



# 2014 CSR REPORT

PARTNERING TO PROMOTE ACCESS TO HEALTHCARE



# ABOUT THIS REPORT

**Our 2014 CSR report** offers a close look at Sanofi's Corporate Social Responsibility (CSR) priorities and practices. It also describes the challenges we face, the strategic approaches we use to address them, and our progress toward meeting our goals. For each challenge, we also highlight initiatives that illustrate CSR in action in our day-to-day work. The sections of this report reflect our pillars of Patient, Ethics, People, and Planet. Within each of these key areas, we present emblematic CSR issues as a means to focus on the most critical CSR challenges today, for us as a global healthcare company and for our stakeholders.

## 06 *Message from the CEO and SVP CSR*

08

### OUR CSR APPROACH

- 09 Our integrated CSR strategy
- 10 Value chain and value distribution
- 11 Our integrated approach
- 12 Tax policy
- 13 Corporate governance
- 14 Implementing our CSR strategy
- 16 Stakeholder engagement
- 19 Policies & management systems
- 21 Recognition for our CSR performance

22

### CSR IN ACTION

- 24 **PATIENT**
  - 24 Access to Healthcare
  - 38 Patient Safety
- 48 **ETHICS**
  - 48 Ethics in R&D
  - 58 Business Ethics
- 68 **PEOPLE**
  - 68 People Development
  - 80 Diversity
  - 84 Health & Safety
- 86 **PLANET**
  - 86 Pharmaceuticals in the Environment
  - 94 Energy & Carbon Footprint
  - 98 Overview of our environmental impact

100

### OUR CSR PERFORMANCE

- 101 Our Indicators
- 109 Reporting methodology
- 111 Independent verifier's report

#### USING THIS REPORT

**Content page :** Use the section headings to navigate to the relevant sections in the report.

**Section tabs:** Use the section tabs on the right edge of each page to navigate between sections.

**Links:** Use the underlined navigation throughout the report to access related information in this report or online.

#### **MORE in our Download Center**

Wherever you see this symbol and for all Sanofi CSR topics, initiatives and positions, visit our Download Center at <http://csr.sanofi.com/downloadcenter>

#### INDEPENDENT VERIFICATION OF THE REPORT

Each year, the reliability and thoroughness of our CSR data are audited by independent verifiers. Their review report appears at the end of this Report.

#### OUR REPORTING FRAMEWORK

Sanofi's CSR Report complies with the most widely recognized international standards:

– **The Global Reporting Initiative (GRI).** The 2012 and 2013 CSR Reports complied with the GRI version 3.1 framework and received a B+ Application Level certificate. This 2014 CSR Report is in line with the GRI version 4 guidelines. [www.globalreporting.org](http://www.globalreporting.org).

– **United Nations Global Compact.** Sanofi has embraced the fundamental principles of this platform since it became a member in 2000. In 2014 Sanofi reached the UN Global Compact Advanced Level. [www.unglobalcompact.org](http://www.unglobalcompact.org).

– **The International Integrated Reporting Council (IIRC).** The IIRC establishes guiding principles to ensure greater consistency and efficiency in the reporting process. Sanofi joined the IIRC Pilot Program Business Network in 2013. [www.theiirc.org](http://www.theiirc.org).

# COMMITTED TO 7 BILLION PEOPLE

As a leading global healthcare company, Sanofi provides a wide range of medicines, vaccines and therapeutic solutions to address the hopes of the seven billion people who live on our planet. With the transformation of its R&D model, Sanofi is speeding up innovation and launching new medicines and vaccines to meet current and future healthcare needs. Today, Sanofi boasts an innovative portfolio of vaccines and medicines, with up to 18 launches scheduled between 2014 and 2020. This new R&D model led to the development of more effective healthcare solutions in key therapeutic areas such as diabetes, multiple sclerosis, Gaucher disease, familial hypercholesterolemia and dengue. Sanofi's strategy is deployed in the service of three commitments: medical innovation, disease prevention and patients support, and access to healthcare for all.

## PRINCIPAL BUSINESS SEGMENTS

### PHARMACEUTICALS

#### Main therapeutic areas

- Diabetes
- Rare diseases
- Multiple sclerosis
- Oncology
- Cardiovascular diseases

#### Consumer Health Care (CHC)

#### Generics

### VACCINES (SANOFI PASTEUR)

- Pediatric vaccines
- Influenza vaccines
- Booster vaccines for adults and adolescents
- Meningitis vaccines
- Vaccines for travelers and endemic areas

### ANIMAL HEALTH (MERIAL)

#### Veterinary products

- Antiparasitics
- Anti-infective agents
- Anti-inflammatory
- Anti-ulceratives

#### Vaccines

- Foot-and-mouth disease
- Rabies
- Bluetongue

30,503 million

boxes of pharmaceuticals produced and packaged

€27,720 million

sales

468 million

containers of vaccines

€3,974 million

sales

571 million

doses of animal health vaccines for all non-avian species

€2,076 million

sales

## UP TO 18 DRUG AND VACCINE LAUNCHES EXPECTED BETWEEN 2014 AND 2020

€4,834 million

invested in R&D

### MULTIPLE SCLEROSIS

Approval in the U.S. (Nov. 2014) for **Lemtrada®**.

### ONCOLOGY

In March 2014, the **SAR650984**, a monoclonal antibody anti-CD38, was granted orphan drug status by the European Medicines Agency (EMA) for the treatment of myeloma in the European Union.

### HYPERCHOLESTEROLEMIA

**Praluent™** (alirocumab) regulatory decision expected in 2015. Submitted in Europe and the U.S. in the last quarter of 2014 for LDL-C reduction. Priority review granted by FDA. Phase III program ongoing in CV events reduction.

### RARE DISEASES

Phase III study for **Patisiran** for familial neuropathies.

### DENGUE

Expected launch of the world's first dengue vaccine.

### RHEUMATOID ARTHRITIS

Regulatory submissions expected in the last quarter of 2015 for the U.S. and 2016 for Europe for **Sarilumab**.

### CLOSTRIDIUM DIFFICILE

Launch of a Phase III study for the **C. difficile** vaccine.

### TYPE 1 GAUCHER DISEASE

Approval in Europe (Jan. 2015) and in the U.S. (Aug. 2014) of **Cerdelga®**, the sole oral treatment for adults.

### DIABETES

Approval in the U.S. (Feb. 2015) and CHMP positive opinion Europe of **Toujeo®**, a next-generation insulin, and launch in the U.S. of **Afrezza®**, a new fast-acting inhaled insulin.

Phase III program for **Lixilan** for type 2 diabetes patients. Complementary Phase III study for **Lyxumia®**.

Phase III program for **insulin lispro** for type 1 and type 2 diabetes.

### PEDIATRIC VACCINES

Approval in Europe and expected regulatory decision in the U.S. in 2015 for **PR5i 6-in-1**, a new combination that reduces the number of injections. Market authorization in India in March 2014 for pentavalent **Shan 5™**.

Phase III study for a candidate **rotavirus vaccine** for the treatment of rotavirus gastroenteritis.

### ATOPIC DERMATITIS AND ASTHMA

**Dupilumab** Phase III program ongoing in the treatment of atopic dermatitis.

### FLEAS AND TICKS IN DOGS

Approval from the European Commission (Jan. 2015) for **Nexgard®**, a new oral treatment.

## TOTAL SALES

€33,770 million



- Emerging markets<sup>(1)</sup>: 11,347 M (33.6%)
- United States: 11,339 M (33.6%)
- Western Europe<sup>(2)</sup>: 7,865 M (23.3%)
- Other countries<sup>(3)</sup>: 3,219 M (9.5%)

### BREAKDOWN OF EMERGING MARKETS

- Latin America €3,363 M
- Asia (excl. Asia Pacific) €3,205 M
- Eastern Europe, Russia, and Turkey €2,541 M
- Africa and Middle East €2,095 M

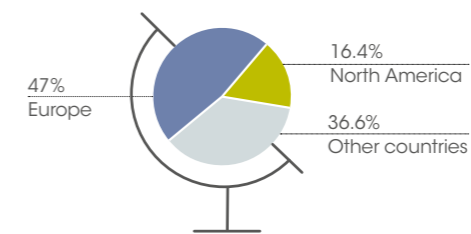
(1) World excluding the Australia, Canada, Japan, New Zealand, United States, and Western Europe. (2) Austria, Belgium, Cyprus, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Luxembourg, Malta, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, and the United Kingdom. (3) Australia, Canada, Japan, and New Zealand.

## WORKFORCE

More than **110,000** employees worldwide in over 100 countries

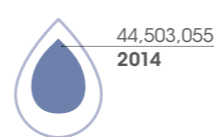
45.2% Women

54.8% Men

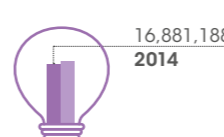


## PLANET

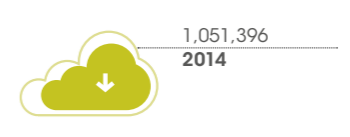
Water consumption (in m<sup>3</sup>)



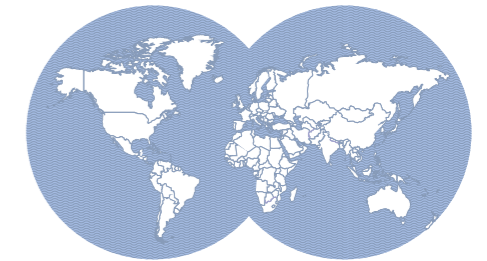
Energy consumption (in gigajoules)



Direct and indirect CO<sub>2</sub> emissions (in tons of CO<sub>2</sub> equivalent)



## A LARGE INDUSTRIAL AND R&D NETWORK IN MORE THAN 40 COUNTRIES



ASIA PACIFIC	AFRICA MIDDLE EAST
20 Manufacturing sites	8 Manufacturing sites
14 Pharma	8 Pharma
3 Vaccines	
3 Animal Health	
5 Development centers	1 Development center
30 Distribution hubs	58 Distribution hubs

NORTH AMERICA	EUROPE
19 Manufacturing sites	48 Manufacturing sites
3 Pharma	36 Pharma
4 Vaccines	3 Vaccines
7 Genzyme	1 Genzyme
5 Animal Health	8 Animal Health
2 Development centers	6 Development centers
8 Distribution hubs	33 Distribution hubs

LATIN AMERICA
12 Manufacturing sites
8 Pharma
2 Vaccines
2 Animal Health
3 Development centers
30 Distribution hubs

# HOPE

**AT THE HEART OF**

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Sanofi's ambition is to protect the health and respond to the hopes of 7 billion men and women. As a leading global healthcare company, we feel a responsibility toward all our stakeholders. We are committed to improving access to innovative, safe healthcare solutions for patients, upholding high ethical standards in all our activities, promoting the development of our workforce and respecting the environment.

*Virginie, Mumbai, India*

Chief Financial Officer,  
India and South Asia

## PEOPLE

# SHARING A COMMON CULTURE AND VALUING OUR PEOPLE


Working in more than 100 countries, the women and men of Sanofi allow us to meet today's healthcare challenges and convey a message of hope. We invest substantial resources into preparing our employees to address new healthcare challenges and hone their skills. The diversity of our workforce drives the development of innovative solutions and allows us to respond more effectively to the needs of patients and our other stakeholders. **Our priority for Sanofi's employees: people development.**

**PATIENT**

PROVIDING  
ACCESS TO SAFE,  
HIGH-QUALITY  
MEDICINES AND  
VACCINES FOR  
AS MANY PEOPLE  
AS POSSIBLE

Because we share the hopes of patients and their families, we are seeking to improve access to healthcare programs worldwide and stepping up our presence in emerging countries. In addition, we constantly look for new ways to develop innovative products and services and market generic medicines. At the same time, we are committed to ensuring patient safety and improving quality at every stage of the life cycle of our products, and we take part in the fight against counterfeit drugs.

**Our priorities for patients: access to healthcare and patient safety.**

A portrait of Bruno, a middle-aged man with grey hair and glasses, wearing a white shirt. He is looking slightly to the right of the camera with a gentle smile. The background is a soft-focus green, suggesting an outdoor setting with foliage.

*Bruno, Lyon, France*  
Associate Director,  
Dengue Scientific Affairs

## **ETHICS**

ACTING WITH  
INTEGRITY  
BY RESPECTING  
HIGH ETHICAL  
STANDARDS

We know that building a climate of trust with patients and local communities in all the countries where we operate is one of the necessary conditions of hope. We have a responsibility to uphold the highest ethical standards in every country. Research and Development are vital to our business and we focus on ensuring patients that we follow rigorous R&D processes, especially where clinical trials are concerned.

**Our priorities for ethics: R&D and responsible business conduct.**



*Anne-Claire, Vertolaye, France*  
Depollution technician

## PLANET

# SUSTAINABLY REDUCING THE IMPACT OF OUR ACTIVITIES

We care about the potential impact of pharmaceuticals in the environment and on people's health, and we have consequently implemented safeguards at every stage in the life cycle of our products. Each year, we evaluate, monitor and seek to reduce waste from our operations and contribute to advancing scientific knowledge. In addition, we educate patients about the proper use of medicines. To help protect the environment, we have set ambitious targets to reduce CO<sub>2</sub> emissions and water consumption.

**Our priority for the planet: limiting the impact of pharmaceuticals in the environment.**



# GILLES LHERNOULD

*Senior VP, Corporate Social Responsibility*

**In 2014, our CSR approach remained in both a catalyst for innovation and a steady force.**

The senior management and teams did not lose sight of our CSR goals. In my capacity as a member of several of Sanofi's top-level decision-making bodies, I saw up close how effectively the momentum was maintained.

The engagement of the women and men of Sanofi—the real drivers of our performance—also kept us focused as we prepare the launch of 18 new drugs and vaccines by 2020. The diversity they embody and the vital role they play in our success are captured in the "Good Morning Sanofi" videos, available on YouTube. In their own words, they express how making an impact on patients' lives is a genuine source of motivation.

In 2014 we launched the second edition of the CSR Awards to recognize our employees' most creative projects focused on our six CSR priorities\*. We received more than

100 submissions from Sanofi teams in 40 countries. Selecting 10 winners was no easy task for the jury. When it comes to access to healthcare—an area where Sanofi can make a real difference—all eyes have been on Sanofi Pasteur's dengue vaccine, the fruit of 20 years of development. The human and economic burden of dengue affects nearly half the global population. More than 40,000 participants across 15 endemic countries in Asia, Latin America and the Caribbean took part in the clinical trials conducted in compliance with the highest standards of ethics in R&D. The children who received the vaccine, a particularly vulnerable population, live in communities with little or no healthcare infrastructure. Sanofi took a holistic approach to building long-term capabilities that will

continue to serve the health of these children and their families far into the future. We chose to invest in addressing an unmet public health need in endemic countries without anticipating a return on investment from high-income countries because innovation and commitment to patients are essential values for Sanofi.

Human health and the health of the planet are closely connected, and we know that people are increasingly concerned about traces of medicines in the environment, especially water. Sanofi invested in an original technology to complement the existing biological wastewater treatment plant at our Vertolaye (France) site, an inno-

vation that has significantly improved the quality of water exiting the treatment plant. Climate change and health represent a critical emerging challenge, one to be addressed by the UN Climate Change Conference (COP21) that France will host in December 2015. We are committed to developing healthcare solutions for diseases that may be evolving, epidemiologically or geographically, due to climate change. As we tackle this and other global public health challenges, we will continue to rely on CSR to drive innovation and ensure sustainable growth for our company and the people we serve.



“**WE CAN MAKE A REAL DIFFERENCE WITH OUR DENGUE VACCINE, THE FRUIT OF 20 YEARS OF WORK.**”

\* The six CSR priorities: Access to Healthcare, Patient Safety, Ethics in R&D, Business Ethics, People Development and Pharmaceuticals in the Environment.

# OLIVIER BRANDICOURT

*Chief Executive Officer*



## **What is your view on the corporate social responsibilities of a healthcare company such as Sanofi?**

A global leader like Sanofi needs to be fully committed to improving and promoting access to quality healthcare. Our daily focus on innovative treatments and services, employee engagement and preservation of the environment leads naturally to dialogue with Sanofi's stakeholders. Acting ethically and responsibly enables Sanofi to go beyond what is required of a company, which means employees working to protect and promote access to healthcare for the greatest number.

Integrated into our organizational strategy, Corporate Social Responsibility represents an opportunity to help drive innovation while improving risk management and contributing fully to the Group's objectives.

## **What do you see as the strengths of Sanofi's CSR approach?**

It is solid and long-standing, based on a structured, prioritized methodology and backed by rigorous monitoring and reporting. It is embodied by employees who are trained and actively involved in achieving tangible results.

In addition, several years ago, Sanofi developed a set of responsible policies that both build on and go beyond the right to healthcare in ensuring respect for human rights in countries in which it operates.

Sanofi is committed to the 10 principles of the United Nations Global Compact in the field of human rights, working conditions, the environment and business integrity. We renew this commitment as an integral part of our CSR approach.

The recognition received by Sanofi for its CSR performance, including its integration in the Dow Jones Sustainability World for the eighth consecutive year as well as several other indices, underlines the quality of Sanofi's CSR approach.

## **What areas are critical for the future?**

First, those linked to our mission: to discover innovative therapeutic solutions, while respecting ethical principles, and making them available as quickly and broadly as possible. Corporate Social Responsibility also means supporting the local communities in the countries where we operate while also contributing to global health through specific Research & Development programs and private/public collaboration.

With the large number of cultures and sensitivities, employee diversity is an asset that contributes to our success.

Finally, the protection of the environment remains a major challenge, including the need to limit climate change and its impacts on health. In addition, actions and large-scale resources must be devoted to meeting the climate change challenge in ways that go beyond ongoing efforts aimed at reducing Sanofi and the industry's carbon footprint.

“  
ACTING ETHICALLY  
AND RESPONSIBLY ENABLES  
SANOFI TO GO BEYOND  
WHAT IS REQUIRED.”

# APPROACH

OUR CSR

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Corporate Social Responsibility is an integral part of the way Sanofi conducts its business.

Our starting point is a fundamental respect for human rights, which guides the way we approach patients, ethics, our people and local communities and the environment. Equally important is our commitment to communicating openly on these topics.

# OUR INTEGRATED CSR STRATEGY

CSR is embedded into Sanofi's core business strategy, focused on patients at the center of our activity, or patient centricity. Our ambition is to play a wider role in enabling people to take control of their health by innovating and developing solutions that meet their needs, and by seeking to improve business performance and remain global leaders in our sector.

## EVERY CHALLENGE IS AN OPPORTUNITY TO IMPROVE OUR BUSINESS

Each time we respond to a CSR challenge, we mitigate risks to find solutions that improve our overall performance while upholding our responsibilities. As we develop pragmatic and innovative responses to the CSR challenges facing us—very often through teamwork and drawing on valuable expertise—we are convinced that we also improve our business.

## OUR CSR PILLARS:

### PATIENT, ETHICS, PEOPLE AND PLANET

Our CSR strategy is built on four key areas. We naturally devote particular attention to the Patient pillar. The other three focuses of our CSR strategy are also key for Sanofi:

- **Patient:** Improving access to healthcare;
- **Ethics:** acting responsibly and ethically;
- **People:** working together;
- **Planet:** preserving the environment.

## RESPECTING HUMAN RIGHTS:

### THE FOUNDATION OF SANOFI'S CSR STRATEGY

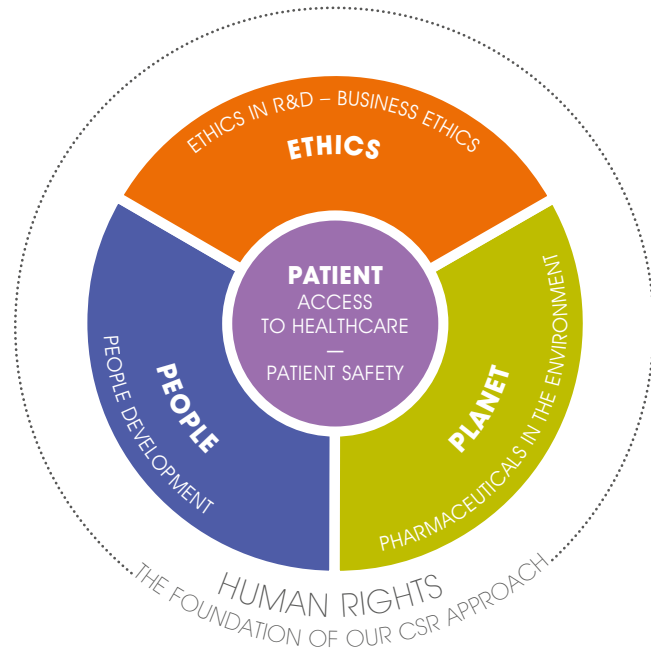
Our Corporate Social Responsibility strategy is the natural outcome of our materiality analysis and ongoing stakeholder engagement. Our commitment to respect human rights is the foundation of our CSR approach. It provides Sanofi with an inspirational framework and guide for analysis and action towards continuous improvement. We are committed to following this approach because we are convinced that all people must enjoy the benefits of human rights and the respect for their principles also applies to businesses. In particular, our goal is to support each person's fundamental human right to health, through our daily efforts to improve access to healthcare for people everywhere.

## OUR COMMITMENT AND APPROACH

Sanofi expressly recognizes the importance of all internationally recognized human rights.

However, we grant particular attention to the following:

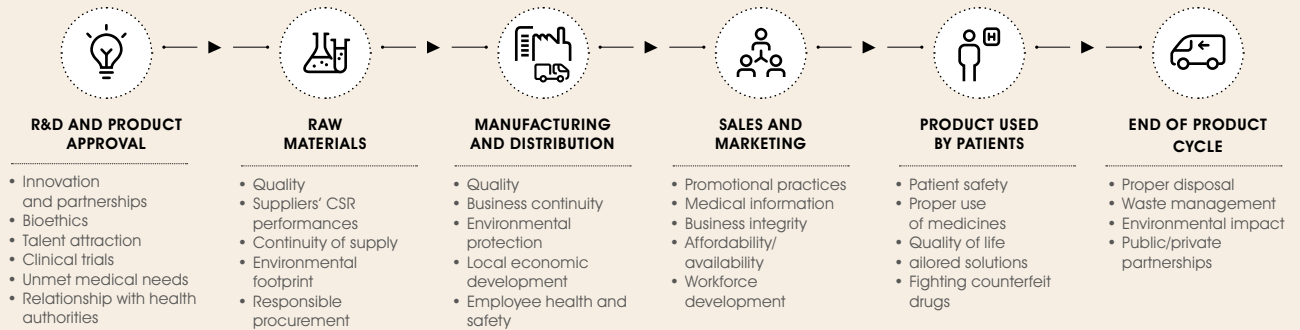
- The right to health, and all human rights related to, or constitutive of, this right;



- The whole spectrum of human rights of patients and clinical trial participants, going beyond access to healthcare to encompass, for instance, the right to information and the right to privacy;
- Human rights at work, whether for Sanofi employees or the Group's suppliers;
- In line with the United Nations Guiding Principles, Sanofi pays particular attention to the rights and needs of, as well as the challenges faced by, groups or populations that may be at heightened risk of becoming vulnerable or marginalized;
- Children's health is an important recognized business and CSR priority for the Group. Our "Healthy children, happy children" program aims to offer children the most innovative and adapted medicines and to improve access to these products worldwide, especially in emerging countries;
- Sanofi is engaged in several programs aimed at strengthening patient care in mental illness in emerging countries, where inadequate medical resources and stigma contribute to the neglect of these patients. In collaboration with different stakeholders, Sanofi is running tailored programs to educate communities, train front-line healthcare professionals in diagnosis and treatment, and set up tiered pricing policies.

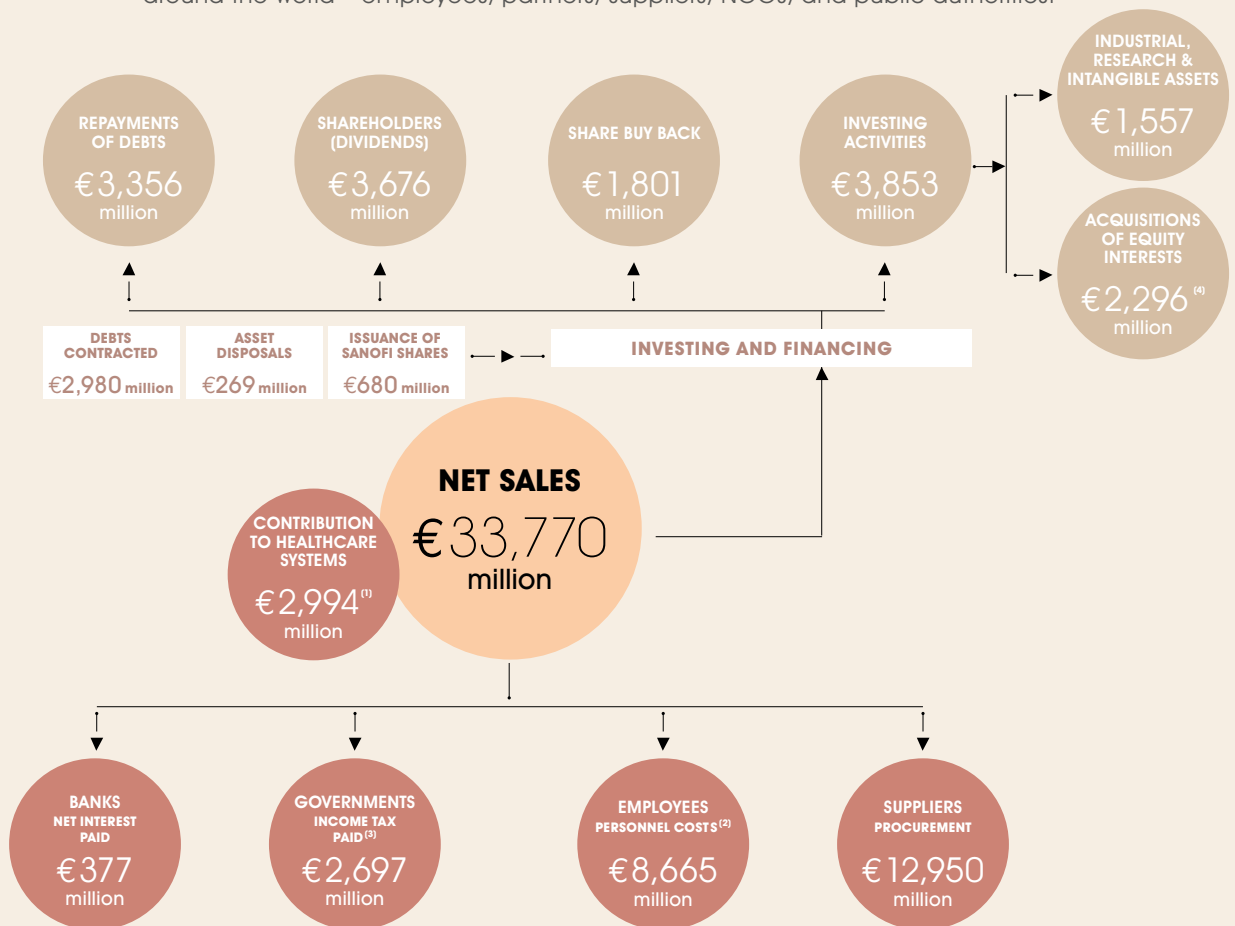
# VALUE CHAIN

What we produce is the result of working across a number of operational stages. At each stage, we create value by addressing various challenges.



# VALUE DISTRIBUTION

Sanofi contributes to local and global economic development through the distribution of the value generated by its activities. Our financial performance impacts our stakeholders around the world—employees, partners, suppliers, NGOs, and public authorities.



(1) In 2014, the pharmaceutical contributions to healthcare systems globally recorded by Sanofi amounted to €2,994 million (refer to Tax Policy page 12), out of which €2,732 million were deducted from sales.

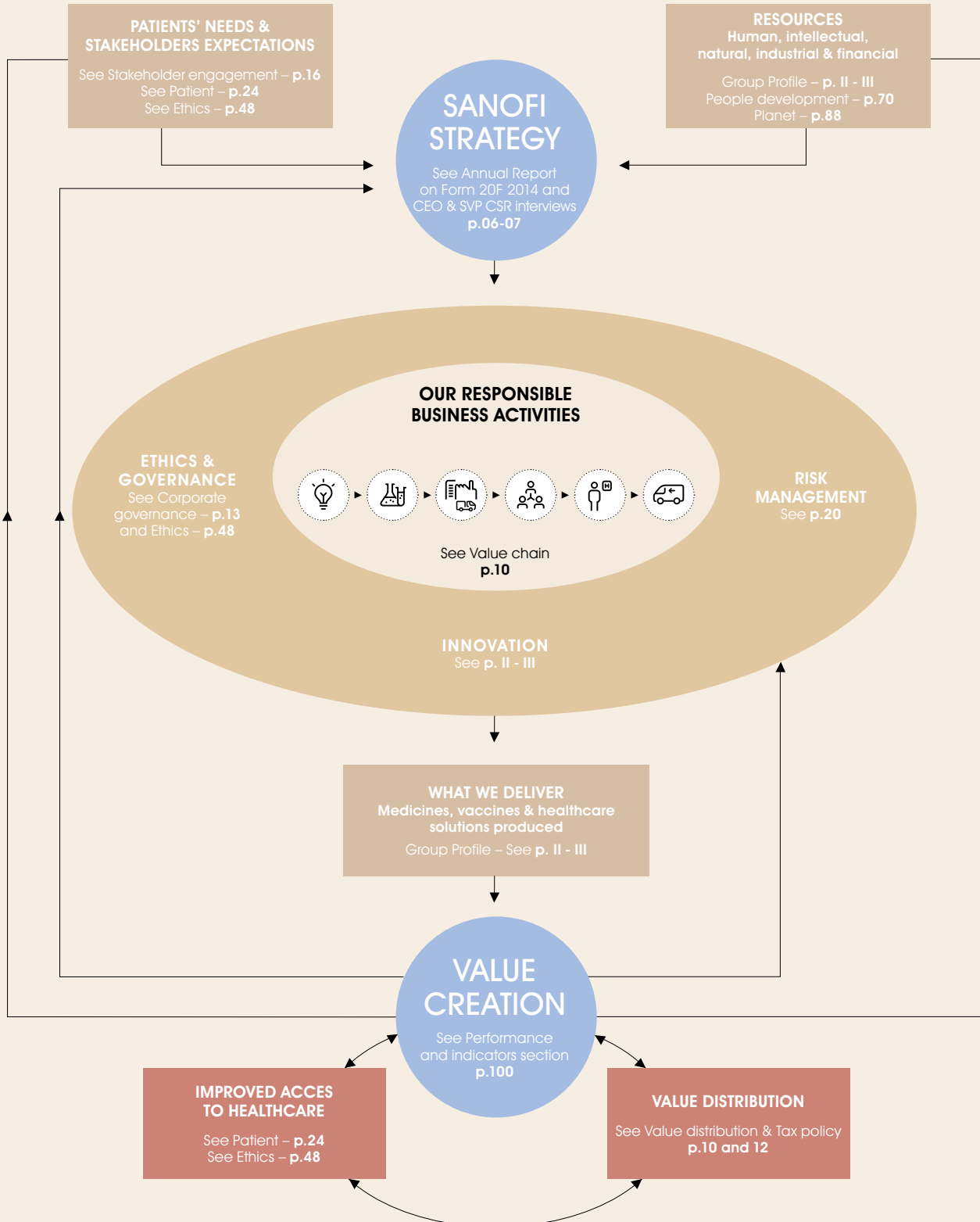
(2) Including social security contributions of €1,880 million.

(3) Based on business operating income, income tax expense amounted to €2,155 million. The effective tax rate based on our business net income was 24.0% in 2014.

(4) Includes equity interests in Regeneron and Alnylam.

# OUR INTEGRATED APPROACH

We take into account the full range of inputs in order to deliver high quality medicines, vaccines and healthcare solutions, which ultimately create shared value for everyone.



Source: This representation is inspired by the IIRC framework – [www.theiirc.org](http://www.theiirc.org)

# TAX POLICY

Our objective is to ensure that tax is paid and tax returns are filed on time in each jurisdiction in application of the governing laws and rules. The Sanofi Tax Department is involved in all relevant aspects of our business, partnering closely with management to provide guidance and ensure efficient and compliant operations.

As a multinational corporation, Sanofi has a responsibility to pay tax and comply with the laws and rules in force in all countries where we do business.

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## HOW WE IMPLEMENT OUR TAX POLICY

The Tax Department is responsible for implementing the Group's tax policy, which is defined by management and regularly reviewed by the Audit Committee. We practice transparency to build trust in our relationship with tax authorities. In most countries of operation, we are subject to audits by the tax authorities on a nearly constant basis. As part of our tax approach, we engage in advance pricing agreements for structural flows with major countries to ensure long-term visibility for Sanofi and the tax authorities. We participate in policy debate whenever possible and in many countries are part of groups that interact regularly with the tax authorities. Our tax experts are often invited to speak at local universities, business schools and public meetings.

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## AN EFFECTIVE ORGANIZATION

To manage the tax liability of the Group and its affiliates, we rely on a team of highly trained, qualified professionals. We have established clear income tax policies and procedures, which are available to all employees on our Intranet and communicated every three months to our tax professionals. Our robust tax reporting processes include quarterly reporting by the affiliates, reviewed by the corporate tax team. Moreover, dashboards of key figures are regularly presented to the Finance Management. All our tax specialists participate in continuing education to keep their technical knowledge up to date.

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## VALUE DISTRIBUTION

As a global corporation with over 110,000 employees worldwide, Sanofi has a significant physical presence in over 100 countries where taxable income is naturally located. In addition to income tax, Sanofi is liable to pay numerous levies and contributions, the most significant being pharmaceutical contributions to healthcare systems globally (mainly deducted from gross sales), which amounted to more than €2,994 million in 2014<sup>(1)</sup>. Sanofi also contributes significantly to local communities, directly and indirectly, through local taxes and social security.

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## OUR 2014 TAX CONTRIBUTION

In 2014 the Group paid €2.7 billion worldwide in income tax.

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## TRANSFER PRICING

The volume of product and service flows among entities within the Group is significant, and the price of transactions among Sanofi entities is an important element of the overall Sanofi tax organization. Our transfer pricing team determines Group policy for the pricing of such transactions based on a full analysis of the value drivers of our business, ensuring that international and local rules are respected. Our objective is for all entities to be remunerated at "arm's length" in accordance with Organization for Economic Co-operation and Development (OECD) and country-specific rules.

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## PROMOTING INTERNATIONAL TRANSPARENCY

Today's international multi-jurisdictional dynamic tax environment increases the complexity of our task. Therefore, we fully understand the initiative of Country by Country Reporting to tax authorities announced by the OECD. We have been actively involved in discussions with several national working groups and directly with OECD representatives.

(1) In 2014, the pharmaceutical contributions to healthcare systems globally recorded by Sanofi amounted to €2,994 million, out of which €2,732 million were deducted from sales.

# CORPORATE GOVERNANCE

Sanofi aspires to respect the highest standards of good corporate governance. As a company governed by French law, Sanofi's practices comply with the recommendations contained in the *Nouvelles Régulations Économiques* (NRE) law and in the Corporate Governance Code of the *Association Française des Entreprises Privées* and the *Mouvement des Entreprises de France* (AFEP-MEDEF). Since January 1, 2007, the offices of Chairman and Chief Executive Officer have been separated. From October 29, 2014 to April 2, 2015, Serge Weinberg occupied both offices on a temporary basis following the departure of Christopher A. Viehbacher. With the arrival of Olivier Brandicourt, Sanofi's new Chief Executive Officer, on April 2, 2015, the Group's governance returned to a separation of the offices of Chairman and Chief Executive Officer.

## THE BOARD OF DIRECTORS AND ITS COMMITTEES

Serge Weinberg is Chairman of the Board of Directors, currently comprised of 16 members, including the CEO. Five directors are women, and 11 are deemed to be independent directors pursuant to the independence criteria set out in the AFEP-MEDEF Corporate Governance Code.

The Board's mission is to determine Sanofi's strategic direction. A part of the Board's time is dedicated to Corporate Social Responsibility issues related to the Group's strategy. The Board is attentive to the interests of shareholders and other stakeholders. Five non-voting employee representatives attend and participate at Board meetings. Employee input on key corporate issues is also solicited through the corporate intranet and the establishment of non-mandatory consultative bodies such as the European Works Council.

The Board's work is based on the recommendations of specialist advisory committees, which are mainly composed of independent directors, as per AFEP-MEDEF requirements. There are four such committees: the Audit Committee, the Compensation Committee, the Appointments and Governance Committee, and the Strategy Committee.

## CHIEF EXECUTIVE OFFICER

The CEO is responsible for the management of the company and represents it in dealings with third parties. His role also involves chairing the Executive Committee and the Global Leadership Team, which comprises some 50 senior executives representing Sanofi's principal functions and divisions.

The CEO relies on guidance from the Executive Committee, which meets regularly a month, the Global Leadership Team and other committees, such as the Risk Committee, the Executive Compliance Committee, the Global Health Policy Initiative Committee, the Bioethics Committee and the IS Strategic Board.

### MORE online

- [Investors – Corporate governance](#)
- [Document de Référence 2014 \(in French\)](#)
- [Annual Report on Form 20-F 2014](#)

### MORE in our Download Center

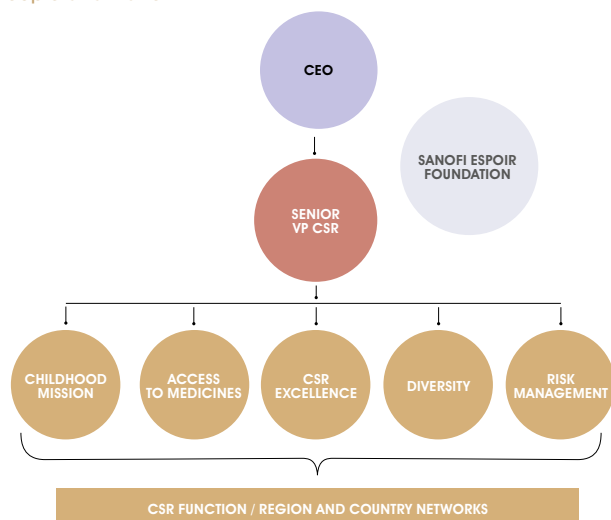
- [Corporate Governance factsheet](#)

## CSR AND CORPORATE GOVERNANCE

Corporate Social Responsibility is built into Sanofi's corporate strategy. The Senior Vice President of CSR, Gilles Lhernould, reports directly to the CEO. He is also the chairman of the Risk Committee and a member of the Executive Compliance Committee, the Bioethics Committee, and the France Strategic Committee. The CSR perspective is thus represented on key committees that report formally to the CEO. The CSR Department provides a broad, cross-company view of the risks and opportunities that Sanofi must address, in particular those related to CSR. Pursuant to the requirements of French law the CSR information published in our Annual Financial Report (*Document de Référence*, Chapter 4) is reviewed and validated by the Board.

Sanofi's compensation policy for the Chief Executive Officer aims at achieving a balance in the compensation structure between fixed compensation, short-term variable cash compensation, and medium-term variable equity compensation. Our overall compensation policy is designed to motivate and reward performance by ensuring that a significant portion of compensation is contingent on the attainment of financial, operational and social criteria aligned with the corporate interest and creation of shareholder value.

In 2014, 15% of the CEO's variable compensation was based on CSR objectives, according to both quantitative and qualitative criteria. These covered the priorities of our four CSR pillars, Patient, Ethics, People and Planet.





# IMPLEMENTING OUR CSR STRATEGY

Sanofi's Corporate Social Responsibility Direction proposes our CSR strategy to the CEO and deploys our CSR approach at every level—locally, regionally and globally. Along with coordinating our major initiatives and ensuring that we fulfill our responsibilities, the department also raises awareness

about key CSR issues, promotes good practice across our operating units and keeps our many stakeholders informed about Sanofi's activities. We also engage with stakeholders to develop action plans designed to address Sanofi's specific CSR challenges and improve our business performance.

## *Our Progress*

OBJECTIVES	2014 PROGRESS AND ACTIONS	STATUS
Include stakeholder expectations in our CSR strategy by using materiality analysis	Materiality findings implemented	Completed
	Local implementation of materiality: <ul style="list-style-type: none"> <li>• Stakeholder engagement developed locally in France, Egypt, Turkey, Poland, etc.</li> <li>• Local materiality toolkit developed (to be finalized in 2015)</li> <li>• Roll out pilots in three countries in 2015</li> </ul>	On track
Integrate human rights into our operations	"Human rights in our activities" guide distributed through our CSR networks	Completed
	Human rights training sessions held for managers (104 managers trained since 2010)	On track
	Priorities determined for continuous improvement in identifying, preventing and mitigating our human rights risks	On track
	Gap analysis conducted of our human rights approach against the United Nation Guiding Principles' requirements	On track
Build CSR awareness and empowerment among employees worldwide	Internal CSR collaborative platform with a CSR blog developed: 150 CSR country initiatives posted in 2014	Completed
	Face-to-face CSR training program developed for CSR correspondents (5 modules): <ul style="list-style-type: none"> <li>• Modules 1 &amp; 2: finalized in 2014</li> <li>• Modules 3 to 5: to be finalized in 2015</li> </ul>	On track

## CSR NETWORKS

One of the ways we accomplish our CSR goals is through complementary networks. These regional and functional networks cascade our CSR approach and gather valuable feedback from our sites. We work together to devise action plans and monitor progress.

**The CSR Functional Network** includes over 100 people from all our corporate functions and divisions, including Compliance, Human Resources, Finance, Health, Safety & Environment (HSE), Industrial Affairs, R&D, Commercial Operations, Sanofi Pasteur, Genzyme and Merial. It coordinates the implementation of our CSR strategy across all business activities.

**The CSR Regional Network** is made up of 62 correspondents from seven regions covering 80 countries where we operate. It implements, adapts, and develops our global strategy locally and regionally.

### Some of our affiliates also produced their own CSR reports or brochures in 2014:

- Brochures: China, the Czech Republic, Russia, Poland;
- Reports: Turkey, Sanofi Pasteur Canada, Germany, Portugal, Spain.



#### MORE in our Download Center

- [China CSR Report 2012](#)
- [Poland CSR Brochure 2014-2015](#)
- [Russia CSR Report 2012](#)
- [Turkey CSR Report 2012-2013](#)

## CSR TRAINING

Sanofi is developing a face-to-face training program on the fundamentals of CSR and how to integrate our strategy on a daily basis. The program has 5 modules, ranging from CSR basics to understanding reporting (see diagram below), and primarily targets CSR correspondents. However, the CSR basics module is designed for all employees who express an interest in CSR and wish to become involved in CSR activities.

*CSR training:  
5 modules (2 hours each)*



## AMBASSADORS, A VOICE FOR CSR IN NORTH AMERICA

Employees in North America who would like to take a more active part in CSR initiatives are joining a rapidly growing group of CSR Ambassadors. Thanks to the North America CSR Ambassador Program launched in 2012, today over 200 people from 39 states and Puerto Rico are voices for CSR within Sanofi. They encompass all levels and areas of the company.

Ambassadors reach out to other employees to share best CSR practices, educate teams on a peer-to-peer basis, and act as advocates for their colleagues' ideas. These self-starters and community-driven individuals are involved in team building and liaising on corporate initiatives as well as national, community and local volunteering opportunities. Although often their jobs are in an unrelated field, employees may express their interest in becoming ambassadors or can be nominated by supervisors and peers.

## THE 2014 CSR AWARDS

Every two years, the CSR Awards recognize the best initiatives from Sanofi teams in providing creative solutions for the needs of patients, healthcare professionals, employees and other stakeholders. These initiatives enable us to seize business opportunities, while supporting our long-term strategy in all four of our CSR areas:

- Patient;
- Ethics, with a 2014 special prize for the 3Rs (Replacement, Reduction and Refinement of the use of animals in research, development, testing and production);
- People, with a 2014 special prize for diversity;
- Planet.

We received over 100 submissions from more than 40 countries for the 2014 competition. After careful consideration, our in-house experts selected 10 projects that best exemplify how CSR is put into practice every day at Sanofi.

Each winning team received a €2,000 grant for an NGO or association of their choosing in their country. The winner of the Special Award, for the best project overall, received a €4,000 grant. The creativity and CSR best practices shown in these projects are a source of inspiration and learning for everyone at Sanofi.

### Special Award Winner—Stronger supply chain management improves patient safety

In a unique partnership with the Moroccan Ministries of Health and Industry, Sanofi shared its expertise about the proper storage, transport and distribution of medicines, with the aim of improving patients' access to the treatments they need.

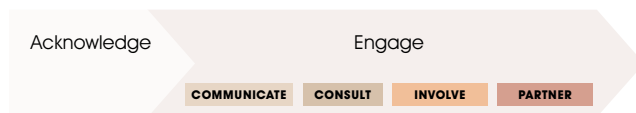


# STAKEHOLDER ENGAGEMENT

Sanofi seeks to maintain close relationships with all of our stakeholders. Representatives from all areas of our business interact on an ongoing basis with stakeholders from many different walks of life. Our Research & Development, industrial activities, and commercial operations all engage with stakeholders, particularly in the healthcare field. We listen to their concerns and expectations, and use their input to develop our CSR strategy and action plans.

## WHY ARE STAKEHOLDER RELATIONS IMPORTANT?

Stakeholder engagement is based on a dialogue that embraces different points of view and allows those views to influence decision-making. It is a powerful source of mutual learning and shared solutions. In our relations with stakeholders, Sanofi seek to involve them to varying degrees – from simply monitoring initiatives and targeting messages to soliciting their feedback. The highest degree of involvement consists of partnering with stakeholders to pursue common objectives, which creates the greatest value for businesses. Our stakeholder engagement helps us to develop a deeper understanding of the challenges and expectations of patients, healthcare professionals, policy makers, NGOs, communities and many others.



## STAKEHOLDER ENGAGEMENT AT THE LOCAL LEVEL

Along with these Group-level activities, affiliates of Sanofi around the world also organize their own initiatives to engage with local stakeholders.

A prominent example is the **Sanofi French Stakeholder Panel**, created in late 2011, which comprises 10 internal and 20 external stakeholders.

In 2014, the main topics addressed by this panel included:

- Compensation policy;
- Access to healthcare;
- Age structure of the workforce;
- Relations with local communities in France.

In addition, stakeholders were asked to provide feedback on two new topics:

- CSR criteria in performance evaluation;
- CSR e-learning.

The example of the **Access to Healthcare Stakeholders Committee in Egypt** also underlines our CSR approach. Over 65% of Egyptians live in poverty, resulting in conditions of poor hygiene and inadequate access to healthcare and medicines, particularly in rural areas. In light of the country's numerous public health challenges

and growing needs, Sanofi Egypt created a CSR governance body to improve and structure our access to healthcare (ATH) approach. The new committee, which includes the country manager and representatives of all the affiliate's main functions, works with a diverse group of external stakeholders (ex: pharmacy unions, patient associations, government bodies and regulators, health insurance organizations, NGOs, key opinion leaders, the media, etc.) to implement a series of programs. Sanofi is the only pharma group in Egypt to have created an ATH committee. Going forward, it will continue to meet regularly to discuss our future CSR goals and projects, and to draw on our expertise in developing patient-centric healthcare in Egypt.

## MATERIALITY

One of the initiatives where our stakeholders' feedback is truly instrumental is in materiality analysis. This in-depth exercise performed every three years determines the CSR issues that are most crucial to business success and are also the most meaningful for our stakeholders.

The 2013 materiality test identified six material issues:

- Access to healthcare;
- Patient safety;
- Ethics in R&D;
- Business ethics;
- People development;
- Pharmaceuticals in the environment.

These findings helped determine our 2014-2017 CSR roadmap, and represent a driving force in innovation and value creation for patients.

## MORE in our Download Center

- [Materiality analysis factsheet](#)

## Feedback from stakeholders

We engaged with more than 100 stakeholders in every region where Sanofi does business, based on a representative sampling of approximately 1/3 internal and 2/3 external stakeholders. Participants reviewed an exhaustive list of CSR issues to determine the most and the least important ones. At the same time, they identified new opportunities and potential risks related to the most critical challenges, as well as emerging trends—i.e., issues that might not yet be seen as material but are expected to become increasingly important in the near future.

## Agreement on critical issues

The results showed a clear consistency of opinion among our internal and external stakeholders regarding the main CSR issues to be addressed from 2014-2017. We have already begun to apply these findings as we refine our strategy and devise action plans.

## Our stakeholders at the heart of our strategy



**MORE in our Download Center**

- [Stakeholder engagement factsheet](#)

**Transparency: build trust through an open dialogue**

An essential component of Sanofi's CSR approach, transparency is vital to building trust with our stakeholders. The

Sanofi Transparency Initiative is designed to ensure that interactions with healthcare professionals and patient associations remain transparent and that access to our clinical trials data and publications is provided.

**RELATED CONTENT in this report**

- [page 48](#), Ethics in R&D
- [page 58](#), Business Ethics

## Human rights lens

Sanofi applies a human rights lens to assessing and addressing the challenges related to the Group's six CSR priorities for action for 2014-2017. The Group acknowledges the spectrum of human rights which can be potentially impacted by its activities or business relationships.



Human rights are integrated in the design, implementation, monitoring and evaluation of the policies, procedures and actions deployed for each of our CSR priorities.

In 2014, we established a dedicated risk profile for Human rights at work that represent the foundation of our CSR strategy. To manage this risk area at Group level, the Human Resources Department and CSR Direction appointed a transversal risk leader. The following topics were assessed: freedom of association, fight against child and forced labor, compensation and social benefits, non-discrimination, health and safety at work, psychological violence, data privacy, workforce development, and human rights risks when dealing with suppliers. Mitigation plans were then defined, in particular with procurement teams responsible for monitoring the human rights practices of our suppliers. This work was also used to facilitate a specific training session for other transversal risk leaders, aimed at providing a consistent understanding of the expectations of the Risk Committee and a common methodology.

**MORE in our Download Center**

- [Human rights factsheet](#)
- [Human rights in our activities \(guide\)](#)
- [Children's rights factsheet](#)

**Putting “Think globally, act locally” to the test**

While materiality at a global level is strategically important for the Group, different markets will naturally focus on additional priorities. We are therefore working on a dedicated toolkit to support our affiliates as they put Sanofi's global CSR priorities into action locally. This toolkit is designed as a point of reference for Sanofi's CSR correspondents as they carry out materiality analyses and devise action plans. It ensures that materiality is assessed in a consistent way across the Group, regardless of the size or shape of each country's CSR organization. This can go from identifying internal and external stakeholders to designing new strategies and action plans.

# POLICIES & MANAGEMENT SYSTEMS

## OUR FRAMEWORK

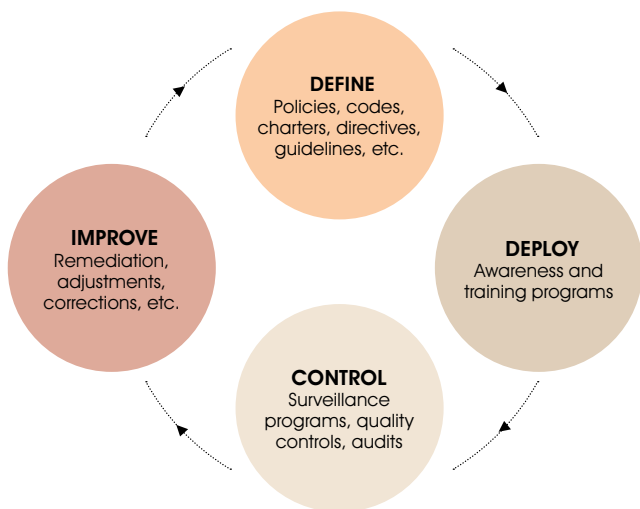
Sanofi has a comprehensive set of policies and guidelines that support our activities around the world. This framework not only incorporates the various regulatory requirements that apply to our business, but is also designed to exceed those requirements in certain cases. This willingness to go beyond basic compliance reflects our desire to achieve the highest standards in our activities.

## MANAGEMENT SYSTEMS

Our CSR approach relies on an internal framework and tailored management systems, which together enable us to act responsibly and ethically. These systems include training and awareness programs, quality controls and regular internal audits designed to monitor compliance and to drive continuous improvement. The table provides more details on the management systems relevant to CSR. Covering seven key areas, all of them are critical to our business:

MANAGEMENT SYSTEM	PURPOSE
<b>QUALITY</b>	Deliver quality in the research, development, manufacturing, distribution and promotion of our products, including activities outsourced to third parties; ensure compliance with regulatory requirements for pharmaceuticals and internal standards covering the full product life cycle.
<b>HSE</b>	Protect the health and safety of all employees; develop safe industrial processes; limit the environmental impact of the Group's activities.
<b>COMPLIANCE</b>	Develop processes to instill ethical values and clear standards of compliant behavior.
<b>PHARMACOVIGILANCE</b> (product safety monitoring)	Ensure patient safety by constantly evaluating and monitoring the risks potentially associated with the use of our products; seek to monitor the benefit/risk profile of our medicines and vaccines over their entire life cycle.
<b>INTERNAL CONTROL &amp; INTERNAL AUDIT</b>	Provide reasonable assurance to senior management about the level of control over operations, including efficiency and compliance with all internal and external requirements.
<b>RISK MANAGEMENT</b>	Foster a culture of risk management and assess cross-company risks that could impact the Group's business strategy and values.
<b>SUSTAINABLE BUILDING MANAGEMENT</b>	At Group's administrative sites, provide employees and stakeholders with healthy and comfortable work spaces, limit environmental footprint and incorporate our buildings into the sustainable development programs in the cities where we operate.

### Operating cycle of our management systems



#### MORE in our Download Center

- [Quality management systems factsheet](#)
- [HSE management system factsheet](#)
- [The Group Internal Audit and Internal Control & Processes factsheet](#)
- [Corporate governance factsheet](#)
- [Sustainable building charter](#)
- [Code of Ethics](#)

## FOCUS ON RISK MANAGEMENT

The management of risks and opportunities is an integral part of governance across the Group, with the aim being to anticipate and mitigate potential risks that could impact our strategy or operational objectives. The ultimate goal is to roll out an efficient, sustainable and integrated risk management framework that is aligned with CSR commitments across operations and functions.

*"Good risk management is necessary for the Group's adaptation to new challenges, and opportunities. It is a key success factor of the Group's strategy, focused on patients' needs in a socially responsible way."*

**Risk management mission statement,**  
available to all Sanofi employees.

## OUR CSR APPROACH

### RISK MANAGEMENT GOVERNANCE

**The Group Risk Committee (RC)**, created in 2010, reports to the CEO and helps the Executive Committee to provide reasonable assurance regarding the effectiveness of the Group's risk management processes. Its mission is to assess and monitor transverse and strategic risk areas, whether these are negative (threats) or positive (opportunities). The committee is chaired by the Senior VP CSR and co-chaired by the Senior VP Group Internal Audit. Its members are senior managers from operational units and corporate departments. At least twice a year, it reports to the Executive Committee and at least once a year to the Audit Committee of the Board of Directors.

**The Risk Management Direction** assists the RC, establishing policy and guidance designed to ensure that risk management terminology, processes and methodology are consistent across all our activities. It also leads a Risk Management Network that sets priorities and identifies synergies across our existing initiatives. Working closely with the Group Internal Audit and Internal Control & Processes directions, it also ensures that risk assessment and reporting processes are not only appropriate but that the relevant information is communicated effectively.

The Risk Management Direction reports to the Senior Vice-President CSR.

**Risk Management coordinators** are members of the Risk Management Network and are appointed by the senior management of operational units and corporate departments. Their role is to identify and monitor major risks within their areas of responsibility. They also support the Risk Management Direction in raising awareness and improving our risk methodology and tools.

The management of operational and corporate functions is ultimately responsible for managing risks and successfully deploying the necessary mitigation plans.

#### MORE in our Download Center

- [Risk management factsheet](#)

### RISK MANAGEMENT APPROACH

Sanofi has developed its own risk management approach, consistent with ISO 31000 and COSO II standards. The approach, which is integrated at every level of our operational units, corporate functions and Risk Committee, ensures that:

- risk owners are accountable for managing and controlling risks across the Group;
- information is exchanged in an effective, relevant and timely manner with internal and external stakeholders;
- decision-making processes are fully aligned with risk exposure;
- risk owners and governing bodies are provided with all relevant information to conduct their activities.

This approach relies on a comprehensive risk-assessment methodology that allows us to capture all categories of risks. The assessment is based on pre-defined evaluation criteria, i.e., type of risk (potential severity regarding patient safety, continuity, reputation and image), likelihood and current level of control.

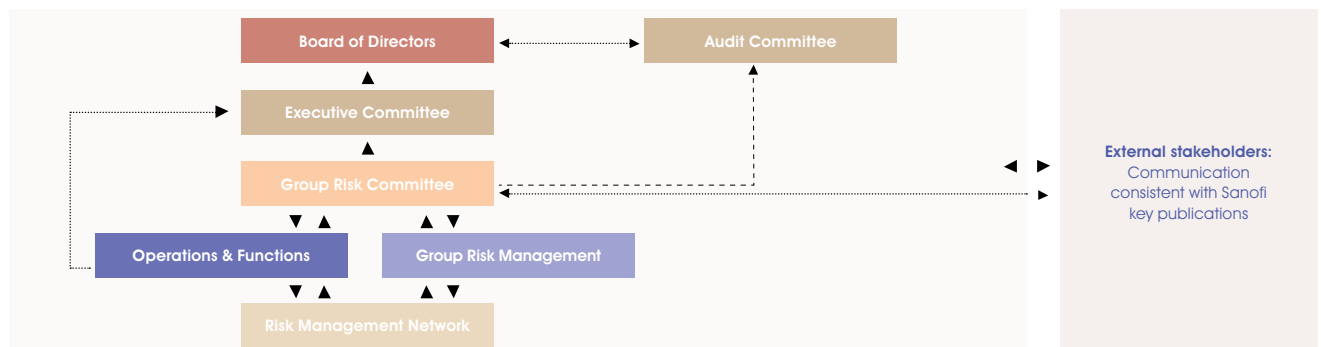
Major risks monitored by the Risk Committee are included in the risk factors listed on the annual report on Form 20F, filed with the United States Securities and Exchange Commission (SEC), and the French annual report (*Document de Référence*), filed with the *Autorité des marchés financiers* (AMF).

### RISK RESPONSE STRATEGY

The treatment of risk means deciding whether a given risk should be mitigated, accepted, transferred/shared, or avoided.

In 2014, the RC defined priority risk areas to be closely monitored by risk owners and the Group Risk Committee and for which mitigation plans must be defined and executed. This process also made it possible to measure the risk management efforts being made and the improvements achieved. The status of mitigation plans is reported to RC members on a quarterly basis.

In 2014, as part of the RobecoSAM analysis used as a basis for inclusion in the DJSI, Sanofi achieved a score of 100/100 for risk management.



# RECOGNITION FOR OUR CSR PERFORMANCE

In recognition of our CSR and sustainability performance, we were included on major global CSR indices in 2014. Our CSR report also complies with the most widely recognized international standards.

MEMBER OF  
**Dow Jones  
Sustainability Indices**  
In Collaboration with RobecoSAM

## DOW JONES SUSTAINABILITY INDEX (DJSI WORLD)

For the eighth consecutive year, we were included on the Dow Jones Sustainability Index (DJSI World), one of the most widely recognized international sustainability indices among investors. Sanofi was among eight pharmaceutical companies selected for the DJSI World by RobecoSAM, a Zurich-based investment company. The DJSI World features roughly 10% of the top-performing companies in CSR, among 2,500 worldwide.



## CLIMATE DISCLOSURE LEADERSHIP INDEX

Sanofi has been identified as a leader in climate change reporting, appearing on the 2014 CDP France Climate Disclosure Leadership Index (CDLI) with a score of 97/100 in transparency. Sanofi achieved its leadership status by submitting climate change information through CDP's global environmental disclosure system for independent assessment.



## ACCESS TO MEDICINE INDEX

Sanofi was ranked eighth in the Access to Medicine Index in November 2014. The index, which is published every two years, assesses pharmaceutical companies' performance in the areas of management and policies, R&D, pricing, patents, capability building and philanthropy. Together with our partners, we remain committed to improving access to healthcare for as many people as possible around the world.



## WE WERE ALSO INCLUDED ON SEVERAL OTHER WIDELY-RECOGNIZED GLOBAL CSR INDICES:

- FTSE 4 Good;
- Ethibel Excellence Investment Register;
- Stoxx® Global ESG Leaders indices;
- Euronext Vigeo Europe 120 and Euronext Vigeo Eurozone 120;
- Oekom Prime.

## GLOBAL REPORTING INITIATIVE (GRI)

The 2013 CSR Report complied with the GRI version 3.1 framework and received a B+ application level certificate. The 2014 CSR Report is based on the G4 guidelines of the Global Reporting Initiative and meets the criteria for the application level "Core".



WE SUPPORT

## UNITED NATIONS GLOBAL COMPACT (UNGC)

The UN Global Compact is a strategic public-private initiative for organizations committed to social and environmental sustainability. As a signatory to the UNGC since 2000, Sanofi is fully committed to upholding the 21 advanced criteria that relate to the Global Compact's ten principles in the areas of human rights, labor standards, environmental sustainability and anti-corruption. In 2014, Sanofi reached the UNGC's Advanced Level for its 2013 CSR report.

In addition, Sanofi also received CSR awards from national and local organizations in many of the countries where we operate.

### MORE in the Download Center

- [External CSR awards received factsheet](#)
- [Sanofi Global Compact Communication on Progress factsheet](#)
- [GRI Index](#)



# IN ACTION

**OUR CSR**

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For Sanofi, Corporate Social Responsibility is a matter of innovation, employee motivation and sustainable growth; it is about taking action to improve the environment in which we operate as a company. We are determined to make things better where we can make a difference: for patients, ethics, people and the planet.

## PATIENT

We seek to improve the lives of people everywhere by expanding access to healthcare and developing innovative solutions that meet patients' needs.

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## PEOPLE

We care about the well-being and professional development of all Sanofi employees, the key to our business performance.

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## ETHICS

Acting responsibly and ethically provides the basis for our day-to-day work and our relations with patients, healthcare professionals, Sanofi employees, and our many other stakeholders.

## PLANET

As a global healthcare leader, we live up to our responsibility to help protect life on the planet by limiting the environmental impact of our activities.

## Key Issues

Relevant stages  
of our value chain



- Develop new solutions and services for patients



- Seek registration and ensure distribution and production capacity



- Ensure affordable treatment provision



- Raise awareness and ensure proper usage



PATIENT

# ACCESS TO HEALTHCARE

# PATIENT ACCESS TO HEALTHCARE

Access to quality healthcare remains beyond the reach of roughly one-third of the world's population. This situation not only threatens global health but also human development. We see this as our greatest challenge and our responsibility to endeavor that as many patients as possible have access to endeavor medicines and vaccines as well as a full continuum of care. At Sanofi, we remain committed to drawing from our expertise and extensive resources to find innovative solutions to bring healthcare to all people across the globe.

## *Our Progress*

OBJECTIVES	2014 PROGRESS AND ACTIONS	STATUS
Eliminate lymphatic filariasis by 2020— collaboration with the Bill and Melinda Gates Foundation and Eisai within the scope of the London Declaration on Neglected Tropical Diseases	As per the terms of the collaboration : <ul style="list-style-type: none"> <li>• Sanofi donated 120 million tablets of diethylcarbamazine (DEC) to the World Health Organization in 2012 and 2013</li> <li>• Eisai took over the production and provision of DEC tablets for the years to come</li> </ul>	On track
Eliminate sleeping sickness by 2020	In 2014, more than 3 million people were screened and more than 5,000 treated. Since the start of the program, more than 30 million people have been screened and more than 180,000 treated  As per our collaboration with DNDi to develop new treatments: fexinidazole compound reached phase II/III trials	On track
Continue to include more beneficiaries in our many Access to Healthcare programs	More than 89 million patients received diagnosis, vaccination, treatment or self-disease management training  Efforts to raise awareness about diseases and help train healthcare professionals continued	On track
Enhance the coverage of our programs worldwide	More than 300 programs were conducted in more than 80 countries worldwide through: <ul style="list-style-type: none"> <li>• Sanofi affiliates</li> <li>• Our Access to Medicines department</li> <li>• The Sanofi Espoir Foundation</li> <li>• Genzyme's specialized division on rare and special unmet medical needs</li> <li>• Sanofi Pasteur, our vaccine division</li> <li>• Meril, our animal health division</li> </ul>	On track
Strengthen our presence in emerging markets by responding to local health needs through sales of our products	In Brazil, we continued to develop the StarBem program for patients with diabetes  In Latin America, Asia and Africa, we pursued our "Healthy Children, Happy Children" program for pediatric care  In Ghana and the Philippines, since 2014, we have been part of a public-private partnership to favor access to non-communicable disease treatments for the poorest segments of the population	On track

### **MORE in our Download Center**

- [Access to healthcare programs developed by our affiliates - 2014 factsheet](#)
- [Access to medicines department programs - 2014 factsheet](#)
- [Access to healthcare-Position Paper](#)

### **MORE online**

- [Sanofi Espoir Foundation](#)



## PARTNERING TO BRING INNOVATIVE SOLUTIONS FOR PEOPLE WITH DIABETES

Mobile technology is increasingly being relied upon as an effective means of promoting better access to health information and services for communities everywhere. “Be He@lthy, Be Mobile”, an international initiative spearheaded by the World Health Organization (WHO) and the International Telecommunication Union (ITU), exploits the widespread use of mobile applications and SMS messages to reinforce healthcare activities that prevent, treat and care for non-communicable diseases (NCDs) in low and mid-income countries.

“Be He@lthy, Be Mobile” will roll out across eight countries by 2016 with the singular mission of lowering the spread of NCDs. Responsible for 38 million deaths per year<sup>(1)</sup>, NCDs include conditions such as heart disease, stroke, cancer and diabetes. The use of mobile technology can help patients manage their diseases and related short- and long-term consequences; increase awareness about the disease; help diagnosis and educate patients and healthcare professionals. This program also contributes to making progress

towards the WHO’s target of lowering premature mortality caused by NCDs by 25% by 2025.

Within the framework of the “Be He@lthy, Be Mobile” program, in June 2014 a pilot campaign was launched in Senegal to offer support with daytime fasting and evening feasts during Ramadan, which can be particularly challenging for people with diabetes. Approximately 3,500 participants signed up for the program and received a series of messages each day to help them manage their diabetes. A total of 80,000 messages went out. Following this pilot in Senegal, a number of other countries have expressed an interest in developing similar programs.

Sanofi is proud to be a partner in this global initiative that will improve access to healthcare services and information.

(1) World Health Organization, Non-communicable diseases factsheet: [www.who.int](http://www.who.int)

# STRATEGIC APPROACH

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 guarantees future innovation.

Health inequality has become a major threat to human development. To deal with this, we believe there is a need for new cross-sectoral approaches to support both the individual and care systems. As a global healthcare leader operating in more than 100 countries, our aim is to meet the needs of the greatest number of patients worldwide, and we have the expertise and the resources to make a real difference. Our strategy of diversification enables us to offer a wide range of products and services in both human and animal health. This includes disease areas such as non-communicable diseases, infectious diseases, rare diseases and products and services including human vaccines, generic medicines, consumer healthcare products, etc.

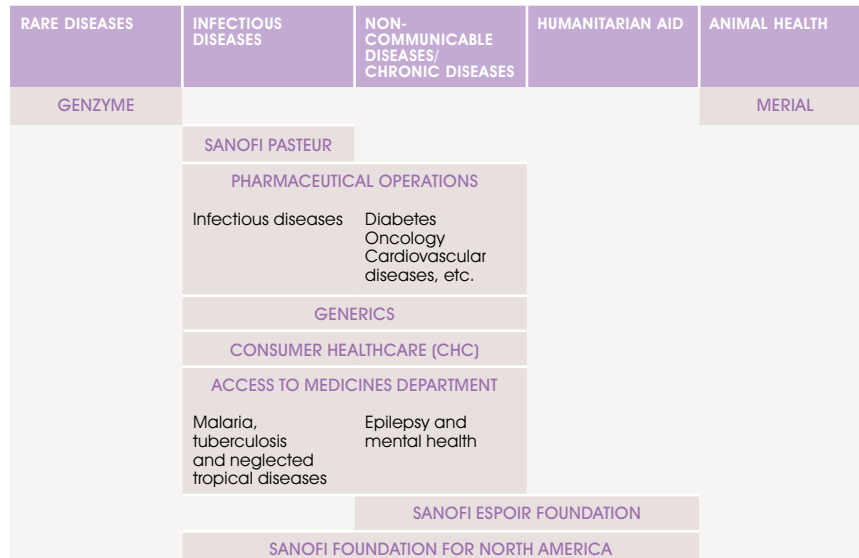
## DRUGS ALONE ARE NOT ENOUGH

Over several decades, Sanofi has made a sustained contribution to meeting global health challenges by developing a large portfolio of medicines and vaccines for a wide range of diseases that threaten millions of lives. At the same time, we know that providing health products and services is just one part of the solution. For this reason, our strategy spans the continuum of care, from prevention to diagnosis and treatment, including disease monitoring and long-term care. Our approach begins with wellness and evolves throughout the patient journey, as we seek to continually contribute to the best possible healthcare experience and outcomes for people with healthcare needs.

## STRENGTHENING OUR PATIENT CENTRICITY APPROACH

Our ambition is to shape an environment where people can take control to help improve their healthcare outcomes, to positively impact their health and lives.

### SANOFI'S ORGANIZATION TO CONTRIBUTE TO THE ACCESS TO HEALTHCARE CHALLENGE



## Facts and figures



"Patient centricity will drive a focus on addressing patient needs, and improving patient outcomes, which provides a basis for engagement of our employees and contributes to developing leading business models that are focused on improving health outcomes."

**Anne Beal,**  
Chief Patient Officer

More than  
**300** ACCESS  
TO HEALTHCARE PROGRAMS  
in more than 80 countries

More than  
**190** MILLION  
PEOPLE BENEFITED,  
including

more than  
**89** MILLION  
patients received diagnosis,  
vaccination, treatment, or disease  
self-management training

more than  
**100** MILLION  
people targeted by awareness  
campaigns

more than  
**270,000**  
healthcare professionals trained

We will achieve this by:

- Utilizing patients' inputs to understand their specific needs and to design solutions that address those needs;
- Engaging and supporting patients and other stakeholders to develop solutions that fit into people's lives and improve their health outcomes;
- Engaging and supporting our employees to create a patient-centric culture, one that builds on existing efforts to engage with patients.

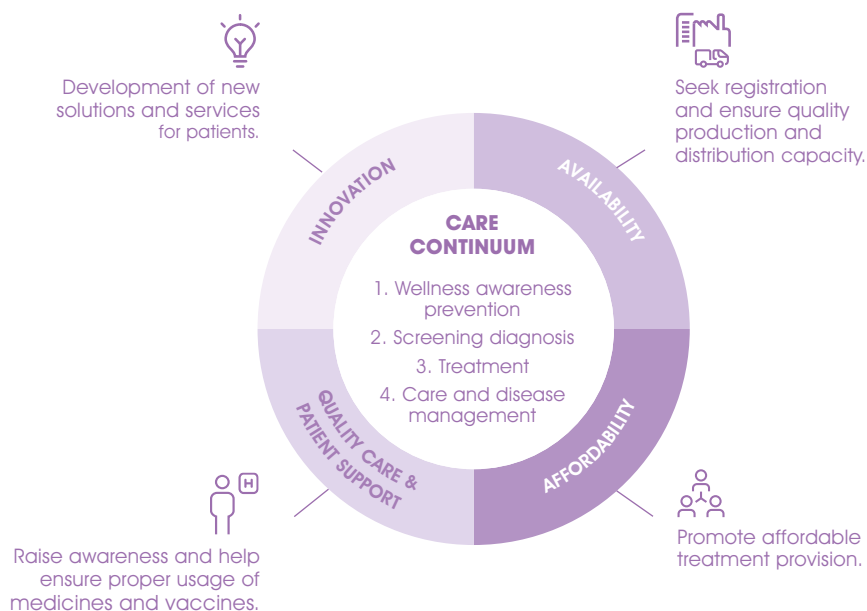
The greater focus on improving patient health outcomes is the main feature of patient-centricity. However, it also benefits healthcare providers, who also want to improve patient outcomes. Today, all of these stakeholders are aligned in their need to promote evidence-based solutions and have a sharper focus on improving patient outcomes.

The appointment of a Chief Patient Officer in March 2014, with the goal of leading our patient centricity strategy, is an innovation for a top 10 pharmaceutical company.

**OPTIMIZING PATIENT OUTCOMES ALONG THE LIFE COURSE: OUR INTEGRATED APPROACH**

The care continuum includes several stages and, to make a real impact, intervention is needed at each of these stages. Sanofi has developed an integrated approach to lifelong

patient care and offers a wide range of health solutions adapted to patient and local needs. Our expertise enables us to address different aspects of access to healthcare, for example, innovation, availability, affordability, and quality care and patient support.



**OUR INTEGRATED APPROACH CREATES VALUE FOR BOTH OUR STAKEHOLDERS AND SANOFI**

	INNOVATION	AVAILABILITY	AFFORDABILITY	QUALITY CARE AND PATIENT SUPPORT
<b>VALUE FOR STAKEHOLDERS</b>	<ul style="list-style-type: none"> <li>• Fulfill unmet medical needs</li> <li>• Tailored products offering to meet local conditions</li> <li>• Develop local R&amp;D capabilities</li> </ul>	<ul style="list-style-type: none"> <li>• Increase number of patients treated</li> <li>• Production and distribution centers in developing/ emerging countries</li> <li>• Local manufacturing and supply chain to the highest quality standards</li> <li>• Fight against counterfeit drugs</li> </ul>	<ul style="list-style-type: none"> <li>• Increase number of patients treated</li> <li>• Differentiated pricing where appropriate</li> <li>• Offer includes generics</li> <li>• Decrease financial burden on healthcare systems</li> <li>• Contribution toward universal health coverage</li> </ul>	<ul style="list-style-type: none"> <li>• Raise awareness about disease</li> <li>• Training of healthcare professionals</li> <li>• Improve health literacy and patient empowerment</li> <li>• Improve disease management</li> </ul>
<b>VALUE FOR SANOFI</b>	<ul style="list-style-type: none"> <li>• Develop innovative culture and portfolio</li> <li>• Control R&amp;D cost, risks and complexity</li> <li>• Partner to foster innovation</li> <li>• Differentiate from competitors</li> </ul>	<ul style="list-style-type: none"> <li>• Increase number of patients treated</li> <li>• Ensure full production capacity</li> <li>• Facilitate access to new markets</li> </ul>	<ul style="list-style-type: none"> <li>• Increase number of patients treated</li> <li>• Develop relations with authorities and other payers</li> <li>• Improve licence to operate</li> </ul>	<ul style="list-style-type: none"> <li>• Partner with health authorities physicians and patient associations</li> <li>• Improve usage of medicines for optimal benefit / risk ratio</li> <li>• Foster innovation roll-out in patient-centered solutions</li> </ul>

# HIGHLIGHTS

## TACKLING NON-COMMUNICABLE DISEASES

### Our integrated approach to diabetes care

Non-communicable diseases (NCDs), also known as chronic conditions, are the leading cause of death in the world, much of which is premature and avoidable<sup>(1)</sup>. The four main NCDs—diabetes, cardiovascular diseases, cancer and chronic respiratory diseases—kill three in five people worldwide<sup>(2)</sup>. The prevalence of NCDs is surging globally, placing enormous pressure on individuals and healthcare systems.

Given the urgency of the problem, 193 countries adopted the UN Political Declaration on the Prevention and Control of NCDs in 2011. The WHO has since set a “25 by 25” goal to achieve a 25% reduction in premature mortality due to NCDs by 2025. In addition, in May 2013, the WHO Global Action Plan for the prevention and control of NCDs and the WHO Mental Health Action Plan were also endorsed. These provide a roadmap and policy options for all stakeholders, including the private sector, for reaching nine voluntary global NCD targets.

### A wealth of experience in tackling diabetes worldwide

Some 387 million people worldwide were living with diabetes in 2014, 77% of which live in low- and middle-income countries. By 2035, this number is expected to rise to 592 million people.

With nearly one century of expertise in the field, Sanofi aims to address this growing global health concern. By engaging with people who live with diabetes, we seek to develop personalized integrated healthcare solutions that meet their needs. Our initiatives are focused on three levers:

- **Better health:** aiming to raise awareness about the prevention, diagnosis and treatment of diabetes;

- **Better care:** aiming to promote a holistic and innovative approach to manage the complex short- and long-term consequences of diabetes through education of healthcare professionals and patient empowerment;

- **Better access:** aiming to develop sustainable, affordable and accessible solutions that meet the needs of patients and healthcare systems. Our commitments are clear: improve patients’ daily lives, help them manage their condition and improve the quality of life of both patients and caregivers.

### **Better health—Raising awareness and improving prevention among school-children: the KiDS program**

Approximately 79,000 children are diagnosed with diabetes annually worldwide<sup>(3)</sup>. Schools play an important role in supporting school-children with diabetes. However, for many of these children, a lack of knowledge within schools about diabetes can lead to isolation, stigma and discrimination.

In 2013, the International Diabetes Federation (IDF), in collaboration with the International Society for Paediatric and Adolescent Diabetes (ISPAD) and Sanofi Diabetes, launched the Kids and Diabetes in Schools (KiDS) project in India and Brazil. KiDS aims to foster a safe and supportive school environment, one that creates a better understanding of diabetes, supports children with this condition and promotes the benefits of healthy nutrition and exercise habits at school.

The first phase of the project was completed in India in 2014, involving more than 600 teachers from 15 schools (both government and private) in Delhi. The teachers were trained by experts from the Public Health Foundation of India (PHFI) and Health Related Information Dissemination Amongst Youth (HRIDAY), which are both local partners. Education sessions and information about diabetes reached approximately 300,000 students, teachers and families. In 2014, KiDS was also rolled out in Brazil, and

(1) WHO (2014), Global Status Report NCD 2014. “Attaining the nine global noncommunicable disease targets: a shared responsibility.”

(2) WHO “Global Health Estimates: Deaths by Cause, Age, Sex and Country, 2000-2012.” Geneva, WHO, 2014.

## Facts and figures

### EVERY SEVEN SECONDS

a person dies from diabetes<sup>(3)</sup>.

### PATIENT ADVOCATES AND GROUPS

Partnering with Patient Advocates and Groups (PAGs) is an essential part of Sanofi’s efforts to become a truly patient-centric healthcare company.

Sanofi demonstrates leadership in public health by connecting PAGs in all parts of world to elevate their capabilities to help patients engage in their health.

One example of this is Partners in Patient Health, a comprehensive series of summits, roundtables, live and online collaborations in diabetes and across different disease areas.

This helps PAGs enhance their capability building to better serve the communities they represent and improve patient health.

### MORE in our Download Center

- [Partnering with Patient Advocates and Groups factsheet](#)

(3) International Diabetes Federation, IDF Atlas, Sixth edition.



in Canada. The KIDS program will also be implemented in other countries.

#### **MORE online**

- [Links to KIDS initiative](#)
- [The KIDS information pack is available online in eight languages for teachers, parents and children with diabetes](#)

In addition to KiDs, Sanofi is collaborating with local authorities to conduct programs supporting a favorable school environment for children with diabetes in Turkey, the United Arab Emirates and other countries.

#### **Better care: Improving knowledge about diabetes management in developing countries**

Although there is supporting evidence that optimizing diabetes care reduces death and complication rates, multiple barriers hinder turning evidence into practice. Most patients with diabetes reside in developing countries, where standardized data on quality of care is relatively scarce. Funded by Sanofi, the International Diabetes Management Practices Study (IDMPS) is the world's largest ongoing observational survey of diabetes in developing countries—collecting, analyzing and

disseminating data in a standardized manner. By documenting changes in practices over time in a range of health care settings, Sanofi aims to raise awareness and identify barriers to quality diabetes care. More than 70,000 patients and more than 5,000 doctors from Asia, Eastern Europe, Russia, Central Asia, Latin America, the Middle East and Africa have taken part in this program since it started in 2005. The findings shed light on many aspects of diabetes practices, from management of care to education, resource consumption, barriers to insulin and, last but not least, diabetes and depression. When it comes to tackling diabetes in these countries, an improved understanding of diabetes management and practices can help sound decision-making by physicians.

#### **“Be He@lthy, Be Mobile”**

On February 26, 2015, Sanofi joined “Be He@lthy, Be Mobile,” a concrete example of our commitment to provide better care for people with diabetes. “Sanofi’s countries—collecting and diabetes knowledge will help expand the excellent pilot work undertaken in Senegal,” added Pierre Chancel, Senior Vice President, Sanofi Global Diabetes.

“Through Sanofi’s support the initiative will employ successful mobile strategies for people with diabetes and their caregivers and provide access to training for health workers in additional countries around the world, furthering our aim of bringing about far-reaching improvements in diabetes management, treatment and care.”

#### **RELATED CONTENT in this report**

- [page 27](#), Partnering to bring innovative solutions for people with diabetes

#### **Better access: Innovating to help improve access to affordable care**

In October 2012, Sanofi India launched AllStar®, the first re-usable insulin pen manufactured in India. The aim was to meet the needs of patients in emerging markets and improve access to innovative yet affordable devices. More than 100,000 patients in India have utilized AllStar® since its launch. Subsequent launches were made in Bangladesh and South Africa in 2013, and Malaysia, Thailand and Egypt in 2014. AllStar® not only demonstrates our focus on innovation in diabetes, but also our commitment to improving access to healthcare in emerging markets in a way that is adapted to local markets.

#### **IDMPS: WHAT DID WE STUDY?**

	WAVE 1 2005	WAVE 2 2006	WAVE 3 2008	WAVE 4 2010	WAVE 5 2011-2012	WAVE 6 2013-2014
MANAGEMENT OF CARE	✓	✓	✓	✓	✓	✓
EDUCATION		✓	✓	✓	✓	✓
RESOURCES CONSUMPTION		✓			✓	
BARRIERS TO INSULIN			✓			
DEPRESSION					✓	
PPG* PHYSICIAN QUESTIONNAIRE						✓

\* Post Prandial Glycemia.

**WAVE 1 – 2005:** Argentina, Bosnia, Bulgaria, China, Colombia, Ecuador, Hongkong, India, Indonesia, Korea, Malaysia, Romania, Taiwan, Thailand, Tunisia, Turkey, Venezuela.

**WAVE 2 – 2006:** Algeria, Argentina, Bulgaria, Chile, Colombia, Egypt, Guatemala, Hongkong, India, Indonesia, Lebanon, Malaysia, Mexico, Morocco, Romania, Saudi Arabia, South Africa, Taiwan, Thailand, Tunisia, Turkey, United Arab Emirates, Venezuela.

**WAVE 3 – 2008:** Algeria, Argentina, Chile, China, Colombia, Egypt, Guatemala, Iran, Lebanon, Malaysia, Mexico, Morocco, Saudi Arabia, Thailand, Tunisia, Turkey, United Arab Emirates, Venezuela.

**WAVE 4 – 2010:** Argentina, Colombia, Egypt, Lebanon, Mexico, Saudi Arabia, Turkey, United Arab Emirates, Venezuela.

**WAVE 5 – 2011/2012:** Algeria, Argentina, Cameroon, Colombia, Egypt, Georgia, India, Kazakhstan, Lebanon, Morocco, Pakistan, Russia, Saudi Arabia, Senegal, Tunisia, Turkey, Ukraine, United Arab Emirates, Uzbekistan, Venezuela.

**WAVE 6 – 2013/2014:** Algeria, Bangladesh, Cameroon, Côte d'Ivoire, Egypt, Georgia, Iran, Jordan, Kazakhstan, Koweit, Lebanon, Morocco, Nigeria, Pakistan, Russia, Senegal, South Africa, Tunisia, Ukraine, United Arab Emirates, Uzbekistan, Zimbabwe.

### Addressing mental health and epilepsy in low- and middle-income countries

Through our Access to Medicines department (ATM) Sanofi is committed to improving access to healthcare for patients in resource-poor countries. ATM works in disease areas where Sanofi has longstanding, recognized expertise including infectious diseases such as malaria, tuberculosis, neglected tropical diseases, and chronic diseases such as epilepsy and mental illness.

#### **MORE in our Download Center**

• [Access to Medicines brochure \(2014-2015\)](#)

### **There is no health without mental health**

According to the WHO, 450 million people worldwide have a mental health disorder. In developing countries, a majority of patients do not receive suitable treatment and are often marginalized and rejected by society. Since 2008, we have been instigating programs and collaborations, to improve access to mental health care in developing countries. Initially launched in Morocco and Mauritania in collaboration with local authorities, health professionals, patient organizations and NGOs, our programs have since been implemented in Armenia, Benin, Comoros, Guatemala, Laos and Madagascar through the FAST project, an innovative public-private partnership with the World Association for Social Psychiatry (WASP).

In 2013, the World Health Assembly adopted the WHO Mental Health Action Plan 2013-2020, which recognizes mental health as an integral part of health and wellbeing. The action plan addresses four key objectives:

**Objective 1:** Strengthen effective leadership and governance for mental health.

**Objective 2:** Provide comprehensive, integrated and responsive mental health and social care services in community-based settings.

**Objective 3:** Implement strategies for promotion and prevention in mental health.

**Objective 4:** Strengthen information systems, evidence and research for mental health.

#### **MORE online**

• [WHO Mental Health Action Plan 2013-2020](#)

Sanofi has been leading initiatives designed to help meet these objectives in several low- and lower-middle-income countries.

### In Armenia, empowering the community to improve mental health care (Objective 2)

In February 2014, Sanofi took an active part in the launch of a public-private partnership with the Ministry of Healthcare and the WASP to promote access to care for people with schizophrenia. The pilot program focuses on developing community mental healthcare by empowering primary healthcare personnel. The aim is to create a network and provide training for general practitioners and nurses so they can identify and manage patients with psychosis. The program also includes initiatives to educate patients and their families, to raise awareness and fight the stigma and exclusion that people with mental disorders so often face. Depending on the results, it may be expanded to include other mental disorders and other regions of the country.

### Support for patients with schizophrenia on three continents (Objective 3)

In addition to working to improve access to treatment, Sanofi is helping with the support and rehabilitation of people with schizophrenia. A program is underway in India with the Schizophrenia Research Foundation (SCARF) in Chennai to enhance psychosocial support for these patients. In Guatemala, our collaboration with the NGO Alas pro Salud Mental ("Wings for Mental health") to improve access to care in remote areas has led to the implementation of sponsorship programs to help the poorest patients have access to treatments. Participants can also receive microloans to start their own small businesses.

### Improving evidence and research in mental health in Comoros (Objective 4)

Sanofi is a partner in a program funded by Grand Challenges Canada that was launched in a pilot area in Comoros to assess the potential for telemedicine to reduce the treatment gap among patients with schizophrenia (and epilepsy). Research programs are also being run in collaboration with Grand

## *Facts and figures*



"Stigma is the first barrier to access to mental healthcare because it discourages patients and their families from using specialized care services. As a responsible company, Sanofi aims to improve access to medicines and access to quality care, but also to fight discrimination and support patients in managing their disease. Our long-term commitment is fully in line with the WHO Action Plan."



**Dr. Robert Sebbag,**  
Vice President, Access to Medicines, Sanofi

Challenges Canada in Cambodia and Laos, and with the WHO in Ghana and Vietnam.

**MORE online**

- [Sanofi TV on YouTube: Access to Healthcare in Mental Health—Mauritania](#)

**An integrated epilepsy management approach**

Epilepsy is a chronic, non-communicable disorder of the brain characterized by recurrent seizures. Nearly 80% of people with epilepsy live in developing regions of the globe, yet in low- and middle-income countries they are often stigmatized and do not receive adequate treatment. Sanofi's Access to Medicines Department has developed an integrated epilepsy management approach based on four pillars: partnerships and collaborations; training for healthcare professionals in the diagnosis and treatment of epilepsy; efforts to combat stigmatization by informing communities about the medical causes of epilepsy; and a preferential pricing policy consistent with local law to help make medicines accessible to the poorest. Our programs have been launched in Africa, Asia and Latin America.

**Tackling misconceptions about epilepsy through a comic book**

"We'll Make It" is a comic book designed and distributed by Sanofi in collaboration with local health organizations to counter misconceptions about epilepsy. To date, more than one million schoolchildren from five African countries have received the comic in their own language. Presented during the 2nd African Epilepsy Congress in May 2014, the results of a study in Ethiopia showed the comic is highly effective in helping children understand epilepsy. It is now being adapted for distribution in Latin America.

**Improving access to first-line treatment in developing countries**

Sanofi produces phenobarbital (Gardenal®), the first-line treatment for epilepsy recommended by the WHO. It is the most cost-effective anti-epileptic drug on the WHO Essential Medicines List. In 2014, our Access

to Medicines Department joined forces with teams from our Senegal facility to develop high-quality, affordable phenobarbital for people in developing countries. To reduce manufacturing costs, phenobarbital will be available in a convenient 1,000-tablet, low-cost blister pack. By 2018, one million people with epilepsy are expected to have access to treatment at lower costs. The registration phase is underway and treatment should be available in Africa from mid-2015.

**MORE in our Download Center**

- [Fighting epilepsy and mental illness factsheet](#)

**INFECTIOUS DISEASES**

**Partnering to eradicate polio by 2018**

Sanofi Pasteur pursues a vision of a world in which no one suffers or dies from a vaccine-preventable disease. Sanofi's vaccines division, which offers a wide range of vaccines against 20 diseases, is focused on developing new, improved vaccines and monoclonal antibodies for the prevention of infectious diseases, including polio.

**Polio eradication is in sight**

Polio is a viral disease that primarily strikes children under five, leading in some cases to irreversible paralysis and death. There is no cure or treatment for polio, but there are safe and effective vaccines. The number of cases has dropped by 99% worldwide since 1988, when the WHO launched the Global Polio Eradication Initiative (GPEI). At the time, there were an estimated 350,000 cases in more than 125 endemic countries. Today polio is routinely transmitted from person to person in just three countries: Afghanistan, Nigeria and Pakistan.

Two vaccines are available to prevent polio: the injectable polio vaccine (IPV) made from inactivated virus and the oral polio vaccine (OPV) made from live attenuated virus. While IPV has been used in most of the developed world for years, OPV has been the primary tool in the global polio eradication effort. Today, evidence clearly demonstrates that adding one dose of IPV to multiple doses of

OPV is the most effective method available to stop the virus. The universal introduction of IPV is part of the Polio Eradication and Endgame Strategic Plan 2013-2018, a roadmap developed by the GPEI to end polio transmission. Endorsed by nearly 200 countries, it calls for the introduction of at least one dose of IPV in every country by the end of 2015 and the eventual cessation of OPV.

**Renewing our efforts towards polio eradication**

Sanofi Pasteur has been a supporter of the GPEI for over 20 years. The company has provided more than 5 billion doses of OPV to UNICEF over the last two decades. In early 2014, Sanofi Pasteur joined forces with the Bill and Melinda Gates Foundation to develop a joint price support mechanism that includes a financial contribution from both organizations. The mechanism allows Sanofi Pasteur to offer IPV at a price of €0.75 per dose to 73 of the world's poorest countries. The GAVI Alliance, a global immunization partnership, will make IPV available for inclusion in the routine immunization schedules in these countries. In anticipation of this shift, Sanofi Pasteur has made significant investments in modern technology to produce very large quantities of IPV—up to 300 million doses per year—to meet upcoming demand and contribute to the polio eradication strategy.

In September, Nepal introduced one dose of IPV into its routine immunization schedule, becoming the first GAVI-supported country in the world to do so. In October, the Philippines became the first developing country in Eastern Asia to introduce IPV as part of routine immunization.

**MORE in our Download Center**

- [Access to Vaccines - 2014 factsheet](#)

**A long-term commitment to fighting malaria**

Malaria is the world's most common and deadliest parasitic disease. According to WHO estimates, there were 198 million cases and 584,000 deaths from malaria in 2013, mostly among African children.

Sanofi takes a comprehensive approach to the fight against malaria through initiatives designed to prevent, diagnose, treat and inform. In particular, we are committed to finding sustainable solutions to provide medicines at preferential prices to patients in need according to applicable law.

### **Innovating to provide access to affordable and quality anti-malarial treatments**

ArteSunate AmodiaQuine Winthrop® (ASAQ Winthrop®) was developed through an innovative partnership with Drugs for Neglected Diseases *initiative* (DNDi), an independent non-profit foundation. It is the first anti-malarial drug to come out of a public-private partnership. This combined, fixed-dose formulation enables better adherence to treatment and reduces the risk of drug resistance. ASAQ Winthrop® is available at a price of less than US\$1 for adults and US\$0.50 for children, for a full three-day treatment regimen.

The WHO recommends first-line treatment of malaria with combination therapies based on artemisinin, which is derived from the sweet wormwood plant. However, supplies of natural artemisinin are often subject to shortages and price fluctuations. Sanofi, in cooperation with PATH (an NGO specialized in health solutions), other partners and the support of the Bill and Melinda Gates Foundation, has developed an industrial process to synthesize artemisinin. A stable supply of a semisynthetic form offers the prospect of a wider availability of affordable treatments such as ASAQ Winthrop®. In August 2014, we began shipping the first batches of antimalarial treatments based on a semisynthetic artemisinin. Sanofi is able to produce 50 to 60 metric tons of semisynthetic artemisinin a year, representing one third of the global annual need, or 125 million treatments. Sanofi has been collaborating with the World-Wide Antimalarial Resistance Network (WWARN) in its efforts to detect and fight resistance to existing malaria treatments. We are exploring ferroquine (Phase II of clinical development) as a potential response to resistant forms of the disease.

### **Raising awareness and helping to train healthcare professionals**

Alongside our partners, we seek to develop educational programs and materials adapted to local contexts and make them available to health authorities and NGOs. As the primary victims of malaria, children must be informed about how to stop transmission of the disease. The "Schoolchildren against Malaria" program teaches the basics of malaria through theater competitions and games so that children learn how to try to prevent malaria and to share that awareness. To date, the program has reached more than 7 million people across 10 African countries, including 200,000 children in schools and 7 million viewers in related TV programs.

Sanofi sponsors training courses on malaria for public health specialists in Tanzania and Madagascar and "Training the Trainers" program to teach community health workers about the management of malaria.

### **A STRONG INVOLVEMENT IN THE FIELD OF NEGLECTED TROPICAL DISEASES**

Neglected tropical diseases (NTDs) are a diverse group of infections caused by bacteria, viruses and other pathogens and are endemic in 149 countries. They thrive among the world's poorest populations, where they are an obstacle to poverty reduction and socioeconomic development.

Sanofi has been committed to the fight against neglected tropical diseases since 2001, working alongside the WHO. We will have contributed US\$75 million over the period 2001-2016, including financial support and donations of medicines. In January 2012, we became a signatory of the London declaration on NTDs, along with public and private partners including other pharmaceutical companies and the Bill and Melinda Gates Foundation. Our Access to Medicines department has developed and implemented policies for several such diseases: sleeping sickness, lymphatic filariasis, leishmaniasis, Chagas disease and Buruli ulcer. Our human vaccines division Sanofi Pasteur

## *Facts and figures*

### **1 CHILD**

in Africa dies every minute from malaria.<sup>(1)</sup>

### **ASAQ® WINTRHROP**

is manufactured at our Casablanca plant in Morocco. The treatment is now registered in 33 countries, 30 of them in Africa. Since 2007, more than 300 million treatments of ASAQ Winthrop® have been delivered. In 2014 alone, we provided more than 62 million treatments of ASAQ®.

"Beyond the therapeutic and industrial innovation of this medication, the real success of this project lies in its social innovation. By waiving a patent on this treatment and committing to a tiered pricing model, Sanofi and DNDi took a bold step that has improved access to antimalarial treatments."



**Dr. Robert Sebbag,**  
Vice President, Access to Medicines, Sanofi

### **MORE in our Download Center**

- [Fighting malaria factsheet](#)

### **MORE online**

- [Schoolchildren against Malaria \(video\)](#)

(1) WHO, Malaria factsheet: [www.who.int](http://www.who.int)

and our animal health division Merial have also focused on other NTDs for several years, including dengue and rabies.

#### RELATED CONTENT in this report

- page 26, Our Progress

#### MORE in our Download Center

• [Fighting neglected tropical diseases factsheet](#)

### Advancing towards the first vaccine to protect against dengue

#### A major global health threat

Nearly half the world's population is at risk of dengue, a mosquito-borne viral infection for which there is no specific treatment. The severe form of the disease, dengue hemorrhagic fever, primarily affects people in Asian and Latin American countries where it has become a leading cause of serious illness, hospitalization and death.

As part of a global strategy to prevent and control dengue, the WHO has set a clear objective for 2020: to reduce dengue mortality by at least 50% and morbidity by at least 25%. Vaccination is expected to be one of the most effective ways of achieving this goal, and Sanofi is committed to help the WHO achieve its ambition.

#### The first candidate dengue vaccine to demonstrate efficacy in phase III clinical studies

Our goal is to make dengue the next vaccine-preventable disease by providing a safe and effective vaccine accessible in all regions of the world where dengue is a public health issue. After working to develop a dengue vaccine for over 20 years, we are now within reach of our goal. The Sanofi Pasteur candidate vaccine is the most clinically and industrially advanced dengue vaccine candidate in development and the first candidate dengue vaccine to successfully complete a Phase III clinical efficacy study.

We plan to file for registration in 2015. Subject to regulatory approval, the world's first dengue vaccine could be available in the second half of 2015. Sanofi has invested €1.5 billion in dengue vaccine R&D and production including €350 million in state-of-the-art

vaccine production facilities. At full capacity, the plant in Neuville-sur-Saône (France) is set to produce around 100 million doses per year as soon as 2016.

Our clinical study program involved more than 40,000 participants across 15 dengue-endemic countries in Asia, Latin America and the Caribbean. Sanofi Pasteur's candidate vaccine has been assessed in two major Phase III clinical trials—first, in a cohort of over 10,000 children, aged 2 to 14, in five Asian countries; followed by a cohort of over 20,000 children, aged 9 to 16, in five Latin American and Caribbean countries. These studies provided pivotal efficacy, safety and immunogenicity data. Broad vaccination, including routine and catch-up cohorts, is expected to provide rapid and maximal impact in reducing the incidence of dengue. The findings of the first Phase III trial in five Asian countries, published in *the Lancet* in July 2014, showed overall efficacy against symptomatic dengue of 56.5% in children aged 2 to 14 years old after a three-dose vaccination schedule. In addition, analyses show an 88.5% reduction of dengue hemorrhagic fever. The study also revealed a clinically important reduction in the risk of hospitalization due to dengue by 67.2% during the study period.

In November 2014, *the New England Journal of Medicine* published the results of Sanofi Pasteur's final landmark Phase III clinical efficacy study in Latin America and the Caribbean region. Overall efficacy against any symptomatic dengue disease was 60.8% in children and adolescents 9-16 years old who received three doses of the vaccine. Analyses show a 95.5% protection against severe dengue and an 80.3% reduction in the risk of hospitalization during the study.

#### RELATED CONTENT in this report

- page 51, Safety and well-being of children in clinical trials

## Facts and figures

Over

**€23.5** MILLION INVESTED  
IN RESEARCH AND DEVELOPMENT  
to fight malaria, tuberculosis (including vaccines), leishmaniasis and sleeping sickness.

**€1.5** BILLION INVESTED  
in dengue vaccine R&D  
and production.

More than

**40,000** PARTICIPANTS  
across 15 dengue-endemic  
countries in Asia, Latin America  
and the Caribbean are involved  
in our clinical study program.

#### MORE in our Download Center

- [Fighting tuberculosis factsheet](#)
- [Participating in collaborative efforts to promote access to healthcare factsheet](#)
- [Sanofi's response to the Ebola outbreak in West Africa factsheet](#)

Sanofi Pasteur has taken an innovative approach to addressing a disease that affects tropical and subtropical countries, without anticipating a return on investment from high-income countries. For the first time, a new vaccine will have its initial introduction in low- and middle-income countries where the need is the greatest.

### **Creating shared value**

We are a partner in various initiatives designed to raise awareness about dengue. In Malaysia, Sanofi Pasteur launched the Dengue Patrol program with the Ministry of Health and the Ministry of Education in 2011. This is part of Sanofi Pasteur's commitment to take proactive measures to increase awareness about dengue and involve public participation, especially from the younger generation. Indeed, the program seeks to recruit students nationwide to form Dengue Patrols in their respective schools, with the aim of organizing activities that encourage dengue prevention and protection against *Aedes* mosquitoes. Launched as a pilot program, it became nationwide in 2014. Sanofi Pasteur also supports the Break Dengue campaign, whose mission is to build international community engagement around the public health burden of dengue. It also provides a forum for exchanging information, best practices and news on potential treatments and prevention strategies.

#### **MORE in our Download Center**

- [Access to vaccines - 2014 factsheet](#)

#### **MORE online**

- [Sanofi Pasteur dengue vaccine candidate under study video](#)
- [Break Dengue website](#)

### **A combined fight against rabies A neglected disease that strikes poor and vulnerable populations**

Rabies is a deadly virus transmitted from animals to humans by contaminated saliva. It infects the brain, causing paralysis and severe behavioral and neurological changes. Once the first clinical symptoms appear, the disease is nearly always fatal. Although rabies can be transmitted by wild animals, most people are

exposed to rabies through contact with domestic animals, in particular dogs and, in some regions, cats.

Rabies occurs in more than 150 countries and causes tens of thousands of deaths worldwide every year. It primarily affects low-income populations in remote, rural areas where access to human vaccines and immunoglobulins is limited at best.

### **A joint effort by our animal health and human vaccine divisions**

Animal health has significant impacts on human and global health especially through controlled infectious animal diseases and safe food production. Many interconnections exist between human and animal species as rabies and zoonotic influenza infection, antibio-resistance and in a broader extent food deficiency. Sanofi Pasteur and Merial prevention oriented portfolio both prevent outbreak and control major infectious diseases. Our joined fight against rabies contributes to global health improvement. Indeed, Merial, the animal health division of Sanofi and a world leader in rabies prevention, has a long tradition of developing vaccines to protect pets and wildlife against rabies. In addition to producing a range of advanced rabies vaccines for animals, Merial works with governments and non-profit organizations to reduce the danger of rabies for people and to respond to outbreaks worldwide.

Sanofi Pasteur is the only international company to offer a full range of human rabies biologicals for both active and passive immunization. More than 15 million people are vaccinated after exposure every year worldwide. Since 1985, more than 100 million doses of rabies vaccines have been distributed by Sanofi Pasteur in more than 100 countries.

By combining the Merial and Sanofi Pasteur rabies portfolios and expertise, we are able to take a complementary approach: Merial makes rabies vaccines for pets and livestock, while Sanofi Pasteur's rabies products prevent the disease in humans through vaccination and administration of immunoglobulins. Vaccinating dogs is a key way to protect humans.

The mass vaccination of dogs has been shown to markedly reduce the incidence of human and dog rabies in Latin America, Sub-Saharan Africa and Asia.

### **New steps towards innovation and advocacy**

Rabies in cats is on the rise in the United States, where currently cats are nearly five times more likely to be diagnosed with rabies compared to dogs. After a launch in the European Union in 2012, Merial announced PUREVAX® Feline Rabies 3 YR in July 2014 as the first nonadjuvanted vaccine in North America that provides three years of protection (versus one year previously).

On World Rabies Day, Merial joined Sanofi Pasteur in supporting the Global Alliance for Rabies Control (GARC). The company encouraged widespread participation in GARC's "Me and My Dog—Together Against Rabies" social media campaign, designed to raise awareness about eliminating human rabies by vaccinating animals.

#### **More in our Download Center**

- [Participating in collaborative efforts to promote access to healthcare factsheet](#)
- [Sanofi and Africa – A sustained commitment to serving patients \(brochure\)](#)
- [Access to medicines 2014-2015 \(brochure\)](#)

## GENZYME: TREATING PATIENTS WITH RARE DISEASES

Genzyme is committed to discovering and delivering transformative therapies for patients with rare and special unmet medical needs, providing hope where before there was none. Genzyme has long been known for its expertise in the class of rare genetic diseases known as lysosomal storage disorders (LSDs). It has also expanded to other disease areas such as thyroid cancer and multiple sclerosis.

Genzyme's Rare Disease business unit aims to develop breakthrough therapies for patients who might otherwise have few treatment options. It is currently focused on three areas:

- Genetic diseases;
- Endocrinology;
- Cardiovascular diseases.

Going beyond diseases that are traditionally defined as "genetic," its research targets gene-based applications for a variety of disorders. For example, Genzyme's industry-leading gene therapy work is exploring how gene manipulation can make conventional drugs for Parkinson's disease more effective and can prevent vision loss in patients with age-related macular degeneration.

Because of the rarity of most of the diseases that Genzyme treats, the patient and healthcare communities are small—and often have limited resources. To support them, Genzyme is committed to providing services that go hand-in-hand with its medical solutions:

- Providing many U.S. patients with case managers to help navigate the intricacies of insurance, and developing numerous programs worldwide to support patient access to critical treatment;
- Establishing registries, consistent with applicable law—large, often multinational databases to which physicians contribute clinical data on patients—for several lysosomal storage disorders (LSDs). This helps to pool knowledge and improve understanding of rare diseases;
- Our Patient Advocacy group works closely with patient communities. For instance, Genzyme's Expression of Hope program

gives those impacted by LSDs an opportunity to raise awareness of these rare genetic diseases. Patient organizations from around the world encourage their members to submit artwork that shares their feelings of hopes and explores the realities, perceptions, and experiences of living with LSDs. More than 450 patients and caregivers created original artworks for the third Expression of Hope program in 2014.

### MORE in our Download Center

- [Genzyme Discovering and treating rare diseases factsheet](#)

### MORE online

- [Expression of Hope website](#)

## THE SANOFI ESPOIR FOUNDATION: HELPING TO REDUCE HEALTH INEQUALITIES

The Sanofi Espoir Foundation was founded in 2010 to leverage more than 15 years of commitment to international solidarity. Dedicated to helping reduce healthcare inequalities, particularly among the world's most needy communities, it has three main objectives:

- Help control childhood cancer;
- Reduce maternal and neonatal mortality, and
- Support access to healthcare for the world's poorest populations.

### MORE online

- [Sanofi Espoir Foundation](#)

## Facts and figures

### SANOFI ESPOIR FOUNDATION BUDGET:

**€33.7** MILLION  
over five years.

### SANOFI ESPOIR FOUNDATION PROJECTS IN 2014:

**42**  
DEVELOPMENT AID PROGRAMS

**35** MAIN PARTNERS

**30** RECIPIENT COUNTRIES

**4** COUNTRIES  
received aid in response  
to humanitarian emergencies

### MEDICINES AND VACCINES DONATIONS IN 2014:

**512,000**  
BOXES OF MEDICINES

**416,000**  
DOSES OF VACCINES

**2.8** MILLION BENEFICIARIES<sup>(1)</sup>  
in 11 countries (10 of them  
developing countries)

(1) Number of beneficiaries calculated on the basis of 1 box of medicines for an average of 4.6 patients and 1 dose of vaccines for 1 person.

## Key Issues

Relevant stages  
of our value chain



• Safety and efficacy



• Quality of raw  
materials supplied



• Meeting statutory  
and regulatory  
requirements  
• Fighting counterfeit  
drugs  
• Continuity of activities  
and supplies



• Meeting statutory  
and regulatory  
requirements



• Product safety and risk  
monitoring  
(pharmacovigilance)  
• Safe use of products  
• Safety of animal health  
products  
• Managing product  
safety alerts  
• Monitoring adverse  
events associated with  
the use of medicines  
• Fighting counterfeit  
drugs



# PATIENT PATIENT SAFETY



# PATIENT PATIENT SAFETY

Sanofi provides medicines, vaccines and innovative therapeutic solutions to patients and consumers across the globe. Ensuring their safety is one of the most important requirements in our daily work.

## *Our Progress*

OBJECTIVES	2014 PROGRESS AND ACTIONS	STATUS
Ensure that employees at all levels and in all positions understand and embrace the fundamentals of quality	The quality Fundamentals e-learning program was launched company-wide, and more than 59,000 people had been trained by year end 2014	On track
Achieve a "Best in Class" management of preventive and corrective action plans (CAPA) through the deployment of a unique inspection management and CAPA tool to all entities and sites	A new inspection database has been implemented progressively in all entities and the CAPA module launched at 77 manufacturing sites (69 %)	On track
Continuously improve on the oversight of pharmacovigilance data sources	All pharmacovigilance systems converged to form the Application for Worldwide Adverse Reaction Evaluation (AWARE) global safety database	Completed
	Research projects got underway to develop methodologies for assessing digital media content (big data) as a complementary source for safety signal detection and analysis epidemiology evaluation	On track
Ensure that all employees are aware of counterfeit risks so they can report any suspicious products	More than 50 sites participated in the 2014 Anti-Counterfeit Day. E-learning modules (general and specific) were designed and launched	On track
Improve sampling, analysis and data collection concerning counterfeit Sanofi products	More than 30,000 entries have been recorded since 2008 by the Central Anti-Counterfeit Laboratory in order to analyze potential counterfeit products	On track
Develop partnerships to improve collaboration with enforcement authorities (police, customs, etc.)	More than 7,300 public agents worldwide (MOH, customs, police, judges, etc.) were trained on Sanofi product recognition and/or alerted to the dangers of pharmaceutical counterfeiting	On track



## COUNTERFEIT MEDICINES: AN UNDER-ESTIMATED RISK

Fighting counterfeit drugs represents a substantial public health challenge. The figures most commonly cited by international organizations indicate that counterfeiting involves, on average, 10% of the global pharmaceutical market, although this figure may be higher in certain emerging countries, where pharmaceuticals are less regulated. Counterfeiting is most rampant in areas where regulatory and enforcement systems for medicines are weakest. According to the WHO, approximately 50% of drugs sold on illegal websites that conceal their physical address have been found to be counterfeited, and trafficking in counterfeit medicines is estimated to generate several hundred million euros in sales each year. Counterfeit medicines give rise to multiple risks because they endanger patients' health and feed a parallel and freeloading economy, which is contrary to the principles of sustainable development.

To gauge the public's awareness about the reality of counterfeit medicines, a recent survey was conducted for Sanofi among 5,010 people in France, Germany, Italy, Spain and the UK. The survey findings are particularly alarming: while 66% of respondents have heard of drug counterfeiting, 77% feel that they are not adequately informed or are essentially ignorant on the topic. And only 20% associate counterfeiting with medicines connecting it more often with luxury goods and name brand clothing. Among survey participants the Internet is perceived as the number one place for potential exposure to fake drugs. While only 18% of Europeans say they have already bought medications online, 78% of them felt they were purchasing in a safe, secure environment. These striking results confirm the need for Sanofi to actively pursue its efforts against counterfeit medicines across the globe—particularly through efforts to raise public awareness. We will continue our fight for the health and safety of our patients.

# STRATEGIC APPROACH

Patient safety is the primary focus of our quality, pharmacovigilance and anti-counterfeiting teams. The Pharmacovigilance department continuously monitors the benefit-risk profile of our products to safeguard patient safety and is strongly committed to appropriate transparency and compliance with all applicable regulations and policies. Our approach involves guaranteeing quality at each phase of a product's life cycle, from the earliest steps of development to the distribution of products to sales channels: this is the responsibility of Sanofi's quality organizations. Lastly, because we are concerned about the threat to patient safety posed by counterfeit medicines, Sanofi is involved in assisting enforcement authorities to combat counterfeit drugs.

## PHARMACOVIGILANCE: MONITORING PRODUCT SAFETY TO PROTECT PATIENTS

Our pharmacovigilance teams monitor safety and are able to adjust the risk/benefit profile of our products: prescription medicines, vaccines, consumer healthcare products, generics, medical devices and animal health products. Pharmacovigilance helps determine the best conditions of use for treatments, and provides physicians, healthcare professionals and patients with comprehensive, up-to-date safety information, including potential risks associated with a product.

## A dedicated department centralizing our pharmacovigilance expertise

Sanofi's Global Pharmacovigilance & Epidemiology (GPE) Department is responsible for pharmacovigilance. As one of our centers for medical and clinical expertise, it detects, evaluates, and monitors potential risks related to the use of all our products on a continuous basis. It works closely with healthcare professionals, health authorities,

## Facts and figures

### PHARMACOVIGILANCE

is the process of continuously monitoring the benefit-risk profile of our products, at every stage of their life cycle.

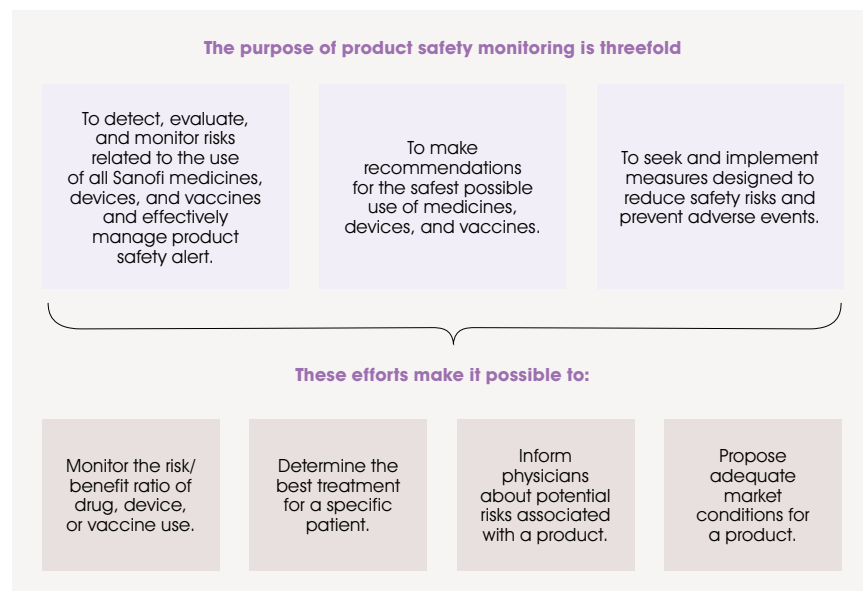
### QUALITY MANAGEMENT SYSTEMS

cover every aspect of our business—development, manufacturing, distribution and marketing—to ensure compliance with corporate and regulatory requirements.

### A COUNTERFEIT MEDICINE

is one of which is deliberately and fraudulently mislabeled with respect to identity and source. Counterfeiting can apply to both branded and generic products and counterfeit products may include products with the correct ingredients or with the wrong ingredients, without active ingredients, with insufficient active ingredients or with fake packaging.<sup>(1)</sup>

## PURPOSE OF PHARMACOVIGILANCE



(1) WHO definition: [www.who.int](http://www.who.int)

and the patient community to reduce safety risks and prevent adverse events for patients. The GPE department issues recommendations designed to ensure the safest possible use of medicines.

GPE has established a global safety governance organization that involves cross-functional teams responsible for the monitoring and assessment of the safety information for all products in development and marketed products, to ensure comprehensive characterization of their safety profile and appropriate risk mitigation measures. The governance follows a streamlined process set out below.

This process extends from early detection of a potential safety signal to its adjudication by the board of experts and its translation into updated patient leaflet and product Information worldwide, in close collaboration with regulatory bodies.

Sanofi's GPE has engaged in efforts to proactively explore the value of digital media screening as a potential source of safety signals using scientific epidemiological methodologies.

Sanofi has also gained visibility on this topic by contributing to the Innovative Medicine Initiative (IMI) public-private consortium WEB-RADR project. Launched in September 2014, WEB-RADR aims to evaluate:

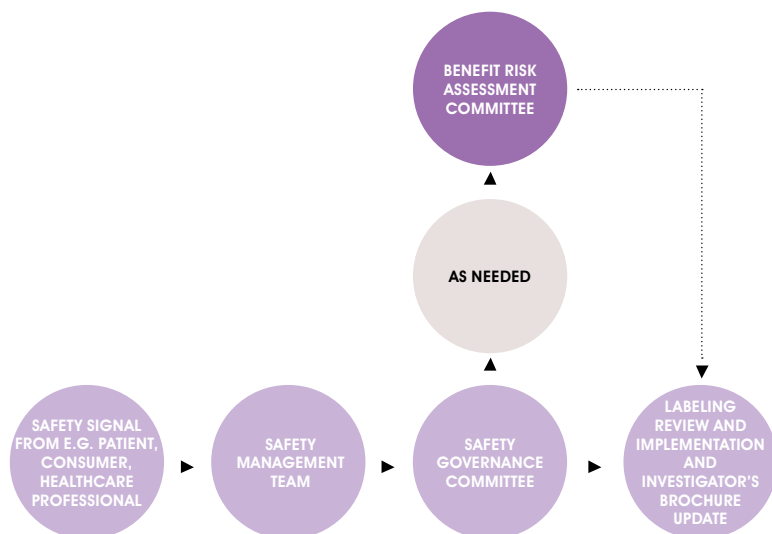
- The use of mobile devices for easier, faster and more user-friendly reporting of suspected adverse drug reactions by patients;
- Social media to detect potential safety issues related to medicines;
- The use of mobile devices and social media as new mechanisms to communicate and interact with healthcare professionals and patients.

Sanofi has a separate pharmacovigilance system for ensuring the safety of animal health products.

## Facts and figures

### 5 PHARMACOVIGILANCE

INSPECTIONS carried out by public health authorities in 2014: 2 in Europe, 2 in the U.S. and 1 in Canada.



**QUALITY SYSTEMS ENSURE REGULATORY COMPLIANCE**

Sanofi's quality approach is designed to ensure that we provide safe and effective products that are developed, manufactured, distributed and marketed in compliance with regulatory requirements and internal company standards worldwide.

Sanofi's quality systems cover:

- Our entire product portfolio: prescription medicines, vaccines, consumer healthcare products, generics, medical devices, and animal health products;
- All activities governed by health-related regulations throughout the entire life cycle: research and development (pre-clinical, clinical, pharmaceutical), manufacturing, marketing and distribution, information to patients, consumers and healthcare professionals, post-marketing surveillance and pharmacovigilance.

Our quality systems are under the responsibility of the Global Chief Quality Officer, who has direct access to the CEO.

**MORE in our Download Center**

- [Quality management systems factsheet](#)

Our commitment to patient safety and product quality appears in Sanofi's Global Quality Policy, which has been translated into 26 languages and is distributed to employees in every country where we operate.

**MORE in our Download Center**

- [Quality policy](#)

**Managing quality-related risks**

We rely on a mature quality risk management process to enable effective decision making and to build confidence among public authorities in our ability to address any potential issues that may arise.

Sanofi's approach is both reactive and proactive. A well-established and widely-deployed escalation process for quality events and an alert management system are interconnected with the relevant Sanofi functions (R&D, Medical Affairs, Industrial Affairs, Commercial Operations, etc.). This allows us to handle any

quality issue in a timely and effective manner in order to mitigate its impact and define and implement any necessary corrective and preventive actions.

Similarly, emerging risks, meaning those that have not yet materialized, are proactively detected from both internal and external sources through a surveillance process using dedicated resources and the support of a network of experts working in various areas. If a risk is identified as potentially relevant for the company, an in-depth analysis is performed and all necessary measures are implemented to prevent any negative impact on the company or on patient safety.

**Monitoring our internal quality performance: Internal quality audits, management of complaints, recalls**

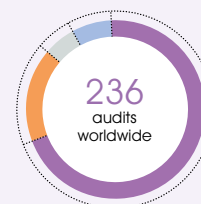
In 2014, we continued to enhance our manufacturing operations and quality systems in line with health authority requirements, in strict application of good manufacturing practices set out in legislation. Required quality controls are performed and documented at every stage of production, prior to release. Each year, product quality reviews are conducted for each product on the market in order to assess the validity of the manufacturing process and ensure continuous improvement.

As part of our goal to continuously instill a sustainable compliance culture in line with regulatory requirements and prepare for regulatory inspections, our internal entities are audited on a regular basis by a dedicated independent audit team against applicable international or local regulations, as well as internal standards.

The audit plan is defined using a risk-based approach, adapted to the type of entity audited, and considering both the specific site characteristics and recent compliance performance. In 2014, we performed 236 quality audits of internal entities involved in activities governed by health-related regulations. Following these audits, corrective and preventive actions are determined, commensurate to the nature and severity of the audit findings. Regular follow-up

*Facts and figures*

**INTERNAL QUALITY AUDITS IN 2014, BY ACTIVITY**



- 70% Manufacturing and distribution sites
- 17% Affiliates (e.g., commercial, regulatory activities, etc.)
- 6% Global processes and systems (e.g., computerized systems)
- 7% Others (e.g., regulatory inspection readiness audits)

**QUALITY FUNDAMENTALS: TRAINING FOR ALL**

In February 2014 Sanofi's Global Quality organization launched a "Quality Fundamentals" e-training module (available in 26 languages) setting out 10 quality principles (e.g. being continuously qualified, following the rules, acting openly/ being transparent) to ensure that all Sanofi employees (over 110,000 people) truly understand the benefits of quality and apply these simple quality principles in their daily work. Training kits are available for those employees who do not have access to a computer. By the end of 2014, 51% of the entire Sanofi workforce had completed the e-learning program.

ensures that these actions are implemented fully and timely.

#### RELATED CONTENT in this report

- page 55, 2014 clinical trials audits

A dedicated system is in place in all entities to handle complaints received from patients, consumers or healthcare professionals, potentially indicative of quality defects or difficulties in handling or using our products. This system involves commercial affiliates, manufacturing sites, and other functions such as pharmacovigilance as needed, and aims at promptly analyzing the complaints, and defining corrective and preventive actions if needed. Likewise, regulatory authorities are notified in a timely manner about defects, in compliance with regulatory requirements.

In rare cases, it becomes necessary to recall products from the market for various reasons. Sanofi has an established recall process in place, covering all types of products and all types of recalls. This ensures a substantiated decision-making process involving all relevant internal entities, transparent interaction with concerned authorities and rapid communication to the appropriate stakeholders (patients, pharmacists, wholesalers and healthcare professionals), depending on the nature of the recall. In 2014, our rate of batches recalled<sup>(1)</sup> for quality reasons was less than 0.1%.

#### Inspections by regulatory authorities

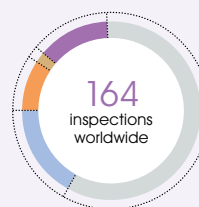
Our various entities are inspected by health authorities on a regular basis. Following these inspections, corrective and preventive actions are determined as necessary and regular follow up ensures their full implementation. In 2014, Sanofi underwent 279 inspections worldwide, with no resulting regulatory action.

Out of the 164 inspections conducted in manufacturing and distribution sites in 2014, 59% were performed in Europe, where most of the Group's sites are located. Inspections of sites in North America represented 17% of the total inspections in 2014.

(1) Rate of batches recalled=number of batches of commercial products recalled in a given year vs. total number of batches of commercial products released in the same year, expressed in %.

## Facts and figures

#### REGULATORY INSPECTIONS IN 2014, BY REGION\* MANUFACTURING & DISTRIBUTION SITES



- 59% Europe
- 17% North America
- 9% Latin America
- 2% Africa & Middle East
- 13% Asia/Pacific-Japan

\* See definition of regions on page 109.

#### ROLL-OUT OF PHENIX REGULATORY INSPECTION TOOL

Since February 2014, Sanofi has been progressively implementing the PHENIX Regulatory Inspection tool, which will ultimately offer a single electronic repository for maintaining and tracking regulatory inspections, any related corrective and preventive actions, and commitments to health authorities across all Sanofi Group entities.

INSPECTIONS	2013	2014
<b>Number of regulatory inspections</b>	<b>262</b>	<b>279</b>
Pharmacovigilance	5	5
Clinical research (good clinical practices)	99	82
Pre-clinical research	6	11
Manufacturing & distribution sites (good manufacturing practices/good distribution practices)	136	164
Affiliates	16	17
<b>Number of inspections resulting in regulatory actions from health authorities</b>	<b>3</b>	<b>0</b>

**ENSURING THE SAFETY OF THE END-TO-END SUPPLY CHAIN**

**Monitoring the quality performance of our suppliers and subcontractors: controls and quality audits**

We pay close attention to third parties that provide services, raw materials, and products used for our activities that are subject to strict guidelines and regulations. All materials, equipment, and services (including transport) that may have an impact on product quality are purchased from approved sources according to pre-defined criteria, and they are tested upon receipt at our plants, when applicable.

As part of the approach described above, we audit numerous third parties on a regular basis. In 2014, Sanofi conducted in particular 262 audits of Active Pharmaceutical Ingredients (API) suppliers, 242 audits of Contract Manufacturing Organizations (CMO) and 56 audits of distribution sub-contractors worldwide.

The frequency of audits is determined using a risk-based analysis in compliance with current regulatory approaches.

**Ensuring optimal distribution conditions**

For several years, Sanofi has been implementing specific measures and proactively allocating dedicated resources to anticipate and take into account changes in the regulations related to good distribution practices and reflect them in our internal standards.

Expert advice is provided to all concerned entities on optimal transport conditions and means as well as support to resolve any difficulties that may arise. Our approach is designed to ensure that our products can be transported from production facilities to all intermediaries and end-users in the most efficient way, ensuring that all properties relating to product quality are preserved. Carriers used by the company go through a qualification process, are required to sign a quality agreement with the company, and are audited on a regular basis using a risk-based approach.

Sanofi has put in place specific measures designed to ensure the continuity of supplies so that our medicines and vaccines will be delivered to the market without interruption and patients can start or continue their treatment.

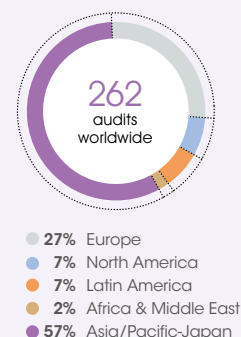
**MORE in our Download Center**

• [Continuity of activities and supplies factsheet](#)

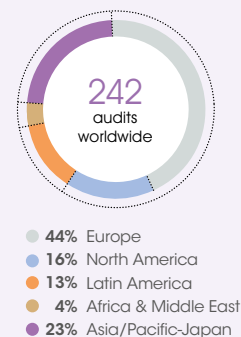
AUDITS	2013	2014
Number of external quality audits	436	562
Suppliers of Active Pharmaceutical Ingredients (API)	246	262
Contract Manufacturing Organizations	190	242
Distribution sub-contractors	–	56

*Facts and figures*

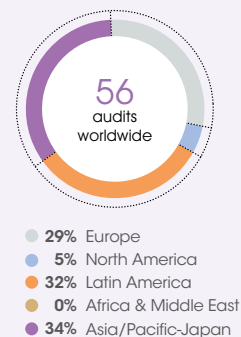
AUDITS OF API SUPPLIERS IN 2014, BY REGION\*



AUDITS OF CONTRACT MANUFACTURING ORGANIZATIONS IN 2014, BY REGION\*



AUDITS OF DISTRIBUTION SUB-CONTRACTORS IN 2014, BY REGION\*



\* See definition of regions on page 109.

### TAKING AN ACTIVE PART IN THE FIGHT AGAINST COUNTERFEIT DRUGS: A WIDE RANGE OF IN-HOUSE AND EXTERNAL INITIATIVES

Safeguarding the integrity and traceability of our products and being a solid partner in the global fight against counterfeit drugs are essential for patient safety, and Sanofi has adopted a comprehensive approach to the fight against counterfeit drugs. Externally, we cooperate with enforcement authorities and professional organizations in many countries. Internally, since 2008, we have run our own dedicated anti-counterfeit laboratory, LCAC, a major initiative in our industry.

#### A wide range of in-house and external initiatives

In the fight against counterfeit drugs, we actively support initiatives by public authorities to promote high standards of drug quality and safety. In particular, we do this by:

- Working closely with local authorities and professional organizations to educate the public and raise awareness about this growing phenomenon, especially on the Internet, and the potential risk for people's health;
- Cooperating with police officers, customs officials, health authorities and other pharmaceutical companies in efforts to seize potentially harmful products and shut down clandestine production facilities and illegal websites that sell counterfeit drugs;

- Acting to protect the security of the supply chain and developing innovative, high-tech solutions to safeguard the integrity of our products and to prevent falsification; and

- Coordinating Sanofi's corporate and local actions through a dedicated in-house organization that brings together experts from many areas of our company: Industrial Affairs, Quality, Security, Legal, Cybercrime Communication, as well as Medical and Regulatory teams.

#### MORE in our Download Center

- [Fighting counterfeit medicines position paper](#)
- [Fighting counterfeit medicines factsheet](#)

## Facts and figures

### SANOFI CENTRAL ANTI-COUNTERFEIT LABORATORY (LCAC)

opened in 2008 in Tours, France, a dedicated team of specialists uses state-of-the-art technologies to analyze suspect product samples found on the market, as well as packaging and product inserts.

## 30,000 ENTRIES

were recorded by the Central Anti-Counterfeit Laboratory in order to analyze potential counterfeit products since the LCAC was opened.

### SANOFI RECEIVES GLOBAL ANTI-COUNTERFEITING AWARD

The winners of the sixteenth annual Global Anti-Counterfeiting Awards, sponsored by Reconnaissance International's Authentication News and the Global Anti-Counterfeiting Group (GACG) Network were announced in Paris on June 5, 2014, on World Anti-Counterfeiting Day. The awards are intended to recognize outstanding achievements by individuals, companies and organizations. Sanofi was a winner in the "Company" category.

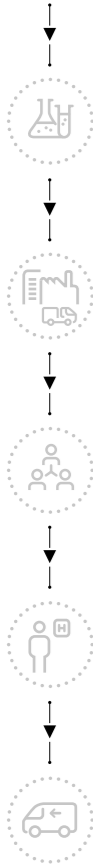


## Key Issues

Relevant stages  
of our value chain



- Protection of participants in clinical trials
- Informed consent of participants in clinical trials
- Disclosure and sharing of clinical trials results
- Advancing bioethics
- Animal protection



# ETHICS IN R&D

# ETHICS

## ETHICS IN R&D

The extraordinary pace of today's scientific and medical advancements creates a steady stream of knowledge that we transform into healthcare solutions for patients. As many diseases remain difficult to treat effectively we take on the challenge of finding ways to accelerate the development of more effective and better-tolerated health solutions. In all aspects of our research, we make it a point to set and live up to high standards of ethical conduct, in particular by making every effort to protect trial subjects who may be vulnerable for any reason.

### *Our Progress*

OBJECTIVES	2014 PROGRESS AND ACTIONS	STATUS
Continue to improve information and communication with the patient as part of the informed consent process	Patient associations consultation	Completed
	Update principles and guidelines to be included in existing operating standards	On track
Address the collection, storage and use of human biological samples for research	Conduct a workshop with the Sanofi research community and external stakeholders to inform the development of a Sanofi policy	Completed
	Prepare a policy on the collection, storage and use of human biological samples for research	On track
Implement the five Principles for Responsible Clinical Trial Data Sharing jointly endorsed by the Pharmaceutical Research and Manufacturers of America (PhRMA) and the European Federation of Pharmaceutical Industries and Associations (EFPIA)	Internal policy released in April 2014	Completed
Improve the management of preventive and corrective action plans resulting from our clinical trials audits	"Events and corrective action plans" module operational in 2014	Completed
	"Audit and inspections" module planned for 2015	On track
Ensure the responsible use of animals in our research and production process	External policy statement published, based on internal policy	Completed
	Mapping the use of animals within the Group	Completed

#### **MORE in the Download Center**

- [Animal protection factsheet](#)
- [Policy on animal protection](#)



## SAFETY AND WELL-BEING OF CHILDREN IN CLINICAL TRIALS

Today, dengue threatens more than 2.5 billion people in more than 100 different countries. Based on our conviction that this disease can be prevented, we began our research 20 years ago to develop a vaccine. The last years have been devoted to conducting trials to ensure our dengue candidate vaccine is safe and effective, making every effort to protect the safety and well-being of participants in the trials—in this case, children and teenagers, while building long-term health capabilities as a legacy to communities.

Our most recent Phase III efficacy studies involved more than 30,000 participants across 10 endemic countries in Asia (12 investigational sites for over 10,000 children enrolled) and in Latin America (22 investigational sites for over 20,000 teenagers enrolled).

Vaccines are given to healthy subjects, and this is the most fundamental challenge inherent to developing any vaccine. As the hemorrhagic fever can be fatal, parents were eager for their children to take part in the study. To protect the safety of this particularly vulnerable population, we required families to commit to monitoring their children for acute fever and report weekly to the trial organizers.

Logistically, we also needed to locate communities where the population would remain stable during the two years of the trial. This steered us away from major urban centers and towards areas where healthcare expertise and hospitals were significantly less concentrated. We needed to locate potential study centers near a hospital, where we could invest in capacity building, attract qualified

investigators and teams to these areas and empowering them in their relations with the community. It was also essential to provide training in regulatory issues and Good Clinical Practices (GCP).

To ensure the readiness of investigator sites, we ran practice trials and conducted preparatory studies in some locations, investing a million euros over a year. During the trials, we provided continual guidance and support to local investigators while interacting with our partner Clinical Research Organizations to help them overcome cultural barriers. Furthermore, our trials also required the local authorities to set-up independent ethics committees to validate the study protocol, which enhanced local capacity building.

The success of the clinical trial program may be measured in the extremely low dropout rate: 1.5% in Asia and 5% in Latin America, meaning that nearly all the participants stayed in the trial from start to finish. One of the key benefits for children and teenagers enrolled in the study, as well as their families, was access to state-of-the-art medical facilities and holistic healthcare. Some centers also offered family counseling and organized soccer tournaments with the aim of keeping young people from becoming involved in gangs and drug-related violence.

Today, Sanofi's vaccine is the most clinically and industrially advanced dengue vaccine candidate. Pending regulatory approval, we hope to be able to release the first ever dengue vaccine in the second half of 2015.

# STRATEGIC APPROACH

The need for clinical innovation is driving science in new directions. As scientists investigate novel therapeutic targets, the scope of global research is expanding to include new target populations. In the wake of such developments, we must address an increase in rules and regulations, both national and international, as we tackle new challenges in public health.

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## OUR BIOETHICS COMMITTEE (BEC) SETS THE STANDARDS

### Rationale for the BEC

The Sanofi Group recognizes the importance of having consistent and transparent bioethical standards that govern the implementation of our R&D strategy for studies on human and animals.

- Bioethical standards inform internal and external stakeholders about Sanofi's position on the ethical implications of biological research and applications.
- Bioethical standards help anticipate questions at the interface between the life sciences, biotechnology, biodiversity, medicine, politics, law and culture. They also provide a framework for studying the more commonplace question of values and "the ethics of the ordinary" that arise in primary care and other branches of medicine.

### Mission of the BEC

Our Bioethics Committee is responsible for setting out Sanofi's position on bioethics policies. It also assists the Sanofi Risk Committee by pointing out bioethical risks. The Bioethics Committee carries out its mission across the Group by:

- Establishing a common definition and framework for bioethics at Sanofi;
- Ensuring that R&D continually assesses and updates emerging bioethics issues that arise in the course of its operations;
- Discussing potential issues and findings with relevant stakeholders, working with them to devise mitigation plans, and ensuring implementation and monitoring of such plans until resolution;
- Promoting a responsible bioethics culture within R&D and increasing the visibility of the organization's bioethics approach.

Currently, the BEC is focusing on several areas in particular: a greater emphasis on ethics in clinical trials, the ethical use of biotechnologies, animal protection, access to natural substances and respect for biodiversity.

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## CLINICAL TRIALS ARE ESSENTIAL TO ENSURE THAT NEW TREATMENTS ARE EFFECTIVE AND WELL TOLERATED BY PATIENTS

Health authorities require clinical studies as a mandatory part of the approval process for any new drug or medicinal product. They also may be carried out after the marketing of drugs, in particular for the development of new indications.

### Independent ethics committee review

Information about a clinical trial is submitted on an ongoing basis to local health authorities and an independent ethics committee (at least one per country where the trial is conducted), which carefully examines the trial protocol and procedures. Sanofi will only initiate clinical trials that have received a favorable assessment by the ethics committee and by health authorities. The ethics committee monitors the trial on a regular basis to ensure that participants' safety and welfare are protected. In addition, this committee, trial investigators and participants are kept informed of any significant study-related events or issues that arise during the course of the trial. In countries without an ethics committee, a French committee that includes stakeholders from the country in question must review the trial protocol and procedures before Sanofi initiates the trial.

### Free and informed consent

Regardless of a trial's objective, it must be designed to protect the safety of participating subjects and guarantee that they give their consent based on clear, complete information that is written in an understandable, non-technical style. Sanofi assures that all subjects (or their legal representatives) enrolled in any clinical trial we conduct have given their free and informed consent to participate in the trial. Such consent must be obtained prior to any procedure or change in the procedure required by the study protocol and before any data is collected, especially for trial subjects who may be vulnerable for any reason.

## Facts and figures

### OVERVIEW OF CLINICAL TRIALS IN 2014

In 2014, we obtained the following approvals: Cerdelga® against Gaucher disease in the U.S., Lemtrada® for multiple sclerosis in the U.S. and the Fluzone® QIV flu vaccine in the U.S.

For vaccines, the increase in trial subject is concentrated in the Asia Pacific Region, driven by a large safety study of our candidate Japanese encephalitis vaccine. Trials in other regions focused mainly on the flu vaccine.

For our pharma activities, a strong pipeline contributes largely to key trials focusing on Lixilan (type 2 diabetes), sarilumab (rheumatoid arthritis), dupilumab (asthma), patisiran (familial amyloid polyneuropathy) and revusiran (familial amyloid cardiomyopathy). The Odyssey clinical trial program, designed to evaluate the safety and efficacy of alirocumab, a PCSK9 inhibitor, has remained active in 2014. Since the onset, the program has included more than 23,500 patients in studies with ranging from 24 weeks to five years in duration. Odyssey is being conducted in more than 2,000 study centers across the United States, Canada, Europe, South America, South Africa, Australia and Asia.

#### More in the Download Center

• [Clinical trials factsheet](#)

**227**

TOTAL CLINICAL TRIALS CONDUCTED IN 2014

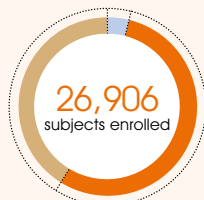
**171**

SANOFI PHARMA

**56**

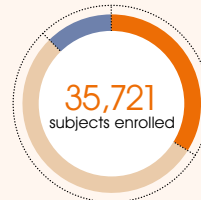
SANOFI PASTEUR

### SANOFI PHARMA CLINICAL TRIALS 2014, SUBJECTS ENROLLED BY PHASE



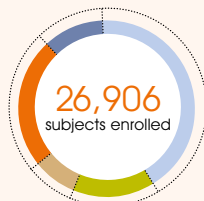
- 4% Phase I
- 55% Phase II & III
- 41% Phase IV

### SANOFI PASTEUR CLINICAL TRIALS 2014, SUBJECTS ENROLLED BY PHASE



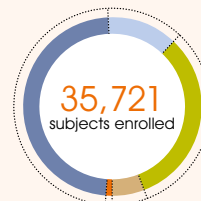
- 35% Phase II & III
- 54% Phase IV
- 11% Epidemiological studies

### SANOFI PHARMA CLINICAL TRIALS 2014, SUBJECTS ENROLLED BY REGION\*



- 42% Europe
- 15% North America
- 8% Latin America
- 24% Africa & Middle East
- 11% Asia/Pacific-Japan

### SANOFI PASTEUR CLINICAL TRIALS 2014, SUBJECTS ENROLLED BY REGION\*



- 13% Europe
- 32% North America
- 6% Latin America
- 1% Africa & Middle East
- 48% Asia Pacific/Japan

\* See definition of regions on [page 109](#).

### WHAT WE DO TO ENSURE TRIAL PARTICIPANTS' SAFETY AND TRIAL DATA ACCURACY

#### Compliance with international standards

Our worldwide approach to clinical research helps make it possible for us to address a wide variety of medical conditions. All our clinical trials are conducted with the aim of collecting relevant and reliable data according to strict international standards and applicable local law. Everywhere in the world, we are subject to inspections by health authorities, and we perform internal audits of trials to ensure compliance with rules of ethics and applicable law. Employees working on clinical trials receive training on a regular basis about adhering to international standards and regulations.

#### Outsourcing of clinical trials

Within the scope of worldwide trials, we may outsource clinical operations to Clinical Research Organizations (CRO), whose compliance with Good Clinical Practices is overseen and monitored by our own teams. If non-compliance is detected, we notify the relevant managers, and, depending on the severity of the situation, regulatory authorities, and ethics committees. We also participate in related risk mitigation plans when necessary.

#### Monitoring and auditing clinical trials

Maintaining accuracy and quality throughout a clinical study requires an ongoing, active process based on two complementary systems:

- Quality control, which consists of periodic operational checks within each functional department to make sure that clinical data are generated, collected, handled, analyzed and reported in accordance with requirements. For instance, each investigating site is monitored by a representative of the trial sponsor—or a delegate—four to eight times a year, and more often if necessary;
- Quality assurance, which involves the systematic and independent examination of all trial-related activities and documents. This includes site audits, vendor audits and

system/process audits, as well as inspections and pre-approval inspections.

#### Addressing the risk of clinical investigator misconduct

To limit the risk of potential misconduct by a clinical investigator, we utilize central data surveillance and on-site trial site monitoring. This is designed to provide early detection of any signal that indicate potential deviations, enabling us to take prompt corrective and preventive actions. As a result, we have set up systems to detect, prioritize, assess and mitigate potential risks caused by deviations. In the event of a serious deviation (e.g., data fabrication, scientific misconduct or serious non-compliance at investigator sites), various steps may be taken, depending on the severity of the situation. They may include an in-depth investigation by a cross-disciplinary panel or termination of the trial for that particular investigator site, and notification of the ethics committees and the health authorities.

#### Internal clinical audits

All our clinical trials, from pivotal trials to long-term safety studies, must meet the same ethical standards. We conduct internal audits of our clinical trials, associated systems and subcontractors to ensure trial participants' safety and continuous improvement and compliance with our quality standards. Another factor in our audit strategy is readiness in the event of an inspection by health authorities.

We determine our audit program based on an evaluation of potential risks associated with clinical research activities. Each clinical trial is assigned a risk level on the basis of the study objective and type:

- **High risk:** This category includes pivotal trials (i.e., conducted to support the registration dossier) and trials for dose selection. All such studies are included in an audit program with 8-10% of active investigating sites audited;
- **Moderate risk:** This category covers trials to support dossiers, such as proof of concept, safety studies and important post-marketing trials. Between 50% and 75% of

these studies are part of an audit program, with 2-5% of active sites being audited;

- **Low risk:** The remaining studies are subject to system audits.

Based on the specific features of each study or project, we may increase or decrease the number of audits. We also adjust audit coverage according to the outcome of the program's first set of audits. The selection of sites to be audited is determined using various criteria (e.g., number of patients enrolled, number of protocol deviations, past experience with that site, etc.). In addition, for-cause audits may be carried out in the event of suspected misconduct.

#### Transparency

We believe that patients, healthcare professionals and other stakeholders have a legitimate interest in clinical trials sponsored by Sanofi. We are committed to publicly disclosing appropriate information about our clinical study protocols and results.

**MORE online**

• [ClinicalTrials.gov](http://ClinicalTrials.gov)

## Facts and figures

### 2014 CLINICAL TRIALS AUDITS

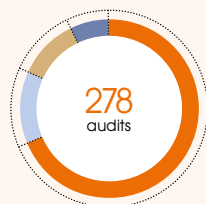
In 2014, Sanofi (including Sanofi Pasteur) conducted 278 audits for our clinical trial activities and related systems and suppliers, with a strong focus on investigator site audits.

In 2014, Sanofi (including Sanofi Pasteur) conducted 180 investigator site audits. Approximately 30% took place in developing countries or emerging markets, in line with the geographic distribution of our clinical trials.

### MONITORING CLINICAL TRIAL INVESTIGATORS TO PREVENT POTENTIAL MISCONDUCT

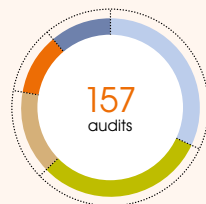
For Sanofi sponsored clinical trials in 2014 (including Sanofi Pasteur), Thanks to a unique tool to Sanofi and Sanofi Pasteur across the clinical and medical domain, allowing a full roll-out and application of harmonized deviation management, we identified more cases (51 in 2014) than the year before requiring in-depth investigations. Out of these 51 cases, 14 led to the conclusion of misconduct/serious non-compliance, requiring notification to regulatory agencies. Another 10 of the 51 cases were managed via the Rapid Quality Notification/Quality Alert process in order to notify Global Quality management and ensure prompt implementation of corrective and preventive actions thereby avoiding major or critical impact on data integrity and/or patient safety.

### SANOFI PHARMA CLINICAL TRIAL AUDITS BY TYPE



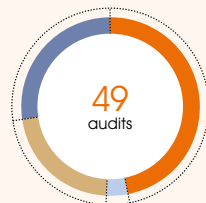
- 69% Projects site
- 13% CRO
- 11% Projects process
- 7% Other unplanned

### SANOFI PHARMA CLINICAL TRIAL PROJECT SITE AUDITS BY REGION\*



- 32% Europe
- 31% North America
- 15% Rest of the world
- 11% BRIC
- 11% Japan

### SANOFI PASTEUR CLINICAL TRIAL AUDITS BY TYPE

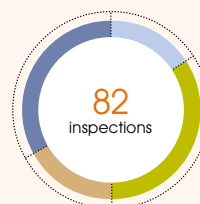


- 47% Projects site
- 4% CRO
- 22% Projects process
- 27% System PV-RA-MA

### INSPECTIONS

Among the 82 inspections related to clinical activities in 2014, made within the perimeter of R&D/Pharma, Genzyme, and Sanofi Pasteur, none had critical outcomes resulting in regulatory action from health authorities (such as a warning letter, significant disruption of registration submission, or impact on marketing authorization approval status).

### INSPECTIONS BY REGULATORY HEALTH AUTHORITIES, IN 2014, BY REGION\*



- 16% Europe
- 34% North America
- 17% Latin America
- 33% Asia/Pacific

\* See definition of regions on [page 109](#).

# HIGHLIGHTS

## WHY DEVELOP A HUMAN BIOLOGICAL SAMPLES POLICY?

Ethics lie at the core of any policy governing the use of human biological samples, such as organs, cells, tissues and body fluids. It is essential to remember that samples are, first and foremost, a gift from the donor. Sanofi has an obligation to the donor to collect, store, use and dispose of these samples in an ethically responsible way, and to protect the rights and welfare of those who donate their samples for research. Samples are critical resources for the development of safe and effective drugs as well as new in vitro diagnostics. They may be used for current or future research. Sanofi collects some samples, while others are obtained from a variety of sources (legacy collections, biobanks, biorepositories...).

Our ability to conduct research using human biological samples ultimately depends on the willingness of participants to donate tissue and on their trust in the research. A sound ethics policy both protects patients and facilitates research. Several factors contribute to defining such a policy:

- Clearly defining the requirements for the collection, storage, distribution and use of samples;
- Encouraging the participation of collaborating sites and study subjects by ensuring that Sanofi has strong governance and oversight mechanisms in place;
- Seeking to obtain faster and higher rates of approval from research ethics committee, institutional review boards and, where required, ministries of health;
- Using appropriate language in the initial informed consent form to facilitate the re-use of samples and data.

## OUR INFORMED CONSENT INITIATIVE

In 2014, Sanofi consulted a number of patient associations about our informed consent initiative to ensure that patients' viewpoints were being taken into account sufficiently. We solicited input from La Ligue contre le cancer (France), ACAMU (Brazil), Oncoguia (Brazil) and Copernicus Group IRB (U.S.). Some of their suggestions included:

- Clearly state that Sanofi does not support the use of clinical trials as a way to compensate for insufficient access to healthcare;
- Provide more detailed information about post-trial access to medicines;
- Pay attention to patients' language: ensure that translated documents are available and guarantee the presence of interpreter when needed;
- Consider providing information materials adapted to all potential participants, including vulnerable individuals with limited literacy, and plan for rare instances where verbal consent alone would suffice.

## *Facts and figures*

**50**

**MEDICAL WORKERS** were trained in good clinical practices at the Inner Mongolia People's Hospital in China during August 2014 as part of a Sanofi-supported improvement program.



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### **IMPROVEMENT PROGRAMS IN R&D AT SANOFI CHINA**

Several programs were organized in 2014 as part of our commitment to continuously improve the quality of our clinical research in China. These programs included training in clinical studies and an open innovation workshop with faculty from one of Asia's top-ranking science and technology universities. In July, Sanofi and the Hong Kong University of Science and Technology (HKUST) organized an open innovation workshop where HKUST faculty members delivered presentations on new drug discovery. Sanofi researchers from the region outlined our R&D and partnership strategy for innovation and our patent strategy in life science.

The workshop provided a forum for participants to exchange ideas about collaboration opportunities between Sanofi experts and academia. The Dean of the Division of Life Science at HKUST, Professor Nancy Ip, led the Sanofi team on a tour of the molecular neuroscience laboratory. In August, medical workers received training on good clinical practices at the Inner Mongolia's People's Hospital. In October, representatives of Sanofi China's R&D department were invited to speak at Zhengzhou University Medical School's First Affiliated Hospital (the largest hospital in Asia—with more than 7,000 beds). They addressed topics such as protocol design, safety management, ethics committees and setting up clinical study sites.

## Key Issues

Relevant stages  
of our value chain



- Providing accurate and reliable information
- Corruption and anti-competitive behavior
- Responsible lobbying and advocacy



**ETHICS**

BUSINESS  
ETHICS

# ETHICS

## BUSINESS ETHICS

We actively participate in healthcare systems in over 100 countries around the world. At Sanofi, we believe that this gives us the responsibility to respect the highest standards of ethics and integrity in everything that we do. By earning the trust of our patients and the communities where we operate, we will be better able to serve them as well.

### *Our Progress*

OBJECTIVES	2014 PROGRESS AND ACTIONS	STATUS
Deploy a new tool (4M) for the review and approval of promotional materials	Project launch in 2014 Tool deployment in 2015	On track
Continue to develop, improve and update compliance policies	Creation of a working group to overhaul our code of ethics	On track
	Reassess our internal policies on the following topics: <ul style="list-style-type: none"> <li>• Conflict of interest;</li> <li>• Corrective and disciplinary actions, grants and donations, and anti-bribery.</li> </ul>	On track
Raise employee awareness and provide continuous training on business ethics	Launch of a training and awareness campaign focused on <ul style="list-style-type: none"> <li>• Principle based decision-making;</li> <li>• Managing and resolving ethical dilemmas in business.</li> </ul>	On track
	Launch of the second season of "In the Real World," our in-house communication campaign to raise employee awareness on compliance issues	On track
Implement new transparency requirements in our relationships with healthcare professionals and patient associations	Deployment of a web-based companywide platform in 2015 to facilitate the tracking, approval and reporting of transfers of value with European Healthcare Professionals and Healthcare Organizations as required by the European Federation of Pharmaceutical Industries and Associations' (EFPIA) Code on disclosure.	Completed



## 4M: NEW GLOBAL IT TOOL IMPROVES THE REVIEW-APPROVAL OF MEDICAL AND MARKETING MATERIALS

In 2014, Sanofi began the deployment of 4M (Medico-Marketing Materials Management System), a system shared by all our teams to improve workflows for the review, approval and sharing of promotional and non-promotional materials worldwide. Sanofi's global and regional teams, along with our affiliates, will progressively receive access to this dedicated IT tool, which covers a wide range of materials: promotional materials, medical slide kits, training, communications, etc. Furthermore, 4M manages digital materials (websites, mobile applications, videos) and

non-digital formats in order to facilitate the circulation of materials among different Sanofi entities. The tool provides descriptions and references used to support claims and also tracks patient programs worldwide—including the key findings from the latest inspections by health authorities.

34 different approval systems were in use prior to the adoption of 4M in 2014.

# STRATEGIC APPROACH

We seek to run our business in a way that is ethical, sustainable and creates long-term value. Our strategy is both proactive and preventive: we establish and enforce clear rules that respect the legislative frameworks where we operate. Last but not least, we set up robust internal systems designed to prevent potential violations of our rules. As an industry leader, we interact on a daily basis with patients, healthcare professionals, health authorities, suppliers and business partners and other stakeholders. At the forefront of this interaction are all Sanofi employees.

## PATIENTS

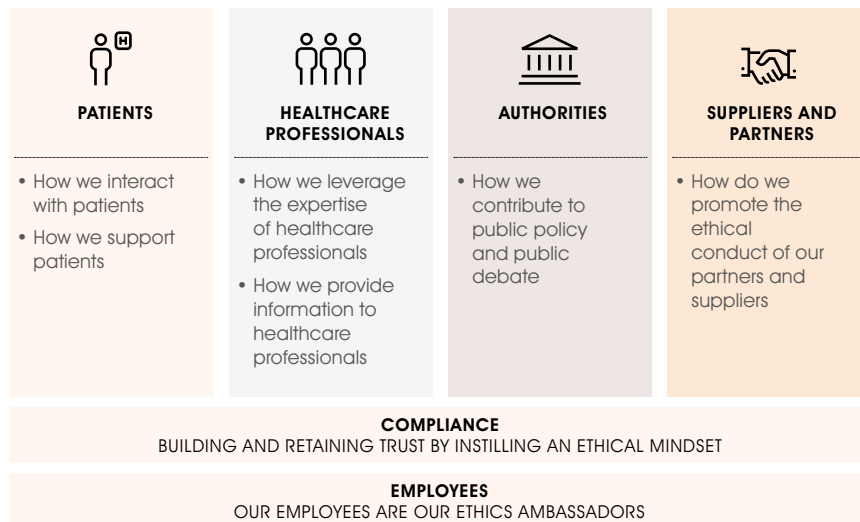
Never before have patients been so actively involved in their own healthcare. Today, patients receive many kinds of support from patient advocacy groups—such as disease information, access to treatments and resources, and support to ensure their voices will not be lost in complex healthcare systems. Patient advocacy groups collaborate with a number of stakeholders, including

pharmaceutical companies like Sanofi. The independence of the patient’s voice is essential, which is why we are committed to transparency in all our interactions with patients and patient groups. That transparency included the Group’s decision to publish details of the support it provides to European-based patient groups for activities undertaken from 2010, prior to this becoming a mandatory requirement. Additional geographies (Australia, Brazil, Canada, Japan and USA) were added from 2011, to further enhance the transparency of our activities on a voluntary basis.

## How we interact with patients

Interactions with patients, their families and patient groups should be primarily educational and supportive. We may also consult patients directly to obtain feedback on specific topics. Under no circumstances should such interactions be disguised endorsements of our products. As a general rule, patients and advocacy groups should never be requested to promote or make statements about the company’s products, unless specifically allowed by applicable laws and regulations. The availability of our products

## OUR BUSINESS ETHICS FRAMEWORK



## Facts and figures

### OUR POLICIES

Our relationships with patients are governed by internal policies, in particular, a new policy on interactions with patients, patient advocates and groups introduced in 2014.

- Among the topics it covers are:
- Employee categories allowed to have direct interactions with patients and patient groups;
  - Funding of patient groups: objectives and thresholds;
  - Rationale for any personal data collected;
  - Compensation at fair market value in the patient’s or patient group’s home country.

In 2014 we also updated our internal policy on patient support programs.

will never be made conditional on a patient's willingness to engage in such activities on our behalf.

### How we support patients

Patient support programs (PSPs) are designed to support patients during treatment with a product marketed by Sanofi, including for the management of disease outcomes (e.g., adherence, awareness and education). These programs are organized so that Sanofi or a service provider acting on behalf of Sanofi can interact with patients in compliance with company policies. Assistance provided by PSPs may take the form of free products and access to reimbursements or discounts within the scope of patient assistance or patient access programs.

### HEALTHCARE PROFESSIONALS

We are committed to respecting high standards of ethical conduct in our dealings with healthcare professionals in the interest of patients everywhere. We engage healthcare professionals for their expertise in many areas—from asking them to lead training programs to soliciting their feedback and insights about our products. We interact with physicians to provide information about our products as well as scientific, medical and educational information and in doing so, we comply with applicable laws and regulations, including but not limited to anti-corruption laws.

### Policies

Our interactions with healthcare professionals are governed by the following internal policies:

- Interactions with healthcare organizations and medical or scientific associations;
- Interacting with external experts; Hospitality Rules for Healthcare Professionals;
- Research initiated by an independent sponsor or expert;
- Good scientific information and marketing practices.

### How we leverage the expertise of healthcare professionals

The Sanofi group may enter into a compensation-for-services arrangement with an external expert to perform meaningful services or activities in medical and scientific fields for which Sanofi has a business need, such as involvement in:

- Scientific meetings (e.g. as speaker or chairman);
- Boards and committees (e.g. as member, speaker or chairman);
- Training services;
- Consulting.

Since 2012 the Group has adopted a harmonized methodology to be used in each country to determine local fee grids, to ensure that compensation is based on fair market value in the country where experts practice.

### Transparency of interactions with healthcare professionals and organizations

Transparency refers to the public disclosure of our financial and non-financial, direct and indirect relationships with our health stakeholders. We believe that transparency reflects on credibility and engender confidence in our company, and we are committed to complying with all applicable rules and regulations governing transparency. Each year we publicly disclose the transfers of value made to healthcare professionals in France, the UK and the U.S.

#### MORE on local Sanofi websites

- [English website](#)
- [French website](#)
- [American website](#)

### How we provide information to healthcare professionals

In recent years, authorities in many countries have intensified their scrutiny of companies in certain business sectors. Healthcare companies have been the focus of particular attention when it comes to the way they market and sell their products to healthcare professionals, patients and the public. In response to heightened concern about this issue, Sanofi has developed and implemented specific measures and systems to ensure our promotional practices are ethical and lawful in all countries where we do business. When we market our products, we are committed to providing accurate, complete and reliable information to physicians, pharmacists and other healthcare professionals. Our overarching concern is ensuring patient safety and the proper use of our products. All our promotional materials are based on scientifically proven results and undergo an internal review process designed to ensure they are objective and fair.

Before promotional materials related to Sanofi products can be used, our Medical and/or Regulatory Affairs divisions teams at global, regional and in each country are responsible for reviewing and approving them. For international events (see table), this review is performed centrally by the Medical Expertise & Innovation team scientific and promotional reviewers in the global medical affairs organization in collaboration with the country of event representatives.

#### 2012-2014: PROMOTIONAL MATERIALS REVIEWED BY GLOBAL TEAMS PRIOR TO USE

	2012	2013	2014
Promotional materials	1,492	1,860	1,441
Digital projects	156	164	24 <sup>(1)</sup>
Communication materials	178	235	156
Scientific events and materials for booth or symposia in international congresses (number of events)	27	39	51

(1) Compared to the 2013 figures, the global websites were reviewed by the global team when the local websites are now reviewed by local team in order to be closer to national regulations.

**2014 audits of affiliates on promotional materials**

In 2014, Sanofi conducted 23 internal audits of our affiliates' compliance with the approval procedures for promotional materials (PM). Audit result analysis shows a stable trend in the number of observations related to promotional material management compared to the past two years. In 2014, there were no critical findings and 27% of PM related findings were rated as major. Our primary action plans have focused on:

- PM review and approval process;
- PM content and quality control;
- Company sponsored web sites management.

**2014 evaluations of pharmaceutical sales visit presentations**

In France, 2014 was the second year of our three-year cycle of implementation of the Pharmaceutical Sales Charter, mainly through the simulation of sales visits. We have undertaken 348 validations of sales visit simulations: 193 were deemed compliant while 154 were deemed compliant with minor adjustments. One non-compliant simulation was identified.

**HEALTH AUTHORITIES**

Sanofi's lobbying and advocacy activities are conducted in compliance with the Sanofi Code of Ethics, the Group's responsible lobbying policy, and applicable lobbying and advocacy laws and regulations where we do business.

**How we contribute to public debate and public policy**

Business model of Sanofi is highly dependent on regulatory frameworks and decisions by administrative and governmental authorities. This is especially true of the rules governing research, the procedures to obtain marketing authorization, intellectual property protection and reimbursement policies.

Lobbying is a useful part of the legislative process, provided it is conducted in compliance with all applicable legal requirements. Its purpose must be to establish sustainable interactions with governments and other stakeholders with the shared objective of increasing access for the largest number of patients and consumers to the best medicines and products and contribute to health information globally, while preserving incentives for research and innovation.

**SUPPLIERS AND PARTNERS**

Sanofi is committed to applying CSR principles in our procurement activities by prioritizing the selection of goods and services that are produced and provided in compliance with demanding environmental, social and ethical principles. Our responsible procurement strategy is an integral part of Sanofi's supply chain. We carefully monitor not only the quality of raw materials that go into making our products, but also the practices of our suppliers.

We expect our suppliers to meet the standards set out in the Sanofi Suppliers' Code of Conduct, and their compliance may be a decisive factor in their commercial relationships with Sanofi. Our procurement organization aims to be increasingly transparent in the evaluation of our suppliers' CSR performance and we seek to communicate effectively with our suppliers so they will take our CSR principles and standards on board. Our approach is coordinated by the Sanofi Procurement Function, which is in charge of the company's supplier relations. Since 2007, it has developed a responsible procurement program based on international CSR standards, as well as a robust methodology and program for the large-scale and targeted evaluation of our suppliers' CSR performance. It also involves raising awareness and training our teams on the issues around responsible procurement.

In 2013, we changed the governance of our CSR Procurement Risk Management approach by shifting the leadership of supplier evaluation closer to where the risks reside. Seven regional risk coordinators have been given the responsibility of supplier monitoring within each procurement region.

**How do we promote the ethical conduct of our suppliers**

Our responsible procurement approach is a risk-based approach as it allows us to better target the major CSR risks with regard to our business and regardless the size of our suppliers. CSR risks were assessed for each procurement category by covering environmental, social and fair business practices

**SUPPLIERS EVALUATION IN 2014**

	2011	2012	2013 <sup>(1)</sup>	2014
Number of suppliers assessed on their CSR performance	45	185	188	123
Number of assessed suppliers that met our CSR requirement	30	129	103	56 <sup>(2)</sup>
Number of buyers trained to the Responsible Procurement Platform	0	0	106	120 <sup>(3)</sup>
Number of Sanofi users registered on the Responsible Procurement Platform	0	100	202	273

(1) Final 2013 campaign figure.

(2) On December 31, 2014. The 2014 campaign is still ongoing and the final results will be available in 2015.

(3) Out of approximately 800 operational procurement staff.

**MORE in our Download Center**

- [Responsible procurement factsheet](#)

risks. Four risk levels were defined based on severity. 34 procurement categories were identified as severe and high. Likewise, a CSR risk country mapping based on country sustainability profiles and Corruption Perception Index highlighted 36 "at risk" categories. The combination of the 34 "at risk" categories with the 36 "at risk" countries defines our target universe for suppliers' assessment.

## COMPLIANCE

The Sanofi Compliance program takes into consideration the company's own assessment of risks, along with a variety of factors specific to the organization and to its environment. The program has five objectives: maintain good standards, governance and compliance staff skills, and ensure detection and corrective measures. To reach these objectives, seven elements are needed:

- Implementing written policies and procedures;
- Designating a compliance officer and compliance committee;
- Conducting effective training and education;
- Developing effective lines of communication;
- Conducting internal monitoring and auditing;
- Enforcing standards through well publicized disciplinary guidelines;
- Responding promptly to detected problems and undertaking corrective action.

Policies are essential to set a common working ground, clarify rules and expectations, and raise awareness. But policies alone are not enough. They need to be enforced thoroughly and effectively. A key component of our approach to business integrity is ensuring compliance with applicable laws, regulations, industry standards and our own internal rules. Sanofi's Global Compliance & Business Integrity Department works at every level of the company to ensure our processes are framed by the appropriate

policies. The Global Compliance Officer, who has direct access to the Group's CEO, meets periodically with the Audit Committee and/or the Board of Directors and external auditors. An Executive Compliance Committee, chaired by the CEO, manages the effectiveness of the program, while a network of compliance officers ensure that the core elements are implemented at regional and local level. Together with the Global Compliance & Business Integrity team, their role is to also to assist in monitoring third parties; to support policy development, training and awareness; and to provide risk assessment, prevention and investigation.

## Our new anti-fraud organization

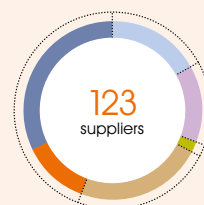
Developing the ability to uncover misconduct is a key element of a robust compliance program. In 2014, Sanofi appointed a Chief Anti-Fraud Officer. Working in close coordination with Sanofi's Internal Audit and Internal Control & Processes departments, the officer's role is to design and implement a comprehensive Fraud Risk Management Program focused on four anti-fraud pillars: prevention, detection, investigation and reporting. A fraud risk assessment was drafted in 2014, with input from the Group Risk Committee, while a Chief Investigation Officer was appointed to support internal investigations.

## Our fight against corruption

Corruption destroys the integrity and ethical foundations of all institutions it impacts, both public and private. With globalization, the damaging impact of corruption that seeks to undermine open competition in commercial activities has become a worldwide threat. In response, governments across the world are now imposing anti-corruption legislation with extensive extraterritorial reach. We are committed to conducting our business activities responsibly and in full compliance with all applicable legal and regulatory requirements, including those regarding the prevention of corruption. Their commitment should take the form of compliance with the Sanofi anti-bribery policy. It is equally important to properly monitor of contractual

## Facts and figures

### ASSESSED SUPPLIERS IN 2014, BY REGION\*



- 17% Western Europe
- 14% Eastern Europe
- 2% North America
- 23% Latin America
- 12% Africa & Middle East
- 32% Asia/Pacific

\* See definition of regions on [page 109](#).

### ASSESSED SUPPLIERS IN 2014, BY PROCUREMENT ACTIVITY



- 37% Marketing & sales
- 31% Common spends
- 23% Scientific & clinical
- 5% CAPEX & maintenance
- 4% COGS & distribution

**Marketing and sales:** communication agencies, events and media, market research, promotional items.

**Common spends:** fleet and travels, energy and waste, IS, real estate and site services, consulting, HR and insurance

**Scientific and clinical:** clinical, laboratory equipment, research materials and subcontracting.

**Manufacturing Capital Expenditure (CAPEX) and maintenance:** civil works, manufacturing equipment, spare parts and industrial maintenance.

**Cost of Goods Sold (COGS) and distribution:** raw materials, packaging and devices, subcontracting, licenses and supply chain.



relationships with third parties where a risk of corruption has been identified. Sanofi is committed to compliance with all applicable laws and regulations governing its activities. To ensure it fulfills its commitment, Sanofi maintains a robust compliance program and has issued detailed policies and procedures globally to govern the interaction of its employees with healthcare professionals, government officials and third parties. All employees are supported by appropriate information and training. Sanofi has zero tolerance for unethical and illegal conduct by its employees and has instituted across its organization robust compliance protocols and strict controls to deter and detect conduct that may breach Sanofi’s policies or violate applicable laws, including bribery and corruption. When allegations of improper payments concerning the Group are made, Sanofi investigates the matters and where appropriate notifies and cooperates with the competent agencies.

**MORE on Sanofi website**

• [Annual Report on Form 20-F 2014 – Item 8](#)

**Our compliance certification process**

An annual compliance certification process has been operating since 2013 to support the leadership in Sanofi affiliates worldwide, helping general managers set the “tone at the top” and be clear in their commitment to:

- Report any potential compliance issue in a timely manner;
- Ensure that employees attend all mandatory training sessions as required by the Global Compliance & Business Integrity department;
- Make reasonable verifications regarding compliance and business integrity, and ensure their direct reports do the same with their own areas of responsibility.

**EMPLOYEES**

The company’s success is measured not only by our financial results and how well we reach our objectives, but also by the way we achieve them. Business integrity at an employee level means complying with our Code of Ethics, which sets out ethical behaviors in our interactions with Sanofi stakeholders and promotes a culture of compliance throughout the company and beyond. The code also provides employees with guidance on dealing with issues that may arise as part of their day-to-day responsibilities both inside and outside the company. We consider all our employees to be ambassadors of our ethical standards in their dealings with third parties.

**Policies**

In addition to the code, we also have employee policies for areas such as conflicts of interest, which can arise without anyone being at fault. However, it is very important to recognize and deal with them effectively, so that our employees are able to perform their duties in a fair and unbiased way. A strong compliance program also requires enforcement and discipline. Sanofi initiated a new company-wide corrective and disciplinary action policy in 2014.

**Employee training on compliance**

To foster a compliance mindset, training is provided using different formats—primarily e-learning and classes taught in person.

Our e-library has 47 courses available in up to 17 languages. Topics covered are:

- Anti-corruption including FCPA and UK Bribery Act;
- Anti-Money Laundering and Fraud;
- Conflict of interest;
- Insider trading;
- Global competition law;
- Communication compliance;
- Data and personal information;
- Information security and confidential proprietary information.

The library provides a wide range of materials to enhance awareness of specific areas of compliance, which are also the subject of mandatory training sessions that are selected each year. Customized slide decks for oral presentations are also available.

**Mandatory training campaign**

We organize training sessions across the Group to improve compliance awareness.

MANDATORY TRAINING TOPICS	
2013	Fighting bribery and corruption
	Prevention of conflicts of interest
2014	Anti-fraud <ul style="list-style-type: none"> <li>• Fraud in the workplace</li> <li>• Global financial fraud prevention</li> </ul>
	Communications <ul style="list-style-type: none"> <li>• E-mail: think before you click</li> <li>• Responsible business communication</li> </ul>

# HIGHLIGHTS

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## **“IN THE REAL WORLD”: A COMMUNICATION CAMPAIGN TO RAISE EMPLOYEE AWARENESS ABOUT COMPLIANCE**

In 2014, Sanofi ran a campaign for employees in 69 countries to raise awareness about corruption and conflicts of interest. A total of 11 videos in 13 languages illustrating the real-life situations that may be faced by individuals were shown on a dedicated web platform, with a new video appearing every 10 days. The campaign ran from March to July on our corporate intranet, with posters being placed in communal areas during this period.

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## **RESPECT FOR PRIVACY AND DATA PROTECTION**

Our day-to-day business requires the collection and processing of sensitive personal data, in particular concerning employees, patients and external partners. It is thus crucial for Sanofi employees to be acutely aware of the importance of personal data protection.

In 2014, we introduced the Sanofi Privacy and Personal Data Protection policy, which replaces the Personal Data Protection Charter in use since 2006. This new internal policy requires that the processing of personal data on behalf of Sanofi must respect several principles such as explicit, lawful purpose; security and confidentiality; the obligation to inform data subjects of their rights when data are collected; the accuracy and proportionality of data; and the amount of time data may be kept. In addition to prohibiting deceitful or underhanded methods, our new policy requires that sensitive data be processed only where absolutely necessary and in accordance with safeguards required by applicable laws, such as the prior express consent of the data subject, where relevant. Our commitment to handling personal data with due care reflects our dedication to our patients, our external stakeholders and our own Sanofi employees.

### **MORE in our Download Center**

- [The Group Internal Audit and Internal Control & Processes factsheet](#)
- [Prevention of conflicts of interest factsheet](#)
- [Protection of personal data factsheet](#)
- [Responsible procurement factsheet](#)
- [Suppliers' Code of Conduct](#)
- [Code of Ethics](#)
- [Human Rights Guide](#)
- [Sanofi standards for external experts' participation at scientific events \(brochure\)](#)

## Key Issues

Relevant stages  
of our value chain



- Sustainable leadership for the future
- Development of skills and capabilities
- Embedding the Sanofi culture throughout the organization



- Sustainable leadership for the future
- Development of skills and capabilities
- Embedding the Sanofi culture throughout the organization



- Sustainable leadership for the future
- Development of skills and capabilities
- Embedding the Sanofi culture throughout the organization



## PEOPLE

# PEOPLE DEVELOPMENT

# PEOPLE

## PEOPLE DEVELOPMENT

We value the skills and talents of our diverse workforce. Our challenge is to successfully prepare each employee for the healthcare sector's rapidly-changing environment in line with Sanofi's values and people development principles. Our 110,000 employees are motivated by a sense of purpose and the awareness that they have an impact on patients' lives.

### *Our Progress*

OBJECTIVES	2014 PROGRESS AND ACTIONS	STATUS
Assess skill development needs	We undertook worldwide consolidation of meaningful indicators on training initiatives to better pilot workforce development across the company.	In development
	52,000 employees invited to take part in annual "Employee Engagement Survey".	Completed
Anticipate and plan future developments	E <sup>3</sup> initiative: pooled our expertise on drug-device combinations to bring together Industrial Affairs and R&D employees.	On track
Attract and hire talented individuals	158 participants began International Sanofi Volunteer Program (SaVIE) open to all European Union citizens under age 28.	On track
	Sanofi Early Executive Development (SEED) destined to emerging markets for high potential graduates.	On track
	"We Are Sanofi" campaign for all employees illustrating the Group diversity.	Completed
Manage our people	Employee review process continued for all employees.	On track
Develop employees' key capabilities and skills at every level of the Sanofi Group	Offer business talent programs to our top executives (Business for Tomorrow, Leading for Tomorrow, Short Term Work Assignment Program [SWAP] and I.A. Pépinière Program).	On track
	Expand Academy-based learning.	On track
Continue to promote career developments	Launch the "My Career at Sanofi" intranet site.	Completed
	Expand mentoring programs.	On track



## PREPARING EMPLOYEES FOR SUCCESS IN THE EVER-CHANGING INDUSTRY

In order for Sanofi to continue to grow as a company, we believe that it is essential to help our workforce adapt to the changes of the industry. Building on individual competencies helps to motivate employees—which has long-term benefits on their career paths as well as the business success of Sanofi.

Given the importance we place on continuous development, we created our original six academies in 2011. These in-house academies focused on legal, finance, human resources, information systems, procurement and Hygiene, Safety and Environment (HSE). But as the industry continues to develop, our academies adapt with these changes. In 2014 we focused on broadening the scope

of our learning offering to improve individual, business and organizational capability building at the global and regional level, with the launch of new academies in the field of quality, alliance management, diabetes medical affairs, LEAN and supply chain. The number of programs offered tripled from nearly 30 in 2013 to over 100 programs in 2014 delivering more than 200,000 hours of training to Sanofi employees worldwide.

With the evolving business objectives we have set for 2015, we will once again turn to our employees to develop critical new skills in areas such as leadership, market access, launch readiness and biologics to meet these new challenges.

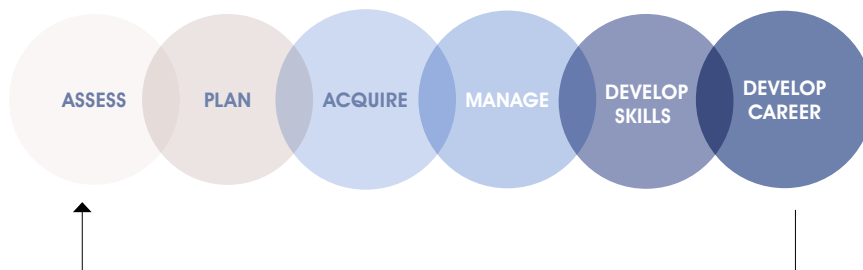
# STRATEGIC APPROACH

## WHY IS PEOPLE DEVELOPMENT SO IMPORTANT TO US?

Employees who are motivated and able to pursue a fulfilling career are a major business asset. Sanofi seeks to achieve this by enhancing the skills and developing the potential of our people throughout the organization. The blueprint for delivering this is Sanofi's One HR concept. Designed to harmonize our human resources practices across all our activities and affiliates, One HR is based on the principles of performance management and people development. As part of this harmonization process, Sanofi is working on a holistic people development model based on a common framework for every level of the organization, complete with shared objectives and messages. Specifically, One HR focuses on aligning the way six key activities are delivered across the company;

the way we assess, plan, acquire, manage, develop skills and develop careers at Sanofi. The work being carried out in each activity is detailed in the following pages. Training is essential to help the workforce adapt to the changes in our industry. In 2014, at the request of the Executive Compliance Committee, a new employee training project was approved for a single learning management system (LMS) across the organization. The aim is to offer all employees worldwide with a seamless, optimal learning experience. We plan to begin implementing the LMS in early 2016.

ONE HOLISTIC PEOPLE DEVELOPMENT MODEL



To keep pace with new developments in the healthcare industry, we are deploying a common holistic and forward-looking model for people development across the Group.

## *Facts and figures*

"The connection with patients is a big source of motivation. Our purpose is really around discovering and delivering transformative therapies for patients. It's very powerful when you see what our drugs can do and the impact they have on people's lives, and what it means for the people who have the diseases we treat."



**Robin Kenselaar,**  
Head of Europe, Middle East and Africa  
for Genzyme (The Netherlands).

## OUR PEOPLE DEVELOPMENT VISION

"Sanofi is a magnet for diverse and exceptional talents, a place where everyone is able to unleash their full potential and grow as professionals, while contributing to the growth of our company."

# HIGHLIGHTS

## ASSESS

The first step to understanding our employees' training and skill development needs is to take stock of where they stand currently. The information collected during the assess phase provides a basis from which employees can choose the development programs that best suit their needs.

### Evolution Center for Excellence

Development centers are available for managers at all levels of the organization. In 2014, we implemented the "Evolution Center for Excellence" (ECE), enabling executive leaders to devise clear development plans that promote excellence in leadership. In 2014, more than 100 ECE participants gained a sound understanding of their needs and were able to select the most appropriate program for their development plans. The concept is based on various tools including the LEAD 360 feedback tool used by 2,200 Sanofi managers since 2011.

### Employee engagement survey

Employees' responses allow us to establish priorities and develop action plans, which are then implemented as locally as possible to ensure a tangible impact. Priorities for action are determined according to what makes most sense for each business area. Our primary focus in 2015 will be to implement action plans that drive sustainable change.

## PLAN

Our training programs reflect the transformation across the company as we focus on new biological entities for treating chronic diseases. To keep pace with current changes and anticipate future developments, our workforce needs to learn new skills.

### E<sup>3</sup> initiative: pooling our expertise on drug-device combinations

Today, as we focus on new biological entities for the treatment of chronic diseases, the development of innovative medical devices to deliver these new entities has become a strategic imperative. Our Industrial Affairs division, which is responsible for the development and manufacture of medical devices, has started a transformation process designed to ensure employee competencies are up to date. Our R&D division is also adapting to the growing demand for Drug Device Combinations (DDC).

The "Experts & Expertise Excellence" (E<sup>3</sup>) initiative was created to bring together specialists from industrial affairs and R&D. This transversal task force is helping to increase our level of expertise by identifying key experts, building networks and improving connections among individuals with diverse skills. Together, they promote cross-fertilization of ideas and enhance our DDC knowledge overall. In 2014, it organized a diagnostic phase (inventory, practices, etc.) to identify gaps, which will be prioritized and addressed in 2015.

## *Facts and figures*

### OUR ANNUAL EMPLOYEE ENGAGEMENT SURVEY

In 2014 we invited 52,000 employees to participate in our annual employee engagement survey, nearly double the number in 2013 and representing near 50% of our workforce.

**ACQUIRE**

Sanofi's international job rotation programs are designed to attract, engage and retain talented individuals by providing exposure to different business contexts and cultures. These global programs, coordinated at the corporate level, are open to all activities and functions.

**International Sanofi Volunteer Program (SaVIE)**

We offer 12- to 24-month assignments abroad with our affiliates worldwide through the Sanofi Volunteer Program (SaVIE), which is open to citizens of the European Union under age 28. In 2014, 158 participants began their assignments. This program is greatly appreciated by business entities and participants alike, as it provides an opportunity to develop individual skills and an international career path. Sanofi provides the greatest number of VIE (International Volunteer Program) assignments in the healthcare industry and hired 49% of all program participants who ended their assignments in 2014. In 2015, we intend to increase the visibility of these programs beyond France, with the aim of attracting an increasing number of candidates and meeting part of our future recruitment needs.

**Sanofi Early Executive Development (SEED)**

This program for emerging markets is open to high-potential graduates of top-tier schools who have five to 10 years' professional experience. Participants, primarily recruited externally, are sent on four assignments in different countries over a two-year period. Currently, the program is hosting nine participants at various phases of development.

**Through the eyes of colleagues around the world: "We Are Sanofi"**

Employees from across the globe speak up in nine "We Are Sanofi" videos, illustrating the diversity of their backgrounds and talents, along with the sense of purpose and motivation they derive from their work. "We Are Sanofi"

helps the company cultivate a powerful employer brand to attract skilled individuals in high-growth emerging markets, while maintaining its high visibility in more mature markets. Viewers unfamiliar with Sanofi are offered a glimpse of our corporate culture, while employees gain a broader insight into the many people, functions and businesses that make up Sanofi.

**RELATED CONTENT in this report**

- page 82, Letting our employees do the talking.

**LinkedIn**

Our HR managers and recruiters increasingly use social media for recruitment. The number of followers on our corporate LinkedIn page has increased significantly, from 234,000 in 2013 to 400,000 in 2014. In addition, the number of users of a LinkedIn recruiter or job manager license has risen from 23 in 2013 to 72 in 2014, while the level of usage determined via LinkedIn measures and KPIs increased from 38% to 44%. Among the users contacted via InMail by our recruiters, 42% provided feedback (a relatively high rate compared to LinkedIn statistics). Excluding positions in North America, more than 280 jobs were posted online in 2014, compared to 148 in 2013. We expect this upward trend to continue in 2015, boosting our access to potential candidates.

*Facts and figures*

**FEEDBACK FROM A 2014 SANOFI VOLUNTEER PROGRAM PARTICIPANT**



"This has been not only a very rich human experience, but a springboard for my career. I've joined the company in a full-time position today, with duties I would never have imagined. I'm in charge of a team of four, leading a project that is about to be recognized internationally. I feel genuine satisfaction about my role in the company and I appreciate the way Sanofi supported me before, during and after the program."

**Théodore Guichard,**  
SaVIE participant in Mexico



"The addition of Alexandra has added significant value to my organization at a time when we had gaps in manager coverage. She is a strong performer with a positive attitude."

**Doug McLeester**  
Manager of SaVIE, **Alexandra Poisson**



## MANAGE

In 2012, the Group implemented a common performance management system for all its managers. Today, it continues to deploy periodic talent reviews for managers, designed to identify opportunities for personal development, potential career options and succession plans for key positions. The reviews are a valuable opportunity for dialogue between managers and HR directors, typically to identify skill areas that need to be developed—either through appropriate in-house training and development activities or by external recruitment. Talent reviews also offer an opportunity to propose targeted development plans for selected individuals. From an individual standpoint, the annual reviews enable managers and employees to assess the fulfillment of job responsibilities, the skills to be developed, preferred career paths and training requirements.

### Employee review process

Our approach is based on an annual review process for all employees and myriad types of development opportunities. Each employee is expected to meet with his/her manager at least once a year to discuss short- to medium-term actions, identify needs and determine professional development goals. Based on that discussion, an action plan may outline the core and technical competencies to be enhanced, the priorities and a timetable for completing these activities, which may include new assignments, training, etc.

We are committed to developing our human capital and our various development opportunities, such as training programs and assignments in diversified functions, businesses and geographies, all offer ways of meeting this goal. Our programs aim to match, as closely as possible, specific local and regional needs while supporting the transformation of our organization.

### Recruiting the right people

As a milestone towards our goal of filling 80% of Top 250 executive vacancies internally by 2020, we focused on our 100 most critical positions in 2014. This cohort featured 15 vacancies, with 12 of them being filled by internal candidates; a clear indication of senior management's commitment to enabling our internal talent to fill the most important roles in the organization.

## Facts and figures

**53%**

**OF EXECUTIVE VACANCIES (TOP 250)**

were filled by internal candidates in 2013.

**80%**

**IS THE TARGET FOR INTERNAL**

candidates filling our Top 250 vacancies by 2020. The interim targets are 60% for 2015 and 70% for 2017.

**56%**

**OF OUR EMPLOYEES**

were engaged in our global performance and development planning process in 2014 (The other employees are covered by local performance review processes).

### DEVELOP SKILLS

The overriding aim of our people development initiatives is to ensure that all employees—from senior management and scientists to packaging line operators—acquire and maintain the skills they need to do their work. In addition to our numerous employee training and development programs, we offer complementary initiatives such as coaching, mentoring and co-development. Moreover, to support the ongoing migration of certain research and industrial facilities to biopharmaceutical activities, we organize training in new technical skills.

Highly specific knowledge and technical skills are required of our employees at every stage of our value chain. For example, cutting-edge scientific knowledge is required of our researchers, while employees in product development need medical, biological and statistical skills. Up-to-date operational proficiency is essential for those working at our production plants, and medical as well as regulatory expertise is indispensable for our affiliates worldwide.

We are currently focusing on a management development offer aimed at targeted groups within Sanofi. The aim is to ensure consistency across the organization through a common leadership framework, promoting the same objectives and messages.

Examples of training adapted to every level of the Sanofi group:

#### Business talent programs

Several programs are being deployed to develop our managerial talent. Business for Tomorrow aims to reinforce business and strategic skills in a business environment characterized by rapid change, while Leading for Tomorrow, developed with Duke Corporate Education, teaches new ways of leading and driving growth based on learning expeditions, with one week in India and one week in Boston. Over 120 of our top executives have taken part in these two programs. The Short Term Work Assignment Program (SWAP) was launched in 2013 for employees with high potential in the early stages of their careers and features six-month

job exchanges between emerging and mature markets. In 2013 and 2014, 47 assignments were completed, 21 participants were given a promotion or greater responsibilities, while 10 moved into a new region or business. To prepare for future recruitment needs in our Industrial Affairs Division, we introduced the I.A. Pépinière Program in 2013. This program gives recent university graduates and junior professionals valuable hands-on experience, working for one to three years alongside our experts. Participants learn about managing projects, people and resources at both site and global levels. This type of initiative has been operating since 1999 in Germany, where 102 trainees have completed the program.

#### Educational support: fighting illiteracy in Pakistan

In Pakistan, people who work as cleaners, janitors, gardeners and helpers often have limited literacy or a very rudimentary level of education. In June 2014, during the affiliate-wide celebration of Sanofi values, a group of “Change Makers” comprising colleagues from various functions came up with the idea of launching an initiative whereby colleagues would volunteer their time to help educate those with limited literacy. More than 25 employees volunteered as teachers for the program, organized with the support of an NGO, the Literate Pakistan Foundation. Classes are conducted during the lunch break. For one hour, three times a week, those with limited literacy are taught by their more well-educated colleagues. Within 90 days, a learner is able to read and write basic Urdu. The next step is to then progress to other subjects, such as mathematics and English.

#### Academy-based learning

Our in-house academies have increased in number and expanded into new countries, regions, activities and functions within the company since 2011.

#### RELATED CONTENT in this report

- page 71, Preparing employees for success in the ever-changing industry

## Facts and figures

“The SWAP program gave me the chance to rise to new challenges. Gaining new experiences and learning from people with different cultural backgrounds have enlarged my way of thinking and working. I had the chance to meet interesting and helpful people. I appreciate Sanofi as a global player very much.”



**Janine Heft**,  
Information Solutions, SWAP from Germany to China, 2014.

“I would say that ‘culture shock’ is the best benefit of the program, both for the SWAPee and the host team.”



**Renato Arruda**, Host Manager,  
Marketing Manager, Brazil.

Within the academies, a cross-functional Business Partnering program delivered 2,737 hours of training to 77 support function employees in 2014 to focus on their roles and improve their ability to negotiate and influence others in their capacity as business partners.

Biotech Campus, which operates as an academy, continues to offer specialized pharmaceutical training to develop biotech capabilities of employees and managers. In 2014, more than 37 in-house programs and custom-made courses were delivered to approximately 764 participants.

In addition, our LEAN Academy network expanded to include nine new centers across the globe. These academies provide methodology training focused on the cost and performance of our industrial processes and

management as a critical organizational core capability. In 2014, 1,500 employees worldwide took part in LEAN training.

**Entity-level training**

**Genzyme: making learning a way of life**

In 2014, Genzyme’s leadership created a learning, education and talent platform with a three-fold aim: to link learning to strategic goals, to grow and develop the talent pipeline globally, and to gradually integrate all global development initiatives. A number of programs have been created as part of this process:

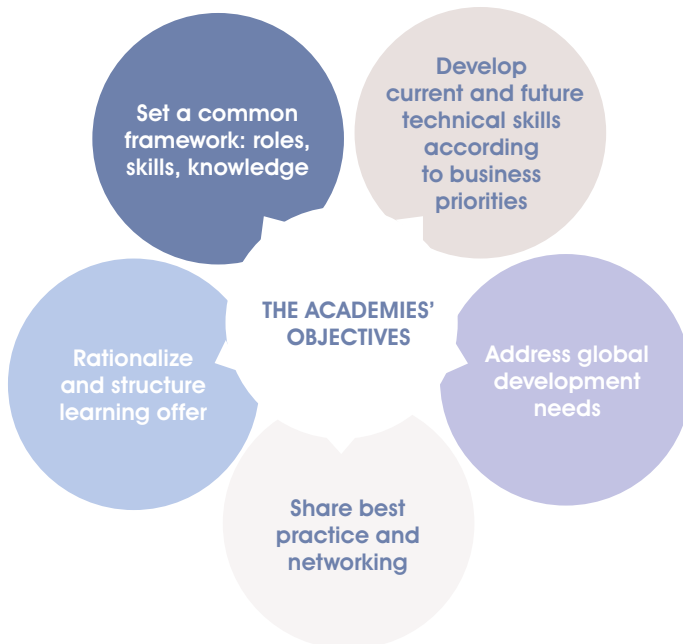
- **The On-Boarding Program** provides two days of training to all new employees. “This Is Genzyme: Year One” will be fully launched

*Facts and figures*

**THE SANOFI LEAN DAYS**

In early April 2014, 150 employees attended the Sanofi LEAN Days, held for the third time. Participants included LEAN and performance managers from Sanofi’s industrial network, R&D division and the support functions.

WHAT ARE THE ACADEMIES’ OBJECTIVES?



## PEOPLE DEVELOPMENT

in 2015 to connect new employees with our mission and values, history, culture, and vision for the future.

- We teach **Project Management** to employees who are responsible for coordinating change projects, using new global tools and standards.
- **The Business Partnering Program** helps employees apply partnering and consulting skills to think and act with confidence in their interactions with colleagues and key stakeholders.
- **The Organizational Leader Program**, delivered in conjunction with Harvard Business Publishing, targets high potential employees worldwide, helping them hone their skills and knowledge to become effective leaders.
- **Learning Navigator** provides easy access and overview to all available learning resources, empowering employees to manage their own development.

### **Merial: developing sales training**

As a world-leading animal health company, Merial organizes employee training programs to develop specific skills that will have a direct impact on sales. Following a successful pilot program for 115 marketing, technical and key account managers in 2013 to improve our sales impact for Circovac, a major swine vaccine, our dedicated Product & Marketing Education & Development department within the Production Animal division expanded the program in 2014 to our avian and ruminants businesses. Training sessions gave participants operational objectives as well as key technical and marketing information. Courses at regional level were provided through the Merial E-Campus global platform and included two days of face-to-face training. The program was designed to increase employees' sales impact by improving their knowledge of the product and providing a better understanding of our customers' challenges, business issues and expectations.

## Facts and figures

### TRAINING PROGRAM INDICATORS

#### 2014 TRAINING HOURS IN FIVE MAIN COUNTRIES\*

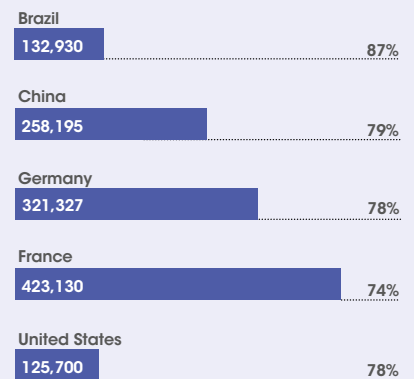
more than  
**1,000,000**  
HOURS OF TRAINING,  
were provided in the five main countries of the Group

**77%**  
OF EMPLOYEES  
have received training

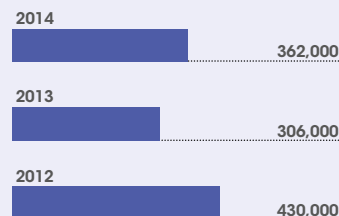
**24.6**  
average number of training hours per trainee

\* Brazil, China, France (including Merial and Genzyme), Germany, United States.

#### TOTAL NUMBER OF TRAINING HOURS AND PERCENTAGE OF EMPLOYEES RECEIVING AT LEAST ONE TRAINING SESSION DURING THE YEAR



#### TOTAL NUMBER OF HSE TRAINING HOURS IN FRANCE



Estimated figures

#### 2014 TRAINING HOURS IN FRANCE

**423,130**  
HOURS OF TRAINING,  
including HSE, were provided

**74%**  
OF EMPLOYEES  
have received training

**21.2**  
average number of training hours per trainee

## DEVELOP CAREER

Seeking to continuously develop our employees' careers is a goal shared by the company and the individuals who make up our workforce. This goal supports not only our business but also our employees' career ambitions.

### My career at Sanofi intranet site

To encourage Sanofi employees to take charge of their careers, we created an intranet site in 2014 that features company leaders describing their personal career paths and sharing insights on the lessons learned along the way. Their experiences and stories are a source of inspiration, illustrating the countless possibilities when employees "stay in the driver's seat" and take responsibility for their own professional advancement. This mindset is a key component in the people development principles we defined in 2014.

### Imagine your future differently

At the end of 2014, 70 talented young individuals from 11 countries across Europe, Africa and the Middle East came to "Croix-de-Berny" to explore new career opportunities. They were welcomed by managers from different Sanofi organizations.

The aim of this annual session is to enable talented young people at Sanofi to explore various jobs and thereby broaden the scope of their career choices. It also provides an excellent opportunity to extend their professional networks and gain some exposure to our senior executives from Industrial Affairs.

### Mentoring

As an effective personal development and empowerment tool, mentoring consists of bringing together two professionals with different levels of experience in similar fields to help drive career development. In addition to receiving guidance and know-how from more experienced mentors, the mentees gain improved career visibility and networking opportunities. They also discover new types of jobs within the company.

In 2014, Global Industrial Affairs continued its mentoring program for women.

Launched in 2012, the program has enrolled 32 women from Sanofi, Genzyme and Meril to date. Mentors are members of the Industrial Affairs Management Committee or are senior executives in the organization. The program goals in the short term include developing leadership, management and organizational skills, and building networking strategies. In the long term, mentoring enhances upward mobility for the mentees and provides support in breaking through the glass ceiling in order to be promoted to site management committee positions.

Sanofi Finland is a small affiliate with few career opportunities. To retain and develop Finnish employees, Sanofi introduced a reverse mentoring program, which has improved the transfer of know-how across the generations. Ten members of the management team volunteered to work with ten employees in one-on-one sessions and workshops. Both mentors and mentees have reaped benefits in terms of personal development, improved leadership and listening skills, and the ability to address tough questions. To date, seven of the ten mentees have been assigned new projects or moved to new positions.

#### MORE in our Download Center

- [Local social impact factsheet](#)
- [Compensation and employee benefits factsheet](#)
- [Employee representation and information factsheet](#)
- [Employee volunteering factsheet](#)
- [Working with schools and universities factsheet](#)

# PEOPLE DIVERSITY

In developing our multicultural workforce, we cultivate a rich source of talent, innovation, and competitiveness. We strive to educate employees about the value of diversity and embrace it as an opportunity to develop creative solutions that better address the needs of patients.

## *Our Progress*

OBJECTIVES	2014 PROGRESS AND ACTIONS	STATUS
Continue to uphold Sanofi's commitment to promote diversity	Worldwide training program held for diversity delegates (European network and coordinators in North America, Latin America and Asia).	On track
	Diversity action plans developed for Europe and Latin America.	On track
	Regional conference calls and visits to Asia and the U.S. organized.	On track
	Promotion of diversity through the release of "Good Morning Sanofi" employee videos.	On track
Champion gender balance	The Women's Leadership Council was replaced with the Women's Network Board, operating across all functions worldwide.	Completed
	New Women's Councils were created in Turkey, Middle East and India.	Completed
	Sanofi took part in the Women's Forum for the Economy and Society in Brazil, France and Myanmar.	Completed
Promote new areas of diversity	"Pride Connect," an LGBT (Lesbian, Gay, Bisexual, Transgender) employee resource group, was created in the U.S. and a working group was set up in France	On track
	Launched development in France of a training program about religions.	On track
Continue to make improvements for employees with disabilities: recruitment and job retention, awareness and communication, and accessibility to information and premises	Sanofi committed to hire 120 employees with disabilities in France, 2013-2016.	On track
	European-wide survey findings used to improve knowledge and devise an action plan.	On track
	Intranet site created to celebrate International Day of People with Disability, showcasing the stories of 20 employees in 12 countries.	Completed
	Awareness-rising initiatives organized as part of the French week for the employment of people with disabilities.	Completed

### **MORE in our Download Center**

- [Code of Ethics](#)
- [Sanofi Social Charter](#)
- [2014-2015 Diversity brochure](#)
- [Les Enfants de Sanofi brochure](#)

## *Our Approach*

Working in an environment that supports diversity helps individuals feel confident and empowers them to reach their professional potential. At Sanofi, we value differences, professional and personal, and remain convinced that diversity is essential for business success, for the communities we serve and, naturally, for all employees.

The Sanofi Diversity department, in concert with our Human Resources department, networks and affiliates, oversees a range of initiatives to promote diversity and actively encourages all employees to contribute to the productive dialogue that is the foundation of our inclusive culture.

## Highlights

In 2014, Sanofi's Diversity Department asked employees to speak up about diversity. We invited employees from around the world to share their thoughts and experiences as a way of increasing awareness and encouraging discussion about disability, gender balance and many other topics.

### GENDER BALANCE: A KALEIDOSCOPE OF PERSPECTIVES

Sanofi women and men made a strong showing at the 2013 Women's Forum for the Economy and Society in Deauville, France, where we invited employees to share their perspectives on gender balance. Their voices give life to a colorful website launched in-house on International Women's Day, March 8, 2014. It features photographs, quotes and portraits, conveying both personal and professional viewpoints about the path to improving gender balance at work and in society. Although each portrait is unique, they reflect many of the values we share as Sanofi colleagues. The series is slated to continue in 2015 with a second project, "Leading for a more equitable world."

### Women at Sanofi in India: What does gender balance mean to you?

In November 2014, our Indian affiliate organized a summit in Mumbai, the first of its kind. For two days, more than 130 women employees came together to examine what diversity means for Sanofi India. They shared insights on the benefits of diversity, heard women leaders talk about how to drive better gender balance and participated in speed networking and a session on self-defense awareness. The event ended on an inspiring note, with a panel of external speakers who encouraged the women to take action individually and collectively.

### Turkey and Middle East Women's Council created in 2014

In the Middle East, a cultural and mindset gap often prevents working women from optimizing their career development and holding senior management positions. In 2014, driven by Sanofi leaders and the Women's Network Board, we created a Women's Council in every country, represented by three women and two men from each affiliate. Our objective is to establish a framework for Sanofi in Turkey and the Middle East to achieve gender parity throughout the zone, at every level, by applying gender fairness procedures and driving a shift in the organizational culture and mindset. On May 6, 2014, the Turkey and Middle East zone organized "Gender Balance: Inspiring Change Together," with the participation of Karen Linehan, Executive Vice President of Legal Affairs, and Pius Hornstein, Vice President Turkey and Middle East.

## Facts and figures

% OF WOMEN IN THE SANOFI WORKFORCE WORLDWIDE



### CHANGES TO THE BOARD OF DIRECTORS IN 2014

The composition of the Board of Directors changed in 2014. Professor Bonnie L. Bassler was appointed an independent Director on November 18, 2014. This appointment brings the number of women directors to five out of 15 directors, or 33% of all members.

**LETTING OUR EMPLOYEES DO THE TALKING**

Our approach was “made by employees, for employees.” This global project put the spotlight on individual employees, literally, by handing them the camera and the microphone. Each participant was given a video camera for ten days, which they used to film colleagues, scenes from their day-to-day lives, their likes and dislikes, and their perspectives on diversity at Sanofi. The “Good Morning Sanofi” series consists of 12 videos. Since October 2014, a new video was posted on our corporate website and YouTube every three weeks. The videos and website have met with resounding success.

**MORE on the Sanofi website**  
 • [Corporate Sanofi website](#)

**MORE online**  
 • [Sanofi TV on YouTube](#)

The first videos address multiculturalism, gender balance, minorities, returning to work after an accident and disability. As the series continues in 2015, employees will share their insights on minorities, veterans, Generation Y and other diversity issues.



**Amal Chaibbi**  
 (Casablanca, Morocco and Paris, France)

[▶ See Amal's video on YouTube](#)

**“You can be a woman and a mother, and be interested in international mobility.”**

Amal has been based in Paris for three years in Pharma Quality and Compliance. When she arrived, people seemed surprised and somewhat apprehensive “to see a Moroccan woman in my position,” she says. Amal’s career path attests to the importance of promoting gender balance as part of the company’s business strategy. Balanced teams have been shown to have the strongest performance and engagement rates.



**Benee Brown**  
 (Chicago, USA)

[▶ See Benee's video on YouTube](#)

**“At Sanofi, I am simply myself.”**

In her video, Benee addresses some of the unique challenges faced by African Americans and minorities in the United States. Working as a regional medical liaison for the past nine years, she enjoys “working at Sanofi and having my entire self be appreciated and embraced—I am not forced to alter or conform who I am or how I present myself.”



**Susheel Umesh**  
 (Mumbai, India and Paris, France)

[▶ See Susheel's video on YouTube](#)

**“Cultural diversity has a direct impact on business.”**

Sanofi employees often work in increasingly multicultural teams, like Susheel, who came from India to work in Paris. Openness to people from different backgrounds is essential to foster respect and enable employees to work together effectively. Cultural intelligence and a strong sense of diversity help all of us to better serve patients.

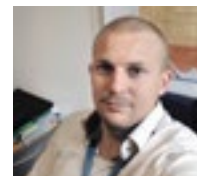


**Elaine de Oliveira Rosario**  
 (Suzano, Brazil)

[▶ See Elaine's video on YouTube](#)

**“I have a job just like those who can hear. I feel good here.”**

Elaine de Oliveira Rosario, an operator on the production line in Suzano, Brazil, uses sign language to tell us about her experience and her views on diversity. Elaine taught sign language to one of her co-workers, Claucia, and they have become good friends. She explains that being deaf is not an obstacle to doing her job well, nor does it prevent her from communicating with her colleagues.



**Samuel Noyon**  
 (Le Trait, France)

[▶ See Samuel's video on YouTube](#)

**“People do not see me any differently since my accident.”**

One in two people will face disability during their lifetime. Samuel, a warehouse manager in Normandy, France, recounts his experience after he was involved in a serious motorcycle accident. Sanofi has measures in place to help employees with disabilities resume work. Following his medical leave, a pleasant surprise awaited Samuel upon his return.



### IN THEIR OWN WORDS: PERSONAL PERSPECTIVES ON DISABILITY

The talents and enthusiasm of all employees contribute to driving our company's success. Sanofi is committed to creating an inclusive environment for employees with disabilities by retaining employees who have become disabled, training and raising employee awareness about disability in the workplace, and outsourcing to specialized companies.

We launched the "In their own words" website on the Sanofi intranet on December 3, 2014, in celebration of International Day of People with Disability. Featuring personal stories from 20 employees and managers working in various departments in 12 countries around the world, this group of portraits offers rich insights into what it means to work with a disability: challenges and difficulties, relations with colleagues, sources of motivation and hope. Published in French and English, these powerful stories help all employees understand disability and examine their own attitudes towards difference.

### A survey of affiliates in Europe

In 2014, Diversity Delegates in charge of 24 European countries participated in a survey about the employment of people with disabilities. While legislation differs from one country to the next, some countries impose a legal obligation to hire persons with disabilities by setting a quota.

We continue to uphold our commitment to people with disabilities through Enfants de Sanofi, a non-profit association to help employees' children. In 2014, 92 children with special needs in 23 countries received assistance for healthcare needs, education, family aid and other support.

### Recognition for our 2014 diversity and inclusion initiatives

We received the Trophées de la Diversité 2014 award in recognition of our innovative communications approach in the field of diversity, in particular by giving voice to Sanofi employees on a wide range of topics.

We also won the special prize at the 2014 Deauville Green Awards International Festival of Audiovisual Productions for Sustainable Development and CSR.

In-house projects developed by Sanofi affiliates received two out of 10 CSR Awards in 2014: the "La Maison Business Support Center" project in Japan, which promotes the employment of people with disabilities, and "More than a staff restaurant" project in France, based on a novel concept for a company cafeteria that aims to have a positive CSR impact for the local community. The Enfants de Sanofi program received the Human Capital Award in June in recognition of an exemplary program that federates our 110,000 employees. The program celebrated its 20th anniversary in 2014. Over the past two decades it has assisted nearly 2,500 families and over 3,000 children in 74 countries. Funding for the program comes from employee donations and an annual grant from Sanofi.

### A STRONG NETWORK OF DIVERSITY DELEGATES

We have 98 diversity delegates working in more than 120 countries to ensure that we uphold our commitments with regard to non-discrimination, equal opportunity, promoting diversity and continually monitoring our initiatives.

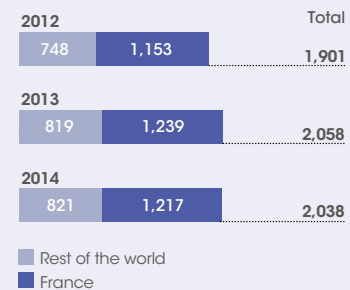
### THE DIVERSITY BROCHURE

A summary of our top initiatives and good practices is featured in our annual Diversity Brochure. Covering a range of topics—from cultural diversity to different generations working together, diversity and inclusion councils, employees with disabilities, flexible working conditions, gender balance, parenthood, supplier diversity and outsourcing, and training and awareness—the brochure is distributed to all employees and published on the Sanofi corporate website.

**MORE in our Download Center**  
• [Diversity report 2014-2015](#)

## Facts and figures

### NUMBER OF EMPLOYEES WITH DISABILITIES IN THE SANOFI WORKFORCE



# 4.52%

### THE PERCENTAGE OF EMPLOYEES WITH DISABILITIES

among Sanofi's workforce in France in 2014.

This percentage has nearly doubled since 2006, when it stood at 2.32%.

# PEOPLE

# HEALTH AND SAFETY

We recognize that the men and women of Sanofi are the real drivers of our business performance. Ensuring their health, safety and well-being is more than a top priority – it is essential to our business success.

## *Our Progress*

OBJECTIVES	2014 PROGRESS AND ACTIONS	STATUS
2010-2015: achieve a 30% reduction in lost time injury frequency rate (LTI-FR)	<p>Trained managers on in-depth safety incident analysis, to better account for, not only technical causes, but also organizational and human causes.</p> <p>Improved the safety of independent contractors through new audits and guidelines. More than 80 audits were performed in 2013 and 2014.</p> <p>Ensured greater consistency in measures to prevent severe injuries.</p> <p>Tracked and performed in-depth investigations of potentially serious injuries.</p> <p>Decreased our lost time injury frequency rate by 9.5% in 2014, as compared to 2010.</p>	On track
2010-2015: achieve a 15% reduction in motor vehicle accident rate	<p>Gained support from senior management on the importance of safe driving.</p> <p>Improved road safety worldwide through training programs.</p> <p>Reduced the motor vehicle accident rate by 25% in 2014, as compared to 2010.</p>	On track
2011-2016: achieve a 15% reduction in recognized musculoskeletal disorders	<p>Created a specific working group with key medical doctors (KMDs) and additional programs for employees to prevent musculoskeletal disorders (MSDs).</p>	On track
Ensure employees' health and well-being	<p>Occupational hygiene training.</p> <p>Biosafety and biosecurity training.</p> <p>Employee wellness and disease prevention.</p> <p>Psychosocial risk prevention initiatives.</p>	On track

## *Our Approach*

In our approach to health and safety, we implement measures designed to limit the risk of disease and injury to ensure that our workforce, as well as outside contractors, are provided with a safe environment and healthy working conditions.

We champion preventive initiatives to avoid accidents (whether in the workplace or on the road) and limit the occurrence of diseases and injuries. At the same time, we focus on stress management and employee fitness programs that encourage individuals to take responsibility for their own health and well-being.

## Highlights

### COMMITMENT TO ROAD SAFETY PRODUCES RESULTS

Preventing road accidents is a critical part of our efforts to ensure the health and safety of our workforce, particularly of medical sales representatives who spend a lot of time on the road. Sanofi's senior management is actively involved in the Road Safety Committee. Combined with training and communications programs worldwide, this top-level commitment to road safety has made a clear impact: the rate of sales force vehicles involved in road accidents has dropped from 23% in 2010 to nearly 17% in 2014. Over the same period of time, our sales force has decreased in the U.S. and Western Europe—considered to be safer for drivers—while it has increased in Latin America and Asia, which according to the WHO are more exposed to road risks.

At Sanofi affiliates worldwide, a full day of road-safety training is organized for all sales force members once every three years, with additional training for employees identified as high-risk drivers. In 2014, 24,000 members of our sales forces received more than 42,000 hours of road safety training.

We make it a priority to recognize our best drivers each year. In 2014, sales representatives from Australia, India, Philippines, Spain, Vietnam and the UK received awards during a ceremony attended by 800 people at the Carrousel du Louvre in Paris. In addition to strengthening our in-house rules on road safety, district managers coach their teams to encourage safe driving and participate in road accident investigations to identify root causes. In 2014, we renewed our collaboration with the European Road Safety Charter. In early 2015, our road safety commitments and achievements were rewarded by the European Commissioner for Transport with the European Excellence in Road Safety Award.

### VIETNAMESE AFFILIATE CELEBRATES TEN YEARS WITH NO LOST TIME INJURIES

In 2014, the Sanofi site in Ho Chi Minh City celebrated ten years without a lost time injury. This milestone is the result of employees' continuous efforts and a strong commitment

from site management to promote health and safety at work. Officials from the Vietnamese Labor Department and other visitors joined site management and all employees to celebrate this success in November. Employees who made a significant contribution to HSE-related activities were recognized and a video showing the site's key safety initiatives was shown. As part of the celebration, employees and management renewed their commitment to maintain an outstanding safety record.

### SUSTAINABLE\_BUILDING@SANOFI

The Sanofi Corporate Real Estate department is engaged in various sustainable programs and has developed a charter called "Sustainable\_Building@Sanofi" as part of our Corporate Social Responsibility program. Three objectives of excellence are the cornerstones of the Charter for responsible buildings at our administrative properties hosting more than a quarter of Sanofi employees:

- Health and wellbeing: Provide employees and stakeholders with healthy and comfortable work spaces;
- Environment: Limit environmental footprint;
- Involvement in the city: Incorporate buildings of Sanofi into the sustainable development programs in the cities where we operate.

Six technical booklets accompany the Charter to detail the quality levels that the Group wants to reach for various real estate operations, when taking a new lease, renewing a lease, renewing existing spaces or operating an existing building.

We have chosen to gradually implement the Charter worldwide on our administrative buildings stock in order to reach ambitious objectives by 2020, taking into account country specifics.

### MORE in our Download Center

- [2014 Financial document \(Document de Référence\) – Section 4.2.2. Health and Safety in the workplace \(extract\)](#)
- [HSE management system factsheet](#)
- [Sanofi Sustainability Building Charter](#)

## Facts and figures

9.5%

DECREASE in our lost time injury frequency rate in 2014, as compared to 2010.

24,000

SALES FORCE MEMBERS completed 42,000 hours of road safety training in 2014.

IN 8 YEARS, the Group has reduced

BY 65% car accidents of its employees generating days out of work.

## Key Issues

Relevant stages  
of our value chain



- Developing knowledge on the environmental fate and effects of our products



- Potential emissions of pharmaceuticals in the environment



- Potential emissions of pharmaceuticals in the environment



- Proper disposal of unused and expired medicines
- Potential environmental and health impacts



## PLANET

# PHARMACEUTICALS IN THE ENVIRONMENT

# PLANET

# PHARMACEUTICALS IN THE ENVIRONMENT

Pharmaceuticals found in the environment due to human activities, such as patients' use of medicines, raise concerns about their potential impact on human health and the planet. As a responsible global healthcare leader, Sanofi adopts a proactive approach and a sound environmental strategy that spans the entire life cycle of our products.

## *Our Progress*

OBJECTIVES	2014 PROGRESS AND ACTIONS	STATUS
<b>ASSESSING THE ENVIRONMENTAL IMPACT OF EFFLUENTS FROM OUR MANUFACTURING SITES</b>		
By 2015: Implement an effluent assessment plan at 100% of chemistry sites* including specific studies on 30 selected active pharmaceutical ingredients (APIs)	Reviewed effluents at chemical manufacturing sites*. Completed review of the effluents of 75% of chemical manufacturing sites*. Implemented innovative wastewater treatment technology at our Vertolaye (France) site in 2014*.	On track
By 2015: Define environmental target values for the 30 selected APIs	Assigned a target environmental value to 44% of products found in effluents from our sites to date. Additional studies for the remaining 56% got underway in 2014 and will be completed by late 2015.	On track
In 2014: Accreditation of the Sanofi Chemistry & Biotechnology Development Laboratory	Received NF EN ISO/CEI 17025 accreditation for our reference laboratory, dedicated to the analysis of effluents from our industrial sites.	Completed
<b>MEASURING THE ENVIRONMENTAL IMPACT OF OUR MEDICINES</b>		
Conduct voluntary environmental risk assessments for drugs already on the market	Completed voluntary environmental risk assessment for 34 marketed drugs.	On track
	Launched or planned the 2015 environment studies for 7 compounds.	On track
<b>CONTRIBUTING TO RESEARCH TO LEARN MORE ABOUT PIE</b>		
Develop and share our knowledge about pharmaceuticals in the environment	Took part in several scientific research programs with experts and academia: <ul style="list-style-type: none"> <li>• Montpellier University, Technion Institute of Technology,</li> <li>• Al-Quds University, and Health and Environmental Sciences Institute (HESI) Animal Alternatives.</li> </ul>	On track
	Co-organized a national scientific congress in France about pharmaceuticals in the environment attended by university, experts, authorities, public institutions, NGOs, patient associations, multinationals and other stakeholders.	Completed
<b>ENCOURAGING THE PROPER USE OF MEDICINES</b>		
Support programs to take back unused and expired medicines	Contributed to the implementation of take-back programs in 15 countries to date.	On track
	We are the largest financial contributor to the Cyclamed take-back program for unused medicines in France.	Completed
	Supported the first-ever take-back program in Japan.	On track
Develop programs to promote the proper use of medicines	Set up programs, particularly with patient groups in France, doctors' and pharmacists' organizations, healthcare professionals, etc.	On track

\* Chemical manufacturing sites: industrial sites where Sanofi manufactures the active ingredients in medicines marketed by the Group or by third parties



## ADVANCED TECHNOLOGY TO PROTECT OUR SURROUNDING ENVIRONMENT

Our commitment to protecting and preserving the environment runs deep. Reducing the potential impact of our products on the environment as well as preserving the people within our communities has always been a key priority for Sanofi. So, when environmental concerns were raised regarding the wastewater from our factory in Vertolaye, France—we sprung into action.

Near Dore River an endocrine disruption concern was pointed out in fish by a scientific publication and relayed by media in 2011. Questions were raised about a potential connection to wastewater from the factory, where some 70 active ingredients are manufactured. Determining the precise cause of the reported impact on fish population was highly complex, and it was very likely to have been caused by a combination of factors. We began by investigating various methods to eliminate micropollutants and set up a pilot program using activated carbon adsorption to block specific

molecules—notably the very molecules suspected of being responsible for the impact on the aquatic environment. While this technology is well established for the treatment of drinking water, we developed an innovative fluidized bed process that was particularly suited to our industrial site. In 2013, we invested a total of €5 million euros to build a new facility to complement the existing biological wastewater treatment plant at Vertolaye. The project received subsidies from *l'Agence de l'eau Loire-Bretagne*.

Our new facility, the first system in the world using this particular treatment method for industrial wastewater, began operating in 2014. Sanofi may apply this technology to industrial effluents at other Group sites when relevant. We are proud that this initiative not only received the Sanofi 2014 CSR Award in the “Planet” category, but that our efforts have once again improved our surrounding environment.

# STRATEGIC APPROACH

**Our approach to reducing the potential impact of pharmaceuticals on the environment is governed by our HSE policy and covers the entire life cycle of our medicines, from production to their use by patients or animals.**

## IMPROVED SCIENTIFIC KNOWLEDGE ABOUT THE POTENTIAL IMPACT OF PIE

Following the remarkable advances made in analytical methods, it is now possible to detect the presence of an increasing number of pharmaceutical residues in the environment. Depending on the substances and where they are found, they may be present at very low concentrations—measured in nanograms or micrograms per liter even in drinking water. A major study by the World Health Organization (WHO) concluded that at current levels of exposure in drinking water, adverse impacts on human health are very unlikely<sup>(1)</sup>. Nevertheless, further research into the potential impact of combinations of pharmaceuticals, metabolites and other chemicals that may be present in low concentrations in the environment is necessary to improve our understanding of the potential long-term effects on the environment and human health.

It is also important to note that an increasing number of Sanofi products, both on the market and in development, are produced using biotechnology such as therapeutic proteins. These products are considered unlikely to have significant environmental effects and are more benign to the environment after use by patients.

### MORE in our Download Center

- [Pharmaceuticals in the environment factsheet](#)
- [HSE policy](#)
- [HSE management system factsheet](#)

## A growing challenge for the pharmaceutical industry



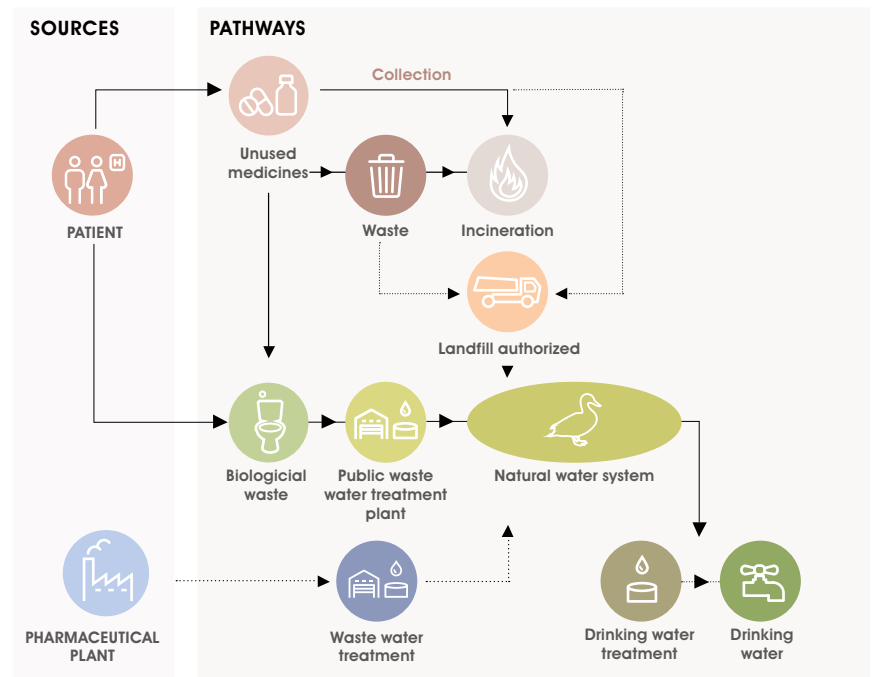
**Yves Levi,**  
Professor of Public  
Health-Environment

### Is encouraging the proper use of medicines an important step to reduce pharmaceuticals in the environment (PIE)?

“The production and distribution of medicines must be designed to prevent environmental impacts and the same applies to the prescription of drugs, adherence to treatment and the disposal of unused medicines. Doctors, pharmacists

and patients need to be informed and have the means to act. Prescribing physicians should receive support to select drugs that, with equivalent therapeutic efficacy, have the lowest impact on the environment. Pharmacists inform patients about how to take their medicines as prescribed and where to return unused drugs so they will not be released into nature or sewage systems. Healthcare facilities seek to optimize waste management strategies. The patient needs to be aware and empowered, without feeling guilty, in order to limit self-medication, adhere to treatments and never dispose of medicines into sewage. The life cycle of medications must be optimized, improved and harmonized to protect the food, the drinking water, and the natural resources.”

### MAIN SOURCES AND PATHWAYS OF PHARMACEUTICAL RESIDUES IN ENVIRONMENT (WATER)



(1) “Targeted investigations conducted in the United Kingdom, the U.S. and Australia found that pharmaceuticals are largely present in drinking water at concentrations several orders of magnitude (more than 1,000-fold) below the lowest therapeutic dose and largely below the calculated acceptable daily intakes. The substantial margins of safety for individual compounds suggest that appreciable adverse impacts on human health are very unlikely at current levels of exposure in drinking water.” Conclusions of WHO Pharmaceuticals in Drinking Water report 2012.

# HIGHLIGHTS



**Jean-Christophe Bligny,**  
Associate Vice President, Corporate  
Environment and Energy, Sanofi

## Why is the topic of pharmaceuticals in the environment (PIE) a challenge for Sanofi?

"Sanofi is committed and pro-active when it comes to managing the environmental impact not only of its production sites but also the entire life cycle of its medicines.

Addressing pharmaceuticals in the environment is one of the priority focuses of Sanofi's environmental strategy and the impetus for a number of action plans as well as industrial and scientific partnerships".

## Sanofi is committed to limiting the discharge of pharmaceuticals into the environment, and to increasing our knowledge in this area.

To achieve this, Sanofi is involved in a range of initiatives such as:

- analyzing wastewater effluents at our manufacturing sites and assessing their impact on the environment,
- using state-of-the-art technologies to treat wastewater discharge from our sites,
- contributing to advancing scientific research on this topic,
- limiting the environmental impacts of our products,
- carrying out environmental risk assessments,
- encouraging and supporting the proper use of medicines,
- contributing to take-back programs for the collection and safe disposal of unused medicines.

## ANALYZING WASTEWATER EFFLUENTS AT SANOFI SITES

We have established a program at eight Sanofi chemical manufacturing sites<sup>(1)</sup> to develop analytical methods for detecting and quantifying pharmaceutical substances in wastewater from our treatment plants. The program will also determine maximum target concentrations.

We identified 30 active pharmaceutical ingredients (APIs) from Sanofi's product portfolio based on environmental proprieties (tonnage, toxicity, bioaccumulation and persistence) and began to quantify their trace amounts in wastewater effluents. By late 2014, 44% of the APIs in wastewater from our sites had been assigned a target value. Our in-house experts will use our cutting-edge facilities at the Sanofi Chemistry & Biotechnology Development Laboratory to determine such values for the remaining 56% by the end of 2015.

(1) Chemical manufacturing sites: industrial sites where Sanofi manufactures the active ingredients in medicines marketed by the Group or by third parties.

## Facts and figures

### 47

**THE PERCENTAGE OF BIOLOGICS**  
in Sanofi's total sales at the end of 2014<sup>(2)</sup>.

### 72

**THE PERCENTAGE OF BIOLOGICS**  
among Sanofi's R&D projects in November 2014<sup>(3)</sup>.

### 34

**THE NUMBER OF COMPOUNDS**  
subject to a voluntary Environmental Risk Assessment by Sanofi. These compounds are selected for evaluation on the basis of several criteria, including their environmental fate and ecotoxicity.

(2) Biologic sales after nine months in 2014 were E11,625m and included insulins (Lantus®, Apidra®, Insuman®), Genzyme rare disease products, Lovenox®, Sanofi Pasteur vaccines, Meril vaccines, selected oncology products (Thymoglobulin®, Mozobil®, Zaltrap®), Lemtrada® and half of Sanofi Pasteur-MSD sales (non-consolidated).

(3) R&D projects in clinical development: 33 New Molecular Entities and vaccines out of a total of 46 in November 2014.



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**USING STATE-OF-THE-ART TECHNOLOGIES TO TREAT WASTEWATER DISCHARGE FROM OUR MANUFACTURING SITES**

Sanofi is committed to making its processes safer and more environmental friendly. Industrial effluents (wastewater) are treated either in the sites' wastewater treatment facilities and/or at municipal treatment stations in accordance with operating permits. The choice and performances of technologies for effluent treatments are adapted to site specific conditions. Specific additional treatments may be implemented either at the workshop level or at site discharge, when required and appropriate. The Group's manufacturing sites want to reach "the best practices."

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**RECOGNITION FOR OUR CHEMISTRY & BIOTECHNOLOGY DEVELOPMENT LABORATORY**

In 2014, the Sanofi Chemistry & Biotechnology Development Laboratory received NF EN ISO/CEI 17025 accreditation, positioning Sanofi as a major player in micropollutant monitoring. Located in Aramon, France, the facility is our internal reference laboratory for the analysis of effluents from industrial sites, giving our in-house specialists access to the latest technology to identify, monitor and quantify micropollutants in wastewater discharge. This official accreditation recognizes our high-quality quantification expertise as well as the excellence of our methods, processes and equipment as a support to our facilities.

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**CONTRIBUTING TO ADVANCING SCIENTIFIC RESEARCH**

As part of our commitment to advancing knowledge about the potential impact of Sanofi products, we have formed research partnerships with academia and working closely with pharmaceutical associations. We also share this knowledge with other stakeholders.

**Peres Center for Peace**

Water quality is especially important in areas where water is a precious, limited resource. For several years Sanofi has supported an Israeli-Palestinian research program run by the Peres Center for Peace, an NGO in Jaffa that brings together Israeli and Palestinian researchers and graduate students from the Technion Institute of Technology in Haifa and Al-Quds University near Jerusalem. The program evaluates different biological treatments, adsorption and membrane techniques to determine their effectiveness in removing APIs from wastewater, whether domestic or industrial. In 2014, results from the research program were written up in co-authored scientific publications. These efforts may contribute to improving the quality of drinking and irrigation water across the Middle East, an area of high water stress.

**MORE in our Download Center**

• [Pharmaceuticals in the environment factsheet](#)

**Collaboration with universities**

Sanofi has established research agreements with two renowned French universities and the French National Center for Scientific Research (CNRS). The work focused on oxidative technologies that could be used for wastewater treatment (Poitiers University) and the environmental impact of certain pharmaceuticals in coastal waters (Montpellier University), with a particular focus on bioaccumulation in mollusks, which are used in biomonitoring programs.

**Symposium in Montpellier, France**

Sanofi was an official partner of "Effervescence 2014," a scientific symposium at the University of Montpellier that focused on pharmaceuticals in the environment. The conference brought together representatives from government, research laboratories, industry but also healthcare professionals and other stakeholders to explore ways of sharing knowledge and informing public policy. Speakers presented research findings and identified future avenues of scientific research.

Over 200 people took part, giving impetus to future joint projects among academia, public institutions and economic players.



**Claude Casellas,**  
Professor of Environmental Health

"The symposium held in Montpellier in partnership with Sanofi and Veolia was organized to promote interaction and cooperation in support of a common goal: contributing to the sustainability of our resources through conferences involving scientists, managers, representatives of industry, healthcare professionals and concerned citizens. In this sense, the Montpellier event was an incubator of ideas for the entire sector: from the production of medicines to their proper use, without neglecting the question of managing the discharges. Workshops provided a forum for brainstorming about the proper use of medicines and future paths of research. Partnerships with industry helped each stakeholder take a position to address the issues and commit to sustainable solutions. Through lively debate and in-depth discussion, all participants were able to identify initiatives to implement, improve and pursue."

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**ENVIRONMENTAL RISK ASSESSMENTS**

Sanofi's commitment to preventing environmental risks is central to our CSR and HSE policies. Guided by our Ecoval committee of in-house experts, we have established a sound governance system for assessing the potential impact of our products on the environment. The committee also coordinates our Environmental Risk Assessments (ERA) in line with regulations for all new drugs in the United States, Europe and other countries. It also oversees the voluntary environmental studies of APIs used in Sanofi products already on the market.

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**THE PROPER USE OF MEDICINES**

Medicines are not ordinary consumer goods. At each link in the healthcare chain,

professionals, public authorities, patients and the public must be informed about the proper use of medicines, to ensure their safety and efficacy. Specialists in the field of pharmaceutical residues in the environment recommend an ongoing program of public education so that medicines are used properly and pharmaceutical waste is limited. The subject was widely discussed during the "Effervescence 2014" scientific symposium in Montpellier (see p. 92). In recent years, Sanofi has increased its initiatives to encourage the proper use of medicines, in particular by promoting information and education for healthcare professionals and patients.

- We cooperated with local stakeholders to train doctors, nurses and pharmacists in the PACA region of France (Provence-Alpes-Côte d'Azur) about the proper use of medicines. In 2014, more than 150 people were trained and the program is set to continue in 2015.

- A patient education program in Brittany, France, organized in cooperation with local healthcare professionals, enrolled more than 1,000 patients in 2014.

#### TAKE-BACK PROGRAMS FOR UNUSED MEDICINES

To protect local ecosystems, we support take-back programs that collect unused drugs from patients and inform consumers about their safe disposal. Sanofi has supported such programs in Belgium, Brazil, Colombia, Czech Republic, France, Japan, Mexico, Philippines, Portugal, Saudi Arabia, Spain, Taiwan, Turkey, North America and Venezuela.

#### The Punto Azul program continues in Colombia

The Punto Azul (Blue Point) program has set up collection points for unused medicines across 23 Colombian states, representing 47.9% of the country's population. This program, which is funded by manufacturers and importers of medicines, was created by the National Association of Colombian Enterprises (ANDI) in 2010 with 26 founding

members, including Sanofi and Genzyme, along with Genfar subsidiaries.

#### The largest contributor to France's take-back program

French patients are accustomed to returning unused medicines to their local pharmacies, which are required by law to collect unused and expired drugs. To safeguard the environment and protect consumer health, the Cyclamed program works with dispensing pharmacies, wholesalers, dispatchers and drug companies to oversee the safe elimination of unused tablets, capsules, syrups, ointments and other pharmaceutical dosage forms. The Cyclamed program only collects take-back products from households, which are put through a controlled disposal process through incineration with energy recovery. The nonprofit organization is financed entirely by drug manufacturers. As the largest pharmaceutical company in France, Sanofi makes the biggest financial contribution to the program—more than €1.25 million in 2014. Cyclamed collected a total of 14,730 tons of unused medicines in 2013.

#### MORE online

- [Cyclamed website](#)

Sanofi is also a major contributor to France's DASTRI program for the collection and safe disposal of "sharps" (needles, lancets, infusion sets, etc.) after use by individuals, primarily people with diabetes.

#### Sanofi launches Japan's first take-back scheme

In Japan, regulations to prevent the release of pharmaceuticals into the environment are still at the preparatory phase and take-back schemes are voluntary. Our affiliate took the lead by introducing the country's first program for unused and expired medicines in 2014, targeting members of the Sanofi Health Insurance Society. Employee households now return unused medicines by mail to our partner, Shiraishi Yakuhin K.K., which oversees their safe disposal. In its first year, the program reported a 60% participation rate among employees.

## Facts and figures

### TAKE-BACK PROGRAM FOR UNUSED MEDICINES: THE COLOMBIAN PUNTO AZUL PROGRAM IN 2014

**761** containers have been installed in pharmacies and supermarkets (2,272 since 2010)

Each container covers a population of

**30,000** HABITANTS

**150,799** KILOGRAMS of unused medicines collected (302,547 kg since 2010)

**1,385** PHARMACY CLERKS trained

**15,613** PEOPLE for pharmaceutical industry trained

#### MORE in our Download Center

- [Pharmaceuticals in the environment factsheet](#)
- [Sanofi position paper on biodiversity and biopiracy](#)
- [Implementation of REACH legislation factsheet](#)
- [Waste management factsheet](#)
- [Soil and groundwater protection factsheet](#)
- [HSE management system factsheet](#)
- [Green chemistry factsheet](#)
- [Human rights in our activities \(guide\)](#)

# PLANET

# ENERGY AND CARBON FOOTPRINT

At Sanofi, we have a responsibility to fight against climate change. Reducing our carbon footprint and using energy responsibly helps protect life on the planet and brings us closer to achieving our energy-focused goals.

## *Our Progress*

OBJECTIVES	2014 PROGRESS AND ACTIONS	STATUS
2010-2020: achieve a 20% reduction in the combined scope 1 and scope 2 CO <sub>2</sub> emissions for industrial R&D sites, and sales force vehicles	<p>Strategic partnerships with energy sector leaders. Renewable energy projects at our sites in India.</p> <p>New energy targets developed by North American Energy Team. Swiftwater gas pipeline used instead of oil. Recognition for Sanofi's energy management programs.</p> <p>Promotion of green buildings, sustainable building charter published.</p> <p>Decrease in emissions from the transport of medicines.</p> <p>Continued our vehicle policy, including the increase of eco-driving sessions. From 2010 to 2014, the fuel consumption by medical sales teams decreased by 22.3%.</p> <p>In 2014, our CO<sub>2</sub> emissions (scope 1 and scope 2) decreased by 15% compared to 2010.</p>	On track
2013: publish scope 3 emissions	<p>Published full scope 3 emissions, completed in 2014 on 2013 data.</p> <p>New tool for scope 3 emissions calculation based on recognized methodology and developed by an expert third party.</p>	On track
2014: adopt a sustainable building charter	Sustainable building charter published.	Completed

## *Our Approach*

Although the pharmaceutical industry as a whole is regarded as a minor contributor to greenhouse gas emissions, Sanofi is committed to reducing our carbon footprint and using energy responsibly. We seek to optimize our energy consumption and energy security for all our business activities.

Our responsible energy approach focuses on the three pillars of the energy/climate challenge, expressed as the E3 model: energy

usage, energy spending and emissions of greenhouse gases. The strategy we adopt is developed in close cooperation with Sanofi's HSE and procurement departments as well as energy management specialists from Industrial Affairs, R&D and other operational units.

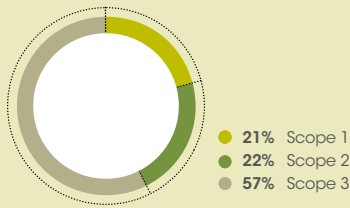
We require energy primarily for:

- The production of active ingredients;
- Formulation, filling and packaging of pharmaceuticals and vaccines;

- Heating and air conditioning for pharmaceutical plants;
- Transporting medicines;
- Business travel by sales representatives and other employees.

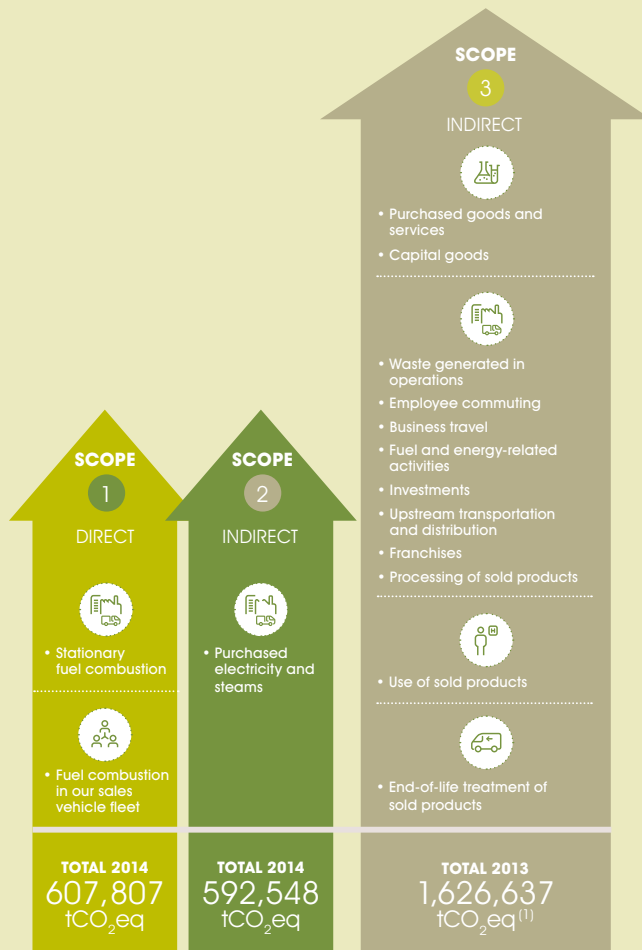
We consume ready-to-use sources of energy (petrol for cars, natural gas, etc.) as well as transformed purchased energy (electricity, steam, etc.).

CO<sub>2</sub> EMISSION DISTRIBUTION BY SCOPE



SOURCE OF OUR TOTAL GREENHOUSE GAS EMISSIONS

CO<sub>2</sub> • SF<sub>6</sub> • CH<sub>4</sub> • N<sub>2</sub>O • HFC<sub>s</sub> • PFC<sub>s</sub>



(1) Published full scope 3 emissions, completed in 2014 on 2013 data. New tool for scope 3 emissions calculation. Based on recognized methodology and developed by an expert "third party."

**MORE in our Download Center**

- [Energy and Carbon Footprint factsheet](#)
- [Protection of the atmosphere factsheet](#)
- [Waste management factsheet](#)

## Highlights

### GERMANY: NEW CENTRAL HEATING SYSTEM TO REDUCE OUR CARBON FOOTPRINT

Using renewable energies to reduce our carbon footprint is a key priority in Sanofi's energy optimization plan. At the R&D center in Kathrinenhof, Germany, Meril conducts clinical studies to support new product development. The center recently installed a new central heating system based on renewable energy. In 2014, four fuel oil burners and underground tanks were replaced with a wood-chip burner and a backup system. The new heating system brings many benefits:

- 93% annual decrease in CO<sub>2</sub> emissions (90 tons/year);
- annual savings of €20,000 (energy purchase price);
- a reliable backup system to ensure operational stability;
- less pollution and less risk for the environment;
- compliance with forthcoming German environmental specifications.

Employees are pleased about the positive impact for the environment and the fact that wood chips are supplied locally, with 10 to 15% potentially coming from woods near the site. Combined with the existing solar installation project, the new central heating system will bring the research center's renewable energy supply ratio to 71%, making it one of Sanofi's most innovative R&D facilities when it comes to energy management.

## ENERGY AND CARBON FOOTPRINT

### ITALY: A NEW CO-GENERATION UNIT AT ANAGNI

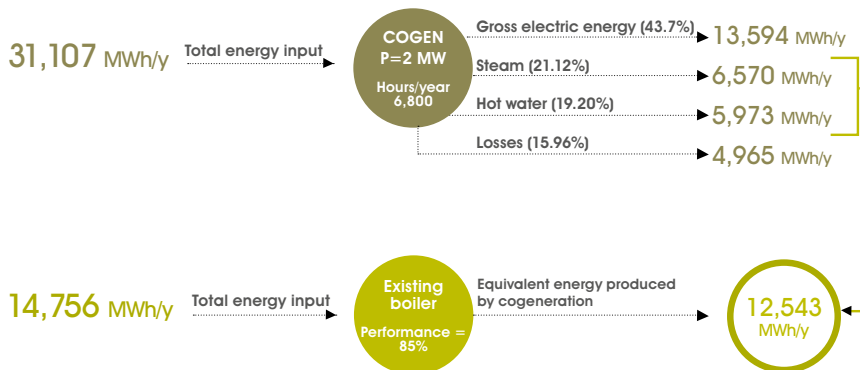
In June 2014, as part of our efforts to optimize energy consumption at Sanofi's industrial sites, we inaugurated a co-generation plant in Anagni, Italy. The new unit, which combines the production of electricity and thermal energy, was built in cooperation with Cofely GDF SUEZ. It is expected to meet 50% of the site's energy demands while lowering energy costs by 20% and significantly reducing CO<sub>2</sub> emissions. This type of project enhances Sanofi's competitiveness while also helping

us move closer to our environmental goals. Sanofi has six production sites in Italy and we are rolling out similar projects at factories in Brindisi, Scoppito and Origgio.

In 2012, Sanofi and Cofely GDF SUEZ formed a partnership for energy optimization projects at sites in Europe. This was subsequently expanded to include Latin America and North America for the period 2014-2017. Our collaboration aims to optimize costs and the use of energy resources while maintaining Sanofi's commitment to the environment and local communities.

#### CO-GENERATION PACKAGE AT ANAGNI SITE (ITALY)

IN OPERATION ► MAY 5, 2014



#### Main goals

- €1 million of utilities costs saving (20% total cost)
- 10% of CO<sub>2</sub> emissions reduction

#### Operating assumptions:

- 7 days/week x 24h in Winter
- 7 days/week x 16h in Summer/Spring/Autumn
- No running, in Winter and Summer shutdown

## Facts and figures

"Managing our energy consumption is part of the recipe for co-creating the future, as it enables us to increase our competitiveness and efficiency."



**Alessandro Casu,**  
Director of the Sanofi site in Anagni, Italy

"Reducing our carbon footprint and using energy responsibly are part of our mission to help protect life on this planet. We strongly support the use of renewable energies and hence initiated a study in 2012 to better understand the local renewable energy market in India, so as to identify available opportunities. We are very pleased to explore the use of wind energy."



**Dr. Shailesh Ayyangar,**  
Managing Director, India and Vice President, South Asia

**INDIA: WIND ENERGY FOR OUR PLANT IN ANKLESHWAR**

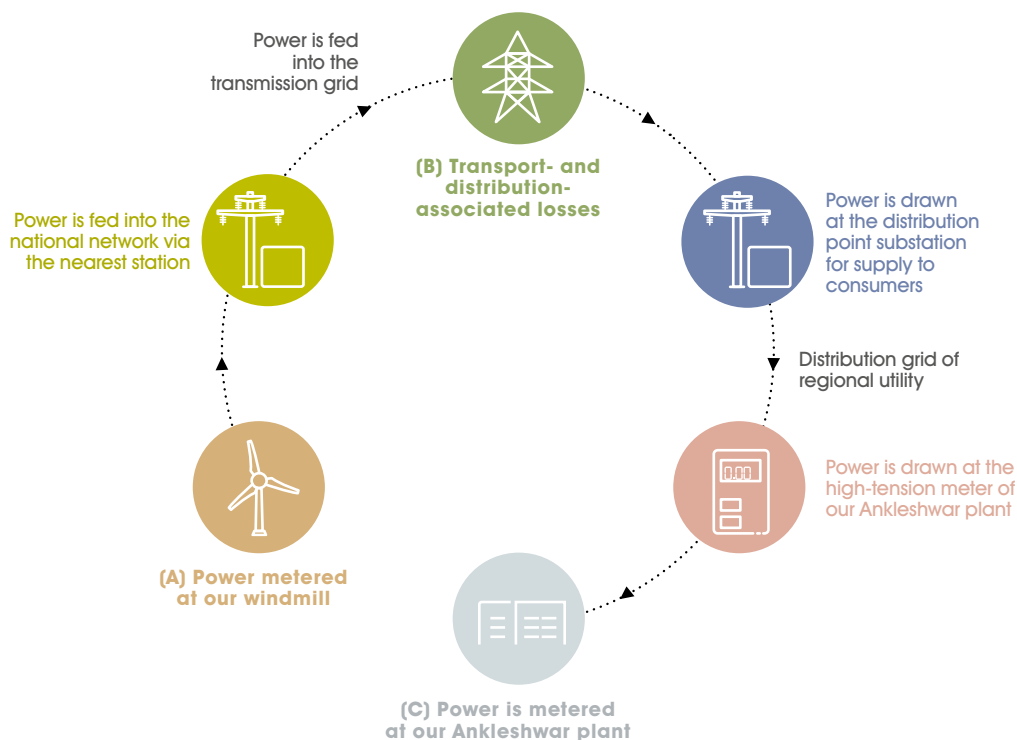
Wind energy is India's fastest growing renewable energy source today. In 2014, our site in Ankleshwar invested in a windmill to convert kinetic energy from the wind into electrical power, providing 30% of the site's annual production needs of some 14,000 MWh. Electricity is fed into the state transmission grid before being wheeled to the site. The 2.1 megawatt (MW) windmill, which measures 95 meters high with a rotor sweep diameter of 90 meters, is located near the sea,

about 600 kilometers from the site. Some key facts about the new windmill installation:

- 4,700 MWh of electricity generated per year (representing 30% of the site's needs);
- Reduction in CO<sub>2</sub> emissions: nearly 4,500 tons per year;
- Anticipated power generation worth €400,000 per year, with a payback period of six years.

**MORE in our Download Center**  
 • [Energy and carbon footprint factsheet](#)

**OUR ENERGY PROJECT AT ANKLESHWAR: WIND POWER CYCLE**

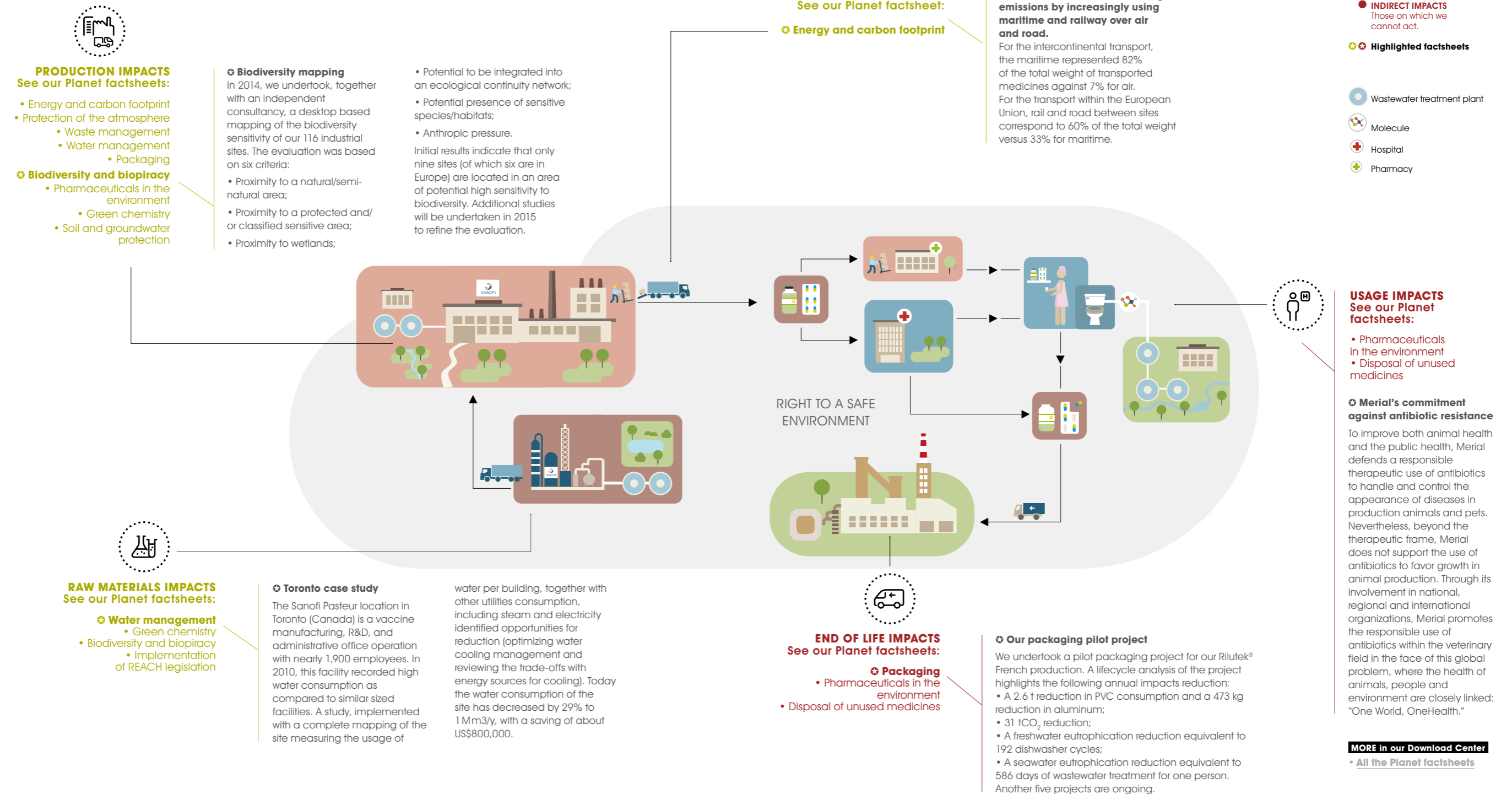


**CONSUMER RECEIVES OFF-SET MONTHLY BILLS**

Net bills = C - (A - B) units

# OVERVIEW OF OUR ENVIRONMENTAL IMPACT

At each step in the life cycle of a drug, we seek to reduce the direct and indirect impacts of our activities on the environment. Mapping biodiversity around our production sites, limiting CO<sub>2</sub> emissions, reducing packaging and encouraging the proper use of medicines by patients are just some of the ways we contribute to preserving the planet and its resources.



## RAW MATERIALS IMPACTS

See our Planet factsheets:

- Water management
  - Green chemistry
- Biodiversity and biopiracy
  - Implementation of REACH legislation

## Toronto case study

The Sanofi Pasteur location in Toronto (Canada) is a vaccine manufacturing, R&D, and administrative office operation with nearly 1,900 employees. In 2010, this facility recorded high water consumption as compared to similar sized facilities. A study, implemented with a complete mapping of the site measuring the usage of

water per building, together with other utilities consumption, including steam and electricity identified opportunities for reduction (optimizing water cooling management and reviewing the trade-offs with energy sources for cooling). Today the water consumption of the site has decreased by 29% to 1 Mm<sup>3</sup>/y, with a saving of about US\$800,000.

# PERFORMANCE

**OUR CSR**

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There is nothing abstract about Sanofi's commitment to Corporate Social Responsibility. It is a documented strategy, backed by hard metrics. We use a wide range of indicators to measure our performance on a continuous basis in our four CSR areas: patient, ethics, people and the planet.



# OUR INDICATORS

Definition	GRI 4	Reference Grenelle II (French law)	Unit	2012	2013	2014
<b>PATIENT</b>						
<b>Access to healthcare</b>						
<b>Total number of ongoing access to healthcare programs (worldwide)</b>	<b>G4-SO1,2</b>		<b>Number</b>	<b>232</b>	<b>261</b>	<b>303</b>
Estimated number of beneficiaries of above programs, which included:	G4-SO1,2		Number	277,287,355	177,274,753	190,013,914
- number of healthcare professionals trained	G4-SO1,2		Number	398,354	163,505	273,283
- number of individuals targeted by awareness campaigns	G4-SO1,2		Number	199,118,787	79,148,558	100,101,301
- number of patients receiving diagnosis, vaccination or treatment	G4-SO1,2		Number	77,770,214	97,963,690	89,639,330
<b>Innovation</b>						
<b>Research and Development (in our portfolio)</b>						
Number of new molecular entities (NME) and vaccines candidates in clinical development			Number	64	49	43
Number of NME projects or vaccines candidates that are in Phase III studies or have been submitted to the health authorities for potential marketing approval			Number	17	12	14
Approximate percentage of projects coming from collaborations and partnerships			%	48	50	50
<b>Product quality and safety</b>						
<b>Number of internal quality audits</b>			<b>Number</b>	<b>238</b>	<b>235</b>	<b>236*</b>
Rate of batches recalled for quality reasons (number of batches of commercial products recalled in a given year vs total number of batches of commercial products released in the same year)			%	-	-	< 0.1
<b>Fight against counterfeit drugs</b>						
Number of seizures			Number	3,750,000	10,100,000	9,600,000
Number of websites shut down			Number	18,000	13,700	11,800
Number of people arrested or under investigation			Number	80	213	434
Number of entries recorded by the Sanofi Central Anti-Counterfeit Laboratory in order to detect counterfeit products since 2008			Number	-	-	30,000
<b>Number of people Sanofi has trained about counterfeit drugs</b>			<b>Number</b>	<b>10,000</b>	<b>17,000</b>	<b>20,000</b>
- Number of employees			Number	4,000	9,000	12,700
- Public health agents, customs officials and police officers from around the world			Number	6,000	8,000	7,300

\* Indicators identified by an asterisk (\*) were the focus of an in-depth review by our Independent verifier, as part of their review of the present 2014 CSR report. Their report describing the work they performed as well as their comments and conclusions, is available at the end of this report.

## OUR INDICATORS

Definition	GRI 4	Reference Grenelle II (French law)	Unit	2012	2013	2014
<b>ETHICS</b>						
<b>Human rights</b>						
Employees trained to human right since 2010 [1]	G4-HR2	3.E	Number	76	84	104
<b>Supplier-related risks</b>						
<b>Number of suppliers accessed on their CSR performance</b>	<b>G4-EN32 G4-LA14 G4-HR10 G4-S09</b>	<b>3.C, 3.E</b>	<b>Number</b>	<b>185</b>	<b>188</b>	<b>123* [2]</b>
Number of assessed suppliers that met our CSR requirement	G4-EN32 G4-LA14 G4-S09 G4-HR10	3.C, 3.E	Number	129	103	56*
% of assessed suppliers that met our CSR requirement	G4-EN32 G4-LA14 G4-S09 G4-HR10	3.C, 3.E	%	70	55	46*
Number of buyers trained to the Responsible Procurement Platform	G4-HR2	3.C, 3.E	Number	0	106	120*
<b>Corruption</b>						
Total number of people trained through e-learning courses [3]	G4-SO4	3.D	Number	85,000	97,000 [3bis]	96,663 [3ter]
<b>Clinical trials</b>						
<b>Total number of clinical trials</b>			<b>Number</b>	<b>403</b>	<b>271</b>	<b>227 [9bis]</b>
by Sanofi Pharmaceutical and Genzyme			Number	268	200	171
by Sanofi Pasteur [4]			Number	135 [4 bis]	71	56
<b>Number of subjects enrolled</b>			<b>Number</b>	<b>54,822</b>	<b>62,022</b>	<b>62,627 [5]</b>
for Sanofi Pharma and Genzyme			Number	32,372	38,960	26,906 [5]
for Sanofi Pasteur [4]			Number	22,450	23,062	35,721

Definition	GRI 4	Reference Grenelle II (French law)	Unit	2012	2013	2014
<b>PEOPLE</b>						
<b>Workforce</b>						
<b>Employees under contract [6]</b> Employees under contract include all employees who have a contract with Sanofi, including interns and apprentices	<b>GA-10 G4-LA1</b>	<b>1.A</b>	<b>Number</b>	<b>111,974</b>	<b>112,128</b>	<b>113,496*</b>
Part time	G4-10/G4-LA1	1.B	Number	4,655	4,510	4,522
Temporary employees	G4-10/G4-LA1	1.B	Number	5,288	5,448	5,951
<b>Workforce by employment type</b>						
Permanent contract (PC)	G4-10/G4-LA1	1.B	%	91	90	89
Fixed-term contract (FTC)	G4-10/G4-LA1	1.B	%	9	10	11

[1] Cumulative 2009-2014.

[2] On December 31, 2014. The 2014 campaign is still ongoing and the final results will be available in 2015.

[3] Training to the Code of Ethics, which includes sections about corruption. Cumulative since 2011.

[3bis] Cumulative 2011-2013.

[3ter] Cumulative 2013-2014.

[4] Includes only trials where Sanofi Pasteur was the lead sponsor.

[4bis] Includes all trials where Sanofi Pasteur was involved and not necessarily the sponsor.

[5] Does not include Genzyme.

[6] The total number of employees contributing to business activity of Sanofi is 121,456 in 2014 including employees under contract, temporary employees, and third-party outside sales forces.

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Definition	GRI 4	Reference Grenelle II (French law)	Unit	2012	2013	2014
<b>Workforce by region</b>						
Europe	G4-10/G4-LA1	1.A	%	50	48	47
France	G4-10/G4-LA1	1.A	%	25	25	24
North America	G4-10/G4-LA1	1.A	%	17	17	16
Other countries	G4-10/G4-LA1	1.A	%	33	35	37
<b>Workforce by function</b>						
Sales force	G4-10/G4-LA1		%	29	30	30
R&D	G4-10/G4-LA1		%	15	15	14
Production	G4-10/G4-LA1		%	40	39	39
Marketing and support functions	G4-10/G4-LA1		%	16	16	17
<b>Workforce by activity</b>						
Pharmaceuticals	G4-10/G4-LA1		%	83	82.8	82.3
Vaccines	G4-10/G4-LA1		%	12	11.6	12.3
Animal health	G4-10/G4-LA1		%	5	5.6	5.4
<b>New hires/departures</b>						
Total number of hires	G4-10/G4-LA1	1.A	Number	11,874	13,145	15,915*
Total number of departures	G4-10/G4-LA1	1.A	Number	12,947	14,191	14,769*
Resignations	G4-10/G4-LA1	1.A	%	27	40	41
Terminations	G4-10/G4-LA1	1.A	%	31	26	30
End of fixed-term contracts	G4-10/G4-LA1	1.A	%	27	17	19
Retirement	G4-10/G4-LA1	1.A	%	8	5	5
<b>Training</b>						
<b>Total number of hours of training in the 5 countries which account for 59% of Group employees [7]</b>						
<b>Total number of hours of training, Germany</b>	<b>G4-LA9</b>		<b>Number</b>	<b>N/A</b>	<b>N/A</b>	<b>321,327*</b>
Percentage of employees receiving at least one session of training during the year, Germany	G4-LA9		%	N/A	N/A	78
<b>Total number of hours of training, Brazil</b>	<b>G4-LA9</b>		<b>Number</b>	<b>N/A</b>	<b>N/A</b>	<b>132,930*</b>
Percentage of employees receiving at least one session of training during the year, Brazil	G4-LA9		%	N/A	N/A	87
<b>Total number of hours of training, China</b>	<b>G4-LA9</b>		<b>Number</b>	<b>N/A</b>	<b>N/A</b>	<b>258,195</b>
Percentage of employees receiving at least one session of training during the year, China	G4-LA9		%	N/A	N/A	79
<b>Total number of hours of training, United States</b>	<b>G4-LA9</b>		<b>Number</b>	<b>N/A</b>	<b>N/A</b>	<b>125,700</b>
Percentage of employees receiving at least one session of training during the year, United States	G4-LA9		%	N/A	N/A	78
<b>Total number of hours of training, France</b>	<b>G4-LA9</b>		<b>Number</b>	<b>670,862</b>	<b>591,931</b>	<b>423,130*</b>
Percentage of employees receiving at least one session of training during the year, France	G4-LA9		%	86	82	74
Number of people trained, France	G4-LA9		Number	24,146	22,540	19,962
Average hours of training per year per trained employee, France	G4-LA9	1.E	Hours	27.8	26.3	21.2
<b>Specialized training by type</b>						
Total number of hours of HSE Training [8]	G4-LA10	1.E	Hours	430,000	306,000	362,000
Total number of hours of Road Safety Training	G4-LA10	1.E	Hours	42,750	37,091	42,000
<b>Engagement survey response rate [9]</b>			<b>%</b>	<b>80</b>	<b>85</b>	<b>86*</b>

[7] These data take into account entities of Sanofi in the five following countries (Brazil, China, France, Germany, United States). For more information see the Document de Référence 2014, page 355.

[8] Estimated figures.

[9] 52,000 employees invited to participate in the survey in 2014.

\* Indicators identified by an asterisk (\*) were the focus of an in-depth review by our Independent verifier, as part of their review of the present 2014 CSR report. Their report describing the work they performed as well as their comments and conclusions, is available at the end of this report.

## OUR INDICATORS

Definition	GRI 4	Reference Grenelle II (French law)	Unit	2012	2013	2014
<b>Absenteeism</b>						
<b>Number of days absent, France [10]</b>	<b>G4-LA6</b>	<b>1.B</b>	<b>Number</b>	<b>290,124</b>	<b>278,969</b>	<b>255,029*</b>
Illness (France)	G4-LA6	1.B	Number	215,108	214,777	197,917
Occupational and commute-related injuries (France)	G4-LA6	1.B	Number	9,400	10,368	10,213
Maternity and/or paternity (France)	G4-LA6	1.B	Number	65,616	53,824	46,899
<b>Number of days absent, Germany [10]</b>	<b>G4-LA6</b>	<b>1.B</b>	<b>Number</b>	<b>N/A</b>	<b>N/A</b>	<b>89,157*</b>
Illness (Germany)	G4-LA6	1.B	Number	N/A	N/A	81,024
Occupational and commute-related injuries (Germany)	G4-LA6	1.B	Number	N/A	N/A	678
Maternity and/or paternity (Germany)	G4-LA6	1.B	Number	N/A	N/A	7,455
<b>Number of days absent, Brazil [10]</b>	<b>G4-LA6</b>	<b>1.B</b>	<b>Number</b>	<b>N/A</b>	<b>N/A</b>	<b>34,904*</b>
Illness (Brazil)	G4-LA6	1.B	Number	N/A	N/A	21,935
Occupational and commute-related injuries (Brazil)	G4-LA6	1.B	Number	N/A	N/A	729
Maternity and/or paternity (Brazil)	G4-LA6	1.B	Number	N/A	N/A	12,240
<b>Number of days absent, China [10]</b>	<b>G4-LA6</b>	<b>1.B</b>	<b>Number</b>	<b>N/A</b>	<b>N/A</b>	<b>39,536</b>
Illness (China)	G4-LA6	1.B	Number	N/A	N/A	8,767
Occupational and commute-related injuries (China)	G4-LA6	1.B	Number	N/A	N/A	151
Maternity and/or paternity (China)	G4-LA6	1.B	Number	N/A	N/A	30,618
<b>Number of days absent, United States [10]</b>	<b>G4-LA6</b>	<b>1.B</b>	<b>Number</b>	<b>N/A</b>	<b>N/A</b>	<b>36,523</b>
Illness (United States)	G4-LA6	1.B	Number	N/A	N/A	32,433
Occupational and commute-related injuries (United States)	G4-LA6	1.B	Number	N/A	N/A	269
Maternity and/or paternity (United States)	G4-LA6	1.B	Number	N/A	N/A	3,821
<b>Occupational health-safety</b>						
<b>Lost time injury frequency rate [11] (LTI-FR)</b>						
LTI-FR worldwide	G4-LA6	1.D	Number	1.8	1.6	1.9*
LTI-FR France	G4-LA6	1.D	Number	3.0	2.9	4.2
LTI-FR for temporary employees [12]	G4-LA6	1.D	Number	1.9	1.1	1.6
LTI-FR for independent contractors [13]	G4-LA6	1.D	Number	2.3	2.8	3.0
<b>LTI -FR by function</b>						
Research and Development	G4-LA6	1.D	Number	1.3	1.1	1.7
Industrial Affairs	G4-LA6	1.D	Number	1.3	1.4	1.9
Global Operations	G4-LA6	1.D	Number	2.1	1.6	1.6
Vaccines	G4-LA6	1.D	Number	1.7	2.1	3.2
Support functions	G4-LA6	1.D	Number	1.5	0.7	0.7
Genzyme	G4-LA6	1.D	Number	3.0	1.4	1.3
Meril	G4-LA6	1.D	Number	2.3	2.2	3.1

[10] Days of absence correspond to the length of absences, expressed as a number of business days, recorded by each human resources system in five major countries (France, Germany, the United States, Brazil and China) in accordance with local regulations. The length of absence beyond which employees are considered "inactive" instead of "absent" thus varies from one country to the next. The scope of this indicator includes actively working permanent employees but excludes temporary staff, interns, apprentices, summer job staff and inactive employees. Absenteeism data do not include absences authorized by the company: paid leave, holidays, unpaid leave, parental leave, sabbatical leave, business creation leave, leave for family-related responsibilities and unworked notice periods.

For more information see the Document de Référence 2014, page 350.

[11] The lost time injury frequency rate (LTI-FR) is defined as the number of incidents resulting in lost time of one day or more within a 12-month period, per million hours worked. For non-mobile personnel, accidents occurring during the home-workplace commute are not included in this indicator. However, they are included for medical sales representatives in accordance with the reporting rules. Frequency rates of previous years have been adjusted in 2013 based on the following factors: eliminating injuries dismissed by regulatory authorities, including injuries reported late, and changes in the scope of reporting.

[12] The LTI-FR for temporary employees is not consolidated in Sanofi total LTI-FR.

[13] These data are consolidated for all Group functions.

\* Indicators identified by an asterisk (\*) were the focus of an in-depth review by our Independent verifier, as part of their review of the present 2014 CSR report. Their report describing the work they performed as well as their comments and conclusions, is available at the end of this report.

Definition	GRI 4	Reference Grenelle II (French law)	Unit	2012	2013	2014
<b>Motor vehicle accidents (MVA)</b>						
Number of MVA	G4-LA6	1.D	Number	5,636	4,931	4,119
Total number of medical sales representatives vehicles	G4-LA6	1.D	Number	24,847	24,266	24,052
- including total number of motorcycles	G4-LA6	1.D	Number	3,259	3,837	3,991
Motor vehicle accidents (MVA) rate	G4-LA6	1.D	%	22.7	20.3	17.1
Motor vehicle-related LTI-FR	G4-LA6	1.D	Number	1.7	1.2	1.0
Fatalities	G4-LA6	1.D	Number	0	0	1
<b>Total occupational diseases recognized [14]</b>						
<b>Occupational diseases recognized by type</b>	G4-LA6	1.D	Number	74	44	38
<b>Total by chemical agent</b>	<b>G4-LA6</b>	<b>1.D</b>	<b>Number</b>	<b>2</b>	<b>5</b>	<b>0</b>
- respiratory disease	G4-LA6	1.D	Number	2	1	0
- skin disease	G4-LA6	1.D	Number	0	1	0
- cancer or malignant blood disease	G4-LA6	1.D	Number	0	3	0
- other illnesses caused by chemical agents	G4-LA6	1.D	Number	0	0	0
<b>Total by physical agent</b>	<b>G4-LA6</b>	<b>1.D</b>	<b>Number</b>	<b>70</b>	<b>39</b>	<b>35</b>
- upper limb disorder [15]	G4-LA6	1.D	Number	64	34	35
- neck, back, lower limb disorder [15]	G4-LA6	1.D	Number	6	4	0
- ear disorder	G4-LA6	1.D	Number	0	1	0
- other diseases caused by a physical agent	G4-LA6	1.D	Number	0	0	0
<b>Disease caused by a biological agent</b>	<b>G4-LA6</b>	<b>1.D</b>	<b>Number</b>	<b>1</b>	<b>0</b>	<b>3</b>
<b>Others</b>	G4-LA6	1.D	Number	0	0	0
- nervous breakdown	G4-LA6	1.D	Number	1	0	0
- anxiety disorder	G4-LA6	1.D	Number	0	0	0
<b>Social dialogue</b>						
<b>Percentage of employees covered by collective bargaining agreements [16]</b>						
Germany	G4-11	1.C	%	N/A	N/A	62
Brazil	G4-11	1.C	%	N/A	N/A	100
China	G4-11	1.C	%	N/A	N/A	10
France	G4-11	1.C	%	N/A	N/A	100
<b>Diversity</b>						
<b>Proportion of female employees in the total workforce</b>	<b>G4-LA12</b>	<b>1.A</b>	<b>%</b>	<b>45</b>	<b>45</b>	<b>45</b>
People Managers [17]	G4-LA12		%	39	39	40
<b>Global key positions [18]</b>	<b>G4-LA12</b>		<b>%</b>	<b>N/A</b>	<b>24</b>	<b>27*</b>
Senior Leadership Team	G4-LA12		%	N/A	13	13
Executive Committee	G4-LA12		%	11	17	18
Board of Directors	G4-LA12		%	20	25	33

[14] Occupational diseases presented here refer to recognized cases by regulatory authorities each year. The 2012 and 2013 figures were updated according to the files received after December 31.

[15] Musculoskeletal disorders.

[16] Collective bargaining agreements include those signed by the organization itself or by employer organizations of which it is a member. For more information, see the *Document de Référence 2014*, page 351.

[17] The definition of the term "manager" corresponds to every person who have one or more direct reports.

[18] The global key positions are defined as senior level executive and management positions, identified as critical to the continuity of the business and workforce planning needs, from a global activity perspective. They are identified by global activity leaders and their business HRs.

\* Indicators identified by an asterisk (\*) were the focus of an in-depth review by our independent verifier, as part of their review of the present 2014 CSR report. Their report describing the work they performed as well as their comments and conclusions, is available at the end of this report.

## OUR INDICATORS

Definition	GRI 4	Reference Grenelle II (French law)	Unit	2012	2013	2014
<b>Workforce by age</b>						
Less than 21 years	G4-LA12	1.A	%	0.3	0.3	0.3
21 to 30 years	G4-LA12	1.A	%	18.0	18.1	18.8
31 to 40 years	G4-LA12	1.A	%	33.6	33.1	32.6
41 to 50 years	G4-LA12	1.A	%	30.1	30.1	29.8
51 to 60 years	G4-LA12	1.A	%	16.3	16.8	16.8
Over 60 years	G4-LA12	1.A	%	1.6	1.7	1.7
<b>Distribution of employees under contract worldwide based on seniority</b>						
> 35 years of seniority	G4-LA12		%	1.6	1.5	1.3
31 to 35 years	G4-LA12		%	2.8	3.0	2.9
26 to 30 years	G4-LA12		%	4.7	4.4	4.4
21 to 25 years	G4-LA12		%	7.5	7.9	7.4
16 to 20 years	G4-LA12		%	8.7	8.6	8.8
11 to 15 years	G4-LA12		%	14.5	15.1	14.6
6 to 10 years	G4-LA12		%	21.5	21.6	21.3
1 to 5 years	G4-LA12		%	28.5	27.9	27.0
< 1 year	G4-LA12		%	10.3	10.1	12.2
<b>Employees with disabilities in the workforce</b>	<b>G4-LA12</b>		<b>Number</b>	<b>1,901</b>	<b>2,058</b>	<b>2,038</b>

Definition	GRI 4	Reference Grenelle II (French law)	Unit	2012	2013	2014
<b>PLANET</b>						
<b>Materials</b>						
Solvents used	G4-EN1	2.C	Tons	179,179	169,234	163,595
- including % regenerated	G4-EN2	2.B, 2.C	%	59	60	64
<b>Energy</b>						
<b>Total energy consumption [19]</b>	<b>G4-EN3</b>	<b>2.C</b>	<b>GJ</b>	<b>18,234,767</b>	<b>17,653,077</b>	<b>16,881,188*</b>
- Natural gas/liquefied petroleum gas	G4-EN3	2.C	GJ	8,804,604	8,639,273	8,500,871
- Electricity	G4-EN3	2.C	GJ	6,955,367	6,906,563	6,755,080
- liquid hydrocarbon (fuel) excluding car fleet	G4-EN3	2.C	GJ	859,690	465,531	225,396
- Coal	G4-EN3	2.C	GJ	66,202	58,018	64,476
- Other (steam, thermal fluids, etc.)	G4-EN3	2.C	GJ	1,541,673	1,565,455	1,321,762
- Renewable Fuels [20]		2.C	GJ	7,231	18,237	13,594
<b>Total fuel consumption from medical sales fleet vehicles</b>	<b>G4-EN3</b>	<b>2.C</b>	<b>GJ HHV</b>	<b>2,213,797</b>	<b>2,200,978</b>	<b>2,253,489</b>
- Total number of medical sales representatives vehicles including motorcycles	G4-EN3	2.C	Number	24,374	25,309	24,877
- Distance traveled	G4-EN3	2.C	Km	743,676,031	744,306,479	747,154,757
- Normalized consumption	G4-EN3	2.C	Liters per 100 km	8.1	8.1	8.2

[19] These figures do not include energy used by cars.

[20] Renewable fuels are only relevant for biomass, hydrogen, and other renewable fuels purchased and burnt on-site.

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Definition	GRI 4	Reference Grenelle II (French law)	Unit	2012	2013	2014
<b>Water</b>						
<b>Total water consumption</b>	<b>G4-EN8</b>	<b>2.C</b>	<b>m<sup>3</sup></b>	<b>48,121,297</b>	<b>45,979,062</b>	<b>44,503,055*</b>
- Surface water	G4-EN8	2.C	m <sup>3</sup>	16,894,967	16,037,989	14,276,503
- Well water	G4-EN8	2.C	m <sup>3</sup>	22,064,441	21,049,842	21,239,080
- City water	G4-EN8	2.C	m <sup>3</sup>	9,161,889	8,891,231	8,987,472
<b>Percentage reduction (baseline year: 2010)</b>	<b>G4-EN8</b>	<b>2.C</b>	<b>%</b>	<b>-13.6</b>	<b>-17.4</b>	<b>-20.1</b>
<b>Percentage of water consumed by sites located in water scarcity and water stress areas</b>	<b>G4-EN9</b>	<b>2.C</b>	<b>%</b>	<b>65</b>	<b>73</b>	<b>79*</b>
<b>Biodiversity</b>						
Plants and animals appearing on the CITES lists	G4-EN14	2.E	%	N/A	Based on available information to date, no vegetal or animal listed in the CITES lists (appendix I, II and III) are used in our production	Based on available information to date, no vegetal or animal listed in the CITES lists (appendix I, II and III) are used in our production
<b>CO<sub>2</sub> emissions</b>						
- Fossil fuel (direct CO <sub>2</sub> )	G4-EN15	2.D	tCO <sub>2</sub> eq	512,603	482,972	458,848*
- Production of electricity and steam (indirect CO <sub>2</sub> )	G4-EN16	2.D	tCO <sub>2</sub> eq	622,457	606,469	592,548
- Medical sales fleet vehicles (estimated)	G4-EN15	2.D	tCO <sub>2</sub> eq	145,984	145,788	148,959*
<b>Percentage of the Group vehicles compliant with the 120g CO<sub>2</sub>/km maximum defined by Sanofi [21]</b>	<b>G4-EN16</b>	<b>2.D</b>	<b>%</b>	<b>24.60</b>	<b>46.00</b>	<b>50.24</b>
<b>Transporting medicines</b>						
CO <sub>2</sub> emission related to the transport and distribution of medicines	G4-EN30 G4-EN16	2.D	tCO <sub>2</sub> eq	60,313	59,701	54,992
CO <sub>2</sub> emitted by pallet transported	G4-EN18 G4-EN16	2.D	kg of CO <sub>2</sub> per transported pallet	104	99	88
<b>Scope 3 CO<sub>2</sub> emissions (estimate)</b>						
- 1 Purchased goods and services (limited to solvents and packaging materials) [22]	G4-EN4 G4-EN27		tCO <sub>2</sub> eq	348,680	460,000	N/A
- 2 Capital goods [22]	G4-EN4 G4-EN27		tCO <sub>2</sub> eq	N/A	300,000	N/A
- 3 Fuel and energy related activities [22]	G4-EN4 G4-EN27		tCO <sub>2</sub> eq	122,253	140,000	N/A
- 4 Upstream transportation and distribution (including transport of medicines) [22] [23]	G4-EN4 G4-EN27		tCO <sub>2</sub> eq	N/A	210,000	N/A
- 5 Waste generated by operations [22]	G4-EN4 G4-EN27		tCO <sub>2</sub> eq	254,343	170,000	N/A
- 6 Business travel [22]	G4-EN4 G4-EN27		tCO <sub>2</sub> eq	N/A	99,000	N/A
- 7 Employee commuting [22]	G4-EN4 G4-EN27		tCO <sub>2</sub> eq	N/A	70,000	N/A
- 8 Upstream leased assets [22]	G4-EN4 G4-EN27		tCO <sub>2</sub> eq	N/A	N/A	N/A

[21] This figure has been adjusted to include two-wheelers.

[22] Published full scope 3 emissions, completed in 2014 on 2013 data. New tool for scope 3 emissions calculation based on recognized methodology and developed by an expert third party.

[23] This figure does not include Genzyme, Meril and administrative buildings.

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## OUR INDICATORS

Definition	GRI 4	Reference Grenelle II (French law)	Unit	2012	2013	2014
- 9 Downstream transportation and distribution [22]	G4-EN4 G4-EN27		tCO <sub>2</sub> eq	N/A	N/A	N/A
- 10 Processing of sold products [22]	G4-EN4 G4-EN27		tCO <sub>2</sub> eq	N/A	51,000	N/A
- 11 Use of sold products (limited to packaging materials) [22]	G4-EN4 G4-EN27		tCO <sub>2</sub> eq	6,311	6,300	N/A
- 12 End of life treatment of sold products [22]	G4-EN4 G4-EN27		tCO <sub>2</sub> eq	109,408	100,000	N/A
- 13 Downstream leased assets [22]	G4-EN4 G4-EN27		tCO <sub>2</sub> eq	N/A	N/A	N/A
- 14 Franchises [22]	G4-EN4 G4-EN27		tCO <sub>2</sub> eq	N/A	8,600	N/A
- 15 Investments [22]	G4-EN4 G4-EN27		tCO <sub>2</sub> eq	N/A	N/A	N/A
<b>Emission to air</b>						
- VOC emission	G4-EN21	2.B	Tons	2,575	2,801	2,900*
- NOx emission	G4-EN21	2.B	Tons	416	343	301*
- SOx emission	G4-EN21	2.B	Tons	277	249	265*
- ODS emissions	G4-EN20	2.B	TCFC-11 eq	<1	<1	<1
<b>Emission to water</b>						
Waste water discharge						
- Chemical oxygen demand (COD)	G4-EN22	2.B	Tons	3,109	2,580	2,902*
- Total suspended solids (TSS)	G4-EN22	2.B	Tons	761	511	712
- Nitrogen	G4-EN22	2.B	Tons	352	285	218
<b>Product impact assessment</b>						
Percentage of chemical sites manufacturing active ingredients for which effluents have been reviewed against a list of 30 chemicals that was defined based on environmental hazard criteria	G4-EN26		%	30	75	75*
Percentage of APIs for which a target value has been defined	G4-EN26		%	N/A	23	44*
Number of molecules assessed voluntarily	G4-EN26		Number	26	26	34*
<b>Waste</b>						
<b>Total hazardous waste</b>	<b>G4-EN23</b>	<b>2.B</b>	<b>Tons</b>	<b>148,356</b>	<b>134,100</b>	<b>140,932*</b>
Recycled	G4-EN23	2.B	Tons	30,241	34,437	32,305
- Incinerated (with thermal recovery)	G4-EN23	2.B	Tons	49,364	39,758	35,538
- Incinerated (without thermal recovery)	G4-EN23	2.B	Tons	65,718	57,420	70,106
- Sent to authorized landfill	G4-EN23	2.B	Tons	3,033	2,485	2,983
<b>Total non-hazardous waste</b>	<b>G4-EN23</b>	<b>2.B</b>	<b>Tons</b>	<b>104,048</b>	<b>108,344</b>	<b>117,255</b>
Recycled	G4-EN23	2.B	Tons	65,067	68,970	78,830
- incinerated (with thermal recovery)	G4-EN23	2.B	Tons	16,599	17,997	16,476
- incinerated (without thermal recovery)	G4-EN23	2.B	Tons	4,327	2,100	1,908
- sent to authorized landfill	G4-EN23	2.B	Tons	18,055	19,277	20,041
<b>Expenditure/investment</b>						
<b>Total remediation cost</b>	<b>G4-EN31</b>	<b>2.A</b>	<b>Euros</b>	<b>45,000,000</b>	<b>52,000,000</b>	<b>58,000,000</b>
Provisions for environmental risks and remediation	G4-EN31	2.A	Euros	728,000,000	698,000,000	697,000,000

[22] Published full scope 3 emissions, completed in 2014 on 2013 data. New tool for scope 3 emissions calculation based on recognized methodology and developed by an expert third party.

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## Definitions of regions of quality inspections and audits

**Europe:** Aland Islands, Albania, Andorra, Armenia, Austria, Azerbaijan, Belarus, Belgium, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Faroe Islands, Finland, France, Georgia, Germany, Gibraltar, Greece, Greenland, Hungary, Iceland, Ireland, Isle of Man, Italy, Jersey, Latvia, Liechtenstein, Lithuania, Luxembourg, Macedonia, Malta, Moldova, Monaco, Montenegro, Netherlands, Norway, Poland, Portugal, Romania, Russian Federation, San Marino, Scotland, Serbia, Slovakia, Slovenia, Spain, Svalbard and Jan Mayen, Sweden, Switzerland, Turkey, Ukraine, United Kingdom

**Latin America:** Anguilla, Antigua and Barbuda, Argentina, Aruba, Bahamas, Barbados, Belize, Bermuda, Bolivia, Brazil, Cayman Islands, Chile, Colombia, Costa Rica, Cuba, Curaçao, Dominica, Dominican Republic, Ecuador, El Salvador, Falkland Islands, French Guiana, Grenada, Guadeloupe, Guatemala, Guyana, Haiti, Honduras, Jamaica, Martinique, Mexico, Montserrat, Nicaragua, Panama, Paraguay, Peru, Puerto Rico, Saint-Barthélemy, Saint Kitts and Nevis, Saint Lucia, Saint Martin, Saint Vincent and the Grenadines, South Georgia and the South Sandwich Islands, Suriname, Trinidad and Tobago, Turks and Caicos Islands, Uruguay, Venezuela, Virgin Islands

**North America:** Canada, Saint-Pierre and Miquelon, United States

**Asia Pacific-Japan:** Afghanistan, American Samoa, Antarctica, Australia, Bangladesh, Bhutan, British Indian Ocean Territory, Brunei Darussalam, Cambodia, China, Christmas Island, Cocos (Keeling) Islands, Cook Islands, Fiji, French Polynesia, Guam, India, Indonesia, Japan, Kazakhstan, Kiribati, Korea (North), Korea (South), Kuwait, Kyrgyzstan, Laos, Macao, Malaysia, Maldives, Marshall Islands, Micronesia, Mongolia, Myanmar, Nauru, Nepal, New Caledonia, New Zealand, Niue, Norfolk Island, Northern Mariana Islands, Pakistan, Palau, Papua New Guinea, Philippines, Pitcairn, Samoa, Singapore, Solomon Islands, Sri Lanka, Tajikistan, Thailand, Timor-Leste, Tokelau, Tonga, Turkmenistan, Tuvalu, United States Minor Outlying Islands, Uzbekistan, Vanuatu, Vietnam, Wallis and Futuna

**Africa-Middle East:** Algeria, Angola, Bahrain, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Cape Verde, Central African Republic, Chad, Comoros, Congo, Côte d'Ivoire, Djibouti, Egypt, Equatorial Guinea, Eritrea, Ethiopia, Gabon, Gambia, Ghana, Guinea, Guinea-Bissau, Iran, Iraq, Israel, Jordan, Kenya, Lebanon, Lesotho, Liberia, Libya, Madagascar, Malawi, Mali, Mauritania, Mauritius, Mayotte, Morocco, Mozambique, Namibia, Niger, Nigeria, Oman, Qatar, Réunion, Rwanda, Saint Helena, São Tome and Príncipe, Saudi Arabia, Senegal, Seychelles, Sierra Leone, Somalia, South Africa, South Sudan, Swaziland, Syria, Tanzania, Togo, Tunisia, Uganda, United Arab Emirates, Western Sahara, Yemen, Zambia, Zimbabwe

## Definition of procurement regions

**North America:** Canada, Puerto Rico and USA

**Asia Pacific:** China, Taiwan, Hongkong, Bangladesh, Pakistan, India, Japan, Australia, New Zealand, Korea, Thailand, Indonesia, Philippines, Malaysia, Singapore, Vietnam, and Cambodia

**Latin America:** Brazil, Mexico, Venezuela, Argentina, Paraguay, Uruguay, Chile, Colombia, Equator, Peru, Guatemala, and Dominican Republic

**Africa:** Algeria, Egypt, Morocco, Senegal, South Africa, Tunisia, Nigeria, and Cameroon

**Western Europe:** Italy, France, Spain, Portugal, Bosnia, Croatia, Serbia, Slovenia, Malta, Greece, Cyprus, Germany, Austria, Switzerland, Belgium, Netherlands, UK, Ireland, Iceland, Latvia, Lithuania, Norway, Sweden, Denmark, Estonia, and Finland

**Eastern Europe:** Czech Republic, Slovakia, Bulgaria, Hungary, Romania, Poland, Belarus, Ukraine, Kazakhstan, Iran, Israel, Lebanon, Saudi Arabia, and UAE

# REPORTING METHODOLOGY

## How corporate social responsibility information is reported: methodological note

### SCOPE OF CONSOLIDATION

#### Unless otherwise specified:

- HR data are consolidated for all Group companies worldwide that are fully consolidated, regardless of their activity (industrial or research sites, commercial affiliates or administrative headquarters);
- At the end of 2014, health and safety data (occupational accidents and injuries) covered the same scope; and
- Environmental data (including spending and investments) are consolidated for all industrial and research sites. Environmental impact measured as CO<sub>2</sub> emissions from all company vehicles includes all pharmaceutical operations affiliates. The environmental impact of administrative headquarters locations is not included within this scope.

### CHANGES IN SCOPE

Within the Group, changes in scope (new sites, site closings, transfers of activity) between 2013 and 2014 were analyzed according to predefined rules in order to assess Group performance on a scope that is comparable from one period to the next.

### REPORTING GUIDELINES

In order to ensure the uniformity and reliability of indicators used for all entities, the Group has implemented standard reporting guidelines covering social factors as well as safety and environmental factors. These documents specify the methodologies to be used for indicator reporting across the entire Group: definitions, methodological principles, calculation formulas and emission factors. In addition, Sanofi has adopted standard data collection tools:

- Social data: As of 2014, Convergence (global HR data platform of Sanofi) covers almost all of workforce of Sanofi (97%). The platform was launched in 2011 to facilitate personnel management and process implementation, and to provide managers and employees with access to a wide array of HR information and tools. The Convergence data quality controls that were bolstered in 2013 were continued at the global level and within Group entities in 2014;
- Safety data: The MSRS system was used to collect and consolidate safety data for entire scope of Sanofi in 2014; and
- Environmental data: The GREEN tool was used to consolidate all 2014 Sanofi data contained in the report. This tool and guidelines are updated and improved on a regular basis. In particular, the Group carried out a hard close in 2014 for energy, greenhouse gas and water indicators, leading to estimations of data for the last quarter of 2014 by applying real data from the last quarter of 2013.

## OUR INDICATORS

### ADDITIONAL INFORMATION AND METHODOLOGICAL LIMITS

The methodological principles for certain HSE and labor indicators may have limits due to:

The absence of definitions recognized on a national and/or international level, in particular concerning the different types of employment contracts;

The necessary estimates and the representative nature of the measurements taken, or the limited availability of external data required for calculations; or the practical methods used for data collection and entry.

As a result, we make every effort to list the definitions and methodology used for the following indicators and, where appropriate, the confidence limits involved.

### SAFETY INDICATORS

#### Occupational injury with lost time frequency rate

The frequency rate of occupational lost time injuries is defined as the number of accidents resulting in lost time of one day or more within a 12-month period, per million hours worked.

For non-mobile personnel, accidents occurring during the home-workplace commute are not included in this indicator. However, they are included for medical sales representatives, in accordance with the reporting rules defined by the Group.

In the event that additional accidents have not yet been recorded at the close of the financial year, or if changes in the qualification of accidents are observed after the financial year has ended, the frequency rate is subsequently corrected.

#### Motor vehicle accidents

Accidents are considered to be motor vehicle accidents if they occur when the driver is at the wheel of the vehicle (driving or parking the vehicle).

This concerns all traffic accidents occurring with vehicles owned or leased by the Group or owned by the employee if the vehicle is driven on a regular basis for professional purposes (medical sales representatives).

### ENVIRONMENTAL INDICATORS

Environmental indicators are collected during an annual campaign. Indicators relating to energy and water consumption, however, are collected during quarterly campaigns.

#### CO<sub>2</sub> emissions

Direct emissions are calculated on the basis of data from the Greenhouse Gas (GHG) Protocol in relation to fuel emission factors. Indirect emissions resulting from other energy sources purchased off-premises and taken into account include the following:

- Emissions in connection with electricity production: –For countries other than the United States, emission factors are obtained from the report entitled “CO<sub>2</sub> Emissions from Fuel Combustion 2013 – Highlights,” published by the International Energy Agency (IEA). Emissions in 2014 were estimated on the basis of the most recent emission factors (end of 2011). For the preceding years, emissions for the year “Y” were calculated on the basis of the emission factor for the year “Y-2”; and

- For the United States, the Group refers to GHG Protocol data, which are based on U.S. EPA 2009 data.

In the absence of more recent data, the 2009 emission factor is applied to all years (2010, 2011, 2012 and 2013) to estimate CO<sub>2</sub> emissions in connection with electricity production in the United States;

- Emissions in connection with the production of steam are calculated on the basis of site-specific factors or estimations set forth in the Group’s standards; and

- Emissions from vehicles used by medical sales representatives are estimated on the basis of the vehicle fleet fuel consumption, by applying the emission factors specific to each type of fuel consumed (gasoline, diesel or LPG). If fuel consumption data is unavailable, the emissions of the fleets concerned are estimated on the basis of mileage, under the conservative assumption of use of vehicles in the Euro 1 category. If fuel consumption or mileage information is unavailable for a particular fleet, CO<sub>2</sub> emissions are estimated on the basis of the number of vehicles in the fleet and the average distance driven by Sanofi medical sales representatives (average based on fleets that have reported mileage data, under the assumption that medical sales representatives who drive scooters, motorcycles or mopeds drive half the distance covered by those who drive cars).

#### PERCENTAGE OF RENEWABLE ELECTRICITY

The percentage of renewable electricity compared to total electricity purchased is calculated using real data when such information is specified in electricity supply contracts. In other cases, it is calculated on the basis of U.S. Energy Information Administration data for the United States, and International Energy Agency (IEA) data for other countries.

#### Volatile organic compound emissions (VOCs)

VOCs are estimated either on the basis of mass balance or by direct measurement. The classification of volatile organic compounds is based on EU regulations.

#### Wastewater discharge

The data presented correspond to effluents after internal and/or external treatment. In the absence of information on external treatment, a purification rate of 50% is assumed.

#### Waste

The distinction between hazardous and non-hazardous waste corresponds to that used in European regulations for European Union member countries (Decision 2000/532/EC of May 3, 2000) and that used in local regulations for other countries. It is noted that waste from remediation activities is not included in the published operational total.

### SOCIAL INDICATORS

#### Worldwide workforce

Employees under contract include all employees that have an employment contract (permanent or fixed-term) with a Sanofi Group company as of the last calendar day of the year. Employees under contract are measured in terms of headcount, irrespective of hours worked or their date of hiring during the month.

#### Worldwide new hires and departures

These movements apply to persons joining or leaving the scope of the Group but do not include movements within the Group, such as international, inter-company or inter-site transfers.

New hires do not include movements within the Group, such as international, inter-company or inter-site transfers.

Departures do not include movements within the Group, such as international, inter-company or inter-site transfers.

For 2014, we applied a specific methodology to exclude all intra-Group movements. Moreover, we took steps to enhance the reliability of movement-related data from the Convergence platform. Data on movements (new hires and departures) cover more than 97% of the scope of reporting. They do not include companies that were consolidated or acquired during the year or movements relating to companies not included in Convergence, for which data on new hires and departures are not collected. Fixed-term contracts that were converted into permanent contracts were not taken into account for either new hires or departures.

#### Lowest average wages

In 2014, the average wages of employees earning the lowest 15% of wages were compared to the minimum wage provided for by law or collective agreement in four countries that are representative of the diverse locations of worldwide sites of Sanofi (France, the United States, Brazil and China). In Germany, in the absence of a federal minimum wage, the minimum wage applicable to non-managerial staff was established under a sector-specific collective agreement with the employee representative bodies.

Data on wages were specifically extracted from payroll systems of Sanofi in the countries in question. Gross annual base pay excludes variable compensation (collective and individual), team bonuses and exceptional bonuses paid in addition to wages. In France, average wages were calculated solely on the basis of wages paid under permanent contracts. Additional methodological information on the components of compensation that were taken into account for calculations and the minimum wages applicable in the different countries are available from Sanofi upon request.

#### Absenteeism

Days of absence correspond to the length of absences, expressed as a number of business days, recorded by each human resources system in five major countries (France, Germany, the United States, Brazil and China) in accordance with local regulations. The length of absence beyond which employees are considered “inactive” instead of “absent” thus varies from one country to the next. In 2014, in addition to France, the Group decided to add four major countries that account for a large portion of the workforce. The scope of this indicator includes actively working permanent employees but excludes temporary staff, interns, apprentices, summer job staff and inactive employees. Absenteeism data do not include absences authorized by the company: paid leave, holidays, unpaid leave, parental leave, sabbatical leave, business creation leave, leave for family-related responsibilities and unworked notice periods.

## Social dialogue

Social dialogue data are provided by the human resources departments in each of five major countries (France, Germany, the United States, Brazil and China). Collective bargaining agreements are defined as those that have been signed by the company itself or the employers' organizations to which it belongs. Where a specific agreement has been signed by several sites or entities, it is taken into account only once.

## Hours of training

Reporting on hours of training was introduced in 2014 in four of the five major countries where the Group operates, representing 59% of employees worldwide. Because this is the first time such data has been reported, the relevant indicator may be underestimated.

Data on hours of training collected for reporting purposes correspond to:

- Mandatory training, particularly regulated training; and
- Training organized by Sanofi (in-person or e-learning training) and provided by in-house or external trainers.

In Brazil, Germany, China and the United States, quantitative training data (total number of hours provided) are consolidated on the basis of reports from each Sanofi entity in each of these countries. In France, quantitative training data (number of hours of training and number of employees who received training in 2014) are consolidated on the basis of reports from each Group company (including Meril and Genzyme). Training programs taken into account for reporting in France include, for all Group companies, management, professional development and career management training, and, for certain companies, scientific and technical training and workstation certification programs. E-learning programs are not taken into account for reporting purposes. In the future, reporting on training will be enhanced through the use of a tracking and reporting tool shared across all Group companies in France.

## Percentage of women in global key positions

Global key positions are defined as senior executive and management positions considered to be essential for business continuity and workforce planning at the global level. These positions are identified by the heads of global operations and the human resources departments of the relevant divisions, and the corresponding data are entered in the Convergence platform. Managers are defined as individuals with one or more direct subordinates.

## CONSOLIDATION AND INTERNAL CONTROLS

The Corporate HR and HSE Departments are responsible for ensuring that all data are consolidated on the basis of information provided by the industrial and research sites and Group affiliates or administrative headquarters throughout the world. When sites include more than one function, environmental impact is either attributed to the one with the greatest impact or shared among the functions. HSE coordinators for each activity perform an initial validation of safety and environmental data prior to their consolidation. Corporate HR and HSE also verify data consistency during consolidation.

These validations include data comparisons from previous years as well as careful analysis of any significant discrepancies.

Social data regarding the workforce are compared with consolidated data in the management control database.

To ensure that site representatives have properly understood the HSE indicators, and to ensure that the data reported correspond with those requested, HSE data verification is carried out during in-house audits conducted at Group sites.

## EXTERNAL CONTROLS

In accordance with the provisions of the French "Grenelle II" decree of April 24, 2012 and the French Ministerial order of May 13, 2013 on the verification of CSR data, Sanofi has designated one of its statutory auditors as the independent third party (*Organisme Tiers Indépendant*, or OTI) responsible for verifying the disclosure and fair presentation of its CSR information. The OTI's statement certifying the disclosure and fair presentation of CSR information, included in Section 4.5 of our *Document de Référence*, details the work carried out by the OTI, as well as its comments and conclusions.

# INDEPENDENT VERIFIER'S REPORT

Independent verifier's report on a selection of information published in the CSR report

*This is a free translation into English of the original report issued in the French language and it is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.*

## Year ended the 31st December 2014

### To the managing director,

In our quality as an independent verifier and as a member of the network of one of the statutory auditors of the company Sanofi, we present our report on a selection of information established for the year ended on the 31st December 2014, presented in the CSR report.

## Responsibility of the company

It is the responsibility of the CSR Excellence direction to establish a CSR report including Information in accordance with the protocols used by the company (hereafter referred to as the "Criteria"), and available from the CSR Excellence direction.

## Independence and quality control

Our independence is defined by regulatory requirements, the Code of Ethics of our profession as well as the provisions in the article L. 822-11 of the French Commercial code (*Code de commerce*). In addition, we have implemented a quality control system, including documented policies and procedures to ensure compliance with ethical standards, professional standards and applicable laws and regulations.

## Responsibility of the independent verifier

It is our role, based on our work, to express a limited assurance conclusion, that the CSR Information selected<sup>(1)</sup>, is fairly presented, in all material aspects, in accordance with the Criteria.

The conclusions presented hereinafter are related to the selected CSR information and do not cover the overall information published in the CSR report. We conducted the work described below in accordance with the professional standards applicable in France and in accordance with the international standard ISAE 3000<sup>(2)</sup>.

## Limited assurance on CSR Information

### Nature and scope of the work

We undertook interviews with people responsible for the preparation of the CSR Information in the different departments in charge of the data collection process and, if applicable, the people responsible for internal control processes and risk management, in order to:

- Assess the suitability of the Criteria for reporting, in relation to their relevance, completeness, reliability, neutrality, and understandability, taking into consideration, if relevant, industry standards;
- Verify the implementation of the process for the collection, compilation, processing and control for completeness and consistency of the CSR Information and identify the procedures for internal control and risk management related to the preparation of the CSR Information.

We determined the nature and extent of our tests and inspections based on the nature and importance of the CSR Information, in relation to the characteristics of the Company, its social and environmental issues, its strategy in relation to sustainable development and industry best practices.

For the CSR Information which we considered the most important:

- At the level of the consolidated entity, we consulted documentary sources and conducted interviews to corroborate the qualitative information (organisation, policies, actions, etc.), we implemented analytical procedures on the quantitative information and verified, on a test basis, the calculations and the compilation of the information, and also verified their coherence and consistency with the other information presented in the management report;
- At the level of the representative selection of sites and entities that we selected<sup>(3)</sup>, based on their activity, their contribution to the consolidated indicators, their location and a risk analysis, we undertook interviews to verify the correct application of the procedures and undertook detailed tests on the basis of samples, consisting in verifying the calculations made and linking them with supporting documentation. The sample selected therefore represented on average:
  - 36% of the headcount;
  - Between 17% and 47% of the quantitative environmental data tested.

For the other consolidated CSR information, our work consisted in:

- Assessing the correct application of the procedures, undertaking analytical procedures and consistency tests and verifying on the basis of samples the consolidation of CSR information;

## OUR INDICATORS

- Reviewing the presentation of information published in the CSR report of Sanofi.

We consider that the sample methods and sizes of the samples that we considered by exercising our professional judgment allow us to express a limited assurance conclusion; an assurance of a higher level would have required more extensive verification work. Due to the necessary use of sampling techniques and other limitations inherent in the functioning of any information and internal control system, the risk of non-detection of a significant anomaly in the CSR Information cannot be entirely eliminated.

### Conclusion

Based on our work, we have not identified any significant misstatement that causes us to believe that the CSR Information, taken together, has not been fairly presented, in compliance with the Criteria.

### Observations

Without qualifying our conclusion above, we draw your attention to the following points:

- Volatile organic compound (VOC) emissions are estimated either on the basis of mass balance or by direct measurements. The methods used to calculate these emissions are not yet applied uniformly throughout the audited sites.
- Regarding the training hours indicator, we draw reader's attention to the elements given in the methodological note. Due to the recent implementation of this indicator on a broader perimeter including Germany, China, Brazil and the USA, the counting methods are not yet standardized.

Paris-La Défense, the 7th April 2015

Sanofi

*French original signed by:*

**The Independent Verifier**

ERNST & YOUNG et Associés

Environment and Sustainable development department

**Eric Duvaud**

Partner, Sustainable Development

### Appendix – List of the CSR information covered by limited assurance verification work

#### Social information

- Total staff at the end of the period and split by geography, by activity, by age, by gender, by seniority in the Group
- External hirings and departures
- Total number of training hours in France, USA, Germany, Brazil and China
- Percentage of women in Global key positions
- Absenteeism in France, USA, Germany, Brazil and China
- Lost time injury frequency rate worldwide (Sanofi and subcontractors)
- Number of employees involved in the group commitment survey in 2014
- Share of executive vacancies filled by internal candidates in 2013 among the top 250 executive vacancies
- Share of employees engaged in the global performance and development planning process
- Training policy
- Implementation of "One HR" the HR Group policy
- Engagement survey process
- Equal opportunity and anti-discrimination global approach
- Health and safety conditions

#### Environmental information

- Air emissions (VOCs, SOx and NOx)
- Wastewater discharge (COD)
- Total quantities of hazardous and non-hazardous waste
- Total water consumption
- Percentage of Group water consumption attributable to sites in areas of water stress
- Total energy consumption
- Direct and indirect greenhouse gas emissions
- Percentage of products found in effluents of industrial sites having been assigned an environmental target value
- Percentage of chemical sites manufacturing active ingredients for which effluents have been reviewed against a list of 30 chemicals that was defined based on environmental hazard criteria
- Number of drugs already on the market for which a voluntary environmental toxicity assessment has been completed.

#### Information relating to CSR commitments to promote sustainability

##### Access to Healthcare :

- Partnerships and collaborations that the group Sanofi has built on :
  - diabetes: programs KIDS et AllStar®;
  - malaria: program School children against Malaria and partnership with Drugs for Neglected Diseases initiative (DNDI) foundation on the development of l'ArteSunate AmodiaQuine Winthrop®;
  - polio: partnership with the Bill & Melinda Gates foundation on the supply of inactivated polio vaccine;
  - dengue: development of the dengue vaccine.

#### Patient Safety:

- Number of internal quality audits;
- Number of audits of API suppliers;
- Number of audits of Contract Manufacturing Organization;
- Convergence of all pharmacovigilance systems into the Application for Worldwide Adverse Reaction Evaluation (AWARE);
- Implementation of methods to assess contents of digital media

#### Ethics in R&D:

- Governance put in place thanks to the Bioethics Committee
- Free informed consent
- Number of clinical trials audits
- Number of investigator sites audits
- Number of inspections by regulatory health authorities

#### Business Ethics:

- Organization and functioning of the Compliance and Business Integrity direction
- Policies on conflict of interest, data privacy and donations and other contributions to organizations

#### Responsible procurement:

- Process of procurement risk assessment
- Share of the purchases from independent SMEs on the total purchases of Sanofi France
- Number of buyers trained to the Responsible Procurement Platform
- Share of CSR evaluated suppliers
- Share of suppliers who met Sanofi CSR requirements

(1) CSR information covered by limited assurance verification work is listed in an appendix of this report.  
(2) ISAE 3000 – Assurance engagements other than audits or reviews of historical information.  
(3) For social data, we selected a sample of administrative management entities in three countries (France, Germany and Brazil). For environmental data, we selected a sample of seven industrial and research sites (Brindisi (Italy), Aramon (France), Elbeuf (France), Allston IO (United-States), Toronto IO (Canada), Athens IO (United-States), Luleburgaz (Turkey)). For the lost time injury frequency rate, in addition to these seven sites, we selected a sample of medical representative entities in four countries (Mexico, United-States, Japan and Germany).

## FORWARD-LOOKING STATEMENTS

This CSR report contains forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995, as amended. Forward-looking statements are statements that are not historical facts. These statements include projections and estimates and their underlying assumptions, statements regarding plans, objectives, intentions and expectations with respect to future financial results, events, operations, services, product development and potential, and statements regarding future performance. Forward-looking statements are generally identified by the words "expects," "anticipates," "believes," "intends," "estimates," "plans" and similar expressions. Although Sanofi's management believes that the expectations reflected in such forward-looking statements are reasonable, investors are cautioned that forward-looking information and statements are subject to various risks and uncertainties, many of which are difficult to predict and generally beyond the control of Sanofi, that could cause actual results and developments to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include among other things, the uncertainties inherent in research and development, future clinical data and analysis, including post marketing, decisions by regulatory authorities, such as the FDA or the EMA, regarding whether and when to approve any drug, device or biological application that may be filed for any such product candidates as well as their decisions regarding labeling and other matters that could affect the availability or commercial potential of such product candidates, the absence of guarantee that the product candidates if approved will be commercially successful, the future approval and commercial success of therapeutic alternatives, Sanofi's ability to benefit from external growth opportunities, trends in exchange rates and prevailing interest rates, the impact of cost containment policies and subsequent changes thereto, the average number of shares outstanding as well as those discussed or identified in the public filings with the SEC and the AMF made by Sanofi, including those listed under "Risk Factors" and "Cautionary Statement Regarding Forward-Looking Statements" in Sanofi's annual report on Form 20-F for the year ended December 31, 2014. Other than as required by applicable law, Sanofi does not undertake any obligation to update or revise any forward-looking information or statements.

The CSR report was designed and produced by Sanofi CSR Excellence,  
Sanofi Corporate Communications  
and the communication company BABEL.  
Journalists: Mary Shaffer, Lori Tomonari, Trevor Huggins  
Accessibility: [www.com-access.fr](http://www.com-access.fr)

We wish to thank all those who contributed to creating this report.  
Printed in France by Stipa

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Each day, across the globe, Sanofi's 110,000 employees are working to protect your health and improve access to healthcare for as many patients as possible. As a healthcare company, Sanofi places quality, safety, ethics, and respect for the planet at the heart of our business.

