

FUNDAMENTAL HUMAN RIGHTS AT WORK

GRI standards: 102: General Disclosures
103: Management approach

Sanofi's Human Rights Statement specifies that as a multinational healthcare company keenly aware of its social responsibility, Sanofi is committed to integrating respect for human rights into all its business operations and public positions. For several years now, Sanofi has expressed and reiterated its commitment to respect the principles of the United Nations Global Compact and other international standards in the field of human rights.

Since 2015, Sanofi has also committed to uphold the international reference framework: the United Nations Guiding Principles and to exercise due diligence on the potential impacts of its activities on individuals. This factsheet aims to describe specific policies and processes implemented by Sanofi to respect the fundamental rights of workers. Fundamental rights of workers are one of the eight major vigilance challenges identified in the vigilance plan of Sanofi (application of the French duty of vigilance law).

(For more information on the human rights vigilance approach of Sanofi, see the specific "human rights due diligence" factsheet in the [Documents Center](#).)

This approach is structured around three functions: the CSR Department provides expertise on how to take human rights into account in the company's activities, both the Procurement and the HR function ensures the deployment of policies and action plans, and the internal control and internal audit functions ensure that its policies are deployed and respected.

1. Dedicated policies on fundamental rights at work

Since 2015, we have pursued our human rights due diligence process in line with the UN Guiding Principles with a focus on strengthening our internal guidelines on human rights at work.

To this end, Sanofi adopted three internal policies on freedom of association, on interdiction of forced labor and interdiction of child labor. Based on the UN Guiding Principles, they define the company's commitments to respect the ILO standards and describe operational due diligence processes and grievance mechanisms to be established. They complement our existing Diversity Policy to support a comprehensive framework on human rights at work for both the company and our suppliers.

Scope of these policies

These three global policies apply to all Sanofi corporate functions, regions, countries and divisions worldwide.

The Responsible Procurement approach asks suppliers to compliance with Sanofi's Human Rights commitments.

For more information on actions linked to the respect of human rights by suppliers, see the [Responsible Procurement Factsheet](#) or the [human rights due diligence process Factsheet](#).

Commitments of the policy on freedom of association

Sanofi commits to respect at a minimum the provisions of the ILO conventions 87 and 98 on freedom of association and the right to collective bargaining, without prejudice to more favorable national provisions. It recognizes freedom of association and the right to collective bargaining and requires its suppliers to comply with the same standards.

This means that:

- (1) Sanofi recognizes that all employees are free to form and/or join a workers' organization of their own choice and does not interfere with this right.
- (2) It prohibits any intimidation, harassment, punishment or discrimination against employee due to trade union activities and it does not discourage any employee from joining organizations of their own choosing.
- (3) It respects the right to collective bargaining and the role of workers' organizations for the purpose of collective bargaining and it commits to bargain in good faith.

- (4) It allows workers organizations to act entirely independently, by giving them reasonable access to the information, resources and means necessary to accomplish their missions.
- (5) In case of conflict between international standards and domestic laws, Sanofi aspires to international standards by finding alternatives ways to respect these rights:
 - a) Giving employees the opportunity to express collectively their concerns to the company without fear of reprisal
 - b) Providing open, constructive and faithful dialogue to resolve matters relating to working conditions and employment terms and relations between employers and workers.

For more information, see the Code of Ethics, the Suppliers' Code of Conduct and the Social Charter in the [Documents Center](#).

Commitments of the policy on forced labor

Sanofi commits to respect at a minimum the provisions of the ILO conventions 29 and 105 on the abolition of forced labor, without prejudice to more favorable national provisions. It rejects all forms of forced labor (included debt bondage and trafficking) as defined by these international labor standards and requires its suppliers to comply with the same standards. It grants particular attention to vulnerable workers, especially migrant workers.

This means that:

- (1) Sanofi is not engaged in and does not support worker exploitation amounting to forced labor.
- (2) It gives all employees:
 - a) The right to enter into employment voluntarily and freely, without the threat of penalty
 - b) The right to freely terminate employment voluntarily by means of notice of reasonable length at any time and without penalty
- (3) It ensures that all employment contracts are written and transparent and include comprehensive provisions for employees.
- (4) It guarantees that wages are paid regularly and allow employees and their family to meet their basic needs (according to the local context).
- (5) It respects working time in accordance with the most favorable provisions between international standards or national legislation.
- (6) It ensures that its intermediaries and agencies recruitment don't use any practices which may lead to forced labor.

For more information, see the Code of Ethics, the Suppliers' Code of Conduct and the Social Charter in the [Documents Center](#).

Commitments of the policy on child labor

According to the new Child Labor Policy, Sanofi commits to respect at a minimum the provisions of the ILO conventions 138 and 182 on the prohibition of child labor, without prejudice to more favorable national provisions. It rejects all forms of child labor as defined by these international labor standards and requires its suppliers to comply with the same standards.

This means that:

- (1) Sanofi is not engaged and does not support any forms of child labor.
- (2) Employment of people under the age of 15 or under the legal age for finishing compulsory schooling is prohibited.
- (3) No hazardous work can be performed by a person under the age of 18.

For more information, see the Code of Ethics, the Suppliers' Code of Conduct and the Social Charter in the [Documents Center](#).

As mentioned above, these three policies define the company's commitments to respect the ILO standards and describe operational due diligence processes and grievance mechanisms to be established.

Commitments of the policy on diversity including non- discrimination

Our Diversity Policy is designed to promote diversity in the broadest sense possible. It outlines the framework and principles governing non-discrimination, equal opportunity and respect for individuals.

We base our commitment on:

- Non-discrimination, which is integrated in our Human Resources processes
- Equal treatment and equal opportunity for all
- Awareness and training for all employees relevant to their local environments and laws
- Updating the policy's orientations and priorities on a yearly basis
- An established procedure for employees to report complaints

We prohibit all forms of discrimination and comply with international standards, national laws and regulations in the area of human rights and labor law.

Fostering a stimulating, creative and non-discriminatory workplace environment for all employees and contractors, while ensuring respect for diversity and personal dignity, is part of the Sanofi Code of Ethics and our Social Charter.

2. Identifying specific salient issues linked to human rights at work

With respect to Sanofi's activities, the following risks have been specifically identified as salient with respect to the fundamental rights of employees:

1) for activities related to sales, R&D and support functions: psychosocial risks and risks of isolated practices affecting freedom of association and the principle of non-discrimination;

2) for manufacturing and distribution activities: risk of employment of migrant workers in situations that may amount to forced labour, risk of excessive working hours, risk of a wage lower than the decent wage, risk of hazardous work performed by children under 18 years of age and impossibility for Sanofi to respect its commitments regarding freedom of association or non-discrimination in countries at risk.

The risk factors used to define human rights risks are related to the characteristics of the workforce. To assess the criticality of its risks, inherent risk factors were defined: level of qualification, working conditions, possible presence of vulnerable workers and countries of activity (laws insufficient or contrary to international standards, common practices of human rights violations, strong presence of vulnerable populations on the territory). The specific activities of employees (industrial, commercial populations, support functions, etc.) made it possible to define the probability of occurrence of each risk as well as its severity (seriousness of the potential risk and number of people potentially affected, risk of systemic or isolated violations). This methodology was developed in consultation with the Risk Department.

3. Implementing specific and operational due diligence processes

Sanofi implements a global "freedom of association," "interdiction of child labor" and "interdiction of forced labor" due diligence process:

- At every level of the company, vigilance must be reinforced to ensure appropriate mitigation of the risk of non-respect of freedom of association, use or benefit of forced labor and use or benefit of child labor.
- Adequate internal control measures must be in place to ensure respect of freedom of association and no use of forced labor or child labor.
- The Procurement Risk Management Model must identify and assess suppliers according to their respect of freedom of association, the prohibition of forced labor and the prohibition of child labor.

These are compulsory for all company entities (corporate functions, departments and countries). Every employee must therefore be aware of and commit to individually respect the principles of the reference documents upheld by Sanofi, both internally and externally.

Implementation of the policies:

- Existing processes were strengthened in 2018:
 - revision of the "human and social rights" risk sheet in order to better qualify the "human rights" risk, understood as the risk of violating workers' human rights and the assessment of severity in relation to the severity of the impacts on employees;
 - qualification of the risks associated with respect for fundamental workers' rights and their criticality (see risk mapping)
 - and by revising existing policies to make risk assessment questionnaires mandatory and more operational and to report data to the CSR Department.
- 2019 actions plan aims to:
 - 1) better qualify the causes / situations at risk and accurately identify sensitive areas (for example, collection of data on the types of jobs performed by employees under 18 years of age, feedback from human resources managers on psychosocial risks, risks of discrimination, etc.);
 - 2) manage risks, such as strengthening the implementation of internal policies related to fundamental workers' rights (awareness-raising of entities, training of HR and auditors, compliance audits in high-risk countries) or ensuring that the ethical alert system is well understood at the operational level.

4. Grievance mechanisms

As described in the Code of Ethics and in the Complaint Management Policy, any employee must inform his or her superior or the Compliance Department representative of any case or suspected case of forced labor, child labor and non-respect of freedom of association.

All Sanofi employees have access to a secured compliance helpline system available 24/7 with a dedicated web page and a toll-free number available in 28 languages. If employees have a concern or if they believe in good faith that a law, a rule or one of the principles in our Code of Ethics has been or is about to be violated, they can inform their superior or the Ethics & Business Integrity Department by using the compliance helpline. Employees will not be disciplined or discriminated against provided that they act in good faith and with no malicious intent; even if the facts reported prove to be inaccurate or no further action is taken. In the United States, a toll-free external compliance helpline has been set up for Sanofi employees in accordance with local regulations and practices.

5. Monitoring of the implementation of the policies

We integrated human rights in our internal control manual with the implementation of a dedicated control covering freedom of association, interdiction of forced labor, child labor and diversity and put in place human rights training for the internal auditors covering the Europe, Africa, Middle East and South Asia regions.

Following points are subject to enhanced monitoring as part of the deployment of human rights policies in the subsidiaries:

- subsidiaries that have not implemented the policies;
- subsidiaries that have partially implemented the policies;
- policy elements that are most difficult to implement (forced labour, child labour, freedom of association, non-discrimination, etc.)