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Fundamental Human Rights at Work

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GRI Standards:

407-1: Freedom of Association and Collective Bargaining

408-1: Child labor

409-1 Forced or Compulsory Labor

412-1, 412-2, 412-3: Human Rights Assessment

EXECUTIVE SUMMARY

Sanofi's Human Rights Statement specifies that as a multinational healthcare company keenly aware of its social responsibility, Sanofi is committed to integrating respect for human rights into all its business operations and public positions. For several years now, Sanofi has expressed and reiterated its commitment to respect the principles of the United Nations Global Compact and other international standards in the field of human rights.

Since 2015, Sanofi has also committed to uphold the international reference framework, the United Nations Guiding Principles and to exercise due diligence on the potential impacts of its activities on individuals. This factsheet aims to describe specific policies and processes implemented by Sanofi to respect the fundamental rights of workers. Fundamental rights of workers are one of the major vigilance challenges identified in the vigilance plan of Sanofi (application of the French duty of vigilance law).

For more information on the human rights vigilance approach of Sanofi, see our [Document Center: Human Rights Due Diligence Factsheet](#).

This approach is structured around several functions: the CSR Department provides expertise on how to take human rights into account in the Company's activities, both the Procurement and the HR functions ensure the deployment of policies and action plans, and the Internal Control and Internal Audit functions ensure that its policies are deployed and respected.

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1. Dedicated policies on fundamental rights at work

Since 2015, we have pursued our human rights due diligence process in line with the UN Guiding Principles with a focus on strengthening our internal guidelines on human rights at work.

To this end, Sanofi adopted three internal policies on freedom of association, on interdiction of forced labor and interdiction of child labor. Based on the UN Guiding Principles, they define the Company's commitments to respect the ILO standards and describe operational due diligence processes and grievance mechanisms to be established. They complement our existing Diversity Policy to support a comprehensive framework on human rights at work for both the Company and our suppliers.

1.1. SCOPE OF THESE POLICIES

These three global policies apply to all Sanofi corporate functions, regions, countries and divisions worldwide.

The Responsible Procurement approach asks suppliers to comply with Sanofi's Human Rights commitments.

For more information on actions linked to the respect of human rights by suppliers, see our [Document Center](#): the Sustainable Procurement Factsheet or the Human Rights Due Diligence Factsheet.

1.2. COMMITMENTS OF THE POLICY ON FREEDOM OF ASSOCIATION

Sanofi commits to respect at a minimum the provisions of the ILO conventions 87 and 98 on freedom of association and the right to collective bargaining, without prejudice to more favorable national provisions. We recognize freedom of association and the right to collective bargaining and require our suppliers to comply with the same standards.

This means that:

- Sanofi recognizes that all employees are free to form and/or join a workers' organization of their own choice and does not interfere with this right;
- we prohibit any intimidation, harassment, punishment or discrimination against employees due to trade union activities and we do not discourage any employee from joining organizations of their own choosing;
- we respect the right to collective bargaining and the role of workers' organizations for the purpose of collective bargaining and we commit to bargain in good faith;
- we allow workers' organizations to act entirely independently, by giving them reasonable access to the information, resources and means necessary to accomplish their missions; and
- in case of conflict between international standards and domestic laws, Sanofi aspires to international standards by finding alternative ways to respect these rights:
 - > giving employees the opportunity to express collectively their concerns to the Company without fear of reprisal, and
 - > providing open, constructive and faithful dialogue to resolve matters relating to working conditions and employment terms and relations between employers and workers.

For more information, see our [Document Center](#): the Code of Conduct, the Suppliers' Code of Conduct and the Social Charter documents.

As an example, in France, we have several collective agreements on diverse subjects such as:

- Working hours:
 - > Agreement on special leave;
 - > Group agreement on the Time Savings Account, both signed in 2023; and
 - > Agreement on the donation of days off signed in 2018.
- Work time flexibility:
 - > Agreement on lump-sum telework allowance signed in 2024; and
 - > Agreement on telework signed in 2012.
- Employability/lifelong learning:
 - > Job and Career Management: Preparing for the future and supporting the transformation of the Sanofi Group signed in 2022; and
 - > Managing jobs and career paths: preparing for the future and supporting transformation signed in 2021.
- Health & safety:
 - > Agreement on sickness and accident compensation;
 - > Agreement on complementary health and welfare benefits signed in 2023; and
 - > Agreement on the occupational health service (including mental health, stress) signed in 2019.
- Remuneration:
 - > Agreement on the evolution of the guaranteed minimum annual wage for 2022 & 2023.
- Employee savings:
 - > Agreement on matching contributions under the savings plan; and
 - > Agreement relating to the collective retirement savings plan signed in 2024.
- Equal opportunities:
 - > Agreement on professional equality between men and women and the fight against discrimination signed in 2022;
 - > Agreement on job retention; and
 - > Integration of disabled employees signed in 2021.
- Employee representation:
 - > Agreement on the composition of central social and economic committees;
 - > Career management agreement for employees with trade union responsibilities signed in 2024; and
 - > Trade union career paths signed in 2019.

1.3. COMMITMENTS OF THE POLICY ON FORCED LABOR

Sanofi commits to respect at a minimum the provisions of the ILO conventions 29 and 105 on the abolition of forced labor, without prejudice to more favorable national provisions. We reject all forms of forced labor (included debt bondage and trafficking) as defined by these international labor standards and require our suppliers to comply with the same standards. We grant particular attention to vulnerable workers, especially migrant workers.

This means that:

- Sanofi is not engaged in and does not support worker exploitation amounting to forced labor;
- we give all employees:

- > the right to enter into employment voluntarily and freely, without the threat of penalty, and
 - > the right to freely terminate employment voluntarily by means of notice of reasonable length at any time and without penalty,
- we ensure that all employment contracts are written and transparent and include comprehensive provisions for employees;
 - we guarantee that wages are paid regularly and allow employees and their family to meet their basic needs (according to the local context);
 - we respect working time in accordance with the most favorable provisions between international standards or national legislation; and
 - we ensure that our intermediaries and agencies recruitment do not use any practices which may lead to forced labor.

For more information, see our [Document Center](#): the Code of Conduct, the Suppliers' Code of Conduct and the Social Charter documents.

1.4. COMMITMENTS OF THE POLICY ON CHILD LABOR

According to the new Child Labor Policy, Sanofi commits to respect at a minimum the provisions of the ILO conventions 138 and 182 on the prohibition of child labor, without prejudice to more favorable national provisions. We reject all forms of child labor as defined by these international labor standards and require our suppliers to comply with the same standards.

This means that:

- Sanofi is not engaged and does not support any forms of child labor;
- employment of people under the age of 15 or under the legal age for finishing compulsory schooling is prohibited; and
- no hazardous work can be performed by a person under the age of 18.

For more information, see our [Document Center](#): the Code of Conduct, the Suppliers' Code of Conduct and the Social Charter documents.

As mentioned above, these three policies define the Company's commitments to respect the ILO standards and describe operational due diligence processes and grievance mechanisms to be established.

1.5. COMMITMENTS OF THE POLICY ON DIVERSITY INCLUDING NON-DISCRIMINATION

Our Diversity Policy is designed to promote diversity in the broadest sense possible. It outlines the framework and principles governing non-discrimination, equal opportunity and respect for individuals.

We base our commitment on:

- non-discrimination, which is integrated in our Human Resources processes;
- equal treatment and equal opportunity for all;
- awareness and training for all employees relevant to their local environments and laws;
- updating the policy's orientations and priorities on a yearly basis; and
- an established procedure for employees to report complaints.

We prohibit all forms of discrimination and comply with international standards, national laws and regulations in the area of human rights and labor law.

Fostering a stimulating, creative and non-discriminatory workplace environment for all employees and contractors, while ensuring respect for diversity and personal dignity, is part of the Sanofi Code of Conduct and our Social Charter.

- **Human rights issues linked to equal remuneration:**

At Sanofi we believe in paying equitably for similar work. This does not necessarily mean everyone doing the same job will receive the same pay. Any differences in salary should be clearly explainable in line with Sanofi's pay policies (grade, job profiles, location, skills, etc.). In 2021, the Company launched a Global Pay Equity Action Plan to track and reinforce practices to ensure and promote pay equity. This action plan includes three core global commitments:

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

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

For more information, see our [Declaration of Extra-Financial Performance 2023](#), section 3.3.1.5.2.3. Ensuring pay equity

2. Identifying specific salient issues

With respect to Sanofi's activities, the following risks have been specifically identified as salient with respect to the fundamental rights of employees:

- for activities related to sales, R&D and support functions: psychosocial risks and risks of isolated practices affecting freedom of association and the principle of non-discrimination; and
- for manufacturing and distribution activities: risk of employment of migrant workers in situations that may amount to forced labor, risk of excessive working hours, risk of a wage lower than the decent wage, risk of hazardous work performed by children under 18 years of age and impossibility for Sanofi to respect its commitments regarding freedom of association or non-discrimination in countries at risk.

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

3. Implementing specific and operational due diligence processes

Sanofi implements a global “freedom of association,” “interdiction of child labor” and “interdiction of forced labor” due diligence process:

- at every level of the Company, vigilance must be reinforced to ensure appropriate mitigation of the risk of non-respect of freedom of association, use or benefit of forced labor and use or benefit of child labor;
- adequate internal control measures must be in place to ensure respect of freedom of association and no use of forced labor or child labor; and
- the Procurement Risk Management Model must identify and assess suppliers according to their respect of freedom of association, the prohibition of forced labor and the prohibition of child labor.

These are compulsory for all business entities (corporate functions, departments and countries). Every employee must therefore be aware of and commit to individually respect the principles of the reference documents upheld by Sanofi, both internally and externally.

Implementation of the policies:

- existing processes were strengthened in 2018:
 - > revision of the “human and social rights” risk sheet in order to better qualify the “human rights” risk, understood as the risk of violating workers' human rights and the assessment of severity in relation to the severity of the impacts on employees,
 - > qualification of the risks associated with respect for fundamental workers' rights and their criticality (see risk mapping), and
 - > by revising existing policies to make risk assessment questionnaires mandatory and more operational and to report data to the CSR Department.

4. Grievance mechanisms

As described in the Code of Conduct and in the Alerts Management Policy, any employee must inform his or her superior or the Ethics & Business Integrity Department representative of any case or suspected case of forced labor, child labor and non-respect of freedom of association.

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

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

Employees who raise concerns will not be subject to disciplinary action or discrimination if they act in good faith and with no malicious intent, even if the facts reported prove to be inaccurate or no further action is taken. Use of our Speak-Up helpline is clearly described in the Code of Conduct.

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

Sanofi received a total of 674 global reports via the Speak-Up helpline, submitted by phone or online form and additional reports were made through other reporting channels such as e-mail and verbal reports. Reports made in 2023 via the Speak-Up helpline accounted for 56% of all alerts, up from 48% in 2022. A total of 273 cases were substantiated. In total 124 dismissals or resignations took place related to misconduct. Other corrective actions were also implemented as per Sanofi’s Corrective & Disciplinary Actions policy, such as additional training, process improvement steps, remuneration impacts, and verbal or written warnings.

5. Monitoring of the implementation of the policies

We integrated human rights in our internal control manual with the implementation of a dedicated control covering freedom of association, interdiction of forced labor, child labor and diversity and put in place human rights training for the internal auditors covering the Europe, Africa, Middle East and South Asia regions.

In 2019, we refined our human rights risk mapping so as to identify those countries where we need to focus our internal audit efforts. We identified 18 at-risk countries based on the following criteria: level of country risk, number of employees, and presence of production or distribution activities. Those countries represent approximately one-third of the Sanofi workforce. Of those 18 countries, nine (representing more than a quarter of the Sanofi workforce) have already been subject to audit.

In 2023, 14 affiliates¹ were identified through our risk mapping as being at risk from a human rights perspective (Algeria, Brazil, China, Colombia, Egypt, India, Mexico, Russia, Saudi Arabia, South Africa, Thailand, Tunisia, Turkey and Vietnam), based on the following criteria: level of country risk, number of employees, and presence of production or distribution activities. Those affiliates represent approximately one third of the Sanofi workforce. Of those 14 affiliates, ten (representing more than a quarter of the Sanofi workforce) have already been subject to audit. Our 2023 internal control efforts focused on these affiliates, which responded to the self-assessment questionnaire. The main findings are summarized below:

Issue	Results
<p>CHILD LABOR</p> <p>Principal control points:</p> <ul style="list-style-type: none"> ● No hiring of children under 15 years of age or under 18 years of age for hazardous work. ● Verification of age on hiring. ● Danger level assessment of jobs for young workers/compliance with ILO working hours. 	<p>No major compliance breaches reported</p> <p>No employment of persons under the age of 18</p> <p>Systematic verification of age upon hiring</p>

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

<p>FORCED LABOR AND MODERN SLAVERY</p>	
<p>Principal control points:</p> <ul style="list-style-type: none"> ● Existence of written and transparent employment contracts. ● Regularity of wage payments. ● Transparency and clarity of calculation methods, payslips, etc. ● No need to work overtime to earn a decent wage. ● No withholding of wages or recruitment costs (including by recruitment agencies). ● No retention of identity paper ● Compliance with ILO working hours standards: weekly, daily, overtime, paid leave, maternity leave 	<p>No major compliance breaches reported</p> <p>Written and transparent employment contracts</p> <p>Regular salary payments</p> <p>No withholding of wages or recruitment fees at the end of the contract.</p> <p>Mechanisms for raising wage issues without fear of reprisals</p> <p>No overuse of temporary workers</p> <p>Difficulties encountered in some countries in defining and calculating a decent wage, and in exercising control over hiring agency practices</p> <p>Compliance with 48-hour week and daily working hours, weekly rest day and two weeks paid vacation/year Some countries report discrepancies between Sanofi policy and local regulations relating to overtime thresholds</p>
<p>FREEDOM OF ASSOCIATION</p>	
<p>Principal control points:</p> <ul style="list-style-type: none"> ● No discrimination based on trade union membership, and no abusive practices against worker representatives ● Respect for the right to collective bargaining. 	<p>Reports of difficulties applying standards due to discrepancies between local legislation in certain countries and Sanofi policy</p>

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

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

Refer to Sanofi's [Universal Registration Document 2023](#), section "3.4.14.3. Supplier Risk Assessment" and section "3.4.14.7. Supplier Audits" for performance monitoring of our sustainable procurement program, covering rights of workers in our supply chain.