

# 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 2015

Definition	GRI Standards	Unit	2015	2016	2017
<b>ACCESS TO HEALTHCARE</b>					
<b>Access to healthcare programs</b>					
Total number of ongoing access to healthcare programs (worldwide)	203-1 203-2	Number	283*	198*	82*
<b>Estimated number of beneficiaries of above programs, which included:</b>	<b>203-1 203-2</b>	<b>Number</b>	<b>325,308,554*</b>	<b>241,885,381*</b>	<b>118,744,556*</b>
- Number of healthcare professionals trained	203-1 203-2	Number	569,751*	275,067*	346,360*
- Number of individuals targeted by awareness campaigns	203-1 203-2	Number	268,791,753*	151,427,483*	83,231,773*
- Number of patients receiving diagnosis, vaccination or treatment	203-1 203-2	Number	55,947,050*	90,182,831*	35,166,423*
<b>Research and Development (in our portfolio)</b>					
Number of new molecular entities (NME) and vaccines candidates in clinical development		Number	46	44	36
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	14	13	6
Approximate percentage of projects coming from collaborations and partnerships		%	50	50	60
<b>Clinical trials</b>					
<b>Total number of clinical trials</b>		<b>Number</b>	<b>197</b>	<b>204</b>	<b>186</b>
- By Sanofi Pharmaceutical and Genzyme		Number	150	157	144

Definition	GRI Standards	Unit	2015	2016	2017
- By Sanofi Pasteur <sup>1</sup>		Number	47	47	42
<b>Number of subjects enrolled</b>		<b>Number</b>	<b>38,663</b>	<b>30,950</b>	<b>43,840</b>
- For Sanofi Pharma and Genzyme		Number	25,064	15,691	13,633
- For Sanofi Pasteur		Number	13,599	15,259	30,207

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

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<sup>1</sup> Includes only trials where Sanofi Pasteur was the lead sponsor.

Definition	GRI Standards	Unit	2015	2016	2017
<b>ETHICS AND TRANSPARENCY</b>					
<b>Governance<sup>2</sup></b>					
Number of Board members		Number	14	12	16 <sup>3</sup>
Women in the Board		%	31	42	44
Board independence rate <sup>4</sup>		%	79	75	79
<b>Human rights</b>					
Employees trained to human rights since 2010		Number	147	156	167
<b>Responsible procurement</b>					
Number of suppliers assessed on their CSR performance	414-1 204-1	Number	190	164	194
Number of assessed suppliers that met our CSR requirement	414-1 204-1	Number	115	116	159
Percentage of assessed suppliers that met our CSR requirement	414-1 204-1	%	61	71	82
Number of buyers trained to the Responsible Procurement Platform	414-1 204-1	Number	115	122	140
Proportion of spending on local suppliers (France)	414-1 204-1	%	13.2	12.9	-
<b>Compliance helpline</b>					
Number of alerts		Number	-	1153	838
- Substantiated cases		Number	-	459	245
- Dismissals and resignations related to misconduct		Number	-	90	150
<b>Business ethics trainings (including fighting corruption)</b>					
Number of training modules followed by employees	205-2	Number	96,663 <sup>5</sup>	190,000 <sup>6</sup>	-
Number of employees trained	205-2	Number	-	-	96,598*
<b>Bioethics &amp; medical ethics</b>					
Scientific publications in PubMed <sup>7</sup>		Number	-	611	560
<b>Product quality and safety</b>					
Number of internal quality audits		Number	249	252	206*

<sup>2</sup> Source: Annual Form 20-F

<sup>3</sup> Including two directors representing employees

<sup>4</sup> According to AFEP-MEDEF

<sup>5</sup> Cumulative 2013-2015. The global campaign was completed in 2014 : only newcomers and adhoc employees are now trained.

<sup>6</sup> Over 190 000 ethics and business integrity training modules followed by employees worldwide in 2016.

<sup>7</sup> PubMed : <https://www.ncbi.nlm.nih.gov/pubmed/>

Definition	GRI Standards	Unit	2015	2016	2017
Rate of batches recalled for quality reasons (number of batches of commercial products recalled in a given year vs total number of batches of commercial products released in the same year)	416-2	%	< 0.34	< 0.27	0.11*
<b>Fighting falsified medical products</b>					
Number of seizures		Number	3,200,000	4,300,000	1,300,000
Number of counterfeit manufacturing facilities		Number	37	27	30
Number of websites shut down		Number	2,410	4,932	NA
Number of people arrested or under investigation		Number	156	393	310
Number of suspected products inventoried by LCAC since 2008		Number	>30,000	>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	2015	2016 (with Merial)	2016 (without Merial)	2017
<b>COMMUNITIES</b>						
<b>Workforce</b>						
Employees under contract <sup>8</sup>	102-08	Number	115,631*	113,816*	106,859*	106,566*
<b>Workforce by part time contract</b>						
Part time employees	102-08	Number	4,440*	4,417*	4,104*	4,070*
Full time equivalent	102-08	Number	3,368*	3,317*	3,066*	3,078*
<b>Workforce permanent and fixed-term contract</b>						
Permanent contract (PC)	102-08	%	89.2*	88.8*	88.2*	88.2*
Fixed-term contract (FTC)	102-08	%	10.8*	11.2*	11.8*	11.8*
<b>Workforce by function</b>						
Sales force	102-08	%	29.5*	28.4*	28.8*	28.4*
R&D	102-08	%	14.1*	14.1*	14.2*	13.9*
Production	102-08	%	39.6*	39.5*	39.2*	37.9*
Marketing and support functions	102-08	%	16.8*	18.0*	17.8*	19.8*
<b>Workforce by activity</b>						
Pharmaceuticals	102-08	%	81.2*	80.4*	85.6*	65.6*
Vaccines	102-08	%	13.1*	13.5*	14.4*	14.3*
Animal health	102-08	%	5.7*	6.1*	-	-
Consumer healthcare	102-08	%	-	-	-	9.2*
Other <sup>9</sup>	102-08	%	-	-	-	10.9*
<b>Workforce by age</b>						
Less than 21 years	102-08	%	0.3*	0.3*	0.3*	0.3*
21 to 30 years	102-08	%	18.4*	17.7*	17.8*	17.3*
31 to 40 years	102-08	%	32.4*	31.8*	31.8*	31.4*
41 to 50 years	102-08	%	29.5*	29.7*	29.7*	29.8*
51 to 60 years	102-08	%	17.6*	18.6*	18.5*	19.2*
Over 60 years	102-08	%	1.8*	2.0*	1.9*	2.0*

<sup>8</sup> Employees under contract include all employees who have a contract with Sanofi, excluding interns and apprentices.

<sup>9</sup> 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.

Definition	GRI Standards	Unit	2015	2016 (with Meriel)	2016 (without Meriel)	2017
<b>Workforce by seniority</b>						
> 35 years of seniority	102-08	%	1.4*	1.6*	1,6 *	1,8*
31 to 35 years	102-08	%	2.9*	3.0*	3,1*	3,1*
26 to 30 years	102-08	%	4.8*	5.1*	5,2*	5,4*
21 to 25 years	102-08	%	6.7*	6.4*	6,5*	6,3*
16 to 20 years	102-08	%	9.0*	9.9*	9,9*	11,0*
11 to 15 years	102-08	%	14.0*	14.6*	14,6*	15,2*
6 to 10 years	102-08	%	20.1*	18.2*	18,2*	15,5*
1 to 5 years	102-08	%	29.3*	30.9*	30,9*	30,2*
< 1 year	102-08	%	11.8*	10.2*	9,9*	11,6*
<b>New hires and departures</b>						
Total number of hires	401-1	Number	15,856*	13,521*	12,391*	13,927*
Total number of departures	401-1	Number	14,070*	15,128*	14,535*	14,507*
- Resignations	401-1	%	46	42	41.3*	39.2*
- Terminations	401-1	%	31	36	36.4*	45.2*
- End of fixed-term contracts	401-1	%	19	19	19.3*	12.7*
- Retirement	401-1	%	5	3	3*	2.9*
<b>Turnover</b>						
Turnover (permanent contracts) <sup>10</sup>	401-1	%	-	-	8.1*	10*
Resignation rate (permanent contracts) <sup>11</sup>	401-1	%	-	-	4.8*	4.5*
<b>Training</b>						
<b>Training in the world</b>						
Total number of hours of training, Germany	404-1	Number	314,094*	343,490*	-	-
Total number of hours of training, Brazil	404-1	Number	169,095*	190,868*	178,951*	-
Total number of hours of training, China	404-1	Number	368,254*	256,560*	254,417*	-
Total number of hours of training, United States	404-1	Number	721,262*	578,052*	575,251*	-

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

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

Definition	GRI Standards	Unit	2015	2016 (with Merial)	2016 (without Merial)	2017
<b>Training with Le@rn<sup>12</sup></b>						
Number of modules	404-1	Number	-	-	24,805*	19,346*
Number of employees trained	404-1	Number	-	-	44,228*	42,229*
Number of hours of training	404-1	Number	-	-	541,650*	613,988*
<b>Training in France</b>						
Number of hours of training	404-1	Number	490,579*	515,452*	471,511*	514,455*
Percentage of employees receiving at least one session of training during the year	404-1	%	82	-	83	77
Number of employees trained	404-1	Number	22,357	-	21,063	19,495* <sup>13</sup>
Average hours of training per year per trained employee	404-1	Hours	24.8	-	22.4	26.4
<b>Occupational health-safety</b>						
<b>Lost time injury frequency rate<sup>14</sup> (LTI-FR)</b>						
LTI-FR worldwide (Sanofi employees)	403-2	Rate	1.7*	1.7*	1.7*	1.6*
LTI-FR France (Sanofi employees)	403-2	Rate	3.7	-	3.3	3.1
LTI-FR for temporary employees	403-2	Rate	1.6	-	1.5	1.9
LTI-FR for independent contractors	403-2	Rate	2.8*	2.5*	2.4*	2.9
LTI-FR all workers	403-2	Rate	1.8*	-	1.7*	1.9*
<b>LTI -FR by function</b>						
Research and Development	403-2	Rate	1.6	-	2.0	0.9
Industrial Affairs (including Vaccines)	403-2	Rate	1.9	-	1.8	1.9
Administration & Sales	403-2	Rate	1.5	-	1.5	1.5
<b>Total reportable injury frequency rate Worldwide (TRI-FR)</b>						
Sanofi employees	403-2	Rate	2.6*	2.3*	2.3*	2.3*
All workers <sup>15</sup>	403-2	Rate	2.9*	-	2.5*	2.7*
<b>Motor vehicle accidents (MVA)<sup>16</sup></b>						
Number of MVA	403-2	Number	4,409	-	4,752	5,845

<sup>12</sup> Le@rn : training about good practices in pharmaceutical industry (GxP). Including sub-contractors.

<sup>13</sup> Training on Foederis

<sup>14</sup> 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.

<sup>15</sup> Includes Sanofi employees, temporary workers and subcontractors.

<sup>16</sup> Motor vehicle-related data excludes Merial.

Definition	GRI Standards	Unit	2015	2016 (with Merial)	2016 (without Merial)	2017
Total number of medical sales representatives vehicles	403-2	Number	25,282	-	24,701	23,488
- Including total number of motorcycles	403-2	Number	4,437	-	4,242	4,153
Motor vehicle accidents (MVA) rate	403-2	%	17.4	-	19.2	24.9
Motor vehicle-related LTI-FR	403-2	Rate	1.2	-	1.4	1.2
Fatalities	403-2	Number	1	-	0	0
<b>Total occupational diseases recognized <sup>17</sup></b>						
<b>Total occupational diseases declared</b>	403-2	<b>Number</b>	<b>32</b>	<b>-</b>	<b>39</b>	<b>30*</b>
<b>Occupational diseases recognized by type</b>	403-2	<b>Number</b>	<b>14</b>	<b>-</b>	<b>15</b>	<b>10</b>
<b>Total by chemical agent</b>	403-2	<b>Number</b>	<b>1</b>	<b>-</b>	<b>6</b>	<b>0</b>
- Respiratory disease	403-2	Number	0	-	3	0
- Skin disease	403-2	Number	0	-	0	0
- Cancer or malignant blood disease	403-2	Number	1	-	3	0
- Other illnesses caused by chemical agents	403-2	Number	0	-	0	0
<b>Total by physical agent</b>	403-2	<b>Number</b>	<b>13</b>	<b>-</b>	<b>8</b>	<b>10</b>
- Upper limb disorder <sup>18</sup>	403-2	Number	12	-	8	9
- Neck, back, lower limb disorder <sup>18</sup>	403-2	Number	1	-	0	0
- Ear disorder	403-2	Number	0	-	0	1
- Other diseases caused by a physical agent	403-2	Number	1	-	0	0
<b>Disease caused by a biological agent</b>	403-2	<b>Number</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>0</b>
<b>Others (including nervous breakdown and anxiety)</b>	403-2	<b>Number</b>	<b>0</b>	<b>-</b>	<b>1</b>	<b>0</b>
<b>Percentage of employees covered by collective bargaining agreements</b>						
Germany	102-41	%	62	61	-	-
Brazil	102-41	%	100	100	100*	100
China	102-41	%	20	21	-	>70
France	102-41	%	100	100	100*	100
<b>Proportion of female employees</b>						
In the total workforce	405-1	%	46*	46*	46*	46*

<sup>17</sup> 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.

<sup>18</sup> Musculoskeletal disorders.



Definition	GRI Standards	Unit	2015	2016 (with Merial)	2016 (without Merial)	2017
People Managers <sup>19</sup>	405-1	%	40*	41*	41*	42*
Executive level 1 & 2	405-1	%	-	-	26.4*	27.5*
Executive Committee	405-1	%	15	8	7.7*	14.3*
<b>Employee with disabilities</b>						
Employees with disabilities in the workforce (World)	405-1	Number	2,252*	-	2,198*	-
Employees with disabilities in the workforce (France)	405-1	Number	1,182*	-	1,160*	1,255*

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

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<sup>19</sup> The definition of the term "manager" corresponds to every person who have one or more direct reports.

Definition	GRI Standards	Unit	2015	2016	2017
<b>HEALTHY PLANET</b>					
<b>Materials</b>					
Solvents used		Tons	195,798	205,948*	209,155*
- Including % regenerated		%	68.43	61*	66*
<b>Energy</b>					
<b>Total energy consumption</b> <sup>20</sup>	<b>302-1</b>	<b>MWh</b>	<b>4,469,116</b>	<b>4,386,364</b>	<b>4,294,039*</b>
- Natural gas/liquefied petroleum gas	302-1	MWh	299,744	2,313,091	2,263,258*
- Electricity	302-1	MWh	1,766,896	1,697,853	1,653,561*
- Liquid hydrocarbon (fuel)	302-1	MWh	62,500	70,140	56,020*
- Coal	302-1	MWh	0	0	0*
- Other (steam, thermal fluids, etc.)	302-1	MWh	328,202	264,290	310,408*
- Renewable Fuels <sup>21</sup>	302-1	MWh	11,774	40,990	10,792*
<b>Total fuel consumption from medical sales fleet vehicles</b>	<b>302-1</b>	<b>Liters</b>	<b>56,965,920</b>	<b>54,265,322</b>	<b>49,950,035</b>
- Total number of medical sales representatives vehicles including motorcycles	302-1	Number	25,282	24,701	23,488
- Distance travelled	302-1	Km	794,583,571	776,871,272	660,587,510
- Normalized consumption	302-1	Liters per 100 km	7.83	7.19	7.90
<b>Water</b>					
Percentage of water consumed by sites located in water scarcity and water stress areas <sup>22</sup>	303-2	%	27.9	20.9*	20*
<b>Total water consumption</b>	<b>303-1</b>	<b>m<sup>3</sup></b>	<b>43,487,538*</b>	<b>43,701,758*</b>	<b>40,679,245*</b>
- Surface water withdrawal (lakes and rivers)	303-1	m <sup>3</sup>	11,182,553*	10,403,834*	9,003,566*
- Ground water withdrawal	303-1	m <sup>3</sup>	23,448,930*	24,318,903*	23,505,550*
- Public water supply withdrawal	303-1	m <sup>3</sup>	8,856,055*	8,979,021*	8,170,129*
<b>Biodiversity</b>					
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

<sup>20</sup> These figures do not include energy used by cars.

<sup>21</sup> Renewable fuels are only relevant for biomass, hydrogen, and other renewable fuels purchased and burnt on-site.

<sup>22</sup> 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	2015	2016	2017
<b>CO<sub>2</sub> emissions - Scope 1 &amp; 2</b>					
<b>Total scope 1 et 2</b>	<b>305-1</b>	<b>tCO<sub>2</sub>eq</b>	<b>938,872</b>	<b>912,323*</b>	<b>869,796*</b>
- Fossil fuel (direct CO <sub>2</sub> ) – medical sales car fleet not included.	305-1	tCO <sub>2</sub> eq	424,572	438,893	426,598
- Production of electricity and steam (indirect CO <sub>2</sub> )	305-2	tCO <sub>2</sub> eq	514,300	473,430	443,198
Estimated CO <sub>2</sub> emissions from medical sales fleet vehicles	305-1	tCO <sub>2</sub> eq	130,078	124,430	114,657
Percentage of vehicles compliant with the 120g CO <sub>2</sub> /km maximum defined by Sanofi <sup>23</sup>	305-2	%	56.6	57.6	53.8
<b>CO<sub>2</sub> emissions - Scope 3</b>					
<b>Total CO<sub>2</sub> emissions - Scope 3 (estimate)<sup>24</sup></b>				<b>8,948,538*</b>	<b>7,530,260*</b>
1 Purchased goods and services	305-3	tCO <sub>2</sub> eq	6,074,832	4,717,338*	2,883,850*
2 Capital goods	305-3	tCO <sub>2</sub> eq	455,357	558,069*	708,993*
3 Fuel and energy related activities	305-3	tCO <sub>2</sub> eq	682,512	405,878*	377,687*
4 Upstream transportation and distribution	305-3	tCO <sub>2</sub> eq	263,743	193,546*	172,395*
5 Waste generated by operations	305-3	tCO <sub>2</sub> eq	445,900	319,393*	417,021*
6 Business travel	305-3	tCO <sub>2</sub> eq	101,810	117,722*	111,439*
7 Employee commuting	305-3	tCO <sub>2</sub> eq	103,265	165,227*	167,823*
8 Upstream leased assets	305-3	tCO <sub>2</sub> eq	N/A		
9 Downstream transportation and distribution	305-3	tCO <sub>2</sub> eq	444,777	772,237*	1,021,046*
10 Processing of sold products	305-3	tCO <sub>2</sub> eq	15,502	170,555*	111,722*
11 Use of sold products	305-3	tCO <sub>2</sub> eq	555,944	1,294,407*	1,359,430*
12 End of life treatment of sold products	305-3	tCO <sub>2</sub> eq	71,275	234,167*	198,853*
13 Downstream leased assets	305-3	tCO <sub>2</sub> eq	N/A	N/A	N/A
14 Franchises	305-3	tCO <sub>2</sub> eq	N/A	N/A	N/A
15 Investments	305-3	tCO <sub>2</sub> eq	640,000	N/A	N/A
<b>Emission to air</b>					
VOC emission	305-7	Tons	3,162	3,124*	3,385*
NOx emission	305-7	Tons	536	405*	402*
SOx emission	305-7	Tons	78	30*	102*
ODS emissions	305-6	TCFC-11 eq	<1	<1	<1
HCFC		kg	715	1,584	2,953
Total HFC		kg	4,343	20,348	17,211
<b>Waste water discharge</b>					
Chemical oxygen demand (COD) <sup>25</sup>		Tons	2,029	2,492*	2,054*
<b>Pharmaceuticals in the environment</b>					
Number of active pharmaceutical ingredients assessed voluntarily	306-1	Number	42	45	50

<sup>23</sup> This figure has been adjusted to include two-wheelers.

<sup>24</sup> 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.

<sup>25</sup> The data have been collected only on chemistry and biotech sites (which represent more than 80% of the total COD released).

Definition	GRI Standards	Unit	2015	2016	2017
Development of the PIE program on manufacturing sites	306-1	%	10	-	25
<b>Waste</b>					
<b>Total hazardous waste<sup>26</sup></b>	<b>306-2</b>	<b>Tons</b>	<b>182,218</b>	<b>198,151*</b>	<b>142,910*</b>
Recycled	306-2	Tons	35,287	36,089*	34,785*
Incinerated (with energy recovery)	306-2	Tons	39,470	48,615*	52,385*
Incinerated (without energy recovery)	306-2	Tons	105,166	110,420*	52,402*
Sent to authorized landfill	306-2	Tons	2,295	3,027*	3,338*
<b>Total non-hazardous waste<sup>27</sup></b>	<b>306-2</b>	<b>Tons</b>	<b>140,477</b>	<b>150,988*</b>	<b>156,713*</b>
Recycled	306-2	Tons	100,001	103,781*	102,913*
Incinerated (with energy recovery)	306-2	Tons	18,213	24,558*	28,245*
Incinerated (without energy recovery)	306-2	Tons	2,126	3,771*	4,772*
Sent to authorized landfill	306-2	Tons	20,137	18,878*	20,783*
<b>Certification</b>					
ISO14001 certified site		Number	57	58	49
<b>Expenditure/Investment</b>					
Total remediation cost	307-1	Million Euros	63	81	67
Provisions for environmental risks and remediation		Million Euros	707	732	685
Fines and penalties	307-1	Euros	7,210	12,501	49,253

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

<sup>26</sup> internal and external

<sup>27</sup> internal and external

## II. REPORTING METHODOLOGY

### Scope of consolidation

Unless otherwise specified:

- HR data are consolidated for all Sanofi companies worldwide that are fully consolidated for financial reporting purposes, regardless of their activity (industrial or research sites, commercial subsidiaries or administrative headquarters).
- Health and safety data (occupational injuries) are consolidated worldwide for all Sanofi companies, including joint ventures and companies consolidated for financial reporting purposes.

Environmental data:

- Environmental data (including expenditures) are consolidated for all industrial and R&D sites, and French administrative sites.
- The environmental impact of CO<sub>2</sub> emissions from our vehicle fleet covers all Pharmaceutical Operations subsidiaries (field sales force, but excluding management).

### Changes in scope

The exchange of Sanofi's Animal Health business (Merial) for Boehringer Ingelheim's Consumer Healthcare business, and the integration of the former Sanofi Pasteur MSD joint venture, were completed on January 1, 2017 (see Note D.35. to our consolidated financial statements, included at Item 18 of our 2017 Annual Report on Form 20-F). Consequently, Merial data are no longer included in our figures for either 2016 or 2017. However, data for the Boehringer Ingelheim Consumer Healthcare business and Sanofi Pasteur MSD are included in the 2017 figures. See Section "4.1.1.1. Workforce".

Scope 1 CO<sub>2</sub> data (apart from the vehicle fleet), scope 2 CO<sub>2</sub> data and water data are reported on a proforma constant scope basis.

For HR data on new hires and departures: start-ups, closures, acquisitions or divestments in a given year are included in the figures for that year.

### Reporting framework

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:

- Human resources data: in 2017, our "Convergence" global HR platform covered virtually all of our workforce (98.8%). This platform was launched in 2011 to streamline personnel management and process implementation, and to provide managers and employees with access to a wide array of HR information and tools. Quality controls over data from the Convergence platform were enhanced in 2013 and

continued throughout 2014, 2015, 2016 and 2017 both at global and individual entity level. Data from the Workday application are now uploaded to the Convergence platform to enable the compensation and total workforce processes to be run. Convergence will be replaced by Workday during 2018 and decommissioned.

- Safety data: our MSRS system was used to collect and consolidate safety data for 2017 across the entire reporting scope.
- Environmental data:
  - the SWORD system was used to collect and consolidate environmental data for 2017 across the reporting scope.
  - The reporting period for our 2017 environmental indicators runs from October 1, 2016 through September 30, 2017.
  - Results relative to 2010-2020 objectives are for the following scope: industrial sites and R&D sites (administrative sites and the medical rep vehicle fleet are not included).
  - Results relative to 2015-2025 objectives (Planet Mobilization) are for the following scope: industrial sites, R&D sites, French administrative sites and the medical rep vehicle fleet, unless otherwise mentioned.

### Additional information and methodological limitations

The methodologies applied for some human resources 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;
- reliance on estimates and on representative rather than actual metrics, and limited availability of external data required for calculations;
- practical arrangements for the collection and input of data; and
- the fact that HSE operating expenditures are extracted from the SWORD reporting software and input by HSE correspondents at each site.

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.

In 2016, we applied a new methodology and carried out specific procedures to exclude all intra-group movements. We have also taken steps to enhance the reliability of movement-related data from the Convergence platform. Data on movements (new hires and departures) cover more than 98% of the reporting scope, and include new hires and departures for companies that were consolidated for the first time or acquired during the year. 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.

## Social Dialogue

Social dialogue data are provided by the human resources departments in each of the five major countries (Brazil, China, France, Germany and the United States). Collective bargaining agreements are defined as those that have been signed by the company itself or by employers' organizations to which it belongs. If the same agreement has been signed by several sites or entities, it is counted only once.

## 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)

## Definition of Executive Level grades 1 and 2

- Executive Level grade 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 grade 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.

## 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 sales representatives).

## 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 (OECD/IEA 2016). We have only updated for relevant changes relating to 2014 emission factors (as published in 2016); historical data from before 2014 are unaltered. Consequently, these emission factors are applied for 2016 and 2017 data.
- 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 representatives 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 to calculate 2016 and 2017 emissions.

Data collection methods are consistent with our reporting rules (see Section "4.5.3 Reporting framework"), except for emissions relating to purchased goods and services which are based on our 2017 full-year budget. This approach was adopted firstly because our budget data are very close to our accounting data, and secondly because it allows for optimal modelling of this category (which is the biggest generator of Scope 3 emissions).

### 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 purification rate of 50% is assumed for the purpose of calculating COD.

Only data from our chemistry and biotech facilities were collected. However, these account for the vast majority of our COD (approximately 80%).

### 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 and solvents recycled on site. Waste includes both hazardous and non-hazardous waste.

## Consolidation and internal controls

Data are consolidated by our global HR and HSE functions on the basis of information provided by industrial and research sites, Sanofi subsidiaries and administrative headquarters throughout the world.

When sites house more than one function, environmental impact is either attributed to the one with the greatest impact or shared among 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.

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

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.

### III. AUDITOR'S REPORT

Year ended December 31, 2017

#### **Independent verifier's report on consolidated social, environmental and societal information presented in the management report**

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

To the shareholders,

In our quality as an independent verifier accredited by the COFRAC<sup>28</sup>, under the number n° 3-1050, and as a member of the network of one of the statutory auditors of the company Sanofi, we present our report on the consolidated social, environmental and societal information established for the year ended on December 31, 2017, presented in the management report, hereafter referred to as the "CSR Information," pursuant to the provisions of the article L.225-102-1 of the French Commercial code (Code de commerce).

#### **Responsibility of the company**

It is the responsibility of the Board of Directors to establish a management report including CSR Information referred to in the article R. 225-105 of the French Commercial code (Code de commerce), in accordance with the guidelines used by the company (hereafter referred to as the "Criteria"), and of which a summary is included in the "Reporting methodology" of the management report and available on request at the company's headquarters.

#### **Independence and quality control**

Our independence is defined by regulatory requirements, the Code of Ethics of our profession as well as the provisions in the article L. 822-11-3 of the French Commercial code (Code de commerce). In addition, we have implemented a quality control system, including documented policies and procedures to ensure compliance with ethical standards, professional standards and applicable laws and regulations.

#### **Responsibility of the independent verifier**

It is our role, based on our work:

- To attest whether the required CSR Information is present in the management report or, in the case of its omission, that an appropriate explanation has been provided, in accordance with the third paragraph of R. 225-105 of the French Commercial code (Code de commerce) (Attestation of presence of CSR Information);
- To express a limited assurance conclusion, that the CSR Information, overall, is fairly presented, in all material aspects, in according with the Criteria.

Nonetheless, it is not our role to give an opinion on the compliance with other legal dispositions where applicable, in particular those provided for in the Article L. 225-102-4 of the French Commercial Code (vigilance plan) and in the Sapin II law n°2016-1691 of 9 December 2016 (anti-corruption).

Our verification work mobilized the skills of ten people between October 2017 and the signature date of this report for an estimated duration of ten weeks.

We conducted the work described below in accordance with the professional standards applicable in France and the Order of 13 May 2013 determining the conditions under which an independent third-party verifier conducts its mission, and in relation to the opinion of fairness and the reasonable assurance report, in accordance with the international standard ISAE 3000<sup>29</sup>.

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<sup>28</sup> Scope available at [www.cofrac.fr](http://www.cofrac.fr)

<sup>29</sup> ISAE 3000 – Assurance engagements other than audits or reviews of historical information



## 1. Attestation of presence of CSR Information

### Nature and scope of the work

We obtained an understanding of the company's CSR issues, based on interviews with the management of relevant departments, a presentation of the company's strategy on sustainable development based on the social and environmental consequences linked to the activities of the company and its societal commitments, as well as, where appropriate, resulting actions or programmes.

We have compared the information presented in the management report with the list as provided for in the Article R. 225-105-1 of the French Commercial code (Code de commerce).

In the absence of certain consolidated information, we have verified that the explanations were provided in accordance with the provisions in Article R. 225-105-1, paragraph 3, of the French Commercial code (Code de commerce).

We verified that the information covers the consolidated perimeter, namely the entity and its subsidiaries, as aligned with the meaning of the Article L.233-1 and the entities which it controls, as aligned with the meaning of the Article L.233-3 of the French Commercial code (Code de commerce) with the limitations specified in the Reporting methodology of the management report.

### Conclusion

Based on this work, and given the limitations mentioned above we confirm the presence in the management report of the required CSR information.

## 2. Limited assurance on CSR Information

### Nature and scope of the work

We undertook about thirty interviews with people responsible for the preparation of the CSR Information in the different departments in charge of the data collection process and, if applicable, the people responsible for internal control processes and risk management, in order to:

- Assess the suitability of the Criteria for reporting, in relation to their relevance, completeness, reliability, neutrality, and understandability, taking into consideration, if relevant, industry standards;
- Verify the implementation of the process for the collection, compilation, processing and control for completeness and consistency of the CSR Information and identify the procedures for internal control and risk management related to the preparation of the CSR Information.

We determined the nature and extent of our tests and inspections based on the nature and importance of the CSR Information, in relation to the characteristics of the Company, its social and environmental issues, its strategy in relation to sustainable development and industry best practices.

For the CSR Information which we considered the most important<sup>30</sup>:

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<sup>30</sup> Quantitative social information: Headcount and breakdown by gender, age and geographic area; Number of hires and departures, and breakdown by reason; Number of training hours from Le@rn, Foederis and Compliance systems; Number of employees with disabilities in France; Share of women in executive positions; Share of women in the executive committee; Lost time injury frequency rate (Sanofi workforce and all employees); Total occupational injury frequency rate (Sanofi workforce and all employees); Number of occupational diseases recognized.

Qualitative social information: Training policy; Anti-discrimination policy; Remuneration policy; Health and safety at the workplace.

Quantitative environmental information: Solvents used; Share of regenerated solvents; Emissions into the air (VOC); Wastewater discharge (COD); Total quantities of hazardous and non-hazardous waste, and breakdown by processing type; Total water consumption, and breakdown by water source; Percentage reduction in water consumption compared to reference years

2010 and 2015; Percentage of water consumed by sites located in water scarcity and water stress area; Total energy consumption, and breakdown by type of energy; Direct and indirect greenhouse gas emissions (scopes 1 & 2); Percentage reduction in direct and indirect greenhouse gas emissions (scopes 1 & 2) compared to reference years 2010 and 2015; Significant greenhouse gas emissions generated as a result of the company's activities, including the following scope 3 sources: purchased goods and services (source 1), use of sold products (source 11), downstream transportation and distribution (source

- At the level of the consolidated entity, we consulted documentary sources and conducted interviews to corroborate the qualitative information (organisation, policies, actions, etc.), we implemented analytical procedures on the quantitative information and verified, on a test basis, the calculations and the compilation of the information, and also verified their coherence and consistency with the other information presented in the management report;

- At the level of the representative selection of sites that we selected<sup>31</sup>, based on their activity, their contribution to the consolidated indicators, their location and a risk analysis, we undertook interviews to verify the correct application of the procedures and undertook detailed tests on the basis of samples, consisting in verifying the calculations made and linking them with supporting documentation. The sample selected therefore represented on average 24% of the total workforce and between 18% and 32% of the quantitative environmental information.

For the other consolidated CSR information, we assessed their consistency in relation to our knowledge of the company.

Finally, we assessed the relevance of the explanations provided, if appropriate, in the partial or total absence of certain information.

We consider that the sample methods and sizes of the samples that we considered by exercising our professional judgment allow us to express a limited assurance conclusion; an assurance of a higher level would have required more extensive verification work. Due to the necessary use of sampling techniques and other limitations inherent in the functioning of any information and internal control system, the risk of non-detection of a significant anomaly in the CSR Information cannot be entirely eliminated.

### Conclusion

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

Paris-La Défense, March 6, 2018

*French original signed by:*

Independent Verifier  
ERNST & YOUNG et Associés

**Partner, Sustainable Development**

Caroline Delerable

**Partner**

Bruno Perrin

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9), capital goods (source 2), waste generated by operations (source 5), fuel and energy related activities (source 3).

Qualitative environmental information: General environmental policy; Preventive measures, recycling and waste management; Measures undertaken to improve energy efficiency and to promote the use of renewable energy; Preventive measures, reduction of and compensation for discharges into the air (the management of Volatile Organic Compounds) and water (the management of pharmaceuticals in the environment).

Qualitative societal information: Conditions for dialogue with the persons or organizations interested in the activity of the company; Consideration of environmental and social issues in purchasing policies; Actions undertaken on business ethics; Measures undertaken in favor of patients' health and safety: bioethics, pharmacovigilance, quality policy, anti-counterfeiting policy, access to healthcare.

<sup>31</sup> For social data, we selected a sample of administrative management entities in France.

For environmental and health and safety at the workplace data: AJPAC region, including sites of Hangzhou and Shenzhen (China), as well as the Singapore Pharma site (Singapore); Europe B region, including the sites of Frankfurt Biotech (Germany), Ujpest and Veresegyhaz (Hungary); as well as the site of Sisteron (France).