SUSTAINABLE DEVELOPMENT REPORT 2002

sanofi~synthelabo

Because health matters

CONTENTS

Acting in an ethical and responsible way

HOW DID WE PREPARE THIS REPORT ?

This first edition of our report on sustainable development analyzes our impact and our challenges with regard to all our business activities and in all regions of the world where Sanofi-Synthelabo is present.

It expresses both our ethical commitment and our vision of the responsibilities of an international pharmaceutical group.

Our aim in preparing this report was to review our actions and performance in 2002 and draw up a reference status which could be used as a basis for monitoring our progress and for setting the objectives of our sustainable development responsibilities.
This report complements the information presented in the annual report for 2002.

Our approach to sustainable development relies upon the work of an internal, multidisciplinary team, thus ensuring the quality of our cross-functional review process.

Reference documents used

This report is based on French legislation covering the new economic regulations of May 15, 2001 and on internationally accepted indicators and guidelines.

Scope of the report

In 2002, our social and environmental reporting systems, wich cover a gradually enlarged geographical scope, allow us to present data which is for the most part consolidated and which covers our full range of activities (practically 100% worldwide data).
However, certain data relates to a more restricted zone, either because data from other zones would not be relevant or because such data is not available on a worldwide basis.
Recognizing that this factor could affect the clarity of the report, we have made a point of defining the relevant scope of each indicator.

- **Corporate social reporting**
  Formally implemented since 1997, the system used to assess our social performance has been based for the last 15 years on the progressive introduction of indicators which have been designed to guide our social policy, i.e. to verify its application, to measure the effects of our decisions and to position the group in its environment.

- **Environmental reporting**
  The environmental effects of our scientific and industrial activity are assessed using performance indicators. Initiated over 10 years ago, this assessment has led us to select nine key indicators. These were considered to be the most representative of our environmental impact and to enable comparison with other companies.
  Fully integrated in our managerial reporting system, they guide the environmental management of each of our facilities, whether devoted to research and development or to industrial manufacturing and they are controlled and consolidated at the worldwide level by the corporate Health, Safety and Environment Directorate.

Procedures for independent review of data presented

In accordance with French legislation covering the new economic regulations, the consolidated environmental and social data for 2002 is presented in the annual Management Report. The statutory auditors reviewed this data with respect to its reliability and consistency and the reporting procedures employed.
In the interests of clarity, we have indicated by the symbol* in our overview of these indicators (pages 35-37) the values checked by our statutory auditors for the year 2002.

CHAIRMAN'S MESSAGE

Jean-François Dehecq

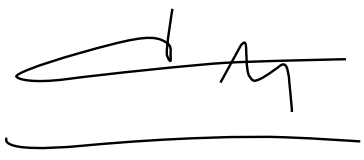
Sanofi-Synthélabo's business vocation is unlike that of other business. We constantly aim to improve the health of the greatest number of patients by making innovative medicines available to them. To do this, we need rigor, innovation, audacity and creativity.

This sustainable development approach is not new to our Group.
Whether it is a question of developing medicines to treat rare diseases, designing initiatives to provide healthcare access to as many people as possible, respecting our social and environmental responsibilities, or deciding how we accomplish our vocation, it is important to practice these activities consistently and to evaluate our progress on a regular basis.

> "**Healthcare** is unlike **other business**"

This report, dedicated to sustainable development within Sanofi-Synthélabo, presents some of our achievements. Using the appropriate indicators, it endeavors to provide an overview of our current situation and our goals in each of these areas at the end of 2002.

Jean-François Dehecq
Chairman and Chief Executive Officer



GROUP PROFILE IN 2002

2nd ranking pharmaceutical company in France

7th ranking pharmaceutical company in Europe

among the **20** leading pharmaceutical companies worldwide

direct presence in over **100** countries

32,436 employees worldwide **(+6.1%)**

Four areas of therapeutic expertise

- **cardiovascular/thrombosis**
- **central nervous system**
- **internal medicine**
- **oncology**

Our R&D

→ **R&D expenditure**
1,218 million euros (+18.1%)

→ **6,718 staff**

→ **52 compounds in development including**

- **23 compounds in Phase II or III clinical trials**
- **29 compounds in Pre-clinical or Phase I clinical trials**

→ **in 2002, 9 new compounds entered clinical development**

Our three flagship products in 2002

	Consolidated sales		Developed sales	
	Million euros	Change*	Million euros	Change*
Plavix®	987	+41%	2,587	+32%
Stilnox®/Ambien®/Myslee®	1,424	+26%	1,455	+25%
Aprovel®/Avapro®	562	+34%	1,068	+19%

** on a comparable basis*

Financial summary

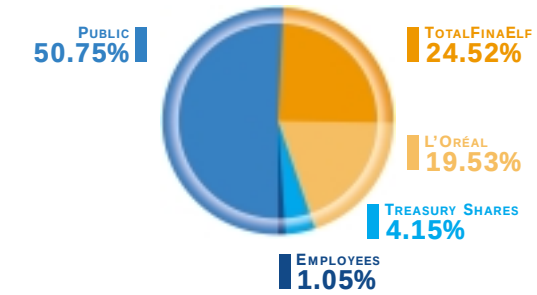
Consolidated sales:	7,448	million euros	+12.8%*	(+14.8% on a reported basis)
Developed sales[1]:	9,585	million euros	+14.5%*	
Operating profit:	2,614	million euros	+24.1%	(35% of consolidated sales)
Net profit[2]:	1,758	million euros	+27.8%	(24% of consolidated sales)
CEPS[2]:	2.42	euros	+28.7%	
Market capitalization as of 31/12/02:	42,660	million euros		

*on a comparable basis

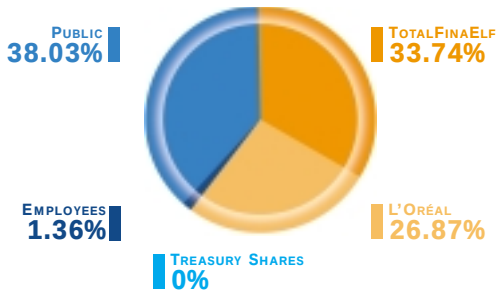
[1] Developed sales include the consolidated sales of Sanofi-Synthélabo plus those achieved under the agreements with BMS for Plavix®/Iscover® (clopidogrel) and Aprovel®/Avapro®/Karvea® (irbesartan), with Fujisawa for Stilnox®/Ambien®/Myslee® (zolpidem), and with Organon for Arixtra" (fondaparinux), as communicated by our partners.
[2] Before exceptional items and goodwill amortization.
[3] Based on the total number of voting rights published subsequent to the ordinary general meeting of May 22, 2002, i.e. 1,064,540,103 voting rights.

Share ownership as of December 31, 2002

Shares

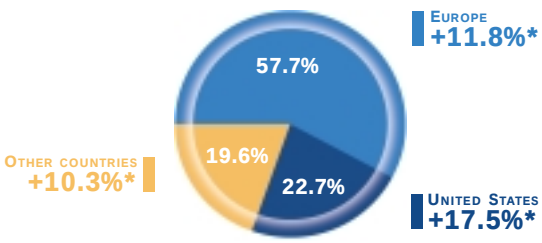


Voting rights[3]

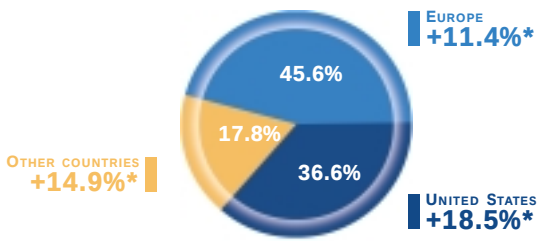


Breakdown by geographic area

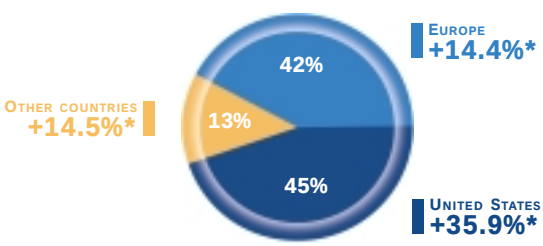
Consolidated sales by geographic area



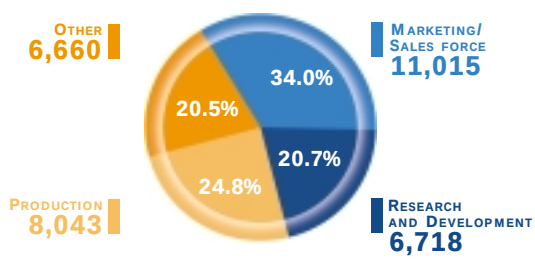
Developed sales by geographic area



Operating profit by geographic area



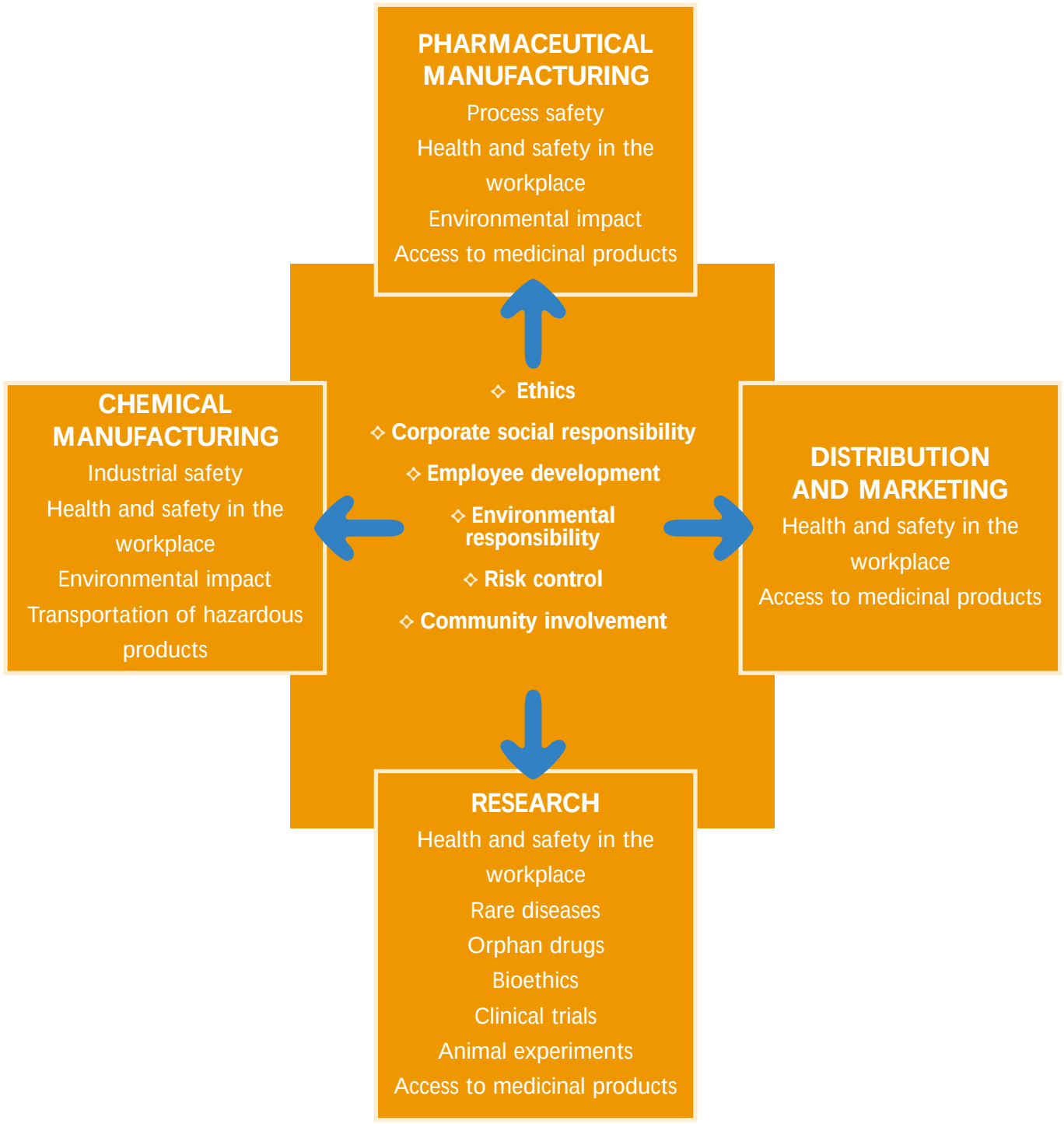
Employees by activity worldwide



(Operating profit: 2,614 million euros excluding non-attributed charges of 1,322 million euros)

*Change on a comparable basis

FACING THE CHALLENGES OF SUSTAINABLE DEVELOPMENT



OUR RESPONSIBILITY AS A PHARMACEUTICAL GROUP

Sanofi-Synthélabo meets an essential need: preserving health through the development of safe and effective drugs.
This goal can be achieved only by strictly respecting fundamental ethical principles throughout the life cycle of each drug.

Faithful to its vocation for thirty years, the group is further intensifying its R&D efforts to provide patients not only with medicines for treating the most common diseases but also medicines designed to treat rare, but severe, diseases.

Our vocation is also to facilitate patients' access to medicines in the poorest countries and our Impact Malaria program demonstrates our commitment to combating this major disease in tropical countries.

To address these future challenges, we have created a department responsible for studies and other actions designed to facilitate patients' access to medicines in developing countries, forming an integral part of our sustainable development program.

And "because health matters", innovation, ethics, rigor and solidarity are at the heart of the group's commitment.

ACCESS TO MEDICINES – IMPACT MALARIA

Access to medical treatment should no longer be the privilege of rich countries. Governments, regional institutions, international bodies and the pharmaceutical industry, subjected to constant appeals, understand that once they have assumed their respective responsibilities, it is urgent to cooperate in finding a solution.

The innovative pharmaceutical industry, frequently on the defensive as it is accused of neglecting socially unprotected populations and unprofitable diseases, has to face up to the problem and implicate itself actively in the examination and in the implementation of new solutions, so as to bring this unacceptable situation to an end.

Research and innovation are two fundamental imperatives in this industry.
Consequently, while being prepared to compromise to a significant extent with regard to the price and availability of its medicines, this industry requires an appropriate level of protection of its intellectual property to keep on discovering new products with the same pace and efficiency.

As Sanofi-Synthélabo is a company in the service of health, **we must share our expertise and thereby contribute to the advance of medical treatments in areas where people are most vulnerable**.
Sanofi-Synthélabo has therefore undertaken concrete measures aimed at providing the most affected and deprived populations with effective means of combating major diseases.

One of these major diseases, **malaria**, is caused by a parasite, *Plasmodium*, transmitted to humans by the bite of the *Anopheles* mosquito.
Malaria is principally endemic in developing countries, namely Sub-Saharan Africa and to a lesser extent, South-East Asia and Latin America.
Worldwide, there are an estimated 300 million cases of infection per year.
Among these cases, an estimated 2.7 million deaths per year are attributed to *Plasmodium falciparum* (responsible for the most serious forms of the disease), corresponding to more than 7,000 deaths per day.
Ninety percent of these cases are in Africa and the vast majority are children.

Among those surviving, the most serious residual form of the disease is cerebral malaria, resulting in major neurological repercussions in 15% to 20% of survivors.

A close correlation has been demonstrated between malaria and the level of economic development. The loss of GNP growth in Africa related to malaria has been estimated to be 1.3% per year, corresponding to 12 billion dollars. This major public health problem therefore also constitutes an economic problem.

Though treatments exist, increased resistance to currently available drugs necessitates the development of new products.

Sanofi-Synthélabo, backed by its history and expertise, has decided to become involved in the combat against malaria. This combat is centered on a program developed by a dedicated team, designed to:

- discover and develop new drugs to ultimately replace those which are used today but are threatened by reduced drug effectiveness,
- provide, at prices adapted to the populations of African countries with no access to treatment, new drugs conforming to WHO recommendations (treatments combining two drugs to combat resistance, forms adapted to pediatric emergencies occurring in remote areas). The first products will be available in 2003,
- ensure, in partnership with the authorities, universities, pharmacists and distributors in the countries concerned, the follow-up of drugs to guarantee that these will be used appropriately (educational program) and by the populations for which they are intended.

In the near future, feasibility studies on the installation of a manufacturing facility in Africa will begin.

RARE DISEASES AND ORPHAN DRUGS

Although Sanofi-Synthélabo develops therapeutically active substances used to treat common diseases and potentially generating substantial sales, **the Group considers that it also has a moral obligation to develop medicines designed to treat rare but severe diseases** for which no treatment is currently available, or for which available treatments are unsatisfactory.

These drugs, known as **orphan drugs**, concern highly specific patient categories and have a substantial public health impact. The European Union, eager to promote the research, development and marketing of appropriate treatments for rare diseases, adopted a regulatory text on orphan drugs in 1999, following the example of the USA (1983) and Japan (1993).

Sanofi-Synthélabo has recently developed, or is currently developing several medicines of this type, namely:

- **Fasturtec®** (rasburicase) which was launched in 2001 and is used for the treatment and control of hyperuricemia induced by tumor lysis syndrome in patients suffering from malignant blood diseases, diseases which particularly affect children.
- **fumagillin**, wich was registered on the European Union orphan drug list on February 4, 2002 and possesses anti-parasitic activity against intestinal microsporidia manifested by severe diarrhoea. These symptoms occur in patients suffering from immune system deficiency.

BIOETHICS – STEM CELLS

Scientific progress during the past decades has permitted major therapeutic advances. However, **recent discoveries in genetics and molecular biology have obliged society as a whole to take a firm position and draw up clear rules with regard to gene therapy, genetic modification and the use of human tissues and embryos.**

The stem cells of the organism, initially unspecific, subsequently specialize to become cells with a precise physiological function (liver cells, brain cells, etc.).

Knowledge of the processes and factors ordering and regulating this mechanism of differentiation where stem cells develop into specialized cells is likely to lead to major therapeutic advances.

National and international regulations, particularly within Europe, have not yet been harmonized but have already established guidelines in this area. In particular, the use of stem cells and their origin should be controlled.

Sanofi-Synthélabo does not perform genetic transformations and has no program involving either gene therapy or embryonic stem cells. However, it is studying the mechanisms of differentiation of adult stem cells, with the hope that this will lead to the development of novel medicines.

Medical research should therefore encourage progress in the fight against diseases, but must be conducted under conditions of true transparency and respect of human beings from an ethical standpoint.

CLINICAL EVALUATION

The vocation of the pharmaceutical industry is to discover, develop and make available to physicians and their patients innovative, effective, well tolerated and high-quality drugs.

Pharmaceutical products in development are first tested on animals (preclinical studies) then their therapeutic efficacity is evaluated in humans (clinical studies).

All clinical studies are conducted according to Good Clinical Practices, respecting medical ethics and in close concertation with health authorities (Food and Drug Administration, European Agency for the Evaluation of Medicinal Products, etc.) which provide expertise and advice throughout the process of drug development.

Ethics committees and scientific experts ensure the respect of ethical principles: risk benefit analysis appropriate, patient information and assurance of the patient's consent to participate.
In particular, clinical trials on children, and trials in developing countries, must be specifically justified.

The application of new technologies to data collection, the transmission and submission of data constitutes a major stimulus to progress in the rapid and safe development of new drugs.

KEY POINTS

The research and development process for a new drug is:

- **long:** about 8 years from the initial laboratory tests to market launch,
- **risky:** out of 5,000 to 10,000 compounds synthesized, only one will be approved as a drug on the basis of efficacy, safety and quality data,
- **expensive:** whereas in 1990, the cost of developing a new drug was $359M, by 2000, it was estimated to be $500-600M on average. *Source EFPIA 2003*

Clinical development generally includes three phases, requiring considerable technical and scientific expertise.

Phase I:

- Drug safety. Recent progress concerns the selection of doses, necessitating extreme scientific rigor to avoid exposing subjects to any risk.

Phase II:

- Demonstration of the dose presenting the optimal efficacy/safety ratio in a population of patients.
- Pharmacokinetic studies designed to elucidate the behavior of the compound in the human body.

Sanofi-Synthélabo has introduced innovations in the implementation of Phase II studies, for example in the Metatrial study in which four compounds with different mechanisms of action were investigated in a single trial on schizophrenic patients. This approach permitted a reduction in the number of subjects enrolled while still generating high-quality data.

Phase III:

- Studies conducted on large patient populations (from a few hundred to several thousand) to demonstrate the efficacy and safety of the compound. These studies, generally qualified as pivotal, must provide solid proof of its therapeutic value. Once the primary indication has been evaluated, it is indispensable to conduct Phase IIIb, so-called **"Life Cycle Management"** (LCM) studies, to develop new therapeutic indications or new modes of administration.

  Since the first product license approval for clopidogrel, based on the CAPRIE trial (conducted on approximately 20,000 patients), very large LCM studies (CURE, CREDO, MATCH, etc.) have been conducted on thousands of patients to evaluate new therapeutic indications.

- Health economics and quality of life studies to better define the role of the new pharmaceutical product in the therapeutic environment.

ANIMAL EXPERIMENTS

By the very nature of its pharmaceutical activity, Sanofi-Synthélabo is obliged to resort to animal experimentation for legal, scientific and ethical reasons.

Tests on animals, which are compulsory to obtain the right to initiate clinical studies, are performed with the objective of collecting the maximum amount of information on the therapeutic or toxic effects of a medicinal product before it is tested in humans.

Animal experiments are subject to strict regulations and numerous texts are now applied both nationally and internationally.

Sanofi-Synthélabo has additionally specified the principles governing animal experiments within the Group in an "International Charter on the use of laboratory animals".

These principles also apply to studies contracted out by Sanofi-Synthélabo Research.

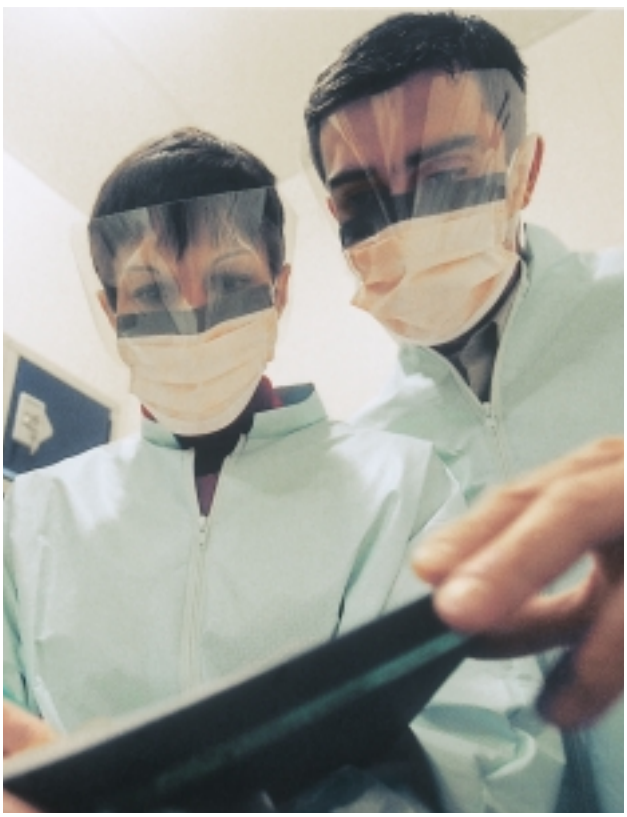
The four major principles of the Charter:

- **Limit the number of animals involved in studies to the strict minimum required.**
- **Improve and monitor the rearing and housing conditions of the animals, the primary concerns being their wellbeing and avoidance of any suffering.**
- **Replace tests on living animals by so-called alternative methods (cell cultures or simulations) whenever possible.**
- **Provide researchers with appropriate training to ensure thorough knowledge of the animals and their needs.**

All protocols and procedures involving the use of animals are examined and must be approved by an **internal ethics committee**.
No animal is used without such prior approval. All animals kept by Sanofi-Synthélabo Research benefit from veterinary surveillance.

Sanofi-Synthélabo Research also participates actively in the development of experimental procedures with a view to excluding or reducing the use of animals.

Studies on animals, whether performed internally or contracted out, are therefore undertaken solely if no alternative method is available and with the objective of improving knowledge contributing to health and safety in humans.



PHARMACEUTICAL QUALITY CONTROL

The pharmaceutical industry must meet extremely stringent requirements with regard to drug quality and safety.

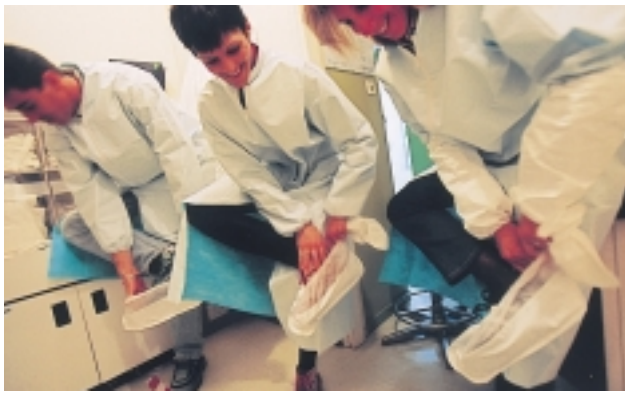
In Sanofi-Synthélabo this obligation is expressed first of all in the means and organization employed: more than **5%** of its total workforce, corresponding to **1,600** employees, are devoted to quality. These employees have a particularly high level of qualification and training, and their skills are periodically updated.

At corporate level, the Quality department coordinates teams and activities in the following departments:

- Within the department of Scientific Affairs, 200 people monitor the strict adherence to the principles of quality and the application of quality-oriented procedures throughout the different phases of Research and Development.
- In the industrial manufacturing sector, 1,200 employees ensure quality throughout the manufacturing processes (both chemical and pharmaceutical) and distribution.

  Their primary role is enriched by quality management functions (training, auditing, validation, certification and documentation).
- More recently, and with the aim of addressing patients' needs, Sanofi-Synthélabo has set up quality units in its commercial affiliates. There are currently 200 persons employed in approximately forty subsidiaries.

  This quality system and our pharmacovigilance system are continuously improving service to patients and include warning procedures permitting the appropriate decisions to be taken in the shortest possible time.



PURCHASING AND EXTERNAL CONTRACTING

The Sanofi-Synthélabo Group has the objective of conducting most of its key activities in-house, but like any industrial group, it resorts to some extent to external contracting.

To enhance our performance with regard to quality, safety and the environment, while fully respecting ethical principles, the processes of purchasing and external contracting are controlled by a network of professional purchasers and suppliers are selected in collaboration with the internal partners concerned.

All purchases are subject to strict procedures and regular audits. Our requirements and our controls of subcontracted activities are based on principles and criteria similar to those applied to our internal activities.

This approach applies throughout the whole life cycle of the medicinal product:

- **Research and Development:** external contracting of clinical trials to clinical research organizations.
- **Manufacture:** contracting of chemical toll-manufacturing to raw material and active ingredient manufacturers, or production of medicines by third-party companies.
- **Distribution:** by private distributors.
- **Marketing:** sales forces supplied by private professional networks in some of our subsidiaries.

OUR CORPORATE SOCIAL RESPONSIBILITY

In January 2003, on the occasion of the Group's thirtieth anniversary ceremony, our fundamental values were reaffirmed. Audacity, respect, creativity, courage, solidarity and performance will continue to be shared by all employees and so contribute to the strengthening of social cohesion within the Group.

These principles and our commitment to both economic and social performance are the foundation of the Group's Human Resources policy.

Each region of the world should adapt this policy in accordance with its own culture and needs, its history, its activities, and its market, while respecting human rights and ILO principles with regard to labor legislation.

A **"Group social charter"** is being prepared and will be distributed to all subsidiaries worldwide during 2003. Its aim is to formally set out our values and our commitment in key areas such as safety, respect of the individual, equal opportunities, social dialogue and respect of employees' privacy.

This charter will be accompanied by rules of behavior applicable to all employees. These concern in particular the issue of corruption and will be complemented by updating the Ethics Committee which already operates within the Group.

.

Key figures in 2002

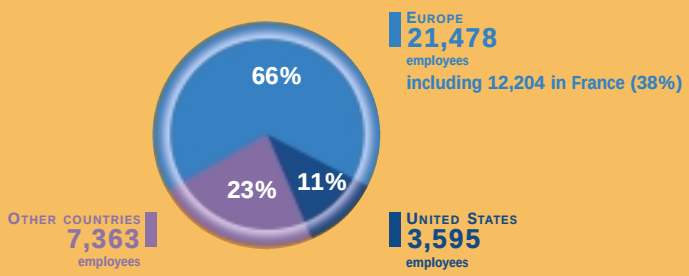
Employees registered as of December 31, 2002

- **32,436** employees +6.1%, corresponding to 1,865 employees more than at the end of 2001, of whom approximately 680 result from expansion of the geographic area covered (Indonesia, Egypt, Algeria and acquisition of a site in Hungary)
- Women: **50.4%** Men: **49.6%**

Changes in the workforce

- Total entries*: **5,297** Total departures: **4,089**

Direct presence in over 100 countries



Training

- **1.15** million hours in total
- equal to **2.1%** of working hours (corresponding to approximately 5 days per employee)
- concerns **83%** of employees

Creation of a European Industrial Relations Committee

- **29** representatives of European Union countries and **5** representatives from candidate countries.

*excluding entries linked to changes in the scope of consolidation

THE GROUP'S PRESENCE WORLDWIDE

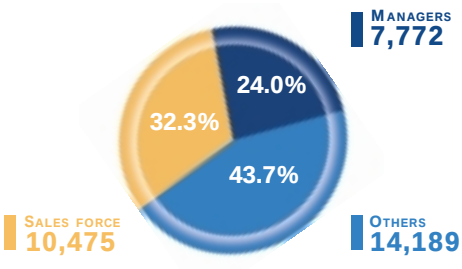
The Sanofi-Synthélabo Group currently has a direct presence in over 100 countries. One third of its employees are based in France, one third in other European countries and one third in other countries outside Europe, with a high concentration in North America.

This **global presence** requires a considerable capacity for adaptation, both in organizational terms and in the implementation of Human Resources policies, while preserving the necessary consistency among all the Group's units worldwide.

Breakdown of employees as of December 31, 2002

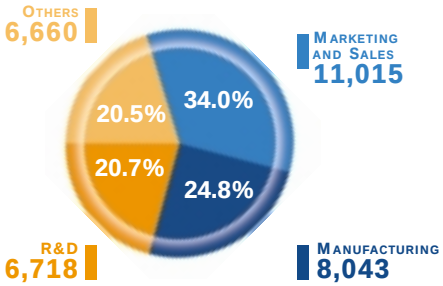
by professional category

	Managers	Sales force	Others	Total
Europe	5,526	4,845	11,107	**21,478**
of which France	4,003	1,371	6,830	**12,204**
United States	1,032	2,256	307	**3,595**
Other countries	1,214	3,374	2,775	**7,363**
Worldwide	**7,772**	**10,475**	**14,189**	**32,436**



by activity

	R&D	Manufacturing	Marketing and sales	Others	Total
Europe	5,558	6,229	5,071	4,620	**21,478**
of which France	4,439	3,598	1,396	2,771	**12,204**
United States	779	165	2,259	392	**3,595**
Other countries	381	1,649	3,685	1,648	**7,363**
Worldwide	**6,718**	**8,043**	**11,015**	**6,660**	**32,436**



RESPECT FOR IDENTITIES AND CULTURES

In all countries where it is present, the Group has developed an integration policy which takes care to preserve the identities and the cultures of each country. For example, the recruitment and promotion of employees from the country concerned is encouraged for all positions, including those of upper management, whenever permitted by the local labor market.

The human resources policies formulated by the Group must be capable of finding solutions adapted to the needs of the countries and jobs concerned.

To permit the most fruitful exchanges possible, the language of the country is used for a better understanding whenever the difficulty of the topic under discussion makes this necessary.
The use of interpreters is also encouraged.

Finally, to answer not only the need for transfer of expertise from one country to another, but also questions relating to the management of key positions and of careers, the Group has developed a policy of international mobility. In 2002, 73 international transfers took place.

DYNAMIC RECRUITMENT

During 2002, staff recruitment continued to develop: the workforce expanded by 6.1%, corresponding to an increase of 1,865 employees.

This recruitment, whether to fill new positions or to replace departing staff, accompanied the progression of the Group's products throughout its markets worldwide. The rate of recruitment of employees on permanent contracts - recruitments as a percentage of the total workforce - was 11.3% in 2002, reaching 20.4% in the USA. These recruitments concerned the advertising, sales and marketing workforce in particular.
R&D and manufacturing teams also continued to be strengthened.

In all these recruitments, a particular effort was made to ensure that the Group employed men and women who would assure its future development.
With this aim, over and above the technical skills indispensable for performing a particular job, special attention was paid to the capacity of the candidates to embrace the fundamental principles of the Group.

To facilitate the integration of young employees, an active policy of welcoming trainees is conducted, at both site and Group levels; communication targeted at professional or general educational establishments, already actively implemented, will be intensified through specific actions designed to better acquaint students with the business environment.

In addition, the Group offers young graduates the opportunity to acquire a first international experience by accepting French "Volontaires Internationaux en Entreprise" (VIE – International Volunteers in Business) for a period of one to two years, which often leads to recruitment.

From 2003, an Internet recruitment site presenting the Group and potential job opportunities should be implemented progressively in all countries. In consequence, anyone can then apply for the positions open in his/her country of origin.

Changes in permanent contracts (PC) and fixed-term contract (FTC) workforce in 2002 (excluding entries related to changes in the worldwide business scope)

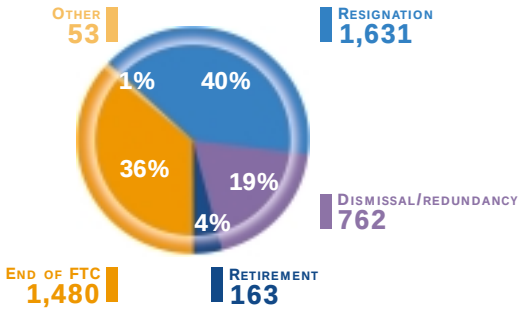
Worldwide, new PCs comprised 1,585 sales force employees (45.8%), 849 managers (24.5%) and 1,030 employees in other categories (29.7%).

	New contracts				Departures from Group			
	PC	FTC	Total	(1) New PC rate	PC	FTC	Total	(2) PC departure rate
Europe	1,689	1,269	**2,958**	8.2%	1,063	1,181	**2,244**	5.2%
of which France	775	872	**1,647**	6.7%	371	955	**1,326**	3.2%
United States	733	0	**733**	20.4%	361	0	**361**	10.0%
Other countries	1,042	564	**1,606**	16.1%	1,185	299	**1,484**	18.3%
Worldwide	**3,464**	**1,833**	**5,297**	**11.3%**	**2,609**	**1,480**	**4,089**	**8.5%**

(1) Total new PC/Total workforce

(2) Total PC departures/Total workforce

Reasons for PC and FTC departures from the Group in 2002 worldwide (total = 4,089)



MAINTENANCE IN EMPLOYMENT AND INTEGRATION OF DISABLED PERSONS

In France, Sanofi-Synthélabo is particularly involved in actions to facilitate the continued employment of staff who have suffered a deterioration in their health, and the professional integration of disabled employees.

In each facility, employees are encouraged to talk to the occupational health physicians about their health problems at an early stage. This gives the Human Resources teams enough time to search for appropriate solutions enabling the employees to keep their jobs: adaptation of the job, organizational changes, training to permit transfer to another job, workstation ergonomics, etc.

With regard to the integration of disabled employees, the emphasis is placed on actions conducted prior to entry: trainee programs, alternating work experience and studies for youths or adults, temporary employment of disabled persons, etc. This enables the persons concerned to increase their level of expertise and experience, and to ensure that the job envisaged is compatible with their disability. Additionally, for the Group's other employees, it is an excellent way of seeing disabled persons in terms of their skills rather than their disablement.

In this context, the Group participated in 2002 as in previous years, in the various regional events organized during the national week for the employment of disabled persons in France. Sanofi-Synthélabo also assumed the presidency of the "Tremplin" association, to ensure, in conjunction with other large companies in the private sector, the support of disabled students in training courses effectively leading to a job. The companies participating in "Tremplin" exchange their experiences and share their expertise with other Groups faced with the question of how to develop a consistent policy of employing disabled persons.

Finally, as 2002 was the European Year of the Disabled, we initiated an internal discussion on how to confer a European dimension to actions promoting the employment of disabled persons. These actions should take into account local regulations and realities.

France	2002	2001
Number of disabled employees	289	275
Recruitment of disabled employees	9	5
Pool (1)	11,662	11,211
Units benefiting (2)	385	357
% direct employment (3)	3.3%	3.2%

(1) Pool: denotes, within a comparable scope 2001/2002, the workforce of the Group's facilities with a requirement to employ disabled persons.
(2) Units benefiting: number of disabled employees weighted by the magnitude of their handicap, age, seniority and previous positions.
(3) % of direct employment: units benefiting as a percentage of the total pool. Does not include subcontracting to persons in a protected environment.

Initiatives concerning disabled persons are implemented upstream: 10 temporary employees on contract, 3 contracts of work experience alternating with study, and 6 trainees accomplishing obligatory work experience.

EMPLOYEE CAREER DEVELOPMENT

Throughout the world, the Group is developing the skills of its employees to match its operational needs as closely as possible, applying a decentralized approach.

During the next three years, skills and career development interviews, a key element in the relationship between the employee and his or her direct manager, will be extended to all employees worldwide.

In 2002, corporate Human Resources management initiated a project designed to strengthen the guiding principles of career development. The main focus now unites the following two principles:

- Each employee should be in charge of his/her own career, with the Company resolved to help its employees succeed. With this aim, a series of measures have been implemented which are accessible to all employees (organization of internal job offers, anticipation of needs, training, information, development interviews, internal mobility, etc.).
- It is the Group's responsibility to ensure sustainable performance and to that end it has implemented prospective management of key positions, targeting its recruitment policy and management efforts toward "rare and high potential human resources" making a crucial contribution to the competitive edge of the Company.

In the first instance, during 2003, this project will be focused on the improvement of human resources information systems. It should subsequently promote the alignment of organizations and processes on the policy adopted.

Principal areas of activity in 2002

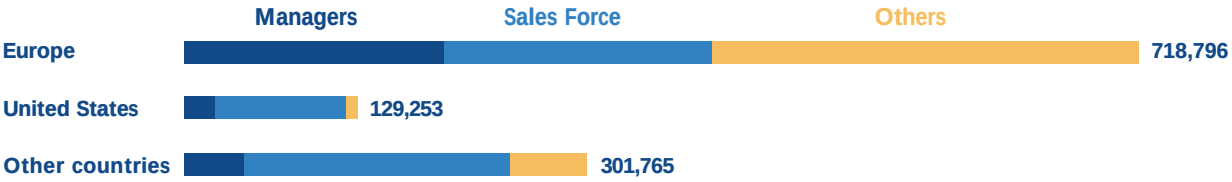
- **Development of the professional skills of our sales forces,** to guarantee their knowledge of our medicines and customer management skills, which are particularly vital given the high rate of recruitment.
- **Development of the technical skills of our chemical and pharmaceutical manufacturing teams,** both to accompany investments in new equipment and to guarantee their mastery of safety and quality issues which are fundamental to our profession.
- **Development of pro-active training courses for our scientific teams** to ensure their mastery of high technology approaches.
- **Development of tranversal management skills responding to the needs of an organization which increasingly operates by matrix management,** requiring multidisciplinary, multicenter and multinational teams, and leading to new modes of functioning and behavior.
- **Development of individual capability to move forward** in an environment which is increasingly changing and demanding, particularly from the regulatory standpoint.

The Group also strives to maintain skills at the requisite level overall, by guaranteeing a high rate of training, substantially exceeding legal obligations, particularly in France.

At the same time, individual skills are being developed by specific initiatives, focusing particularly on the sales force.

By learning how to adapt to change, all employees can maintain their employability.

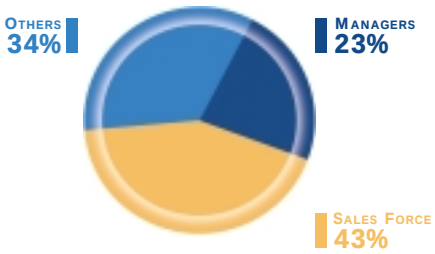
Training in 2002 (number of hours)



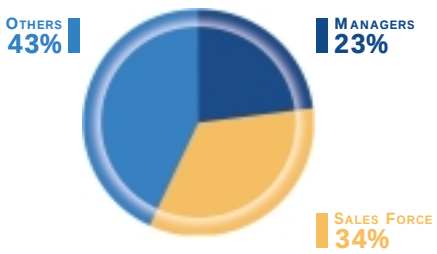
Overall, nearly 83% of the mean workforce participated in training courses in 2002, compared to 81% in 2001.
This rate rose to 88% for the entire sales force, reflecting the 2001-2002 plan for recruitment (and consequently training) of medical sales representatives in the United States.
On average, the number of hours of training relative to the number of hours worked reached 2.1% worldwide.

Training by professional category

% of total number of hours of training



% of total workforce trained



GENDER EQUITY

In terms of equity between men and women, the workforce remains well-balanced overall, with some specific variations according to country and hence culture, as well as in job profile.

Breakdown of employees by gender, geographic area and professional category

	Managers		Sales force		Others		Total	
	M	W	M	W	M	W	M	W
Europe	54.6%	45.4%	52.5%	47.5%	43.3%	56.7%	48.3%	51.7%
United States	46.1%	53.9%	52.5%	47.5%	24.1%	75.9%	48.2%	51.8%
Other countries	61.7%	38.3%	60.9%	39.1%	43.0%	57.0%	54.3%	45.7%
Worldwide	54.6%	45.4%	55.2%	44.8%	42.8%	57.2%	49.6%	50.4%

PRODUCTIVE SOCIAL DIALOGUE RESPECTING ALL PARTIES

Implementation of a productive social dialogue respecting employees, their representatives, and the Company's interests is an integral part of the fundamental values of the Group.

In France, numerous agreements with Trade Union representatives were signed at national level following the merger between Sanofi and Synthélabo. Harmonization of all the statutes of the two companies was achieved within two years.

A Group Committee, which is not obligatory under French legislation, has been set up to allow dialogue and the exchange of information between management and employee representatives three times a year. An agreement on the exercise of trade union rights was also signed, specifying the rights and obligations of each party and considerably exceeding legal obligations, particularly in terms of the means allocated.

A European Industrial Relations Committee, enlarged to include countries that are candidates for entry into the European Union (notably Hungary, Poland and Slovakia), has been set up. This comprises 34 representatives of the employees of all the European countries in which the Group is present. It enables the representatives of these countries to meet twice a year and exchange their views on the life of the Group and its prospects. It is headed by Jean-François Dehecq, Chairman and CEO of Sanofi-Synthélabo.

The board of this European Industrial Relations Committee was constituted during its first meeting. This comprises seven members, including two secretaries (one French, one German), who together ensure its secretarial work. The other members are Spanish, British, Italian and French (two members). It meets at least four times a year and is responsible for assuring the liaison between the Committee and Group management.

Composition of the European Industrial Relations Committee

Country	Members	Observers	Board
Austria	1		
Belgium	1		
Czech Republic		1	
France	13		3
Germany	3		1
Greece	1		
Hungary		3	
Italy	2		1
Netherlands	1		
Poland		1	
Portugal	1		
Spain	2		1
Sweden	1		
United Kingdom	3		1
Total	**29**	**5**	**7**

COMPENSATION POLICY

The compensation policy of Sanofi-Synthélabo contributes to the Group's performance and development worldwide. It is based on the following key principles:

→ Compensating both the job and its performance, with the triple aim of:
- Recognizing individual and collective performances.
- Striving for internal equity.
- Integrating the requirements for external competitiveness.

These principles are implemented in each country in accordance with local practices and realities with the objective of keeping Company compensation levels above the market median. For certain jobs or levels of responsibility, compensation includes a variable individual part which is determined according to the achievement of quantitative and qualitative objectives.

→ Sharing success by associating employees with the Group's performances:
- in France by a profit-sharing scheme, a profit-sharing bonus, and a Company contribution complementing employees' payments into the Group Savings Plan, thereby building personal savings,
- in other countries by the implementation over the medium term of a profit-sharing mechanism applicable to all employees.

HIGH LEVEL OF SOCIAL PROTECTION

The Group's policy of social protection aims to ensure in all countries a high level of protection in the context of local practices and regulations, respecting the commitments made, particularly in terms of pensions, and guaranteeing full protection of employees and their families against certain risks:

- In France, social protection systems involving a single rate of employee contribution have been implemented.
- In other countries, in accordance with the Group's principles, the Human Resources Department has been studying since 2000 how to offer the employees of all the Group's subsidiaries worldwide social advantages that will both be competitive and meet employee expectations, i.e. provide social coverage for all employees and their families - without exclusion or discrimination - against life's problems. A "Sanofi-Synthélabo minimum" with regard to pensions, reimbursement of health care expenditure, death and invalidity, is currently under review.

This work, initiated during special assignments both to several European countries, including Austria, Belgium, Poland and the UK, and also to China, Indonesia, Mexico, Morocco and the Philippines, will be extended during 2003 and 2004, to establish the most appropriate guarantees at a competitive cost level.

These measures are implemented progressively and, irrespective of the country, strive to respect the Group's principles, in particular, equity, supportiveness, respect of the individual, and acceptance of responsibility.

OUR RESPONSIBILITY REGARDING HEALTH, SAFETY AND THE ENVIRONMENT

The pharmaceutical industry has some of the most stringent regulations. Providing people with therapeutic treatments does not allow the slightest error or lack of precision. This necessity for scientific and ethical rigor starts with research, manufacturing and company organization procedures.

The Health, Safety and Environment (HSE) approach embodies this risk management, ensuring that medicines are developed and produced with maximum concern for the environment and the safety of the men and women involved, whilst maintaining a highly responsible approach to the industrial consequences of the technologies employed.

Sanofi-Synthélabo has implemented numerous measures over the last several years to control HSE risks, but is aware that no system is ever completely infallible and that the limits for safety are being tightened all the time. This action is consequently driven by the determination to move forward and, benefiting from experience, necessitates the vigilance of every employee, as well as the organization, monitoring and evaluation of feedback. This report highlights current progress.

The challenges of industrial responsibility

For Sanofi-Synthélabo, these challenges are to:

- **safeguard the health and safety of its employees in their work place** in the short, medium and long term, by controlling the physical, chemical and biological risks inherent in pharmaceutical activity,
- **guarantee safety for sites and their neighbours** by developing and implementing the safest possible chemical processes,
- **economize natural resources, limit discharges and emissions, and eliminate waste safely**, in order to safeguard both health and the environment.

Key figures in 2002

- The workplace accident frequency rate was **4.1** per million hours worked
- **25** industrial and research sites out of 58 achieved the "zero accident" objective
- **33%** reduction of emissions of volatile organic components (VOC) during this year
- **53** HSE audits accomplished on industrial and research sites
- HSE investment: **23** million euros
- HSE operating budget: **40** million euros

ANSWERING THE CHALLENGES OF INDUSTRIAL RESPONSIBILITY

Anticipating risks

The Group has set up two multidisciplinary committees, independent of operating structures, to identify and **evaluate the potential hazards inherent in the development of its products**: COVALIS (Sanofi-Synthélabo's internal exposure limit committee) and TRIBIO (Biosafety, Bioethics, Biovigilance) uniting physicians, chemists, biologists, pharmacologists, toxicologists and a legal expert.

- COVALIS defines the occupational exposure limits applicable to each of the Group's products.
- TRIBIO identifies and classifies according to their pathogenicity all the biological agents to which employees may be exposed.

The work of these committees leads to the definition of containment standards – glove boxes, fume hoods, microbiological safety cabinets – engineering control measures and personal protective equipment.
The methods devised to prevent major risks in all situations, processes and projects are implemented by all facilities in their work and have been set out in a guide intended for the use of all employees with responsibility for HSE.

Continuously raising the Group's standards

The Group has set itself the goal of continuously raising its standards and of implementing these worldwide.

One of the eight guiding principles defining its HSE policy emphasizes that "in all places in which the Group operates it respects the applicable laws and the regulations, applies expert recommendations and uses the best industrial practices".

In Poland and Hungary, the Group has therefore already applied the standards in anticipation of future membership of the European Union.

Sanofi-Synthélabo has decided to implement its standards more extensively than regulations require. Methods of assessing major risks, applicable to chemical sites, are therefore being implemented throughout all facilities.

Achieve continuous progress

With regard to Health, Safety and the Environment (HSE), we should not just content ourselves with the progress already made.

Progress is driven by culture and motivation which must be continuously fostered.

To this end, particular attention is focused on:

- learning through experience,
- understanding accidents, from their origins to their consequences, and analyzing these systematically,
- planning for accident prevention based on this analysis and sharing of difficulties encountered and lessons to be learnt as regards their implementation.

THE GROUP'S HSE ORGANIZATION

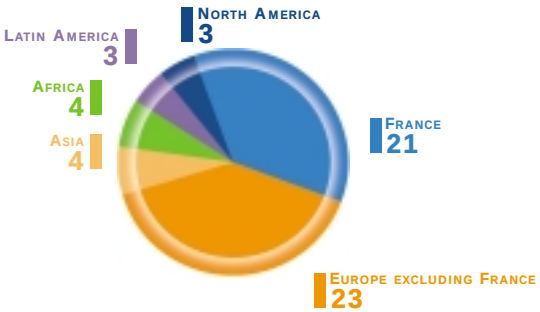
The HSE Directorate, part of the Strategy Department, has the goal of preventing professional and environmental risks by coordinating and training the HSE network, by applying its HSE expertise to projects, by keeping abreast of regulatory and technological advances, by audits and monitoring and by disseminating information on HSE. It comprises **14 experts** in industrial safety, industrial toxicology, industrial hygiene, occupational health, fire safety, life sciences, environmental technologies and industrial risks.

The management of Health, Safety and Environmental issues within the Group is achieved through networks coordinated by HSE management:

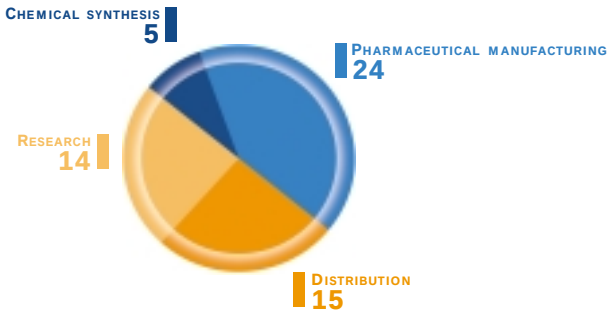
- network of site directors
- network of HSE coordinators
- network of occupational health physicians
- network of Covalis, Tribio and Process Safety experts

The 58 manufacturing and R&D sites

by geographic region



by activity



Among these 58 sites, the chemical sites of Aramon and Sisteron in France and Budapest in Hungary are classified as Seveso II.

All the Group's manufacturing, distribution and R&D sites are concerned by the Health, Safety and Environment policy. A total of 59 HSE coordinators distributed between these different sites are responsible for its application. A further 57 employees on the major sites complete the internal elements of HSE management.

A network of occupational health physicians and occupational health services contribute to accident prevention and assure the follow-up of all employees either on external contract or within the Group's workforce (9 occupational health physicians are employed by Sanofi-Synthelabo).

MANAGEMENT REQUIREMENTS

Applying the guidelines

Eight guiding principles define HSE policy with regard to both employees of Sanofi-Synthélabo and its external partners. The first of these is: "the management and the employees of the Group are aware of this policy and apply it at all levels. Each person is aware of their role and personal responsibilities with regard to the prevention of accidents, risks to health or to the environment." Another guiding principle is: "every development project and every product launch will be subjected to a safety, health and environment risk assessment integrating all the scientific and technical knowledge of the Group. Such projects will be developed using the best available technology to take stewardship of the product or project throughout its life cycle".

This logo is associated with all the initiatives and actions relatives to health, safety and the environment undertaken within the Group, assuring their high visibility within the Company.

Actions for continuous inprovement

The PASS, a yearly HSE progress action plan, is at the center of the continuous improvement of HSE management within each facility. The Facility Directors are entrusted with drawing up a plan defining their HSE action plans during the coming year, adapting the Group's policy to their specific activity.

The PASS defines the actions to be undertaken in terms of prevention of workplace accidents, industrial hygiene, improvement of working conditions and environmental protection, in all the facility's sectors of activity.

Developing training programs in risk prevention

As an aid to striving for continuous progress and constant vigilance, a plan for training in risk prevention was initiated in 2002. A total of 154 managers from 10 different sites in France, the United Kingdom, Morocco and Hungary took part in the training, intended to be subsequently relayed to the other employees on each site, to integrate an HSE culture. This training was focused particularly on 18 standards concerning HSE organization and management, systems of risk prevention, workplace safety, industrial hygiene and workstation ergonomics, helping to reinforce employee motivation.

Monitoring continuously and reacting

Audits establish the current status and measure the discrepancies relative to the Group standards. They form the basis for action plans, the implementation of which is monitored by means of specific indicators.

Reports on experience, whether generated within the Company or externally, encourage the Group to constantly review its procedures. As an example, following the tragic accident at the AZF fertiliser facility of the EMC group in Toulouse, France, the Group decided to systematically audit the storage units on its chemical sites in order to check the level of risk control, particularly with regard to conformity with regulations and assurance of good operational management.

Audits accomplished	2000	2001	2002
General HSE audits	12	5	**3**
Specific HSE audits*	0	9	**28**
Insurance – related audits**	27	22	**20**
External audits	0	2	**2**
Total	**39**	**38**	**53**

* Audits are conducted on specific topics, such as HSE management, major risks, chemical risks and biological risks, to ensure conformity with the Group's standards.
** Insurance company inspectors visit our sites several times a year, according to a defined schedule, to assess their risks. The Group cooperates fully and completely openly with these inspectors, with regard to both existing and planned installations.

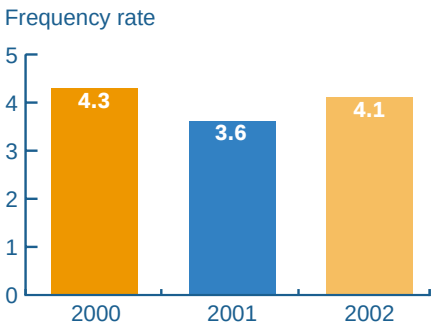
SAFETY IN THE WORKPLACE

Assuring the safety of all persons working in Sanofi-Synthélabo facilities, whether Company employees, staff on temporary contracts, or employees of external contractors, is a priority.

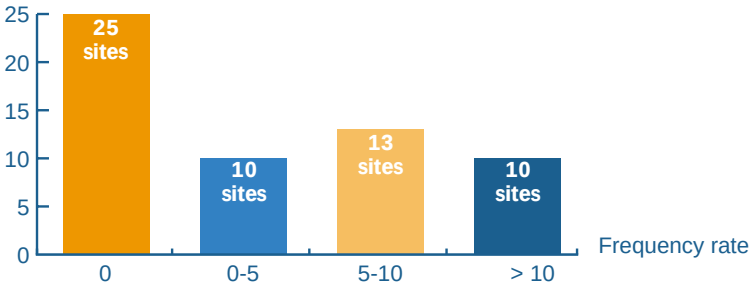
Apart from the physical risks associated with any industrial activity, the risks are mainly chemical and biological. To control these, increasing the reliability of the processes used in product development is a constant objective.

Workplace accidents frequency rate: number of lost-time accidents of one day or more during each 12-month period per million hours worked.

Consolidated frequency rate (Group)



Distribution of industrial and research sites by frequency rate



Consolidated frequency rate by activity

	2000	2001	2002
R&D	3.1	2.7	**3.4**
Chemical synthesis	2.4	2.4	**5.1**
Pharmaceutical manufacturing	6.0	4.9	**4.5**
Distribution	4.3	5.7	**12.3**
Total industrial & research sites	**4.4**	**3.9**	**4.6**
Sales force	6.0	5.0	**4.9**
Headquarters and central services	1.9	1.0	**1.9**
Total Group	**4.3**	**3.6**	**4.1**
External contractors	10.5	8.7	**7.6**
Temporary staff	9.1	5.6	**6.5**

Chemical

After two years of good results, the rise in frequency rate in 2002 led the Group to conduct a specific audit of one of its three chemical sites and to undertake a program of corrective action.

Pharmaceutical

Faced with a trend toward deterioration of safety during the first half of the year, the Group reinforced its training plans, permitting consolidation of the progress achieved during previous years.

Distribution

Distribution was subjected to a systematic audit of all sites worldwide, with the participation of line management, involving a complete review of procedures and techniques.

Sales force

Representing a third of Sanofi-Synthélabo's activities, the sales force is exposed in its work to a major risk: that of road accidents. One fatal road accident involving a sales representative occurred in 2002. The Group devotes particular efforts to improving the safety of its sales force through an analysis of reports, and this has enabled elaboration of a useful typology, serving as the basis for an action plan. It concerned subsidiaries in France, Spain, Hungary and Morocco.

HEALTH IN THE WORKPLACE

Preserving the health of all employees at their workplace is a major challenge.

Participation of occupational health physicians

The implication of occupational health physicians in medical surveillance and adverse event monitoring is an indispensable means of improving working conditions.
At Bagneux, for example, the occupational health physician, participating in a working group of experts in HSE, maintenance and human resources, helped identify the causes of allergies and proposed ways of preventing these in persons exposed to risk of allergy. These remedies will serve as the basis for developing a standard of prevention for the Group.

Rigorous industrial hygiene

The objective of industrial hygiene is to continuously reduce occupational exposure to risks of a physical, chemical or biological nature in all Sanofi-Synthélabo's activities.
Reducing risks means:

- Eliminating sources of danger. For example, with regard to its chemical activities, the Group has decided to eliminate the use of phosgene and investigates substances capable of replacing glycol esters and solvents such as dichloroethane and dimethylformamide;
- Decreasing the levels of professional exposure set by the standards of the Group, defined by the committees COVALIS and TRIBIO;
- Investing in containment equipment.

INDUSTRIAL RISK PREVENTION

Sanofi-Synthélabo practices the so-called "Hazard Vetting" method, consisting in a systematic re-assessment of risks as soon as a new process, item of equipment or product is envisaged and at each manufacturing scale up.

The PCP laboratory: a specific expertise of the Group for risk assessment

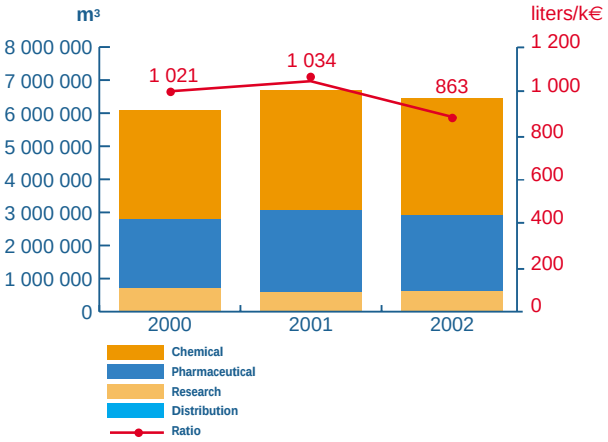
With a budget of 1.8 million euros, the PCP (Physico-Chemical Process laboratory) was created in response to the need for expertise in analyzing and quantifying the hazards associated with processes and projects. Fifteen specialists are at the service of all the units of the Group, performing studies on the explosive potential of powders, product stability, the safety of chemical reactions, incompatibilities between products and materials and environmental impacts of the process. Analysis by the PCP laboratory is an mandatory stage in all process development projects.

The experimental data generated by its studies form the basis for defining the scope of the safety systems of industrial facilities and serves as a source for information sheets provided to external contractors. The PCP operates as a network, notably with European bodies (with which it is currently conducting studies on runaway reactions) and with universities.

RESPECT FOR THE ENVIRONMENT

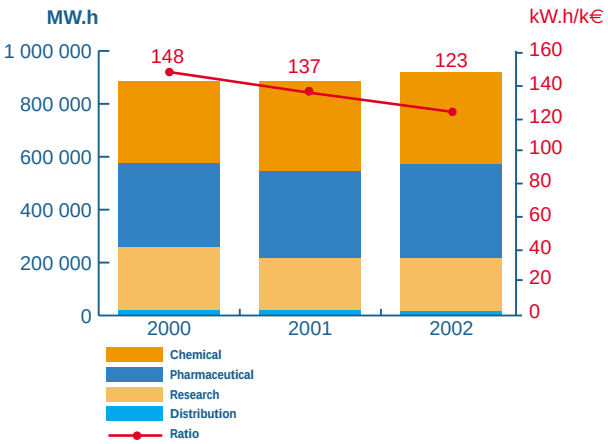
Our commitment to respect the environment is embodied by the implementation of the environmental component of our management system (PASS). Progress is evaluated by monitoring seven consolidated indicators. These concern all 58 manufacturing and R&D facilities of the Group.
The figures presented are expressed with respect to a constant scope and in absolute values. The red curves indicate the ratio of each measurement to sales, in kilo euros.

Water consumption



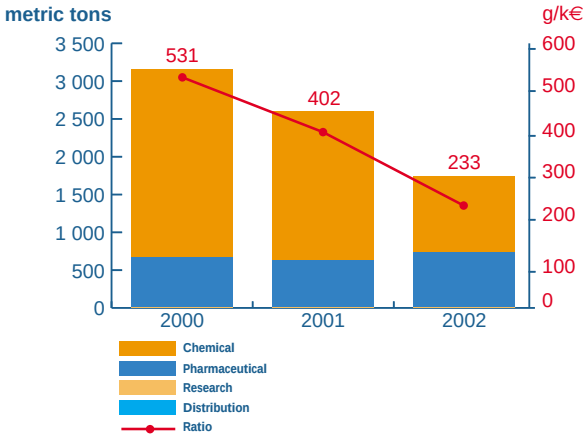
Water is drawn mainly from natural underground reserves; the ratio of water consumption to activity decreased in 2002, particularly as a result of the use of closed cooling systems.

Energy consumption



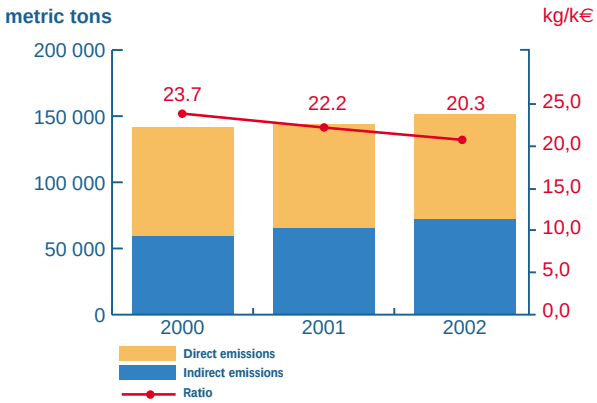
Energy is used for processes, air-conditioning of buildings to respect Good Manufacturing Practices for pharmaceutical manufacturing and also to ensure the functioning of environmental protection installations. Energy consumption is continuously decreasing relative to activity.

Volatile Organic Compounds



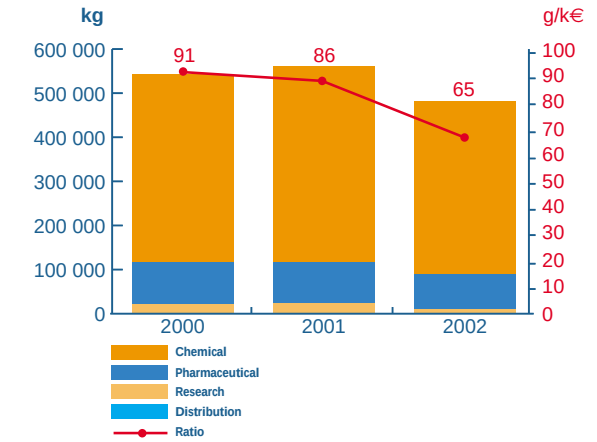
Emissions of volatile organic compounds, resulting from our chemical synthesis and medicinal product manufacturing activities show a substantial and constant downward trend, decreasing by 33% this year, due to the installation of new equipment to collect and process these compounds and due to product reformulations.

CO_2



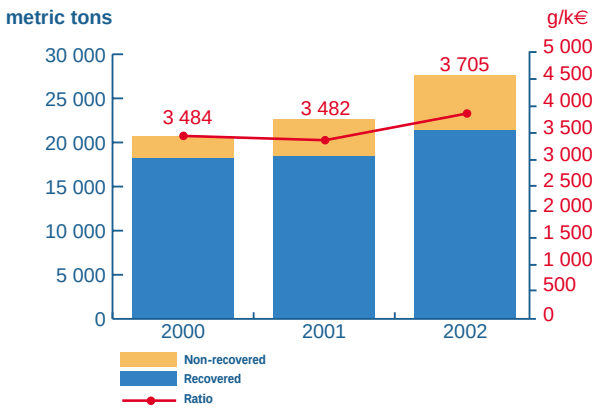
The combustion of natural gas principally, as well as small quantities of liquid hydrocarbons (direct emissions), and the production of electricity by our suppliers (indirect emissions), result in the discharge of carbon dioxide into the atmosphere.
The emissions resulting from steam bought outside and emissions from the fleet of vehicles used by the sales force and for the transport of materials are not included in this total. Emissions of other greenhouse gases are insignificant.

Chemical oxygen demand

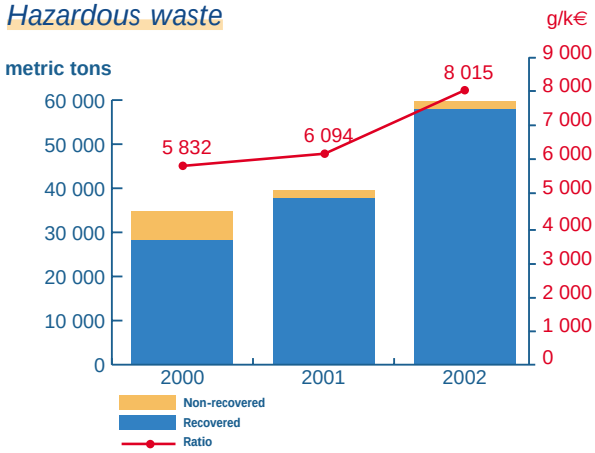


Industrial effluent discharges are processed either in our water treatment plants or in municipal treatment plants according to agreements signed with their operators. The chemical oxygen demand (COD) is the principal index of the environmental pollution potential of our effluents after all treatment processes.

Non-hazardous waste



Hazardous waste



In 2002, 31% of all waste was recovered, either through recycling or processing, or by conversion into energy.
In particular, 97% of hazardous waste was recovered.
Under normal circumstances, the weight of waste generated relative to the level of activity remains constant. However, two events (including the incineration of liquid effluents from one of our facilities during a period of malfunctioning of its water treatment plant) resulted in an exceptional increase (of approximately 45%) in the tonnage of waste generated this year.
A very small proportion of hazardous waste (1%), continuously decreasing, is still eliminated in technical landfill centers when facilities for its processing by incineration are unavailable.

Land

A systematic long-term program of preventive monitoring and studies of soils and subsoils on our sites has been implemented; this year it was applied to 10 facilities. Several rehabilitation projects will be initiated during 2003.

Biodiversity

Only one of our facilities, in Csanyikvölgy (Hungary), is located within a zone specifically designated as a nature protection area. The activities of this facility involve a low risk of environmental pollution, but in view of the nature of the site, they are subject to particularly close monitoring.

ISO certification

Our internal HSE management system, PASS, fully conforms to the international ISO norm. This has been implemented in all the industrial and research facilities of the Group. An ISO 14001 certification program has now been initiated.
Four facilities, the R&D centers in Alnwick (United Kingdom) and in Labège (France), the pharmaceutical manufacturing facility in Veresegyhaz (Hungary) and the chemical synthesis facility in Aramon (France), have been certified as conforming to the norm ISO 14001.
A fifth facility, the pharmaceutical manufacturing facility in Amilly (France) has just been notified of a favorable recommendation after its certification audit. Following on from this pilot program, the Group plans to ultimately extend the certification program to all its major chemical, pharmaceutical and research facilities.

RELATIONSHIPS WITH SUPPLIERS

The Group's relationships with its partners include a commitment to respect HSE principles.

Subcontractors

The Group assesses and updates safety and environmental protection instructions concerning its products and processes with subcontractors so that they can take these into account in their manufacturing processes. HSE inspections of their sites are conducted to monitor respect of these directives.

Chemical suppliers

Suppliers of chemical products are subjected to regular assessments to evaluate the incorporation of HSE principles in their manufacturing.

Transporters

The actions initiated in 2001 concerning the harmonization of procedures to control and monitor operations related to the transportation of hazardous materials were continued in 2002. In particular, 17 Group manufacturing, distribution and R&D facilities were subjected to audits focusing on these transportation operations in 2002.

OUR COMMUNITY INVOLVEMENT

It is on humanitarian values, to which it has long been sincerely and deeply attached, that Sanofi-Synthélabo very early on built an original vision of society, privileging long-term actions at grass roots level. Its intention is to help the underprivileged, whilst developing a Company culture in which respect for others and sharing are fundamental values of life.

The spirit of our commitment

From the start, Sanofi-Synthélabo has been deeply involved in the surrounding community irrespective of location. This commitment to local communities is expressed in many ways, often involving partnerships with humanitarian or charitable associations. This makes it possible to provide solutions to a whole set of interrelated issues: problems of health (prophylaxis and treatment), poverty, exclusion, social distress, or problems resulting from childhood sickness, disability or ill-treatment.

Irrespective of the nature of the Group's support, allocation of financial resources, technical support, professional support or volunteer work, this commitment remains constant:

- Our support is extended to employees, their families, and to the communities in which they live.
- The energy of the company is actively channeled into numerous actions.
- Absolute openness with regard to the use of the resources allocated is a prerequisite.
- International actions, based on original pilot initiatives, are favored.
- Taking inspiration from the Group's values, each subsidiary and every employee can participate in or initiate such activities.

OUR CONCRETE ACTIONS

Helping children

The Association "Our children matter" provides support throughout the world to any employee's child who is going through a difficult period in terms of health, education, or family or social situation.
In these circumstances, all efforts are mobilized to find personnalised solutions, when no other means of support are available.

The Association also undertakes collective actions, country by country, according to sanitary and social conditions: vaccinations against hepatitis B in Vietnam and Colombia, campaigns promoting dental care or eyesight tests in Turkey, Hungary and China, encouragement of the children of some employees in Brazil to return to school, and help in finding a first job in France and Portugal.

Since 1993, the Group has helped 580 families individually, as well as over 10,000 children in the context of collective actions.

Humanitarian emergencies

When a country or a region experiences a traumatic event or is the victim of a natural catastrophe, the Group provides active support to its employees and to the local communities, as was the case at the time of the 1999 earthquake in Turkey and more recently during the floods in Germany and in the Gard region of France.

Support for economic development

To aid the most underprivileged and in the interests of sustainable development, Sanofi-Synthélabo supports PlaNetFinance, an international supportive organization contributing to the professional training and financing of micro-finance institutions. Access to micro-credit enables millions of people worldwide to initiate or pursue an activity, thereby contributing to the economic development of their environment and improving their conditions of life to a lasting extent.

Improvement of hospitalization conditions

Health remains the prime objective of Sanofi-Synthelabo. The Group currently supports two initiatives in the hospital environment with the objective of enabling both those receiving and those administering treatment to better cope with the constraints imposed by particularly intensive therapeutic regimens:

- Sanofi-Synthélabo is a partner in the "Fun Center" project implemented in certain Brazilian, American and British hospitals. The "Fun Centers", with play and relaxation areas decorated in bright, attractive colors, propose a wide variety of toys to hospitalized children. Not only do they provide the children with an opportunity to "escape" their everyday world of illness, but they also open a window on to life and hope.
- Sanofi-Synthélabo has also opened a "Meeting and Information Forum" in a cancer treatment center. This forum provides an attractive focal point for the exchange of information and experiences or for reassurance between patients, their families and associations. This experience will be extended to other cancer centers.

Through all these actions, Sanofi-Synthélabo demonstrates its desire to fulfill its responsibilities in the countries where it operates by contributing to social and environmental progress and economic development.

Fun Center in Brazil

OVERVIEW OF INDICATORS

OVERVIEW OF INDICATORS

Social indicators

	Definition	Unit of measurement	Scope	2002	2001	Change
Total workforce	Workforce registered on 31.12	Total no. of employees (PC & FTC)	World	32,436*	30,571	+ 6.1%
PC workforce	Group employees with a permanent contract	Total no. of PC employees	World	30,621*	28,769	+6.4%
FTC workforce	Group employees with a fixed-term contract	Total no. of FTC employees	World	1,815*	1,802	+0.7%
		% of PC workforce (1)		4.5%	Not available	
Workforce by category	Group employees by job category	Managers	World	7,772*	7,206	+7.9%
		Sales Force	World	10,475*	9,868	+6.2%
		Others	World	14,189*	13,497	+5.1%
Workforce by gender	Male and female Group employees	No. of women	World	16,339*	15,429	+5.9%
		No. of men	World	16,097*	15,142	+6.3%
Gender equity		% of women in total workforce	World	50.4%	50.5%	
Use of temporary labor		% relative to PC employees	World	4.9%	5.5%	
Entries	PC entries	No. of PC entries	World	3,464*	4,903	-29.3%
Entries	FTC entries	No. of FTC entries	World	1,833*	2,317	-20.9%
Departures	PC departures from Group	No. of resiliated PC	World	2,609*	2,634	-1%
Departures	FTC departures	No. of FTC terminations	World	1,480*	1,606	-7.8%
Dismissals/ redundancies	Dismissal for personal and economic reasons	Total no. of dismissals	World	762*	883	-13.7%
		- for personal reasons	World	640*	714	-10.4%
		- for economic reasons	World	122*	169	-27.8%
Average age	Average age of PC employees	Years	World	39.8	39.2	+1.5%
Average seniority	Average seniority of PC employees	No. of years	World	10.6	10.1	+5.0%
Employees aged 30 years or less	PC employees aged 30 years or less in the total workforce	% of total workforce	World	20.4%	20.4%	
Working hours	Mean theoretical number of hours worked per year` the total workforce	No. of hours	World	1,703	1,710	-0.4%
Part-time work	Group employees working less than the reference working hours	No. of employees registered on 31.12	World	1,516	Not available	
Employees trained	Employees participating in at least one training course	% of mean total workforce	World	83%*	81%	
Hours of training	Mean time spent in training for employees participating in at least one training course	% of hours spent in training relative to total hours worked	World	2.1%	2.4%	
Absenteeism	Days of absence due to sickness, workplace or work-related road accident, maternity or other reason	No. of days of absence	World	343,928*	Not available	
Compensation	Mean base gross annual salary	Euros	France	38,322*	Not available	
Insertion	No. of disabled employees	No. of disabled employees	France	289*	275	+5.1%
		% of workforce in France		3.3%	3.2%	

* The data collected were reviewed in 2002 by the statutory auditors in application of French legislation.
(1) Excluding FTCs for a period of three years or more in China.

Health and safety indicators

	Definition	Unit of measurement	Scope	2002	2001	Change
Accidents	Consolidated frequency rate within the Group, for all Group employees.	No. of accidents resulting in lost time of one day or more within a 12-month period per million hours worked	World	4.1*	3.6	+14%
"Zero accident" objective	Industrial or research sites with an accident rate equal to zero	No. of industrial and research sites (out of a total of 58)	World	25	19	+31%
Audits accomplished	Total number of internal and external HSE audits performed on the Group's sites	No. of audits	World	53	38	+39%

Environmental indicators

	Definition	Unit of measurement	Scope	2002	2001	Change
Water	Water consumption by all industrial and research sites	m^3	World	6,430,892*	6,706,626	-4%
Energy	Energy consumption by all industrial and research sites	MW.h	World	917,580*	886,845	+3%
VOC	Emissions of volatile organic compounds from all industrial and research sites	metric tons	World	1,736*	2,607	-33%
CO_2	Carbon dioxide emissions from all industrial and research sites	metric tons of direct emissions metric tons of indirect emissions	World World	79,485* 72,032*	78,251 65,536	+2% +10%
COD	Chemical oxygen demand in effluents from all industrial and research sites	metric tons	World	481*	560	-14%
Nitrogen	Nitrogen in effluents discharged into the environment	metric tons	World	31.6*	40.5	-22%
Hazardous waste	Waste as defined by EU classification of May 3, 2000 produced by industrial and research sites	metric tons	World	59,693*	39,536	+51%
Non-hazardous waste	Other solid waste (excluding emissions and effluents) produced by industrial and research sites	metric tons	World	27,596*	22,589	+22%
Waste recovery	Proportion of waste recycled, re-processed or converted into thermal energy	Percentage of total hazardous and non-hazardous waste	World	91%*	91%	

* The data collected were reviewed by the statutory auditors in the context of application of French legislation.
Some data for the period 2000/2001 were adjusted during consolidation, which may explain the discrepancies relative to the data published in 2002.

GLOSSARY

Adverse event reporting: monitoring of events related to the toxicity of products.

Anopheles: mosquito acting as a host for Plasmodium, the agent responsible for malaria, which it transmits to humans through its bite.

Audit: verification of the application of external regulations and Group standards.

Base salary: contractual part of the compensation, paid in a constant number of monthly instalments.

Chemical oxygen demand (COD): corresponds to the quantity of oxygen needed for complete oxidization of organic matter in wastewater.

Clinical Research Organization: contract company specialized in the initiation, monitoring and management of clinical studies.

Containment: installation enabling products to be contained within enclosed work equipment, thereby avoiding their dispersion elsewhere in the workplace.

CO_2: carbon dioxide, emitted during chemical oxidation or combustion. A greenhouse gas.

Effluents: denotes aqueous fluids discharged into the environment after treatment.

Emissions: gaseous discharges released into the air.

Energy recovery: transformation of products into energy, usually heat, electricity or methane gas.

Ergonomics: discipline focusing on working conditions and applied to the design or transformation of work systems integrating the person, the task, the equipment and their environment.

FTC: fixed-term contract.

Good Clinical Practices: set of rules established by the official bodies controlling the pharmaceutical industry (FDA, European Medicines Control Agency).

ILO: International Labor Office.

Industrial hygiene: prevention of physical, chemical or biological risks, by controlling occupational exposure in the workplace.

ISO 14001: international standard promoting continuous progress in environmental protection.

Life Cycle Management (LCM): management of product life cycle: complementary studies, new indications, etc.

Malaria: febrile disease caused by the presence in the human body of protozoan (hematozoan) parasites of the genus Plasmodium, transmitted by the bite of the Anopheles mosquito.

Malignant blood diseases: cancerous diseases of the blood and blood-forming organs.

Nitrogen: chemical element which, in soluble form and in combination with carbon and phosphorus, may ultimately lead to complete oxygen depletion in a river.

PC: permanent contract.

Pharmacokinetics: discipline devoted to the study of the absorption, distribution, metabolism and excretion of medicines by the human body.

Pharmacovigilance: discipline focused on the detection, evaluation and prevention of side effects associated with medicines in humans.

Plasmodium: parasite responsible for malaria, the most dangerous species being *Plasmodium falciparum*.

Rate of PC departures: total departures of PC employees/total workforce.

Rate of PC entries: total PC entries/total workforce.

Toxicology: science permitting determination of the toxicity of a product.

Volatile organic compounds (VOC): compounds generated by the use of organic solvents. They contribute to the destruction of the ozone layer.

Waste, hazardous/non-hazardous: waste categories defined by the European Union classification of May 3, 2000.

Waste, non-recovered: by-products with a composition such that they can only be destroyed, usually by incineration without energy recovery.

Waste, recovered: by-products generated by an activity that can be transformed and/or re-used.

WHO: World Health Organization.

Working hours: mean working hours per day x theoretical number of working days.

Workplace accidents frequency rate: number of lost-time work-related accidents of one day or more during a 12-month period per million hours worked.

Work-related exposure: denotes the contact of an employee with a physical, chemical or biological substance at his/her workstation.

INDEX

This Sustainable Development report was designed and published by:

Sanofi-Synthélabo Corporate Communications, Strategy Department and the DraftWorldwide agency.

Photographs:

Front cover page: Rose Deren ● **Back cover page:** Publicis Dialog/Daniel Therasse
● **Pages 2-35:** Michel Fainsilber ● **Page 3:** Jean-Christian Meyer ● **Page 8:** Marie Simonnot
● **Pages 11-12:** Côté Cour/Karim Daher ● **Page 25:** Olivier Culmann ● **Page 29:** Denis Turrier
● **Page 34:** Harutiun Poladian Neto

The photographs which illustrate this document feature Sanofi-Synthélabo employees: we would like to thank them for their contribution.

Our story began 30 years ago

DRAFT WORLDWIDE - Avril 2003

sanofi~synthelabo

Because health matters

174, avenue de France - 75013 Paris - France
Tel: +33 1 53 77 40 00

www.sanofi-synthelabo.com

395 030 844 R.C.S. Paris