

CSR INDICATORS TABLE AND AUDITORS REPORT

GRI Standards : 102-08, 102-41, 203-1, 203-2, 204-1, 205-2, 302-1, 303-2, 304-4, 305-1, 305-2, 305-3, 305-6, 305-7, 306-2, 306-5, 307-1, 401-1, 403-2, 404-1, 405-1, 414-1, 416-2

I. OUR INDICATORS SINCE 2016

Definition	GRI Standards	Unit	2016	2017	2018
ACCESS TO HEALTHCARE					
Access to healthcare programs					
Total number of ongoing access to healthcare programs (worldwide)	203-1 203-2	Number	198*	82*	79*
- Number of healthcare professionals trained	203-1 203-2	Number	275,067*	346,360*	241,827*
- Number of individuals targeted by awareness campaigns	203-1 203-2	Number	151,427,483*	83,231,773*	287,498,526*
- Number of patients receiving diagnosis, vaccination or treatment	203-1 203-2	Number	90,182,831*	35,166,423*	79,850,322* ¹
Research and Development (in our portfolio)					
Number of new molecular entities (NME) and vaccines candidates in clinical development		Number	44	36	33
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	13	6	9
Approximate percentage of projects coming from collaborations and partnerships		%	50	60	45
Clinical trials					
Total number of clinical trials		Number	204	186	201
- By Sanofi Pharmaceutical and Genzyme		Number	157	144	161
- By Sanofi Pasteur ²		Number	47	42	40

¹ The 2018 data include treatments related to Polio which were not included in 2017

² Includes only trials where Sanofi Pasteur was the lead sponsor.

Definition	GRI Standards	Unit	2016	2017	2018
Number of subjects enrolled		Number	30,950	43,840	294,172
- For Sanofi Pharma and Genzyme		Number	15,691	13,633	31,113
- For Sanofi Pasteur		Number	15,259	30,207	263,059

* Indicators identified by an asterisk (*) were the focus of an in-depth review by one of our statutory auditors

Definition	GRI Standards	Unit	2016	2017	2018
ETHICS AND TRANSPARENCY					
Governance³					
Number of Board members		Number	12	16 ⁴	16
Women in the Board		%	42	44	43
Board independence rate ⁵		%	75	79	79
Human rights					
Employees trained to human rights since 2010		Number	156	167	167
Responsible procurement					
Number of suppliers assessed on their CSR performance	414-1 204-1	Number	164	194	211
Number of assessed suppliers that met our CSR requirement	414-1 204-1	Number	116	159	175
Percentage of assessed suppliers that met our CSR requirement	414-1 204-1	%	71	82	83
Number of buyers trained to the Responsible Procurement Platform	414-1 204-1	Number	122	140	98
Proportion of spending on local suppliers (France)	414-1 204-1	%	12.9	12	-
Compliance helpline					
Number of alerts		Number	1153	838	775
- Substantiated cases		Number	459	245	353
- Dismissals and resignations related to misconduct		Number	90	150	110
Business ethics trainings (including fighting corruption)					
Number of employees trained on anti-bribery and corruption			-	68,951	63,911
Number of employees trained on code of ethics			-	27,647	91,782 ⁷
Bioethics & medical ethics					
Scientific publications in PubMed ⁶		Number	611	560	664
Product quality and safety					
Number of internal quality audits		Number	252	206*	210*
Fighting falsified medical products					
Number of seizures		Number	4,300,000	1,300,000	-

³ Source: Annual Form 20-F

⁴ Including two directors representing employees

⁵ According to AFEP-MEDEF

⁶ PubMed : <https://www.ncbi.nlm.nih.gov/pubmed/>

⁷ An updated code of ethics has been released in 2018

Definition	GRI Standards	Unit	2016	2017	2018
Number of counterfeit manufacturing facilities		Number	27	30	-
Number of websites shut down		Number	4,932	3,548	3,671
Number of people arrested or under investigation		Number	393	310	859
Number of suspected products inventoried by LCAC since 2008		Number	>30,000	> 37,000	-

** Indicators identified by an asterisk (*) were the focus of an in-depth review by one of our statutory auditors*

Definition	GRI Standards	Unit	2016	2017	2018
COMMUNITIES					
Workforce					
Employees under contract ⁷	102-08	Number	106,859*	106,566*	104,226*
Workforce by part time contract					
Part time employees	102-08	Number	4,104*	4,070*	3,802*
Full time equivalent	102-08	Number	3,066*	3,078*	2,923*
Workforce permanent and fixed-term contract					
Permanent contract (PC)	102-08	%	88.2*	88.2*	88.0*
Fixed-term contract (FTC)	102-08	%	11.8*	11.8*	12.0*
Workforce by function					
Sales force	102-08	%	28.8*	28.4*	27.7*
R&D	102-08	%	14.2*	13.9*	14.5*
Production	102-08	%	39.2*	37.9*	37.2*
Marketing and support functions	102-08	%	17.8*	19.8*	20.5*
Workforce by activity					
Pharmaceuticals	102-08	%	85.6*	65.6*	64.6*
Vaccines	102-08	%	14.4*	14.3*	14.3*
Animal health	102-08	%	-	-	-
Consumer healthcare	102-08	%	-	9.2*	9.9*
Other ⁸	102-08	%	-	10.9*	11.2*
Proportion of female employees					
In the total workforce	405-1	%	46*	46.2*	46.2*
People Managers ⁹	405-1	%	41*	42.2*	40.7*
Senior Leaders	405-1	%	-	-	35.4*
Executive level 1 & 2	405-1	%	26.4*	27.5*	29.3*
Executive Committee	405-1	%	7.7*	14.3*	18.8*
Workforce by age					

⁷Employees under contract include all employees who have a contract with Sanofi, excluding interns and apprentices.

⁸ Starting in 2017, the "Other" line includes employees of our global support functions (Medical Affairs, External Affairs, Finance, Human Resources, Legal Affairs, Information Solutions & Technologies, Sanofi Business Services, etc.), who were previously allocated between our Pharmaceuticals and Vaccines operating activities.

⁹ The definition of the term "manager" corresponds to every person who have one or more direct reports.

Definition	GRI Standards	Unit	2016	2017	2018
Less than 21 years	102-08	%	0.3*	0.3*	0.2*
21 to 30 years	102-08	%	17.8*	17.3*	16.9*
31 to 40 years	102-08	%	31.8*	31.4*	31.0*
41 to 50 years	102-08	%	29.7*	29.8*	29.6*
51 to 60 years	102-08	%	18.5*	19.2*	20.1*
Over 60 years	102-08	%	1.9*	2.0*	2.2*
Workforce by seniority					
> 35 years of seniority	102-08	%	1,6 *	1,8*	
31 to 35 years	102-08	%	3,1*	3,1*	
26 to 30 years	102-08	%	5,2*	5,4*	
21 to 25 years	102-08	%	6,5*	6,3*	
16 to 20 years	102-08	%	9,9*	11,0*	
11 to 15 years	102-08	%	14,6*	15,2*	
6 to 10 years	102-08	%	18,2*	15,5*	
1 to 5 years	102-08	%	30,9*	30,2*	
< 1 year	102-08	%	9,9*	11,6*	
New hires and departures					
Total number of hires	401-1	Number	12,391*	13,927*	14,639*
Total number of departures	401-1	Number	14,535*	14,507*	17,173*
- Resignations	401-1	%	41.3*	39.2*	40.0*
- Terminations	401-1	%	36.4*	45.2*	45.2*
- End of fixed-term contracts	401-1	%	19.3*	12.7*	11.9*
- Retirement	401-1	%	3*	2.9*	2.9*
Turnover					
Turnover (permanent contracts) ¹⁰	401-1	%	8.1*	10*	10.4*
Resignation rate (permanent contracts) ¹¹	401-1	%	4.8*	4.5*	5.1*
Employee engagement survey					

¹⁰ Turnover of employees on permanent contracts = $\frac{(\text{New hires of permanent staff} + \text{departures of permanent staff}) / 2}{\text{Total permanent staff at year-end}}$

¹¹ Resignation rate on permanent contracts = $\frac{\text{Voluntary departures of permanent staff}}{\text{Total permanent staff at year-end}}$

Definition	GRI Standards	Unit	2016	2017	2018
Response rate / total employees	102-43	%	-	73	83
Employees engagement index with everyday work	102-43	%	-	69	73
Employees engagement index target	102-43	%	-	NA	At least 2017 index (69)
Response rate : gender breakdown (% of women)	102-43	%	-	-	45,4 ¹²
Training					
Training in France					
Number of hours of training	404-1	Number	471,511*	514,455*	498,486*
Percentage of employees receiving at least one session of training during the year	404-1	%	83	77	74
Number of employees trained	404-1	Number	21,063	19,495* ¹³	18,604*
Average hours of training per year per trained employee	404-1	Hours	22.4	26.4	26.8
Percentage of employees covered by collective bargaining agreements					
Germany	102-41	%	61	-	-
Brazil	102-41	%	100*	100	-
China	102-41	%	-	>70	-
France	102-41	%	100*	100	100
Occupational health-safety					
Lost time injury frequency rate ¹⁴ (LTI-FR)					
LTI-FR worldwide (Sanofi employees)	403-2	Rate	1.7*	1.6*	1.6*
LTI-FR France (Sanofi employees)	403-2	Rate	3.4	3.1	3.5
LTI-FR for temporary employees	403-2	Rate	1.5	1.9	2.4
LTI-FR for independent contractors	403-2	Rate	2.3*	2.9	2.2
LTI-FR all workers	403-2	Rate	1.7*	1.9*	1.8*
LTI -FR by function					
Research and Development	403-2	Rate	2.1	1.0	0.6

¹²Number of female responses: 36,972 Number of male responses: 44,519

¹³ Training on Foederis

¹⁴ 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 travelling medical sales representatives, in accordance with the reporting rules. In the interest of comparability, the figures for 2016 have been restated to reflect the scope of Sanofi at the end of 2017.

Definition	GRI Standards	Unit	2016	2017	2018
Industrial Affairs (including Vaccines)	403-2	Rate	1.9	2.0	2.3
Administration & Sales	403-2	Rate	1.5	1.5	1.3
Total reportable injury frequency rate Worldwide (TRI-FR)					
Sanofi employees	403-2	Rate	2.3*	2.3*	2.2*
All workers ¹⁵	403-2	Rate	2.5*	2.7*	2.4*
Motor vehicle accidents (MVA)¹⁶					
Number of MVA	403-2	Number	4,752	4,711	4,685
Total number of medical sales representatives vehicles	403-2	Number	24,675	23,563	21,022
- Including total number of motorcycles	403-2	Number	4,242	4,153	3,556
Motor vehicle accidents (MVA) rate	403-2	%	19.3	20.0	22.3
Motor vehicle-related LTI-FR	403-2	Rate	1.4	1.2	0.9
Fatalities	403-2	Number	0	0	0
Total occupational diseases recognized ¹⁷					
Total occupational diseases declared	403-2	Number	39	30*	21*
Total occupational diseases recognized	403-2	Number	16	14	11
Regognitions by disease type					
- Cancer	403-2	Number	3	0	0
- Mental disorder	403-2	Number	1	0	0
- Musculoskeletal disorder	403-2	Number	9	13	9
- Respiratory disease	403-2	Number	3	0	0
- Skin disease	403-2	Number	0	0	0
- Other diseases	403-2	Number	0	1	0
Recognitions by agent type					
- Biological	403-2	Number	0	0	0
- Chemical	403-2	Number	6	0	2

¹⁵ Includes Sanofi employees, temporary workers and subcontractors.

¹⁶ Motor vehicle-related data excludes Merial.

¹⁷ Occupational diseases presented here refer to recognized cases by regulatory authorities each year. The figures provided were updated according to the files received after December 31st of the respective year.

Definition	GRI Standards	Unit	2016	2017	2018
- Ergonomics	403-2	Number	9	13	9
- Physical	403-2	Number	0	1	0
Mental	403-2	Number	1	0	0
Employee with disabilities					
Employees with disabilities in the workforce (France)	405-1	Number	1,160*	1,255*	1,257

* Indicators identified by an asterisk (*) were reviewed by an independent third party. See report at the end of this factsheet

Definition	GRI Standards	Unit	2016	2017	2018
HEALTHY PLANET					
Materials					
Solvents used		Tons	203,057*	207,816*	192,562*
- Including % regenerated		%	61*	65*	65*
Energy					
Total energy consumption¹⁸	302-1	MWh	4,386,364	4,286,83*	4,241,771*
- Natural gas	302-1	MWh	2,224,609*	2,208,829*	2,164,781*
- Electricity	302-1	MWh	1,631,400*	1,609,254*	1,574,225*
- Renewables (electricity and biofuels)	302-1	MWh	41,643*	41,673	41,872
- Coal	302-1	MWh	0	0*	0
- Other (bought-in steam, waste-to-energy)	302-1	MWh	406,936*	426,527*	460,893*
Total fuel consumption from medical sales fleet vehicles	302-1	Liters	54,204,094	53,293,111	41,424,051
- Total number of medical sales representatives vehicles including motorcycles	302-1	Number	24,675	23,563	21,022
- Distance travelled	302-1	Km	762,082,568	674,173,631	597,770,727
- Normalized consumption	302-1	Liters per 100 km	7.11	7.90	6,93
Water					
Percentage of water consumed by sites located in water scarcity and water stress areas ¹⁹	303-2	%	20.9*	20*	19*
Total water consumption	303-1	m³	43,077,809*	40,204,065*	37,101,726*
- Surface water withdrawal (lakes and rivers)	303-1	m ³	10,403,834*	9,003,566*	9,125,862*
- Ground water withdrawal	303-1	m ³	24,326,323*	23,511,283*	20,272,122*
- Public water supply withdrawal	303-1	m ³	8,347,652*	7,689,216*	7,7037,42*
Biodiversity					
Plants and animals appearing on the CITES lists	304-4	%	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	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

¹⁸ These figures do not include energy used by cars.

¹⁹ Since 2015, Sanofi crossed local internal data and global external expertise to fine-tune its approach regarding water scarcity and water stress areas, by conducting in-depth studies to confirm the local situation.

Definition	GRI Standards	Unit	2016	2017	2018
CO₂ emissions - Scope 1 & 2					
Total scope 1 et 2	305-1	tCO₂eq	912,323*	1,002,698*	954,677*
- Fossil fuel (direct CO ₂) – medical sales car fleet not included.	305-1	tCO ₂ eq	499,102	485,475	480,245
- Production of electricity and steam (indirect CO ₂)	305-2	tCO ₂ eq	445,630	391,293	376,098
Estimated CO ₂ emissions from medical sales fleet vehicles	305-1	tCO ₂ eq	124,516	125,930	98,334
Percentage of vehicles compliant with the 120g CO ₂ /km maximum defined by Sanofi ²⁰	305-2	%	57,1	53,2	61,0
CO₂ emissions - Scope 3					
Total CO₂ emissions - Scope 3 (estimate)²¹			8,948,538*	7,530,260*	9,118,488*
1 Purchased goods and services	305-3	tCO ₂ eq	4,717,338*	2,883,850*	4,024,002*
2 Capital goods	305-3	tCO ₂ eq	558,069*	708,993*	619,972*
3 Fuel and energy related activities	305-3	tCO ₂ eq	405,878*	377,687*	370,315*
4 Upstream transportation and distribution	305-3	tCO ₂ eq	193,546*	172,395*	225,382*
5 Waste generated by operations	305-3	tCO ₂ eq	319,393*	417,021*	371,036*
6 Business travel	305-3	tCO ₂ eq	117,722*	111,439*	136,452*
7 Employee commuting	305-3	tCO ₂ eq	165,227*	167,823*	161,037*
8 Upstream leased assets	305-3	tCO ₂ eq			
9 Downstream transportation and distribution	305-3	tCO ₂ eq	772,237*	1,021,046*	983,559*
10 Processing of sold products	305-3	tCO ₂ eq	170,555*	111,722*	115,755*
11 Use of sold products	305-3	tCO ₂ eq	1,294,407*	1,359,430*	1,935,412*
12 End of life treatment of sold products	305-3	tCO ₂ eq	234,167*	198,853*	175,565*
13 Downstream leased assets	305-3	tCO ₂ eq	N/A	N/A	N/A
14 Franchises	305-3	tCO ₂ eq	N/A	N/A	N/A
15 Investments	305-3	tCO ₂ eq	N/A	N/A	N/A
Emission to air					
VOC emission	305-7	Tons	2,962*	3,296*	3,378*
NOx emission	305-7	Tons	406*	406*	424*
SOx emission	305-7	Tons	31*	110*	116*
ODS emissions	305-6	TCFC-11 eq	<1	<1	<1
HCFC		kg	1,295	2,552	1,635
Total HFC		kg	19,764	16,399	17,276

²⁰ This figure has been adjusted to include two-wheelers.

²¹ In 2015 and 2016, the scope 3 emissions have been subject to an in-depth and comprehensive analysis based on a new methodology developed by an expert third party.

Definition	GRI Standards	Unit	2016	2017	2018
Waste water discharge					
Chemical oxygen demand (COD) ²²		Tons	2,849*	2,421*	2,005*
Pharmaceuticals in the environment					
Number of active pharmaceutical ingredients assessed voluntarily	306-1	Number	45	50	55
Development of the PIE program on manufacturing sites	306-1	%	-	25	28
Waste					
Total hazardous waste²³	306-2	Tons	198,151*	142,645*	125,410*
Recycled	306-2	Tons	36,089*	34,824*	27,242
Incinerated (with energy recovery)	306-2	Tons	48,615*	52,075*	58,119
Incinerated (without energy recovery)	306-2	Tons	110,420*	52,443*	34,284
Sent to authorized landfill	306-2	Tons	3,027*	3,303*	2,765
Total non-hazardous waste²⁴	306-2	Tons	150,988*	156,713*	142,425*
Recycled	306-2	Tons	103,781*	90,062*	90,642
Incinerated (with energy recovery)	306-2	Tons	24,558*	28,320*	18,846
Non Hazardous waste disposal without Landfill	306-2	Tons	3,771*	17,103*	12,929
Sent to authorized landfill	306-2	Tons	18,878*	20,532*	19,008
Certification					
ISO14001 certified site		Number	58	49	46
Expenditure/Investment					
Total remediation cost	307-1	Million Euros	81	67	62
Provisions for environmental risks and remediation		Million Euros	732	685	680
Fines and penalties	307-1	Euros	12,501	49,253	67,868

* Indicators identified by an asterisk (*) were reviewed by an independent third party. See report at the end of this factsheet

²² The data have been collected only on chemistry and biotech sites (which represent more than 80% of the total COD released).

²³ internal and external

²⁴ internal and external

II. REPORTING METHODOLOGY

Scope of consolidation

Unless otherwise specified:

Social data:

- HR data are consolidated for all Sanofi companies worldwide that are (i) fully consolidated for financial reporting purposes and (ii) have been integrated into the Workday Global HR system, regardless of their activity (industrial, research, commercial or administrative); and
- health and safety data (occupational injuries) are consolidated worldwide for all Sanofi companies fully consolidated for financial reporting purposes. In some tables, the term “any employee” includes Sanofi employees, temporary workers, and subcontractors.

Environmental data:

- environmental data (including expenditures) are consolidated for all industrial, R&D and administrative sites, for all Sanofi companies fully consolidated for financial reporting purposes; and
- the environmental impact of CO2 emissions from our vehicle fleet covers all Pharmaceutical Operations subsidiaries (field sales force, but excluding management).

Scope 1 CO2 data (apart from the vehicle fleet), scope 2 CO2 data and water data are reported on a proforma constant scope basis.

Vigilance Plan:

The Vigilance Plan covers the operations of (i) Sanofi, (ii) all Sanofi companies fully consolidated for financial reporting purposes, and (iii) Tier 1 suppliers and subcontractors of all companies included in (i) and (ii).

For a list of companies fully consolidated by Sanofi for financial reporting purposes, refer to Note F to our consolidated financial statements, included at Item 18 of our 2018 Annual Report on Form 20F.

Changes in scope

Bioverativ and Ablynx were acquired in 2018.

Ablynx was fully integrated into the Workday Global HR system as of January 1, 2019, but data for Ablynx was manually consolidated for inclusion in the 2018 workforce numbers and movements. Bioverativ has been only partially integrated into Workday: its employees in Japan and Australia (21.1% of Bioverativ's total workforce) will be integrated in the second quarter of 2019. Consequently, those employees were not consolidated in the 2018 workforce numbers and movements.

Environmental, health and safety data for Ablynx and Bioverativ will be included in the reporting scope from 2019 onwards.

Reporting framework

Social data:

Workday was rolled out between 2015 and 2017 with the following key objectives:

- integrating our processes and systems in a two-tier architecture (global/local), such that the global level becomes the master application for most data but local legal requirements could also be addressed;
- simplifying and standardizing processes across business units and support functions;
- centralizing data management on a single, unified platform, to significantly improve the quality of HR data and reporting;
- introducing self-service to enhance the user experience for employees and managers and help them engage better with HR issues;
- improving talent management and staff mobility; and
- streamlining IT mapping.

In 2018, the Workday Global HR platform replaced the Convergence platform as the tool used to record workforce numbers and movements. The Core HR processes were rolled out in waves across successive geographies during 2016 and 2017. In addition to these core processes, the Organization Management, Talent & Performance, Recruitment, Onboarding, Compensation and Grading modules have also been rolled out. Workday is used by all Sanofi employees and managers in Employee Self-Service (ESS) and Manager Self-Service (MSS) modes. Specific work on data quality was carried out during the rollout, and is continuing through maintenance and ongoing improvements to the system.

HSE data:

We apply standard reporting frameworks for safety and environmental information, so that the indicators monitored across all our entities are consistent and reliable. Those frameworks specify the methodologies to be applied for reporting indicators throughout Sanofi and include definitions, methodological principles, calculation formulae and emission factors. We also use standard data collection tools:

- Health and Safety: we used the SHERPA system to collect and consolidate safety data for 2018 across our entire reporting scope.
- Environmental data:

We use the SHERPA system to collect and consolidate environmental data.

The reporting period for our environmental indicators for a given calendar year runs from October 1 of the previous year through September 30 of the current year, except for VOCs which are reported for the calendar year. Environmental indicators are collected during an annual campaign, except for indicators relating to energy/water consumption and waste, which are collected quarterly.

In 2017, the tertiary sites included in the scope of the Planet Mobilization plan were limited to those located in France. In 2018, all tertiary sites worldwide were included in the scope.

The method used to integrate companies acquired since 2015 into the 2015-2025 Planet Mobilization plan is as follows (illustrative example): a company acquired in 2018 is included

in the baseline year (2015) and the intervening years (2016 and 2017) on the basis of its 2018 data, so as to report data on a constant scope basis.

Additional information and methodological limitations

The methodologies applied for some HR and HSE indicators may be subject to limitations as a result of:

- the lack of nationally and/or internationally recognized definitions, in particular for different types of employment contract;
- the need to rely on estimates and on representative rather than actual metrics, and the limited availability of external data required for calculations;
- practical arrangements for the collection and input of data:
 - our change in HR platform from Convergence to Workday: in terms of movements, the reasons for staff departures (“layoffs”, “resignations” and “by mutual consent”) are more comprehensive in Workday than in Convergence. In calculating the resignation rate on permanent contracts, the 2017 figures include resignations only, whereas the 2018 figures also include departures by mutual consent at the employee’s request. It was not possible to recalculate the 2017 figures to align on this new calculation method. It will however be possible to make like-for-like comparisons next year (2019 versus 2018).
 - The 2017 figures for layoffs comprised the following categories: “layoffs”, “death”, “disability”, and all “departures by mutual consent” (whether at the request of the employee or the employer). By contrast, the 2018 figures for layoffs comprise “layoffs”, “death”, “disability”, and “departures by mutual consent at the employer’s request”. The calculation method will be standardized for the next reporting period to ensure strict comparability between 2018 and 2019 figures. We will also create a new “Other” category, which we will use to record departures due to death and disability, and departures by mutual consent. This is why to the extent possible, we specify the definitions and methodologies used for each of the indicators listed below, and any margin of uncertainty.

Human resources indicators

Worldwide workforce

Employees under contract include all employees who have a contract with Sanofi, including apprentices.

External staff, including temporary staff and third party sales forces, also contribute to Sanofi’s activities.

Employees are treated as “under contract” if they have an employment contract (permanent or fixed-term) with a Sanofi company on the last calendar day of the year. The figures are expressed in numbers of employees, regardless of hours worked or the date of hiring during the month.

Regions

The regions shown in the workforce data tables are defined as follows:

- Europe: Western Europe and Eastern Europe excluding Eurasia (Russia, Ukraine, Georgia, Belarus, Armenia and Turkey).
- Emerging Markets: World excluding United States, Canada, Europe, Japan, South Korea, Australia, New Zealand and Puerto Rico.
- Other Countries: Japan, South Korea, Canada, Australia, New Zealand and Puerto Rico.

Worldwide new hires and departures

New hires and departures for Sanofi as a whole exclude all intra-group movements such as international, inter-company or inter-site transfers.

Data on movements (new hires and departures) cover more than 99% of the reporting scope, and include new hires and departures for companies that were consolidated for the first time or acquired during the year, except for Bioverativ employees in Japan and Australia (21.1% of that company’s total workforce) who have not been integrated into Workday. Bioverativ’s Japanese employees will be integrated into Workday in the second quarter of 2019. The Japanese and Australian employees of Bioverativ were not consolidated in the 2018 workforce numbers or movements. Conversions of fixed-term contracts into permanent contracts are not counted unless there is a gap of more than one day between the two contracts, in which case they are counted as a departure and a new hire..

Hours of training

In 2017 Sanofi installed iLearn, a single training platform intended to house all our existing systems. Migration of our existing systems began in 2017 but is not complete, meaning that we cannot yet consolidate our figures on a global basis.

For 2017, we have therefore decided to report training hours from two of our biggest training systems:

- Le@rn, a system dedicated to training in good pharmaceutical practices at Sanofi, which is deployed worldwide; and
- Foederis, specific to employees located in France, which covers training in a number of fields: Business, Regulatory, and Transverse (Management & Leadership / Personal Development / Languages / Office Applications)

For 2018, the training hours reported derive from the following training systems:

- iLearn, which delivers all compulsory and support function training:
 - Compliance: Ethics & Business Integrity and Pharmacovigilance
 - Quality
 - Workplace First-Aiders
 - Business Development, Management and Leadership.
- Learning Gateway, which provides our North American employees with compulsory and technical training, alongside personal and professional development programs.
- Isotrain, which delivers training to Sanofi Pasteur employees in France, North America and Global R&D.
- Syfadis, a 100% online platform.
- Peps, a training system for our German employees.

- Foederis, a dedicated platform for employees located in France which covers training in various areas (business, regulatory and cross-disciplinary).

Definition of Executive Level grades 1 and 2

Executive posts

- Executive Level 2: in charge of alignment on corporate strategy, with a critical impact on return indicators and corporate image, and a solid contribution to Executive Committee orientations.
- Executive Level 1: in charge of translating and implementing corporate strategy, with a critical impact on the results and competitiveness of a Global Business Unit or Global Support Function and an important impact on the overall results of Sanofi.

Senior Leaders Includes Executive Committee members, executive posts, and Grade 5 posts. Grade 5 posts are people with senior management responsibilities in Product Innovation, Processes or Services, who implement policies within their function. They have an impact on the attainment of financial objectives.

This category was created when we set up our new grading system in 2018. Consequently, figures for 2017 are not available.

Managers Employees who manage direct subordinates.

Safety indicators

Lost time injury frequency rate

The lost time injury frequency rate is the number of accidents resulting in lost time of one day or more within a 12-month period, per million hours worked.

For employees working in a fixed location, accidents occurring during the home-workplace commute are not included in this indicator. However, they are included for travelling medical representatives, in accordance with our internal reporting rules.

If additional accidents are identified that had not been recorded by the end of the reporting period, or if the classification of an accident is changed after the end of the reporting period, the frequency rate is adjusted retrospectively.

Total occupational injury frequency rate

We have decided not to publish the severity rate calculated using the criteria defined by French regulations. Because this rate is calculated solely on the basis of the number of days of lost time, it does not reflect the actual severity of injuries from an international standpoint.

This is because for a given injury, the number of days of lost time may vary considerably from one country to another depending on the applicable regulations and compensation systems. Consequently, we have decided to publish the total occupational injury frequency rate.

The total occupational injury frequency rate is the number of occupational injuries with or without lost time, per million hours worked.

Motor vehicle accidents

A motor vehicle accident is any accident that occurs when the driver is at the wheel (driving or parking).

This indicator covers all road traffic accidents involving vehicles owned or leased by Sanofi, or owned by an employee and regularly driven for work purposes (medical reps).

Accidents in public transport or taxis are excluded from our reported data, because they are not considered to be Sanofi's responsibility.

Environmental indicators

Environmental indicators are collected during an annual campaign, except for indicators relating to energy and water consumption which are collected quarterly.

Carbon footprint

Direct emissions are calculated on the basis of Greenhouse Gas (GHG) Protocol data. Indirect emissions from other energy sources purchased from external suppliers are accounted for as follows:

- emissions from electricity generation: emission factors are obtained from data published by the International Energy Agency during the current year, which define emission factors for the year before last. Consequently, emission factors are applied to data for the current year and the two previous years (data from more than two years ago are not amended);
- emissions generated by the production of steam are calculated on the basis of site-specific factors, or estimated using our own internal standards; and
- emissions from our medical rep vehicle fleet are included in Scope 1.

Indirect Scope 3 emissions are calculated in accordance with GHG protocol recommendations. We have updated emission factors by using factors from the ecoinvent V3.3 database.

Emissions relating to purchased goods and services (category 1) are based on our full-year budget for the current year. This approach was adopted because it allows for optimal modelling of this category (which is our biggest Scope 3 emitter).

The calculation of our CO₂ footprint is reviewed by the Independent Third Party.

Carbon neutrality is defined as zero greenhouse gas emissions. This can be achieved by the use of renewables, by generating energy directly, or by purchasing energy. The carbon-neutral objective covers Scopes 1 and 2, i.e. it includes production sites, R&D sites and tertiary sites, plus the medical rep vehicle fleet.

Wastewater discharge

The data presented correspond to effluents after internal and/or external treatment. In the absence of information on the effectiveness of external treatment, a conservative purification rate of 50% is assumed for the purpose of calculating chemical oxygen demand (COD).

The data reported cover all Sanofi sites (other than tertiary and logistics sites, which contribute only marginally to COD releases).

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. Waste arising from soil decontamination operations is not included in the published total for our operating activities. The recovery rate corresponds to waste that is recycled, or incinerated off-site using waste-to-energy technology.

The reuse/recycle/recovery (“3R”) rate used for the Planet Mobilization project is defined as the sum total of waste recycled externally plus waste subject to energy recovery, as a proportion of the total amount of waste. Waste includes both hazardous and non-hazardous waste.

Animal welfare:

The “Number of animals used by Sanofi” indicator for 2018 was not yet available at the time of publication of this report. The one-year time-lag in publication does not undermine our strategy of seeking to reduce the extent to which we use animals in research and manufacturing

Consolidation and internal controls

Data are consolidated by our global HR and HSE functions on the basis of information provided by industrial and R&D sites, Sanofi subsidiaries and tertiary sites throughout the world.

Where sites house more than one function, environmental impact is either attributed to the one with the greatest impact or shared among all the functions. Safety and environmental data are systematically checked by HSE coordinators within each activity before being submitted for consolidation. In addition, our global HR and HSE functions perform consistency controls on data during the consolidation process.

These controls include comparisons with prior-year data; any significant variances are investigated.

To ensure that site correspondents have properly understood the HSE indicators and that the right data are being reported, controls over selected HSE reporting data are performed during internal audits conducted at Sanofi sites.

Workforce data are compared with consolidated data in the finance database.

III. AUDITOR'S REPORT

Year ended on December 31st, 2018

Independent third party's report on the consolidated statement of extra-financial performance presented in the management report

This is a free translation into English of the original report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the shareholders,

In our quality as an independent third party, accredited by the COFRAC under number n° 3-1050 (whose scope is available at www.cofrac.fr), and as a member of the network of one of the statutory auditors of the company Sanofi (hereafter "entity"), we hereby report to you on the consolidated statement of extra-financial performance for the year ended on December 31st, 2018 (hereinafter the "Statement"), included in the management report pursuant to the legal and regulatory provisions of articles L. 225 102-1, R. 225-105 et R. 225-105-1 of the French Commercial Code (*Code de commerce*).

Responsibility of the entity

It is the responsibility of the Board of Directors to establish the Statement in compliance with the legal and regulatory provisions including a presentation of the business model, a description of the main extra-financial risks, a presentation of the policies applied regarding these risks as well as the results of these policies, including key performance indicators.

The Statement and the information selected by the entity (hereafter the "Selected Information") have been prepared in accordance with the entity's procedures (hereinafter the "Criteria"), the main elements of which are presented in the Statement and available on request at the Entity's headquarters.

Independence and quality control

Our independence is defined by regulatory requirements pursuant to the provisions of the article L. 822-11-3 of the French Commercial code (*Code de commerce*) and the Code of Ethics of our profession. 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 third party

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- The compliance of the Statement with the provisions of article R. 225-105 of the French Commercial Code;
- The fairness of the information provided pursuant to paragraph 3 of I and II of Article R. 225 105 of the French Commercial Code, namely the results of the policies, including key performance indicators, and the actions related to the main risks, hereinafter the "Information".

It is also our responsibility to express, at the entity's request and outside the scope of our accreditation, a limited assurance conclusion that the Information Selected by the entity and identified in Appendix 1 has been prepared, in all material respects, in accordance with the Criteria.

Nonetheless, it is not our responsibility to express any form of conclusion on:

- The entity's compliance with other applicable legal and regulatory provisions, particularly the French Duty of Vigilance law and anti-corruption and tax evasion legislation;
- The compliance of products and services with the applicable regulations.

1. Report on the compliance and the fairness of the Statement

Nature and scope of the work

Our work described below has been performed in accordance with the provisions of articles A. 225 1 et seq. of the French Commercial Code determining the conditions in which the independent third party performs its engagement and with the professional guidance applicable in France to such engagements, as well as to the international ISAE standard 3000 - *Assurance engagements other than audits or reviews of historical financial information*.

The work that we conducted allows us to assess the compliance of the Statement with regulatory provisions and the fairness of the Information:

- We took note of the entity's activities and of all the companies included in the scope of consolidation, the statement of the main social and environmental risks related to this activity, and, where applicable, the impact of this activity on compliance with human rights and anti-corruption and tax evasion legislation, as well as the resulting policies and their results;
- We assessed the suitability of the Criteria with respect to their relevance, completeness, reliability, neutrality and understandability with due consideration of industry best practices, where appropriate;
- We verified that the Statement includes each category of social and environmental information set out in article L. 225-102-1 III of the French Commercial Code, as well as information regarding human rights and the anti-corruption and tax evasion legislation;
- We verified that the Statement includes an explanation for the absence of the information required by the 2nd paragraph of III of Article L. 225-102-1 of the French Commercial Code;
- We verified that the Statement presents the business model and the main risks associated with the activity of all the entities included in the scope of consolidation; including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and results, including key performance indicators;
- We verified, when relevant to the main risks or the policies presented, that the Statement presents the information provided for II in Article R. 225-105 II of the French Commercial Code;
- We assessed the process used to select and validate the main risks;
- We inquired about the existence of internal control and risk management procedures the entity has put in place;
- We assessed the consistency of the results and the key performance indicators with respect to the main risks and policies presented;
- We verified that the Statement covers the consolidated scope, i.e. all the companies included in the scope of consolidation in accordance with article L. 233-16 of the French Commercial Code, within limitations set out in the Statement;
- We assessed the data collection process implemented by the entity to ensure the completeness and fairness of the Information;
- For the key performance indicators and other quantitative outcomes that we considered to be the most important presented in Appendix 1, we implemented:
 - analytical procedures to verify the correct consolidation of the collected data as well as the consistency of their evolutions;
 - substantive tests using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities listed hereinafter: LATAM Region, including Campinas – Medley and Suzano sites (Brazil), as well as Pilar site (Argentina); Europe A Region, including the sites of Marcy l'Etoile, Elbeuf and Ambarès (France), which cover between 55% and 83% of the consolidated data selected for these tests (quantitative environmental information presented).
- We consulted documentary sources and conducted interviews to corroborate the qualitative information (measures and outcomes) that we considered the most important presented in Appendix 1;
- We assessed the overall consistency of the Statement based on our knowledge of the entity.

We believe that the work carried out, based on our professional judgement, is sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry more extensive procedures.

Means and resources

Our verification work mobilized the skills of eleven people and took place between September 2018 and the signature date of this report on a total duration of intervention of about twelve weeks.

We conducted about thirty interviews with the persons responsible for the preparation of the Statement representing the sustainable development, human resources, product quality and safety, bioethics, ethics and business integrity, HSE and procurement departments.

Conclusion

Based on our work, we have not identified any significant misstatement that causes us not to believe that the statement of extra-financial performance complies with the applicable regulatory provisions and that the Information, taken together, is fairly presented, in compliance with the Criteria.

Comments

Without qualifying our conclusion above and in compliance with the provisions of Article A. 225-3 of the French Commercial Code (Code de Commerce), we draw your attention to the following point:

- For some components of the main risks, such as product quality and waste management, a review is under way to complement the policy results with other key performance indicators.

2. Limited assurance report on the Selected Information

Nature and scope of the work

Concerning the Information Selected by the entity, identified in Appendix 1, we conducted work of the same nature as described in paragraph 1.

Our work has been performed in accordance with the international ISAE standard 3000 (International Standard Assurance Engagements) and with the professional guidance applicable in France.

The selection of contributing entities covers between 24% and 36% of the total workforce and between 54% and 74% of the quantitative environmental information presented.

We believe that the work carried out is sufficient to provide a basis for our limited assurance conclusion on the Selected Information.

Conclusion

Based on our work, we have not identified any significant misstatement that causes us not to believe that the Selected Information, taken together, has not been fairly prepared in compliance with the Criteria.

Paris-La Défense, March 8th, 2019

French original signed by:

Independent third party
ERNST & YOUNG et Associés

Partner, Sustainable Development

Caroline Delerable

Partner

Jean-François Bélorgey

Appendix 1: Information considered as the most important

Social Information	
<i>Quantitative Information (including key performance indicators)</i>	<i>Qualitative Information (actions or results)</i>
<p>Lost time injury frequency rate – Sanofi employees*</p> <p>Lost time injury frequency rate – Any employee*</p> <p>Total occupational injury frequency rate – Sanofi employees*</p> <p>Total occupational injury frequency rate – Any employee*</p> <p>Number of occupational diseases reported*</p> <p>Employees under contract as of December 31, 2018 and breakdown by region, activity, gender, age and contract type*</p> <p>Number of new hires and departures (all reasons)*</p> <p>Resignation rate on permanent contracts*</p> <p>Turnover rate of employees on permanent contracts*</p> <p>Proportion of women in senior leadership positions*</p> <p>Proportion of women in executive positions*</p>	<p>Occupational health and safety conditions*</p> <p>Measures undertaken to promote diversity*</p>
Environmental Information	
<i>Quantitative Information (including key performance indicators)</i>	<i>Qualitative Information (actions or results)</i>
<p>Total quantity of hazardous waste, quantity of reused/recycled/recovered and non-reused/recycled/recovered hazardous waste, hazardous waste reuse/recycle/recover rate</p> <p>Wastewater discharge (Chemical Oxygen Demand, number of production sites assessed for discharge of pharmaceutical substances in 2018 and since 2016)</p> <p>Airborne emissions (total solvents used, percentage of regenerated solvents, emissions of volatile organic compounds)</p> <p>Total water consumption, and breakdown by water source*</p> <p>Total energy consumption, and breakdown by type of energy*</p> <p>Direct and indirect greenhouse gas emissions (scopes 1 & 2)*</p> <p>Significant greenhouse gas emissions generated as a result of the company's activities, including the following scope 3 categories: purchased goods and services (Category 1), use of sold products (Category 11), downstream transportation and distribution (Category 9), capital goods (Category 2), waste generated by operations (Category 5), fuel and energy related activities (Category 3)*</p>	<p>Measures to prevent, recycle and dispose of hazardous waste</p> <p>Measures to prevent, reduce or offset airborne emissions (management of volatile organic compounds), water (management of releases of pharmaceutical substances into the environment) and soil</p> <p>Water consumption and water supply according to local constraints*</p> <p>Percentage reduction in water consumption compared to the baseline year (2015)*</p> <p>Measures undertaken to improve energy efficiency and to promote the use of renewable energy*</p> <p>Percentage reduction in direct and indirect greenhouse gas emissions (scopes 1 & 2) compared to the baseline year (2015)*</p>

Societal Information	
<i>Quantitative Information (including key performance indicators)</i>	<i>Qualitative Information (actions or results)</i>
Number of suppliers assessed on their CSR performance by an external service-provider in 2018 Number of audits of suppliers and subcontractors (Sanofi Contract Manufacturing Organizations, Active Pharmaceutical Ingredients suppliers) Number of Ethics & Business Integrity managers Number of “compliance champions” Number of alerts reported to the Ethics and Business Integrity Department and number of associated dismissals and resignations on grounds of misconduct Number of substantiated alerts relative to total number of alerts reported to the Ethics and Business Integrity Department Number of internal audits (GQA) Number of regulatory inspections Number of pharmacovigilance safety signals assessed Number of clinical trials Number of scientific publications Number of sites using animals Percentage decrease in the number of animals used by Sanofi	Actions in favor of human rights, in particular respect for the ILO fundamental conventions Consideration of environmental and social issues in procurement policies (results of CSR performance assessments, results of supplier and subcontractor audits) Measures undertaken in terms of ethics and business integrity Pricing measures undertaken Actions implemented with regard to access to healthcare* Measures undertaken with regard to product quality Measures undertaken with regard to product safety (pharmacovigilance) Measures undertaken with regard to medical ethics and bioethics Measures undertaken with regard to animal welfare

* information that the entity has chosen to prepare and present outside its Statement in its management report