ETHICS AND RESPONSIBILITY AT THE HEART OF OUR CSR APPROACH
What CSR challenges is the Group facing?

Christopher A. Viehbacher (CV): Corporate Social Responsibility is a subject that is complex, encompasses many aspects of our business and ultimately affects the lives of people around the world. The primary area where we can and do have an impact is in healthcare. We have the expertise and resources to make a real difference. We have, as in some other companies, a comprehensive access to medicines department but we go much further. The real challenge of our time is access to healthcare itself – improving the infrastructures, the health policies, the pricing programs and boosting the local economy are all areas where we have seen we can make a change and therefore where we will continue to concentrate our efforts.

The effect we have on the environment is another key challenge. We need to have the most positive and the least negative effect. To this end, we have put in place a number of teams to ensure we do not just meet standards, but go beyond them. A particular focus is to reduce the consumption of gas and oil in our sites, increase the use of greener technologies and reduce the environmental footprint and costs.

Gilles Lhernould (GL): As part of our commitment to acting ethically and to supporting employees during the Group’s transformation, we support our people in every way we can to best manage any impact that is caused and to help them through the process and beyond. An example of this includes the provision of outplacement opportunities, training programs and various measures to help employees impacted by change. For example, Sanofi’s business “start-up” unit in France assists employees who wish to create their own business.

What are the areas where you feel Sanofi’s CSR approach is making the greatest impact?

CV: Simply put, in healthcare. Over the years we have developed deep partnerships with key stakeholders to improve access to healthcare for the poorest of populations.
We have significant drug and vaccine donation programs for example through our Sanofi Espoir Foundation, our commitment to the Polio Eradication Initiative and vaccination programs for yellow fever with GAVI. We work with individual countries to support access through tiered pricing programs such as we have in Africa for malaria. Our partnership with the WHO is one I am particularly proud of. We established this in 2001 and it has evolved over the years to include Buruli Ulcer, Chagas disease and leishmaniasis. But the main focus has been sleeping sickness and the results speak for themselves. Since 2001, we have screened over 20 million patients for the disease, which is usually fatal if left untreated. We have diagnosed and treated 170,000 patients. Early in 2012, we reconfirmed our commitment to WHO and the Bill & Melinda Gates Foundation in Neglected Tropical Diseases with a primary goal to eliminate Sleeping Sickness by 2020. We are on track to achieve this.

In 2011, we also signed a 3-year research agreement with DNDi for nine NTDs and we signed up to the WIPO Consortium (World Intellectual Property Organization). Through these partnerships we will share valuable intellectual property and expertise to enable faster development of more effective treatments in NTDs.
But where we further differ from others is the work we do in the broader healthcare arena. We have been present in over 100 countries for many decades and we provide our expertise and resources to advise on and support better health infrastructure. For example, we have worked with some African governments and agencies on developing specific health policies for their country. Equally, training and compliance has become a focus. A good example is our work in TB, where completing treatment is vital to a full recovery. In South Africa, we have trained healthcare physicians and nurses on how to diagnose and treat, we have set up clinics to ensure patients are monitored correctly and we provide the educational resources to ensure patients understand the importance of completing treatment.

Supporting the local economy by manufacturing locally where possible is also a focus. We have 7 manufacturing sites in Africa, which produce 60% the Group’s needs for the continent. We also have a vaccines plant in India, Shantha, which means we can produce our vaccines at a lower price for the developing markets.

In terms of our progress environmentally, we are in good shape. We reduced our CO₂ emissions by 15%, two years ahead of plan. We just signed a 3-year partnership with Cofely, GDF SUEZ group, covering the construction of energy production and distribution facilities for all our manufacturing sites in continental Europe. It will use innovative technologies and work towards developing renewable energy. In 2007 we installed solar panels in Ambares and in 2009, in Quetigny, a French site. This program was extended in 2011 and once completed will mean 22,000m² of solar panels on 5 sites in France.

**GL:** Our CSR approach also makes a difference when it comes to diversity, which is a source of strength and is critical to performance and innovation – this is why diversity and equal opportunity are included in the Sanofi Code of Ethics. As part of our commitment to promoting gender balance, the Group was once again a premium sponsor of the Women’s Forum for the Economy and Society. Today 45% of Sanofi managers are women, and the percentage of women on the Board of Directors has increased to 20%.

Our attention to ensuring employees’ health and safety also paid off, because we lowered our lost time injury frequency rate for the sixth consecutive year, reaching a record low of 1.8.

Currently, we are preparing the global CSR correspondents convention for our CSR correspondent networks: we’ll continue to provide in-depth information about the Group’s CSR priorities and the sharing of best practices, so that our CSR strategy is implemented in every Sanofi organization across the globe. We are also very proud of the launch of the Sanofi Global CSR Awards in 2012.
What about the future?

**CV:** There is still a lot of work to do to ensure we leave this planet in good shape for future generations and improve the health of as many as we can reach. In each of the four pillars, we have new initiatives for 2012 and beyond. For example, we now have a 2020 goal to reduce our CO₂ emissions by 20%; we have a new five-year HSE plan to ensure high standards and guidelines for continuing improvements and we are developing Key Performance Indicators to assess implementation of the Group’s CSR strategy.

We will continue to work tirelessly on improving access to healthcare building on all our successes, experiences and expertise. And, as an innovation-based biopharmaceutical player, we will do our utmost to continue to innovate for patients, wherever they may be.

**GL:** In 2012, we will continue to focus on the Group’s 12 CSR priorities by integrating CSR even more solidly into our strategy and by spreading the word. The Key Performance Indicators will help us better identify areas for improvement so we can focus our efforts where they will make the most impact. These will not only help us assess our performance; they will help us to better respond to stakeholders’ needs.
For a global healthcare partner like Sanofi, what does Corporate Social Responsibility (CSR) entail? It means acting ethically and responsibly in our day-to-day activities to promote economic and social development while preserving the environment. It also means placing the patient at the center of our concerns. CSR entails building a new business model based on access to healthcare for the greatest number, and innovation for the good of patients. For Sanofi, CSR plays a key role in ensuring the sustainable and responsible development of our activities.

A company’s CSR policy is more effective and comprehensive when it enjoys strong support from the Executive Committee and has been defined in collaboration with the stakeholders who best represent the company’s business sector (in our case, patients, healthcare professionals, employees, investors, and so forth). Sanofi’s CSR strategy is the result of a firm commitment from our senior management and close consultation with our stakeholders. It is fully integrated into the Group’s business strategy, which is organized around four pillars – Patient, Ethics, People and Planet – each of which focuses on three priorities.

CSR AT SANOFI: COMMITMENTS AND ACTIONS

For a global healthcare partner like Sanofi, what does Corporate Social Responsibility (CSR) entail? It means acting ethically and responsibly in our day-to-day activities to promote economic and social development while preserving the environment. It also means placing the patient at the center of our concerns. CSR entails building a new business model based on access to healthcare for the greatest number, and innovation for the good of patients. For Sanofi, CSR plays a key role in ensuring the sustainable and responsible development of our activities.

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A CSR approach in action (*)

Corporate Social Responsibility is an issue that is taking on more and more strategic importance for companies. As a reporter, I’ve been interested in this field for several years now. I noticed that Sanofi seems to be especially motivated and committed to CSR, so I decided to go straight to the source and see for myself how people incorporate this CSR strategy into their work each day. I wanted to understand exactly what Sanofi – as a global leader in its field – means when it describes itself as a healthcare partner committed to CSR.

What does it mean to be a partner? It means people can count on you and trust you completely to support them as they follow their paths and accomplish their goals. This mindset is fundamental to Sanofi’s CSR approach, and it is evident in the Group’s commitments and sense of responsibility towards all its stakeholders, wherever they may be in the world: patients, of course, but also Sanofi employees, healthcare professionals, Group suppliers, government authorities, universities, patient groups, etc.

I decided that these priorities would guide me on this journey, that they would determine my route as I traveled from one country to the next to explore the initiatives that illustrate what a commitment to CSR really means.

(*) This account is provided from the perspective of an imaginary reporter describing actual Sanofi initiatives in the different countries where the Group operates. The entire brochure is presented in the form of a reporter’s travel log.

CSR AT SANOFI: COMMITMENTS AND ACTIONS

PATIENT
Access to healthcare  
Patient safety  
Innovation for patients

ETHICS
Ethics in R&D  
Business ethics  
Human rights

PEOPLE
Health and safety in the workplace  
Diversity  
Workforce development

PLANET
Climate change and energy  
Water  
Pharmaceuticals in the environment

PARIS SANOFI HEADQUARTERS

Corporate Social Responsibility is related to sustainable development

Sustainable development is a model of growth that seeks to reconcile economic and social progress and environmental preservation. Corporate Social Responsibility (CSR) is the application of these general principles to the corporate world.
Anticipating patients’ needs is the goal Sanofi strives to meet across the globe with a business model based on diversification and innovation to improve access to healthcare and ensure patient safety.
One third of the world’s population has no access to essential medicines and vaccines. Sanofi believes that we have a responsibility to improve access to healthcare for all, in particular the most disadvantaged patients. We offer a broad range of therapeutic solutions to prevent or treat a wide variety of diseases and conditions, from the very common to the extremely rare. With enthusiasm and resolve, we carry out our four-fold strategy:

Prevent and combat diseases affecting the most disadvantaged patients
Malaria, tuberculosis, neglected tropical diseases: to meet the daunting challenge of diseases that primarily affect people in developing countries, Sanofi’s ambitious approach to improving access to healthcare includes research programs to develop new medicines and vaccines, tiered pricing policies and education campaigns for patients and healthcare professionals.

Support international solidarity projects
Since 2010, the Sanofi Espoir Foundation has been coordinating responses to humanitarian emergencies. It is also committed to development aid designed to reduce healthcare inequalities in the long term. To help those communities and populations that need it most, the Foundation contributes to efforts to reduce maternal and child mortality.

Find innovative ways to treat rare diseases
Specialized in biotechnology, Genzyme’s teams develop innovative treatments that bring new hope to patients living with serious conditions such as rare hereditary disorders, cardiovascular disease and multiple sclerosis. Genzyme works day-to-day with health authorities and physicians in developing countries so that treatments will be available for all patients who need them.

Diversify our activities to meet new healthcare challenges
To ensure that our products are available to as many patients as possible, Sanofi has strengthened our diversification strategy by marketing generic products worldwide and entering into a number of external partnerships to develop new healthcare solutions. The commercialization of generic medicines plays an essential role in maintaining equitable healthcare systems today.

On the way to eliminating sleeping sickness
Leaving N’Djamena, I crossed the savannah until I came to remote villages in southern Chad. As is true in several sub-Saharan African countries, sleeping sickness is still a killer in these villages. We know the disease is spread by the tsetse fly. Sanofi manufactures three of the five drugs that can be prescribed to treat sleeping sickness: pentamidine, eflornithine and melarsoprol.

The problem here, which has remained unchanged for a long time, is a lack of access to healthcare, for many reasons: because people with sleeping sickness live in isolated areas, because treatment is expensive, and because sometimes it is just not available in remote locations. As with other tropical diseases, it will one day be possible to eliminate sleeping sickness, thanks to international aid programs that enable close cooperation between local health authorities, NGOs, scientists and companies like Sanofi.

Sanofi has organized two major initiatives that are exemplary in this area: first, the Group entered into a partnership in 2001 with the WHO, which has been renewed for three successive five-year terms since then. This collaboration has made it possible to screen and treat over 170,000 patients. In addition, Sanofi and DNDI(*) entered into a collaboration that will very likely lead to the development of a new oral drug, called fexinidazole, which patients will tolerate better.

Sanofi contributed a total of $50 million in backing and donations of medicines to the WHO collaboration
Over 20 million patients have been screened since 2001 in partnership with the WHO
In 2010, the total number of reported cases was below 10,000; this trend was confirmed in 2011.

Sanofi and DNDI(*) entered into a collaboration that will very likely lead to the development of a new oral drug, called fexinidazole, which patients will tolerate better.

(*) The Drugs for Neglected Diseases Initiative is an independent, non-profit drug R&D organization that is developing new treatments for neglected diseases.

Successes
- Over 20 million patients have been screened since 2001.
- In partnership with the WHO.
- In 2010, the total number of reported cases was below 10,000.
- For the first time in more than 25 years; this trend was confirmed in 2011.

Challenges
- Developing a promising new oral treatment for sleeping sickness: fexinidazole, currently in clinical trials.
- Contributing to the elimination of other neglected diseases.

We carry out our four-fold strategy:

1. Prevent and combat diseases affecting the most disadvantaged patients
2. Support international solidarity projects
3. Find innovative ways to treat rare diseases
4. Diversify our activities to meet new healthcare challenges
ENSURING PATIENT SAFETY

Sanofi is committed to guaranteeing patient safety and product quality from the moment one of our drugs is administered to human subjects and for as long as it is on the market. In light of this fundamental responsibility, we comply with regulations and monitor potential risks in connection with the use of our products. In addition, Sanofi ensures the continuity of our supply chain and takes an active part in the fight against counterfeit drugs.

Meeting the most stringent regulatory requirements
Because medicines and vaccines impact people’s lives directly, each phase of their development must respect the most stringent regulatory requirements. Ensuring strict compliance with national and international regulations is an integral part of the development, production and distribution of Sanofi’s products.

Everywhere the Group operates, we adhere to the most demanding quality standards.

Assessing the benefit / risk ratio of Sanofi products
The Pharmacovigilance Department plays a vital role in patient safety by detecting, evaluating and monitoring potential risks associated with the use of our products. It develops and implements measures to reduce and prevent adverse events and promotes the proper and safe use of medicines among healthcare professionals and patients.

Guaranteeing the continuous supply of our products
The Group considers that it is our responsibility to make every effort to ensure the continuous supply of drugs and vaccines to patients, without any interruptions. We aim to meet a “zero out of stock” objective.

Contributing to the fight against counterfeit drugs
In light of the very real risk that counterfeit drugs represent for patients, Sanofi is active on all fronts and invests substantial resources to protect public health against this phenomenon – for example, by creating a cutting-edge laboratory to detect counterfeit products and equipping boxes of medicines with Data Matrix® codes to ensure full traceability. We also work alongside national and international authorities to take an active part in dismantling counterfeit networks.

Guaranteeing the continuous supply of our products

Using state-of-the-art methods to detect counterfeit drugs
Sales of counterfeit drugs represent an underground economy of €75 billion, and it is estimated that one out of two medicines in developing countries is counterfeit. Astonishing!

Sanofi’s Central Anti-Counterfeit Laboratory (CLCA), located in Tours, France, spearheads the Group’s unrelenting efforts in the fight against counterfeit drugs.

Year round, teams of specialists analyze samples of suspected Sanofi counterfeit products from around the world. Some of these products have no active ingredients; others do not contain the dosage indicated on the box, while still others are made with toxic ingredients – all of which may have extremely serious consequences for the patients who use them.

Given the significance of this risk, samples of suspected products come to the CLCA from the four corners of the globe. They are sent by Group affiliates that monitor products available on their markets, as well as by customs officials, police officers and legal authorities. The laboratory carries out sophisticated analyses of each suspect sample to identify its origin, examine all packaging materials and product inserts, and analyze dosages and chemical composition.

If the CLCA detects a counterfeit product, Sanofi sets in motion the next phase, which is just as important, collaborating with governments, police organizations and customs officials in affected countries to ensure that counterfeiters are prevented from doing further harm. Every criminal network that is dismantled represents a victory for Sanofi as well as for patients.

Successes
- The Data Matrix® identification system is used for all Sanofi products marketed in France
- 5,380 people worldwide (customs officials, police officers, etc.) were trained by Sanofi in 2011 to help combat drug counterfeiting

Challenges
- Expanding the use of Data Matrix® codes to all Sanofi products marketed in Europe and subsequently worldwide
- Stopping the escalation of counterfeit products sold over the Internet

Next stop: Innovating for Diabetics
Fostering Innovation for the Patient

As one of the drivers in Sanofi’s transformation process, innovation is both a mindset and a goal shared by the entire Group. This steadfast commitment is guided by a constant focus on patients’ needs to provide increasingly innovative goods and services. Dedicated management structures, systems for sharing innovative practices, and external R&D partnerships all converge towards meeting this essential objective.

Creating an organization to bolster innovation
Sanofi is organized in a way that optimizes the management and nurturing of innovation, throughout the various Group functions. The Group set up dedicated management structures that bring together all in-house teams involved in identifying innovative solutions for patients, as well as business units specialized in specific therapeutic areas. They all work towards a common goal: to accelerate the development of new treatments that will improve patients’ day-to-day lives.

Developing innovative products
The fact that 69% of Sanofi products in clinical development respond to therapeutic needs not met by products currently on the market qualifies them as innovative. Examples include Lyxumia for type 2 diabetes and the Group’s dengue fever vaccine, which won the VIE Award for “Best Prophylactic Vaccine” at the World Vaccine Congress in 2011. Another important innovation: Sanofi recently received European marketing authorization for a new drug, Jevtana®, to treat one of the most advanced forms of prostate cancer.

Shrinking best practices for innovation
Fostering a culture of innovation is part and parcel of the outlook of Sanofi employees. The Group encourages this innovative atmosphere through cross-functional projects, such as the CSR Awards, which recognize initiatives in this field, as well as projects specific to each function. Just two examples: the Innovation Awards in Industrial Affairs and the Business Innovation Forum for marketing teams.

Seizing the best external opportunities to drive sustainable growth
To increase the Group’s capacity to innovate, Sanofi consistently seizes the best opportunities in the form of acquisitions. In 2011, the Group acquired Genzyme, one of the world’s leading biotech companies, which specializes in rare diseases. Also in 2011, Sanofi announced 30 in-licensing and mergers and acquisitions transactions with firms that develop innovative therapeutic solutions.

iBGstar®: making life easier for patients
According to the WHO, 366 million people in the world now have diabetes. Any device that simplifies blood glucose monitoring for diabetics is an important innovation that should be brought to the public’s attention. I went to Germany to visit Sanofi’s Frankfurt production site, a state-of-the-art facility manufacturing medical devices used by diabetics all over the world.

The Frankfurt site provides the perfect illustration of the Group’s commitment to focusing on the patient. Here, both development and production are devoted to a single therapeutic area: diabetes. It is at this site that Sanofi manufactures the blood glucose® meter, iBGstar®.

iBGstar® is a major innovation because it allows people to manage their diabetes simply and with flexibility at all times. It is the first and only blood glucose meter that connects directly to a smartphone. Diabetics can obtain accurate and reliable readings of their blood glucose levels and immediately share the information with a healthcare professional.

Since 1923, Sanofi has been a pioneer in seeking solutions to manage their diabetes simply and with flexibility at all times. It is the first and only blood glucose meter that connects directly to a smartphone. Diabetics can obtain accurate and reliable readings of their blood glucose levels and immediately share the information with a healthcare professional.

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ETHICS
ONE OF THE PILLARS OF THE CSR APPROACH
Respecting ethical guidelines and sharing them with employees, customers, suppliers and all our other stakeholders is one of the pillars of Sanofi’s patient-centric CSR approach.
ENSURING ETHICS IN R&D

Developing medicines and vaccines is a long, complex process that requires compliance with ethical principles at every stage of research: basic research, the use of laboratory animals and clinical trials involving human subjects. Sanofi adheres to the most stringent ethical and quality standards everywhere the Group operates in the world. More generally, Sanofi has created a committee dedicated exclusively to addressing bioethics issues.

Promoting best practices for the use of laboratory animals

Mindful of the most stringent global standards, Sanofi applies the internationally recognized “3R’s principles” for ethical animal experimentation: Replacement, Reduction and Refinement. Replacement involves using substitute methods, such as in vitro testing, subject to approval by health authorities. Reduction aims to limit the number of animals used for research, and refinement consists of using methods to minimize animals’ distress and pain. A number of internal audits and inspections by health authorities ensure compliance with these good practices in all Sanofi laboratories where this type of research is carried out.

Improving healthcare systems in developing countries: a benefit of clinical trials

For all clinical trials conducted by Sanofi worldwide, including in developing countries, patients (or their legal representatives) must be informed about procedures and any limitations associated with these trials, and they must give written informed consent to participate.

Furthermore, regardless of the country where the studies are carried out, Sanofi provides training to medical teams about how to conduct clinical trials and the new medical technologies and products that are used. This approach contributes to improving healthcare systems, particularly in developing countries.

Defining and harmonizing scientific research methods across the Group

Stakeholders have many questions about how the procedures and methods Sanofi uses for basic research are defined. In this area, where regulations are not harmonized, the Group takes a clear position. The Sanofi Bioethics Committee, which is chaired by the Chief Medical Officer, who reports directly to the CEO, establishes rules of conduct and new approaches to biomedicine that fully respect basic individual rights such as integrity and dignity.

(*). In vitro research is conducted in an artificial (laboratory) environment, while in vivo research is conducted in the living body of a plant or animal.

In 2001, Sanofi launched Impact Malaria to combat malaria through accessible drugs and education

Kenya is one of the countries in sub-Saharan Africa that is most affected by malaria, the leading cause of mortality among African children.

In light of the risk of resistance to existing treatments, it is vital to develop new antimalarials adapted to the needs of local communities and their specific circumstances (access to healthcare, standard of living, regulations, etc.)

With the greatest possible consideration for these factors, and working closely with local health authorities in Kenya, Sanofi conducts clinical trials of new drugs to prevent or treat malaria in compliance with strict ethical standards.

In addition to relevant local regulations in effect, Sanofi is committed to meeting the highest ethical standards to guarantee the safety of patients enrolled in these studies. In addition to submitting clinical trial protocols for malaria studies to a local independent ethics committee, Sanofi voluntarily submits them to a French ethics committee (CPP, Comité de Protection des Personnes). The Group applied this approach in Kenya.

Next, Sanofi pays particular attention to respecting the practice of free and informed consent, which must be obtained from all individuals enrolled in clinical trials to ensure they fully understand key facts and details related to the trial.

Lastly, the Group contributes to training local physicians about new technologies and the use of new medicines. Sanofi ensures that the infrastructures developed within the framework of the trials will serve all patients and healthcare professionals, whether or not they participate in the clinical trials.

In compliance with the Declaration of Helsinki and the Good Clinical Practices of the International Conference for Harmonization (ICH)
Ethical business conduct is a fundamental part of Sanofi’s CSR approach. Because the Group believes that economic performance cannot be dissociated from ethical responsibility, we have established codes and charters to manage our business activity.

Raising employee awareness about the Code of Ethics

The Code of Ethics was designed as a guide for Sanofi employees. It sets out the principles that employees must respect in their relations with others, both within and outside the Group, especially when it comes to business conduct, human rights, labor practices and the fight against corruption. To integrate the most recent principles established by international regulations, the Group undertook a comprehensive update of the Sanofi Code of Ethics in 2011. In addition, an ambitious training program was organized to help all employees embrace the fundamental principles outlined in this document. In six months, more than 76,000 employees had received training in 98 countries.

Good promotional practices and quality medical information

In compliance with the most stringent ethical standards defined in existing codes and legislation, Sanofi is committed to providing all necessary information about the proper use of a medicine to prescribing physicians and patients. The Group trains all medical sales representatives according to a standardized process worldwide in order to guarantee the quality of the medical information they provide. Last but not least, the Group has adopted a Code of Good Promotional Practices that apply to all promotional activities in connection with Sanofi products, including in countries where there is no legislation addressing this activity.

Building long-term trust with suppliers

When making procurement decisions, Sanofi takes into account the social, ethical and environmental context in which suppliers provide goods and services. Sanofi’s purchasing teams are trained in the evaluation of suppliers’ CSR practices so that they can select those that respect the rules set up by the Group and, when necessary, support suppliers in implementing action plans.

Evaluating a supplier’s CSR practices

Here I am in Australia, at the factory of a world leader in packaging materials, which supplies different types of packaging to Sanofi for its medicines.

This company is one of the 50 suppliers taking part in an innovative pilot project organized by the Group. The project entails having a specialized outside firm evaluate the supplier’s CSR practices and compare its CSR performance with that of all the other firms taking part in the assessment. The aim of the pilot project is to further optimize Sanofi’s Responsible Procurement practices.

This Australian supplier, for example, has set up a comprehensive analysis of the life cycle of its packaging materials. Environmental impact is just one of the criteria that Sanofi’s Procurement function considers in the evaluation. Other criteria include information about social practices, such as working conditions, respect for human rights and ethical business practices.

The results of all the evaluations carried out to date are available on an Internet platform to facilitate information sharing and a comparative analysis of the different evaluation criteria. Even better, the platform gives suppliers access to the results of the evaluation of their CSR performance, providing an incentive for them to develop progress plans if necessary. In addition, it provides Sanofi with a clear picture of suppliers’ performance and action plans.
RESPECTING HUMAN RIGHTS

Respect for human rights forms the foundation upon which Sanofi’s CSR policy is built. As a global and diversified healthcare leader operating in over 100 countries worldwide, the Group is committed to incorporating the principles of human rights into the Group’s operating activities. We comply with regulations that apply to the entire Group, our employees and our business partners.

A commitment from the highest level

Strongly committed to complying with the Universal Declaration of Human Rights and international codes and standards, Sanofi has complied with the 10 Principles of the United Nations Global Compact since 2003. As part of this commitment, each year the Group issues a Communication On Progress, signed by our CEO and our Senior Vice President of CSR, in order to report to the UN Secretary-General about the Group’s progress in the field of human rights.

Integrating human rights principles into the Group’s operating activities

In view of the international standard ISO 26000 guidance on social responsibility published in 2010 and the principles of the UN Global Compact, it has become increasingly important for companies to implement measures to promote respect for human rights in many different areas – from the right to training to non-discrimination, the right to health, freedom of association, and the abolition of child labor. Through the Group’s Code of Ethics, Social Charter and Suppliers Code of Conduct, Sanofi has established a number of principles that must be respected in order to guarantee that these rights are upheld within the Group and by outside partners.

Training Sanofi managers and sharing good practices

Sanofi takes a pro-active approach to providing training to our managers so they will be better able to apply the principles of human rights in everyday situations the Group may encounter. In addition, Sanofi has established a standardized approach to identifying and sharing good practices.

Sanofi complies with:
- The Universal Declaration of Human Rights
- The UN Global Compact
- The Organization for Economic Cooperation and Development (OECD) directives
- The International Labor Organization (ILO) principles
- The International Covenant on Economic, Social and Cultural Rights

The questionnaire includes several human rights indicators from the primary international reference texts:
- Patient safety, the right to health, freedom of association, non-discrimination, abolition of child labor, fighting corruption, protection of the environment, contributing to local economic development, etc.

“Self-assessment highlights good practices

Sanofi employs approximately 4,000 people in India in different functions: R&D, the production of medicines and vaccines, and commercial operations.

When Sanofi’s affiliate in India expressed an interest in implementing a pilot project for the self-evaluation of its human rights practices, the CSR Direction responded with enthusiasm. The pilot assessment was carried out using the Human Rights assessment tool, developed by the Danish Institute for Human Rights (DIHR), in the form of a questionnaire.

Performing this self-assessment gave Sanofi employees in India an opportunity to share their thoughts about many aspects of corporate social responsibility and to test the questionnaire.

In concrete terms, this pilot project made it possible to evaluate practices and initiatives, both in-house and with outside partners, in many different areas of human rights.

The pilot project’s results highlighted many good practices in India, which provide a model for Sanofi affiliates in other countries to follow.
Sanofi is proud of the diverse backgrounds and talents of our workforce, and we are committed to protecting their health and safety in the workplace and promoting their professional development.
As a global leader in healthcare, Sanofi is acutely aware of our responsibility to our employees, and we are particularly committed to protecting their health and safety. In addition to a pro-active policy to assess and manage risks, the Group educates and trains teams about prevention and protection strategies to promote a culture of safety in the workplace.

Reducing the number of accidents
The Group’s Health, Safety & Environment (HSE) Department establishes quantitative and qualitative objectives to protect the health and safety of Group employees as well as outside service providers. It also sets up prevention and training programs adapted to the Group’s various functions. Committed to a strong culture of safety, Sanofi’s objective for 2015 is to continue to reduce the lost time injury frequency rate by 15% and motor vehicle accidents among the sales force by 25%.

Limiting exposure to risk
Across all Sanofi industrial sites – production units, chemical development plants, microbiology laboratories, among others – the Group makes every effort to protect employees from any harmful exposure to chemical, biological, physical or psychosocial risks. Taking a long-term approach overseen by the HSE Department, Sanofi operates management systems to measure results, define objectives for progress, and implement action plans and monitoring systems. The Group also provides medical surveillance for employees as needed, according to their work area.

Promoting well-being and healthy living
To address risks beyond those inherent to different work areas, specialized physicians are in charge of promoting awareness programs worldwide focused on good practices for a healthy lifestyle and personal well-being. They address topics such as healthy eating, exercise and smoking cessation. Another way the Group protects the health of Sanofi employees is by organizing vaccination campaigns to provide free flu shots for employees in many countries.

Playing a game to optimize safety performance
Could it be a Brazilian fondness for taking a lighter, more entertaining approach to resolving problems? Whatever the reason, in Suzano, I discovered an original and truly innovative method for improving this industrial site’s safety record.

When the Suzano site saw a significant decline in safety performance in 2009 – due to employees not paying attention or being distracted – the management did not simply issue new rules. Instead, it worked with the Accident Prevention Committee (CIPA) to develop an initiative called the Safety Game. The purpose of the game was to increase employees’ awareness of how their behavior (i.e., not being careful, not adhering to standard procedures) impacts safety at the site, and to take appropriate action in their day-to-day work.

Employees who wished to play the game formed teams, which then came up with ideas for new initiatives and new behaviors to improve safety. For each initiative they presented, teams won a certain number of points, and the team with the most points was declared winner.

Introduced in 2010, the Safety Game met with great success and produced impressive results: a 600% reduction in the number of accidents at the site, with the lost time injury frequency rate going from 3.8 to 0.6.

A new version of Safety Game was devised in 2011, this time in the form of a sticker album called “Captain CIPA and Juvenal.” The album was made up of pages devoted to different safety themes, which participants were asked to fill in. For each page of the album they filled, employees received a raffle ticket and the chance to win many different prizes. Once again, the results exceeded all expectations: the lost time injury frequency rate reached 0 in 2011!
PROMOTING DIVERSITY

Preventing discrimination
Sanofi believes that all employees have a right not to be discriminated against. The Group concentrates on this issue to prevent and combat all forms of discrimination, whether based on age, gender, ethnic origin, religion, sexual orientation, physical appearance, state of health, disability or opinions.

Promoting equal opportunity
Sanofi is committed to treating all employees and job candidates equally when it comes to recruitment, access to training, compensation, social protection, internal mobility and professional career development. A person’s skills, experience, behavior and personal aptitudes are the only factors that must be taken into consideration.

Prohibiting behavior that may compromise another person’s dignity(*)
Each employee is entitled to a healthy working environment that fosters personal growth. The Group combats and firmly sanctions any behavior that may compromise another individual’s dignity, in particular all forms of harassment.

Organizing pro-active initiatives
The Group has adopted a Diversity policy focused on making progress. Sanofi organizes pro-active initiatives in all countries to address a wide range of diversity-related issues: promoting gender balance, women’s leadership training, flexible working hours, work-life balance, integration and job retention of persons with disability, employment of young people, etc.

(*) Code of Ethics

The proportion of women employees is 51.3% which is significantly higher than the average for this sector, particularly in executive positions.

Embodying Canadian diversity
With approximately 200,000 immigrants arriving from all over the world each year, Canada has a unique experience with diversity. As soon as I arrived here, I was greeted with warmth and open-mindedness.

My initial impression was immediately confirmed as I began my visit of the company’s Canadian headquarters, one of two Sanofi sites in the country and home to both vaccines and pharmaceutical activities. In order to ensure that the site’s workforce reflects the country’s cultural mosaic, the affiliate naturally upholds the commitments set out in the Group’s Diversity policy, such as non-discrimination, equal opportunity, etc.

The Canadian affiliate’s approach to recruitment perfectly illustrates their commitment to diversity. On the Careers home page, their position is clear. It states, “We welcome applications from women, members of visible minorities, Aboriginal peoples and persons with disabilities.” This statement appears on all job postings.

By talking to employees here, I soon came to realize that Sanofi’s reputation as an inclusive employer is well deserved, and that their efforts go well beyond recruitment. The people I spoke to felt they were respected and integrated, regardless of their ethnic origin or gender. Interestingly, a majority of the workforce in Canada is made up of women – in both the vaccines and the pharmaceutical businesses.
SUPPORTING EMPLOYEE DEVELOPMENT

In a cutting-edge industrial sector characterized by fast-changing science, technology and regulatory constraints, Sanofi regards employee development as a key priority to drive the Group’s long-term potential for innovation, creativity and business performance. This commitment is based on a formalized career development process, access to appropriate training programs and the foresight to anticipate new skills employees must acquire.

Attracting and retaining new talent
To attract and retain employees while increasing their motivation and capacity for innovation, Sanofi has created a process for talent management and career advancement. In certain high-growth regions of the world, our positive image as an employer enables us to attract the new talent necessary for the Group’s development.

Developing appropriate training programs
Every Sanofi employee has a duty and a right to receive training. To this end, a tool called the individual development plan helps each employee identify appropriate training programs. These programs are important to maintain employees’ performance levels and employability while laying the foundation for their career development.

Harnessing new technologies for training
The Group is currently implementing an innovative “e-technology” tool to be used by Sanofi’s support functions (Purchasing, Communication, Finance, HSE, Legal and Human Resources). This collaborative platform enables support function employees to learn the necessary skills for different jobs through a wide range of training programs. In addition, employees earn certification upon completion of some of these programs. Sanofi also gives employees throughout the Group access to numerous on-line training programs via their workstations.

Feeding a talent pipeline
With sales up 38.5% in 2011, new acquisitions, new production sites built in Beijing and Hangzhou: the dynamic growth of Sanofi in China matches the growth of the entire country – very fast!

To keep up with this transformation and the expansion of the Group's workforce in China, which increased by 32% in 2011 compared to 2010, Sanofi needed to build the best talent pool from every part of the organization: commercial operations, production plants and research laboratories. The Group wished to attract highly qualified men and women and retain them.

With this in mind, Sanofi decided to create the China Talent Center. The Center was designed as a focal point for talented individuals, particularly in management, to keep pace with the requirements of China’s business. Its method: three key programs based on Sanofi’s LEAD competency model.

The first program focuses on recruiting future employees on college and business school campuses based on a pre-defined skill set. The second program capitalizes on in-house resources to identify future high-potential managers and fill internal vacancies. The third program develops leadership skills for top-level managers and prepares them to take on new responsibilities.

One year after it was launched, I can see that the China Talent Center has produced excellent results by creating a talent pool of leaders at Sanofi, recruiting new employees and ensuring the Group retains them.
To safeguard the health of communities everywhere, Sanofi strives to reduce the environmental impact of the Group’s activities.
Reducing greenhouse gas emissions at Genzyme’s sites

In 2007, Genzyme, a Sanofi company since 2011, introduced an ambitious program to reduce greenhouse gas emissions by 25% over four years (normalized to revenue). How effective has the program been at generating savings and significantly reducing the Group’s energy bill?

The results speak for themselves; the 75 energy conservation measures put in place by employees from the engineering, environmental and purchasing departments, working closely with teams at each site, have already led to an annual reduction of 4,750 metric tons of carbon dioxide equivalent (MtCO2e) per year.

How did Genzyme achieve such progress? First, through diversification of suppliers: 24% of Genzyme’s electricity is now produced from renewable sources. Next, by equipping facilities with energy-saving systems. Two facilities have already received “Green Building” certification and five more are in the pipeline.

Last but not least, nearly 2,000 employees were surveyed to identify the best attitudes to adopt for promoting energy efficiency in the workplace. The survey results were used to create a web-based toolkit based on the study’s findings, which helps engage employees in Genzyme’s efforts to protect the environment. And shouldn’t they apply them at home too?
MANAGING WATER RESPONSIBLY

Many of the steps in the production of medicines and vaccines require water. The sustainable management of this fragile and limited natural resource is one of the major challenges of the 21st century. Consequently, Sanofi implements a policy of routinely reducing water consumption and adopting methods to limit wastewater discharge at all sites worldwide.

Initiatives to reduce water consumption

Water used during various stages of Sanofi’s industrial processes accounts for most of the Group’s water consumption – i.e., water used for fermentation and vaccine manufacturing, operations to clean systems that are part of the production chain, and cooling systems used during manufacturing. Focusing first on these areas, but more broadly taking into account water usage at all the Group’s industrial and administrative sites, Sanofi assesses the potential ways in which water can be saved by choosing the most efficient solutions to reduce consumption. The Group continues to reduce total water consumption, with a 5% decrease (in absolute data) between 2010 and 2011. This has been possible thanks to projects such as the CIP+ (“clean in place”) project implemented at Genzyme’s Geel (Belgium) site in 2011, which led to a 25% drop in the consumption of water used to clean tanks and piping between production batches.

Setting up innovative water treatment systems

At all the Group’s sites, Sanofi strives to adopt the best techniques available to treat wastewater effluents based on their physico-chemical and biological characteristics. Compliance with maximum emission levels as defined by regulations is one of the criteria monitored during internal audits of Sanofi’s production sites. If no regulatory maximum emission level exists, Sanofi chooses to apply the most stringent standards. A working group composed of internal experts on water-related issues monitors technical and regulatory developments in this field with the objective of strengthening initiatives already in place within the Group. In addition, Sanofi collaborates with scientists and external experts to find new and distinctly innovative techniques for wastewater treatment solutions.

An ingenious idea for conserving water

The site’s cooling tower releases condensate water that, before this system was in place, was discharged directly into the sewer system. On a hot summer day, the amount of water discharged could reach up to 15 m3 per day. Was there no way to avoid such waste? The site came up with a simple idea: they needed to reclaim the condensate water from the Direct Expansion (DX) coil and return it to the cooling tower basin.

The ingenious solution consisted of installing a condensate reservoir (collector) to reclaim the condensate water. Between July and September 2011, the system that was installed led to savings of 1,200 m3 of water thanks to the use of reclaimed water. The reduction in water consumption occurs mostly in the summer months. The rest of the year, the condensing section of the system only operates when temperatures are high. Thanks to this cooling system, the site’s annual water consumption has been decreased by 6.7%.

$3,000

Short payback: A small initial investment when compared to the savings generated

1,220 m3

water saved

Helping conserve Waltham’s municipal water supplies
LIMITING THE IMPACT OF PHARMACEUTICALS IN THE ENVIRONMENT

The presence of pharmaceuticals in the environment is a growing concern for all stakeholders—the public, lawmakers, industry and many others. Sanofi is aware of Group’s responsibility on this issue, and responds by assessing the environmental impact of our products and supporting take-back programs for the collection of unused medicines.

Evaluating the environmental impact of our products

Pharmaceuticals in the environment may be found in very low concentrations (measured in nanograms or micrograms per liter) in the environment. They may come from several sources, the primary one being patients’ use of medicines. In such small concentrations, the risk to human health may appear negligible. However, careful attention must be paid to environmental risks, particularly for hormonal substances, cytotoxic drugs and antibiotics. Sanofi has undertaken the environmental risk assessment of 30 of the Group’s major products. These studies did not reveal any significant risk at the expected environmental concentrations.

Supporting collection programs for unused medicines

Unused and expired medicines must be disposed of properly under the supervision of health authorities. In many countries, local programs have been set up to collect such products. Sanofi actively supports initiatives to raise awareness among patients, hospitals, clinics and pharmacies about their key roles and the need for them to be involved in managing the collection and destruction process for unused medicines. In addition, in a number of countries (Greece, Indonesia, India, etc.) where no system is in place to handle unused medicines, Sanofi organized initiatives to manage this challenge responsibly.

For Sanofi, showing support for this national program in Greece was a natural choice, given the Group’s involvement in comparable programs, such as the one in France where they work alongside the Cyclamed organization for a similar initiative to collect unused medicines.

Collecting and destroying unused medicines

For many years, Greece has developed processes for collecting and destroying paper, glass, batteries, etc. However, until recently the country had no system in place to collect and destroy unused medicines, even though it is estimated that each year individuals throw away 50 million boxes of medicines into household trash.

Despite a context of economic recession, the Ministry of the Environment and Climate Change and all healthcare professionals have worked together to support an ambitious program called “Athens Green 360” for the collection and destruction of unused medicines, both expired and non-expired.

Sanofi has played a critical role in this initiative as the exclusive official sponsor of the program, which was introduced in 2010 and continued in 2011. Sanofi supported the pilot to install collection containers throughout the Athens region and to organize a national communications campaign via TV and radio ads, brochures, and a special website.

Today the residents of Athens have become accustomed to seeing collection containers featuring the “Athens Green 360” icon in pharmacies and a national supermarket chain. Many people now leave their expired medicines in these containers.

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The Association was founded in 1993 to provide support for Sanofi employees’ children who are faced with moral or material difficulties that could have an impact on their future. Since its inception, it has helped 2,000 families, representing more than 3,000 children through individual initiatives in 63 countries. Over the years, more than 25,000 employees’ children have benefited from collective actions. In 2011, The Association provided support for 250 families in 35 countries.

In Brazil, public universities are the country’s most prestigious institutions. To be admitted to them, students must pass highly selective admissions exams. Only a few private, tuition-based high schools prepare students for the competitive entrance exams, and not all Group employees can afford to send their children to these schools. In 2011, The Association introduced a program to support employees’ children who wish to study at Brazil’s leading schools.

To be eligible, certain conditions apply (i.e., employees’ seniority and salary levels; the child’s age and attendance at public schools). Candidates are also tested in Portuguese and mathematics. Thirteen employees’ children were accepted into the program and had the opportunity to enroll in a private preparatory school. The aim of this program is to prepare these children to successfully pass the public university entrance exams, thus paving the way for a bright future.

Created in 2010, the Sanofi Espoir Foundation aims to sustainably reduce inequalities in healthcare, particularly among those communities most in need, by combating diseases that are too often neglected and seeking to reduce maternal and infant mortality. The Foundation draws on more than 15 years of international humanitarian sponsorship to meet essential healthcare challenges, such as improving prevention, early diagnosis, training healthcare professionals and access to healthcare.

In Benin, every month, 125 women die during pregnancy. In one of the most disadvantaged communes, Ouinhi, there are one doctor, five nurses and three midwives for 25,253 women. To take a comprehensive approach to reducing maternal and infant mortality here, the Foundation is supporting an innovative program, A Call For Life, developed by CARE(*), in 35 isolated villages. The Foundation’s support will amount to €900,000 over a three-year period.

(*): A non-governmental organization

For more information, see: http://www.fondation-sanofi-espoir.com/en/index.php
AWARDS AND RECOGNITION

Sanofi is a member of the most prestigious global extra-financial Corporate Social Responsibility (CSR) indices:

In addition, Sanofi has been recognized for the implementation of our CSR approach in the countries where the Group operates. Some examples include:

**Sanofi Brazil**
was selected as one of the “best companies to work for” for the 6th consecutive year, and named the “most admired pharmaceutical company” in the country.

**Sanofi Mexico**
won the Socially Responsible Company award conferred by the Mexican Philanthropy Center.

**Sanofi Hungary**
won the “Best CSR Report” award in this country.

**Sanofi France**
was recognized by the magazine “Challenges” which placed Sanofi in joint 4th position on a list of companies for their success in promoting the interests of women.
Speaking the same language of ethics and responsibility

Back in France after this long journey to the four corners of the globe, I have a greater appreciation of why it is so important for a global group like Sanofi to implement a sound CSR policy in close cooperation with all its stakeholders. With my own eyes, I’ve seen how this policy really makes sense when it is lived out and conveyed by the women and men of Sanofi.

In all the different places I visited, what struck me most was the sense of motivation, involvement and determination shown by Sanofi employees at every level of the Group. Their day-to-day efforts are what drive Sanofi’s performance and sustainability. You can see how they apply the fundamental principles of CSR on a daily basis, and that they wholeheartedly support these principles, which bring such benefits to patients and other stakeholders.

Through their shared commitment to ethics and responsibility, you could say they all speak the same language.
A DIVERSIFIED GLOBAL HEALTHCARE LEADER, DISCOVERS, DEVELOPS AND DELIVERS HEALTHCARE SOLUTIONS FOCUSED ON PATIENTS’ NEEDS

More than 110,000 employees in 100 countries, Sanofi and its partners act to protect health, enhance life and respond to the potential healthcare needs of the 7 billion people around the world.

Sanofi has core strengths, with 6 growth platforms: emerging markets, vaccines, consumer healthcare, diabetes treatments, innovative products and animal health. Through the acquisition of Genzyme, Sanofi has reinforced its expertise in biotechnology and rare diseases.

With our global footprint and proven commitment to improving access to innovative medicines and healthcare, we work tirelessly to make a difference to people’s lives every day.

For more information: