amount cannot be made.

xvi. Employee benefits

I. Short term benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages, bonus, short term compensated absences and the expected cost of ex-gratia is recognized in the period in which the employee renders the related service.

II. Other long-term employee benefits

The Company has for all employees' other long-term benefits in the form of Long Service Award and Compensated Absences



Notes forming part of financial statements

as at and for the year ended December 31, 2022

as per the policy of the Company. Liabilities for such benefits are provided on the basis of actuarial valuation, as at the reporting date, carried out by an independent actuary. The actuarial valuation method used by an independent actuary for measuring the liability is the Projected Unit Credit method.

III. Post-employment benefit obligations

The company operates the following post-employment schemes:

- a) defined contribution plans such as superannuation fund and provident fund for Nepal and
- b) defined benefit plans such as gratuity, pension plan and provident fund (other than Nepal)

Defined contribution plans

The Company has defined contribution plans for post-employment benefits in the form of Superannuation Fund which is recognised by the Income-tax authorities and administered through trustees and/or Life Insurance Corporation of India (LIC). Further, the Company also has a defined contribution plan in the form of a provident fund scheme for its staff and workmen at Nepal and pension scheme under the Employee's Pension Scheme 1995 for its all employees, which are administered by the Provident Fund Commissioner.

All the above-mentioned schemes are classified as defined contribution plans as the Company has no further obligation beyond making the contributions. The Company's contributions to defined contribution plans are charged to the Statement of Profit and Loss, when an employee renders the related service.

Defined benefit plans

The company has defined benefit plans for post-employment benefits in the form of Provident Fund (treated as a defined benefit plan on account of guaranteed interest benefit), Gratuity and Pension Plan (treated as a defined benefit plan on account of guaranteed pension).

The Company has for all employees other than Nepal, defined benefit plans for post-employment benefits in the form of Provident

Fund which is administered through trustees (treated as a defined benefit plan on account of guaranteed interest benefit). Further, the Company has defined benefit plan for post-retirement benefit in the form of Gratuity which is administered through LIC for all its employees and pension plan for certain employees.

Provident Fund and Gratuity fund are recognised by the Income-tax authorities and administered through trustees and/or LIC. Liability for Defined Benefit Plans is provided on the basis of valuations, as at the Balance Sheet date, carried out by an independent actuary.

The defined benefit obligation is calculated annually by independent actuaries using the Projected Unit Credit Method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bond that have terms to maturity approximating to the terms of the related gratuity, pension plan and provident fund liabilities.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the Balance Sheet.

xvii. Share based payments

Sanofi S.A. France, being the Ultimate Holding Company has given restricted stock option plan to certain employees of the Company.

Pursuant to Ind AS 102 'Share-based Payment', the Company recognizes an expense based on the fair value of the stock options as at grant date. The expenses are amortised over the vesting period which is conditional on the provision of services by the plan participant during the vesting period. The corresponding credit is given to equity because the award represents in substance equity contribution by the Parent Company. The cumulative expense recognised for stock options at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest.

Notes forming part of financial statements

as at and for the year ended December 31, 2022

xviii. Exceptional Items

When items of income or expense are of such nature, size and incidence that their disclosure is necessary to explain the performance of the Company for the year, the company makes a disclosure of the nature and amount of such items separately under the head "exceptional items."

xix. Contributed equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

xx. Dividends distribution to equity holders

Provision is made for amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

xxi. Earnings per Share

Basic earnings per share is calculated by dividing the net profit after tax for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

xxii. Cash flow statement

Cash flows are reported using the Indirect Method, as set out in Ind AS 7 'Statement of Cash Flow', whereby profit for the year is adjusted for the effects of transaction of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

xxiii. Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less cost to sell. Non-current assets are not depreciated or amortised while they are classified as held for sale. Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

3. Recent Accounting Pronouncements

The Ministry of Corporate Affairs ("MCA") has vide notification dated March 23, 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are applicable to Sanofi India Limited from January 1, 2023. Below is a summary of such amendments:

- Ind As 37, Provisions, Contingent liabilities and contingent assets Onerous contracts – Cost of fulfilling a contract
- Ind AS 103 Business Combination - Reference to conceptual framework
- Ind AS 109 Financial Instruments – Fees included in test for derecognition of financial assets
- Ind AS 101 First time adoption - Subsidiary as a first time adopter
- Ind AS 41, Agriculture – Tax on fair value measurements
- Ind AS 16, Property, Plant and Equipment – Proceeds before intended use of property, plant and equipment

These amendments listed above is not expected to have any material impact on the Company.

4. Significant Judgements and Estimates

The preparation of the Company's financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the reported amount of assets, liabilities, revenue, expenses, and the accompanying disclosures and the disclosures of contingent liabilities. Uncertainty about these assumptions and estimates



Notes forming part of financial statements

as at and for the year ended December 31, 2022

could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances existing when financial statements were prepared. These estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the year in which the estimates are revised and in any future year affected.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation at the reporting date, which may cause material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances

and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

The areas involving critical estimates and judgements are:

- Useful lives of Property, plant and equipment and intangibles [Refer Note 2.3 (xiii) and (xiv)]
- Measurement of defined benefit obligations (Refer Note 42)
- Provision for inventories (Refer Note 11)
- Measurement and likelihood of occurrence of provisions and contingencies (Refer Notes 23, 39, 43 and 45)
- Impairment of trade receivables (Refer Note 12)

Notes forming part of financial statements

as at and for the year ended December 31, 2022

5. (a) Property, plant and equipment

Particulars	Buildings	Leasehold Improvements	Plant and Equipments	Furniture and Fixtures	Office Equipments	Computers	Motor Vehicles	Total
Year ended December, 2021								
Gross Carrying Amount								
As at December 31, 2020	2,284	27	1,579	289	72	364	18	4,633
Additions	19	1	78	2	6	16	-	122
Disposals	(2)	-	(46)	(8)	(9)	(21)	(2)	(88)
Closing Gross Carrying Amount	2,301	28	1,611	283	69	359	16	4,667
Accumulated Depreciation								
As at December 31, 2020	428	15	716	160	47	285	9	1,660
Depreciation charge during the year	90	3	167	33	6	49	3	351
Disposals	(2)	-	(32)	(6)	(8)	(18)	(2)	(68)
Closing Accumulated Depreciation	516	18	851	187	45	316	10	1,943
Net Carrying Amount as at December 31, 2021	1,785	10	760	96	24	43	6	2,724
Year ended December 31, 2022								
Gross Carrying Amount								
As at December 31, 2021	2,301	28	1,611	283	69	359	16	4,667
Additions	3	1	74	2	9	9	-	98
Disposals	(112)	(6)	(46)	(11)	(3)	(59)	-	(237)
Closing Gross Carrying Amount	2,192	23	1,639	274	75	309	16	4,528
Accumulated Depreciation								
As at December 31, 2021	516	18	851	187	45	316	10	1,943
Depreciation charge during the year	90	3	157	32	6	34	2	324
Disposals	(90)	(6)	(36)	(8)	(2)	(60)	-	(202)
Closing Accumulated Depreciation	516	15	972	211	49	290	12	2,065
Net Carrying Amount as at December 31, 2022	1,676	8	667	63	26	19	4	2,463

5. (b) Capital work-in-progress

Capital work-in-progress of ₹ 188 million (December 31, 2021: ₹ 89 million) mainly comprises of plant and equipment and building being constructed in India.

(a) Ageing of Capital work-in-progress:

As on December 31, 2022

Capital work-in-progress	Amount for Capital work-in-progress				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in progress	160	28	-	-	188
(ii) Projects temporarily suspended	-	-	-	-	-
Total	160	28	-	-	188

Notes forming part of financial statements

as at and for the year ended December 31, 2022

(b) Completion schedule for Capital work-in-progress whose completion has exceeded compared to its original plan:

Capital work-in-progress	To be Completed In				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in progress	-	-	-	-	-
(ii) Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-

(c) Ageing of Capital work-in-progress:

As on December 31, 2021

Capital work-in-progress	Amount for Capital work-in-progress				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in progress	55	34	-	-	89
(ii) Projects temporarily suspended	-	-	-	-	-
Total	55	34	-	-	89

(d) Completion schedule for Capital work-in-progress whose completion has exceeded compared to its original plan:

Capital work-in-progress	To be Completed In				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in progress	-	-	-	-	-
(ii) Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-

5. (c) Leases

i) Amounts recognised in balance sheet

The balance sheet shows the following amounts relating to leases of warehouse premises, factory land and office land.

a) Right-of-use assets

The changes in the carrying value of Right-of-use assets for the year ended are as follows:

Particulars	December 31, 2022	December 31, 2021
Office premises	210	225
Land	379	379
	589	604

Amounts recognised in balance sheet

Right-of-use assets:

Particulars	December 31, 2022	December 31, 2021
Opening balance	604	593
Add: Additions during the year	78	94
Less: Termination of leases during the year	(8)	(8)
Less: Depreciation during the year	(85)	(75)
Closing balance	589	604

Notes forming part of financial statements

as at and for the year ended December 31, 2022

b) Lease liabilities

Set out below are the carrying amounts of lease liabilities and the movements during the year:

Particulars	December 31, 2022	December 31, 2021
Opening balance	246	226
Add: Additions during the year	78	94
Add: Interest for the year	17	18
Less: Lease payments made during the year	(97)	(84)
Less: Termination of leases during the year	(8)	(8)
Closing balance	236	246

Below represents net debt reconciliation as per requirements of Ind-AS 7 - Statement of Cash Flows:

Particulars	Cash and Cash Equivalents	Lease Liabilities	(Net debt)
Cash balance / (Net Debt) as at December 31, 2020	11,974	(226)	11,748
Cash flows	3,406	-	3,406
Movement in lease liabilities (Refer table above)	-	(20)	(20)
Cash balance / (Net Debt) as at December 31, 2021	15,380	(246)	15,134
Cash flows	(5,331)	-	(5,331)
Movement in lease liabilities (Refer table above)	-	10	10
Cash balance / (Net Debt) as at December 31, 2022	10,049	(236)	9,813

The following is the break-up of current and non-current lease liabilities for the year ended:

Particulars	December 31, 2022	December 31, 2021
Current lease liabilities	87	70
Non-current lease liabilities	149	176
Total	236	246

ii) Amounts recognised in the statement of Profit & Loss

Particulars	December 31, 2022	December 31, 2021
Depreciation charge on right-of-use assets (Refer Note 33)	85	75
Interest expense (Refer Note 32)	17	18
Expenses relating to short term and low value leases [Refer Note 34 (a)]	17	36
(Gain) on termination of leases	(*)	(*)
	119	129

* denotes figure less than a million

Notes forming part of financial statements

as at and for the year ended December 31, 2022

6. (a) Intangible assets

Particulars	Brand Refer note 49	Software	Technical know-how	Total	Goodwill Refer note 49
Year ended December, 2021					
Gross Carrying Amount					
As at December 31, 2020	2,375	90	95	2,560	731
Additions	-	7	3	10	-
Disposals	(2,375)	-	(3)	(2,378)	(731)
Closing Gross Carrying Amount	-	97	95	192	-
Accumulated amortisation					
As at December 31, 2020	2,054	75	87	2,216	-
Amortisation charge during the year	223	14	4	241	-
Disposals	(2,277)	-	(1)	(2,278)	-
Closing Accumulated Depreciation	-	89	90	179	-
Net Carrying Amount as at December 31, 2021	-	8	5	13	-
Year ended December 31, 2022					
Gross Carrying Amount					
As at December 31, 2021	-	97	95	192	-
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Closing Gross Carrying Amount	-	97	95	192	-
Accumulated amortisation					
As at December 31, 2021	-	89	90	179	-
Amortisation charge during the year	-	8	2	10	-
Disposals	-	-	-	-	-
Closing Accumulated Depreciation	-	97	92	189	-
Net Carrying Amount as at December 31, 2022	-	-	3	3	-

6. (b) Intangible assets under development

Intangible assets under development of ₹ 48 million (December 31, 2021: ₹ 39 million) mainly comprises of product development.

(a) Ageing of Intangible Assets Under Development:

As on December 31, 2022

Intangible Assets Under Development	Amounts in Intangible Assets under Development for				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in progress	9	10	13	16	48
(ii) Projects temporarily suspended	-	-	-	-	-
Total	9	10	13	16	48

Notes forming part of financial statements

as at and for the year ended December 31, 2022

(b) Completion schedule for intangible assets under development whose completion has exceeded compared to its original plan:

As on December 31, 2022

Intangible Assets Under Development	To be Completed In				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in progress	-	-	-	-	-
(ii) Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-

(c) Ageing of Intangible Assets Under Development:

As on December 31, 2021

Intangible Assets Under Development	Amounts in Intangible Assets under Development for				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in progress	10	13	-	16	39
(ii) Projects temporarily suspended	-	-	-	-	-
Total	10	13	-	16	39

(d) Completion schedule for intangible assets under development whose completion has exceeded compared to its original plan:

Intangible Assets Under Development	To be Completed In				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in progress	-	-	-	-	-
(ii) Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-

7. Non current financial assets-Loans

Particulars	December 31, 2022	December 31, 2021
Unsecured, considered good		
Loan to Fellow Subsidiary [Given against corporate guarantee by Sanofi S.A France (ultimate holding company)] (Refer note 40)	-	4,450
Unsecured, considered doubtful		
Loans to employees	-	2
Less: Loss allowance	-	(2)
Total	-	4,450

8. Non current financial assets-Other financial assets

Particulars	December 31, 2022	December 31, 2021
Unsecured, considered good		
Margin money deposits (Refer note 14)	23	3
Other receivables	44	43
Other deposits	15	13
Security deposits	65	97
Unsecured, considered doubtful		
Security deposits	21	20
Less: Loss allowance	(21)	(20)
Total	147	156

Notes forming part of financial statements

as at and for the year ended December 31, 2022

9. (a) Income tax assets (net)

Particulars	December 31, 2022	December 31, 2021
Advance income tax (net of provision of ₹ 7,534 million; December 31, 2021: ₹ 9,531 million)	1,099	1,111
Total	1,099	1,111

9. (b) Current tax liabilities (net)

Particulars	December 31, 2022	December 31, 2021
Income Tax provision (net of advance tax ₹ 20,028 million; December 31, 2021: ₹ 15,412 million)	900	1,067
Total	900	1,067

10. Other non-current assets

Particulars	December 31, 2022	December 31, 2021
Capital advances	41	9
Prepaid rentals	36	36
Total	77	45

11. Inventories

Particulars	December 31, 2022	December 31, 2021
Raw materials and packing materials (Including in transit ₹ 230 million; December 31, 2021: ₹ 125 million)	2,151	2,106
Work-in-progress	57	11
Finished goods	600	549
Stock-in-trade (Including in transit ₹ 131 million; December 31, 2021: ₹ 207 million)	1,272	1,258
Total	4,080	3,924

The Company has created provision amounting to ₹ 66 million (December 31, 2021: ₹ 71 million) which is mainly on account of inventory which is expired, near expiry, damaged etc.

12. Trade receivables

Particulars	December 31, 2022	December 31, 2021
Trade receivables from contract with Customers	472	564
Trade receivables from contract with Customers - related parties (Refer note 40)	872	933
Less: Loss allowance	(53)	(68)
Total	1,291	1,429

Breakup up of security details

Particulars	December 31, 2022	December 31, 2021
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	1,344	1,497
Trade receivables considered good Which have significant increase in credit risk	-	-
Trade receivables - Credit impaired	-	-
Total	1,344	1,497
Less: Loss allowance	(53)	(68)
Total	1,291	1,429

Notes forming part of financial statements

as at and for the year ended December 31, 2022

Ageing schedule for Trade receivables

As at December 31, 2022

Particulars	Outstanding for the following periods from due date							Total
	Unbilled	Not Due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables								
Considered good	-	1,240	46	6	10	12	30	1,344
Which have significant increase in credit risk	-	-	-	-	-	-	-	-
Less: Loss allowance	-	-	(1)	-	(10)	(12)	(30)	(53)
Disputed Trade Receivables								
Considered good	-	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-	-
Credit Impaired	-	-	-	-	-	-	-	-
Total	-	1,240	45	6	-	-	-	1,291

As at December 31, 2021

Particulars	Outstanding for following periods from due date							Total
	Unbilled	Not Due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables								
Considered good	-	1,317	79	24	31	23	23	1,497
Which have significant increase in credit risk	-	-	-	-	-	-	-	-
Less: Loss allowance	-	-	-	-	(22)	(23)	(23)	(68)
Disputed Trade Receivables								
Considered good	-	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-	-
Credit Impaired	-	-	-	-	-	-	-	-
Total	-	1,317	79	24	9	-	-	1,429

1. Refer note 51(a) for credit risk on trade receivables.
2. There are no outstanding receivables due from directors or other officers of the Company as at year end.
3. No element of financing is deemed present and sales are generally made with a credit period as specified by the Company's policy which is consistent with the market practice. The Company does not have any contracts where the period between transfer of the promised goods and services to the customer and the payment by the customer exceeds 1 year. As a consequence, the Company does not adjust any transaction prices for the time value of money.

13. Cash and cash equivalents

Particulars	December 31, 2022	December 31, 2021
Balances with banks		
-in current accounts	326	350
-in EEFC accounts	52	9
Deposits with banks with original maturity of less than 3 months	9,671	15,021
Total	10,049	15,380

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the current and previous year.

Notes forming part of financial statements

as at and for the year ended December 31, 2022

14. Other bank balances

Particulars	December 31, 2022	December 31, 2021
Margin money deposits (Refer note below)	42	67
Unpaid dividend accounts	78	56
Total	120	123

Margin money deposits given as security

Margin money deposits with carrying amount of ₹ 65 million (December 31, 2021: ₹ 70 million) are subject to first charge to secure bank guarantees issued by banks on behalf of the Company.

15. Current loans

Particulars	December 31, 2022	December 31, 2021
Unsecured, considered good		
Loans to employees	20	27
Total	20	27

Loan to employees includes amount due from directors / KMP amounting to ₹* (PY: ₹*) (Refer note 40)

* denotes figure less than a million

16. Other current financial assets

Particulars	December 31, 2022	December 31, 2021
Security deposits	10	1
Other receivables	60	17
Total	70	18

17. Other current assets

Particulars	December 31, 2022	December 31, 2021
Advance payments to suppliers	55	39
Export benefits receivable	1	64
Balance with government authorities	308	250
Prepaid expenses	81	51
Other Advances	1	1
Others	17	34
Total	463	439

Notes forming part of financial statements

as at and for the year ended December 31, 2022

18. Assets classified as held for sale

Particulars	December 31, 2022	December 31, 2021
Pertaining to Mumbai - Mulund #		
Buildings	3	3
Freehold land	7	36
Plant and equipment	*	*
Net Carrying Value (a)	10	39
Pertaining to Mumbai - Pedder Road		
Building	*	*
Furniture and Fixtures	*	*
Office Equipment	*	*
Plant and Equipment	*	*
Net Carrying Value (b)	*	*
Total asset held for sale (a) + (b)	10	39

Movement on account of impairment

* denotes figure less than a million

19. Share capital and other equity

19 (a) Equity share capital

(i) Authorised share capital

Particulars	Number of shares	Amount
As at January 1, 2021	23,500,000	235
Increase during the year	-	-
As at December 31, 2021	23,500,000	235
Increase during the year	-	-
As at December 31, 2022	23,500,000	235

Issued, Subscribed and Paid up:

(ii) Movements in equity share capital

Particulars	Number of shares	Amount
As at January 1, 2021	23,030,622	230
Issued during the year	-	-
As at December 31, 2021	23,030,622	230
Issued during the year	-	-
As at December 31, 2022	23,030,622	230

(iii) Terms and rights attached to equity shares

The Company has only one class of equity shares having a face value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company. The distribution will be in

proportion to the number of equity shares held by the shareholder.

(iv) Shares held by holding and ultimate holding Company

13,904,722 (December 31, 2021: 13,904,722) equity shares of ₹ 10 each fully paid are held by Hoechst GmbH, Germany, holding Company and 4,865 (December 31, 2021: 4,865) equity shares of ₹ 10 each fully paid are held by Sanofi S.A., France ultimate holding Company.

Notes forming part of financial statements

as at and for the year ended December 31, 2022

(v) Details of shareholders holding more than 5% shares in the Company

Particulars	December 31, 2022	December 31, 2021
Equity shares of ₹ 10 each fully paid		
Hoechst GmbH, Germany		
- No of shares	13,904,722	13,904,722
- % of holding	60.37%	60.37%
Life Insurance Corporation of India		
- No of shares	1,369,833	1,368,608
- % of holding	5.95%	5.94%

(vi) Details of Promoters shareholding

Name of Promoters	No. of Shares as on December 31, 2022	Percentage of Total Shares on December 31, 2022	Percentage Change during the year
Hoechst GmbH, Germany	13,904,722	60.37%	0.0%
Sanofi S.A.	4,865	0.02%	0.0%

19 (b) Other equity - Reserves and surplus

Particulars	December 31, 2022	December 31, 2021
Securities premium	20	20
Retained earnings	8,432	17,951
General reserve	3,454	3,454
Share options outstanding account	622	601
Total	12,528	22,026

(i) Securities premium

Particulars	December 31, 2022	December 31, 2021
Opening balance	20	20
Movement during the year	-	-
Closing balance	20	20

(ii) Retained earnings

Particulars	December 31, 2022	December 31, 2021
Opening balance	17,951	16,946
Profit for the year	6,206	9,444
Items of Other Comprehensive Income recognised directly into retained earnings		
- Remeasurement of Post employee benefit obligation, net of tax	5	(33)
Dividend paid [Refer note 52 (b)]	(15,730)	(8,406)
Closing balance	8,432	17,951

(iii) General reserve

Particulars	December 31, 2022	December 31, 2021
Opening balance	3,454	3,454
Movement during the year	-	-
Closing balance	3,454	3,454

Notes forming part of financial statements

as at and for the year ended December 31, 2022

(iv) Share options outstanding account

Particulars	December 31, 2022	December 31, 2021
Opening balance	601	540
Employee stock option expense (Refer note 41)	21	61
Closing balance	622	601

Nature and purpose of reserves:

1) Securities premium

Securities premium is created when shares are issued at premium. This is utilised in accordance with the provisions of the Companies Act, 2013.

2) General reserve

General reserve is created out of profits of the Company. The reserve is utilised in accordance with the provisions of Companies Act, 2013.

3) Share options outstanding account

The share options outstanding account is used to recognise the fair value of restricted stock units as at grant date issued by the Ultimate holding Company, Sanofi S.A to the Company's eligible employees.

20. Non-current employee benefit obligations

Particulars	December 31, 2022	December 31, 2021
Pension (Refer note 42)	-	*
Compensated absences (Refer note 42)	320	343
Long service awards (Refer note 42)	18	20
Gratuity (Refer note 42)	17	256
Total	355	619

* denotes figure less than a million

21. Trade payables

Particulars	December 31, 2022	December 31, 2021
Trade Payables: micro and small enterprises (Refer note 46)	198	285
Trade Payables: Other than micro and small enterprises		
- Related parties (Refer note 40)	1,569	1,662
- Others	1,797	1,820
Total	3,564	3,767

Ageing Schedule for Trade Payable

December 31, 2022	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade payables							
Micro enterprises and small enterprises	-	181	-	-	-	17	198
Others	597	2,328	435	6	-	-	3,366
Disputed trade payables							
Micro enterprises and small enterprises	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Total	597	2,509	435	6	-	17	3,564

Notes forming part of financial statements

as at and for the year ended December 31, 2022

December 31, 2021	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade payables							
Micro enterprises and small enterprises	-	268	-	-	-	17	285
Others	595	2,108	754	24	1	-	3,482
Disputed trade payables							
Micro enterprises and small enterprises	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Total	595	2,376	754	24	1	17	3,767

22. Other current financial liabilities

Particulars	December 31, 2022	December 31, 2021
Other payables to related party (Refer note 40)	7	14
Unclaimed dividend #	78	56
Liability for capital goods	28	12
Total	113	82

There are no amounts due for payment to the Investor Education and Protection Fund (IEPF) under Section 125 of the Companies Act, 2013 as at the year end.

23. Current provisions

Particulars	December 31, 2022	December 31, 2021
Provision for sales return (Refer note 43)	728	552
Provision for indirect tax (Refer note 43)	330	341
Others (Refer note 43)	369	407
Total	1,427	1,300

24. Current employee benefit obligations

Particulars	December 31, 2022	December 31, 2021
Employee related liabilities #	984	908
Pension (Refer note 42)	-	*
Compensated absences (Refer note 42)	44	50
Long service awards (Refer note 42)	3	3
Gratuity (Refer note 42)	99	103
Total	1,130	1,064

* denotes figure less than a million

includes salaries, wages and bonus payable to employees

25. Other current liabilities

Particulars	December 31, 2022	December 31, 2021
Contract liabilities	47	43
Statutory liabilities	129	94
Total	176	137

Notes forming part of financial statements

as at and for the year ended December 31, 2022

Revenue recognised in relation to Contract liabilities

Particulars	December 31, 2022	December 31, 2021
Revenue recognised that was included in the contract liability at the beginning of the period	43	72
Total	43	72

26. Liabilities directly associated with assets classified as held for sale

Particulars	December 31, 2022	December 31, 2021
Other payables (Refer note 18)	9	9
Total	9	9

27. Revenue from operations

Particulars	December 31, 2022	December 31, 2021
Revenue from contract with customers:		
Sale of products	25,774	27,772
Sale of services	1,498	1,461
	27,272	29,233
Other operating income:		
Scrap sale	9	7
Indirect taxes refunds	19	13
Export incentives	37	98
Others #	364	215
	429	333
Total	27,701	29,566

Includes recovery of freight

Disaggregation of revenue from contract with customers

The Company has determined the categories of disaggregation of revenue considering the types/nature of contracts. The Company derives revenue from the transfer of goods and services.

Particulars	December 31, 2022	December 31, 2021
Revenue by location of customers		
- India	23,421	25,535
- Outside India	4,280	4,031
	27,701	29,566
Timing of revenue recognition		
- At a point in time	27,701	29,566
- Over a period of time	-	-
Total revenue from contract with customers	27,701	29,566
Reconciliation of revenue recognised in the statement of profit and loss with contracted price		
- Contract price	29,180	31,170
- Less: Volume discount/Cash discount	(1,479)	(1,604)
Total revenue from contract with customers	27,701	29,566



Notes forming part of financial statements

as at and for the year ended December 31, 2022

28. Other income

Particulars	December 31, 2022	December 31, 2021
Interest		
Bank deposits	452	360
Loan given to fellow subsidiary (Refer note 40)	137	271
Rental income (Refer note 40)	2	1
Exchange differences (net)	2	5
Gain on sale of asset held for sale, plant and equipment (net)	-	66
Gain on termination of leases	*	*
Miscellaneous Income	122	41
Total	715	744

* denotes figure less than a million

29. Cost of materials consumed

Particulars	December 31, 2022	December 31, 2021
Inventory at the beginning of the year	2,106	1,431
Add: Purchases	5,542	6,226
Less: Inventory at the end of the year	2,151	2,106
Total	5,497	5,551

30. Changes in Inventories of work-in-progress, stock-in-trade and finished goods

Particulars	December 31, 2022	December 31, 2021
Inventory at the end of the year		
Finished goods	600	549
Stock-in-trade	1,272	1,258
Work-in-progress	57	11
	1,929	1,818
Inventory at the beginning of the year		
Finished goods	549	727
Stock-in-trade	1,258	1,422
Work-in-progress	11	100
	1,818	2,249
Total	(111)	431

31. Employee benefits expense

Particulars	December 31, 2022	December 31, 2021
Salaries, wages and bonus	3,692	3,915
Contribution to provident fund and other funds	178	187
Gratuity (Refer note 42)	81	84
Staff welfare expenses	87	92
Employee share based payment expense (Refer note 41)	21	61
Total	4,059	4,339

Notes forming part of financial statements

as at and for the year ended December 31, 2022

32. Finance costs

Particulars	December 31, 2022	December 31, 2021
Other interest (Refer note 46)	*	*
Interest on lease liabilities	17	18
Total	17	18

* denotes figure less than a million

33. Depreciation and amortisation expense

Particulars	December 31, 2022	December 31, 2021
Depreciation of property, plant and equipment [Refer note 5 (a)]	324	351
Depreciation of right-of-use assets [Refer note 5 (c)]	85	75
Amortisation of intangible assets [Refer note 6 (a)]	10	241
Total	419	667

34. (a) Other expenses

Particulars	December 31, 2022	December 31, 2021
Advertisement and sales promotion	338	461
Auxiliary and other materials	83	91
Auditors remuneration [(Refer note 34 (b))]	5	5
Expenditure towards Corporate Social Responsibility (CSR) activities (Refer note 47)	143	133
Insurance	114	113
Legal and professional fees	630	686
Service charges	43	38
Power and fuel	143	139
Provision for bad and doubtful debts (net)	(15)	18
Provision for doubtful advances and deposits	1	(2)
Rates and taxes	113	147
Rent	17	36
Repairs and maintenance- buildings	34	13
Repairs and maintenance - others	94	94
Repairs and maintenance - plant and machinery	29	60
Selling and distribution expenses	1,344	1,136
Stores and spares	2	15
Toll manufacturing charges	541	555
Trainings and meetings	60	83
Travelling and conveyance	536	364
Impairment on Assets held for sale	29	-
Loss on sale/Write-off of property, plant and equipment (net)	2	-
Miscellaneous expenses	416	349
Total	4,702	4,534



Notes forming part of financial statements

as at and for the year ended December 31, 2022

34. (b) Auditors remuneration

Particulars	December 31, 2022	December 31, 2021
Payment to Auditors:		
As auditor:		
Audit fees	5	5
Certificates	*	*
Reimbursement of Expenses	*	*
Total Payments to Auditors	5	5

* denotes figure less than a million

35. Income Tax

35 (a) Income tax expense

Particulars	December 31, 2022	December 31, 2021
Current tax		
Current tax on profits for the year	2,452	3,360
Total current tax expense	2,452	3,360
Deferred tax		
Decrease/(Increase) in deferred tax assets	37	(5)
(Decrease) in deferred tax liabilities	(52)	(223)
Total deferred tax (credit)	(15)	(228)
Income tax expense	2,437	3,132

35 (b) For the year ended December 31, 2022, the company has reversed Deferred tax assets of ₹ 1 million in other comprehensive income whereas the company had recognised Deferred tax assets of ₹ 11 million for the year ended December 31, 2021 on account of actuarial remeasurements of defined benefit plan.

No aggregate amounts of current and deferred tax have arisen in the reporting periods which have not been recognised in net profit or loss or other comprehensive income but directly debited/ (credited) to equity.

35 (c) Reconciliation of tax expense and the accounting profit multiplied by tax rate:

Particulars	December 31, 2022	December 31, 2021
Profit before tax	8,643	12,576
At statutory income tax rate of 25.168% (December 31, 2021: 25.168%)	2,175	3,165
Expenses not deductible for tax purposes	306	218
Non taxable income under Income Tax Act, 1961	(13)	-
Difference on account of different tax rate for long term capital gains	(31)	(112)
Tax on long term capital gain adjusted with long term capital loss (Refer note below)	-	(139)
Effective income tax	2,437	3,132

During the previous year, long-term capital gain was set-off against the long-term capital loss, however in the previous years no Deferred Tax Assets was recognised for those long term capital losses as the probability of future taxable long-term capital gain against which such long-term capital loss can be set off was considered low.

Notes forming part of financial statements

as at and for the year ended December 31, 2022

35 (d) Deferred tax liabilities (net)

Particulars	December 31, 2022	December 31, 2021
The balance comprises temporary differences attributable to:		
Provision for doubtful debts and advances	(18)	(22)
Disallowance under Section 43B and 40(a)(ia) of the Income Tax Act, 1961	(124)	(122)
Employee retirement and other long term benefits	(206)	(240)
Lease liabilities	(60)	(62)
Total deferred tax assets	(408)	(446)
Depreciation and amortisation	404	453
Right-of-Use Assets	53	56
Total deferred tax liabilities	457	509
Deferred tax liability (net)	49	63

Note: Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing taxation laws.

35 (e) Movement in deferred tax assets/liabilities

(i) Deferred Tax Assets/Liabilities in relation to the year ended December 31, 2022

Particulars	December 31, 2021	Charged/ (Credited) to Statement of Profit and Loss	Charged/ (Credited) to Other Comprehensive Income	December 31, 2022
Deferred Tax Liability				
Depreciation and amortisation	453	(49)	-	404
Right-of-Use Assets	56	(3)	-	53
Total Deferred Tax Liability	509	(52)	-	457
Less: Deferred Tax Assets				
Provision for doubtful debts and advances	(22)	4	-	(18)
Disallowance under Section 43B and 40(a)(ia) of the Income Tax Act, 1961	(122)	(2)	-	(124)
Employee retirement and other long term benefits	(240)	33	1	(206)
Lease liabilities	(62)	2	-	(60)
Total Deferred Tax Assets	(446)	37	1	(408)
Net Deferred Tax Liabilities	63	(15)	1	49

(ii) Deferred Tax Assets/Liabilities in relation to the year ended December 31, 2021

Particulars	December 31, 2020	Charged/ (Credited) to Statement of Profit and Loss	Charged/ (Credited) to Other Comprehensive Income	December 31, 2021
Deferred Tax Liability				
Depreciation and amortisation	647	(194)	-	453
Reversal of goodwill amortisation	31	(31)	-	-
Right-of-Use Assets	54	2	-	56
Total Deferred Tax Liability	732	(223)	-	509
Less: Deferred Tax Assets				
Provision for doubtful debts and advances	(18)	(4)	-	(22)
Disallowance under Section 43B and 40(a)(ia) of the Income Tax Act, 1961	(115)	(7)	-	(122)
Employee retirement and other long term benefits	(240)	11	(11)	(240)
Lease liabilities	(57)	(5)	-	(62)
Total Deferred Tax Assets	(430)	(5)	(11)	(446)
Net Deferred Tax Liabilities	302	(228)	(11)	63

Notes forming part of financial statements

as at and for the year ended December 31, 2022

36. Operating Segment

The operations of the Company are limited to one segment viz. Pharmaceutical products.

Operating segments are defined as components of an company for which discrete financial information is available that is evaluated regularly by Chief Operating Decision Maker (CODM), in deciding how to allocate resources and assessing performance.

Geographical revenues are allocated based on the location of the customers. Information regarding geographical revenue is as follows:

Revenue from operations

Particulars	December 31, 2022	December 31, 2021
India	23,421	25,535
Singapore	3,985	3,879
Others	295	152
Total	27,701	29,566

Information about major customers

One single external customer (entities under common control) represented 10% or more of the Company's total revenue during the year ended December 31, 2022 amounting to ₹ 5,619 million (December 31, 2021: ₹ 5,457 million) (Refer note 40).

37. Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹ 194 Million (December 31, 2021: ₹ 53 Million).

38. Earnings per share:

Particulars	December 31, 2022	December 31, 2021
Profit for the year (₹ in Million)	6,206	9,444
Weighted average number of shares	23,030,622	23,030,622
Nominal value per share (₹)	10	10
Basic and diluted earnings per share (₹)	269.47	410.06

39. Contingent Liabilities

a) Particulars	December 31, 2022	December 31, 2021
Income Tax demands in respect of which		
Tax authorities have appealed against Income tax orders which were ruled in favour of the Company	797	876
Company's appeals are pending before appropriate authorities/the Company is in process of filing an appeal with appropriate authorities	1,897	1,905

- There are certain matters relating to Indirect tax litigations which are pending for decision at various authority levels. Based on management's assessment, these would have a remote chance of cash outflow.
- There are other legal cases filed against the Company, based on the management assessment the likelihood of cash outflow is considered to be remote.
- Contingent liability relating to determination of provident fund liability, based on judgement from

Hon'ble Supreme Court, is not determinable at present for the period prior to March 2019, due to uncertainty of the impact of the judgement in the absence of further clarification relating to applicability. The Company has paid Provident Fund to employees as applicable with effect from March 2019. The Company will continue to assess any further developments in this matter for its implication on the financial statements, if any.

Notes forming part of financial statements

as at and for the year ended December 31, 2022

40. Related Party Disclosures

i. Parties where control exists:

- a) Sanofi S.A. France, ultimate holding Company
- b) Hoechst GmbH, Germany, holding Company

ii. Other related parties in Sanofi Group where common control exists and with whom transactions have taken place during the reporting year.

Sanofi-Aventis Singapore Pte. Limited

Francopia S.A.R.L.

Sanofi-Aventis Deutschland GmbH

Sanofi-Aventis Groupe

Sanofi Lanka Limited*

Sanofi Chimie S.A *

Sanofi-aventis Philipins Inc.*

Sanofi Healthcare India Private Limited

Sanofi Winthrop Industrie S.A.

Sanofi US Services Inc.

Aventis Pharma UK Investments Ltd. *

Sanofi Vietnam Shareholding Company

Sanofi-Aventis Gestion S.A.

Sanofi-aventis Healthcare Pty Ltd *

Euro API Germany GMBH

Sanofi Industries South Africa (PTY) Ltd.

SSP Co. Ltd

Sanofi India Limited Provident Fund

* No transactions during the year

iii. Key management personnel of the Company for the year

Mr. Rodolfo Hrosz	- Managing Director (w.e.f June 1, 2022)
Mr. Rajaram Narayanan	- Managing Director (till the closure of business hours of April 10, 2022)
Mr. Cherian Mathew	- Whole Time Director
Mr. Vaibhav Karandikar	- Chief Financial officer and Whole time director (w.e.f February 23, 2021)
Mr. Girish Tekchandani	- Company Secretary (till the closure of business hours of August 31, 2021)
Ms. Radhika Shah	- Company Secretary (w.e.f November 1, 2021)

iv. Non-Executive Directors

Mr. Cyril Grandchamp-Desraux	- (till the closure of business of November 24, 2021)
Mr. Marc-Antoine Lucchini	
Mr. Charles Billard	- (till the closure of business hours of November 3, 2022)
Ms. Annapurna Das	- (w.e.f November 3, 2022)

v. Independent Directors

Mr. Aditya Narayan
Mrs. Usha Thorat
Mr. Rahul Bhatnagar



Notes forming part of financial statements

as at and for the year ended December 31, 2022

vi. Transactions during the year

Particulars	December 31, 2022	December 31, 2021
Ultimate Holding Company		
Dividend paid	3	2
Expenses recharged by	(22)	117
Total	(19)	119
Holding Company		
Dividend paid	9,497	5,075
Other related Parties		
Sale of Products and Other Operating Income		
Sanofi-Aventis Singapore Pte. Limited	3,938	3,794
Others	183	207
Total	4,121	4,001
Purchase of Raw Materials and Stock-in-trade		
Sanofi-Aventis Singapore Pte. Limited	2,474	4,052
Francopia S.A.R.L.	1,106	1,145
Sanofi Healthcare India Private Limited	3,220	2,765
Others	*	*
Total	6,800	7,962
Expenses recharged to other companies		
Sanofi-Aventis Groupe S.A.	2	*
Sanofi Healthcare India Private Limited	6	8
Sanofi-Aventis Gestion S.A.	4	-
Others	*	*
Total	12	9
Sale of Services		
Sanofi Healthcare India Private Limited	1,431	1,355
Sanofi-Aventis Singapore Pte. Limited	47	85
Others	20	16
Total	1,498	1,456
Purchase of Tangible Asset		
Sanofi-Aventis Deutschland GmbH	20	-
Total	20	-
Payment towards Intangibles under development		
Sanofi Healthcare India Private Limited	8	24
Total	8	24
Rent Income		
Sanofi Healthcare India Private Limited	2	1
Total	2	1
Rent Paid		
Sanofi Healthcare India Private Limited	1	1
Total	1	1
Loan given		
Sanofi Healthcare India Private Limited	-	50
Total	-	50
Loan repaid		
Sanofi Healthcare India Private Limited	4,450	50
Total	4,450	50

Notes forming part of financial statements

as at and for the year ended December 31, 2022

Particulars	December 31, 2022	December 31, 2021
Interest income on loan		
Sanofi Healthcare India Private Limited	137	271
Total	137	271
Expenses recharged by other companies		
Sanofi Healthcare India Private Limited	60	56
Sanofi Winthrop Industrie S.A.	-	9
Sanofi Lanka Limited	-	26
Sanofi-Aventis Groupe	20	7
Others	*	1
Total	80	99
Contribution to In-house Trust for Post		
Employment Benefits - Provident Fund		
Sanofi India Limited Provident Fund (Including contribution by employees)	323	355

* denotes figure less than a million

Particulars	December 31, 2022	December 31, 2021
Key Management Personnel Remuneration # #		
Remuneration		
Mr. Rodolfo Hrosz	18	-
Mr. Rajaram Narayanan	33	42
Mr. Vaibhav Karandikar	20	18
Mr. Cherian Mathew	26	26
Mr. Girish Tekchandani	-	7
Ms. Radhika Shah	10	2
Total	107	95
Share based benefit		
Mr. Rodolfo Hrosz	6	-
Mr. Rajaram Narayanan	-	11
Mr. Vaibhav Karandikar	4	2
Mr. Cherian Mathew	6	4
Total	16	17
Loan given		
Mr. Vaibhav Karandikar (Refer note 2 below)	*	*
Loan repaid		
Mr. Vaibhav Karandikar	*	*

Excludes Provision made on the basis of Actuarial valuation

* denotes figure less than a million

Particulars	December 31, 2022	December 31, 2021
Sitting Fees to Non- Executive Directors		
Mr. Aditya Narayan	1	1
Ms. Usha Thorat	2	1
Mr. Rahul Bhatnagar	2	1
Total	5	3
Commission to Non - Executive Directors		
Mr. Aditya Narayan	2	2
Ms. Usha Thorat	1	1
Mr. Rahul Bhatnagar	1	1
Total	4	4



Notes forming part of financial statements

as at and for the year ended December 31, 2022

Terms and conditions of transactions with related parties

The sales, services and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. For the year ended December 31, 2022, the Company has not recorded

any impairment of receivables relating to amounts owed by related parties (December 31, 2021: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

vii. Outstanding as at December 31, 2022

Particulars	December 31, 2022	December 31, 2021
Trade Receivables		
Sanofi-Aventis Singapore Pte. Limited	736	596
Sanofi Healthcare India Private Limited	128	332
Others	8	5
Total	872	933
Trade Payables		
Sanofi-Aventis Singapore Pte. Limited	533	475
Sanofi Winthrop Industrie S.A.	-	11
Francopia S.A.R.L.	789	534
Sanofi Healthcare India Private Limited	224	610
Others	23	32
Total	1,569	1,662
Other Financial Liabilities		
Sanofi Healthcare India Private Limited	7	14
Loan receivable		
Sanofi Healthcare India Private Limited (Refer Note 1 below)	-	4,450
Key Management Personnel		
Loan receivable		
Mr. Vaibhav Karandikar (Refer Note 2 below)	*	*

* denotes figure less than a million

- 1) Loan given to Sanofi Healthcare India Private Limited. The rate of interest was 7.5% till April 14, 2021 and 5.5% from April 15, 2021 to April 14, 2022, and then 5.55% till July 25, 2022. Maximum balance outstanding during the year ₹ 4,450 Million (December 31, 2021: ₹ 4,450 Million) from Sanofi Healthcare India Private Limited. The said loan has been proposed to be utilized by Sanofi Healthcare India Private Limited for business purpose

and was fully recovered during the current year. The Maturity date of the loan was April 15, 2023.

The Loan was given against corporate guarantee by Sanofi S.A. France. Guarantee is valid till April 15, 2023.

- 2) Given as per the Company's policies for employees. These are interest free loan and repayable in 12 month equal installments.

Notes forming part of financial statements

as at and for the year ended December 31, 2022

41. Share Based Payments

Restricted Stock Units (RSU's)

The Company does not provide any equity based compensation to its employees. However, the ultimate holding company, Sanofi SA, France ("the grantor") maintains equity incentive plans that provide for award of restricted share plans to certain employees of the

Company. The terms of those plans make the award contingent on the attainment of certain performance criteria which are considered to be defined grants. The vesting period of such plans is either three or four years.

The fair value of an equity instrument granted under a plan is the market price of the share at the grant date, adjusted for expected dividends during the vesting period.

Particulars	December 31, 2022		December 31, 2021	
	Weighted Average grant date fair value (in euro)	Number of Units	Weighted Average grant date fair value (in euro)	Number of Units
Units outstanding at the beginning of the year	79	34,742	75	39,308
Units granted during the year	101	7,795	86	12,322
Exercised during the year	68	(8,165)	66	(12,897)
Forfeited/expired/lapsed during the year	85	(7,520)	73	(3,991)
Units outstanding at the end of the year	90	26,852	79	34,742

Weighted average remaining contractual life of RSUs outstanding at the end of the year

Particulars	Life in (years)
As at December 31, 2022	1
As at December 31, 2021	1

Expenses arising from share based payment transactions

Total expenses arising from share-based payment transactions recognised in profit or loss as part of employee benefit expense are as follows:

Particulars	December 31, 2022	December 31, 2021
Employee share based payment expense	21	61
Total employee share based payment expense	21	61

42. Employee Benefits

Defined Contribution Plans (Refer Note 2.3 (xvi)(III))

The Company makes contributions towards provident fund (Nepal), superannuation fund and pension scheme to a defined contribution retirement benefit plan for qualifying employees. The superannuation fund is administered by the Life Insurance Corporation of India (LIC). Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits.

The Company has recognised the following amounts in the statement of Profit and Loss for the year:

Particulars	December 31, 2022	December 31, 2021
i) Contribution to Employees' Provident Fund (Nepal)	1	1
ii) Contribution to Employees' Superannuation Fund	29	31
iii) Contribution to Employee's Pension Scheme, 1995	36	41
iv) Contribution to Employee's State Insurance Corporation	*	*

*denotes figure less than a million.



Notes forming part of financial statements

as at and for the year ended December 31, 2022

Defined Benefit Plans

I) Other long term employee benefits (Refer Note 2.3 (xvi)(II))

Compensated absences (included as a part of salaries and wages in Note 31 - Employee benefits expense) All eligible employees can carry forward and avail / encash leave as per Company's rules.

Long Service Award (included as a part of salaries and wages in Note 31 - Employee benefits expense) Under this scheme, long service benefits accrues to the employees, while in service and is payable upon completion of stipulated services with the Company.

II) Post employment employee benefits plans (Refer Note 2.3 (xvi)(III))

A. Gratuity

Gratuity is payable to all eligible employees of the Company on superannuation, death and permanent disablement in terms of provisions of the Payment of Gratuity Act or as per the Company's Scheme whichever is more beneficial. Benefit would be paid

at the time of separation based on the last drawn base salary.

B. Pension plan

Under the Company's Pension scheme, certain executives are eligible for fixed pension for five years, depending on their level at the time of retirement on superannuation, death or early retirement with the consent of the Company.

In above cases, the Company's liability is actuarially determined (using the Projected unit credit method) at the end of each year. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity and Pension plan and the amounts recognised in the Company's financial statements as at the Balance Sheet date:

Actuarial Assumptions

Particulars	Gratuity		Pension Plan	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Discount Rate (per annum)	7.55%	7.08%	N/A	7.08%
Expected Rate of Return on Plan Assets	7.55%	7.08%	N/A	-
Salary Escalation rate/Pension escalation rate	6.8% p.a. for 1 year, 7.50% p.a. for the next 3 years, 6.5% p.a. for the years thereafter	7.00% p.a. for the next 4 years, 6% p.a. for the years thereafter	N/A	N/A
Mortality	Indian Assured Lives Mortality (2012-14) Urban	Indian Assured Lives Mortality (2012-14) Urban	N/A	Indian Assured Lives Mortality (2012-14) Urban
Employees attrition rate	For service 4 yrs & Below 8.00 % p.a. & For service 5 yrs and above 2.00 % p.a.	For service 4 yrs & Below 8.00 % p.a. & For service 5 yrs and above 2.00 % p.a.	N/A	1%

Notes:

- The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion, and other relevant factors, such as supply and demand in the employment market.
- The discount rate is based on the prevailing market yields of Indian Government securities as at the Balance sheet date for the estimated term of the obligation.

Notes forming part of financial statements

as at and for the year ended December 31, 2022

i) Reconciliation of present value of obligations ('PVO') - defined benefit obligation:

Particulars	Gratuity		Pension Plan	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Liability at the beginning of the year	865	844	*	1
Interest Cost	61	56	*	*
Current Service Cost	55	60	-	-
Benefits Paid	(190)	(49)	(*)	(*)
Liability Transfer Out/Divestments	-	(48)	-	-
Actuarial (gain)/loss on Financial Assumption	3	(20)	-	*
Actuarial (gain)/loss on Demographic Assumption	-	5	-	-
Actuarial (gain)/loss on Experience	(5)	17	-	(*)
Liability at the end of the year	789	865	-	*

*denotes figure less than a million.

ii) Fair value of Plan Assets

Particulars	Gratuity		Pension Plan	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Fair Value of Plan Assets at the beginning of the year	506	476	-	-
Expected Return on Plan Assets	35	32	-	-
Employer's Contributions	265	40	-	-
Benefits Paid	(143)	(39)	-	-
Return on plan Asset, Excluding Interest	10	(3)	-	-
Fair Value of Plan Assets at the end of the year	673	506	-	-

iii) Amount Recognised in the Balance Sheet

Particulars	Gratuity		Pension Plan	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Liability at the end of the year	789	865	-	*
Fair Value of Plan Assets at the end of the year	673	506	-	-
Amount Recognised in the Balance Sheet	116	359	-	*

*denotes figure less than a million.

iv) Expenses Recognised in the Income Statement

Particulars	Gratuity		Pension Plan	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Current Service Cost	55	60	-	-
Interest Cost on benefit obligation (net)	26	24	*	*
Expenses Recognised	81	84	*	*

*denotes figure less than a million.



Notes forming part of financial statements

as at and for the year ended December 31, 2022

v) Expenses Recognised in Other Comprehensive Income (OCI) for current year

Particulars	Gratuity		Pension Plan	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Actuarial changes arising from changes in financial assumptions	3	(20)	-	*
Actuarial changes arising from changes in demographic assumptions	-	5	-	-
Actuarial changes arising from changes in experience adjustments	(5)	17	-	(*)
Return on Plan Asset, Excluding Interest Income	(10)	3	-	-
OCI for the year	(12)	5	-	(*)

*denotes figure less than a million.

B) Also refer note C below

Particulars	Provident Fund	
	December 31, 2022	December 31, 2021
Re-measurement on account of Fair Value of Plan Assets	-	12
Interest Short Fall	6	27
OCI for the year	6	39
Total OCI for the Year (A+B)	(6)	44

vi) Maturity profile of defined benefit obligations (undiscounted)

Particulars	Gratuity		Pension Plan	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
1 year (within next 12 months)	69	98	-	*
2 to 10 years	540	558	-	1
Above 10 years	1,224	1,226	-	-

*denotes figure less than a million.

vii) Sensitivity Analysis

Particulars	Gratuity		Pension Plan	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Benefit Obligation on Current Assumptions	789	885	-	*
Effect of +0.5% Change in Rate of Discounting	(33)	(36)	-	(*)
Effect of -0.5% Change in Rate of Discounting	36	39	-	*
Effect of +0.5% Change in Rate of Salary Increase	36	39	-	-
Effect of -0.5% Change in Rate of Salary Increase	(34)	(37)	-	-
Effect of +0.5% Change in Rate of Employee Turnover	3	3	-	-
Effect of -0.5% Change in Rate of Employee Turnover	(3)	(3)	-	-

* denotes figure less than a million

Notes forming part of financial statements

as at and for the year ended December 31, 2022

viii) Risk exposure:

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

Investment risk: If future investment returns on assets are lower than assumed in valuation, the scheme's assets will be lower and the funding level higher than expected.

Changes in bond yields: A decrease in yields will increase plan liabilities, although this will be partially

offset by an increase in the value of the plans' bond holdings.

Longevity risk: If improvements in life expectancy are greater than assumed, the cost of benefits will increase because pensions are paid for longer period than expected. This will mean the funding level will be higher than expected.

Inflation risk: If inflation is greater than assumed, the cost of benefits will increase as pension increases and deferred revaluations are linked to inflation.

ix) Broad category of Plan assets relating to Gratuity

Particulars	Gratuity	
	December 31, 2022	December 31, 2021
Fund managed by Life Insurance Corporation of India (unquoted)	94%	93%
Special Deposit Fund	6%	7%

Fund is Managed by LIC as per IRDA guidelines, category-wise composition of the plan assets is not available.

C. Provident Fund (other than Nepal)

The Company manages the provident fund through a Provident Fund Trust for its employees (except Staff and Workmen at Nepal unit) which are permitted under The Employees' Provident Fund and Miscellaneous Provisions Act, 1952. Eligible employees receive benefits from the said Provident Fund. Both the employees and the Company make monthly contributions to the Provident Fund Trust equal to a specified percentage of the covered employee's salary. The minimum interest rate payable by the Trust to the beneficiaries every year is being notified by the Government of India. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate. The Board of Trustees administers the

contributions made by the Company to the schemes and also defines the investment strategy.

The Company has an obligation to service the shortfall on account of interest generated by the fund and on maturity of fund investments and hence the same has been classified as Defined Benefit Plan in accordance with Ind AS 19 "Employee Benefits". As per the Guidance Note from the Actuarial Society of India, the Company has obtained the actuarial valuation of principal loss and interest rate obligation in respect of Provident Fund as at December 31, 2022 and based on the same Loss of ₹ 6 million (Previous Year ₹ 39 million) on account of re-measurement of fair value of plan assets and on account of interest shortfall is recognised in Other Comprehensive Income.

Key assumption used for actuarial valuation are as below:

Particulars	Provident Fund	
	December 31, 2022	December 31, 2021
Rate of Discounting	7.55%	7.08%
Guaranteed rate of return	8.10%	8.50%
Weighted Average Yield	7.99%	8.00%

Notes forming part of financial statements

as at and for the year ended December 31, 2022

43. Other provisions:

Movements in provisions:

Particulars	Class of provisions				Total
	Indirect tax	Provision for Sales Returns	Provision for DPCO matters	Others	
Balance as at January 1, 2022	341	552	367	40	1,300
	(346)	(730)	(367)	(42)	(1,485)
Amount provided during the year	10	555	-	2	567
	(20)	(681)	(-)	-	(701)
Amount written back/paid during the year	21	379	-	40	440
	(25)	(859)	(-)	(2)	(886)
Balance as at December 31, 2022	330	728	367	2	1,427
	(341)	(552)	(367)	(40)	(1,300)

Note: Figures in brackets are for the previous year.

- Provision for indirect taxes represents differential excise duty, GST, sales tax and service tax in respect of which the claims are pending before various authorities for a considerable period of time and based on management's estimate of claims provision is made on prudent basis that possible outflow of resources may arise in future.
- Provision for sales returns are on account of expected date expiry and breakages returns based on historical trends.
- In respect of Provision for DPCO matters, based on the management assessment, the likelihood of any additional outflow is considered as remote.
- Other provisions on prudent basis are towards possible outflow of resources in respect of legal cases pending against the Company or in respect of contractual obligations of the Company.

44. Derivative Instruments and Un-hedged Foreign Currency Exposure:

There are no derivative instrument as at Balance Sheet date

Particulars of un-hedged Foreign Currency exposure as at Balance sheet date

Particulars	Foreign Currency	December 31, 2022		December 31, 2021	
		Foreign Currency Value	₹ in Million	Foreign Currency Value	₹ in Million
Trade Payables	EUR	13,223,417	1,171	9,764,441	827
	USD	351,118	29	1,068,577	80
	JPY	2,687,500	2	-	-
Trade Receivables	EUR	8,395,451	744	7,093,334	601
	USD	251,469	21	452,656	34
Cash and Bank Balances	EUR	59,213	5	-	-
	USD	562,503	47	116,069	9

Notes forming part of financial statements

as at and for the year ended December 31, 2022

45. (a) Consequent upon the decision of the Supreme Court in the matter of prices of certain bulk drugs fixed by the Government of India under the Drug (Prices Control) Order, 1979, the Company paid an amount of ₹ 31 Million in 1988 being the liability determined by the Special Team appointed by the Government. However, during 1990, fresh demands aggregating to ₹ 781 Million alleged to be payable into the Drug Prices Equalisation Account (DPEA) were made by the Government on account of alleged unintended benefit enjoyed by the Company. The Government has also made certain claims for applicable interest. On a Writ Petition filed by the Company in 1991, the Bombay High Court passed an order whereby the demands were to be treated as show cause notices. The High Court directed the Company and the Government to furnish relevant data to each other based on which the Government was to rework the figures. The Government did not furnish the requisite data to the Company. In 1995, a further demand of ₹ 80 Million was made by the Government.

In the meantime, a Committee was constituted by the Government to determine the liabilities of the Drug Companies. The Company filed written submissions with the Committee and contended during the personal hearing that in the absence of the Government furnishing the requisite data as directed by the Bombay High Court, the Company

was not in a position to make an effectual presentation before the Committee.

In January 1999, the Company filed an Application before the Bombay High Court seeking directions to the Government to furnish the requisite data. The Application is pending. In the meantime, the Committee has deferred further hearing of the Company's case, until the Application is heard and decided by the Bombay High Court. In any event, the Company is contesting the above demand.

(b) National Pharmaceutical Pricing Authority (NPPA) had raised demands on the Company for alleged overcharging of some of its products. The Company had contested the demands by filing writ petitions in the Delhi High Court. The Hon'ble Delhi High Court vide order dated May 16, 2019, without expressing any opinion on the matter, set aside the demands raised and the matter was remanded back to NPPA for considering them afresh in accordance with law.

As a matter of abundant precaution, an amount of ₹ 162 million which had been provided in the books of account in earlier years has been retained. The Company will continue to assess any further developments in this matter.

Based on the management assessment, the likelihood of any additional outflow is considered as remote in respect of above (a) and (b) matters.

46. Micro and Small Enterprises

The Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

Particulars	December 31, 2022	December 31, 2021
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	181	268
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	17	17
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	65	39
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	*	*
Interest accrued and remaining unpaid at the end of the accounting year	*	*
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act	17	17

* denotes figure less than a million

Notes forming part of financial statements

as at and for the year ended December 31, 2022

47. Disclosure on Corporate Social Responsibility as per the provisions of Section 135 of the Companies Act, 2013

Particulars	Year ended December 31, 2022	Year ended December 31, 2021
Amount required to be spent as per Section 135 of the Act	143	133
Amount spent during the year:		
i) Construction/acquisition of any asset	-	-
ii) On purpose other than (i) above:		
a) Public Private Partnership with the Government of Goa	11	2
b) Non communicable CD program with the Health Department of the Govt. of Maharashtra & Telangana	67	40
c) Towards Counselling patients to manage their diabetes and create awareness on early detection	68	9
d) Allergy free program	-	-
e) Towards Employee volunteering - Joy in Outreach	1	1
f) Towards Grants/Donation	2	35
g) Towards skill development of youth skilled Labour	-	-
h) Cancer awareness programme	24	3
i) Administrative overheads	7	6
Total (a)	180	96
Excess / (Shortfall)	37	(37)
Less: Amount utilised from previous year	-	-
Amount to be spent (b) (Refer note below)	-	37
CSR expenses for the year (Refer note 34)	143	133

Details of ongoing CSR projects under Section 135(6) of the Act

Balance as at January 1, 2022		Amount required to be spent during the year	Amount spent during the year		Balance as at December 31, 2022	
With the Company	In Separate CSR unspent account		From the company's bank account	From separate CSR unspent account	With the Company	In Separate CSR unspent account
-	37	143	143	37	-	-

Details of CSR expenditure under Section 135(5) of the Act in respect of other than ongoing projects

Balance unspent as at January 1, 2022	Amount deposited in the specified fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance unspent as at December 31, 2022
-	-	-	-	-

Details of excess CSR expenditure under Section 135(5) of the Act

Balance excess spent as at January 1, 2022	Amount required to be spent during the year	Amount spent during the year	Balance excess spent as at December 31, 2022
-	143	143	-

Notes forming part of financial statements

as at and for the year ended December 31, 2022

48. a) The Board of Directors of the Company at its meeting held on November 25, 2021, approved the transfer of certain assets namely marketing intangibles, customer lists/database, trade channel knowledge/wholesaler lists, vendor/supplier database, pharmacovigilance/medical database that are related to the distribution business of Soframycin and Sofradex conducted by the Company and product inventory to Encube Ethicals Private Limited.

Pursuant to the agreement dated December 1, 2021 with Encube Ethicals Private Limited, the transaction concluded on January 31, 2022 after fulfillment of the underlying conditions and the Company has received the full consideration of ₹ 1,369 million including working capital adjustments and consequently, the Company had accounted for a gain of ₹ 1,181 million from sale of this business after working capital adjustment and transaction costs. This has been disclosed as an exceptional item.

b) Exceptional Item for the current year also includes profit on sale of a property amounting to ₹ 320 Million and separation cost relating to the sales force management amounting to ₹ 181 Million.

49. During the year ended December 31, 2021, the Board of Directors of the Company at its meeting held on July 27, 2021 approved a transaction for the slump sale and transfer of the Company's Nutraceuticals business, on a going concern basis to Universal Nutriscience Private Limited for a consideration of ₹ 5,870 million including debt like obligations, subject to customary working capital adjustments. The transaction was closed on September 30, 2021. Subsequent to the closing, the final consideration of ₹ 5,860 million (after working capital adjustments) was received in full and during the year ended December 31, 2021, the Company had accounted for gain of ₹ 4,892 million (comprising debt like obligation taken over by the purchaser ₹ 196 million, intangible assets adjusted ₹ 827 million and transaction costs ₹ 337 million), which has been disclosed as an exceptional item in the previous year.

50. Fair value measurements

Financial instruments by category

Particulars	December 31, 2022			December 31, 2021		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets						
Loans	-	-	20	-	-	4,477
Trade receivables	-	-	1,291	-	-	1,429
Cash and cash equivalents	-	-	10,049	-	-	15,380
Bank balances other than cash and cash equivalents	-	-	120	-	-	123
Other financial assets	-	-	217	-	-	174
Total financial assets	-	-	11,697	-	-	21,583
Financial liabilities						
Trade payables	-	-	3,564	-	-	3,767
Other financial liabilities	-	-	113	-	-	82
Total financial liabilities	-	-	3,677	-	-	3,849

Fair value of financial assets/liabilities measured at amortised cost

The carrying amounts of trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, trade payables, other financial liabilities are considered to be the same as their fair values, as they are current in nature.

The categories used are as follows:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. Considering that all significant inputs required to fair value such instruments are observable, these are included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Notes forming part of financial statements

as at and for the year ended December 31, 2022

51. Financial risk management

The Company's activities expose it to variety of financial risks namely market risk, credit risk and liquidity risk. The Company has various financial assets such as deposits, trade and other receivables and cash and bank balances directly related to their business operations. The Company's principal financial liabilities comprise of trade and other payables. The Company's senior management's focus is to foresee the unpredictability and minimize potential adverse effects on the Company's financial performance. The Company's overall risk management procedures to minimise the potential adverse effects of financial market on the Company's performance are as follows:

The Company's Board of Directors have overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management is carried out by the management in consultation with the Board of Directors. The Board provides principles for overall risk management, as well as policies covering specific risk areas.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

(A) Management of Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and from its financing activities including deposits with banks and other financial instruments. The Company establishes an impairment allowance

The movement in the allowance for credit loss in respect of trade receivables was as follows:

Particulars	December 31, 2022	December 31, 2021
Opening balance	68	50
Changes in loss allowance	(15)	18
Closing balance	53	68

The management believes that no further provision is necessary in respect of trade receivables based on historical trends of these customers.

Concentration of credit risk arises when counter parties are engaged in similar business activities or have similar economic features that would cause the ability to meet contractual obligations to be similarly affected by changes in economical, political or other conditions. Concentration of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. The Company's exposure to customers is diversified and no

based on expected credit loss model that represents its estimate of incurred losses in respect of trade and other receivables.

(i) Trade and other receivables

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 1,291 million as at December 31, 2022 (December 31, 2021 - ₹ 1,429 million). Trade receivables are typically unsecured and are derived from revenue earned from customers located in India as well as outside India.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry, the country and the state in which the customer operates, also has an influence on credit risk assessment. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. Further, significant sales of the Company are against advance payment/collection on delivery terms.

The management continuously monitors the credit exposure towards the customers outstanding at the end of each reporting period to determine incurred and expected credit losses.

single customer has significant contribution to trade receivable balances.

(ii) Cash and cash equivalents and bank balances

The Company held cash and cash equivalents of ₹ 10,049 million as at December 31, 2022 (December 31, 2021: ₹ 15,380 million) and other bank balances of ₹ 120 million (December 31, 2021: ₹ 123 million). Credit risk on cash and cash equivalents is limited as these are generally held or invested in deposits with banks and financial institutions with good credit ratings.

Notes forming part of financial statements

as at and for the year ended December 31, 2022

(iii) Loans

Outstanding loan given to its fellow subsidiary amounting to ₹ Nil as at December 31, 2022 (December 31, 2021: ₹ 4,450 million). This loan has been given against the corporate guarantee by group Company i.e. Sanofi S.A.

The Company's maximum exposure to credit risk as at December 31, 2022 and December 31, 2021 is the carrying value of each class of Financial Assets.

(B) Liquidity Risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach in managing

liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions.

The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended December 31, 2022 and December 31, 2021. Cash Flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis.

The following table shows the maturity analysis of the Company's all non- derivative, contractual financial liabilities based on agreed undiscounted cash flows along with its carrying value as at the Balance Sheet date.

Particulars	Carrying amount	Undiscounted Amount		Total
		Payable within one year	Payable more than one year	
As at December 31, 2022				
Lease liabilities	236	101	161	262
Trade Payables	3,564	3,564	-	3,564
Unclaimed dividend	78	78	-	78
Liability of Capital Goods	28	28	-	28
Other Payables	7	7	-	7

Particulars	Carrying amount	Undiscounted Amount		Total
		Payable within one year	Payable more than one year	
As at December 31, 2021				
Lease liabilities	246	84	194	278
Trade Payables	3,767	3,767	-	3,767
Unclaimed dividend	56	56	-	56
Liability of Capital Goods	12	12	-	12
Other Payables	14	14	-	14

(C) Management of Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks namely interest rate risk, currency risk and other price risk, such as commodity risk. The Company is not exposed to interest rate risk and other price risk whereas the exposure to currency risk is given below:

Notes forming part of financial statements

as at and for the year ended December 31, 2022

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates and arises where transactions are done in foreign currencies. It arises mainly where receivables and payables exist due to transactions entered in foreign currencies. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies. The Company does not enter into financial instrument transactions for trading or speculative purposes. The Company's exposure to foreign currency risk at the end of reporting periods in ₹ as follows:

Particulars	December 31, 2022		
	EUR	USD	JPY
Trade receivables	744	21	-
Cash and cash equivalents	5	47	-
Trade payables	(1,171)	(29)	(2)
Net exposure	(422)	39	(2)

Particulars	December 31, 2021	
	EUR	USD
Trade receivables	601	34
Cash and cash equivalents	-	9
Trade payables	(827)	(80)
Net exposure	(226)	(37)

Sensitivity - Foreign Currency

The sensitivity of profit or loss to changes in the exchange rates is as follows:

Particulars	Impact on profit after tax	
	December 31, 2022	December 31, 2021
USD Sensitivity		
INR/USD increase by 1% (December 31, 2021 - 1%) #	*	(*)
INR/USD decrease by 1% (December 31, 2021 - 1%) #	(*)	*
EUR Sensitivity		
INR/EUR increase by 1% (December 31, 2021 - 1%) #	(3)	(2)
INR/EUR decrease by 1% (December 31, 2021 - 1%)#	3	2
JPY Sensitivity		
INR/JPY increase by 1% (December 31, 2021 - 1%)#	(*)	-
INR/JPY decrease by 1% (December 31, 2021 - 1%)#	*	-

Holding all other variables constant

* denotes figure less than a million

Notes forming part of financial statements

as at and for the year ended December 31, 2022

52. Capital management

(a) Risk management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity share holders of the Company. The primary objective of the Company's capital management is to safeguard the Company's ability to remain as a going concern and maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic

conditions, annual operating plans and long term and other strategic investment plans. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. The current capital structure of the Company is equity based with no financing through borrowings. The Company is not subject to any externally imposed capital requirement.

No changes were made in the objectives, policies or processes for managing capital during the year ended December 31, 2022 and December 31, 2021.

(b) Dividend

Particulars	December 31, 2022	December 31, 2021
(i) Equity shares		
Final dividend for the year ended December 31, 2021: ₹ 490 (December 31, 2020: ₹ 365) per fully paid up share	11,285	8,406
Interim dividend for the year ended December 31, 2022: ₹ 193 (December 31, 2021: Nil) per fully paid up share	4,445	-
(ii) Dividends not recognised at the end of the reporting period		
In addition to the above dividends, subsequent to the year end, the Board of Directors has recommended the payment of a final dividend of ₹ 377 per fully paid equity shares (December 31, 2021: ₹ 490). This proposed dividend is subject to approval of shareholders in the ensuing annual general meeting.	8,683	11,285

53. Additional Regulatory Information required by Schedule III

(i) Details of benami property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) Borrowing secured against current assets

The Company has no borrowings from banks and financial institutions on the basis of security of current assets.

(iii) Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(iv) Relationship with struck off companies

The following table depicts the details of balances outstanding in respect of transactions undertaken with a company struck-off under section 248 of the Companies Act, 2013.

Name of struck-off Company	Nature of transactions with struck-off Company	Balance as at December 31, 2022	Balance as at December 31, 2021	Relationship with the struck-off Company
Piccadilly Holiday Resort Ltd	Receiving of Services	*	Nil	Vendor
Radisson Blu Hotel Ahmedabad	Receiving of Services	*	Nil	Vendor

* denotes figure less than a million

Notes forming part of financial statements

as at and for the year ended December 31, 2022

(v) Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

(vi) Compliance with approved scheme(s) of arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(vii) Utilisation of borrowed funds and share premium

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the

Intermediary shall:

- directly or indirectly lend or invest in other person(s) or entity(ies) identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- provide any guarantee, security or the like on behalf of the ultimate beneficiaries

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- directly or indirectly lend or invest in other person(s) or entity(ies) identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- provide any guarantee, security or the like on behalf of the ultimate beneficiaries

(viii) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(ix) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(x) Valuation of PP&E, intangible asset and investment property

The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

Other Regulatory Information

(i) Title deeds of immovable properties not held in name of the Company

All the title deeds of immovable properties are held in the name of Company .

(ii) Registration of charges or satisfaction with Registrar of Companies

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

(iii) Utilisation of borrowings availed from banks and financial institutions

The Company has no borrowings from banks and financial institutions. Hence this disclosure clause is not applicable

54. The Ministry of Corporate Affairs amended the Schedule III to the Companies Act, 2013 on March 24, 2021 to increase the transparency and provide additional disclosures to users of financial statements. These amendments are effective from April 1, 2021.

Consequent to above, the Company has changed the classification/presentation of security deposits in the current year.

The Company has reclassified comparative amounts to conform with current year presentation as per the requirements of Ind AS 1. The impact of such classifications is summarised below:

Balance sheet (extract)	December 31, 2021 (Previously reported)	Increase/ (Decrease)	December 31, 2021 (Restated)
Non-current assets			
Loans	4574	(124)	4,450
Other Financial Assets	32	124	156
Current assets			
Loans	45	(18)	27
Other Financial Assets	-	18	18

Notes forming part of financial statements

as at and for the year ended December 31, 2022

55. Key Ratio

Particulars		As at December 31, 2022	As at December 31, 2021	% of Variance	Reason for Variance
Current Ratio =	Current Assets	2.17	2.85	-23.76%	-
	Current Liabilities				
Return on Equity Ratio =	Net Profit After Taxes	0.35	0.43	-18.45%	-
	Average Shareholder's Equity				
Inventory turnover Ratio =	Cost of Goods Sold	2.97	3.44	-13.52%	-
	Average Inventory				
Trade Receivables Turnover Ratio =	Revenue from operations	20.37	20.33	0.21%	-
	Average Trade Receivables				
Trade Payable Turnover Ratio =	Total Purchases	3.29	3.83	-14.17%	-
	Average Trade Payables				
Net Capital Turnover Ratio =	Revenue from operations	3.18	2.13	49.55%	Mainly on account of decrease in working capital due to reduction in current assets
	Working Capital (Refer note 1 below)				
Net Profit ratio =	Net Profit After Taxes	0.22	0.31	-29.90%	Mainly on account of higher exceptional item in the previous year
	Revenue from operations				
Return On Capital Employed =	EBIT (Refer note 2 below)	0.68	0.57	19.96%	-
	Capital Employed (Net worth +Debt)				
Return On Investment =	EBIT (Refer note 2 below)	0.42	0.41	1.60%	-
	Total Assets				

Notes:

1. Working Capital= Current Asset-Current Liability
2. EBIT= Profit before Interest and tax
3. Debt to Equity ratio and Debt service coverage ratio is not applicable as there are no debts
4. Net Profit includes exceptional items and excludes Other Comprehensive Income.

56. Previous year comparative figures have been regrouped wherever necessary.

Signatures to Notes 1 to 56

For Price Waterhouse & Co Chartered Accountants LLP For and on behalf of the Board of Directors
Firm Registration No.: 304026E/E-300009

Arunkumar Ramdas
Partner
Membership No: 112433
Place: Mumbai
Date: February 23, 2023

Rodolfo Hrosz
Managing Director
DIN: 09609832
Place: Mumbai
Date: February 23, 2023

Usha Thorat
Director
DIN: 00542778
Place: Kolhapur
Date: February 23, 2023

Vaibhav Karandikar
Whole Time Director & CFO
DIN: 09049375
Place: Mumbai
Date: February 23, 2023

Radhika Shah
Company Secretary
Membership No: A19308
Place: Mumbai
Date: February 23, 2023



Responsibility is ingrained across every level of Sanofi.
We strive to undertake initiatives that leave a lasting
impact in the lives of people.



www.youtube.com/watch?v=UWTfMHzKT10

sanofi

Sanofi India Limited

CTS No. 117-B, L&T Business Park, Saki Vihar Road, Powai, Mumbai 400072