

# CLIMATE-RELATED FINANCIAL DISCLOSURES AS PER THE TCFD RECOMMENDATIONS

## GRI Standards:

102-15, 102-18, 102-19, 102-20, 102-26, 102-27, 102-29, 102-30, 102-31, 102-32: *General Disclosures*  
201-2: *Economic Performance*

## I. CONTEXT

### 1. The TCFD recommendations

Today, climate change and the transition to a low-carbon economy expose organisations to emerging challenges. While they can negatively impacts companies, they may also present opportunities, to develop climate change mitigation and adaptation solutions for instance. Assessing climate change-related challenges has therefore become crucial for many investors and climate-related financial disclosure has become key to support informed and efficient decisions.

In this context, the Financial Stability Board created the Task Force on Climate-related Financial Disclosures (TCFD). The TCFD is in charge of developing a voluntary framework for climate-related financial disclosure to help identify the information needed by investors, lenders, and insurance underwriters to properly assess and price climate-related risks and opportunities.

In 2017, the TCFD published recommendations applicable to all sectors to disclose climate-related information that will allow to measure and address climate change risks and opportunities. These recommendations are structured around four theme areas or overarching recommendations on governance, strategy, risk management, and metrics and targets, which are supported by further recommended disclosures.

### 2. Sanofi's engagement with the fight against climate change

Sanofi recognises that climate change requires immediate attention and is willing to play a role in the fight against it. We have started doing our part by setting up mitigation initiatives to reduce our CO<sub>2</sub> emissions and by implementing adaptation measures that will help limit climate change impacts on both the environment and human health.

Sanofi is also conscious of the significance of a transparent communication on climate-related issues, which is why we started answering the Carbon Disclosure Project (CDP)'s climate change questionnaire in 2010 and have continued to do so yearly ever since.

Likewise, we recognise the importance of climate-related financial disclosure to measure our risks and opportunities appropriately and to provide financial decision-makers with the tools and information they need. In coherence with this position, we are willing to go one step further and improve our climate-related financial disclosures by adjusting them according to the TCFD recommendations.

## II. ACTIONS

In 2018, and in line with our aforementioned intention, we started working on our disclosures' alignment with the TCFD recommendations. We performed a gap analysis to identify available disclosures and determine additional information to be published to match the TCFD criteria. Following this preliminary analysis, Sanofi identified areas of improvement for the short, medium, and long terms. For instance, a reference to the TCFD recommendations has been included in the 2018 Reference Document and Sanofi's plans to implement them have been outlined.

The TCFD recommendations and Sanofi's corresponding climate-related financial disclosures as of now are presented in the following correspondence table.

TCFD Recommendations		Sanofi corresponding Disclosures
Theme Area	Recommended Disclosures	
<b>Governance</b>  <i>Disclose the organization's governance around climate-related risks and opportunities.</i>	<b>a)</b> Describe the board's oversight of climate-related risks and opportunities.	<b>Sanofi's CSR Materiality, Strategy &amp; Governance Factsheet 2018</b> , section III. CSR Governance, 1. Sanofi CSR governance (p.4-5)  <b>CDP questionnaire 2018</b> , questions C.1.1, C1.1a, C.1.1b, and C.1.2
	<b>b)</b> Describe management's role in assessing and managing climate-related risks and opportunities.	<b>Registration Document 2017</b> , section 4.2.1. <i>Politique générale en matière de santé, sécurité et environnement</i> (p.371)  <b>Sanofi's CSR Materiality, Strategy &amp; Governance Factsheet 2018</b> , section III. CSR Governance, 2. Sanofi CSR strategy roll-out (p.5)  <b>CDP questionnaire 2018</b> , questions C1.1b, C1.2, C1.2a, C2.2d and C3.1c
<b>Strategy</b>  <i>Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.</i>	<b>a)</b> Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	<b>Registration Document 2017</b> , sections 3.1.9., 4/ <i>Risques industriels liés à l'environnement</i> (p.192-193); 3.1.10., 3/ <i>Identification, évaluation et gestion des risques</i> (p.199); and 4.2.1.4. <i>Évaluation des risques et des impacts</i> (p.373)  <b>Sanofi's Risks and Opportunities related to Climate Change Factsheet 2019</b> , sections II. Risks and III. Opportunities (p.1-4)  <b>CDP questionnaire 2018</b> , questions C2.1, C2.2, C2.2a, C2.2b, C2.2c, C2.3, C2.3a, C2.4, and C2.4a
	<b>b)</b> Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	<b>Sustainable building charter 2015</b> , sections 1. Charter context (p.7) and 2. 3 excellence objectives – Environment (p.10)  <b>Registration Document 2017</b> , sections 3.1.9., 4/ <i>Risques industriels liés à l'environnement</i> (p.193); 3.1.10., 3/, 3.A. <i>Identification, évaluation et gestion des risques stratégiques</i> (p.200); and 4.2.3.2.5. <i>Sensibilisation aux enjeux de santé liés au climat</i> (p.380)  <b>Climate change and Health Factsheet 2018</b> , section I. Background (p.1)  <b>Sanofi's Risks and Opportunities related to Climate Change Factsheet 2019</b> , sections II. Risks and III. Opportunities (p.1-4)  <b>CDP questionnaire 2018</b> , questions C2.3, C2.3a, C2.4, C2.4a, C2.5, C2.6, C3.1, and C3.1c
	<b>c)</b> Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	<b>CDP questionnaire 2018</b> , questions C3.1a and C3.1d

<p><b>Risk Management</b></p> <p><i>Disclose how the organization identifies, assesses, and manages climate-related risks.</i></p>	<p><b>a)</b> Describe the organization's processes for identifying and assessing climate-related risks.</p>	<p><b>Registration Document 2017</b>, sections 4.2.1.4. <i>Évaluation des risques et des impacts</i> (p.373); 4.2.3.2.5. <i>Sensibilisation aux enjeux de santé liés au climat</i> (p.380); and 4.4.1. <i>La cartographie des risques majeurs</i> (p.400)</p> <p><b>Sanofi's CSR Materiality, Strategy &amp; Governance Factsheet 2018</b>, section I. CSR Materiality (p.1-3)</p> <p><b>CDP questionnaire 2018</b>, questions C2.2a, C2.2b, and C2.2c</p>
	<p><b>b)</b> Describe the organization's processes for managing climate-related risks.</p>	<p><b>Registration Document 2017</b>, sections 3.1.10., 3/, 3.A. <i>Identification, évaluation et gestion des risques stratégiques</i> (p.200), and 4.2.1.4. <i>Évaluation des risques et des impacts</i> (p.373)</p> <p><b>CDP questionnaire 2018</b>, questions C2.2c and C2.2d</p>
	<p><b>c)</b> Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.</p>	<p><b>Registration Document 2017</b>, section 4.2.3.2.4. <i>Adaptation aux conséquences du changement climatique</i> (p.380)</p> <p><b>CDP questionnaire 2018</b>, question C2.2</p>
<p><b>Metrics and Targets</b></p> <p><i>Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.</i></p>	<p><b>a)</b> Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.</p>	<p><b>Registration Document 2017</b>, energy consumption by source (p.378), VOC emissions (p.380), Water consumption by source (p.381), Residual releases to water (p.382), and section 4.5.3. <i>Référentiel de reporting</i> (p.403)</p> <p><b>Climate change and Health Factsheet 2018</b>, section II. Evolution of vector-borne diseases (p.2)</p> <p><b>Sanofi's Risks and Opportunities related to Climate Change Factsheet 2019</b>, section III. Opportunities, 2. Adaptation (p.4)</p> <p><b>CDP questionnaire 2018</b>, questions C4.2, C5.1, C5.2, C6.2, C6.5, C11.3</p>
	<p><b>b)</b> Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.</p>	<p><b>Registration Document 2017</b>, section 4.2.3.2.2. <i>Emissions de gaz à effet de serre</i> (p.378-380)</p> <p><b>CDP questionnaire 2018</b>, questions C6.1, C6.3, C6.5</p>
	<p><b>c)</b> Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.</p>	<p><b>Registration Document 2017</b>, section 4.2.3.2. <i>Empreinte carbone</i> (p.377-378)</p> <p><b>Sanofi's Risks and Opportunities related to Climate Change Factsheet 2019</b>, sections II. Risks, 3. Reputational risks and III. Opportunities, 1. Mitigation (p.2-3)</p> <p><b>CDP questionnaire 2018</b>, questions C4.1, C4.1a, C4.1b, C4.2, C4.3</p>

### III. PUBLICATIONS

For more information and further details on Sanofi climate-related financial disclosures, please refer to our [2017 Registration Document](#) (in French) and see our [Download Centre](#), notably:

- *Sustainable building charter, 2015*
- *Sanofi's CSR Materiality, Strategy & Governance Factsheet, 2018*
- *Climate change and Health Factsheet, 2018*
- *Sanofi's Risks and Opportunities related to Climate Change Factsheet, 2019*