# Climate-related Financial Disclosures and Risks and Opportunities related to Climate Change

## As per the TCFD Recommendations

**GRI Standards :**

201-2: Economic Performance – Financial implications and other risks and opportunities due to climate change

## Summary of TCFD-related Risks and Opportunities

The following table summarises the climate-related risks and opportunities identified by Sanofi within this document. Section 3 provides more detail on each topic and links for further reading where appropriate.

| Opportunities | Category | Scenario | Likelihood | Velocity | 2030 Annual Financial impact | | | 2050 Annual Financial impact | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Sales | P&L Expenses | CAPEX | Sales | P&L Expenses | CAPEX |
| Energy management | Transition | 1.5°C<br>2.8°C | Likely | Rapid | - | Low<br>Low | - | - | Low<br>Low | - |
| Health resilience | Physical | 2.8°C | Likely | Slow | High | - | - | High | - | - |

| Risk | Category | Scenario | Likelihood | Velocity | 2030 Annual Financial impact | | | 2050 Annual Financial impact | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Sales | P&L Expenses | CAPEX | Sales | P&L Expenses | CAPEX |
| Water stress | Physical & Transition | 2.8°C<br>4°C | Certain | Rapid | -<br>- | Medium<br>Medium | -<br>- | -<br>- | Medium<br>Medium | -<br>- |
| Raw materials scarcity | Physical & Transition | 1.5°C<br>4°C | Likely | Moderate to Rapid | -<br>- | Medium<br>High | -<br>- | -<br>- | Medium<br>High | -<br>- |
| Logistics | Physical | 1.5°C<br>4°C | Certain | Rapid | Low<br>Low | -<br>- | -<br>- | Low<br>Medium | -<br>- | -<br>- |
| Stakeholder pressure | Transition | 1.5°C<br>2.8°C | Certain | Rapid | High<br>Low | Low<br>Medium | Medium<br>Medium | High<br>High | Low<br>Medium | Medium<br>Medium |
| Carbon costs | Transition | 1.5°C<br>2.8°C | Likely | Rapid | -<br>- | Medium<br>Low | -<br>- | -<br>- | Medium<br>Low | -<br>- |
| Health system disruption | Physical & Transition | 1.5°C<br>2.8°C<br>4°C | Possible | Slow | -<br>-<br>High | -<br>-<br>- | -<br>-<br>- | -<br>High<br>High | -<br>-<br>- | -<br>-<br>- |
| Natural Disasters | Physical | 4°C | Likely | Rapid | - | High | - | - | High | - |

*Note I: Velocity criteria assessed upon 3 levels which are: Rapid=short term, next 3 years, Medium = medium term, 3-10 years, Slow= long-term, 10-30 years.*

*Note II: Financial impact ranges: Low <€100m, Medium = €100m-500m, High = >€500m*

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Climate change and the transition to a low-carbon economy expose all organizations to emerging challenges. While they can negatively impact companies, they may also present opportunities, to develop climate change mitigation and adaptation solutions for instance. Assessing climate change-related challenges has therefore become crucial for many investors and climate-related financial disclosure has become key to support informed and efficient decisions.

In 2020, Sanofi publicly pledged its support to the Task Force on Climate-related Financial Disclosures (TCFD), with the aim of helping disseminate best practices, improve transparency about the risks and opportunities, and provide responses and solutions. Sanofi commitment is based on in-depth analyses of the impacts of climate change on what we do, and on robust systems put in place in alignment with TCFD recommendations framework articulated around 4 pillars: governance, strategy, risk management and targets & metrics.

The TCFD recommendations and Sanofi's corresponding climate-related financial disclosures, as also described in Chapter 3 of the Universal Registration Document, 2023, are presented in the following sections.

# 1. Governance

## 1.1 BOARD OVERSIGHT

Our supervisory and executive bodies are committed to making an ambitious response to the challenges of climate change, delivered through an approach focused on constant progress and joint working across the whole of Sanofi.

Our Board of Directors sets the strategic orientations of the company, oversees their implementation, and regularly monitors delivery. As part of this role, the Board of Directors monitors Planet Care (Sanofi's environmental program), including climate commitments, and reviews our climate transition plan at least once a year. An update on the transition plan was presented to the Board in December 2023. Additionally, Sanofi's Climate Strategy was presented at the Annual General Meeting in May 2023.

Fulfilling this role is facilitated by the engagement and skills of Board members and by the specialist Appointments, Governance and CSR Committee, which de facto covers all climate-related issues and meets quarterly with the Global Head of Corporate Social Responsibility (CSR).

The Appointments, Governance and CSR committee is tasked with the following roles:

1. review and monitor the Company's corporate social responsibility (CSR) commitments and orientations, assess the extent to which they meet stakeholder expectations, and more generally ensure that CSR issues are taken into account when developing and implementing corporate strategy;
2. review drafts of the Company's governance and CSR reports, and more generally ensure that all related disclosures required by applicable legislation have been made;
3. ensure that regular communication is established with shareholders on corporate governance and CSR issues and determine how this is done, without undermining the principle of equality of treatment between shareholders or the collegiate nature of the Board;
4. identify and discuss emerging trends in governance and CSR, ensure that the Company is preparing as well as possible for the challenges specific to its operations and objectives, and reporting to the Board on such matters.

The committee reports to the Board.

## 1.2 MANAGEMENT'S ROLE

Planet Care is one of the four pillars of our CSR strategy; it aims to minimize the environmental impact of our products and activities, while strengthening our resilience to environmental changes. The Planet Care Impact Steering Committee oversees our transition efforts. This Committee consists of our heads of Manufacturing & Supply (who is also a member of the Sanofi Executive Committee), Environment, CSR, Procurement, External Manufacturing and R&D France, along with senior representatives from other activities within Sanofi. It submits to the Executive Committee the company's strategic orientations and commitments to reduce our impacts on climate change and the environment. The Executive Committee validates and ratifies these proposals with a view to their operational implementation.

The Climate-related Risk & Opportunities Committee (CROC) was created in 2021 and oversees our adaptation efforts. It works closely with the Planet Care Impact Steering Committee to ensure that the TCFD recommendations are applied across all levels of our organization and that robust systems are put in place to manage climate-related risks and opportunities. This group, which meets monthly, consists of our Global Heads of CSR, HSE, Environment, Risk Management and Insurance, along with senior representatives from Strategy, Finance, R&D, Legal, CSR and HSE. It leads and coordinates nine working groups set up to address climate risks and opportunities for Sanofi (Carbon Costs, Raw Material Scarcity, Logistics Disruption, Stakeholder Pressure, Eco-Design, Health Resilience, Water Stress, Energy Management and Natural Disasters). The three new risks/opportunities working groups added to the CROC in 2023 were Water Stress, Health Resilience and Natural Disasters.

The Executive Committee regularly monitors climate risks and opportunities for Sanofi and the work carried out by the CROC. The head of the Consumer Healthcare global business unit (who is also a member of the Sanofi Executive Committee) has been appointed as the "Climate Risks Owner" for Sanofi, and meets quarterly with the Global Heads of Risk Management and CSR and the CROC secretary.

In December 2023, a dedicated Executive Committee session was held with the specific aim of sensitizing members to climate change related topics and deepening their knowledge of transition and adaptation issues.

A CSR-based individual performance 10% criterion (which builds in climate-related objectives) weighs in our CEO's compensation (short-term incentive). In addition, all members of our Executive Committee are given collective CSR objectives in terms of human capital and climate, which count towards their variable compensation awards

Since 2023, all Sanofi performance share plans have incorporated two CSR performance criteria: affordable access to healthcare and reducing our carbon footprint, which together count towards 10% of the award.

# *2. Strategy & Risk Management*

In 2023, Sanofi published the updated results of a climate risk analysis initially performed in 2021. We used scenario analysis to perform a physical and transition risks assessment based on three of the IPCC climate change scenarios under two different time horizons (2030 and 2050), along with a 1.5°C scenario (RCP2.6) with aggressive mitigation (transitional constraints); a 2.8°C scenario (RCP 4.5), which is an intermediate "most likely" scenario; and a 4°C scenario (RCP8.5) where limited action is taken (physical impacts are more prevalent). Additionally Sanofi uses IEA transition scenarios (IEA Net Zero Emissions and IEA Sustainable Development Scenario ) to perform climate-related assessments of transition risks and opportunities. In particular, IEA assumptions for energy prices and carbon costs in 2030 are used to estimate financial impacts related to the energy management opportunity.

This climate scenario analysis was used to assess the resilience of each aspect of our value chain to climate change scenarios, the materiality of climate-related risks, and the scale of potential opportunities for the business to capitalize on prospects from transition to a low carbon future. For each of the identified climate risks and opportunities, we conducted a materiality assessment to determine which risks and opportunities could have a material financial impact in the mid-term (2030) and long-term (2050) perspectives, along with an approximate scale of impact.

## 2.1 INTRODUCTION

Sanofi has identified several specific climate-related risks and opportunities within active risks and emerging risks as a result of its risk management system - active being the next 3 years, medium term between 3 and 7 years ahead and long-term beyond 7 years ahead. They include transition risks, physical risks and business development opportunities. Sanofi has conducted an assessment in order to determine which risks and opportunities could have the greater impacts on its operations and value chain, and has also evaluated the financial effects generated.

## 2.2 SANOFI'S CLIMATE-RELATED RISKS AND OPPORTUNITIES AND IMPACT ON STRATEGY

Seven risks (Carbon Costs, Raw Material Scarcity, Water Stress, Stakeholder Pressure, Logistics Disruption, Natural Disasters, Health System Disruption) and two opportunities (Energy Efficiency and Health Resilience) were identified and detailed below.

Climate scenario analysis have been used to assess the resilience of each aspect of the value chain to climate scenarios, the materiality of emerging climate-related risks and the scale of potential opportunities for the business to seize the transition to a low-carbon future offers. The climate scenarios generating the highest magnitude of impacts for each risk or opportunity have been referenced in the tables below.

Compared with previous analysis, the update performed in 2023 does no longer reference eco-design as a long-term opportunity in the opportunities table above given that on October 27, 2023, Sanofi announced its intention to spin out its Consumer Healthcare (CHC) business at the earliest in the fourth quarter of 2024, and the eco-design opportunity is related to the CHC business.

### 2.2.1 Carbon Costs

| | Description | Impact on Financial Performance | Mitigation Actions |
|---|---|---|---|
| **Carbon Costs** | **Category: Transition**<br>Carbon pricing policies are already implemented in the EU and other jurisdictions (such as UK, Canada, Chile, South Africa) and carbon pricing initiatives are under consideration in many other regions.<br>These policies could lead to higher operating costs and higher procurement costs for carbon intensive materials, impacting Sanofi's operations and supply chain.<br>In addition, the voluntary market is driven by supply and demand dynamics, and prices for carbon credits can be highly volatile, which could impact Sanofi's financial planning and budget. | **Scenario(s): 1.5°C & 2.8°C** **Importance for Sanofi: High** **Likelihood: Likely**<br>**Magnitude:**<br>Medium (1.5°C)<br>Low (2.8°C)<br>**Consequences:**<br>Opex increase<br>Reduced margin<br>**Qualitative Evaluation:**<br>Increase in prices of raw materials purchased due to carbon taxes and volatility of carbon credit prices could lead to an increase in operating expenses and to a negative impact on Sanofi's operating margin. | **Velocity: Rapid**<br>Reduction of GHG emissions to deliver on Sanofi's ambition to move towards carbon neutrality by 2030 and net zero emissions by 2045. |

### 2.2.2 Raw Materials Scarcity

| | Description | Impact on Financial Performance | Mitigation Actions |
|---|---|---|---|
| **Raw Material Scarcity** | **Category: Physical & Transition**<br>Risk of higher supply costs or business interruptions due to:<br>- disruption of supply chain due to disease outbreaks and physical hazards such as flooding/hurricanes etc., and indirectly from human rights issues;<br>- nature-based and chemical raw materials disrupted by regulatory decisions and climate policies. | **Scenario(s): 1.5°C & 4°C** **Importance for Sanofi: Medium** **Likelihood: Likely**<br>**Magnitude:**<br>Medium (1.5°C)<br>High (4°C)<br>**Consequences:**<br>Purchasing spend increase<br>**Qualitative Evaluation:**<br>Exposure to physical climate hazards could lead to failure of materials supply; lower quality of raw materials; and increased competition for usage of materials, generating business interruption costs and higher procurement costs. The development of plastic regulations could also significantly increase Sanofi's operating costs. | **Velocity: Rapid**<br>Development and promotion of sustainable supply chain initiatives.<br>Identifying materials and substances at risk and securing critical supply capacities. |

### 2.2.3 Water Stress

| | Description | Impact on Financial Performance | Mitigation Actions |
|---|---|---|---|
| **Water Stress** | **Category: Physical & Transition**<br>Water stress and drought conditions can affect Sanofi's operations by affecting our water withdrawal allowances and availability of water to run operations. They can also affect the supply chain as extreme weather events and water stress can lead to supply chain disruption. | **Scenario(s): 2.8°C & 4°C** **Importance for Sanofi: High** **Likelihood: Certain**<br>**Magnitude:**<br>Medium<br>**Consequences:**<br>Capex Increase<br>Opex increase<br>**Qualitative Evaluation:**<br>Business interruption and implementation of alternative supplies through unconventional means could lead to increased CapEx and OpEx costs. Failure of supply chain could lead to higher procurement costs and/or business interruption. | **Velocity: Moderate to Rapid**<br>Sanofi Planet Care water roadmap, based on the implementation of the water stewardship program and increased water efficiency, assessment of water-related regulatory risks, and a better knowledge of the life-cycle water footprint of Sanofi's products. |

### 2.2.4 Stakeholder Pressure

| | Description | Impact on Financial Performance | Mitigation Actions |
|---|---|---|---|
| **Stake-holder pressure** | **Category: Transition**<br>Stakeholder pressure - including, customers, employees, investors and shareholders - could affect our attractiveness to financial and operational partners if our extra-financial performance on climate goals and actions is regarded as insufficient. | **Scenario(s): 1.5°C & 2.8°C** **Importance for Sanofi: High** **Likelihood: Certain**<br>**Magnitude:**<br>High<br>Consequences:<br>Financial cost increase<br>Shortfall in revenues<br>**Qualitative Evaluation:**<br>A low ESG performance compared to stakeholders' expectations could lead to an increase in financing costs and to a potential loss of business opportunities, generating a shortfall in revenues.<br>Maintaining a high level of ESG performance will require significant investments (CapEx and OpEx). | **Velocity: Rapid**<br>Sanofi's Planet Care program commitments and alignment on the SBTi Net-Zero Standard, as well as ensuring early alignment with the CSRD, should support market differentiation and maintain a high-level ESG performance. |

## 2.2.5 Logistics Disruption

| | Description | Impact on Financial Performance | | | Mitigation Actions |
|---|---|---|---|---|---|
| **Logistics disruption** | **Category: Physical** | **Scenario(s): 1.5°C & 4°C** | **Importance for Sanofi: High** | **Likelihood: Certain** | **Velocity: Rapid** |
| | Rising sea levels, extreme weather events and change to weather patterns pose severe and immediate threats to Sanofi logistics chains, which may result in supply disruptions. | **Magnitude:** Low [a]<br>**Consequences:** Loss of revenues<br>**Qualitative Evaluation:** Physical hazards could damage key Sanofi transport hubs, and the transportation of temperature-sensitive products could be affected by heatwaves. Both impacts could generate a loss of products, business interruption and decrease in revenue. | | | Sanofi's goal is to meet a "zero out-of-stock" objective, and our supply chain strategy aims to guarantee the continuous supply of drugs and vaccines to patients with no disruption. |

## 2.2.6 Natural Disasters

| | Description | Impact on Financial Performance | | | Mitigation Actions |
|---|---|---|---|---|---|
| **Natural Disasters** | **Category: Physical** | **Scenario(s): 1.5°C, 2.8°C & 4°C** | **Importance for Sanofi: High** | **Likelihood: Certain** | **Velocity: Rapid** |
| | Natural disasters risks refer to natural hazards causing property damage and business interruption. The main natural disasters considered are: floods, heavy rain, winds, thunderstorm, drought, extreme heat, hail and wildfires; they can impact Sanofi's sites, suppliers' sites and logistics hubs. Their occurrence and impacts are heightened with global warming. | **Magnitude:** High<br>**Consequences:** Loss of revenues<br>**Qualitative Evaluation:** Natural disasters could generate increases in operating costs and loss of revenues due to business interruption and damage to Sanofi assets. | | | Sanofi has set up insurance programs to cover physical risks in relation to natural hazards that could cause property damage and business interruption. Further individual site action plans are being developed to reduce individual site risk of business interruption. |

## 2.2.7 Health System Disruption

| | Description | Impact on Financial Performance | | | Mitigation Actions |
|---|---|---|---|---|---|
| **Health System Disruption** | **Category: Transition** | **Scenario(s): 1.5°C, 2.8°C & 4°C** | **Importance for Sanofi: High** | **Likelihood: Possible** | **Velocity: Rapid** |
| | Climate change is expected to have significant social, economic, political, and security implications over the coming decades.<br>Major health crises could happen in the future due to climate change and its externalities, and cause Health System Disruption.<br>Pressure on public finances could be such that public health care systems would see their resources significantly strained, impacting the economics of the pharmaceutical industry- through drugs delisting, increased co-payment or price pressure, and in particular reduction in reimbursement for regions where sales are partly supported by public reimbursement or financing policies. | **Magnitude:** High<br>**Consequences:** Annual revenue decrease<br>**Qualitative Evaluation:** In the event of a major health crisis, reduced drugs reimbursement could occur, negatively impacting Sanofi revenues. | | | To ensure that Sanofi is aware of potential changes and impacts and that we are involved in any developments in the healthcare sector, Sanofi belongs to more than 50 external groups representing various stakeholders in the healthcare sector and the economy at large - including trade associations, think tanks, and local business groups. |

## 2.2.8 Energy Management

| | Description | Impact on Financial Performance | | | Mitigation Actions |
|---|---|---|---|---|---|
| **Energy Manage-ment** | **Category: Transition** | **Scenario(s): 1.5°C & 2.8°C** | **Importance for Sanofi: High** | **Likelihood: Likely** | **Velocity: Rapid** |
| | Energy transition would require significant investment to increase renewable energy production capacities and is expected to result in a long-term uptrend and substantial volatility in energy prices. This new challenge is also an opportunity to improve energy efficiency and increase both our financial and our environmental performance. | **Magnitude:**<br>Low<br>**Consequences:**<br>Opex savings<br>Capex Increase<br>**Qualitative Evaluation:**<br>The use of self-produced renewable energies, and reductions in overall energy usage through energy efficiency measures, will generate potential savings in energy costs. Investment spend will be needed to implement energy efficiency measures. | | | Sanofi set 2030 targets for energy efficiency as part of the Planet Care Program. This program will rely on the reduction of energy consumption for electricity and gas, but also renewables projects and replacement of natural gas by electricity and biogas. |

### 2.2.9 Health Resilience to Environmental Change

| | Description | Impact on Financial Performance | | | Mitigation Actions |
|---|---|---|---|---|---|
| **Health Resilience** | **Category: Physical** | **Scenario(s): 2.8°C** | **Importance for Sanofi: Medium** | **Likelihood: Likely** | **Velocity: Rapid** |
| | Climate change, and broader environmental trends, affect health through three primary exposure pathways: directly through weather variables such as heat and storms; indirectly through natural systems such as disease vectors, waterborne diseases and air pollution; and indirectly through human systems such as undernutrition, mental health disorders and occupational impacts. | **Magnitude:**<br>High<br>**Consequences:**<br>Annual revenue increase<br>R&D costs increase<br>**Qualitative Evaluation:**<br>Climate change could lead to an increase in revenues from products, both existing and in development, to treat the increased prevalence of climate-related illnesses, and other climate sensitive health issues.<br>An increase in associated R&D costs is expected. | | | As a global healthcare company, Sanofi aims to play a key role in lowering the healthcare industry's impact on the environment and anticipating climate and environment related health issues, especially for the most vulnerable populations.<br>Sanofi is aiming to leverage its medicines portfolio and R&D pipeline to address new healthcare challenges caused by rising environmental changes. |

## 2.3 SANOFI'S PROCESSES FOR IDENTIFYING AND ASSESSING CLIMATE-RELATED RISKS

Our Risk Management and CSR departments have fully embedded climate-related risks into the Sanofi risk management system, and support all our functions and operations in implementing and monitoring action plans.

Sanofi has a robust process for identifying and assessing risks and emerging risks, including those related to climate change, and discloses detailed information on those: their size, scope and the relative significance of climate-related risks in relation to other risks.

- Risks to which we may be exposed over the next three years:

  We identify risks through a process of observation and analysis of our operating environment, and interviews with key managers and experts within Sanofi. Those risks are then ranked by criticality (a combination of probability and impact), and by level of control. The formal output generated by this process is a risk profile, updated annually by our risk management team.

- Emerging risks that may constitute opportunities and/or threats over the next ten years:

  The identification process is the same as for risks. Emerging risks are classified into the disruption categories highlighted in the World Economic Forum report; they are evaluated and ranked based on their probability, impact, and velocity (i.e. how quickly they could become a risk for Sanofi). The formal output generated by this process is an emerging risks scan.

In 2022, the Executive Committee and the Risk Committee approved the inclusion of climate risks in the company risk profile. The "Climate Transition and Physical Impact" risk, previously identified as emerging, is now managed as an active risk. It includes the following sub-topics: Carbon Costs, Raw Material Scarcity, Water Stress, Stakeholder Pressure, Logistics Disruption, Natural Disasters and Energy Management. It is fully embedded into our Risk Management governance and processes, and is reviewed at least on a yearly basis.

Among the emerging risks identified, "Adapt our business to climate transition" includes the Health Resilience and Health Systems Disruption sub-topics, both of which may require our business model to evolve over the long term in anticipation of climate change impacts.

## 2.4 SANOFI'S PROCESSES FOR MANAGING CLIMATE-RELATED RISKS

Sanofi has a robust process for managing risks related to climate change, and discloses detailed information on those (for more information, see our Publications: Sanofi Universal Registration Document 2023). The processes for prioritizing and for deciding what action to take for each climate-related risk are also formalized.

Line managers are designated to manage each of the risks evidenced in our risk profile. They are tasked with preparing, implementing and monitoring delivery of adaptation plans. This process applies to climate-related risks.

Most of the sub-topics included in the "Climate transition and physical impact" risk are monitored in dedicated working groups. Short, medium and long-term mitigation plans have been defined and have started to be implemented. Monthly reporting is escalated to the Climate Risk and Opportunities Committee (CROC) and progress is presented quarterly to the Executive Committee Climate Risk Owner by the Global Heads of Risk Management, CSR and the CROC leader.

Through 2023, Sanofi has developed and started implementing adaptation plans for the sub-topics within the Climate Transition and Physical Impact category. These adaptation plans will continue to be implemented, monitored and adjusted as appropriate throughout 2024 and beyond.

Because emerging risks are not yet active risks, our Risk Management department works with in-house experts to develop scenarios to show how these could turn into active risks, identifying the tipping points and early warning signs to look out for.

## 2.5 INTEGRATION OF CLIMATE-RELATED RISKS MANAGEMENT INTO THE ORGANIZATION'S OVERALL RISK MANAGEMENT

Climate-related risks and emerging risks are subject to the same governance as the overall Sanofi risk management process.

Our risk profile and emerging risks scan, and scenarios for a selection of emerging risks, are presented annually to the Executive Committee, the Audit Committee, and the Board of Directors.

The Executive Committee monitors risk mitigation and obtains assurance that adequate resources are allocated to it, and decides what anticipatory action should be taken to seize opportunities and protect Sanofi from threats arising from emerging risks.

# 3. Targets and Metrics

In alignment with the TCFD "Guidance on Metrics, Targets and Transition Plans" (October 2021), and European Corporate Sustainability Reporting Directive (CSRD) requirements, climate-related risk metrics have been defined for monitoring climate-related risks and opportunities. Sanofi continues to analyze and adjust these metrics to ensure that they provide the best picture for monitoring climate risks and opportunities sub-topics based on the available data and for improving our understanding of climate-related impacts, as well as facilitating reconciliations with financial accounting data.

## 3.1 METRICS USED BY SANOFI TO ASSESS CLIMATE-RELATED RISKS AND OPPORTUNITIES IN LINE WITH ITS STRATEGY AND RISK MANAGEMENT PROCESS

Sanofi's targets were validated by the Science Based Targets Initiative (SBTi) in February 2023. These targets are based on science and contribute to limiting global warming to 1.5°C, in line with the 2015 Paris Agreement target.

Also driving progress against targets, metrics are incorporated in remuneration policies as a dedicated CSR performance criterion representing 10% of the annual variable compensation package of our CEO and also accounting for 10% of Sanofi employees' long-term incentive schemes. For more information, see our Document Center: Sanofi's CSR Materiality, Strategy & Governance Factsheet. In addition, having set a flexible internal carbon price is considered a very good practice for driving carbon neutral investments.

## 3.2 SCOPE 1, SCOPE 2 AND SCOPE 3 GREENHOUSE GAS (GHG) EMISSIONS, AND THE RELATED RISKS

Sanofi provides key metrics related to GHG emissions and discloses its scopes 1, 2 and 3 GHG emissions. The Group discloses generally accepted industry-specific GHG efficiency ratios and emissions are calculated in line with the GHG Protocol (see URD 2023 – Section 3.3.9.3 Greenhouse gas emissions)).

## 3.3 TARGETS USED BY SANOFI TO MANAGE CLIMATE-RELATED RISKS AND OPPORTUNITIES AND PERFORMANCE AGAINST TARGETS

Sanofi discloses its climate-related (absolute and intensity based) targets, including global warming: carbon footprint, water and waste management targets, the time horizon of each climate target as well as the base year from which the target is measured.

# *4. Other publications*

For more information and further details on Sanofi climate-related financial disclosures, please refer to our 2023 Registration Document and see our Download Center, notably:

- Climate Change and Health Factsheet
- Water Stewardship Factsheet
- Transporting Medicines and Vaccines Factsheet
- Ecodesign Factsheet
- Biodiversity Factsheet
- ESG Key Performance Indicators Factsheet
- Carbon Footprint (Scopes 1, 2 & 3)
- Risk Management Factsheet
- Annual Report on Form 20-F 2023
- Corporate Social Responsibility Chapter 3 of 2023 Document d'enregistrement universel