Corporate Governance
Roadshow – 2021 AGM
Corporate Governance

GRI Standards:
- 102-13: Membership of associations
- 102-16: Values, principles, standards, and norms of behavior
- 102-18: Governance Structure
This presentation is intended to provide an overview of Sanofi’s corporate governance framework, Board of Directors, compensation and sustainability practices. Importantly, we appreciate this opportunity to discuss with the investors and to answer any questions you may have.

**SANOFI’S 2021 AGM**
- Agenda of Sanofi’s 2021 Shareholders’ meeting
- Voting Results: approval rate ≥96%

**SANOFI’S GOVERNANCE PRACTICES**
- Effective Board leadership and independent oversight
- Corporate governance policies and practices consistent with French governance standards
- Routine assessment of corporate governance framework

**SANOFI’S GOVERNANCE STRUCTURE**
- Diverse, experienced Board of global thought and business leaders
- 77% of Board Directors are independent under French corporate governance standards
- 54% of Executive Committee Members are non-French nationals

**COMPENSATION PRACTICES**
- Overview of compensation policy
- Summary of compensation best practices and highlights

**CORPORATE SOCIAL RESPONSIBILITY**
- Overview of Sanofi’s corporate social responsibility priority areas of action and practices
Governance Best Practices

Compliance with Afep-Medef Governance Code
=> Outlines best practices in respect of matters of Board leadership, independence and effectiveness, compensation, accountability and relations with shareholders

Separate Chairman and CEO roles

Each Director must own at least 1,000 shares

Multi-year terms (standard of a 4 year maximum term), with a limited number of external mandates

Annual Evaluation Mechanism: conducted by the Appointments, Governance and CSR Committee. In 2018 an Independent Advisory Firm assisted the committee to formalize the evaluation.

Board members have a fiduciary duty to act in accordance with the corporate interest of the Company

14 meetings in 2020/ Attendance rate 94%/ 2 executive sessions (without the CEO) per year
Governance Structure – Key elements*

Total number of Directors: 15 (2 directors representing employees)

Independent directors (pursuant to AFEP-MEDEF Governance Code): 77%

Proportion of women: 54%

Average Age: 59 years old
Average Tenure: 4.5 years

Number of foreigners: 7 → UK, Germany, US, Belgium, Denmark, China

The Board of Directors: Defines Sanofi’s Strategy

Chairman: Organizes & directs the work of the Board
CEO: Implements Sanofi’s strategy and represents it in dealings with third parties

Succession Plan

- Addresses various scenarios of unplanned or planned vacancy.
- Covers both the Chairman and the CEO

* As of May 2021
Board’s composition – Recent changes

2020

- **2020 AGM**
  - co-opting of Paul Hudson (CEO),
  - renewal of Laurent Attal, Carole Piwinca, Diane Souza and Thomas Südhof
  - appointment of Rachel Duan and Lise Kingo in replacement of Suet-Fern Lee and Claudie Haigneré.

- **May 2020:** co-opting of Gilles Schnepp replacing Emmanel Babeau. Appointment of Gilles Schnepp at the Audit Committee

- **October 2020:** appointment of Christophe Babule at the Audit Committee

2021

- **Directorships proposed for renewal at 2021 AGM:**
  - Fabienne Lecorvaisier (first appointed in 2013),
  - Bernard Charlès - has not seek reappointment

- **Directorship proposed for ratification:**
  - Gilles Schnepp – coopted in May 2020

- **Directors whose appointment is submitted:**
  - Barbara Lavernos - in replacement of Laurent attal who will resign from office due to his taking retirement.

- **Expiration of the directorship of the Directors representing employees** (Marion Palme and Christian Senectaire) in June 2021
  - One to be designated by the trade union body which is the most representative in the Company and its direct or indirect subsidiaries registered in French territory, and
  - the other Director to be designated by the European Works Council.
Appointments approved by the 2021 Annual General Meeting

- A Gradual and controlled renewal

- Reappointment of Fabienne Lecorvaisier (overall attendance: 100%)
  - Senior executive role in international groups & Board membership in international groups
  - International experience
  - Mergers and acquisitions & Finance/accounting

- Reappointment of Melanie Lee (overall attendance: 100%)
  - Scientific training
  - Pharmaceutical industry experience
Appointments approved by the 2021 Annual General Meeting

A balance of skills maintained with the proposal for the ratification of the Board’s appointment by cooptation of Gilles Schnepp

- Gilles Schnepp began his career at Merrill Lynch in 1983 before joining Legrand in 1989 where he held several positions before becoming Deputy Chief Executive Officer in 2001, CEO in 2004 and Chairman and CEO in 2006. Since 2018, he has been Chairman of the Board of Directors.
- A graduate of HEC in 1981.
- Gilles Schnepp is Chairman of the Board of Directors of Danone, and a Board member of both Legrand and Saint-Gobain. His term of office as a Director of Legrand expires in 2022, and he has made it known that he will not seek reappointment.
- Gilles Schnepp thus brings to the Board his skills in financial matters and his experience in managing international groups.

And with the proposal for the appointment of Barbara Lavernos

- Barbara Lavernos has spent her entire career with L’Oréal, whom she joined in 1991. In 2004, she was appointed Global Chief Procurement Officer, and was entrusted with the General Management of Travel Retail in 2012. In 2014, she was appointed Chief Operations Officer and became a member of the L’Oréal group Executive Committee. Since the end of 2018, she has headed up the group’s IT teams, with a mission to lead the tech transformation of L’Oréal.
- Since February 2021, she has served as the L’Oréal group’s President for Research, Innovation and Technologies.
- Barbara Lavernos is a graduate of the HEI chemical engineering school at Lille (France).
- As a Director, Barbara Lavernos would bring to the Board in-depth experience in senior executive roles with international groups, alongside technological knowledge.
## Sanofi Board of Directors as of May 1st, 2021

- A diverse, experienced Board of global thought and business leaders

<table>
<thead>
<tr>
<th>Name</th>
<th>Position and Tenure</th>
<th>Experience Highlights</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Serge Weinberg</strong></td>
<td>Chairman</td>
<td>First appointed in 2009, Founder &amp; Chairman of Weinberg Capital Partners</td>
</tr>
<tr>
<td><strong>Paul Hudson</strong></td>
<td>CEO (First appointed in 2019, co-opted)</td>
<td>Former CEO of Novartis Pharmaceuticals (GBU) and rich experience in the health industry</td>
</tr>
<tr>
<td><strong>Christophe Babule</strong></td>
<td>First appointed in 2019</td>
<td>CFO and Executive Vice President at L'Oréal</td>
</tr>
<tr>
<td><strong>Rachel Duan</strong></td>
<td></td>
<td>Various management positions at GE* throughout her career that span Asia, Member of the Board of Directors of AXA*</td>
</tr>
<tr>
<td><strong>Lise Kingo</strong></td>
<td>CEO &amp; Executive Officer of the United Nations Global Compact until June 2020, Various positions the Novo Industry group</td>
<td></td>
</tr>
<tr>
<td><strong>Patrick Kron</strong></td>
<td>First appointed in 2014, Chairman of Truffle Capital SAS</td>
<td></td>
</tr>
<tr>
<td><strong>Barbara Lavernos</strong></td>
<td>Proposed appointment in 2021</td>
<td>Research, Innovation and Technology President at L’Oréal</td>
</tr>
<tr>
<td><strong>Wolfgang Lux</strong></td>
<td></td>
<td>First appointed in 2021</td>
</tr>
<tr>
<td><strong>Fabienne Lecorvaisier</strong></td>
<td>First appointed in 2013, Executive Vice President, CFO and Member of the Executive Committee of Air Liquide</td>
<td></td>
</tr>
<tr>
<td><strong>Melanie Lee</strong></td>
<td>First appointed in 2017, CEO of LifeArc and Director and consultant of Think10, Former CSO at BTG plc., Former CEO and Director of Syntaxin Ltd., Founder of NghtstaRx Ltd</td>
<td></td>
</tr>
<tr>
<td><strong>Carole Piwnica</strong></td>
<td>First appointed in 2010, Founder and Director of Naxos UK</td>
<td></td>
</tr>
<tr>
<td><strong>Gilles Schnepp</strong></td>
<td></td>
<td>First appointed in 2020, Chairman of Danone, Board member of Legrand and Saint-Gobain</td>
</tr>
<tr>
<td><strong>Diane Souza</strong></td>
<td>First appointed in 2016</td>
<td>Former CEO of UnitedHealthcare Specialty Benefits, Certified Public Accountant</td>
</tr>
<tr>
<td><strong>Thomas Südhof</strong></td>
<td>First appointed in 2016</td>
<td>Avram Goldstein Professor in the School of Medicine at Stanford University, Was awarded the 2013 Nobel Prize in Medicine</td>
</tr>
<tr>
<td><strong>Yann Tran</strong></td>
<td></td>
<td>First appointed in 2021</td>
</tr>
</tbody>
</table>
Director Skills and Qualifications after the General Meeting

Sanofi’s current and proposed Directors collectively represent a deep, diverse mix of skills and experiences that support value creation.

The Board is continuously renewing the required Board skills to ensure effective deliberation on Sanofi strategic decisions.

**NUMBER OF DIRECTORS WITH GIVEN SKILL OR EXPERIENCE (1)**

- **Scientific experience**: 2
- **Healthcare/Pharma experience**: 5
- **Senior executive role in international group**: 9
- **Board membership in international group**: 5
- **International experience**: 8
- **M&A**: 8
- **Finance/Accounting**: 5

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(1) excluding Directors representing employees

- Relevant skills and experiences that are important for overseeing the Company’s strategy and challenging management
- Proficiency in finance / accounting and M&A, in addition to valuable healthcare and scientific expertise
- International experience / Good knowledge of international markets

May 2021
Sanofi Board of Directors Overview (as of March 15, 2021)

5 Specialist Committees responsible for assisting the Board in performing its duties

- T. Südhof (Chairman)*
- M. Lee*
- S. Weinberg*
  → 3 independent members out of 3

- F. Lecorvaisier (Chairwoman)*
- G. Schnepp*
- D. Souza*
- C. Babule
  → 4 financial experts
  → 75% independent

- S. Weinberg (Chairman)*
- L. Kingo*
- P. Kron*
- M. Lee*
  → 4 independent members out of 4

- T. Südhof (Chairman)*
- M. Lee*
- S. Weinberg*
  → 3 independent members out of 3

- P. Kron (Chairman)*
- R. Duan*
- D. Souza*
- C. Piwnica*
  → 4 independent members out of 4

- S. Weinberg (Chairman)*
- P. Hudson
- P. Kron*
- G. Schnepp*
  → 3 independent members out of 4

- S. Weinberg (Chairman)*
- L. Kingo*
- P. Kron*
- M. Lee*
  → 4 independent members out of 4

* Independent directors
# Sanofi Board of Directors Overview

## BOARD OF DIRECTORS

<table>
<thead>
<tr>
<th>Committee</th>
<th>Meetings 2020</th>
<th>Attendance rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit Committee</td>
<td>6</td>
<td>93%</td>
</tr>
<tr>
<td>Compensation Committee</td>
<td>3</td>
<td>100%</td>
</tr>
<tr>
<td>Appointments, Governance &amp; CSR Committee</td>
<td>5</td>
<td>100%</td>
</tr>
<tr>
<td>Strategy Committee</td>
<td>6</td>
<td>100%</td>
</tr>
<tr>
<td>Scientific Committee</td>
<td>5</td>
<td>100%</td>
</tr>
</tbody>
</table>

### Specific matters addressed

- **Audit Committee**
  - Play to win
  - Review of activities
  - Governance matters (gender balance)
  - Various matters related to the COVID-19 pandemic
  - Business & industrial transformation
  - CSR
  (6 meetings in 2020, Attendance rate: 93%)

- **Compensation Committee**
  - Say on pay / Compensation policy of the Directors, the CEO and the Chairman of the Board,
  - LTIs plans
  - Employee share ownership plan
  (3 meetings in 2020, Attendance rate: 100%)

- **Appointments, Governance & CSR Committee**
  - Succession planning for the CEO and the Chairman
  - Board’s composition
  - Follow-up of the discussions with the main shareholders and proxy advisors on governance
  - Board of Directors and Committees evaluation
  (5 meetings in 2020, Attendance rate: 100%)

- **Strategy Committee**
  - Update on digital matters
  - Divestment and acquisition proposals, business development priorities,
  - Delivery of the Play to Win strategy
  - Sanofi’s ambitions in France
  (6 meetings in 2020, Attendance rate: 100%)

- **Scientific Committee**
  - Update on rare diseases
  - Proposed acquisition of Principia Biopharma
  - Gene therapy strategy
  - Oncology strategy
  - Update on VOCID-19 vaccine candidates
  - Immuno-inflammatory diseases
  - R&D pipeline
  (5 meetings in 2020, Attendance rate: 100%)

### One strategy seminar

- Play to Win strategy for 2020-2025
- Change in the R&D strategy
- Update on the situation in General Medicines
- Update on Vaccines
- Growth for Dupixent and opportunities for Specialty Care
- Review of integrated digital strategy
- Financial roadmap

### Specific matters addressed

- **Audit Committee**
  - Review of the financial results
  - Review of the main risks
  - Update on cyber-security
  - Update on IP strategy
  - Update on the data protection compliance program
  - Update on supply chain continuity

- **Compensation Committee**
  - Succession planning for the CEO and the Chairman
  - Board’s composition
  - Follow-up of the discussions with the main shareholders and proxy advisors on governance
  - Board of Directors and Committees evaluation

- **Appointments, Governance & CSR Committee**
  - Update on digital matters
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  - Follow-up of the discussions with the main shareholders and proxy advisors on governance
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  - Divestment and acquisition proposals, business development priorities,
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  - Sanofi’s ambitions in France
  - Update on rare diseases
  - Proposed acquisition of Principia Biopharma
  - Gene therapy strategy
  - Oncology strategy
  - Update on VOCID-19 vaccine candidates
  - Immuno-inflammatory diseases
  - R&D pipeline
Sanofi Board evaluation

• Various actions taken by the Board in response to the areas for progress and vigilance identified during 2018 Board evaluation (see “Item 6 – Board evaluation” of our Annual Report on Form 20-F)

• The 2019 and 2020 evaluations were conducted internally, using a detailed questionnaire sent to directors by the Secretary to the Board. Each director was allowed a few weeks to complete the questionnaire using a secure digital platform. At the end of that period, the responses were analyzed by the Secretary to the Board, and supplemented by one-on-one interviews. The results were then presented to, and discussed by, the Appointments, Governance and CSR Committee.

<table>
<thead>
<tr>
<th>Areas of Satisfaction for 2019</th>
<th>Areas for progress &amp; vigilance identified</th>
</tr>
</thead>
<tbody>
<tr>
<td>The vast majority of Board members believed that the way in which the Board operates had</td>
<td>Deeper analysis of the human resources policy and succession planning - on the latter point, succession</td>
</tr>
<tr>
<td>improved since the previous evaluation.</td>
<td>planning for the Chairman needs to be continued and stepped up by the Appointments, Governance and CSR</td>
</tr>
<tr>
<td></td>
<td>Committee and by the Board itself, with the current Chairman’s term of office due to expire in 2023</td>
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<tr>
<td></td>
<td>In particular, they stressed the quality of dialogue on strategy with the Chief Executive Officer, with</td>
</tr>
<tr>
<td></td>
<td>the Strategy Seminar a high point.</td>
</tr>
<tr>
<td></td>
<td>Even closer attention to risk management</td>
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<tr>
<td></td>
<td>Progress had also been made in the areas of Corporate Social Responsibility; the quality of the work</td>
</tr>
<tr>
<td></td>
<td>done by the Scientific Committee; and the composition of the Board, with three new directors taking up</td>
</tr>
<tr>
<td></td>
<td>office.</td>
</tr>
<tr>
<td></td>
<td>The remit of the Strategy Committee must be clarified</td>
</tr>
</tbody>
</table>
Sanofi Executive Committee Overview

The Executive Committee in March 2021

- 11 members
- 7 foreign members
- Average Age 53 years old

1. **R&D**
   - Jean-Baptiste de Chatillon
   - John Reed

2. **Industrial Affairs**
   - Philippe Luscan

3. **Finance**
   - Paul Hudson
   - 2019
   - Novartis
   - AstraZeneca

4. **CEO**
   - Natalie Bickford
   - 2020
   - Merlin Entertainments

5. **Legal**
   - Karen Linehan

6. **Specialty Care**
   - Bill Sibold

7. **Digital**
   - Arnaud Robert
   - 2020
   - Viking Cruises

8. **Consumer Healthcare**
   - Julie Van Ongevalle
   - 2020
   - Estée Lauder

9. **Human Resources**
   - Natalie Bickford
   - 2020
   - Merlin Entertainments

10. **Vaccines**
    - Thomas Triomphe
    - 2020

11. **General Medicines**
    - Olivier Charmeil

- Reinvent how we work

- Implements Sanofi’s strategy and assists the CEO in his mission.
- 2 meetings per month at least.
Sanofi’s compensation policies are established by the Board of Directors on the recommendation of the Compensation Committee.

Compensation policies for Directors and Officers are based on the application of the recommendations of the AFEP-MEDEF Code.

<table>
<thead>
<tr>
<th>COMPENSATION POLICY</th>
</tr>
</thead>
<tbody>
<tr>
<td>GENERAL PRINCIPLES AND OBJECTIVES</td>
</tr>
</tbody>
</table>

- Sanofi’s compensation program seeks to be consistent with market and industry practice to provide competitive levels of compensation, create a strong link between individual and company performance and maintain a balance between short-term and mid-long-term performance.

- Significant portion of executive compensation is contingent on attainment of financial, operational and social criteria aligned with creation of shareholder value.

- The compensation policy is equity-based: it aims to align employee and shareholders interests and reinforce loyalty to Sanofi.

- The Compensation Committee must ensure that trends in the compensation of corporate officers over the medium term are not uncorrelated with trends in the compensation of all our employees.
Shareholders’ vote on compensations

• French law sets out a dual role for the shareholders

**Ex post vote**

• Total compensation and benefits of whatever kind paid in respect of the previous year and awarded to the Corporate Officers (Chairman of the Board, CEO and Directors)
  ➔ One global resolution covering the compensation allocated to corporate officers during the preceding financial year (*Rapport sur les rémunérations*)

• One specific resolution relating to the compensation allocated to each executive officer during the preceding financial year
  ➔ For Executive Officers (in practice, the CEO), the payment and award of variable & exceptional components are contingent on the shareholders’ approval (annual variable compensation + LTIs)

• 2021 AGM voting results: 98.43% for the Serge Weinberg / 92.63% for Paul Hudson

**Ex ante vote**

• Compensation policy for the Chairman, CEO, and directors*
  ➔ One specific resolution per compensation policy
  • Sanofi’s compensation program seeks to be consistent with market and industry practice to provide competitive levels of compensation, create a strong link between individual and company performance and maintain a balance between short-term and mid-long-term performance

• Compensation policy for the Chairman of the Board and CEO is roughly identical to that approved by the 2020 AGM – only adjustments to the Compensation policy for the CEO

• 2021 AGM voting results: 98.53% for the Chairman / 92.85% for the CEO

*Directors now fall within the scope of the ex-ante vote – In compliance with the provisions of the Order of November 27, 2019 enacted for the application of the PACTE Law
DIRECTORS’ COMPENSATION
Compensation policy for Directors

• **One change approved by the AGM:**
  
  • From 2021 onwards, **directors who take part via videoconference** will receive compensation equivalent to that paid to a director resident in France attending in person – in light of public health protection measures and practices adopted by other issuers.
  
  • Committee Chairs will continue to receive the usual compensation in respect of the Committee they chair.

Variable compensation for Directors would be allocated as follows from 2021 onwards:

<table>
<thead>
<tr>
<th>Committee</th>
<th>Remuneration per meeting</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Directors resident in France</td>
</tr>
<tr>
<td>Board of Directors</td>
<td>€5,500</td>
</tr>
<tr>
<td>Audit Committee</td>
<td>€8,250</td>
</tr>
<tr>
<td>Compensation Committee</td>
<td>€5,500</td>
</tr>
<tr>
<td>Appointments, Governance and CSR Committee</td>
<td>€5,500</td>
</tr>
<tr>
<td>Strategy Committee</td>
<td>€5,500</td>
</tr>
<tr>
<td>Scientific Committee</td>
<td>€5,500</td>
</tr>
</tbody>
</table>
CEO’S COMPENSATION
### Key components of CEO compensation

#### Annual fixed compensation
- Set at €1,300,000

#### Variable Annual Compensation
- Annually determined based on qualitative and quantifiable criteria
- Balance attainment of financial objectives and specified individual objectives
- Between 0% and 250% of his fixed compensation
- Target: 150% fixed compensation

#### Long Term Incentive
- Performance shares, contingent on internal (Business Net Income and FCF) and external performance conditions (TSR) measured over three years relative to a panel of twelve of the leading global pharmaceutical companies
- May not exceed 250% of his target short-term compensation (fixed plus variable)

#### Non-Compete Indemnity
- Non-compete undertaking during a 12-month period following his departure
- Indemnity corresponding to one year’s total compensation

#### Severance Payment Based on Performance and COC/Strategy
- Can only be activated in case of forced departure
- Amount limited to 24 months of total compensation
- Payment contingent upon fulfillment of a performance criterion

#### Top-Up Defined Contribution Pension
- May not exceed 25% of the reference compensation (annual fixed and variable cash-based compensation only)
- Subject to a performance condition
- Transferable as a survivor’s pension

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(1) The compensation of the CEO is determined with reference to compensation awarded to the CEOs of the principal companies of the following ten companies: AstraZeneca, Bayer, BMS, Eli Lilly, GSK, Johnson & Johnson, Merck, Novartis, Pfizer and Roche


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No Directors’ attendance fee
Distribution between the key components of CEO’s compensation

Compensation with performance conditions: 85.4%

Equity compensation (long term remuneration): 63.8%

Compensation in cash (annual remuneration): 36.2%

- Long-term Incentives 63.7%
- Variable compensation 21.7%
- Fixed compensation 14.5%

(1) Percentage corresponding to the valuation of performance shares awarded during the year 2020 (valuation at the date of grant assuming fulfillment of the performance condition). This represents the difference between the quoted market price of the share on the date of grant and the present value of the dividends to be received over the next three years.

(2) Calculation based on a variable compensation at target (i.e. 150% of the fixed compensation).
### Summary of benefits awarded to the CEO on leaving office

<table>
<thead>
<tr>
<th>Voluntary departure / Removal from office for gross or serious misconduct</th>
<th>Forced departure</th>
<th>Retirement</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Termination benefit</strong>(a)</td>
<td>/</td>
<td>24 months of fixed compensation as of the date of leaving office + 24 months of most recent individual variable compensation received**(d)**</td>
</tr>
<tr>
<td></td>
<td></td>
<td>– Amounts received as non-compete indemnity</td>
</tr>
<tr>
<td><strong>Non-compete indemnity</strong>(b)</td>
<td>12 months of fixed compensation as of the date of leaving office + 12 months of most recent individual variable compensation received prior to leaving office</td>
<td>12 months of fixed compensation as of the date of leaving office + 12 months of most recent individual variable compensation received prior to leaving office**(e)**</td>
</tr>
<tr>
<td><strong>Top-up pension</strong>(c)</td>
<td>/</td>
<td>/</td>
</tr>
</tbody>
</table>

#### Notes:

(a) The amount of the termination benefit is reduced by any amount received as consideration for the non-compete undertaking, such that the aggregate amount of those two benefits may never exceed two years of total fixed and variable compensation.

(b) The Board of Directors may decide to release the Chief Executive Officer from the non-compete undertaking for some or all of the 12-month period. In that case, the non-compete indemnity would not be due, or would be scaled down proportionately.

(c) Defined-contribution pension plan, within the scope of Article 82 of the French General Tax Code. Subject to fulfillment of the performance conditions, assessed annually.

(d) Subject to fulfillment of the performance conditions, assessed over the three financial years preceding the departure from office as described in “– Item 6 – Arrangements for corporate officers – 2. Termination benefit in event of forced departure.”

(e) Subject to the Board of Directors enforcing the non-compete undertaking, the amount of the termination benefit is reduced by any indemnity received as consideration for the non-compete undertaking, such that the aggregate amount of those two benefits may never exceed two years of total fixed and variable compensation.

(f) In this case, the Chief Executive Officer remains subject to the terms of the plans, including the performance conditions.
Engagement with Shareholders and Investors

Engagement with shareholders prior to the AGM
- Deep discussion about their areas of concerns

Recommendations of the Remuneration Committee on changes to the CEO’s compensation policy based on:
- Benchmarks within the CAC 40 and peer group: Retirement Plans, Annual Variable Compensation, etc
- Investors and proxy Advisors’ post-AGM reports
- Engagement with shareholders and investors, November 2020
## Adjustments made to the Compensation policy for the CEO

<table>
<thead>
<tr>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Annual variable compensation:</strong></td>
<td>The Board of Directors may temporarily derogate from the approved compensation policy in exceptional circumstances as defined in the policy.</td>
</tr>
<tr>
<td>– The quantitative component of the objectives (financial and non financial) has been changed from 60% to 67% (minimum).</td>
<td>– The Chief Executive Officer is only awarded performance shares</td>
</tr>
<tr>
<td>– Sanofi now publishes the level of attainment of non-financial objectives, on an ex post basis.</td>
<td>– he is no longer awarded stock options;</td>
</tr>
<tr>
<td><strong>Equity-based compensation:</strong></td>
<td><strong>For performance shares, the comparison is now made with a panel of 12 leading global pharmaceutical companies (instead of 10).</strong></td>
</tr>
<tr>
<td>– If the Chief Executive Officer takes retirement at the statutory retirement age before the end of the vesting period, the overall allocation rate is apportioned on a prorata basis to reflect the amount of time for which he remained in the employment of Sanofi during the vesting period.</td>
<td>– The performance condition applicable to the termination benefit has been modified.</td>
</tr>
<tr>
<td></td>
<td><strong>Top-up pension plan arrangements have changed following the entry into force of Order no. 2019-1234 of July 3, 2019 on compensation arrangements for corporate officers of listed companies.</strong></td>
</tr>
</tbody>
</table>
Paul Hudson’s compensation for 2020

- Fixed compensation for Paul Hudson amounting to €1,300,00
- Variable compensation for Paul Hudson amounting to €2,213,250
- Compensation for taking office – Phantom Stock Units amounting to €2,011,750*
  - Cash bonus in respect of the 2020 financial year (First Tranche of the Phantom Stock Units plan), The Board meeting of March 3, 2021 formally noted the attainment level of the performance conditions and the overall allocation rate. Paul Hudson was awarded 25,000 Phantom Stock Units in respect of 2020.

- Variable compensation for 2020 will range from 0% to 250% of his fixed annual compensation, with a target of 150%, and subject to both quantitative and qualitative criteria.
  - Those objectives are 40% based on financial criteria:
    - Sales growth (10%)
    - Business net income (10%)
    - Free cash flow (10%)
    - Business operating income margin (10%)
  - Those objectives are 60% based on specific individual objectives:
    - Growth of key new assets (10%)*
    - Business transformation (15%)**
    - Organization and people (10%)**
    - Pipeline (10%)*
    - CSR (15%)**
### Paul Hudson’s compensation for 2020

<table>
<thead>
<tr>
<th>Criterion</th>
<th>Type</th>
<th>Weight</th>
<th>Target/Maximum (as % of fixed compensation)</th>
<th>Attainment rate</th>
<th>Comments</th>
<th>Payout (as % of fixed compensation)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales growth</td>
<td>Quantitative</td>
<td>10%</td>
<td>15% / 25%</td>
<td>92.4%</td>
<td>Confidential target, performance below budget</td>
<td>13.9%</td>
</tr>
<tr>
<td>Business net income[1]</td>
<td>Quantitative</td>
<td>10%</td>
<td>15% / 25%</td>
<td>106.3%</td>
<td>Confidential target, performance above budget</td>
<td>15.9%</td>
</tr>
<tr>
<td>Financial objectives (40%)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Free cash flow</td>
<td>Quantitative</td>
<td>10%</td>
<td>15% / 25%</td>
<td>135%</td>
<td>Confidential target, performance well above budget</td>
<td>20.3%</td>
</tr>
<tr>
<td>Business operating income margin</td>
<td>Quantitative</td>
<td>10%</td>
<td>15% / 25%</td>
<td>113.4%</td>
<td>Confidential target, performance above budget</td>
<td>17%</td>
</tr>
<tr>
<td>Growth in new key assets</td>
<td>Quantitative</td>
<td>10%</td>
<td>15% / 25%</td>
<td>105.5%</td>
<td>Sales above budget for Dupixent®, in line with budget for Vaccines and China</td>
<td>15.8%</td>
</tr>
<tr>
<td>Business transformation</td>
<td>Qualitative</td>
<td>15%</td>
<td>22.5% / 37.5%</td>
<td>115%</td>
<td>Transformation under way in CHC, Industrial Affairs (especially European spin-out and launch of Evolutive Vaccine Facility) and Digital</td>
<td>25.9%</td>
</tr>
<tr>
<td>Individual objectives (60%)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organization and people</td>
<td>Quantitative</td>
<td>10%</td>
<td>15% / 25%</td>
<td>120%</td>
<td>Executive Committee streamlined and refreshed; evaluation of 50 critical posts and development plan for 100 top talents; realignment of compensation on priorities</td>
<td>18%</td>
</tr>
<tr>
<td>Pipeline</td>
<td>Quantitative</td>
<td>10%</td>
<td>15% / 25%</td>
<td>140%</td>
<td>Pipeline additions ahead of forecast; advances on six priority assets in line with plan; productivity gains ahead of objectives.</td>
<td>21%</td>
</tr>
<tr>
<td>CSR</td>
<td>Qualitative</td>
<td>15%</td>
<td>22.5% / 37.5%</td>
<td>100%</td>
<td>Definition of a more ambitious CSR strategy</td>
<td>22.5%</td>
</tr>
</tbody>
</table>

**Total**                                      | 100 %      | 150% / 250% | 170.3%
Paul Hudson’s compensation for 2021

- Fixed compensation for Paul Hudson amounting to €1,300,00

- Variable compensation for 2020 will range from 0% to 250% of his fixed annual compensation, with a target of 150%, and subject to both quantitative and qualitative criteria.
  
  - Those objectives are 50% based on financial criteria:
    - Sales growth (10%)
    - Business net income (10%)
    - Free cash flow (10%)
    - Business operating income margin (10%)
    - Growth of key new assets (10%)
  
  - Those objectives are 50% based on specific individual objectives.
    - Business transformation (15%)
    - Organization and people (7.5%)
    - Pipeline (12.5%)
    - CSR (15%)

- The quantitative component of the objectives (financial and non financial) will attain 67% (minimum).

- Award of 75,000 performance shares proposed by the Board of Directors meeting of March 3, 2021, in respect of 2021.
Sanofi’s renewed contract with society

**Affordable access**

Create a Global Health Unit that gives access and supply continuity to 30 essential life-changing medicines\(^1\) at no-profit to the world’s 40 poorest countries

Donate 100,000 vials to treat Rare Disease patients every year free of charge\(^2\)

Develop a global access plan for all new products with the goal to make available our new innovation within 2 years of the launch in the U.S.

**R&D for unmet needs**

Vulnerable communities

Eradicate Polio

Eradicate Sleeping disease in humans by 2030

Develop innovative medicines to eliminate cancer deaths in children

**Efficiency & Sustainability**

Healthy planet

100% blister-free vaccines by 2027

100% eco-design for all our new products by 2025

100% renewable energy for our electricity in all our sites by 2030

100% carbon neutral car fleet in 2030\(^3\)

**Beyond the work place**

An inclusive work place

A senior leadership community representative of society by 2025

Social & economic engagement in all communities where we operate

From leaders to citizens – CSR is embedded in our leaders’ career development path

---

1. As defined by the World Health Organization
2. Donation with no commercial intent
3. Scope: Vehicles fleet directly controlled (leased/acquired) by Sanofi and during the usage phase by Sanofi
Sanofi committed to the fight against COVID-19

Focusing on the development of two complementary vaccine approaches

Recombinant protein-based COVID-19 vaccine candidate
- Joining forces with GSK which will contribute its pandemic adjuvant technology to the vaccine
- Collaborating with BARDA which provides $2.1bn funding

Novel mRNA COVID-19 vaccine candidate
- Collaborating with Translate Bio

Ensuring global access to potential recombinant vaccine

Pre-orders signed by Sanofi and GSK with major countries and regions
- Europe: up to 300 million doses
- U.S.: initial 100 million doses, further option for an additional 500 million doses
- UK: up to 60 million doses
- Canada: up to 72 million doses

Sanofi and GSK to support COVAX Facility
- COVAX Facility to secure successful and equitable access to COVID-19 vaccines worldwide: up to 200 million doses

Sanofi to provide manufacturing support to Johnson & Johnson for their COVID-19 vaccine
- Sanofi will provide J&J access to its vaccine manufacturing plant in Marcy l’Etoile, France, to formulate and fill vials of Janssen's COVID-19 vaccine candidate in 2021: approximately 12 million doses per month

Continuous commitment to patients and the society

- Largely maintained clinical trials
- Ensured manufacturing and delivery of medicines and vaccines
- Supported patients, healthcare workers and health authorities
- Investigating existing medicine as potential treatment for COVID-19
- Provide manufacturing support to BioNTech and Johnson & Johnson for their COVID-19 vaccines to help address global supply demands

Note: BARDA: Biomedical Advanced Research And Development Authority; mRNA: messenger ribonucleic acid
## Sanofi’s contribution to the United Nations Sustainable Development Goals

### Infectious diseases

<table>
<thead>
<tr>
<th>SDG</th>
<th>AMBITION</th>
<th>2020 PERFORMANCE</th>
<th>2019 PERFORMANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>Contribute to eliminating sleeping sickness by 2020.</td>
<td>Our first objective to contribute to eliminating sleeping sickness by 2020 is on track. Awaiting confirmation from the World Health Organization (WHO) that this disease has been eliminated.</td>
<td>First orders of fexinidazole arrived in Democratic Republic of the Congo for the implementation of treatment campaigns (Dec 2019).</td>
</tr>
<tr>
<td></td>
<td>Contribute to polio eradication by 2023.</td>
<td>In 2020, Sanofi supplied 66 million doses of Inactivated Polio Vaccine to UNICEF and GAVI eligible countries making it possible to immunize an estimated 66 million children against polio, representing 87% of children born in GAVI countries.</td>
<td>In 2019, Sanofi supplied 83 million doses of Inactivated Polio Vaccine to UNICEF and GAVI eligible countries making it possible to immunize an estimated 70 million children against polio, representing 87% of children born in GAVI countries.</td>
</tr>
</tbody>
</table>

**Notes:**
1. **GAVI, The Vaccine Alliance.**

### Non-communicable diseases

<table>
<thead>
<tr>
<th>SDG</th>
<th>AMBITION</th>
<th>2020 PERFORMANCE</th>
<th>2019 PERFORMANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>Contribute to reducing the burden of non-communicable diseases such as childhood cancer and diabetes in low- and middle-income countries.</td>
<td>In 2020, the KiDS program was impacted by school closures due to the COVID-19 epidemic. It was initiated in the Philippines via virtual sessions. Philippines is the tenth country to be added to the program after India, Brazil, the United Arab Emirates, Pakistan, Egypt, Poland, Japan, Hungary and Argentina.</td>
<td>More than 85,000 children and approximately 2,700 teachers and other school staff benefited from the KiDS program in 2019.</td>
</tr>
<tr>
<td></td>
<td>Achieve a balanced representation of men and women Senior Leaders by 2025.</td>
<td>38.8% of Sanofi's 2,000 Senior Leaders are women.</td>
<td>37.2% of Sanofi's 2,000 Senior Leaders are women.</td>
</tr>
<tr>
<td></td>
<td>Achieve a representation of 40% of women in the Executives population by 2025.</td>
<td>31.3% of Sanofi's 500 Executives are women.</td>
<td>29.9% of Sanofi's 500 Executives are women.</td>
</tr>
</tbody>
</table>

**Notes:**
1. **GAVI, The Vaccine Alliance.**
### Our CSR performance

- **Sanofi’s contribution to the United Nations Sustainable Development Goals**

<table>
<thead>
<tr>
<th>SDG</th>
<th>AMBITION</th>
<th>2020 PERFORMANCE</th>
<th>2019 PERFORMANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>13 CLIMATE ACTION</td>
<td><strong>Healthy Planet</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Climate change-carbon footprint (CO₂ emissions)</strong></td>
<td>Reduce greenhouse gas emissions (CO₂ equivalent) by 50% by 2025 (relative to 2015).</td>
<td>-27%</td>
<td>-12%</td>
</tr>
<tr>
<td></td>
<td>Achieve carbon neutrality in 2050 for emissions caused by our operations.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6 CLEAN WATER</td>
<td><strong>Water</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Reduce water consumption by 10% by 2020 (relative to 2015).</td>
<td>-22%</td>
<td>-19%</td>
</tr>
<tr>
<td></td>
<td>Management plan at all sites by 2025 (priority to those in water stress zones).</td>
<td>Worldwide campaign ongoing. See 2020 URD for further information.</td>
<td>4 priority sites identified in water stress zones. 13 sites under vigilance.</td>
</tr>
<tr>
<td>12 RECYCLABLE CONSUMPTION</td>
<td><strong>Waste</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Recycle, reuse or recover at least 90% of waste generated by 2025.</td>
<td>73%</td>
<td>75%</td>
</tr>
<tr>
<td></td>
<td>Reduce landfill waste to less than 1% by 2025.</td>
<td>7%</td>
<td>8%</td>
</tr>
<tr>
<td></td>
<td><strong>Pharmaceutical products in the environment</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Implement a life cycle management plan at all priority production sites by 2025.</td>
<td>100%</td>
<td>75%</td>
</tr>
<tr>
<td>15 LIFE ON LAND</td>
<td><strong>Biodiversity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Biodiversity awareness plan on all sites by 2025.</td>
<td>Local initiatives.</td>
<td>127 sites in 58 countries.</td>
</tr>
</tbody>
</table>
Our CSR performance

- Extra-financial performance: Sanofi is included in the most important international CSR indices

<table>
<thead>
<tr>
<th>Sanofi rankings &amp; scores – 2020</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>DJSI</td>
<td>Included in 2020 DJSI World for the 14th consecutive year</td>
<td>#4 among 83 pharmaceutical companies</td>
</tr>
<tr>
<td></td>
<td>Included in the DJSI Europe for the 2nd consecutive year</td>
<td>Score: 84/100</td>
</tr>
<tr>
<td>MSCI</td>
<td>#5 among the 6 largest pharmaceutical companies</td>
<td>Score: BBB</td>
</tr>
<tr>
<td></td>
<td>(Scale from CCC to AAA)</td>
<td></td>
</tr>
<tr>
<td>Sustainalytics Risk Ratings</td>
<td>#12 among 401 pharmaceutical companies</td>
<td>Score: 24.4 Medium Risk (scale from 0 to 40+ / lower is better)</td>
</tr>
<tr>
<td>ISS ESG</td>
<td>#5</td>
<td>Score: B (Prime status) (scale from D- to A+)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Among the 3 industry leaders within 391 pharmaceutical companies</td>
</tr>
<tr>
<td>FTSE4Good</td>
<td>Score: 4.2/5 (Higher is better)</td>
<td></td>
</tr>
<tr>
<td>CDP Climate Change</td>
<td>Score: A-</td>
<td></td>
</tr>
<tr>
<td>CDP Water</td>
<td>Score: A</td>
<td></td>
</tr>
<tr>
<td>ATM index</td>
<td>#5 among 20 pharmaceutical companies</td>
<td></td>
</tr>
</tbody>
</table>
Ordinary business

**APPROVAL OF THE FINANCIAL STATEMENTS, APPROPRIATION OF PROFITS, DECLARATION OF DIVIDEND (€3.15 PER SHARE) AND REGULATED AGREEMENTS**

1) Approval of the individual company financial statements for the year ended December 31, 2020

2) Approval of the consolidated financial statements for the year ended December 31, 2020

3) Appropriation of results for the year ended December 31, 2020 and declaration of dividend

**COMPOSITION OF THE BOARD (CO-OPTING OF PAUL HUDSON / REAPPOINTMENT OF FOUR DIRECTORS / APPOINTMENT OF TWO NEW DIRECTORS)**

4) Ratification of the co-opting of Gilles Schnepp as a director

5) Reappointment of Fabienne Lecorvaisier as a Director

6) Reappointment of Melanie Lee as a director

7) Appointment of Barbara Lavernos as a director
### COMPENSATION

8) Approval of the report on the compensation of corporate officers issued in accordance with Article L. 22-10-9 of the French Commercial Code

9) Approval of the components of the compensation paid or awarded in respect of the year ended December 31, 2020 to Serge Weinberg, Chairman of the Board

10) Approval of the components of the compensation paid or awarded in respect of the year ended December 31, 2020 to Paul Hudson, Chief Executive Officer

11) Approval of the compensation policy for directors

12) Approval of the compensation policy for the Chairman of the Board of Directors

13) Approval of the compensation policy for the Chief Executive Officer

### SHARE BUY BACK

14) Authorization to the Board of Directors to carry out transactions in the Company's shares (usable outside the period of a public tender offer)
### Extraordinary business

#### REDUCTION OF SHARE CAPITAL

15) Authorization to the Board of Directors to reduce the share capital by cancellation of treasury shares

#### FINANCIARY DELEGATIONS

16) Delegation to the Board of Directors of competence to decide to issue, with preemptive rights maintained, shares and/or securities giving access to the share capital of the Company, of any subsidiary, and/or of any other company (usable outside the period of a public tender offer)

17) Delegation to the Board of Directors of competence to decide to issue, with preemptive rights cancelled, shares and/or securities giving access to the share capital of the Company, of any subsidiary, and/or of any other company, via a public offering other than the type specified in article L. 411-2-1 of the French Monetary and Financial Code (usable outside the period of a public tender offer)

18) Delegation to the Board of Directors of competence to decide to issue, with preemptive rights cancelled, shares and/or securities giving access to the share capital of the Company, of any subsidiary, and/or of any other company in connection with an offering of the type specified in Article L. 411-2-1 of the Monetary and Financial Code, i.e. an offer addressed exclusively to a restricted circle of investors (usable outside the period of a public tender offer)

19) Delegation to the Board of Directors of competence to decide to issue debt instruments giving access to the share capital of subsidiaries and/or of any other company (usable outside the period of a public tender offer)

20) Delegation to the Board of Directors of competence to increase the number of shares to be issued in the event of an issue of ordinary shares and/or of securities giving access to the share capital of the Company, of any subsidiary, and/or of any other company, with or without preemptive rights (usable outside the period of a public tender offer)

21) Delegation to the Board of Directors of competence with a view to the issuance, with preemptive rights cancelled, of shares and/or securities giving access to the share capital of the Company, of any of its subsidiaries and/or of any other company, as consideration for assets transferred to the Company as a capital contribution in kind (usable outside the period of a public tender offer)

22) Delegation to the Board of Directors of competence to decide to carry out increases in the share capital by incorporation of share premium, reserves, profits or other items (usable outside the period of a public tender offer)

23) Delegation to the Board of Directors of competence to decide on the issuance of shares or securities giving access to the Company’s share capital reserved for members of savings plans, with waiver of preemptive rights in their favor
## Sanofi 2021 Annual General Meeting (agenda)

### Allotments of Existing New Shares

24) Authorization to the Board of Directors to carry out consideration-free allotments of existing or new shares to some or all of the salaried employees and corporate officers of the Group

### Statutory Modifications

25) Amendment to Article 13 of the Articles of Association to allow the Board of Directors to take decisions by written consultation

26) Amendment to Articles 14 and 17 of the Articles of Association to align their content with the PACTE law

### Ordinary and Extraordinary Business

27) Power for formalities
THANK YOU