

## ETHICS & BUSINESS INTEGRITY

### GRI Standards :

103 : Management Approach

205-2 : Anti-corruption

### EXECUTIVE SUMMARY

Sanofi operates in more than 100 countries around the world and is committed to respect the highest standards of ethics and integrity in the business conduct. Embedding ethical values into our day to day activities is essential to preserve the trust of patients and communities, to safeguard our image and reputation and to protect Sanofi employees.

To sustain our commitment, we have implemented a robust governance. We have established and enforced clear rules in accordance with the legal framework in each country where we operate. A rigorous internal control framework is also implemented to prevent violations of internal rules.

The cornerstone of this approach aiming at promoting and sustaining ethics and integrity in all our activities is the Ethics & Business Integrity (E&BI) Department, complemented by other departments such as but not limited to : Internal Control and Processes, Internal Audit & Risk management, Global Quality, Procurement, Health, Safety & Environment.

# TABLE OF CONTENTS

<b>1. ETHICS &amp; BUSINESS INTEGRITY PROGRAM .....</b>	<b>3</b>
<b>2. ETHICS &amp; BUSINESS INTEGRITY DEPARTMENT .....</b>	<b>3</b>
<b>2.1. Mission .....</b>	<b>3</b>
<b>2.2. Organization .....</b>	<b>3</b>
<b>3. CODE OF ETHICS, POLICIES &amp; STANDARDS .....</b>	<b>4</b>
<b>3.1. The Code of Ethics .....</b>	<b>4</b>
<b>3.2. Policies &amp; Standards .....</b>	<b>5</b>
<b>3.3. International Rules .....</b>	<b>6</b>
<b>3.4. Contributing to cross industry initiatives .....</b>	<b>6</b>
<b>4. PREVENTION &amp; FIGHT AGAINST CORRUPTION.....</b>	<b>7</b>
<b>4.1. A comprehensive set of policies and standards defining clear rules for employees .....</b>	<b>7</b>
<b>4.2. Preventing corruption in our interactions with third parties .....</b>	<b>7</b>
<b>5. TRAINING AND EDUCATIONAL PROGRAMS .....</b>	<b>7</b>
<b>6. ALERTS MANAGEMENT .....</b>	<b>8</b>
<b>6.1. Compliance Helpline .....</b>	<b>8</b>
<b>6.2. Internal Investigations – Corrective and / or disciplinary actions .....</b>	<b>8</b>
<b>7. SANOFI ACCOUNTABILITIES TO SUPPORT ETHICAL BUSINESS CONDUCT .....</b>	<b>8</b>

## 1. ETHICS & BUSINESS INTEGRITY PROGRAM

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A companywide Ethics & Business Integrity program is developed and implemented, based on :

- A dedicated organizational structure ;
- A Code of Ethics, policies and standards ;
- Education and training ;
- Activity monitoring ;
- A dedicated Compliance Helpline collecting alerts ;
- Internal investigations, corrective and/or disciplinary actions.

## 2. ETHICS & BUSINESS INTEGRITY DEPARTMENT

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### 2.1. Mission

The core mission of the Ethics & Business Integrity (E&BI) Department is to promote a culture of business integrity at every level of the Company. E&BI's role is to be a partner of the business teams and to support the achievement of the business objectives while ensuring compliance with laws, regulations, industry codes, as well as, with the Company's ethics, values and policies.

The E&BI Department furthermore provides Global Business Units and Global Functions with the support needed to identify, assess and mitigate risks potentially associated with the Company's activities.

### 2.2. Organization

Spearheading Sanofi's approach to ethics and business integrity in cooperation with other entities, the E&BI Department relies on a dedicated worldwide team - reporting to the Global Compliance Officer - reaching from the global to the local level and supporting the Company organization at every level : Corporate, Global Business Units, Global Functions, Regions, Countries.

#### 2.2.1. Global Compliance Officer and E&B organization

The **Global Compliance Officer** has a double reporting line, to the General Counsel and to the CEO and meets periodically with the Audit Committee and/or the Board of Directors and external auditors.

He provides strategic compliance leadership to the executive management team and the Board of Directors. He oversees the effective implementation and management of the E&BI program. Under his responsibility, E&BI is a centralized organization encompassing :

- **A Global Center of Expertise** composed of a team dedicated to the risk assessment, the design and dissemination of policies, trainings and communication campaigns.
- **A Chief Anti-Fraud Officer** and an **Investigation officer** whose main mission is to design and implement a comprehensive Fraud Risk Management Program consisting of four anti-fraud

pillars: prevention, detection, investigation, analysis and reporting. This role contributes to enhancing the capability to prevent and uncover misconduct. A dedicated function is also in charge of supporting internal investigations.

- **Global Business Units / Global Functions Compliance Business Partners** providing strategic compliance leadership and support to the Global Business Units and Global Functions projects and initiatives and acting as primary point of contact for the Global Business Units and Global Functions for implementing, promoting and enforcing compliance standards.
- **Regional Compliance Officers** leading a Compliance Officers network in assigned countries and providing direction to ensure a harmonized and integrated approach to Compliance across the region. They support the implementation of the Global Compliance program in the region.
- **A local organization** composed of **Country Compliance Officers**, forming a network comprised of around 100 people, responsible for ensuring the core elements of the Ethics & Business Integrity program are implemented and working as designed in the assigned countries. They support the local business operations on a day to day basis.

## 2.2.2. Compliance Committees

The Executive Compliance Committee (ECC), chaired by Sanofi's CEO, is responsible for facilitating and ensuring the effectiveness of all aspects of Sanofi's Ethics & Business Integrity program. The ECC's role is to recommend and review actions aimed at fostering a continued commitment to Sanofi values. The main objective is to maintain a culture where the instinct to do the right thing, to comply with applicable laws and Sanofi policies is truly embedded across the organization.

At the country level, Sanofi affiliates are required to establish Ethics & Business Integrity Committees to provide leadership and share best practices related to ethics and business integrity.

## 3. CODE OF ETHICS, POLICIES & STANDARDS

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### 3.1. The Code of Ethics

The Sanofi Code of Ethics defines the standards of ethical behavior that employees are expected to follow when conducting Sanofi business. It is a key resource and practical tool, providing guidance to each employee about the attitudes to adopt in relationships within and outside the Company. Translations of the Code of Ethics in 29 languages guarantee that it will be accessible and understood by employees all over the world. New employees receive mandatory training on the Code of Ethics and refresher courses are organized.

Below is the content of our Code of Ethics :

Message from the CEO ;

Message from the global compliance officer ;

Who is concerned ;

How to use the code of ethics ;

How to raise a concern (compliance helplines) ;

- Respect & protection of people and the environment :
  - > Respecting people ;
  - > Preserving health & safety and protecting people and the environment ;
  - > Protecting privacy and personal data.
- Integrity in managing company information :
  - > Protecting confidential and sensitive information ;
  - > Preventing insider trading ;
  - > Protecting our image when using social media.
- Integrity in our business practices :
  - > Dealing with conflict of interest ;
  - > Participating in public life ;
  - > Respecting free competition ;
  - > Fighting bribery and corruption ;
  - > Interacting with patients ;
  - > Interacting with the scientific community ;
  - > Being transparent about our products.

### 3.2. Policies & Standards

Sanofi has developed a comprehensive body of policies and standards, updated on a regular basis, which are designed to provide guidance on a range of situations specific to our industry. Here are some examples of internal policies that address topics related to business ethics :

- Anti-bribery.
- Provision of items to external Stakeholders.
- Gifts and invitations offered to Sanofi Employees.
- Donations and other contributions to organizations.
- Conflicts of interest.
- Service engagements with scientific external experts.
- Organizations of and contribution to events.
- Good scientific information practices.
- Interactions with patients, patients advocates and groups.
- Anti-bribery due diligence on third parties.
- Lobbying.
- Alerts management.
- Corrective and disciplinary actions.

In addition to the topics covered by E&BI policies, each operational department or function within the Company develops a comprehensive set of policies and standards designed to effectively manage their activities and provide guidance on sensitive topics.

These policies and standards are continuously assessed, updated and complemented if needed, to ensure alignment with the dynamic legal and regulatory framework, as well as, with the risks associated with Sanofi's activities.

These policies and standards are not meant to be exhaustive in addressing all the circumstances that may arise. If a particular situation is not covered or the provisions of the policies and standards are not clear to a Sanofi employee, the latter must consult his or her manager and or the Legal and Ethics & Business Integrity Department.

### 3.3. International Rules

Sanofi adheres and complies with all applicable industry codes, at country, regional (e.g. EFPIA) and international level (IFPMA).

Regarding prevention and fight against corruption Sanofi committed to perform its activities in compliance with all applicable law or regulation addressing corruption and/or bribery, including, but not limited to the French Criminal Code and the French Law of December 9th 2017 on Transparency, the Fight Against Corruption and the Modernization of the Economy (Sapin 2 Law) the U.S. Foreign Corrupt Practices Act (FCPA) and the U.K. Bribery Act (UKBA), as well as applicable international conventions, including, but not limited to :

- [The external reference principles of the United Nations Global Compact \(Principle 10\)](#)
- [The United Nations Convention against Corruption – adopted on 31 October 2003](#)
- [The Organization for Economic Cooperation and Development \(OECD\) Convention on Combating Bribery of Foreign Public Officials in International Business Transactions](#)
- [Measures adopted in application of the U.S. Sarbanes-Oxley Act \(Section 301\)](#)

### 3.4. Contributing to cross industry initiatives

Sanofi is willing to contribute to leveling the playing field by supporting international anti-corruption initiatives originating in the private sector, such as those developed by the International Chamber of Commerce (ICC). Among the practical tools proposed by ICC, Sanofi is an active supporter of a training tool known as [RESIST](#) (Resisting Extortions and Solicitations in International Transactions). The ICC has contributed to developing this tool in cooperation with the World Economic Forum, the UN Global Compact and Transparency International. It is used to train company employees how to prevent bribes and how to respond in a safe, ethical and efficient way in the event of attempted bribery. RESIST is based on 21 real-life scenarios of solicitation and extortion demands. Sanofi was involved in the translation of this tool into French and is actively participating in the creation of an e-learning version of RESIST.

Sanofi has also signed the UN Global Compact Anti-Corruption Call to Action.

## 4. PREVENTION & FIGHT AGAINST CORRUPTION

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### 4.1. A comprehensive set of policies and standards defining clear rules for employees

The adverse economic and social consequences of bribery and corruption are a major deterrent to development, everywhere in the world. Sanofi, who has zero-tolerance for bribery, has been engaged for many years in fostering throughout its organization, but also in its relationships with external stakeholders, an ethical culture aiming at reaching the highest standards in terms of responsibility and business integrity.

The purpose of Sanofi anti-bribery Policy is to establish guidance for Sanofi employees and third parties interacting with Sanofi to comply with applicable anti-corruption and anti-bribery laws and regulations, as well as to promote a culture of ethics and integrity.

*For more information, see the Sanofi anti-bribery policy in the [Document Center](#).*

In addition to its anti-bribery policy, Sanofi has implemented a comprehensive set of policies and standards defining clear rules that must be complied with by all Sanofi employees and, when applicable, by third parties (See section IV.2).

These policies and standards govern certain activities to ensure they are implemented for genuine and legitimate business reasons and include specific provisions aiming at preventing bribery and corruption.

### 4.2. Preventing corruption in our interactions with third parties

Sanofi is operating daily with thousands of third parties. Therefore, it must ensure that its suppliers, distributors, agents, and business partners are not potentially exposing the Company, through their actions, to corruption allegations. Sanofi conducts “risk-based” anti-bribery due diligence on third parties to avoid or to mitigate the risk of third-party corrupt conduct. In order to mitigate that risk, Sanofi has implemented a risk-based due diligence process in connection with the retention of third parties. This risk-based approach relies notably on two set of criteria (1) the third party business profiles (e.g. the third party has got interactions with government official) and the (2) nature of the business (e.g. the third party is an agent, a consultants etc.).

Furthermore, appropriate anti-corruption and anti-bribery due diligence is conducted, in accordance with relevant business practices and Sanofi policies and procedures, in advance of making any investment in a non-Sanofi business entity or entering into any Joint-Venture/ Partnership agreement.

## 5. TRAINING AND EDUCATIONAL PROGRAMS

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A master E&BI training program is designed to raise employees’ awareness and provide continuous education. Every year, Sanofi employees are requested to perform mandatory Ethics & Business Integrity trainings, to address fundamental topics in the field of compliance and business integrity. Training tools include e-learning modules and short videos based on real-life situations where employees may be faced with various types of risk, such as, but not limited to : corruption, conflicts of interest, fraud, data privacy. Furthermore, an Ethics & Business integrity e-learning library makes available to all employees at their own initiative a wide range of modules covering various topics, in up to 19 languages.

Moreover, all the E&BI policies are complemented by Frequently Asked Questions modules as well as with specific trainings.

In 2019, 102,531 employees were assigned, at least, one Ethics & Business Integrity training. In total, 254,635 Ethics and Business Integrity trainings have been completed in 2019.

## 6. ALERTS MANAGEMENT

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### 6.1. Compliance Helpline

A secured compliance helpline is available 24/7 with a dedicated web page and a toll-free number is available in 28 languages. In the United States, a toll-free external compliance helpline has been set up for Sanofi employees in accordance with local regulations and practices. Any employee can report breaches to the Code of Ethics and/ or any concern about potential wrong doings. If employees have a concern or 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 helplines. Employees will not be disciplined or discriminated because of reporting to the helpline, provided that they act in good faith, with no malicious intent, even if the facts turn out to be inaccurate or no further action is taken.

According to our alerts management policy, Sanofi employees are encouraged to report the incident by identifying themselves. Such identification helps the investigation process. In case a Sanofi personnel decides not to disclose his/her identity, an anonymous report can be submitted.

*For more information, please refer to Sanofi Code of Ethics in the [Document Center](#).*

### 6.2. Internal Investigations – Corrective and / or disciplinary actions

Every alert, whatever the source is, Compliance helpline or any other channel, is duly and appropriately investigated following a robust internal methodological protocol, established by the Alerts Management policy. If, after the internal investigation, the alert is substantiated, prompt corrective and/or disciplinary actions are initiated. To ensure such actions are determined in a consistent and harmonized way, the Company has established a policy formalizing the global framework for corrective and/or disciplinary actions.

In 2019 : the E&BI Department has received 825 alerts. A total of 331 cases were substantiated and there were 152 dismissals and resignations related to misconduct.

## 7. SANOFI ACCOUNTABILITIES TO SUPPORT ETHICAL BUSINESS CONDUCT

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First and foremost, it is Sanofi business operations management's responsibility to embed ethics and business integrity in all the company activities so that all Sanofi employees accomplish their job every day and everywhere in accordance with ethical standards.

Furthermore, the following Sanofi divisions work alongside the E&BI Department to implement Sanofi's ethics & business integrity culture & policies :

**The Global Quality Organization**, which encompasses quality teams across the Company (including Sanofi Genzyme and Sanofi Pasteur) in R&D, Industrial Affairs and Sanofi's commercial affiliates, supports Sanofi's commitment to provide safe and effective products that are developed, distributed and marketed in full compliance with regulatory requirements and the Company's values and ethical principles. It is headed by the Chief Quality Officer, who has direct access to the CEO. This organization ensures the consistent implementation of our quality policy throughout the entire product life cycle and oversees the application of a consistently high standard of quality worldwide, allowing us to protect patient safety.

*For more information, see the Quality Management Systems factsheet in the [Document Center](#).*

**The Health, Safety and Environment (HSE) Department** is in charge of ensuring that HSE laws and regulations are respected within Sanofi's manufacturing and research operations worldwide. It verifies compliance with rules, including those related to ethics, defined at the Company level through regular audits at sites and entities.

*For more information, see the HSE Management System factsheet in the [Document Center](#).*

**The Sanofi Internal Control and Processes (IC&P) Department** is responsible for supporting the company with its objectives to have an Internal Control adapted to its organization and activities, by:

- Defining and maintaining company-wide standards.
- Providing support to management for improving controls and remediating failures.
- Coordinating the evaluation of Internal Control over Financial Reporting, program effectiveness.

The successful implementation and maintenance of an enterprise Internal Control will help Sanofi :

- Protecting business and the value created by Sanofi over time.
- Reducing unforeseen losses, risks to its reputation and people.
- Improving process quality, effectiveness and efficiency.
- Facilitating decision making with a common view of processes and their level of control.
- Implementing company policies, standards and processes, allowing proper mitigation of risks.
- Ultimately, also improving internal control over outsourced providers and business partners.

*For more information, see the Company Internal Control & Processes factsheet in the [Document Center](#).*

**The Risk Management Organization** supports the alignment and integration of all risk-management activities within the Sanofi organization. It was established to ensure, among other things, accountability and competency for managing risks across the organization ; effective, relevant, and timely exchange of information with internal and external stakeholders ; and the alignment of decision-making processes with risk exposure. It also ensures that risk owners and governing bodies are provided with all relevant information to conduct their activities. The Company Risk Management team supports the Risk Committee by consolidating and maintaining the

Company risk profile, among other responsibilities. This team works in close collaboration with Company Internal Audit and Internal Control and Processes teams.

*For more information, see the Risk Management Factsheet in the [Document Center](#).*

**Sanofi Internal Audit (SIA)** mission is to provide the Executive Committee and the Audit Committee with independent and objective reasonable assurance, regarding the company's ability to control its operations in line with Institute of Internal Audit (IIA) international standards.

SIA helps Sanofi execute its strategy and achieve business objectives by assessing and improving the effectiveness of Sanofi's governance, risk management, and control processes. SIA commits to alert management on significant risks and to monitor their effective mitigation.

*For more information, see the Sanofi Internal Audit factsheet in the [Document Center](#).*

**The Procurement organization** role is key in the prevention of corruption in our interactions with suppliers.

Under the sponsorship of the Procurement Department, the E&BI Department and other departments, a Company-wide process has been implemented in order to conduct appropriate due diligence on third parties with a certain risk profile.

Moreover, Sanofi providers must adhere to the Suppliers' Code of Conduct, which is distributed by Sanofi's buyers.

*For more information, please refer to Sanofi Suppliers Code of Conduct and to Sanofi Code of Ethics in the [Document Center](#).*