

BIODIVERSITY

GRI Standards :

304-1, 304-2, 304-3, 304-4 : Biodiversity

EXECUTIVE SUMMARY

“Biodiversity” or biological diversity refers to the variety of life on earth and refers to the variation of genes within species, to the variety of species within a region and to the different communities of habitats found in a given location.

Sanofi manages the biodiversity around its sites through its environmental sustainability program “Planet Mobilization”.

Natural resources are critical for the discovery and development of new drugs, Sanofi strives to ensuring the preservation of biodiversity and fair and sustainable use of natural resources.

Sanofi is committed to a responsible use of natural resources in research and production. We adapt our practices to comply with international regulations such as the Nagoya Protocol and the Convention on Biological Diversity (CBD) and local regulations and works towards elimination of use of endangered natural resources and their derivatives.

Sanofi expects from its suppliers to also apply appropriate environmental and biodiversity preservation standards.

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1. Our strategic approach

“Biodiversity” or biological diversity, refers to the variety of life on earth. It encompasses three categories: genetic, species, and ecosystem diversity:

- Genetic diversity refers to the variation of genes within species.
- Species diversity refers to the variety of species within a region.
- Ecosystem diversity refers to the different communities or habitats found in a given location.

Biodiversity is vital to maintaining the balance of life on our planet. The world’s natural ecosystems are deteriorating at a rate unprecedented in human history. Preserving biodiversity and ensuring the sustainable and fair use of natural resources stand out as key issues worldwide. Today they are an essential part of any environmental sustainability and Corporate Social Responsibility (CSR) policies, and are considered critical topics for Sanofi.

The pharmaceutical industry places a great deal of importance on biodiversity because natural resources are critical for the discovery and development of new drugs. Natural resources have valuable potential as sources for new chemical substances and active ingredients. Despite the decline in the use of natural products for drug discovery, biologists consider natural resources to be the treasure troves of pharmacopoeia in the 21st century, given the remarkable diversity of their substances and active ingredients.

Through its Planet Mobilization roadmap addressing today’s environmental challenges (such as climate change, waste management, Pharmaceuticals in the Environment, water stewardship..), Sanofi actively contributes to protect biodiversity.

But Sanofi also concentrates on three key issues directly relating to biodiversity:

- ensuring the preservation of biodiversity surrounding Sanofi sites and beyond, particularly in fragile or protected areas;
- determining the fair distribution of benefits resulting from putting product derived from biodiversity on the market;
- the controlled use of natural plant and wild animal species in research projects to discover new drugs.

To translate our approach into action, Sanofi committed to:

- complying with local regulations. Regarding the preservation of protected natural areas surrounding the concerned sites, Sanofi carries out relevant environmental impact assessments;
- ensuring that all new relevant contracts are in line with the CBD and The Nagoya Protocol and take into account the CITES convention and the International Union for Conservation of Nature (IUCN) Red List criteria;
- verifying, prior to placing an order, that relevant plant species are not on the lists established by the Convention on International Trade in Endangered Species (CITES) of Wild Fauna and Flora. See www.cites.org;
- ensuring that suppliers produce, if necessary, the official authorizations that allow them to collect the plants, animals or/and micro-organisms that have been ordered.

2. BIODIVERSITY AND SANOFI SITES

2.1. Planet Mobilization & Biodiversity



Our objectives	Global Performance 2020
Engage protection programs on all sites located near sensitive areas by 2025	Various biodiversity initiatives implemented on our sites
Foster biodiversity on 100% of our sites by 2030	One pilot project implemented on site to ensure that our activities do not affect the surrounding bat species

Sanofi has a global commitment to manage biodiversity on its sites. A first assessment of the biodiversity sensitivity of our non-urban sites has been performed from 2014 to 2016. This identified a list of priority sites that required further assessment, and potentially risk management plans.

Following this, a pilot project has been successfully implemented on one site to ensure its activities doesn't affect the sites' surrounding species.

In line with our new Planet Mobilization roadmap, this assessment will be updated, and new objectives have been set to ensure all our sites will protect, restore and foster biodiversity by 2030.

2.2. Preserving biodiversity around Sanofi sites and beyond

To limit our environmental impact, we consider local management of biodiversity. Sites located near sensitive natural areas shall implement a biodiversity protection program by 2025 with consideration of local biodiversity risks and in partnership with stakeholders.

By 2030, all our sites will foster biodiversity through dedicated initiatives.

As a first step, in order to identify priority sites, in 2014, an independent consultant undertook a desktop-based mapping of the biodiversity sensitivity of our industrial sites. The evaluation was based on six criteria:

- Proximity to a natural/semi-natural area
- Proximity to a restricted and/or classified sensitive area
- Proximity to wetlands
- Potential to be integrated into an ecological network
- Potential presence of sensitive species/habitats
- Anthropic pressure

In 2016, we undertook a more in-depth analysis by identifying the potential endangered species of mammals, birds and amphibian that may be close to these industrial sites. Initial results indicate that only six sites (off which five are in Europe) being in an area with high sensitivity to biodiversity. We seek to refine the knowledge of our sites' environment through local biodiversity studies, starting first with sites identified as being in areas sensitive to biodiversity, called priority sites.

Csanyikvolgy in Hungary has been chosen as pilot site. Since 2002, this site, located near the border of a National Park, has been working with a local expert to regularly survey lichen and plants around the site in relation to sensitivity to air pollution; no negative impacts have been reported. As the region is rich in caves, the experts proposed to monitor bats and their predator to see if they could be disturbed by light and noise – neither any negative effect was reported. The results of the studies enabled us to establish the site biodiversity risk management plan in relation to a dedicated monitoring program with the expert third-party.

Today, as technologies have evolved, this mapping must be updated based on new criteria. Following this update, the sites that will come out as "sensitive" will have to implement a protection program by 2025.

In addition, many sites set up various projects each year from awareness to planting trees or involving local communities:

At our Waterford site in Ireland, “La Marche”

Enabling future planning for business development required the creation of a wildlife pond to provide a breeding and hibernation habitat for a protected species, the common frog (*Rana temporaria*), which inhabits a wetland area on site. We took advantage of this opportunity to incorporate a Slí na Sláinte 1.7km walking track.

Taking on board the imperative of protecting the frog population in the wetlands within our landbank and the aspiration to develop a pleasant walking route that would encourage daily outdoor exercise, the Health, Safety & Environmental team developed a project to create a pond and walkway around the frog habitat. This conserves the protected ecosystem and species but also enhances the area and makes it more accessible on a clearly marked pathway. The Irish Heart Foundation-designated Slí na Sláinte (Path to Health) makes walking outdoors simple, satisfying and safe. At Waterford, the route features an eco-friendly “outdoor room” with benches and potted lavender. In developing the model, the team were very aware of the need to deliver return on investment and to minimize expenditure. In this context, the idea was developed of delivering the project in partnership with voluntary bodies. These included the Red Cross and Scouting Ireland, both of which had Genzyme personnel involved locally. To further boost employee buy-in, we invited volunteers from the site team to take part in the physical works at weekends. In all, 200 people from the company and community volunteered at various stages. A naming competition boosted interest and generated the “La Marche” brand. There is a real sense of ownership and the habitat and related walking route are impeccably maintained year-round. All materials used in the works were environmentally-friendly, safe, sustainable and durable.

At our Brazilian headquarters site

A local partnership was established in 2016 with an NGO which aims to plant 15,000 native trees of the Atlantif Forest. Internal actions of engagement to environment issues will be conducted in 2017 with employees. This is a five-year project. The production of native seedlings of the Atlantif forest was carried out in 2016; the planting has started in 2017.

At our Mount Pleasant (Tennessee, US) site

As part of the remediation of former manufacturing site, 10 acres of wildflowers were planted in areas distributed during reprocessing of aluminum oxide. The wildflower mix was chosen to enhance the local pollinator environment. Seeds were planted in late 2016.

The planting of 10+ acres of native wildflowers in formerly developed areas, restoration of impacted streams and wetlands, and the planned dredging and restoration of Arrow Lake, a local fishing haven for past generations was one of the ways Sanofi has engaged with the Mount Pleasant community and in supporting the creation of Arrow Lake Foundation. Through this foundation, Sanofi has funded local Science, Technology, Engineering and Math (STEM) education projects at the Mount Pleasant High School.

At our Aramon site in France

The site's fences are limited in order to encourage the movement of species and conserve the scrubland («garrigue») areas. 20 hectares out of the 80 are fenced off. The site is located in a suitable area, appreciated by the European Lorient, a protected bird species.

In addition, the SANOLIVE initiative enables olive oil to be produced from the 800 olive trees at the site and to give the proceeds from its sale to local associations.

At our Toronto site in Canada

Since 2019, Sanofi Pasteur in North York, Ontario, has been working with the TRCA and the City of Toronto to develop a stewardship initiative for the ravine bordering their North York campus. In line with the Planet Mobilization roadmap, a stewardship plan has been written covering the five-year period that began in 2020.

The first step of the project was to establish a baseline plant inventory, identify invasive plant species and their baseline distribution, and to build recommendation for the next steps implementation. As first results, a good biodiversity has been found in the subject valley lands: 250 species of plants and animals, including some invasive species were found.

2.3. Employees awareness

More globally, initiatives to protect and promote biodiversity, and to raise awareness on environmental topics have already started. These initiatives involve employees located on all our sites.

World Environment Day

On World Environment Day, Sanofi's employees come out in force with actions to build a safer and greener planet.

In 2019, employees across more than 130 sites in 60 countries used the international day to focus on waste through the "3R" principle: Reduce, Reuse, Recycle. Local initiatives around biodiversity and waste such as tree planting, insects, owl and bat houses installation, beach cleaning, single-use

plastic reduction, waste sorting and composting showed the company's embedded environmental culture.

The Covid-19 situation did not allow us to organize the 2020 edition.

A global project: Plan Bee®

Pollinator decline (as well as biodiversity, as a consequence) is not solely a governmental or individual problem, but one which urgently requires a multi-organizational solution. Starting in 2016, a Sanofi Beekeeper employee has decided to have a direct impact on pollinator decline but also have an indirect impact by means of climate change through the **Plan Bee®** initiative.

Plan Bee® project consists in setting up Beehives on Sanofi's sites according to a calibrated governance and process which embarks, volunteers across the world and sponsors.

Plan Bee is a kind of incubator platform deployed across 29 sites with the participation and strong commitment of 214 volunteers who are going through a learning curve, with the seasons.

Year 2020 enabled the pick-up of 1,248Kg of Honey sold to the employees; the income providing from the selling of the honey was donated to the internal charity "Enfants de Sanofi". This project contributes to reinforce the circular economy.

A Sanofi eco-garden at the heart of Ho Chi Minh City

In 2020, Sanofi manufacturing site in Vietnam started an eco-garden with the ambition to foster both the environmental awareness and the employee engagement.

From day one, a clear charter and governance has been set-up around three main ambitions: 100% organic, eco-friendly, and circular. The project started with a mere plot gardening activity. Progressively the site employees contributed massively; new initiatives flourished making the eco-garden a very special place:

- Built a sunroof protection and water dispensing to limit water consumption
- Make compost from canteen organic waste to avoid any chemical fertilizers
- Designed an aquaponics system to grow circularly fishes and salad powered by solar panel
- Set-up a chicken's coop providing eggs to employees (the site even got baby chickens!)
- Plant flowers, cactus, lotus all around the garden including an orchid corner
- Grow a self-service therapeutic garden to promote Vietnamese traditional medicines
- Install a dovecote to answer the very strong passion around birds in Vietnam
- Plant a forest around the garden, collecting progressively EVERY south Vietnam fruit trees

The eco garden is now a land of passion and freedom where everyone is invited to bring new idea and to take full accountability to implement it. We now have half of the total site staff directly involved in the garden activity. Everyone is enjoying the harvest which is shared between employees: so far, around 500kg of vegetables, 200 eggs and 20 kilos of fishes has been distributed.

A global awareness program around Planet Mobilization

Promoting and sharing a common environmental culture with its employees on all Sanofi sites around the world is a key element in the success of our roadmap. Sanofi strives to raise awareness and engages its employees to be actively part of the change. By sharing the main environmental challenges, its objectives and the best practices implemented on the field, Sanofi multiplies the impact of its efforts.

This is why an ambitious program of engagement and collective intelligence was launched in November 2020. Initiated by volunteers on the enterprise social network of the company, a community of nearly 2 000 active ambassadors supports this program which enables everyone to better understand the issues and to share initiatives and best practices all around the world. In January 2021, an international call for ideas was launched to select the best projects to incubate in order to design new solutions for the environment in a collaborative and agile manner.

3. BIODIVERSITY AND VALUE CHAIN

3.1. Natural substances used in R&D and production

Sanofi is committed to respecting the Convention on Biological Diversity (CBD) and the Nagoya Protocol, as well as with Sanofi's position on biodiversity, focused on the use of natural substances to develop new drugs.

The compliance with local regulations resulting from the Nagoya Protocol requires coordinated efforts between all Sanofi entities.

The actions implemented focus on the use of natural substances to develop new drugs. They entail:

- limiting the quantities of genetic resources used for research;
- identifying protected natural substances (CITES list) and finding alternative solutions;
- contracting with suppliers, who comply with international conventions and national regulations on preserving biodiversity;
- adhering to the Nagoya Protocol principle of sharing benefits generated with countries that give access to their natural resources, as well as with local populations having specialized know-how, whenever products made from natural substances are commercialized.

To facilitate these actions, Sanofi has developed and adapted process and tools to manage biological samples and ensure compliance with the Nagoya Protocol.

3.1.1. Adhering to the principles of biodiversity preservation

Recognition of the Convention on Biological Diversity (CBD) and the Nagoya Protocol

The Convention on Biological Diversity (CBD) entered into force on December 29, 1993 (and has now been ratified by almost all countries except the United States). It has 3 main objectives:

- the conservation of biological diversity,
- the sustainable use of the components of biological diversity

- the fair and equitable sharing of the benefits arising from the utilization of genetic resources.

The *Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization* is a supplementary agreement to the Convention on Biological Diversity. It was designed to contribute to the conservation and sustainable use of biodiversity.

The Nagoya Protocol objective is to create greater legal certainty and transparency for both providers and users of genetic resources by:

- establishing more predictable conditions for access to genetic resources;
- helping to ensure benefit-sharing when genetic resources leave the country providing the genetic resources.

The legal framework will ensure fair and equitable sharing of benefits arising from the utilization of genetic resources, directly addressing one of the three objectives of the CBD.

The Nagoya Protocol entered into force on October 12, 2014 and has been ratified in March 2021 by 130 countries including the European Union. National legislations are being adapted to ensure compliance with this protocol.

Sanofi recognizes the CBD and the Nagoya protocol principles for obtaining and using natural resources. Collaboration contracts set out conditions for sharing the benefits arising from the use of these resources.

For more information, see: www.cbd.int and <https://www.cbd.int/abs/>

3.1.2. Internal implementation to comply with The Nagoya Protocol

Compliance with the local regulations stemming from the Nagoya Protocol requires coordinated efforts across all Sanofi entities. In 2015, a project team was set up to monitor the worldwide implementation of the Nagoya Protocol and to analyze its implications for our business, focusing on efforts to identify what biological materials are used in the discovery, development, manufacture and packaging of our products, and to document the originating country and acquisition date for these materials, in compliance with Sanofi's own guidelines.

During 2016 and 2017, the project team created appropriate documents and policies regarding Nagoya. A dedicated intranet site designed for all Sanofi employees has been launched, aiming to raise general awareness about the Nagoya Protocol.

Since 2017, key departments received regular and specific employee awareness/training to ensure compliance with the Nagoya protocol.

To continue the internal rollout and ensure compliance, a Nagoya expert group reports to our Bioethics Committee. The Nagoya expert group mission is to:

- maintain appropriate level of knowledge within the company by organizing regular training;
- work on issues arising from internal implementation of the protocol;
- assist team as appropriate to ensure compliant use of genetic resources;
- follow international implementation and arising issue of implementation in the signatory states.

Sanofi recognizes the importance to monitor how practices are changing in light of the reaction from stakeholders. For example, the use of digital sequence information on genetic resources is an issue still under review. Timely access to certain genetic resources such as emerging human pathogens is of paramount importance for public health to allow rapid development of diagnostic, therapeutic

and vaccine. Sanofi is following carefully current pathogen-sharing practices and WHO recommendations to access pathogens in emergency situations.

The actions taken by Sanofi relate to the use of genetic resources to develop new medicines and vaccines.

3.1.3. Biopiracy

Biopiracy refers to the commercial utilization of endemic resources and local know-how without sharing the profits with the communities or countries that are the source. The CBD and the Nagoya Protocol describe the principles governing such utilization, although national regulations vary to a great extent.

From now on, each time Sanofi investigates the use, for R&D purposes, of a new product isolated from natural sources, a due diligence is performed to comply with the CBD and the Nagoya Protocol. This commitment aims to safeguard against biopiracy.

3.2. Inventory of natural substances and Responsible Sourcing

Between 2013 and 2015, Sanofi conducted a review of active substances and excipients used in R&D and production sites for industrial purposes.

This inventory consisted of reviewing our database in order to identify materials originating from, plant- and animal-based natural substances. According to the information collected at that time, no plant or animal included in the CITES lists or UICN was used in our production activities.

In 2016, Sanofi updated its directive defining rules for managing the quality and safety of materials and products in order to notify that materials originated from recognized protected or endangered animal species or vegetal species, are not authorized in Sanofi products.

Furthermore,

- For plant-based materials, suppliers are asked to provide botanical information, location and crops of origin of these substances and to state that their materials are not from endangered or protected species.
- For animal-derived materials, suppliers are asked to provide information on the origin of the materials (animal species, tissues used, country of origin) and to state that they are not from endangered or protected species.

Sanofi is developing processes to protect and preserve biodiversity that call for:

- monitoring suppliers responsible for collecting natural resources used in research projects to discover new medicines;
- sourcing biological materials and related services from suppliers who apply appropriate environmental and biodiversity preservation standards.

In accordance to Planet Mobilization program, Sanofi is reinforcing the responsible procurement policy.