HEALTH, SAFETY, AND ENVIRONMENTAL MANAGEMENT SYSTEM

G4 indicators: G4-56

I. BACKGROUND

Sanofi has implemented a Health, Safety, and Environmental (HSE) management system encompassing all operational levels. This system is designed to protect the health and safety of each employee, develop and utilize safe industrial processes, and limit the environmental impact of the Group's activities.

Sanofi’s HSE management system covers all its activities and sets goals for the Group.

One of the main responsibilities of the HSE Department is to ensure these goals are attained. The HSE Department also oversees compliance with regulations by defining an internal framework based on the policy and on internal requirements, rules, and procedures developed by the Group. Many training programs have been set up to fully implement this framework, and involve both employees and managers. HSE performance is measured using reporting tools, self inspections, and audits, to evaluate the system’s effectiveness and review the goals and methods used as part of a continuous improvement approach.

Key:

1) HSE Policy:
   - Guiding principles;
   - Strategic plan; and
   - HSE objectives.

2) HSE organization and management:
   - HSE management by line management;
   - Roles and responsibilities; and
   - Resources and competencies.

3) Planning and implementing:
   - Risk assessment and control-program implementation;
   - PASS;
   - Training; and
   - Learning experience.

4) Performance—measurement:
   - Monitoring and reporting;
   - Self-inspections; and
   - Audits.

5) HSE management review:
   - Regular review of program performance;
   - Progress follow-up; and
   - Business HSE reviews.

The HSE department has a network of around 800 individuals that support the implementation of the policy and requirements.
II. POLICY

1. New requirements and a new HSE policy

The HSE management system is continuously being improved. The HSE policy was signed by Olivier Brandicourt, Chief Executive Officer, to demonstrate the Group’s strong commitment to addressing HSE issues.

In addition, a total of 78 HSE requirements now support Sanofi's HSE policy, focusing on all areas of HSE. They are supported by a set of standards and guidelines that provide further guidance for implementation of the management system.

For more information, please refer to our HSE policy in the Download Center.

2. Goals

In order to solidly root this HSE policy within the Group's various activities and sectors, the HSE Committee developed a five-year strategic plan — HSE 2015-2020.

Some examples of objectives contained in the strategic plans:

For health and safety

- 2015-2020: continue to reduce the LTI-FR by 15% until 2020 (from 1.7 to 1.4)

For the environment

- 2010–2020: 20% reduction in CO2 emissions (Scope 1 and 2). In the context of the new strategic plan, this target has been extended to scope 3 CO2 emissions, including a complete Life Cycle Assessment screening for 6 products; and
- 2010–2020: 25% reduction in water consumption.

For more information on our goals and related actions, please refer to the Health and safety, Energy and carbon footprint, and Water management sections of our 2015 CSR report, and to the related factsheets in our download center.

3. HSE - Actions

Our HSE actions are:

- developing an HSE culture;
- assessing compliance;
- learning from experience, including in-depth analysis of serious and potentially serious injuries to avoid any recurrence;
- providing support to new entities;
- broadening our environmental and safety certification; and
- partnerships with students from French universities.

4. Developing an HSE culture

Offering HSE-culture training to managers is an important part of the HSE Department’s role. The HSE-culture training program helps managers to acquire knowledge and skills in order to properly control the risks that employees are exposed to in their work environment. This program aims to raise managerial awareness of HSE issues by emphasizing the role and responsibilities of managers.

Sanofi introduced the HSE-culture training program in 2005 at the Group’s chemical sites in France, and in 2007 expanded it to pilots at R&D and manufacturing sites. The program has also been implemented outside France since 2010. Since 2005 more than 8,000 Group managers have received HSE-culture training.

In 2012 Sanofi launched the HSE Academy, the main goals of which were to improve expertise among the employees and facilitate a strong business-partnering culture. Today all HSE training programs sponsored by Corporate HSE fall within the HSE Academy.

In the long run, this approach is expected to facilitate best practice sharing and networking. The HSE Academy's primary objectives are to:

- develop HSE technical and “soft” skills required for current and future success;
- share best practices and experiences;
- facilitate and foster networking;
- determine a common framework of references: roles, skills, and knowledge, within and outside the HSE family; and
- provide an overall skills development course.

5. Streamline training and learning programs on offer, assessing compliance

The HSE Department relies on audits to correct any failures to comply with the policy, and to minimize non-compliance. HSE audits are divided into three categories:

- management audits aimed at ensuring compliance with the Group’s HSE rules;
- specialized audits that target a specific area, for example “biosafety”; and
- prevention visits focusing on protecting property, which are carried out with insurance companies.

Concerning these three categories, Sanofi carried out a total of 265 audits in 2016:

- 54 HSE management audits throughout the Group’s sites;
- 9 specialized audits in biosafety;
- 111 prevention visits; and
- 91 specific visits together with the experts representing the Group insurers.

In addition, regulatory compliance audits were performed with external experts.
Working in co-ordination with the various training programs organized by the HSE Department, the Group performs these audits with the primary goal of fostering genuine behavioral change among line managers whose operations are being audited, rather than reacting to issues found after an audit. This is a sign of growing maturity within the HSE system.

6. Learning from experience

To promote HSE at Sanofi, various programs make it possible to report safety events, share and recognize best practices, and provide training about health and safety standards.

- **Prevention par le Retour d'Expérience dans Sanofi (PRESS)** is a publication that includes an analysis of the key safety and environmental events and immediate corrective actions, as well as recommendations for improvement. These reports are published group wide.
- A support video was created to facilitate the training of managers for their managerial site visits;
- All LEX-related publications as well as additional videos and information have been made available to the employees through a web-based tool.

7. Providing support to new entities

The strategic HSE plan describes the HSE integration process for new entities, such as Guarulhos in Brazil and other future acquisitions by the Group, which includes harmonizing documentation, standards, and ways of working with these new entities.

This process comprises the following steps:

- implementing priority HSE processes (for example, crisis management);
- assessing the HSE situation and establishing action plans;
- providing support for and monitoring action plans; and
- using a general HSE audit for final validation of the process.

New entities will receive this specific HSE support for approximately three years. After this time, they will be fully integrated into the Group’s HSE management system.

8. Broadening environmental, health and safety management system certification

Sanofi seeks to highlight the progress the Group has made in HSE management and promote our achievements with third parties by encouraging certification. Production sites are key priorities. Standards ISO 14001, ISO 50001 and OSHAS 18001 focus on the continuous improvement of performance related to HSE.