

STAKEHOLDER ENGAGEMENT

GRI 4 Indicators : G4-16, G4-19, G4-24, G4-25, G4-26, G4-27

GRI Standards:

102-13: Membership of associations

102-21: Consulting stakeholders on economic, environmental, and social topics

102-40: List of stakeholder groups

102-43: Approach to stakeholder engagement

413-1: Operations with local community engagement, impact assessments, and development programs

We strive to constantly listen to our stakeholders and respond to their expectations. This is a reflection of our credibility and sustainability.

I. STAKEHOLDER ENGAGEMENT AT GLOBAL LEVEL

Our Stakeholders at the heart of our strategy



All Sanofi entities (commercial affiliates, corporate functions, industrial sites, research and development sites, etc.) interact with stakeholders through the company's dedicated departments and organizations: Medical Information, Quality, Purchasing, Finance, Corporate Social Responsibility (CSR), Research & Development, Investors Relations, External Affairs, Human Resources etc.

Sanofi entities engage in different types of interactions to respond to a range of needs with the following objectives:

- To provide reliable, factual information using various communication tools: information may concern the proper use of products marketed by the company, products under development, financial and extra-financial information, etc. and the communication tools include brochures, dedicated websites, communications campaigns, annual assessments, responses to questionnaires, replies to various requests, etc.
- To set up formalized dialogue and consultation processes: stakeholder panels, the organization of stakeholder surveys, customer satisfaction surveys, employee commitment surveys; and the organization of forums, panels of residents of communities surrounding our sites, suppliers, etc.
- To forge partnerships, particularly in the healthcare field: support for patient associations, humanitarian aid programs, partnerships with the academic world, clinical trial programs, etc.

In our relations with stakeholders, Sanofi seeks to involve them to varying degrees, from one-way (simply monitoring stakeholders' actions, creating targeted messages) to two-way dialogue (soliciting their feedback, initiating an exchange focused on mutual learning, collaborating on common objectives and projects).

The highest degree of involvement consists of partnering with stakeholders to pursue common objectives, which creates the greatest value for businesses. Partnerships can range from single- to multi-stakeholder partnerships. Our stakeholder dialogue helps us develop a deeper understanding of the challenges and expectations of patients, healthcare professionals, policy makers, NGOs, communities and many others.

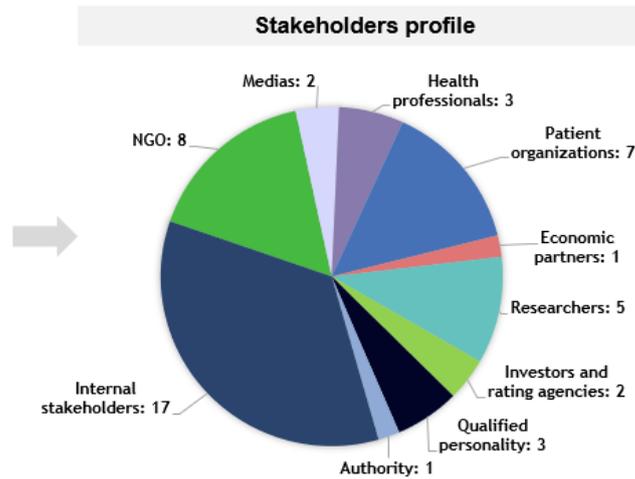


At the global CSR level, we promote our dedicated CSR mailbox through many tools (brochures, reports, websites, etc.). The mailbox Corporate-Responsibility@sanofi.com was created in 2006 for internal and external stakeholders. Each request from stakeholders is acknowledged and forwarded to the appropriate department for a response.

The Sanofi International Stakeholder Panel, 2016-2017

After four years of ongoing dialogue with our stakeholders in France, in 2016 we initiated a formalized dialogue at the international level in the form of a Stakeholder Committee. The panel provides a forum to discuss Sanofi's challenges and to engage stakeholders in a co-construction process with the objective of producing tangible outcomes.

Sanofi's International Stakeholder Committee comprises around 49 members, and includes 32 individuals appointed by their organizations as well as prominent experts who attend in their own name: representatives of humanitarian and environmental NGOs, patient groups and public bodies, healthcare professionals, university researchers in life sciences and healthcare, representatives of the business and financial community, socially responsible investment (SRI) funds, trade unions and media. They are joined by 17 internal stakeholders representing Sanofi's activities and functions: R&D, Industrial Affairs, Diabetes & Cardiovascular Global Business Unit, Finance, External Affairs, Medical Affairs, Governmental Relations, Human Resources, Environment, Communication, Site & Property Management, and the CSR Department in its role as project leader.



The cycle of four meetings was held under a third-party facilitation to guarantee the balance of speaking time and support co-construction. Through the various sessions, more than 45 hours were dedicated to meeting and working together by Sanofi and external stakeholders.

The panel's first meeting was a full-day session. The discussions highlighted four themes that external and internal stakeholders felt should be addressed as a priority. Four working groups were set up on the following themes:

- Territorial footprint of the company: "The notion of ecosystem and how to measure it around Sanofi sites";
- Access to health care: "What social enterprise model for vulnerable populations? »;
- Pricing and the cost of innovation: "What are the possible ways to make the price of innovation acceptable and sustainable? »;
- R & D, ethics and investment choices: "Integrating ethical or extra-financial criteria into investment choices".

Experts from these topics completed the formed groups that met twice in 2017.

At the end of the dialogue cycle, a closing meeting made it possible to present the conclusions and recommendations of the four working groups to the Stakeholder Committee as a whole, as well as to the Executive Committee of Sanofi, represented by the Executive Vice-President, responsible for external affairs.

Each working group made operational or strategic recommendations for improving Sanofi's practices or communication.

Following a first working group recommendations, a pilot project was launched at two Sanofi sites (industrial and R&D) in order to test and implement the methodology of evaluation of the economic, environmental and social footprint. The objective was to measure the impact of Sanofi's activities on local ecosystems in order to build recommendations to be deployed by all sites on a larger scale.

A second working group was dedicated to Access to Healthcare. The objective was to test the principles, strategy and deployment of the new entity named "Global Health" in a continued process of dialogue.

For the other working groups, whose recommendations require greater internal reflection within the company, Sanofi is committed to regularly informing stakeholders on the progress made.

In accordance with the rules of transparency to which Sanofi is committed, the summary of the plenary sessions is published on a digital platform dedicated to stakeholders. The debates are governed by the rules of the Chatham House in order to guarantee at the same time transparency of the exchanges and confidentiality of the participants.

In addition, to help affiliates establish a dialogue with internal and external local stakeholders, Sanofi's CSR Department has updated a toolbox to enable them to conduct their own materiality test and identify local priorities. In CSR. In 2017, Russia finalized its action plan following the materiality test conducted in 2016 and Germany used the tool to determine its material challenges.

II. INVESTORS AND RATING AGENCIES' MOST COMMON REQUESTS

All year round, we receive questionnaires and requests from investors and rating agencies. Here are some examples of the most common requests we receive:

ETHICS & TRANSPARENCY

- Governance
 - Remuneration structure and rationale of top management remuneration incentives
 - External assessment of the Board practices, Board members' independence, diversity and responsibility for ESG (Environment, Social & Governance) topics
- Integration of the CSR strategy into the company's strategy and integrated reporting
- Ethics
 - Bribery & Corruption
 - Ethics in R&D
 - Supply chain management (sourcing, procurement and contractors)

PUBLIC HEALTH AND ACCESS TO HEALTHCARE

- Strategy to improve access to drugs or products
 - Global positions on pricing
 - Equitable pricing
 - Market access strategy
 - Intellectual property, including voluntary licensing

COMMUNITIES

- Human capital dimension
- Human rights & labor practice indicators

HEALTHY PLANET

- Environmental footprint of our internal activities (CO₂, water, energy, waste, etc....) and performance vs reduction targets
- Climate strategy

For more information, see our *Factsheet Sanofi's CSR Materiality, Strategy & Governance*

III. MEMBERSHIPS AND COLLABORATIONS

Sanofi is committed to complying with CSR standards, and the company is a member of the following organizations.

Pharmaceutical industry associations			
International	International Federation of Pharmaceutical Manufacturers & Associations (IFPMA) Influenza Vaccine Supply International Task Force (IFPMA/IVS)		http://www.ifpma.org http://www.ifpma.org/resources/influenza-vaccines/influenza-vaccines/about-influenza-vaccine.html
	Pharmaceutical Supply Chain Initiative (PSCI)		https://pscinitiative.org/home
Europe	European Federation of Pharmaceutical Industries and Associations (EFPIA)		http://www.efpia.eu
	Vaccines Europe (formerly European Vaccine Manufacturers—EVM)		www.vaccineurope.eu
	Association of the British Pharmaceutical Industry (ABPI) in the UK		http://www.abpi.org.uk
	Les Entreprises du médicament (LEEM) in France (The medicine companies)		http://www.leem.org
	Verband Forschender Arzneimittelhersteller (VFA) in Germany		http://www.vfa.de
United States	Pharmaceutical Research and Manufacturers of America (PhRMA)		http://www.phrma.org
	Biotechnology Industry Organization (BIO)		http://www.bio.org

Asia	Japan Pharmaceutical Manufacturers Association (JPMA)		http://www.jpma.or.jp
Other professional organizations			
International	United Nations Global Compact		http://www.unglobalcompact.org
	Business for Social Responsibility (BSR)		http://www.bsr.org
	Together for sustainability (TFS)		https://tfs-initiative.com/
	International Integrated Reporting Council		https://integratedreporting.org/the-iirc-2/
France	MEDEF (Mouvement des entreprises de France) <i>(Movement of companies of France)</i>		http://www.medef.com
	Association française des entreprises privées (AFEP) <i>(French association for private companies)</i>		http://www.afep.com
	Entreprises pour les droits de l'homme <i>(Companies for human right)</i>		http://www.e-dh.org
	EPE—Entreprises pour l'environnement <i>(Companies for environment)</i>		http://www.epe-asso.org
	Observatoire de la responsabilité sociale des entreprises (ORSE) <i>(Corporate social responsibility observatory)</i>		http://www.orse.org
	C3D—Collège des directeurs du développement durable <i>(college of sustainable development director's)</i>		http://www.cddd.fr