2024

FORM 20-F

sanofi

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 20-F

(Mark One)

☐ REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

Or

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2024

Or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Or

☐ SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of event requiring this shell company report

For the transition period from to

Commission File Number: 001-31368

Sanofi

(Exact name of registrant as specified in its charter)

N/A

(Translation of registrant's name into English)

France

(Jurisdiction of incorporation or organization)

46, avenue de la Grande Armée, 75017 Paris, France

(Address of principal executive offices)

Roy Papatheodorou , Executive Vice President, General Counsel
46, avenue de la Grande Armée, 75017 Paris, France. Tel: + 33 1 53 77 40 00
(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class:	Trading Symbol	Name of each exchange on which registered:
American Depositary Shares, each representing one half of one ordinary share, par value €2 per share	SNY	NASDAQ Global Select Market
Ordinary shares, par value €2 per share	*	NASDAQ Global Select Market*

Securities registered or to be registered pursuant to Section 12(g) of the Act: None
Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: None
The number of outstanding shares of each of the issuer's classes of capital or common stock as of December 31, 2024 was:
Ordinary shares: 1,263,122,721

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐.
If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes ☐ No ☒.
Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐.
Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐.
Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or an emerging growth company. See definition of "large accelerated filer", "accelerated filer" or "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Emerging growth company ☐

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards[(1)] provided pursuant to Section 13(a) of the Exchange Act. ☐
(1) The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.
Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report ☒
If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐
Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive- based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐
Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

		International Financial Reporting Standards		
U.S. GAAP	☐	as issued by the International Accounting Standards Board	☒	Other ☐

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow. Item 17. ☐ Item 18. ☐
If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒.
*Not for trading but only in connection with the registration of American Depositary Shares representing such ordinary shares.

Presentation of financial and other information

The consolidated financial statements contained in this annual report on Form 20-F have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and with IFRS as endorsed by the European Union, as of December 31, 2024.

Unless otherwise indicated or the context requires otherwise, the terms "Sanofi," the "Company," the "Group," "we," "our," or "us" refer to Sanofi and its consolidated subsidiaries.

All references herein to "United States" or "US" are to the United States of America, references to "dollars" or "$" are to the currency of the United States, references to "France" are to the Republic of France, and references to "euro" and "€" are to the currency of the European Union member states (including France) participating in the European Monetary Union.

As of the date of this report on Form 20-F, all commercial trademarks mentioned here are protected, and are trademarks of Sanofi and/or its subsidiaries, with the exception of:

- trademarks used or that may be or have been used under license by Sanofi and/or its affiliates, such as Aldurazyme, a trademark of the Biomarin/Genzyme LLC Joint Venture; Alprolix, a trademark of Swedish Orphan Biovitrum AB in Europe; ALTUVIIIO, a trademark of Sobi in Europe and in Africa; Anket, a trademark of Innate Pharma; Atomnet, a trademark of Atomwise, Inc.; Cialis, a trademark of Eli Lilly; Eloctate, a trademark of Swedish Orphan Biovitrum AB in Europe; Stamaril, a trademark of the *Institut Pasteur;* Tamiflu, a trademark of Hoffmann-La Roche; Vaxelis, a trademark of MSP Vaccine Company (US) and MCM Vaccine B.V. (Netherlands); Zaltrap, a trademark of Regeneron in the United States;
- trademarks sold by Sanofi and/or its affiliates to a third party, such as Altace, a trademark of King Pharmaceuticals in the United States; Libtayo, a trademark of Regeneron; Praluent, a trademark of Regeneron in the United States; and
- other third party trademarks such as Stoxx, a trademark of Stoxx Ltd; and Zantac, a trademark of Glaxo Group Limited (except in the US and Canada).

Not all trademarks related to products under development have been authorized as of the date of this annual report by the relevant health authorities.

The data relating to market shares and ranking information for medicines and vaccines, in particular as presented in "Item 4. Information on the Company — B. Business Overview — B.5. Markets — B.5.1. Marketing and distribution," are based primarily on sales data excluding vaccines and in constant euros (unless otherwise indicated) on a September 2024 moving annual total (MAT) basis. The data are primarily from a IQVIA local sales audit, supplemented by country-specific sources.

Product indications described in this annual report are composite summaries of the major indications approved in the product's principal markets. Not all indications are necessarily available in each of the markets in which the products are approved. The summaries presented herein for the purpose of financial reporting do not substitute for careful consideration of the full labeling approved in each market.

Cautionary statement regarding forward-looking statements

This annual report contains certain forward-looking statements within the meaning of applicable federal securities law, including the Private Securities Litigation Reform Act of 1995, as amended. We may also make written or oral forward-looking statements in our periodic reports to the Securities and Exchange Commission on Form 6-K, in our annual report to shareholders, in our offering circulars and prospectuses, in press releases and other written materials and in oral statements made by our officers, directors or employees to third parties. Examples of such forward-looking statements include:

- projections of operating revenues, net income, business net income, earnings per share, business earnings per share, capital expenditures, cost savings, restructuring costs, positive or negative synergies, dividends, capital structure or other financial items or ratios;
- statements of our profit forecasts, trends, business strategies, plans, objectives or goals, including those relating to products, clinical studies, regulatory approvals and competition; and
- statements about our future events and economic performance or that of France, the United States or any other countries in which we operate.

Words such as "believe," "anticipate," "can," "contemplate," "could," "plan," "expect," "intend," "is designed to," "may," "might," "plan," "potential," "objective," "target," "estimate," "project," "predict," "forecast," "ambition," "guideline," "seek," "should," "will," "goal," or the negative of these and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements.

Forward-looking statements involve inherent, known and unknown risks, uncertainties and assumptions associated with the regulatory, economic, financial and competitive environment, and other factors that could cause actual future results to differ materially from those expressed or implied in the forward-looking statements.

These risks, uncertainties and assumptions include risk factors, which could also affect future results and cause actual results to differ materially from those contained in any forward-looking statements, and which include those discussed under "Item 3. Key Information — D. Risk Factors." Additional risks, not currently known or that are currently considered immaterial by the Group, may have the same unfavorable effect and investors may lose all or part of their investment.

As a result of these factors, we cannot assure you that the forward-looking statements in this annual report will prove to be accurate. Furthermore, if our forward-looking statements prove to be inaccurate, the inaccuracy may be material. In light of the significant uncertainties in these forward-looking statements, you should not regard these statements as a representation or warranty by us or any other person that we will achieve our objectives and plans in any specified time frame or at all. Moreover, forward-looking statements speak only as of the date they are made. Other than required by law, we do not undertake any obligation to update them in light of new information, future developments or otherwise, except as required by law. These forward-looking statements are based upon information, assumptions and estimates available to us as of the date of this annual report, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. In light of these risks,uncertainties and assumptions, you should not place undue reliance on any forward looking statements contained herein.

You should read this annual report and the documents that we reference in this annual report and have filed as exhibits completely and with the understanding that our actual future results may be materially different from what we expect. We qualify all of our forward-looking statements by these statements.

Abbreviations

Principal abbreviations used in the Annual Report on Form 20-F

ADR	American Depositary Receipt
ADS	American Depositary Share
AFEP	Association française des entreprises privées (French Association of Large Companies)
AMF	Autorité des marchés financiers (the French market regulator)
ANDA	Abbreviated New Drug Application
BLA	Biologic License Application
BMS	Bristol-Myers Squibb
CEO	Chief Executive Officer
CER	Constant exchange rates
CGU	Cash generating unit
CHC	Consumer Healthcare, Opella
CHMP	Committee for Medicinal Products for Human Use
COVALIS	Sanofi committee for internal occupational exposure limits (Comité des Valeurs Limites Internes Sanofi)
CSR	Corporate Social Responsibility
CVR	Contingent value right
EFPIA	European Federation of Pharmaceutical Industries and Associations
EMA	European Medicines Agency
EU	European Union
FCF	Free cash flow
FDA	US Food and Drug Administration
GAVI	Global Alliance for Vaccines and Immunisation
GBU	Global Business Unit
GERS	Groupement pour l'Élaboration et la Réalisation de Statistiques (French pharmaceutical industry statistics partnership)
GCP	Good clinical practices
GDP	Good distribution practices
GHG	Greenhouse gas
GLP	Good laboratory practices
GLP-1	Glucagon-like peptide-1
GMP	Good manufacturing practices
GRI	Global Reporting Initiative
Hib	Haemophilus influenzae type b
HSE	Health, Safety and Environment
IASB	International Accounting Standards Board
ICH	International Council for Harmonization
IFPMA	International Federation of Pharmaceutical Manufacturers & Associations
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standards
IPV	Inactivated polio vaccine
ISIN	International Securities Identification Number
J-MHLW	Japanese Ministry of Health, Labor and Welfare
LoE	Loss of Exclusivity
LSD	Lysosomal storage disorder
MEDEF	Mouvement des entreprises de France (French business confederation)
mRNA	messenger RNA
MS	Multiple sclerosis
NASDAQ	National Association of Securities Dealers Automated Quotations
NDA	New Drug Application
NHI	National Health Insurance (Japan)
NYSE	New York Stock Exchange
OECD	Organisation for Economic Co-operation and Development
OPV	Oral polio vaccine
OTC	Over the counter
PhRMA	Pharmaceutical Research and Manufacturers of America
PMDA	Pharmaceuticals and Medical Devices Agency (Japan)
PRV	Priority Review Voucher
PTE	Patent Term Extension
QIV	Quadrivalent influenza vaccine
R&D	Research and development
SA	Société anonyme (French public limited corporation)
SEC	US Securities and Exchange Commission
SPC	Supplementary Protection Certificate
TRIBIO	Sanofi Committee for Biological Risk Prevention (Biosafety, Biosecurity, Biosurveillance)
TSR	Total shareholder return
UNICEF	United Nations Children's Emergency Fund
US	United States of America
WHO	World Health Organization

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Item 1. Identity of Directors, Senior Management and Advisers

N/A

Item 2. Offer Statistics and Expected Timetable

N/A

Item 3. Key Information

A. Selected financial data

N/A

B. Capitalization and indebtedness

N/A

C. Reasons for offer and use of proceeds

N/A

D. Risk factors

Important factors that could cause actual financial, business, research, or operating results to differ materially from expectations are disclosed in this annual report, including without limitation the following risk factors. Investors should carefully consider all the information set forth in the following risk factors and elsewhere in this document before deciding to invest in any of the Company's securities. In addition to the risks listed below, we may be subject to other material risks that as of the date of this report are not currently known to us or that we deem immaterial at this time.

Risks relating to legal and regulatory matters

Product liability claims could adversely affect our business, results of operations and financial condition

Product liability is a significant risk for any pharmaceutical company, given that liability claims relating to our industry are unforeseeable by nature. The evolving regulatory environment worldwide (the ever-more stringent regulatory requirements applicable to the pharmaceutical industry, plus more stringent data, quality, and supply obligations) clearly impacts our potential liability, and we may incur different liability claims to what we have handled in the past, regarding their nature, scope, and level. For a detailed analysis of the regulatory environment in which we operate, refer to "Item 4. Information on the Company - B. Business Overview - B.5.3. Regulatory framework." Substantial damages have been awarded by some jurisdictions and/or settlements agreed – notably in the United States and other common law jurisdictions – against pharmaceutical companies based on claims for injuries allegedly caused using their products. Such claims can also lead to product recalls, withdrawals, or declining sales, and/or be accompanied by consumer fraud claims by customers, third-party payers seeking reimbursement of the cost of the product and/or other claims, including potential civil or criminal governmental actions.

We are currently defending several product liability claims (see Note D.22.a. to the consolidated financial statements included at Item 18. of this annual report) notably with respect to Taxotere, Zantac, Depakine and Gold Bond, and there can be no assurance that we will be successful in defending these claims, or that we will not face additional claims in the future.

Establishing the full side effect profile of a pharmaceutical drug goes beyond data derived from preapproval clinical studies which may only involve several hundred to several thousand patients. Routine review and analysis of the continually growing body of post-marketing safety data and clinical studies provide additional information – for example, potential evidence of rare, population-specific, or long-term adverse events or of drug interactions that were not observed in preapproval clinical studies. This causes product labeling to evolve over time following interactions with regulatory authorities, which may include restrictions of therapeutic indications, new contraindications, warnings, or precautions and occasionally even the suspension or withdrawal of a product marketing authorization. Following any of these events, pharmaceutical companies can face significant product liability claims (see Note D.22.a. to the consolidated financial statements included at Item 18. of this annual report).

Furthermore, we commercialize several devices (some of which use new technologies) which, if they malfunction, could cause unexpected damage and lead to product liability claims (see "Breaches of data security, disruptions of information technology systems and cyber threats could result in financial, legal, competitive, operational, business or reputational harm" below).

Although we continue to insure a portion of our product liability with third-party carriers, product liability coverage is increasingly difficult and costly to obtain, particularly in the United States. In the future, it is possible that self-insurance may become the sole commercially reasonable means available for managing the financial risk associated with product liability in our pharmaceuticals and vaccines businesses (see "Item 4. Information on the Company — B. Business Overview — B.8. Insurance and risk coverage"). In cases where we self-insure, the legal costs that we would bear for handling such claims, and potential damage awards to be paid to claimants, could have a negative impact on our financial condition. Due to insurance conditions, even when we have insurance coverage, recoveries from insurers may not be totally successful due to market-driven insurance limitations and exclusions. Moreover, insolvency of an insurer could affect our ability to recover claims on policies for which we have already paid a premium.

Product liability claims, regardless of their merits or the ultimate success of our defense, are costly, divert management's attention, may harm our reputation, and can impact the demand for our products and generate speculative news flows and/or rumors relating to such claims. Substantial product liability claims could materially adversely affect our business, results of operations and financial condition, and/or may have an impact on market perception of our company and negatively affect our stock price.

Claims and investigations relating to ethics and business integrity, competition law, marketing practices, pricing, human rights of workers and other legal matters could adversely affect our business, results of operations and financial condition

Our industry is heavily regulated and legal requirements vary from country to country, and new requirements are imposed on our industry from time to time. Governments and regulatory authorities around the world have been strengthening implementation and enforcement activities in recent years, including in relation to anti-bribery, anti-corruption, and ethical requirements with respect to medical and scientific research, interactions with healthcare professionals and payers, and respect for the human rights of workers.

We have adopted a Code of Conduct that requires employees to comply with applicable laws and regulations, as well as the specific principles and rules of conduct set forth in the Code. We also have policies and procedures designed to help ensure that we, our officers, employees, agents, intermediaries and other third parties comply with applicable laws and regulations (including but not limited to the US Foreign Corrupt Practices Act (FCPA), the UK Bribery Act, the OECD Anti-Bribery Convention, the French Anti-Corruption measures law (Sapin II), the French duty of vigilance law and other anti-bribery laws and regulations). Notwithstanding these efforts, failure to comply with laws and regulations (including as a result of a business partner's breach) may occur and could result in liabilities for us and/or our management.

Sanofi and certain of its subsidiaries could become the subject of investigations or proceedings by various government entities or could face audits and/or litigation, including allegations of corruption, claims related to employment matters, patent and intellectual property disputes, consumer law claims and/or competition law and tax audits. We are currently the target of a number of lawsuits relating to pricing and marketing practices (including, for example, "whistleblower" litigation in the United States), which we are vigorously defending. With respect to tax issues, the complexity of the fiscal environment is such that the ultimate resolution of any tax matter may result in payments that are greater or less than the provisions we have booked. See "Item 8. Financial Information — A. Consolidated Financial Statements and Other Financial Information — Information on Legal or Arbitration Proceedings" and Note D.22. to our consolidated financial statements included at Item 18. of this annual report. In addition, responding to such investigations is costly and may divert management's attention from our business.

Unfavorable outcomes in any of these matters, or in similar matters that may arise in the future, could preclude the commercialization of our products, harm our reputation, negatively affect the profitability of existing products and subject us to substantial fines, punitive damages, penalties and injunctive or administrative remedies, potentially leading to the imposition of additional regulatory controls, monitoring or self-reporting obligations, or exclusion from government reimbursement programs or markets, all of which could have a material adverse effect on our business, results of operations or financial condition.

The unpredictability of these proceedings could lead Sanofi, after consideration of all relevant factors, to enter into settlement agreements to settle certain claims. Such settlements may involve significant monetary payments and/or potential criminal penalties, may include admissions of wrongdoing and may require entering into a Corporate Integrity Agreement (CIA) or a Deferred Prosecution Agreement (in the United States), which is intended to regulate company behavior for a specified number of years. For example, on February 28, 2020, Sanofi US entered into a civil settlement with the United States Department of Justice and agreed to pay approximately $11.85 million to resolve allegations regarding certain charitable donations Sanofi US made to an independent patient assistance foundation that assisted patients being treated for multiple sclerosis. In connection with this settlement, Sanofi US also entered into a CIA with the Office of the Inspector General for the United States Department of Health and Human Services effective the same day, which will require us to meet and maintain certain compliance requirements in the United States.

Our activities (including our products and manufacturing activities) are subject to significant government regulations and regulatory approvals, which are often costly and could result in adverse consequences to our business if we fail to anticipate the regulations, comply with them, maintain the required approvals, and/or adapt to changes in applicable regulations

Obtaining a marketing authorization for a product is a long and highly regulated process requiring us to present extensive documentation and data to the relevant regulatory authorities either at the time of the filing of the application for a marketing authorization or later during its review. Each regulatory authority may impose its own requirements which can evolve over time. Each regulatory authority may also delay or refuse to grant approval even though a product has already been approved in another country. Regulatory authorities are increasingly strengthening their requirements on product safety and risk/benefit profiles. All these requirements, including post-marketing requirements, have increased the costs associated with maintaining marketing authorizations (see "Item 4. Information on the Company — B. Business Overview — B.5. Markets — B.5.3. Regulatory framework").

Moreover, to monitor our compliance with applicable regulations, the FDA, EMA, WHO and comparable national agencies in other jurisdictions routinely conduct regulatory inspections of our facilities, distribution centers, commercial activities and development centers (including hospitals), and may identify potential deficiencies which we must adequately address. More generally, if we fail to adequately respond to regulatory inspection observations identified during an inspection or fail to comply with applicable regulatory requirements at all or within the targeted timeline, we could be subject to enforcement, remedial and/or punitive actions by the FDA (such as a Warning Letter, injunction, seizure or cease and desist order), the EMA or other regulatory authorities. For example, in January 2025, the FDA issued a warning letter related to certain GMP practices at our Framingham facility. In addition, we have an obligation to monitor and report adverse events and safety signals. To comply with these duties, we must regularly train our employees and certain third parties (such as external sales forces and distributor employees) on regulatory matters, including on pharmacovigilance. If we fail to train these people, or fail to train them appropriately, or if they do not comply with contractual requirements, we may be exposed to the risk that safety events are not reported or not reported in a timely manner in breach of our reporting obligations.

Due to regulatory or geopolitical constraints, we may face delays in our clinical studies due, for example, to the new EU Clinical Trials Regulation review process for approvals of new studies or for the transition of ongoing studies under such new regulation, and/or restrictions imposed on clinical study sites, and/or delays in the supply chain for investigational products and/or the initiation and enrollment of patients in our clinical studies, and/or disruptions related to regulatory approvals, for instance due to the inability of health authorities to perform inspections in other countries and/or delays in label expansions for existing products, and/or delays due to the complexities of the review processes for clinical studies which involve an investigational device or diagnostic combined with the investigational product. We may not be able to fully mitigate these delays, which could negatively impact the timing of our pipeline development programs and may have a negative impact on our product development and launches and hence on future product sales, business, and results of operations.

In addition, all aspects of our business, including research and development, manufacturing, marketing, reimbursement, pricing, and sales, are subject to extensive legislation and governmental regulation. Changes in applicable laws and the costs of compliance with such laws and regulations could have an adverse effect on our business.

For example, the pharmaceutical industry has experienced challenges due to the implementation of the new European Union regulations for Medical Devices (EU MDR) and for In-Vitro Diagnostic Devices (IVDR), which entered into force in May 2021 and May 2022, respectively. In October 2024, the European Parliament adopted a resolution for a revision of these regulations with a view to addressing challenges, in particular obstacles associated with the implementation of the EU MDR and IVDR; however, the outcome of that resolution is uncertain at this stage. The FDA's recent rulemaking on laboratory-developed tests (LDTs), implemented in May 2024, introduces significant regulatory uncertainty and potential delays in product availability as clinical testing laboratories in the US adapt to new requirements; this poses a risk to Sanofi clinical study timelines and the availability of testing to support commercial products given that LDTs are used for patient selection, product dose decisions, treatment monitoring and clinical study endpoints.

For information about risks related to changes (i) in proprietary rights rules and regulations, see "– We rely on our patents and other proprietary rights to provide exclusive rights to market certain of our products. If such patents and other rights were limited, invalidated, or circumvented, our financial results could be adversely affected" below; and (ii) in environmental rules and regulations, see "– Management of the historical contamination related to our past industrial activities could adversely impact our results of operations and reputation" below.

In addition, changes in tax laws or regulations or their interpretation or exposures to additional tax liabilities around the world could negatively impact our operating results. Changes to tax laws or regulations may occur at any time, and any related expense or benefit recorded may be material to the fiscal quarter and year in which the law change is enacted. As a result of the 2024 presidential and legislative elections in the United States, changes to applicable laws and regulations that have been announced, proposed, and/or adopted, or could be made or expanded in the future, may result in new or expanded trade restrictions by the United States and/or other countries, including, but not limited to, tariffs or import taxes being applied to imported goods and services which could affect our operations and our exports into the United States. Other countries may implement trade restrictions and/or retaliatory measures as well. Any such trade restrictions or measures could affect our operations, our exports into the United States and other countries and/or our supply chains. Significant modifications to tax legislation are also expected in some of the markets where we operate, such as France and the United States. All these elements could negatively impact our business and operating results.

Furthermore, most of the jurisdictions in which we operate have double tax treaties with other foreign jurisdictions, which provide a framework for mitigating the impact of double taxation on our revenues and capital gains. However, the outcome of those mechanisms developed to resolve such conflicting claims can in some circumstances be uncertain and can be expected to be very lengthy. Provisions for tax contingencies are made based on experience, interpretations of tax law, and judgments about potential actions by tax authorities. However, due to the complexity of tax contingencies, the ultimate resolution of any tax matter may result in payments materially different from the amounts accrued.

We rely on our patents and other proprietary rights to provide exclusive rights to market certain of our products. If such patents and other rights were limited, invalidated, or circumvented, our financial results could be adversely affected

Through patent and other proprietary rights, such as data exclusivity or supplementary protection certificates in Europe, we hold exclusivity rights for several of our research-based products. However, the protection that we are able to obtain varies in its duration and scope. Furthermore, patents and other proprietary rights do not always provide effective protection for our products. We cannot be certain that we will obtain adequate patent protection for new products and technologies in important markets or that such protections, once granted, will last as long as originally anticipated.

For example, governmental authorities are increasingly looking to facilitate generic and biosimilar competition for existing products through new regulatory proposals intended to achieve, or resulting in, changes to the scope of patent or data exclusivity rights and using accelerated regulatory pathways for generic and biosimilar drug approvals. At the EU level, the proposed wide-ranging revision of the general pharmaceutical legislation may pose downside risks to innovation and competitiveness in Europe, primarily due to the reduction of intellectual property (IP) protections and a stricter incentives framework for orphan medicinal products (OMPs). Such regulatory proposals could make patent prosecution for new products more difficult and time consuming or could adversely affect the exclusivity period for our products.

Moreover, manufacturers of generic products or biosimilars are increasingly seeking to challenge patent validity or coverage before the patents expire, and manufacturers of biosimilars or interchangeable versions of the products are seeking to have their version of the product approved before the exclusivity period ends. Furthermore, in an infringement suit against a third party, we may not prevail, and the decision rendered may not conclude that our patent or other proprietary rights are valid, enforceable, or infringed. Our competitors may also successfully avoid our patents. Even in cases where we ultimately prevail in an infringement claim, legal remedies available for harm caused to us by infringing products may be inadequate to make us whole. Moreover, a successful result against a competing product for a given patent or in a specific country is not necessarily predictive of our future success against another competing product or in another country because of local variations in the patents and patent laws.

In addition, if we lose patent protection because of an adverse court decision or a settlement, we face the risk that government and private third-party payers and purchasers of pharmaceutical products may claim damages alleging they have over-reimbursed or overpaid for a drug.

We also rely on unpatented proprietary technology, know-how, trade secrets and other confidential information, which we seek to protect through various measures, including confidentiality agreements with licensees, employees, third-party collaborators, and consultants who may have access to such information. If these agreements are breached or our other protective measures should fail, then our contractual or other remedies may not be adequate to cover our losses.

In certain cases, to terminate or avoid patent litigation we or our collaboration partners may be required to obtain licenses from the holders of third-party intellectual property rights. Any payments under these licenses may reduce our profits from such products and we may not be able to obtain these licenses on favorable terms or at all.

Third parties may also request a preliminary or permanent injunction in a country from a court of law to prevent us from marketing a product if they consider that we infringe their patent rights in that country. If third parties obtain a preliminary or permanent injunction or if we fail to obtain a required license for a country where valid third-party intellectual property rights as confirmed by a court of law exist, or if we are unable to alter the design of our technology to fall outside the scope of third-party intellectual property rights, we may be unable to market some of our products in certain countries, which may limit our profitability.

In addition, the pursuit of valid business opportunities may require us to challenge intellectual property rights held by others that we believe were improperly granted, including through negotiation and litigation, and such challenges may not always be successful. Third parties may claim that our products infringe one or more patents owned or controlled by them. Claims of intellectual property infringement can be costly and time-consuming to resolve, may delay or prevent product launches, and may result in significant royalty payments or damages.

Furthermore, some countries may consider granting a compulsory license to a third party to use patents protecting an innovator's product, which limits the value of the patent protection granted to such products.

We have increased the proportion of biological therapeutics in our pipeline relative to traditional small molecule pharmaceutical products. Typically, the development, manufacture, sale, and distribution of biological therapeutics is complicated by third-party intellectual property rights (otherwise known as freedom to operate (FTO) issues), to a greater extent than for the small molecule therapeutics, because of the types of patents allowed by national patent offices. Further, our ability to successfully challenge third-party patent rights is dependent on the legal interpretation and case law of national courts. In addition, we expect to face increasing competition from biosimilars in the future. With the accelerated regulatory pathways provided in the United States and Europe for biosimilar drug approval, biosimilars can be a threat to the exclusivity of any biological therapeutics we sell or may market in the future and can pose the same issues as the small molecule generic threat described above. If a biosimilar version of one of our products were to be approved, it could reduce our sales and/or profitability of that product.

We currently hold trademark registrations and have trademark applications pending in many jurisdictions, any of which may be the subject of a governmental or third-party objection, which could prevent the maintenance or issuance of the trademark. As our products mature, our reliance on our trademarks and trade dress to differentiate us from our competitors increases and, as a result, our business could be adversely affected if we are unable to prevent third parties from adopting, registering, or using trademarks and trade dress that infringe, dilute, or otherwise violate our rights.

If our patents and/or proprietary rights to our products were limited or circumvented, our financial results could be adversely affected.

PART I
ITEM 3. Key Information

Failure to comply with data ethics and privacy regulations could adversely affect our business and reputation

We operate in an environment that relies on the collection, processing, analysis, and interpretation of large sets of patients' and other individuals' personal data, and the operation of our business requires data to flow freely across borders of numerous countries.

The legal and regulatory environment of data privacy is diversified, with regional legislation such as the General Data Protection Regulation (GDPR) in Europe, the Personal Information Protection Law (PIPL) in China, and other significant privacy legislation, including the California Consumer Privacy Act (CCPA) in the United States. As the framework continues to evolve, some uncertainty remains with respect to absence of clear guidance or case law.

Such uncertainty could result in an operational risk limiting or preventing the transfer of data across borders, which may have an impact on our activities (e.g., on clinical studies). Breach of the regulations described above could also carry financial sanctions and may harm our reputation and those of our activities that rely on personal data processing.

Furthermore, the increasing volume of data processed and advances in new technologies, such as artificial intelligence, have resulted in a greater focus on data governance and the ethical use of personal data. Failure in our data governance and ethical use of personal data could affect our business and reputation.

Risks relating to our business

The pricing and reimbursement of our products is negatively affected by increasing cost containment pressures and decisions of governmental authorities and other third parties

The commercial success of our existing products and our product candidates depends in part on their pricing and reimbursement conditions. Our products are negatively affected by continued downward pricing pressure and scrutiny due, inter alia, to:

- stricter price and access controls imposed by governments and other payers around the world:
  - requirements for greater transparency around drug pricing and drug development costs,
  - widespread use of international reference pricing and therapeutic reference pricing, among other pricing methodologies and caps,
  - mandatory price cuts, renegotiations, industry payback and rebates,
  - delisting from reimbursement and restrictions on the label population,
  - access restrictions for high-priced innovative medicines,
  - prescribing guidelines and binding medicine utilization controls,
  - Medicare drug price negotiations under the US Inflation Reduction Act (IRA),
  - greater use of tendering and centralized procurement (national/regional/class-wide level),
  - cross-country cooperation in price negotiations, contracting or procurement, which is already occurring to some extent, such as the Vaccine Alliance (GAVI), the BeNeLuxA alliance in Europe, and the Pan American Health Organization (PAHO),
  - shifting of the payment burden to US patients and access disruptions through copay accumulator and maximizer programs as well as alternative funding programs,
  - more aggressive formulary utilization management controls (including stepped therapy, strict prior authorization criteria, formulary exclusions) by US insurers and pharmacy benefits managers (PBMs), and
  - discriminatory and non-transparent pricing and procurement policies (e.g. government procurement restrictions, import bans) in favor of domestic pharmaceutical companies,
  - widespread use of health technology assessment (HTA) to inform coverage and reimbursement decisions, and
  - more stringent evidence and value requirements (e.g. comparative effectiveness, patient preferences, real-word evidence, health economic modelling) by payers and HTA authorities, raising the bar for market entry,
- unreasonable thresholds for cost-effectiveness :
  - increasingly restrictive HTA decisions with significant variation across markets; increased generic and biosimilar competition, accelerating price erosion, and
  - next generation biosimilars coming to the market across major therapeutic areas; and
- potential savings from increased biosimilar use, which are expected to be a cumulative $290 billion globally from 2023 to 2027 and could reach $383 billion according to the IQVIA Institute's recent Global Use of Medicines report:
  - evolving regulatory landscapes to support interchangeability (e.g., in the US and EU) and pharmacy substitution (e.g. in the EU Nordic countries, Germany and France).

In the United States, which accounted for 48.7% of our net sales in 2024, the Inflation Reduction Act (IRA) was enacted in August 2022. The law includes three core drug pricing provisions (Medicare negotiation, Part D redesign, and Medicare inflation penalties). Significant uncertainties remain on the process and methods of Medicare negotiation. While no Sanofi product was among the first ten drugs to face Medicare price negotiations in 2024, the new legislation may likely have a negative impact on our revenue growth and will influence our portfolio strategy in the mid- to longer term. However, recent election results in the US may spark uncertainty for the IRA. Although a full repeal of the IRA may be unlikely due to budgetary impact, the new US administration could change some of the IRA provisions, including Medicare drug price negotiations.

Furthermore, we face increasing pricing pressure and gross-to-net (GTN) erosion from continuing vertical integration and consolidation of the US health insurance market, as well as political scrutiny over insulin prices, which resulted in the list price of Lantus being lowered by 78% effective January 1, 2024. With the three largest pharmacy benefit manager group purchasing organizations (PBM GPOs) (Ascent, Zinc and Emisar) now covering over 85% of prescription drug claims, consolidation has led to increased utilization management and restrictive formularies, increasing the negotiating power of PBMs over drug manufacturers and thereby adversely impacting our sales.

Under the new US administration we could face unpredictable drug pricing policies, an increasing focus on price transparency, persistent supply chain challenges due to high dependency on active pharmaceutical ingredient imports, an 'America First' protectionist policy, and explosive growth of the federal 340B drug pricing program.

In China, high pricing pressure and intensifying local competition are expected to continue as a growing number of our products are subject to national reimbursement drug list (NRDL) negotiations and national volume-based procurement (VBP) tenders, giving priority to the lowest prices with limited acceptability of value based-pricing. At market entry, new drugs listed on the NRDL had an average price cut of 60.1% over the past five years. Further expansion of the (VBP) policy to biologics and biosimilars also poses a growing threat to our key established products and our biologics portfolio, with over 500 drugs targeted for inclusion by 2025.

Several factors may hinder or delay our research and development efforts to renew our portfolio of medicines and vaccines

Discovering and developing a new medicine or vaccine is a costly, lengthy, and uncertain process. To be successful in the highly competitive biopharmaceutical industry, we must commit substantial resources each year to research and development in order to develop new medicines and vaccines to compensate for decreasing sales of medicines and vaccines facing patent expiration and termination of regulatory data exclusivity, introduction of lower-priced generics and biosimilars, or competition from new product launches by competitors that are perceived as being equivalent or superior to our therapies. We must pursue both research and early- and late-stage development to achieve a sustainable and well-balanced portfolio. In 2024, we spent €7,394 million on research and development, amounting to 18.0% of our net sales. As part of an update on our Play to Win strategy, we announced in October 2023 our intent to increase our research and development spend. Failure to invest in the right technology platforms, disease areas, medicine or vaccine classes, geographic markets, and licensing or acquisition opportunities could adversely impact the productivity of our internal pipeline.

We are pursuing a pipeline-driven transformation, including potential multi-indication opportunities such as amlitelimab, frexalimab, and the oral TNFR1si, intended to address unmet medical needs in markets with a low penetration of novel therapies, or where there is no current effective therapy approved. We focus our R&D strategy on therapeutics in immunology, rare diseases, neurology, and selectively in oncology. In 2021, Sanofi acquired Translate Bio to accelerate the deployment of mRNA technology for the development of new vaccines, including for seasonal influenza, and beyond vaccines, therapeutics where there is a strong unmet medical need. However, mRNA technology is still in its early days and the ability of this technology to produce strong results with an acceptable safety profile remains to be fully asserted. We may fail to improve our development productivity sufficiently to sustain our pipeline (see also "— We may fail to successfully identify external business opportunities or realize the anticipated benefits from our strategic investments or divestments" below).

The competitive landscape includes a high level of uncertainty as numerous companies are working on or may be evaluating similar targets to us. A medicine or vaccine considered as promising at the beginning of its development may become less attractive if a competitor addressing the same unmet need reaches the market earlier. There can be no assurance that any of our pipeline candidates will be proven safe or effective (see "Item 4. Information on the Company — B. Business Overview — B.4. Global research & development"). Over these research and development cycles, usually spanning several years, there is a substantial risk at each stage of development – including pre-clinical activities and clinical studies – that we will not achieve our goals of safety and/or efficacy and that we will have to abandon a medicine or vaccine in which we have invested substantial amounts of money and human resources. For instance, the global clinical development program of amcenestrant for breast cancer was discontinued in August 2022 following the outcome of the prespecified interim analysis of a Phase 3 study. As another example, in late 2023, based on the outcome of a prespecified interim analysis of a Phase 3 study, the global clinical development program for tusamitamab ravtansine was discontinued after the Independent Data Monitoring Committee found that the compound, as a monotherapy, did not meet its dual primary endpoints. Studies are increasingly designed with clinical endpoints of superiority, which means that failure to achieve those endpoints could damage the medicine or vaccine's outlook and our overall development program.

Decisions concerning the studies to be carried out can have a significant impact on the marketing strategy for a given medicine or vaccine. Multiple in-depth studies can demonstrate that a medicine or vaccine has additional benefits, facilitating the marketing, but such studies are expensive and time consuming and may delay the medicine or vaccine's submission to regulatory authorities for approval.

In addition, following (or in some cases in parallel with) the marketing authorization, a dossier is also submitted to governmental agencies and/or national or regional third-party payers for review. These Health Technology Assessment (HTA) bodies evaluate evidence on the value of the new medicine or vaccine, assess the medical need it serves, and provide recommendations on the corresponding reimbursement. Such analyses may require additional studies, including comparative studies, which may effectively delay marketing, change the population which the new medicine or vaccine treats, and add costs to the development. Our continuous investments in our research and development pipeline, and in launches of newly registered molecules, could therefore result in increased costs without a proportionate increase in revenues, which would negatively affect our operating results and profitability.

Furthermore, there can be no assurance that all medicines or vaccines approved or launched will generally achieve commercial success.

Finally, even after a medicine or vaccine reaches the market, certain developments following regulatory approval may reduce demand for them. Clinical studies and post-marketing surveillance of certain marketed medicines and vaccines have the potential to raise concerns among some prescribers and patients relating to the safety, efficacy, or tolerability of pharmaceuticals in general, which could negatively affect sales or lead to increased volatility in market reaction.

Breaches of data security, disruptions of information technology systems and cyber threats could result in financial, legal, competitive, operational, business, or reputational harm

Our business depends heavily on the use of interdependent information technology systems, including Internet-based systems and digital tools. Certain key areas such as research and development, production and sales are largely dependent on our information systems (including cloud-based computing) or those of third-party providers (including for the storage and transfer of critical, confidential, sensitive, or personal information regarding our patients, clinical studies, vendors, customers, employees, collaborators and others). We are therefore vulnerable to cybersecurity attacks and incidents and misuse or manipulation of any of these IT systems could result in exposure of confidential information or the modification of critical data.

We and our third-party service providers, suppliers, contract manufacturers, distributors or other contracting third parties use, to the best of our ability, secure information technology systems for the protection of data and threat detection. Like many companies, we may experience certain of the following events which pose a risk to the security and availability of these systems and networks, and the confidentiality, integrity, and availability of our sensitive data: breakdown, outages, service disruption or impairment, data loss or deterioration in the event of a system malfunction or increasing threat of data theft or corruption in the event of a cyber-attack, security breach, industrial espionage attacks, insider threat attacks, cybercrimes, including state-sponsored cybercrimes, malware, misplaced or lost data, programming or human errors or other similar events. Also, in the event of an attack, US and European legislation related to the financing of terrorism imposes increasing restrictions on payments of ransom. As a result, our ability to recover the data might be limited. Therefore, our business continuity could be at risk if we are unable to recover data through back-ups and restorations. In addition, in the EU, a number of existing and forthcoming rules and laws – including NIS2, the European Health Data Space (EHDS), the Data Act, the Cyber Resilience Act and the AI Act – are changing privacy and cybersecurity compliance requirements, and creating new potential enforcement risks.

We are increasingly using generative artificial intelligence (AI) to enhance our business processes. Although we have set up a governance body to control the AI initiatives taken on a company-wide scale and have made a generative AI charter available to all our employees, this new technology, like other AI technology, entails risks linked to transparency, fairness, data privacy and confidentiality, eco-responsibility, and cybersecurity. These risks could result in unintended consequences such as unethical practices, business and reputational harm, cyber-attacks, and security breaches (see "— We may fail to develop or take advantage of digitalization and prioritizing data as an organizational asset" below). There is a global trend towards more comprehensive regulation of AI that may require us to modify existing or adopt new compliance procedures or developments.

Each of these events could negatively impact important processes, such as scientific research and clinical studies, the submission of outcomes to health authorities for marketing authorizations, the functioning of production processes and the supply chain, compliance with legal requirements, trade secrets, security strategies and other key activities, including Sanofi's employees' ability to communicate between themselves as well as with third parties (see also "— Product liability claims could adversely affect our business, results of operations and financial condition" above). This could result in material financial, legal, competitive, operational, business, or reputational harm.

Although we maintain relevant insurance coverage, this insurance may not be sufficiently available in the future to cover the financial, business, or reputational losses that may result from an interruption or breach of our systems. For example, certain types of cyber-attacks could be considered as an act of war subject to insurance exclusion.

The manufacture of our products is technically complex, and supply interruptions, product recalls or inventory losses caused by unforeseen events may reduce sales, adversely affect our operating results and financial condition, delay the launch of new products, and negatively impact our image

Many of our products are manufactured using technically complex processes with production constraints, including the need for specialized facilities, trained and certified employees, and highly specific raw materials. We must ensure that all manufacturing processes comply with (i) current Good Manufacturing Practices (cGMP), (ii) other applicable regulations issued by governmental health authorities around the world, as well as (iii) our own quality standards. Third parties supply us with a portion of our raw materials, active ingredients, and medical devices, which exposes us to the risk of a supply shortage or interruption especially if these suppliers are unable to manufacture our products in line with quality standards or if they experience financial difficulties.

Epidemics and other public health crises, such as the COVID-19 pandemic, expose us to risks of a slowdown or temporary suspension in the production of our active pharmaceutical ingredients, raw materials, and some of our products. Any prolonged restrictive measures put in place to control an outbreak of contagious disease or other adverse public health development, in a country, state or region in which any of our principal production sites are located, may have a material and adverse effect on our manufacturing operations. Any of these factors could adversely affect our business, operating results, or financial condition (see "Item 4. Information on the Company — B. Business Overview — B.7. Production and raw materials" for a description of these outsourcing arrangements and "A failure in our crisis and business continuity management processes in case of unpredictable events could have negative consequences for our business, operations and reputation" below).

Our business may require the transformation and adaptation of our plants to ensure the continuity of production of our products in sufficient quantities to satisfy demand. This may be necessary to meet the need to produce new products, including biologics, or to ensure the scaling up production of products under development once approved. This need may also result from new regulatory requirements. Furthermore, our biological products are subject to the risk of manufacturing stoppages or the risk of loss of inventory because of the difficulties inherent in the processing of biological materials and the potential difficulties in accessing adequate amounts of raw materials meeting required standards. In addition, specific storage and distribution conditions are required for many biological products (for example, cold storage is required for certain vaccines, insulin-based products, and some hemophilia products). These production difficulties may also be encountered during testing, which is a mandatory requirement prior to drug products being released.

The complexity of our production processes, as well as standards required for the manufacture of our products, subject us to risks because the investigation and remediation of any identified or suspected problems can cause production delays, substantial expense, product recalls or lost sales and inventories, and delay the launch of new products; this could adversely affect our operating results and financial condition, and cause reputational damage and the risk of product liability (see "— Product liability claims could adversely affect our business, results of operations and financial condition" above). In addition, some of our production sites, and some of our suppliers' and/or contractors' sites, are in areas exposed to natural disasters such as floods, earthquakes, and hurricanes (see "— Climate change or legal, regulatory or market measures to address climate change may negatively affect our business and results of operations" below). Such disasters could be exacerbated by climate change. In the event of a major disaster, we could experience severe destruction or interruption of our operations and production capacity at these sites.

When manufacturing disruptions occur, we may not have alternate manufacturing capacity, particularly for certain biologics. In the event of manufacturing disruptions, our ability to use backup facilities or set up new facilities is more limited because biologics are more complex to manufacture and generally require dedicated facilities. Even though we aim to have backup sources of supply whenever possible, including by manufacturing backup supplies of our principal active ingredients at additional facilities when practicable, we cannot be certain they will be sufficient if our principal sources become unavailable. Switching sources and manufacturing facilities requires significant time and prior approval by health authorities.

Supply shortages generate even greater negative reactions when they occur with respect to life saving medicines with limited or no viable therapeutic alternatives. Shortages of specific products can have a negative impact on the confidence of patients, customers and professional healthcare providers and the image of Sanofi and may lead to lower product revenues.

A substantial share of the revenue and income of Sanofi depends on the performance of certain flagship products

Our strategy, as presented in December 2019 and completed as part of our R&D Day presentation in December 2023, focuses on key growth drivers including (but not limited to) Dupixent, Vaccines, and key therapeutic areas in immunology. Nevertheless, market expansion and new launches of medicines and vaccines may not deliver the anticipated benefits. We may also encounter delays or failures in our launch strategy (in terms of timing, pricing, market access, marketing efforts, and dedicated sales forces), such that our products may not deliver the expected benefits. The competitive environment for a given medicine or vaccine may also have changed by the time of the actual launch, modifying our initial forecasts. The need to prioritize the allocation of resources may also cause delays in or hamper the launch or expansion of certain medicines or vaccines.

Also, we currently generate a substantial share of our net sales from certain key products (see "Item 5. Operating and Financial Review and Prospects — A.2.1. Net sales — 3/Net Sales – Biopharma segment"). For example, Dupixent generated net sales of €13,072 million in 2024 representing 31.8% of our net sales for the year and is Sanofi's biggest product in terms of sales.

Among our flagship products, Lantus, Lovenox, Plavix, Jevtana and Aubagio already face generic competition on the market. In 2024, Lantus was one of Sanofi's leading products with net sales of €1,628 million. With respect to influenza, which represented 30.8% of vaccines net sales in 2024, we may face potential challenges. The influenza market is expected to have several new competitive entrants, both from standalone flu mRNA and COVID-flu combinations, who could be on the market ahead of us. Additionally, the influenza market globally is subject to intense pricing pressure, as well as a decrease in vaccination coverage. The combination of such factors could result in a lowering of revenue from sales of influenza vaccines. Beyfortus, which represented 20.3% of our vaccines net sales in 2024, may also face competition from another monoclonal antibody in the coming years, which could negatively impact our revenue in this area.

More generally, expiration of effective intellectual property protections for our products typically results in the market entry of one or more lower-priced generic competitors, often leading to a rapid and significant decline in revenues from those products (for information regarding ongoing patent litigation see Note D.22.b. to the consolidated financial statements included at Item 18. of this annual report).

The introduction of a generic product results in adverse price and volume effects for our branded or genericized products. For example, although we do not believe it is possible to state with certainty what level of net sales would have been achieved in the absence of generic competition, a comparison of our consolidated net sales for 2024 and 2023 for the main products affected by generic and biosimilar competition shows a loss of €794 million of net sales on a reported basis (see "Item 5. Operating and Financial Review and Prospects — A.1.2. Impacts of Competition from generics and biosimilars"). However, other parameters may have contributed to the loss of sales, such as a fall in the average price of certain products (e.g., Lantus).

Furthermore, in general, if one or more of our flagship products were to encounter problems (such as material product liability litigation, unexpected side effects, product recalls, non-approval by the health authorities of a new indication for a marketed product, pricing pressure and manufacturing or supply issues), the adverse impact on our business, results of operations and financial condition could be significant.

We rely on third parties for the discovery, manufacture, marketing, and distribution of some of our products

Our industry is both highly collaborative and competitive, whether in the discovery and development of new products, in-licensing, the marketing and distribution of approved products, or manufacturing activities. We expect that we will continue to rely on third parties for key aspects of our business and we need to ensure our attractiveness as a potential partner.

We conduct several significant research and development programs and market some of our products in collaboration with other biotechnology and pharmaceutical companies. For example, we currently have a global strategic collaboration with Regeneron on monoclonal antibodies for the development and commercialization of Dupixent, Kevzara (sarilumab) and SAR440340 (REGN3500- itepekimab) (see "Item 5. Operating and Financial Review and Prospects — A.1.7. Financial Presentation of Alliances — 1/ Alliance Arrangements with Regeneron Pharmaceuticals Inc."). We rely upon Regeneron to successfully carry out their responsibilities regarding the manufacture and supply of these collaboration antibodies (see "Item 4. Information on the Company — B. Business Overview"). In May 2024, we announced a co-exclusive licensing agreement to develop novel flu-COVID-19 combination vaccines with Novavax (see above —"Several factors may hinder or delay our research and development efforts to renew our portfolio of medicines and vaccines"). We may also rely on partners to design and manufacture medical devices, in particular for the administration of our products. Finally, we may rely on partners for the development and commercialization of in-vitro diagnostic tests used in clinical studies, and in-vitro diagnostic tests specified in the labeling of our products as necessary or useful for the management of patients taking our products. As regards some products launched or under development for which we have a collaboration agreement with partners, the terms of the applicable alliance agreement may require us to share profits and losses arising from commercialization of such products with our partners. This differs from the treatment of revenue and costs generated by other products for which we have no alliance agreement, and such profit sharing may deliver a lower contribution to our financial results.

We could also be subject to the risk that we may not properly manage the decision-making process with our partners. Decisions may be controlled by, or subject to the approval of our collaboration partners, who may have views that differ from ours. We are also subject to the risk that our partners may not perform effectively, which could have a detrimental effect when our collaboration partners are responsible for the performance of certain key tasks or functions, for example related to manufacturing or distribution. This risk is further increased by the growing number of distribution centers divested by Sanofi as part of its global strategy and by the resulting growing externalization of distribution tasks and functions.

Any failures in the development process or differing priorities may adversely affect our business, including the activities conducted through our collaboration arrangements. We also cannot guarantee that third-party manufacturers will be able to meet our near-term or long-term manufacturing requirements, for internal reasons (e.g. in case of financial difficulties), reasons directly related to their contractual relationship with Sanofi, or external reasons (e.g. in the event of a health crisis). Thereby, following the completion of the spin-off of EUROAPI in May 2022, EUROAPI became a third-party manufacturer and continues to manufacture a certain number of active pharmaceutical ingredients for Sanofi. We are also subject to the risk that contract research organizations or other vendors (for instance regarding digital activities) retained by us, or our collaboration partners may not perform effectively.

Any conflicts, difficulties or litigation with our partners during these agreements or at the time of their renewal or renegotiation, or any disruption in the relationships with our partners, may affect the development, manufacturing, launch and/or marketing of certain of our products or product candidates and may cause a decline in our revenues or otherwise negatively affect our results of operations.

We are subject to the risk of non-payment by our customers[1]

Our customers, which consist principally of wholesalers, distributors, pharmacies, hospitals, clinics, and government agencies, present risks related to delayed payments or even non-payment. This risk is accentuated by recent concentrations among distributors and retailers, as well as by ongoing uncertainties in global credit markets and economic conditions, in particular in emerging markets. As a result, we may be affected by fluctuations in the buying patterns of such customers. The United States presents specific customer credit risk issues because of the concentrated pharmaceutical distribution system: in 2024 our three main customers represented respectively 15%, 11% and 8% of our consolidated net sales, respectively. We are also exposed to large wholesalers in other regions, particularly in Europe. An inability of one or more of these wholesalers to honor their debts to us could adversely affect our financial condition (see Note D.34. to our consolidated financial statements included at Item 18. of this annual report).

In certain countries, some of our customers are public or subsidized health systems. The economic and credit conditions in these countries could further extend the average collection period for accounts receivable, putting additional strain on our working capital.

[1] *The information in this section supplements the disclosures required under IFRS 7 as presented in Notes B.8.7., D.10. and D.34. to our consolidated financial statements, provided at Item 18. of this annual report.*

Global economic conditions and an unfavorable financial environment could have negative consequences for our business[(2)]

Over the past several years, growth of the global pharmaceutical market has increasingly been tied to global economic trends. In this context, a substantial and lasting slowdown or instability of the global economy, major national economies or emerging markets could negatively affect the global pharmaceutical market's growth and, as a result, adversely affect our business. For example, unpredictable geopolitical conditions that currently exist in various parts of the world could have a material negative impact on our business, in particular the armed conflict between Russia and Ukraine, and the escalation of violence and potential further conflicts in the Middle East. The consequences of these conflicts remain uncertain, and will depend on developments outside Sanofi's control, including, but not limited to the duration and severity of the conflicts, and the consequences of the ongoing and additional financial and economic sanctions imposed by governments in response. Sanofi faces rising tensions between the US and China, two of our key markets. Trade, economic, technological and military conflicts could disrupt supply chains, raise raw material costs, and affect clinical and manufacturing operations and business strategy. Other related issues have arisen or are arising such as regional instability; geopolitical uncertainties; adverse effects on fuel and energy costs, supply chains, macroeconomic conditions, inflation, and currency exchange rates in various regions of the world and exposure of third parties to gas shortages. Collectively, such unstable conditions could, among other things, disturb the international flow of goods and increase the costs and difficulties associated with international transactions.

Unfavorable economic conditions have reduced the sources of funding for national social security systems, leading to austerity measures including heightened pressure on drug prices, increased substitution of generic drugs, and the exclusion of certain products from formularies among others (see "— The pricing and reimbursement of our products is negatively affected by increasing cost containment pressures and decisions of governmental authorities and other third parties" above).

The challenging economic environment could also negatively impact our net sales. In regions with high unemployment, rising inflation, or limited third-party payer systems, patients may turn to more affordable generic alternatives, delay treatments, or reduce observance to cut costs. In the United States there has been a significant increase in the number of beneficiaries in the Medicaid program, under which sales of pharmaceuticals are subject to substantial rebates and, in many US states, to formulary restrictions limiting access to brand-name drugs, including ours. Additionally, rising healthcare costs have prompted some employers to transfer a greater share of these costs to their employees, which further decreases demand for brand-name pharmaceuticals and intensifies downward pressure on prices.

Our Opella business (which is classified in "discontinued operations" in Sanofi's income statement following the announcement of exclusive negotiations for the sale of a 50% controlling stake to CD&R, with the transaction expected to close at the earliest in second quarter 2025, see generally "Item 5. Operating and Financial Review and Prospects") could also be adversely impacted by deteriorating economic conditions, as consumers may have reduced purchasing power, prompting them to opt for lower-cost alternatives.

Should global economic conditions worsen, or in the event of default or failure of major players including wholesalers or public sector buyers financed by insolvent states, Sanofi's financial situation, profitability, operational results, and distribution channels of products could be adversely affected. See also "— We are subject to the risk of non-payment by our customers" above.

A failure in our crisis and business continuity management processes in case of unpredictable events could have negative consequences for our business, operations, and reputation

We have increased crisis preparedness and response in recent years due in particular to crises such as the COVID-19 pandemic and ongoing war in Ukraine and conflicts in the Middle East. Nevertheless, unpredictable and extraordinary internal or external events, or a combination of escalating events that may occur as a result of a large scale cyber-attack (see also "— Breaches of data security, disruptions of information technology systems and cyber threats could result in financial, legal, competitive, operational, business or reputational harm" above), a pandemic or natural disasters, could result in the failure of critical processes within Sanofi or a third party on whom we rely. Moreover, lack of resources and/or low maturity level in crisis management of our service providers faced with an increasing number of major international crises may hamper our ability to implement our business continuity plans. Such failure or limited implementation of our business continuity plans may adversely impact our business, operations, and reputation.

The occurrence of these unforeseen events may also heighten other risks such as a disruption or temporary suspension in production of active pharmaceutical ingredients, raw materials and some of other products and/or lead to manufacturing delays or disruptions and supply chain interruptions (including to the extent those measures apply to our third-party suppliers) and may have an adverse effect on our business (see "— The manufacture of our products is technically complex, and supply interruptions, product recalls or inventory losses caused by unforeseen events may reduce sales, adversely affect our operating results and financial condition, delay the launch of new products and negatively impact our image" above). Also, a sudden increase in demand for selected medicinal products in the event of a crisis can result in short-term unavailability or shortages of raw materials.

[(2)] *The information in this section supplements the disclosures required under IFRS 7 as presented in Note B.8.7. to our consolidated financial statements, provided at Item 18. of this annual report.*

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Climate change or legal, regulatory or market measures to address climate change may negatively affect our business and results of operations

Climate change resulting from increased concentrations of carbon dioxide and other greenhouse gases in the atmosphere could present both physical and transition risks to our operations.

Physical risks include adverse impacts on global temperatures, weather patterns and the frequency and severity of extreme weather and natural disasters. Natural disasters and extreme weather conditions, such as a hurricane, tornado, earthquake, wildfire, or flooding, may pose physical risks to our facilities and disrupt the operation of our supply chain. The impacts of the changing climate on water resources may result in water scarcity, limiting our ability to access sufficient high-quality water in certain locations, which may increase operational costs. For example, in 2023 and 2024, our sites located in North Africa were exposed to intermittent shortages of drinking water distribution following severe episodes of water scarcity and maintenance issues of municipal utilities systems.

Concern over climate change may also result in new or additional legal or regulatory requirements, designed to reduce greenhouse gas emissions and/or mitigate the effects of climate change on the environment. If such laws or regulations were to be more stringent than current legal or regulatory obligations (e.g., increased carbon taxation risk), we may experience disruption in, or an increase in the costs associated with sourcing, manufacturing, and distribution of our products, which may adversely affect our business, results of operations or financial condition.

The increasing use of social media platforms and new technologies present risks and challenges for our business and reputation

We increasingly rely on social media, new technologies and digital tools to communicate about our products and about diseases or to provide health services. The use of these media requires specific attention, monitoring programs and moderation of comments. Political and market pressures may be generated by social media because of rapid news cycles. This may result in commercial harm, overly restrictive regulatory actions, and erratic share price performance. In addition, unauthorized communications, such as press releases or posts on social media, purported to be issued by Sanofi, may contain information that is false or otherwise damaging and could have an adverse impact on our image and reputation and on our stock price. Negative or inaccurate posts or comments about Sanofi, our business, directors, or officers on any social networking website could seriously damage our reputation. In addition, our employees and partners may use social media and mobile technologies inappropriately, which may give rise to liability for Sanofi, or which could lead to breaches of data security, loss of trade secrets or other intellectual property or public disclosure of sensitive information. Such uses of social media and mobile technologies could have an adverse effect on our reputation, business, financial condition, and results of operations.

Risks relating to Sanofi's structure and strategy

We may fail to successfully identify external business opportunities or realize the anticipated benefits from our strategic investments or divestments

We pursue a strategy of selective acquisitions, in-licensing, and collaborations to reinforce our pipeline and portfolio. We are also proceeding to selective divestments to focus on key business areas. The implementation of this strategy depends on our ability to identify transaction opportunities, mobilize the appropriate resources to enter into agreements in a timely manner, and execute these transactions on acceptable economic terms. Moreover, entering into in-licensing or collaboration agreements generally requires the payment of significant "milestones" well before the relevant products reach the market, without any assurance that such investments will ultimately become profitable in the long term (see Note C. to the consolidated financial statements included at Item 18. of this annual report and "— We rely on third parties for the discovery, manufacture, marketing, and distribution of some of our products" above). Once a strategic transaction is agreed upon with a third party, we may not be able to complete the transaction in a timely manner or at all. For example, our planned separation of Opella may not be completed on the terms or timeline currently contemplated, if at all, and may not achieve the expected results (see "—Completion of the separation of Opella is subject to conditions that may not be satisfied and we may fail to realize any or all of the anticipated benefits of the separation and/or face unintended adverse impacts on our business" below).

For newly acquired activities or businesses, our growth objectives could be delayed or ultimately not realized, and expected synergies could be adversely impacted if, for example: we are unable to integrate those activities or businesses quickly or efficiently; key employees leave; or we have higher than anticipated integration costs.

The Translate Bio acquisition (see in "— Several factors may hinder or delay our research and development efforts to renew our portfolio of medicines and vaccines" above) which was completed in 2021 may not generate the expected results in terms of developing new mRNA-based products to meet existing or future needs, and the potential of Translate Bio's mRNA platform may not be realized to its full extent because of the difficulty of integrating the activity quickly and efficiently into the Group.

We may also miscalculate the risks associated with business development transactions at the time they are made or may lack the resources or ability to access all the relevant information to evaluate such risks properly, including regarding the potential of research and development pipelines, manufacturing issues, tax or accounting issues, compliance issues, or the outcome of ongoing legal and other proceedings. It may also take a considerable amount of time and be difficult to implement a risk analysis and risk mitigation plan after the acquisition of an activity or business is completed due to lack of historical data. Acquired businesses may not always be in full compliance with legal, regulatory or Sanofi standards, including, for example, current Good Manufacturing Practices (cGMP), which can be costly and time consuming to remedy. As a result, risk management and coverage of such risks, particularly through insurance policies, may prove to be insufficient or ill-adapted.

With respect to divestments, their financial benefit could be impacted if we face significant financial claims or significant post-closing price adjustments. Furthermore, the value of the assets to be divested may deteriorate while we are in the process of executing our divestment strategy, with the risk that we do not realize the anticipated benefits.

Because of the active competition among pharmaceutical groups for business development opportunities, there can be no assurance of our success in completing these transactions when such opportunities are identified.

Completion of the separation of Opella is subject to conditions that may not be satisfied and we may fail to realize any or all of the anticipated benefits of the separation and/or face unintended adverse impacts on our business

In October 2024, we announced that we had entered into exclusive negotiations with CD&R for the potential sale and purchase of a 50% controlling stake in Opella and that we would remain a significant shareholder in Opella. This intended separation aims at paving the way for Opella to become a new, standalone leader in Consumer Healthcare, while supporting our strategy and increased focus on innovative medicines and vaccines.

This intended separation may not be completed on the expected terms or may be delayed or may not be completed at all. In particular, completion of the separation will be subject to obtaining regulatory approvals from the competent authorities. There can be no assurance that any or all of these conditions will be satisfied. There can also be no assurance regarding the ultimate timing of the planned separation. Unanticipated developments could delay, prevent or otherwise adversely affect the planned separation, including disruptions in general or financial market conditions, the political and geopolitical situations, and potential problems or delays in obtaining various regulatory approvals or clearances.

Failure to complete the separation would result in the potential benefits of the separation not being realized and could have a material adverse effect on the success of Sanofi as a whole, including our results of operations and financial condition. In addition, if completion of the separation does not occur, the Opella business will remain part of Sanofi, which could (i) have an adverse effect on our strategy, including but not limited to the allocation of resources to the Biopharma segment, where value-creating opportunities and longer-term operational changes have been identified to support our intended accelerated R&D expenditure; (ii) cause potential delay in the execution of the strategic objectives of Sanofi and the Opella business; and (iii) have a disruptive effect on management and employees of Sanofi and/or the Opella business. Moreover, failure to complete the separation could have an adverse effect on our reputation and on external perception of our ability to implement large scale projects successfully, even where due to factors outside our control. There are also costs associated with the separation that we would still be required to pay even if the separation is not completed.

Completion of the planned separation, for which we have incurred and are expected to incur significant costs, may not achieve the expected benefits in full or in part and there is no guarantee as to the timing of when or if any such benefits may be realized. The success of the operation and its expected benefits will depend on several factors, including many factors outside of our control, and a number of assumptions that may prove incorrect.

Post-separation, we may face a number of challenges relating to the implementation of the separation and to operating without the Opella business. There may be adverse financial, operational, regulatory, consumer, patient and reputational implications if we fail (either wholly or in part) to meet such challenges. Such adverse implications could impact our financial condition, results of operations and/or prospects. For example, our business will be smaller and less diversified than currently, and will be more susceptible to adverse developments in the remaining business and markets in which we operate. Accordingly, should any part of our remaining business underperform, this could have a greater adverse impact on our results or financial conditions following separation than would have been the case prior to the separation. In addition, post-separation we will have greater relative exposure to the global pharmaceuticals and vaccines markets and the associated risks and will no longer benefit from exposure to the Consumer Healthcare market we had prior to separation from the Opella business, which would make us more reliant on the R&D process (see "—Several factors may hinder or delay our research and development efforts to renew our portfolio of medicines and vaccines).

Finally, as we will retain a holding in Opella of up to 48% with veto rights only on certain matters, we will not control operational decisions and Opella's success will depend on its ability to retain talent and skilled professionals and take advantage of the opportunities that lie ahead in its segment. Therefore, our remaining holding in Opella may fall in value if Opella's strategy does not deliver the expected benefits.

The globalization of our business exposes us to increased risks in specific areas

As part of the presentation of our strategy in December 2019, we identified our strong presence in China among our core drivers, with revenue amounting to 6.5% of our net sales in 2024.

The difficulties in operating in emerging markets, a significant decline in the anticipated growth rate or an unfavorable movement of the exchange rates of currencies against the euro could impair our ability to take advantage of growth opportunities and could adversely affect our business, results of operations or financial condition. For instance, if a long-lasting epidemic and prolonged or repeated restrictive measures to control the outbreak were to result in an economic slowdown in any of our targeted markets, it would reduce our sales due to lower healthcare spending on other diseases and fewer promotional activities, and could significantly impact our business operations. Furthermore, it is not possible to predict if or how such health crisis would impact any affected jurisdiction, or to what extent (see also "— Global economic conditions and an unfavorable financial environment could have negative consequences for our business" above).

Emerging markets also expose us to more volatile economic conditions; legal, regulatory and political instability, both globally and locally (including a backlash in certain areas against free trade); competition from multinational or locally based companies that are already well established in these markets; the inability to adequately respond to the unique characteristics of emerging markets (particularly with respect to their underdeveloped judicial systems and regulatory frameworks); difficulties in recruiting qualified personnel or maintaining the necessary internal control systems; difficulties that may adversely affect our ability to supply our products, potential exchange controls; weaker intellectual property protection; higher crime levels (particularly with respect to counterfeit products); and compliance issues including corruption and fraud (see particularly "— Claims and investigations relating to ethics and business integrity, competition law, marketing practices, pricing, human rights of workers, and other legal matters could adversely affect our business, results of operations and financial condition" above).

Given the increasing globalization of our business, if relations between the United States, European Union countries and other governments deteriorate, our business and investments in such markets may also be adversely affected. For example, the BIOSECURE Act in the United States, which would prohibit federal agencies from entering into certain contracts with or expenditures related to companies that have specified commercial connections with "biotechnology companies of concern" (the identification criteria for which have not been determined, and the list of which has not been defined and could be very extensive, including companies in China), has been proposed in the US Congress, and, if enacted, could restrict our ability to contract or collaborate with such biotechnology companies. This, in turn, could materially and adversely affect our or our collaboration partners' ability to manufacture or supply marketed products and product candidates, or to advance our or our collaboration partners' preclinical research, which could materially and adversely affect our business and future prospects.

We may fail to develop or take advantage of digitalization and prioritizing data as an organizational asset

We have undertaken several digital initiatives, such as the implementation of artificial intelligence (AI) across our business. For example, in research and development, we have built multiple AI programs to reduce research times through improved predictive modelling. We are also seeking to automate time-consuming activities, enabling research and development teams to scale and accelerate research processes and improve potential target identification in therapeutic areas such as immunology, oncology and neurology. In manufacturing and supply, we have developed an in-house AI-enabled yield optimization solution that delivers higher yield levels and optimizes usage of raw materials.

Our success in these efforts will depend on many factors including data availability; entering into successful partnerships and alliances with technology companies (such as the AI collaboration with Formation Bio and OpenAI announced in May 2024, aimed at building AI-powered software to accelerate drug development); a profound transformation of our organization; a cultural change among our employees, and the development of relevant skills; our ability to adopt AI agents; attracting and retaining employees with appropriate skills and mindsets in a tight labor market; and successfully innovating across a variety of technology fields, while seeking to comply with evolving external regulations. In recent years, we have accelerated our digital transformation, including in the ways we engage and interact with our stakeholders. However, there is no guarantee that our efforts towards digital transformation will succeed. More generally, we may fail to capture the benefits of AI, digitalization and valuing data as an enterprise asset at an appropriate cost and/or in a timely manner, and/or enter into appropriate partnerships. Competitors, including new entrants such as tech companies, may outpace us in this fast-moving area. If we fail to adequately integrate digital capabilities into our organization and business model, we could lose patients and market share. This could have an adverse impact on our business, prospects, and results of operations. Because AI is an emerging technology, it is possible that our use of AI technologies may not have the intended effects or benefits, such as increasing efficiency. In addition, the use of AI technologies presents certain risks, including the use of personal data as described above (see "— Failure to comply with data ethics and privacy regulations could adversely affect our business and reputation" above).

The success of digital initiatives will also depend on our ability to shift our culture to a data-driven culture and to transform the architecture of our business process designs to integrate AI. This calls for management of data as an asset and the definition of a robust life-cycle management process for data that is applied consistently across Sanofi. Misuse of such technologies could negatively affect our reputation, disrupt our operations, or otherwise have a material adverse impact on our financial results and could also subject us to legal and reputational risks.

We may fail to accelerate our operational efficiency and perform our transformation program

As part of the presentation of the next chapter of our Play to Win strategy in October 2023, we announced our intent to improve our operating efficiencies to fund growth. We also announced savings of a total of up to €2 billion from 2024 to the end of 2025, most of which will be reallocated to fund innovation and growth drivers. We also announced our intent to separate Opella, with an anticipated closing date of the transaction at the earliest in the second quarter 2025, subject to obtaining regulatory approvals from the competent authorities. (See also "— Completion of the separation of Opella is subject to conditions that may not be satisfied and we may fail to realize any or all of the anticipated benefits of the separation and/or face unintended adverse impacts on our business"). To deploy our strategy, we must also disrupt our normal course of business and transform our operations. Nevertheless, we may not succeed in federating employees behind the transformation program, which may hamper our ability to execute such organizational changes. Besides, there is no guarantee that we will be able to fully deliver these operating efficiencies or separate the Opella business within the targeted timeline, or at all, or generate the expected benefits.

Unsuccessful management of sustainability (environmental, social and governance) matters could adversely affect our reputation and we may experience difficulties meeting the expectations of our stakeholders

Companies are increasingly expected to behave in a responsible manner on a variety of sustainability matters, by governmental and regulatory authorities, counterparties such as vendors and suppliers, customers, investors, the public at large and others. This context, driven in part by a rapidly changing regulatory framework in the US and in Europe, including the EU's Corporate Sustainability Reporting Directive (CSRD), is raising new challenges and influencing strategic decisions that companies must take if they wish to optimize their positive impact and mitigate their negative impact on sustainability matters. These evolving regulatory requirements are also likely to result in increased costs and complexities of compliance in order to collect, measure and report on the relevant ESG-related information, and may expose us to additional regulatory, litigation and reputational risk. Given recent political and geopolitical pressures, there is also the possibility that some or part of these rules or regulations are rolled back or amended, in which case we would face additional compliance costs and, depending on such changes, we may face other adverse effects described below.

We have adopted a sustainability strategy that aims at ensuring global access and affordability, addressing unmet needs with transformative therapies, and minimizing the impact of our activities and products on the climate and the environment. The strategy includes leveraging our personnel's experience and making societal impact a key driver of our employees' engagement. However, despite our ambitions we could be unable to meet our sustainability or other strategic objectives in an efficient and timely manner, or at all.

Furthermore, statements about our ESG-related initiatives and goals, and progress against those goals, may be based on standards for measuring progress that are still developing, internal controls and processes that continue to evolve and assumptions that are subject to change in the future.

We may also be unable to meet the ever more demanding criteria used by rating agencies in their sustainability assessments process, leading to a downgrading in our rating. Financial investments in companies which perform well in sustainability assessments are increasingly popular, and major institutional investors have made known their interest in investing in such companies.

Depending on sustainability assessments, our ability to fulfill our sustainability strategy, and on the rapidly changing views on acceptable levels of action across a range of sustainability topics from investors, we may be unable to meet society's or investors' expectations or the targets or goals contained in our sustainability strategy, in which case, our reputation may be harmed; we may face increased compliance or other costs; and interest in subscribing to securities issued by us, and our ability to participate in the debt and equity markets, may decrease. In addition, we could be criticized for the scope or nature of such initiatives or goals, or for any revisions to these goals.

In addition, in recent years "anti-ESG" sentiment has gained momentum across the US, with several states and Congress having proposed or enacted "anti-ESG" policies, legislation, or initiatives or issued related legal opinions, and the US President having recently issued an executive order opposing diversity equity and inclusion ("DEI") initiatives in the private sector. Such anti-ESG and anti-DEI-related policies, legislation, initiatives, litigation, scrutiny and other actions could result in additional compliance obligations, Sanofi becoming the subject of investigations and enforcement actions, or otherwise suffering reputational harm.

Our success depends in part on our senior management team and other key employees and our ability to attract, integrate and retain key personnel and qualified individuals in the face of intense competition

Our success depends on the expertise of our senior management team and other key employees. In 2024, there were 2,282 "Senior Leaders" within Sanofi. In addition, we rely heavily on recruiting and retaining talented people to help us meet our strategic objectives. We face intense competition for qualified individuals for senior management positions, or in specific geographic regions or in specialized fields such as clinical development, biosciences and devices, or digital and artificial intelligence. Our ability to hire qualified personnel also depends in part on our ability to reward performance, incentivize our employees and pay competitive compensation. The inability to attract, integrate and/or retain highly skilled personnel, in particular those in leadership positions, may weaken our succession plans, may materially adversely affect the implementation of our strategy and our ability to meet our strategic objectives, and could ultimately adversely impact our business or results of operations.

Environmental and safety risks of our industrial activities

Risks from manufacturing activities and the handling of hazardous materials could adversely affect our results of operations and reputation

Manufacturing activities, such as the chemical manufacturing of the active ingredients in our products and the related storage and transportation of raw materials, products and waste, expose us to risks of industrial accidents that may lead to discharges or releases of toxic or pathogenic substances or other events that can cause personal injury, property damage and environmental contamination, and may result in additional operational constraints, including the shutdown of affected facilities and/or the imposition of civil, administrative, criminal penalties and/or civil damages, and affect Sanofi's reputation.

The occurrence of an industrial accident may significantly reduce the productivity and profitability of a particular manufacturing facility and adversely affect our operating results and reputation. Although we maintain property damage, business interruption and casualty insurance that we believe is in accordance with customary industry practices, this insurance may not be adequate to fully cover all potential hazards incidental to our business.

Management of the historical contamination related to our past industrial activities could adversely impact our results of operations and reputation

The environmental laws of various jurisdictions impose actual and potential obligations on our Company to manage and/or remediate contaminated sites. These obligations may relate to sites (i) that we currently own or operate; (ii) that we formerly owned or operated; or (iii) where waste from our operations was disposed.

These environmental remediation obligations could reduce our operating results. Sanofi accrues provisions for remediation when our management believes the need is probable and that it is reasonably possible to estimate the cost (see Note D.22 to the consolidated financial statements included at Item 18. of this annual report). Our provisions for these obligations may be insufficient if the assumptions underlying these provisions prove incorrect or if we are held responsible for additional, currently undiscovered contamination. These judgments and estimates may later prove inaccurate, and any shortfalls could have an adverse effect on our results of operations and financial condition. For more detailed information on environmental policies and issues, see "Item 4. Information on the Company — B. Business Overview — B.9. Health, Safety and Environment" and Notes "B.12. Provisions for risks" and "D.19.3. Other provisions" to the consolidated financial statements included at Item 18. of this annual report.

We are or may become involved in claims, lawsuits and administrative proceedings relating to environmental matters. Some current and former Sanofi subsidiaries have been named as "potentially responsible parties" or the equivalent under the US Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (CERCLA, also known as "Superfund"), and similar statutes or obligations in France, Germany, Italy, Brazil and elsewhere. As a matter of statutory or contractual obligations, we and/or our subsidiaries may retain responsibility for environmental liabilities at some of the sites of our predecessor companies, or of subsidiaries that we demerged, divested, or may divest. We have disputes outstanding regarding certain sites no longer owned or operated by the Company. An adverse outcome in such disputes might have an adverse effect on our operating results. See Note D.22.d to the consolidated financial statements included at Item 18. of this annual report and "Item 8. Financial Information — A. Consolidated Financial Statements and Other Financial Information — Information on Legal or Arbitration Proceedings".

Environmental regulations are evolving. For example, in Europe, new or evolving regulatory regimes include the Registration, Evaluation, Authorization and Restriction of Chemicals Regulation (which may include, in the future, a restriction on per- and polyfluoroalkyl substances (PFAS) based on a recent draft released by the European Chemicals Agency (ECHA)); the Classification and Labelling regulations applicable to hazardous chemicals; directives related to the control of major-accident hazards (the "Seveso" directives); the Industrial Emission regulations; the Waste Framework Directive; the Emission Trading Scheme Directive; the Water Framework Directive; the Directive on Taxation of Energy Products and Electricity; and the recently adopted Urban Wastewater Treatment Directive, as well as other regulations aimed at protecting public health or preventing climate change. Stricter environmental, safety and health laws and enforcement policies could result in substantial costs and liabilities to our Company and could subject our handling, manufacture, use, reuse or disposal of substances or pollutants, site restoration and compliance to more rigorous scrutiny than is currently the case. Consequently, compliance with these laws could result in capital expenditures as well as other costs and liabilities, thereby adversely affecting our business, results of operations or financial condition.

Risks related to financial markets[(3)]

Fluctuations in currency exchange rates could adversely affect our results of operations and financial condition

Because we sell our products in numerous countries, our results of operations and financial condition could be adversely affected by fluctuations in currency exchange rates. We are particularly sensitive to movements in exchange rates between the euro and the US dollar, the Japanese yen, the Chinese yuan, and currencies in emerging markets. In 2024, 48.7% of our net sales were generated in the United States, 22.0% in Europe, and 29.4% in the Rest of the World region (see the definition in "Item 5. Operating and Financial Review and Prospects — A. Operating results"), including countries that are, or may in future become, subject to exchange controls (including 6.5% in China and 3.4% in Japan). While we incur expenses in those currencies, the impact of currency exchange rates on these expenses does not fully offset the impact of currency exchange rates on our revenues. As a result, currency exchange rate movements can have a considerable impact on our earnings. When deemed appropriate and when technically feasible, we enter into transactions to hedge our exposure to foreign exchange risks. These efforts, when undertaken, may fail to offset the effect of adverse currency exchange rate fluctuations on our results of operations or financial condition. For more information concerning our exchange rate exposure, see "Item 11. Quantitative and Qualitative Disclosures about Market Risk."

[(3)] *The information in this section supplements the disclosures required under IFRS 7 as presented in Note B.8.7. to our consolidated financial statements, provided at Item 18. of this annual report.*

Risks relating to an investment in our shares or ADSs

Foreign exchange fluctuations may adversely affect the US dollar value of our ADSs and dividends (if any) regardless of our operating performance

Holders of American depositary shares (ADSs) face exchange rate risks. Our ADSs trade in US dollars and our shares trade in euros. The value of the ADSs and our shares could fluctuate substantially as the exchange rates between these currencies fluctuate. If and when we pay dividends, they would be denominated in euros. Fluctuations in the exchange rate between the euro and the US dollar will affect the US dollar amounts received by owners of ADSs upon conversion by the depositary of cash dividends, if any. Moreover, these fluctuations may affect the US dollar price of the ADSs on the NASDAQ Global Select Market (NASDAQ) whether we pay dividends, in addition to any amounts that a holder would receive upon our liquidation or in the event of a sale of assets, merger, tender offer or similar transaction denominated in euros or any foreign currency other than US dollars.

Persons holding ADSs rather than shares may have difficulty exercising certain rights as a shareholder

Holders of ADSs may have more difficulty exercising their rights as a shareholder than if they directly held shares. For example, if we issue new shares and existing shareholders have the right to subscribe for a pro rata portion of the new issuance, the depositary is allowed, at its own discretion, to sell this right to subscribe for new shares for the benefit of the ADS holders instead of making that right available to such holders. In that case, ADS holders could be substantially diluted. Holders of ADSs must also instruct the depositary how to vote their shares. Because of this additional procedural step involving the depositary, the process for exercising voting rights will take longer for holders of ADSs than for holders of shares. ADSs for which the depositary does not receive timely voting instructions will not be voted at any meeting. US investors may have difficulty in serving process or enforcing a judgment against us or our directors or executive officers.

Sales of our shares may cause the market price of our shares or ADSs to decline

Sales of large numbers of our shares, or a perception that such sales may occur, could adversely affect the market price for our shares and ADSs. L'Oréal, our largest shareholder, is not subject to any contractual restrictions on the sale of the shares it holds in our Company. L'Oréal does not consider its stake in our Company as strategic and completed an off-market block trade of which 2.3% was bought back by Sanofi in February 2025. See "Item 7. Major Shareholders and Related Party Transactions" below.

Our largest shareholder owns a significant percentage of the share capital and voting rights of Sanofi

Following the buy-back we made of a block of shares from L'Oréal in February 2025, and after cancellation of said shares, L'Oréal will own (excluding treasury shares) 7.2% of our share capital and 13.1% of our voting rights. See "Item 7. Major Shareholders and Related Party Transactions — A. Major Shareholders". Affiliates of L'Oréal currently serve on our Board of Directors. To the extent L'Oréal continues to hold a large percentage of our share capital and voting rights, it will remain in a position to exert greater influence in the appointment of the directors and officers of Sanofi and in other corporate actions that require shareholders' approval.

Item 4. Information on the Company

Introduction

Sanofi is a leading global healthcare company, focused on patient needs and engaged in the research, development, manufacture and marketing of therapeutic solutions.

In the remainder of this section, a product is referred to either by its international non-proprietary name (INN) or its brand name, which is generally exclusive to the company that markets it. In most cases, the brand names of our products, which may vary from country to country, are protected by specific registrations. In this document, products are identified by their brand names used in France and/or in the US.

Sanofi reports segment information for the Biopharma operating segment, further to the opening of exclusive negotiations between Sanofi and Clayton, Dubilier & Rice (CD&R) on October 21, 2024 with a view to selling an equity interest in Opella, which would lead to loss of control over Opella on the effective closing date, scheduled for the second quarter of 2025 at the earliest.

Prior to the opening of those exclusive negotiations, Opella (formerly Consumer Healthcare) was an operating segment of Sanofi. As a result of the announcement of the Proposed Opella Transaction (as defined in Note D.1.1.2. Project to divest a controlling interest in Opella), as of the fourth quarter of 2024 Opella meets the criteria for a discontinued operation under IFRS 5 (see Note B.7.), and the net income from this business is now presented separately within the line item ***Net income from discontinued operations*** in the consolidated income statement. This presentation in a separate line item in the income statement applies to results of operations for the current period, and for the comparative periods presented. With effect from that date, Sanofi became a dedicated Biopharma company of which the performance, based on internal management reporting, is subject to regular review by the Chief Executive Officer, Sanofi's chief operating decision-maker.

The Biopharma operating segment comprises commercial operations and research, development and production activities relating to the Specialty Care, General Medicines and Vaccines franchises plus support and corporate functions, for all geographical territories. It also includes revenues generated by legal entities within the Biopharma segment (and included in the scope of continuing operations) from the manufacture of Consumer Healthcare products on behalf of legal entities within Opella; those revenues are presented within ***Other Revenues*** in the income statement. The Biopharma operating segment also includes the the purchase price of Biopharma products manufactured by legal entities within the Opella scope.

The "Other" category comprises primarily, but not exclusively, Consumer Healthcare activities that will not be transferred on the effective date of loss of control of Opella. These are primarily (i) hospital sales of Opella products in China, the transfer of which will be finalized no earlier than 2028 after a transitional period required to complete the transfer plan agreed with Sanofi in the context of public tendering arrangements ; (ii) sales made by the dedicated entity Opella Russie, the equity interests in which will be retained by Sanofi. Sanofi will continue to distribute Opella products in Russian territory under the distribution agreement signed in connection with the separation, the parties reserving the right to discuss the transfer of this retained interest during the distribution agreement term ; and (iii) sales of the Gold Bond product range, which are continuing in the United States through the retained subsidiary Gold Bond LLC (holder of the associated worldwide property rights).

Figures for comparative periods (2023 and 2022) have been re-presented on a consistent basis to reflect the classification of Opella as a discontinued operation.

A. History and development of the Company

The current Sanofi corporation was incorporated under the laws of France in 1994 as a *société anonyme*, a form of limited liability company, for a term of 99 years. Since May 2011, we have operated under the commercial name "Sanofi" (formerly known as Sanofi-Aventis). Our registered office is located at 46, avenue de la Grande Armée – 75017 Paris – France, our main telephone number is +33 1 53 77 40 00, and our website (which contains information about the company and information filed with and provided to the SEC) is www.sanofi.com. Our principal US subsidiary's office is located at 55 Corporate Drive, Bridgewater, NJ 08807; telephone: +1 (908) 981 5000.

The SEC maintains a website at http://www.sec.gov that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC.

Main events over the last three years

On February 8, 2022, Sanofi acquired the entire share capital of the immuno-oncology company *Amunix Pharmaceuticals, Inc.* (Amunix), thereby gaining access to Amunix's innovative ProXTen technology and a promising pipeline of immunotherapies.

On May 3, 2022, Sanofi's General Meeting of Shareholders approved the decision to distribute approximately 58% of the share capital of *EUROAPI*, a European leader in the development, manufacture, marketing and distribution of active pharmaceutical ingredients (APIs), in the form of an exceptional dividend in kind to Sanofi shareholders. On the dividend payment date of May 10, 2022 (further to the admission of EUROAPI shares to listing on the regulated market of Euronext Paris on May 6, 2022), Sanofi divested control over EUROAPI and its subsidiaries, resulting in their deconsolidation from the Sanofi consolidated financial statements as of that date.

On March 13, 2023, Sanofi and *Provention Bio, Inc.* (Provention), a US-based publicly-traded biopharmaceutical company developing therapies to prevent and intercept immune-mediated diseases including type 1 diabetes, entered into an agreement under which Sanofi acquired the outstanding shares of Provention common stock for $25.00 per share in an all-cash transaction valued at approximately $2.8 billion. On April 27, 2023, Sanofi announced the completion of its acquisition of Provention. The acquisition added *Tzield* (teplizumab-mzwv), a therapy for type 1 diabetes, to Sanofi's core General Medicines medicine portfolio.

On July 28, 2023, Sanofi announced that it had entered into a definitive agreement to acquire ownership of *Qunol*, a market-leading US-based health & wellness brand. This transaction was intended to strengthen Opella in the Vitamin, Mineral and Supplements (VMS) category, one of the largest and fastest-growing consumer health categories in the US, focused on the dynamic healthy aging segment. Sanofi's acquisition of QRIB Intermediate Holdings, LLC was completed on September 29, 2023, at a purchase price of $1,419 million.

On May 30, 2024, Sanofi announced that it had completed the acquisition of *Inhibrx, Inc* (Inhibrx), a publicly-traded, clinical-stage biopharmaceutical company focused on developing a pipeline of novel biologic therapeutic candidates in oncology and orphan diseases. The acquisition added SAR447537 (formerly INBRX-101) to Sanofi's rare disease development portfolio. Under the terms of the merger agreement, Sanofi agreed to (i) pay Inhibrx stockholders $30 per share of Inhibrx common stock on closing of the merger (approximately $1.7 billion) and issue one non-transferable contingent value right (CVR) per share of Inhibrx common stock, entitling its holder to receive a deferred cash payment of $5, contingent upon the achievement of certain regulatory milestones (approximately $0.3 billion, if those milestones are achieved); (ii) pay off Inhibrx's outstanding third-party debt (approximately $0.2 billion); and (iii) contribute capital to a new publicly traded company (New Inhibrx) (at least $0.2 billion). Since the closing of the merger, Inhibrx has become a wholly owned subsidiary of Sanofi. Additionally, Sanofi retains a minority stake (approximately 8%) in New Inhibrx.

On October 21, 2024, Sanofi and Clayton, Dubilier & Rice (CD&R) announced that they had entered exclusive negotiations for the Proposed Opella Transaction as defined under "Item 4 –B.3. Opella." The opening of the exclusive negotiations relating to the Proposed Opella Transaction, and the signature of a put option agreement as of that date (leading to loss of the control previously exercised by Sanofi over Opella), triggered the reclassification of the Opella business as a discontinued operation for the 2024 financial year. Opella meets the criteria for a discontinued operation under IFRS 5, and the post-tax profit or loss from Opella is now presented separately within the line item ***Net income/(loss) from discontinued operations*** in Sanofi's consolidated income statement. This presentation in a separate line item of the income statement applies to operations for the year ended December 31, 2024 and for the comparative periods presented. Sanofi has exercised the put option, pursuant to which Sanofi is contemplating entering into an agreed form share purchase agreement; that agreement, once entered into by the parties, will govern the terms for the sale and purchase of the share capital of Opella. Sanofi expects to receive a cash payment during 2025, which may reach several billion euros, upon closing of the Proposed Opella Transaction, expected in the second quarter of 2025 at the earliest, while retaining an indirect stake of around 50% in Opella. The proceeds would be used in line with Sanofi's existing capital allocation priorities, including shareholder returns.

On November 29, 2024, Sanofi entered into a definitive agreement with *Recordati* for the sale of Sanofi's global rights to Enjaymo. Under this agreement, Sanofi received an upfront payment of $825 million and will be eligible for milestone payments of up to $250 million based on sales. This divestment is part of Sanofi's strategy to streamline its portfolio and focus on core biopharmaceutical innovations.

More detailed information about these changes is provided in Note D.1. to our consolidated financial statements, included at Item 18. of this annual report.

B. Business overview

Sanofi's activities are organized around the following categories: Immunology & Inflammation, Rare Diseases, Neurology, Oncology, Other Medicines, Vaccines, and Opella. Except for Opella, which is a held-for-sale operation and therefore presented as a discontinued operation in 2024 in accordance with IFRS 5, all of Sanofi's activities fall within the Biopharma operating segment.

B.1. Strategy

The market context for Sanofi

Several fundamental trends continue to point to a positive outlook for the pharmaceutical industry. The global population is growing and aging, and unmet medical needs remain high. Health needs have further increased, strengthening the key roles of innovation in R&D activities and cutting-edge manufacturing. The industry has taken steps to increase R&D productivity, with the objective of launching a higher number of innovative medicines and vaccines. Patients around the world – including a rising middle class in emerging markets – are demanding better healthcare, empowered by access to more and more information. It is a challenging time scientifically and technologically: the promise of artificial intelligence (AI) is generating new insights into how to diagnose and treat diseases, and Immunology remains a key therapeutic area with high unmet needs. Digital technologies and advanced data analytics are having a transformative effect across sales and marketing activities, R&D and manufacturing, and are acting as enablers for new businesses.

At the same time, increased geopolitical uncertainties, inflation, supply shortages, and issues around budget tightening will continue to put pressure on healthcare costs, and on the entire healthcare value chain. Although we believe that pharmaceuticals and vaccines will remain a fundamentally attractive business within that value chain, the bar for innovation will most likely continue to rise. Payers will continue to put scrutiny on prices and reimbursement criteria, and demand demonstration of real-life outcomes to confirm the efficacy of medicines and vaccines. This will be coupled with more innovative pricing and contracting practices, and more transparent policies. In view of growing concerns over increasing healthcare costs across global markets, the pharmaceutical industry will be increasingly judged by its contribution to improved access for patients and to the development of innovative, highly cost-effective medicines.

Strategic framework

The Sanofi "Play to Win" strategy is organized around four key priorities: 1) focus on growth; 2) lead with innovation; 3) accelerate efficiency; and 4) reinvent how we work to drive innovation and growth.

In October 2023, we announced that we had entered the next chapter of our Play to Win Strategy and:

- increased investments in our pipeline to fully realize long-term growth potential, bolstered by successful launches and R&D progress;
- launched strategic cost initiatives, with most of the savings to be reallocated to fund innovation and growth drivers;
- announced our intention to separate the Consumer Healthcare Business ; and
- reiterated our capital allocation policy.

1) Focus on growth

- Dupixent (dupilumab)[1] – By leveraging the product's unique mechanism of action targeting the type 2 inflammation pathway and its favorable safety profile, we have raised our ambition for peak sales of Dupixent. In September 2024, Dupixent was approved in the US by the FDA as the first-ever biologic medicine for patients with Chronic Obstructive Pulmonary Disease (COPD).
- Vaccines – Sanofi has progressed to continued strong growth, driven by four core franchises: Influenza; Meningitis; Polio, Pertussis a Hib (PPH) & Boosters; and Respiratory syncytial virus (RSV).
- Pipeline – We are focusing our investments on projects in immunology, rare diseases, neurology and vaccines.

2) Lead with innovation

We have been able to shift from a priority medicine list to a steady flow of medicines in a refocused, consistent pipeline. Our pipeline is showing potential opportunities for market-leading products.

To continue fueling our promising pipeline and enhance our position in our core therapeutic areas, we have:

i. acquired Inhibrx, Inc,. adding a potential best-in-class rare disease medicine for Alpha-1 Antitrypsin Deficiency to the pipeline;
ii. entered into a strategic collaboration with Synthekine to develop and commercialize IL-10 receptor agonists for the treatment of inflammatory diseases;
iii. established a strategic collaboration with Belharra to advance the discovery of novel small molecule therapeutics for immunological diseases;
iv. established a co-exclusive licensing agreement with Novavax to co-commercialize a COVID-19 vaccine and develop novel flu-COVID-19 combination vaccines;
v. entered into an exclusive worldwide out-licensing agreement with Vir Biotechnology for three clinical-stage masked T-cell engagers and exclusive use of the protease-cleavable masking platform for oncology and infectious diseases, medicines previously acquired by Sanofi from Amunix Pharmaceuticals;
vi. entered into a three-way collaboration with Formation Bio and OpenAI to build AI-powered software to accelerate drug development and bring new medicines to patients more efficiently;
vii. secured rights to develop a CD73 inhibitor(uliledlimab) in China, from VJ Pharma, a company spun out from I-Mab; and
viii. entered into an exclusive licensing agreement (i) with RadioMedix to develop radiopharmaceuticals for PET imaging and targeted alpha therapy (TAT) to respond to unmet medical needs in cancer, and (ii) with Orano Med to develop lead-212 (212Pb) radioligand therapies (RLTs) for cancer.

3) Accelerate efficiency

In October 2023, we announced new Strategic Costs Initiatives. We are improving our cost structure, launching efficiency initiatives across our Biopharma business to free operational resources to support R&D investment and unlock value-creation opportunities. This includes prioritizing our investments in R&D and modernizing our approach to commercial delivery.

To transform the practice of medicine, we are developing and deploying AI-powered solutions across all business units at all levels of Sanofi, not only to increase automation and efficiency, but also to fundamentally change the way we work and think. We are investing in computational tools and AI to become the leading digital healthcare platform for employees, patients and providers. AI and data science are already supporting our teams in areas such as accelerating drug discovery, improving clinical trial design, and streamlining the manufacture and supply of drugs and vaccines. We are driving a company-wide culture shift that embeds digital DNA into the fabric of our organization.

Our R&D teams are already accelerating their work: our Target Discovery engines have delivered seven novel drug targets in just one year, while our mRNA modelling solution has cut mRNA design time in half. Our Manufacturing & Supply (M&S) teams are saving time on time-consuming tasks and spending more time taking action based on data insights. By assessing data trends and identifying production outliers, we help our teams optimize the use of raw materials and resources as they manufacture and

[1] *In partnership with Regeneron.*

distribute life-changing therapies to patients around the globe. Our Portfolio Strategy teams are using AI to leverage data such as internal clinical-trial and commercial data, as well as external information like competitor news flow, to predict value drivers such as R&D costs, trial enrollment, and a program's probability of success.

In 2024, we achieved key AI milestones across the business:

- in partnership with Aily Labs, we deployed the internal application plai. Plai aggregates internal data across all functions and harnesses the power of AI to provide timely insights and personalized "what if" development scenarios to support informed decision-making. We also hosted our inaugural global hackathon, enabling over 31,000 Sanofi employees to learn about the AI Agents used in Sanofi operations;
- the expansion of our accelerators continued with the launch of two additional accelerators: a digital R&D accelerator, followed by a digital M&S accelerator in 2024;
- in Research, we have built multiple AI programs to reduce research times through improved predictive modelling and automated time-sink activities. As a result, AI enables R&D teams to scale and accelerate research processes and improve potential target identification in therapeutic areas like immunology, oncology or neurology by 20 to 30%;
- in Manufacturing & Supply, we have developed an in-house AI-enabled yield optimization solution which learns from past and current batch performance in an effort to enable consistently higher yield levels. This optimizes usage of raw materials, supports our environmental efforts and supports improved cost efficiency; and
- we have partnered with FormationBio and OpenAI to develop AI-powered software to accelerate drug development, create custom drug development lifecycle solutions and bring new medicines to patients more efficiently:
  - in 2024 we focused on unifying Sanofi's approach to data and AI, standardizing our approach to unlock value through shared tools and assets,
  - Sanofi's internal GenAI tools are maturing rapidly, with Concierge (launched October 2024) and a successful M365 Copilot pilot completed,
  - over 2,000 new users, across verticals, were trained on GenAI tooling delivered from GenAI Board-approved use cases in 2024,
  - approximately 7,000 Sanofi employees received training throughout Gen AI courses on SanofiU, our in-house learning platform.

4) Reinvent how we work

Transformation and simplification have started, with the aim of increasing empowerment and accountability. To drive implementation of our new culture built on stronger focus, diversity and teamwork, we have streamlined our executive leadership team around 13 members. Three new members were appointed to our Executive Committee in 2024: Brian Foard as Head of the Specialty Care Global Business Unit (succeeding Bill Sibold); François Roger as Chief Financial Officer (succeeding Jean-Baptiste de Chatillon); and Audrey Duval as Global Head of Corporate Affairs. The complete Sanofi Executive Committee now includes the four managers who head up our Global Business Units (Specialty Care, General Medicines, Vaccines, and Opella) as well as the heads of each of the following support functions: Research and Development; Manufacturing & Supply; Finance; People & Culture; Digital, Legal, Business Integrity & Global Security; Corporate Affairs; Ethics and Business Operations.

In 2024, we progressed further in building and simplifying our standalone Opella organization. We have further reduced our portfolio, mainly through divestments, to approximately 100 brands (15% fewer than in 2023).

In October 2024, in line with our strategy of increased focus on innovative medicines and vaccines, we announced that we had entered into exclusive negotiations with CD&R for the potential sale and purchase of a controlling stake of approximately 50% in Opella. For more information on this potential transaction, see "— B.3 Opella."

Our Corporate Social Responsibility (CSR) strategy aims to build a healthier, more resilient world by ensuring access to healthcare for the world's poorest people and bringing focus to addressing broader unmet needs. Our commitment to society also aims to accelerate our goal of reducing the environmental impact of our products and of our worldwide operations. Key to tackling the global challenges that face our company are our people, who each have a role to play in building a diverse and inclusive workplace.

Our CSR Strategy focuses on four building blocks integrated into our Play to Win core business strategy:

- affordable access – to ensure affordable global access to health, while helping healthcare systems to remain sustainable;
- R&D for unmet needs – to be at the cutting edge of R&D innovation, to help people live fully and drive growth;
- Planet Care – to minimize the environmental impact of our business through environmental sustainability; and
- in & beyond the workplace – to give all Sanofi colleagues the chance to become a leader of change, unlocking the potential of our diverse teams.

Building on the existing strategy, an evolution of the CSR strategy was presented to and validated by the Board in late 2024. The CSR strategy will be unveiled internally and externally in early 2025 and implemented thereafter.

Capital allocation policy

We will continue to pursue our focused and disciplined capital allocation policy. Our priorities in deploying the cash generated from our operations are, in the following order: (i) investment in organic growth; (ii) business development and merger & acquisition activities, focusing on bolt-on, value-enhancing opportunities to drive scientific and commercial leadership in core therapeutic areas; (iii) growing the annual dividend; and (iv) anti-dilutive share buybacks. We also have the potential to raise capital through asset disposals, including streamlining "tail" brands in our Established Products business.

B.2. Biopharma segment

The sections below provide additional information on our main medicines. Our intellectual property rights over our biopharma medicines are material to our operations and are described at "B.6. Patents, Intellectual Property and Other Rights" below. As disclosed in "Item 8. Financial Information — A. Consolidated Financial Statements and Other Financial Information — Patents" of this annual report, we are involved in significant litigation concerning the patent protection of a number of these medicines. For more information on sales performance, see "Item 5. Operating and Financial Review and Prospects — A. Operating Results."

Immunology & Inflammation

Dupixent

Dupixent (dupilumab) is a fully human monoclonal antibody that inhibits the signaling of the interleukin-4 (IL-4) and interleukin-13 (IL-13) pathways and is not an immunosuppressant. Dupilumab is jointly developed by Sanofi and Regeneron under a global collaboration agreement. To date, dupilumab has been studied across more than 59 completed studies and 23 ongoing studies, involving more than 12,000 patients with various chronic diseases driven in part by type 2 inflammation. The dupilumab development program has shown significant clinical benefit and a decrease in type 2 inflammation in Phase 3 studies, establishing that IL-4 and IL-13 are key and central drivers of the type 2 inflammation that plays a major role in multiple inflammatory diseases such as atopic dermatitis (AD), asthma, chronic rhinosinusitis with nasal polyposis, eosinophilic esophagitis and prurigo nodularis. Dupixent comes in either a pre-filled syringe for use in a clinic or at home by self-administration as a subcutaneous injection or in a pre-filled pen for at-home administration, providing patients with a more convenient option. Dupixent is available in all major markets including the US (since April 2017), most European Union countries (the first launch was in Germany in December 2017), Japan (since April 2018), and China (since June 2020).

Atopic dermatitis (AD)

Moderate-to-severe AD, a form of eczema and a chronic inflammatory disease, is characterized by rashes that sometimes cover much of the body and can include intense, persistent itching and skin dryness, cracking, redness, crusting and oozing. Eighty-five to ninety percent of patients first develop symptoms before five years of age, which can often continue through adulthood.

In 2014, the FDA also granted Dupixent Breakthrough Therapy designation, and after a Priority Review evaluation, it granted Dupixent marketing authorization in March 2017 for the treatment of adults with moderate-to-severe AD whose disease is not adequately controlled with topical prescription therapies, or when those therapies are not advisable. In 2016, the FDA granted Dupixent Breakthrough Therapy designation for adolescent patients aged 12 to 17 years and in March 2019, the FDA extended the marketing authorization to cover this age group.

In 2016, the FDA granted Breakthrough Therapy designation for Dupixent for the treatment of severe AD in children aged six months to 11 years. On May 26, 2020, Dupixent was approved as the first biologic medicine for children aged six to 11 years with moderate-to-severe AD. Having accepted Dupixent for Priority Review in February 2022, the FDA approved Dupixent on June 7, 2022 for children aged six months to five years with moderate-to-severe AD whose disease is not adequately controlled with topical prescription therapies or when those therapies are not advisable, making Dupixent the first biologic medicine to significantly reduce signs and symptoms in children as young as six months.

The EC approved Dupixent in September 2017 for use in adults with moderate-to-severe AD who are candidates for systemic therapy, and extended the marketing authorization in August 2019 to include adolescents aged 12 to 17 years. On November 30, 2020, the EC extended the marketing authorization to children aged six to 11 years with severe AD and on June 28, 2021, the Dupixent label was updated with long-term data for up to three years, reinforcing the medicine's well-established safety profile in adults with moderate-to-severe AD. On January 27, 2023 the CHMP adopted a positive opinion for Dupixent, recommending expanded approval in the EU to treat severe AD in children aged six months to five years who are candidates for systemic therapy. In March 2023, Dupixent was approved by the EC as the first and only targeted medicine for children as young as six months old with severe AD.

On January 22, 2018, the Ministry of Health, Labor and Welfare (MHLW) in Japan granted marketing and manufacturing authorization for Dupixent for the treatment of AD in adults not adequately controlled with existing therapies. More recently, on September 25, 2023 Dupixent was approved in Japan to treat patients aged six months and older with moderate-to-severe AD.

On June 19, 2020, the National Medical Products Administration (NMPA) in China approved Dupixent for adults for the treatment of moderate-to-severe AD after identifying dupilumab as an overseas medicine regarded as urgently needed in clinical practice, leading to an expedited review and approval process. On December 28, 2020, the National Healthcare Security Administration (NHSA) officially announced the results of the 2020 National Reimbursement Drug List (NRDL) negotiations, with Dupixent 300 mg included in the updated NRDL effective March 1, 2021. Dupixent was approved in China in September 2021 for adolescents aged 12-17 years with moderate-to-severe AD. The indication for children aged six years and over, along with the adolescent and adult AD indications, was included in the current NRDL reimbursement scope, which was reviewed during the Dupixent NRDL renewal in 2022 in accordance with the two-year cycle for the China access process. In May 2023, Dupixent was approved in China to treat moderate to severe AD in infants and children aged six months and older.

In April 2023, new abstract data from a long-term efficacy open-label study presented at the Revolutionizing Atopic Dermatitis (RAD) 2023 Spring Conference in Washington, DC showed that Dupixent demonstrated robust and sustained efficacy with progressive improvement of AD signs and symptoms in patients with moderate-to-severe AD who completed up to five years of treatment: the longest duration of data for any biologic medicine in this disease. Additionally, the long-term safety data from a 52-week open-label extension study in children aged six months to five years reinforced the well-established safety profile of Dupixent observed across all other approved age groups. These data build on the existing evidence supporting the selective way

Dupixent inhibits IL4/IL-13 pathways, both key and central drivers of type 2 inflammation, thereby significantly improving itching and skin lesions and other important measures that impact a patient's quality of life. The inclusion of the results from the five-year OLE study for adults in the Dupixent label was approved in Europe in June 2023, and in the US by the FDA in October 2023.

In March 2023, positive results from the clinical study assessing Dupixent in adults and adolescents with uncontrolled moderate-to-severe atopic hand and foot dermatitis were presented in a late-breaking session, one of more than 20 Dupixent scientific presentations, at the American Academy of Dermatology (AAD) 2023 Annual Meeting. The study, evaluating a biologic for this difficult-to-treat population, met its primary and key secondary endpoints. In August 2023, the clinical section of the Dupixent label in Europe was updated to include the hand and foot dermatitis population. In January 2024, the Dupixent US label was updated with data further supporting use in AD with moderate-to-severe hand and foot involvement.

These Phase 3 data are from the first and only study evaluating a biologic specifically for this difficult-to-treat population and have also been added to the Dupixent label in the European Union, with regulatory submissions under way in additional countries.

Asthma

Dupixent was granted marketing authorization by the FDA in October 2018 as an add-on maintenance therapy in patients with moderate-to-severe asthma aged 12 years and older with an eosinophilic phenotype or with oral corticosteroid-dependent asthma. In May 2019, the EC approved Dupixent for use as an add-on maintenance treatment in severe asthma patients aged 12 years and older with type 2 inflammation whose symptoms are inadequately reduced by other treatments.

In September 2020, new long-term data from a Phase 3 open-label extension study showed sustained improvement in lung function and reduction in severe exacerbations in adults and adolescents with moderate-to-severe asthma. On May 17, 2021, detailed results from a Phase 3 study showed Dupixent significantly reduced severe asthma attacks, and within two weeks rapidly improved lung function in children aged six to 11 years with uncontrolled moderate-to-severe asthma with evidence of type 2 inflammation. Moreover, Dupixent significantly improved overall asthma symptom control and reduced an airway biomarker of type 2 inflammation, called fractional exhaled nitric oxide (FeNO), that plays a major role in asthma.

In October 2021, the FDA approved Dupixent as an add-on maintenance treatment for patients aged six to 11 years with moderate-to-severe asthma characterized by an eosinophilic phenotype or with oral corticosteroid-dependent asthma, thereby bringing a new treatment for children who may be suffering from life-threatening asthma attacks and poor lung function affecting their ability to breathe, which could potentially continue into adulthood. On April 7, 2022, the EC approved Dupixent for use in children aged six to 11 years as an add-on maintenance treatment for severe asthma with type 2 inflammation characterized by raised blood eosinophils and/or raised FeNO, whose symptoms are inadequately reduced with medium to high dose inhaled corticosteroids (ICS) plus another medicine for maintenance treatment.

In March 2019, Dupixent was approved in Japan for treating patients aged 12 years and over with severe or refractory asthma whose symptoms are inadequately controlled with existing therapies. In November 2023, Dupixent received approval in China for treatment of moderate to severe asthma patients aged 12 years and over with type 2 inflammation.

In February 2024, topline results from the VESTIGE Phase 4 clinical study were presented at the 2024 American Academy of Allergy, Asthma, and Immunology Annual Meeting. This study evaluated the effects of Dupixent on airway remodeling in adults with uncontrolled moderate-to-severe asthma characterized by an eosinophilic phenotype or those dependent on oral corticosteroids.

In 2024, Sanofi initiated a Phase 3 study for children aged 2 to 6 years suffering from asthma. This parallel, two-arm Phase 3 study aims to evaluate the efficacy and long-term safety of dupilumab treatment in children with uncontrolled asthma and/or recurrent severe asthmatic wheeze.

Chronic rhinosinusitis with nasal polyposis (CRSwNP)

CRSwNP is a chronic disease of the upper airway that obstructs the sinuses and nasal passages. It can lead to breathing difficulties, nasal congestion and discharge, reduced or loss of sense of smell and taste, and facial pressure.

In June 2019, the FDA approved Dupixent for use with other medicines to treat CRSwNP in adults whose disease is not controlled. In October 2019, the EC approved Dupixent for use as an add-on therapy with intranasal corticosteroids in adults with severe CRSwNP for whom therapy with systemic corticosteroids and/or surgery do not provide adequate disease control. In March 2020, the Japanese Pharmaceuticals and Medical Devices Agency approved Dupixent as add-on maintenance treatment for adults with inadequately controlled CRSwNP.

In September 2024, the FDA approved Dupixent (dupilumab) as an add-on maintenance treatment for adolescent patients aged 12 to 17 years with inadequately controlled CRSwNP), expanding the initial FDA approval in CRSwNP from June 2019 for patients aged 18 years and older. The FDA evaluated Dupixent for this expanded indication under Priority Review, which is reserved for medicines that represent potentially significant improvements in efficacy or safety in treating serious conditions.

Eosinophilic esophagitis (EoE)

EoE is a chronic and progressive inflammatory disease that damages the esophagus and prevents it from working properly; swallowing even small amounts of food can be a painful and worrisome choking experience. In severe cases, a feeding tube may be the only option to ensure proper calorific intake and adequate nutrition. As the disease progresses, patients may continue to experience symptoms despite multiple treatments.

PART I
ITEM 4. Information on the Company

On September 14, 2020, the FDA granted Breakthrough Therapy designation to Dupixent for the treatment of patients aged 12 years and older with EoE, and subsequently accepted the file for Priority Review on April 4, 2022. On May 20, 2022, the FDA approved Dupixent to treat patients with EoE aged 12 years and older. With this approval, Dupixent became the first and only medicine specifically indicated to treat EoE in the US.

On December 16, 2022, the EMA's Committee for Medicinal Products for Human Use (CHMP) adopted a positive opinion, recommending the approval of dupilumab in the EU to treat adults and adolescents with EoE. On January 30, 2023, the EC expanded the marketing authorization for Dupixent in the EU to include the treatment of EoE in adults and adolescents aged 12 years and older.

On July 14, 2022, a Dupixent Phase 3 study showed positive results in children aged one to 11 years with EoE, making this the fifth pediatric pivotal study across three type 2 inflammatory diseases to reinforce the well-established efficacy and safety profile of Dupixent. In January 2024, Dupixent was approved by the FDA for the treatment of adult and pediatric patients aged one year or older, weighting at least 15 kilograms, with EoE. The EoE pediatric indication was approved in the EU in November 2024

Prurigo nodularis (PN)

Prurigo nodularis is a chronic, debilitating skin disease with underlying type 2 inflammation and has one of the highest impacts on a patient's quality of life among inflammatory skin diseases due to the extreme itching it causes. People with PN experience intense, persistent itching, with thick skin lesions (called nodules) that can cover most of the body. The disease is often painful – with burning, stinging and tingling of the skin – and can negatively affect mental health, daily living activities and social interactions. High-potency topical steroids are commonly prescribed but are associated with safety risks if used long-term.

The FDA evaluated the Dupixent application for PN under Priority Review on May 31, 2022. On September 29, 2022, the FDA approved Dupixent for the treatment of adult patients with PN. With this approval, Dupixent became the first and only medicine specifically indicated to treat PN in the US. The FDA approval was based on data from two Phase 3 studies evaluating the efficacy and safety of Dupixent in adults with PN. Efficacy in these studies assessed the proportion of subjects with clinically meaningful reduction in itching, clearing of skin, or both. On December 15, 2022, the EC expanded the marketing authorization for Dupixent in the EU to treat adults with moderate-to-severe PN who are candidates for systemic therapy, after the previous positive recommendation on November 11, 2022.

The Dupixent PN indication was approved in Japan on June 26, 2023, and in China on September 22, 2023.

Chronic spontaneous urticaria (CSU)

CSU is a chronic inflammatory skin disease characterized by the sudden onset of hives on the skin and/or swelling deep under the skin. Despite standard-of-care treatment, people with CSU often experience symptoms including a persistent itching or burning sensation, which can be debilitating and significantly impact quality of life. Swelling often occurs on the face, hands and feet, but can also affect the throat and upper airways. On July 29, 2021 a pivotal Phase 3 study evaluating Dupixent in patients with moderate-to-severe CSU met its primary endpoints and all key secondary endpoints at 24 weeks. Adding Dupixent to standard-of-care antihistamines significantly reduced itching and hives for biologic-naive patients, compared to those treated with antihistamines alone (placebo) in Study A (the first of three studies) of the LIBERTY CUPID clinical program.

Study B of the clinical study evaluated Dupixent in adults and adolescents who remain symptomatic despite standard-of-care treatment and are intolerant or incomplete responders to an anti-IgE therapeutic (omalizumab). Although positive numerical trends in reducing itching and hives were observed, the study was stopped due to futility based on a pre-specified interim analysis. Further analysis demonstrated that Dupixent met the EU primary endpoint (UAS7 at week 24). The safety data were generally consistent with the known safety profile of Dupixent in its approved indications. In December 2022, Dupixent was submitted to the FDA for the CSU indication. In October 2023, the FDA issued a Complete Response Letter (CRL) stating that additional efficacy data were required to support approval; it did not identify any issues with safety or manufacturing. Accordingly, a third clinical study (Study C) was initiated to provide additional efficacy data.

In September 2024, the Dupixent confirmatory Phase 3 study (LIBERTY-CUPID Study C) met the primary and key secondary endpoints for the investigational treatment of patients with uncontrolled, biologic-naive CSU receiving background therapy with antihistamines. This positive study confirmed results from Study A, the first Phase 3 study of Dupixent in this setting. Earlier in 2024, Japan was the first country in the world to approve and launch Dupixent for adult and adolescent CSU patients based on the results from Study A (February 2024), followed by approvals in the United Arab Emirates (UAE) (September 2024) and Brazil (November 2024).

Chronic obstructive pulmonary disease (COPD)

COPD is a progressive respiratory disorder that damages the lungs and reduces lung function, making it the fourth leading cause of death worldwide. Key symptoms include persistent coughing, excessive mucus production, and shortness of breath, which can significantly affect daily activities and contribute to sleep disturbances, anxiety, and depression. COPD also imposes a major health and economic burden due to frequent acute exacerbations, often requiring treatment with systemic corticosteroids and/or antibiotics. While smoking and exposure to harmful particles are primary risk factors, the disease may still progress in those who have quit smoking.

Around 50% of COPD patients continue to experience exacerbations despite receiving triple inhaled therapy. In the US, approximately 300,000 individuals have inadequately controlled COPD with an eosinophilic phenotype, a subgroup prone to a 30% increase in exacerbations and a higher risk of COPD-related hospital readmissions within a year.

On July 3, 2024, following a positive review by the EMA, the EC approved Dupixent as an add-on maintenance treatment for adults with uncontrolled COPD characterized by elevated blood eosinophils. This approval covers patients already on a combination of an inhaled corticosteroid (ICS), a long-acting beta2-agonist (LABA), and a long-acting muscarinic antagonist (LAMA), or those on a LABA/LAMA combination if ICS is unsuitable. The EC was the first regulatory agency worldwide to grant approval for Dupixent in COPD patients.

On September 10, 2024, a pooled analysis from the BOREAS and NOTUS Phase 3 studies showed that Dupixent reduced exacerbations and improved lung function compared to placebo in adults with uncontrolled COPD and evidence of type 2 inflammation (i.e. raised blood eosinophils). The results were presented for the first time, in collaboration with Regeneron, at the 2024 European Respiratory Society (ERS) International Congress.

On September 27, 2024, the National Medical Products Administration (NMPA) in China also approved Dupixent as an add-on treatment for adults with uncontrolled COPD and raised blood eosinophils. This approval similarly covers patients on combinations of ICS, LABA, and LAMA, or LABA and LAMA if ICS is not appropriate. Dupixent has now been approved for the treatment of COPD in over 30 countries, including the 27 EU member states.

On September 27, 2024, the FDA approved Dupixent as the first biologic treatment for COPD in the United States. This approval, which applies to adults with inadequately controlled COPD and an eosinophilic phenotype, was based on two pivotal Phase 3 studies showing significant reductions in exacerbations and improvements in lung function and quality of life compared to placebo. Dupixent has become the leading biologic in new-to-brand prescriptions across all its FDA-approved indications and is the most prescribed biologic by US pulmonologists.

Life cycle management

Dupixent is currently being evaluated in clinical development programs for diseases that are driven by type 2 inflammation. These include bullous pemphigoid (BP), chronic pruritis of unknown origin (CPUO), eosinophilic gastroenteritis (EoG), ulcerative colitis (UC) and Lichen Simplex Chronicus (LSC) See "— B.4. Global research & development".

In September 2024, Dupixent became the first and only biologic to achieve significant improvements in disease remission and symptoms in bullous pemphigoid, based on positive results from a pivotal study.

Dupixent is developed and commercialized in collaboration with Regeneron. For additional information on the collaboration, see "Item 5. Operating and Financial Review and Prospects — A.1.7. Financial Presentation of Alliances — Alliance Arrangements with Regeneron Pharmaceuticals Inc. (Regeneron)."

Kevzara

Kevzara (sarilumab) is a human monoclonal antibody that binds to the interleukin-6 receptor (IL-6R) and has been shown to inhibit IL-6R mediated signaling. IL-6 is a cytokine in the body that, in excess and over time, can contribute to the inflammation associated with rheumatoid arthritis (RA). Kevzara is available in 20 countries, including the US.

Kevzara is developed and commercialized in collaboration with Regeneron. For additional information, see "Item 5. Operating and Financial Review and Prospects — A.1.7. Financial Presentation of Alliances — Alliance Arrangements with Regeneron Pharmaceuticals Inc. (Regeneron)."

Rheumatoid arthritis (RA)

RA is a chronic inflammatory autoimmune disease causing inflammation, pain, and eventually joint damage and disability.

In May 2017, the FDA approved Kevzara for the treatment of adult patients with moderately to severely active RA who have had an inadequate response or intolerance to one or more disease modifying anti-rheumatic drugs (DMARDs), such as methotrexate. In June 2017, the EC granted marketing authorization for Kevzara in combination with methotrexate for the treatment of moderately to severely active RA in adult patients who have responded inadequately to – or who are intolerant to – one or more DMARDs, such as methotrexate. In September 2017, Kevzara obtained manufacturing and marketing approval in Japan as a treatment for RA not responding well to conventional treatments. In February 2023, the FDA approved Kevzara for the treatment of adult patients with polymyalgia rheumatica (PMR) who have had an inadequate response to corticosteroids or who cannot tolerate a corticosteroid taper. In June 2024, the FDA approved Kevzara for the treatment of polyarticular Juvenile Idiopathic Arthritis. Lastly, in November 2024, the EC granted marketing authorization for Kevzara for the treatment of PMR in adult patients who have had an inadequate response to corticosteriods, or who experience a relapse on a corticosteroid taper.

Polymyalgia rheumatica (PMR)

PMR is a rheumatic inflammatory disorder characterized by pain and stiffness around the neck, shoulder and hip areas that leads to significant decline in quality of life.

Rare diseases

Cerezyme

Cerezyme (imiglucerase) is an ERT used to treat Gaucher disease, a chronic, inherited, progressive and potentially life-threatening lysossomal storage disorders (LSD). Gaucher disease is caused by a deficiency of the enzyme glucocerebrosidase; this causes a fatty substance called glucosylceramide (also called GL-1) to build up in certain areas of the body including the spleen, liver, and bone. Gaucher disease exhibits diverse manifestations, a broad range of onset of symptoms, and a wide clinical spectrum of disease severity. It is estimated that Gaucher disease occurs in approximately one in 120,000 newborns in the general population and one in 850 in the Ashkenazi Jewish population worldwide, but incidence and patient severity vary among regions. Cerezyme has been marketed in the US since 1994, in the EU since 1997, in Japan since 1998 and in China since 2008, and is approved to treat type 1 Gaucher disease in more than 85 countries. It has also been approved to treat the systemic symptoms of type 3 Gaucher disease in most non-US markets, including the EU and Japan.

Cerdelga

Cerdelga (eliglustat) is the first and only first-line oral therapy for Gaucher disease type 1 adult patients. A potent, highly specific ceramide analog inhibitor of GL-1 synthesis with broad tissue distribution, Cerdelga has demonstrated efficacy in the treatment of naive Gaucher disease patients and in patients who switch from enzyme replacement therapy. Cerdelga has been approved to treat type 1 Gaucher disease in the US (2014), and in the EU and Japan (2015). It is also in development for the treatment of type 1 Gaucher disease in pediatric patients. See "— B.4. Global Research & Development."

Myozyme and Lumizyme

Myozyme (alglucosidase alfa) is an ERT used to treat both Infantile Onset and Late Onset Pompe disease (IOPD and LOPD). Pompe disease is an inherited, progressive and often fatal neuromuscular disease, caused by a genetic deficiency or dysfunction of the lysosomal enzyme acid alpha-glucosidase (GAA) that results in the build-up of glycogen in the muscles' cells. For IOPD, symptoms begin within a few months of birth and there are impacts on the heart in addition to causing skeletal muscle weakness. Other symptoms include difficulties breathing, frequent chest infections, problems feeding that result in failure to gain weight as expected, and failure to meet certain developmental milestones. Patients with LOPD typically present symptoms any time after the first year of life to late adulthood and rarely manifest cardiac problems. The hallmark symptom of LOPD is skeletal muscle weakness, which often leads to walking disability and reduced respiratory function. Patients often require wheelchairs to assist with mobility and may require mechanical ventilation to help with breathing. Pompe disease occurs in approximately one in 40,000 newborns worldwide, but incidence and patient severity vary among regions.

Myozyme was first approved in 2006 in the EU and has since been approved in more than 80 countries. In the US, alglucosidase alfa has been marketed as Lumizyme since 2010.

Nexviazyme/Nexviadyme

Nexviazyme / Nexviadyme (avalglucosidase alfa-ngpt) is a novel mannose-6-phosphate (M6P) enriched enzyme replacement therapy (ERT) treatment designed as a monotherapy for the entire spectrum of infantile-onset and late-onset Pompe disease (IOPD, LOPD), including patients who have changed treatments and naive patients, who have not received treatment previously. Nexviazyme/Nexviadyme is scientifically designed to specifically target the M6P receptor, the key pathway for ERT, to effectively clear glycogen build-up in muscle cells. It helps replace the GAA enzyme for people whose bodies do not produce enough. Investment in the clinical development of Nexviazyme is continuing, with an ongoing Phase 3 study in treatment-naive IOPD patients aged less than 12 months. Nexviazyme/Nexviadyme is administered as a monotherapy ERT every two weeks.

Nexviazyme was first approved in the US by the FDA on August 6, 2021 for LOPD patients aged one year and older. On June 24, 2022, the EC granted marketing authorization for Nexviadyme as a potential new standard of care for the long-term treatment of both LOPD and IOPD. Nexviazyme/Nexviadyme has been approved in more than 59 countries and successfully launched in 32 countries including the US, Germany, the UK, other European markets, Japan and Australia. In all launched markets, the vast majority of eligible patients are currently being treated with Nexviazyme/Nexviadyme.

Fabrazyme

Fabrazyme (agalsidase beta) is an ERT used to treat Fabry disease (FD). FD is a multisystemic, progressive, X-linked inherited disorder of glycosphingolipid metabolism due to deficient or absent lysosomal α-galactosidase A activity resulting in progressive globotriaosylceramide (GL-3) accumulation in the lysosomes of various tissues. FD affects both genders. With age, progressive organ damage develops, leading to potentially life-threatening renal, cardiac and/or cerebrovascular complications. FD is characterized by different symptom severities and rates of progression, ranging from classic disease with early symptom onset to non-classic disease with cardiac and/or renal complications later in life. FD is seen in all racial and ethnic groups and is an under-diagnosed condition. Prevalence estimates vary across regions. Classic FD mutations are estimated to be approximately 1:40,000 in males with more wide-ranging estimates for non-classic in both males and females. Fabrazyme has been marketed in the EU since 2001 and in the US since 2003 and is approved in more than 70 countries.

Aldurazyme

Aldurazyme (laronidase) is the only approved ERT for mucopolysaccharidosis type 1 (MPS I), an inherited lysosomal storage disorder caused by a deficiency of alpha-L-iduronidase, a lysosomal enzyme normally required for the breakdown of certain complex carbohydrates known as glycosaminoglycans (GAGs). MPS I is multi-systemic, and children with MPS I are described as having either a severe or attenuated form of the disorder based on age of onset, severity of symptoms, rate of disease

progression and whether there is early and direct involvement of the brain. MPS I occurs in approximately one per 100,000 live births worldwide, but incidence and patient severity vary among regions. Sanofi markets Aldurazyme in the EU and the US (since 2003) and in more than 75 other countries.

Xenpozyme

Xenpozyme (olipudase alfa) is an ERT designed to replace deficient or defective acid sphingomyelinase (ASMD), an enzyme that allows for the breakdown of the lipid sphingomyelin. In individuals with ASMD, an insufficiency of the ASM enzyme means sphingomyelin is poorly metabolized, potentially leading to lifelong accumulation in and damage to multiple organs.

The significance of the unmet need that Xenpozyme addresses has been recognized by Japan's PMDA with Sakigake designation, by the EU with PRIME designation, and by the FDA with Breakthrough designation.

Xenpozyme was approved first in Japan on March 28, 2022, followed by Europe on June 24, 2022 and the US on August 31, 2022.

Xenpozyme is the first and only ERT for the treatment of non-central nervous system manifestations of ASMD, with demonstrated improvements in hepatosplenomegaly, pulmonary, liver and hematologic function, dyslipidemia, and growth (children only) in clinical studies of adults and children with ASMD. Xenpozyme is given as an intravenous infusion once every two weeks, and the dose is based on body weight.

Xenpozyme has to date been commercialized in 25 countries, however only 15 of those have full reimbursement by payers. By 2030, it is anticipated that Xenpozyme will have been launched in many additional markets worldwide.

ALTUVIIIO

ALTUVIIIO (Antihemophilic Factor (Recombinant), Fc-VWF-XTEN Fusion Protein) is a first-in-class high-sustained factor VIII therapy that is designed to extend protection from bleeds with once-weekly prophylactic dosing for adults and children with hemophilia A. Hemophilia A is a rare, x-linked genetic bleeding disorder characterized by a deficiency of functional coagulation factor VIII, resulting in a prolonged patient plasma-clotting time. As a consequence, people with hemophilia A bleed for a longer time than normal.

ALTUVIIIO temporarily replaces the missing coagulation factor VIII by intravenous injection. In adults and adolescents, it is the first factor VIII therapy that has been shown to break through the von Willebrand factor ceiling, which imposes a half-life limitation on earlier generation factor VIII therapies. ALTUVIIIO builds on innovative Fc fusion technology by adding a region of von Willebrand factor and XTEN polypeptides to extend its time in circulation.

ALTUVIIIO was first approved in February 2023 by the FDA, which had previously granted Breakthrough Therapy designation in May 2022 (the first factor VIII therapy to receive this designation); fast-track designation in February 2021; and Orphan Drug designation in 2017. ALTUVIIIO has since been approved the by regulatory authorities in Japan, Taiwan, Macau and Hong Kong, and has been commercialized in Japan and Taiwan.The European Commission (EC) granted Orphan Drug designation in June 2019, and a marketing authorization application was filed with the European Medicines Agency (EMA) in May 2023. ALTUVOCT (the brand name of ALTUVIIIO in Europe) received EC marketing authorization in June 2024.

ALTUVIIIO is developed and commercialized in collaboration with Swedish Orphan Biovitrum AB (Sobi), whose territories include Europe, Russia, the Middle East, and some countries in North Africa.

Eloctate

Eloctate (antihemophilic factor (recombinant), Fc fusion protein) is an extended half-life factor VIII therapy clotting-factor therapy to control and prevent bleeding episodes in adults and children with hemophilia A. In the US, it is indicated for use in adults and children with hemophilia A for on-demand treatment and control of bleeding episodes, perioperative management of bleeding, and routine prophylaxis to reduce the frequency of bleeding episodes.

Hemophilia A is a rare, x-linked genetic bleeding disorder characterized by a deficiency of functional coagulation Factor VIII, resulting in a prolonged patient plasma-clotting time. As a consequence, people with hemophilia A bleed for a longer time than normal. Eloctate temporarily replaces the missing coagulation Factor VIII by intravenous injection.

We market Eloctate primarily in the US (since 2014), Japan, Canada, Australia, South Korea, Taiwan and Hong Kong / Macau.

Eloctate is developed and commercialized in collaboration with Swedish Orphan Biovitrum AB (Sobi), whose territories include Europe, Russia, the Middle East, and some countries in North Africa.

Alprolix

Alprolix (coagulation Factor IX (recombinant), Fc fusion protein) is an extended half-life factor IX clotting-factor therapy to control and prevent bleeding episodes in adults and children with hemophilia B. In the US, it is indicated for use in adults and children with hemophilia B for on-demand treatment and control of bleeding episodes, perioperative management of bleeding, and routine prophylaxis to reduce the frequency of bleeding episodes.

Hemophilia B is a rare, x-linked genetic bleeding disorder characterized by a deficiency of functional coagulation Factor IX, resulting in a prolonged patient plasma-clotting time. As a consequence, people with hemophilia B bleed for a longer time than normal. Alprolix temporarily replaces the missing coagulation Factor IX by intravenous injection.

We market Alprolix primarily in the US (since 2014), Japan, Canada, Australia, New Zealand, South Korea, Taiwan and Hong Kong / Macau.

Alprolix is developed and commercialized in collaboration with Swedish Orphan Biovitrum AB (Sobi), whose territories include Europe, Russia, the Middle East, and some countries in North Africa.

PART I
ITEM 4. Information on the Company

Cablivi

Cablivi (caplacizumab) is a bivalent anti-von Willebrand Factor (vWF) NANOBODY® VHH for the treatment of adults experiencing an episode of acquired thrombotic thrombocytopenic purpura (aTTP). Cablivi is the first therapeutic specifically indicated for the treatment of aTTP.

Acquired thrombotic thrombocytopenic purpura is an ultra-rare (3.5-4.5 episodes per million of population), life-threatening, autoimmune-based blood clotting disorder characterized by extensive clot formation in small blood vessels throughout the body, leading to severe thrombocytopenia (very low platelet count); microangiopathic hemolytic anemia (loss of red blood cells through destruction); ischemia (restricted blood supply to parts of the body); and widespread organ damage, especially in the brain and heart. Cablivi has an immediate effect on platelet adhesion and the ensuing formation and accumulation of the micro-clots.

Cablivi was granted marketing authorization in Europe by the EC in September 2018; in the US by the FDA in February 2019; and in Japan by the Japanese Pharmaceutical and Medical Devices Agency (PMDA) in September 2022. Cablivi is currently available in 26 countries including the US, the majority of European countries (17), Brazil, Colombia, Japan and five Greater Gulf region states. Additional commercial launches are ongoing.

Cablivi was developed by Ablynx, a Sanofi company since mid-2018.

Enjaymo

Enjaymo (sutimlimab; formerly known as BIVV009) is a monoclonal antibody targeting the classical complement pathway (CP) specific serine protease (C1s), thereby inhibiting CP activity which is associated with a variety of immune disorders involving the presence of autoantibodies. Enjaymo is the first-and-only approved therapeutic option approved for hemolytic anemia in adult patients with cold agglutinin disease (CAD).

CAD is a rare, serious, and chronic autoimmune hemolytic anemia, where the body's immune system mistakenly attacks healthy red blood cells and causes their rupture, known as hemolysis. The disease impacts the lives of an estimated 12,000 people in the US, Europe, and Japan and is associated with profound fatigue and increased risk of thromboembolic events and mortality.

Enjaymo has previously received Breakthrough Therapy Designation and Orphan Drug Designations from the FDA, and orphan medicine designation from the EMA. After priority review, the medicine was approved in February 2022, in the US as the first treatment in adult patients with CAD. Enjaymo was approved by the Japanese Ministry of Health, Labor and Welfare in June 2022 and granted marketing authorization by the EC in November 2022. Swissmedic, the Korean MFDS and the Israeli Ministry of Health granted marketing approval for Enjaymo in June 2023, July 2023 and October 2023, respectively.

Enjaymo is currently available in the US, Japan, Germany, Austria and the Netherlands. Additional commercial launches are ongoing.

On November 29, 2024, Sanofi sold Enjaymo (sutimlimab) to Recordati, which acquired the global rights to the product and will be responsible for all activities after acquiring marketing authorization holder (MAH) status across all markets.

Neurology

Aubagio

Aubagio (teriflunomide) is used to help manage multiple sclerosis (MS). This small molecule agent, taken once daily, works by reducing inflammation and modulating the immune system to prevent the immune attacks that cause MS symptoms.

Aubagio is approved in more than 80 countries around the world including the US (since September 2012) for the treatment of patients with relapsing forms of MS; the EU (since August 2013) for the treatment of adult patients with relapsing remitting MS; and China (since July 2018). In June 2021, the EC approved Aubagio for the treatment of pediatric patients aged 10 to 17 years with relapsing-remitting multiple sclerosis (RRMS).

In 2017, Sanofi reached settlement with all 20 generic Aubagio ANDA first filers, granting each a royalty-free license to enter the US market on March 12, 2023. In the EU, the first generic competitors to Aubagio became available in September 2023.

Oncology

Sarclisa

Sarclisa (isatuximab) is a monoclonal antibody that binds a specific epitope on the human CD38 receptor and has antitumor activity via multiple mechanisms of action. It was first approved in the US in March 2020 in combination with pomalidomide and dexamethasone for the treatment of adults with relapsed refractory multiple myeloma (RRMM) who have received at least two prior therapies including lenalidomide and a proteasome inhibitor, and in Europe by the EC in May 2020 in combination with pomalidomide and dexamethasone for the treatment of adult patients with RRMM who have received at least two prior therapies including lenalidomide and a proteasome inhibitor and have demonstrated disease progression on the last therapy. Sarclisa is now approved for this indication in more than 50 countries. In early 2025 Sarclisa, in combination with pomalidomide and dexamethasone, was approved by the NMPA (National Medical Products Administration) in China for the treatment of adult patients with multiple myeloma (MM) who have received at least one prior line including lenalidomide and proteasome inhibitor. This is the first indication of Sarclisa to be approved in China.

Sarclisa was approved in the US in March 2021 for a label extension in combination with carfilzomib and dexamethasone for the treatment of adults with RRMM who have received one to three prior lines of therapy, and in Europe in April 2021 by the EC for the treatment of adult patients with MM who have received at least one prior therapy. The Japanese Ministry of Health, Labor

and Welfare (MHLW) granted approval for Sarclisa in November 2021 in combination with carfilzomib and dexamethasone, in combination with dexamethasone, and as monotherapy for RRMM patients.

Sarclisa was approved in the US in September 2024, in Europe in January 2025, and (as the second indication) in China in January 2025 in combination with bortezomib, lenalinomide and dexamethasone for the treatment of adults with newly diagnosed MM who are not eligible for autologous stem cell transplant (ASCT).

ANVISA, the Brazilian healthcare authority, also approved Sarclisa in the same combination for the treatment of adult patients with newly diagnosed MM who are not eligible for ASCT or with no intent for ASCT as initial therapy. This additional label has also been submitted to other regulatory authorities, and is currently being reviewed. In addition, the Phase 3 IRAKLIA study investigating the development of a new subcutaneous formulation with an on-body device system, which was initiated in the second half of 2022 in over 20 countries, reported positive read-outs having reached its co-primary end points.

Sarclisa is also being investigated with several innovative agents in MM in an umbrella Phase 1/2 study.

Jevtana

Jevtana (cabazitaxel), a chemotherapy drug and cytotoxic agent, is a semi-synthetic second-generation taxane that prevents many cancer cells from dividing, which ultimately results in destroying many such cells. It is approved in combination with prednisone for the treatment of patients with metastatic castration resistant prostate cancer previously treated with a docetaxel-containing treatment regimen. Jevtana was granted marketing authorization by the FDA in June 2010, by the EC in March 2011, and in Japan in July 2014. The medicine is marketed in over 75 countries. In Europe, generic competition started for Jevtana from the end of March 2021. In the US, the Jevtana composition of matter patent expired in September 2021. Sanofi has filed patent infringement suits under the US Hatch-Waxman Act against generic manufacturers for cabazitaxel in the US District Court for the District of Delaware asserting three Orange Book listed US patents for Jevtana. Sanofi entered into settlement agreements with most of the defendants and went to trial against the remaining defendant, Sandoz, on one of the patents in January 2023; see Note D.22.b. to the consolidated financial statements, included at Item 18. of this annual report. The district court issued a final judgment in favor of Sanofi in connection with the Jevtana patent litigation against Sandoz in June 2023, and on August 2, 2023, Sandoz appealed to the Court of Appeals for the Federal Circuit. On October 5, 2023, Sanofi and Sandoz filed a joint stipulation voluntarily dismissing Sandoz's Appeal, bringing this matter to conclusion.

Fasturtec/Elitek

Fasturtec/Elitek is used for the management of plasma uric levels in patients with leukemia, lymphoma, and solid tumor malignancies receiving anticancer therapies.

Other medicines

Lantus

Lantus (insulin glargine 100 units/mL) is a long-acting analog of human insulin, indicated for once-daily administration for the treatment of diabetes mellitus in adults, adolescents and children aged two years and above. Lantus relies on more than 20 years of clinical evidence in diabetes treatment and a well-established safety profile. Approved in the US and the EU in 2000 and in Japan in 2008, Lantus is available in over 130 countries worldwide. Two insulin glargine biosimilars are available in the US, two in European markets, and two in Japan.

Toujeo

Toujeo (insulin glargine 300 units/mL) is a long-acting analog of human insulin, indicated for the treatment of diabetes mellitus in adults. Toujeo has been granted marketing authorization by the FDA (February 2015), the EC (April 2015), and the Ministry of Health, Labor and Welfare (J-MHLW) in Japan, where its approved brand name is Lantus XR (July 2015). Toujeo has now been launched in more than 60 countries, including China since the end of 2020. In January 2020, the EC approved an expansion of the indication to include the treatment of diabetes in adolescents and children (aged six years and above).

Toujeo is available in Toujeo Solostar, a disposable prefilled pen which contains 450 units of insulin glargine and requires one-third of the injection volume to deliver the same number of insulin units as Lantus Solostar. In the US (since 2018) and the EU (since 2019), Toujeo is also available in a disposable prefilled pen which contains 900 units of insulin glargine. In India, Toujeo is also available in a dedicated 450-unit cartridge in combination with a dedicated reusable pen (TouStar).

Lovenox/Clexane

Lovenox or Clexane (enoxaparin sodium) is a low molecular weight heparin (LMWH) indicated for the prophylaxis and treatment of venous thromboembolism and in the treatment of acute coronary syndrome. In the US, enoxaparin generics are available, while biosimilar enoxaparin medicines have gradually become available across various European countries and in a growing number of international markets, including China. Lovenox or Clexane is marketed in more than 100 countries.

Plavix/Iscover

Plavix or Iscover (clopidogrel bisulfate) is a platelet adenosine diphosphate (ADP) receptor antagonist. It is indicated for the prevention of atherothrombotic events in patients with a history of recent myocardial infarction (MI), recent ischemic stroke or established peripheral arterial disease (PAD), and for patients with acute coronary syndrome (ACS). Plavix is also indicated in combination with acetylsalicylic acid (ASA) for the prevention of atherothrombotic and thromboembolic events in atrial fibrillation, including stroke.

CoPlavix/DuoPlavin, a fixed-dose combination of clopidogrel bisulfate and ASA, is indicated for the prevention of atherothrombotic events in adult patients with acute coronary syndrome who are already taking both clopidogrel and ASA.

Several clopidogrel bisulfate generics have been launched in most markets. Plavix or Iscover are available in more than 110 countries.

Sanofi is involved in two Plavix medicine lawsuits. See Note D.22.c) to our consolidated financial statements, included at Item 18. of this annual report.

Rezurock

Rezurock (belumosudil) is a first-in-class selective ROCK2 (rho-associated coiled-coil–containing protein kinase-2) inhibitor. It was approved in July 2021 by the FDA for the treatment of adult and pediatric patients aged 12 years and older with chronic graft-versus-host disease (chronic GVHD) after failure of at least two prior lines of systemic therapy. In addition to robust adoption in the United States, Rezurock has been launched in 10 countries including Canada, the United Kingdom, China, Japan and South Korea (marketed in Japan and South Korea by partner Romeck Pharma). Early access or managed access programs are available in 28 countries, including European Union countries and Turkey. On November 28, 2024, Sanofi achieved the inclusion of Rezurock on the new National Reimbursement Drug List in China, via a thorough process recognizing the clinical and pharma-economic value of the medicine. The new list became effective on January 1, 2025. Rezurock's favorable market adoption, longer durability of response, and recent three-year safety publication, especially in US patients, are a reflection of its clinical profile. Sanofi is currently developing an oral suspension to support pediatric studies. Two belumosudil Phase 3 clinical studies are currently enrolling patients for the treatment of (i) newly diagnosed cGVHD patients and (ii) chronic lung allograft dysfunction (CLAD) post bilateral lung transplant. Currently, there are no approved targeted therapies for either newly diagnosed cGVHD or CLAD.

Praluent

Praluent (alirocumab) is a human monoclonal antibody (mAb) for self-administered injection every two weeks or once-monthly. It blocks the interaction of proprotein convertase subtilisin/kexin type 9 (PCSK9) with low-density lipoprotein (LDL) receptors, increasing the recycling of LDL receptors and reducing LDL cholesterol levels. Praluent is indicated as an adjunct to diet and maximally tolerated statin therapy in certain adult patients and in pediatric patients eight years of age and older with heterozygous familial hypercholesterolaemia (HeFH) with uncontrolled LDL cholesterol. Praluent has been approved in more than 60 countries worldwide, including the US (in 2015), Canada and Switzerland, as well as in the European Union (in 2015). In 2018, the FDA approved a Praluent label update for patients currently requiring LDL apheresis therapy. In March 2019 in the EU and in April 2019 in the US, Praluent was approved for use in patients with established cardiovascular disease to reduce the risk of cardiovascular events. In November 2023, following positive review by EMA, the EC approved a Praluent label update for pediatric HeFh patients aged eight years and older. In December 2019, Praluent was approved in China, where it started to be commercialized in May 2020. Since April 2020, Regeneron has been responsible for commercialization of Praluent in the US, and Sanofi has been responsible for all other markets outside the US. For additional information on the commercialization of this medicine, see "Item 5. Operating and Financial Review and Prospects — A.1.7. Financial Presentation of Alliances — Alliance Arrangements with Regeneron Pharmaceuticals Inc. (Regeneron)."

Thymoglobulin

Thymoglobulin (anti-thymocyte globulin) is a polyclonal anti-human thymocyte antibody preparation that acts as a broad immunosuppressive and immunomodulating agent. In the US, Thymoglobulin is indicated for the prophylaxis and/or treatment of acute rejection in patients receiving a kidney transplant, used in conjunction with concomitant immunosuppression. Outside the US, depending on the country, Thymoglobulin is indicated for the treatment and/or prevention of acute rejection in organ transplantation; immunosuppressive therapy in aplastic anemia; and the treatment and/or prevention of Graft-versus-Host Disease (GvHD) after allogeneic hematopoietic stem cell transplantation. Thymoglobulin is currently marketed in over 65 countries.

Aprovel/Avapro/Karvea

Aprovel, also known as Avapro or Karvea (irbesartan), is an angiotensin II receptor antagonist indicated in the treatment of hypertension and for the treatment of renal disease in patients with hypertension and type 2 diabetes. Sanofi also markets CoAprovel/Avalide/Karvezide, a combination of irbesartan and the diuretic hydrochlorothiazide. A combination with amlodipine (Aprovasc, Aprexevo, Aproxxamlo) has been launched in several countries.

A number of irbesartan generics have been launched in most markets. Aprovel and CoAprovel are marketed in more than 80 countries. In Japan, the medicine is licensed to Shionogi Co. Ltd and BMS KK. BMS KK has sublicensed the agreement to Dainippon Pharma Co. Ltd.

Multaq

Multaq (dronedarone) is an oral multichannel blocker with anti-arrhythmic properties for prevention of atrial fibrillation recurrences in certain patients with a history of paroxysmal or persistent atrial fibrillation. Multaq was approved in the US and in the EU in 2009. Multaq is available in approximately 35 countries.

Soliqua - Suliqua

Soliqua 100/33 or Suliqua is a once-daily fixed-ratio combination of insulin glargine 100 Units/mL, a long-acting analog of human insulin, and lixisenatide, a GLP-1 receptor agonist. The FDA approved Soliqua 100/33 in November 2016 for the treatment of adults with type 2 diabetes inadequately controlled on basal insulin (less than 60 units daily) or lixisenatide; and in February 2019 for patients uncontrolled on oral antidiabetic medicines. In January 2017, Suliqua (the medicine's brand name in Europe) was approved for use in combination with metformin with or without SGLT-2 inhibitors for the treatment of adults with type 2

diabetes to improve glycemic control, when this had not been provided either by metformin alone or by metformin combined with another oral glucose-lowering medicine or with basal insulin. In Japan, Soliqua was approved in May 2020 for type 2 diabetes mellitus, where treatment with insulin is required. In China, Soliqua was approved in January 2023 for the treatment of adults with insufficiently controlled type 2 diabetes mellitus to improve glycemic control as an adjunct to diet and exercise in addition to other oral antidiabetic drugs. Soliqua received National Reimbursement Drug List (NRDL) status in China in December 2023. Suliqua is available in over 40 countries. Soliqua is approved in over 80 countries.

Mozobil

Mozobil (plerixafor injection) is a hematopoietic stem cell mobilizer. It is indicated in combination with granulocyte-colony stimulating factor (G-CSF) to mobilize hematopoietic stem cells to the peripheral blood for collection and subsequent autologous transplantation in patients with non-Hodgkin's lymphoma (NHL) and MM. Mozobil is marketed in over 65 countries. Generic Mozobil has been available in the US since the end of 2023, and in Europe since 2024.

Tzield

Tzield (Teplizumab) is a CD3-directed antibody (CD3 is a cell surface antigen present on T lymphocytes). It was approved by the FDA in November 2022 to delay the onset of Stage 3 type 1 diabetes (T1D) in adults and pediatric patients aged eight years and older with Stage 2 type 1 diabetes. The medicine is currently marketed in the United States, and approved in Israel and the United Arab Emirates in this indication, with plans for pursuing regulatory approval in other regions such as the EU, China and Japan. The medicine is currently in development for further indications for the treatment of patients already in Stage 3 (clinical onset) type 1 diabetes, as well as for pediatric patients ages 0-7 at Stages 2 and 3 type 1 diabetes. Early access programs and Managed Access Programs are available in France, Germany, Israel, Spain, the UK and China.

Vaccines

The Vaccines division of Sanofi is a world leader in the vaccine industry and a key supplier of life-saving vaccines all over the world and for publicly funded international stakeholders such as UNICEF, the Pan American Health Organization (PAHO) and the Global Alliance for Vaccines and Immunization (GAVI).

The Vaccines portfolio includes the following products:

Influenza vaccines

Sanofi is a world leader in the production and marketing of influenza vaccines, offering several distinct influenza vaccines that are sold globally.

As influenza strains vary from one season to the next, the World Health Organization (WHO) selects the strains to be included in influenza vaccines for each season. In 2024, the WHO decided to move from quadrivalent influenza vaccines including two A strains and two B strains back to trivalent influenza vaccines including two A strains and one B strain, as it was considered that the B Yamagata strains were not responsible for a significant burden in past seasons. All manufacturers will therefore progressively move back from quadrivalent to trivalent influenza vaccines in the coming seasons. In 2024, Sanofi commercialized trivalent influenza vaccines in the US, and quadrivalent influenza vaccines in all other countries. The switch to trivalent will happen in all other countries in the upcoming seasons.

Fluzone Quadrivalent is a quadrivalent inactivated influenza vaccine, produced in the US, containing two type A antigens and two type B antigens in order to provide increased protection against more circulating strains of influenza viruses. Fluzone Quadrivalent/FluQuadri is available in seven countries (including the US) for children aged over six months, adolescents and adults. Fluzone 0.5 ml QIV is the currently-licensed standard dose (15 µg/strain) quadrivalent influenza vaccine for ages six months and older. Fluzone trivalent is the same vaccine but includes two A strains and only one B strain.

Fluzone High-Dose Quadrivalent, designed specifically to provide greater protection against influenza for people aged 65 years and older, was approved by the FDA in November 2019. Fluzone High-Dose Quadrivalent was approved in the EU in the second quarter of 2020, under the name Efluelda, indicated for adults aged 60 years and above. Both Fluzone High-Dose Quadrivalent and Efluelda have been available since the 2020/21 influenza season. To date, this vaccine has been distributed to more than 25 countries worldwide. Fluzone HD/Efluelda trivalent is the same vaccine but includes two A strains and only one B strain.

Flublok is a quadrivalent recombinant protein-based influenza vaccine indicated for adults aged 18 and older. Flublok is currently licensed in the US, Hong Kong and Australia. This same recombinant protein-based influenza vaccine is also licensed under the brand name Supemtek in Canada, the United Kingdom, the European Union and Switzerland. Flublok will also switch to trivalent following the new WHO recommendation.

Vaxigrip is a trivalent influenza vaccine, containing two antigens against type A influenza viruses and one antigen against type B influenza viruses.

VaxigripTetra is the quadrivalent (QIV) version of Vaxigrip, including two antigens against A strains of influenza viruses and two antigens against B strains, and is produced in France. Vaxigrip Tetra was licensed in 2016 and has been approved in 95 countries. It is not licensed in the US where Fluzone Quadrivalent, which is produced in the US, is distributed. Following the new WHO recommendations, countries will switch back to Vaxigrip (trivalent) in the coming seasons.

COVID Vaccine

From 2025 onwards, Sanofi will commercialize the recombinant adjuvanted COVID-19 vaccine from Novavax.

PART I
ITEM 4. Information on the Company

Poliomyelitis, pertussis and Haemophilus influenzae type b (Hib) pediatric vaccines

Sanofi is one of the key players in pediatric vaccines in both developed and emerging markets, with a broad portfolio of standalone and combination vaccines protecting against up to six diseases in a single injection. Due to the diversity of immunization schedules throughout the world, vaccines can be either quadrivalent, pentavalent, or hexavalent according to regional specificities.

Tetraxim, a pediatric combination vaccine protecting against diphtheria, tetanus, pertussis and poliomyelitis (polio), was first marketed in 1998. To date, the vaccine has been launched in close to 100 countries (this vaccine is not marketed in the US).

Pentaxim, a pediatric combination vaccine protecting against diphtheria, tetanus, pertussis, polio and Hemophilus influenzae type b (Hib), was first marketed in 1997. To date, the vaccine has been launched in more than 90 countries (this vaccine is not marketed in the US). In most European, Latin American, Asian and Middle Eastern markets, Pentaxim is being gradually replaced by Hexaxim.

Hexaxim/Hexyon/Hexacima is a fully liquid, ready-to-use 6-in-1 (hexavalent) pediatric combination vaccine that provides protection against diphtheria, tetanus, pertussis, polio, Hib and hepatitis B. Hexaxim is the only combination vaccine including acellular pertussis (acP) and inactivated polio vaccines (IPV) currently prequalified by the WHO. First marketed in 2013, Hexaxim is now available in more than 100 countries outside the US.

Pentacel, a pediatric combination vaccine protecting against diphtheria, tetanus, pertussis, polio and Haemophilus influenzae type b (Hib), was launched in the US in 2008.

Quadracel is a vaccine indicated for active immunization against diphtheria, tetanus, pertussis and poliomyelitis, used in children aged four through six years as a fifth dose in the diphtheria, tetanus, pertussis vaccination (DTaP) series, and as a fourth or fifth dose in the IPV series. It was launched in the US in 2017.

ACT-HIB is a standalone vaccine protecting against Hib, and is mainly distributed in the US and in Japan in conjunction with pertussis combination vaccines that do not contain the Hib valence.

Sanofi is a leading provider of polio vaccines and has been a partner of the Global Polio Eradication Initiative (GPEI) for over 30 years. Since Sanofi launched its first IPV, more than 1.5 billion doses have been distributed worldwide.

Vaxelis

Vaxelis is a hexavalent combination vaccine protecting against diphtheria, tetanus, pertussis, polio, Hib and hepatitis B. This vaccine (developed and distributed in partnership with Merck) was approved in 2016 by the EC and is distributed in various EU countries. Vaxelis was approved by the FDA in December 2018, becoming the first hexavalent vaccine to be approved in the US, and launched in this country in June 2021.

Sales of Vaxelis in the US are recognized by the Merck Sanofi Pasteur joint venture and credited equally to Merck and Sanofi as income from equity affiliates. Consequently, these sales are not reported separately in each joint venture partner's net sales. Sanofi recognizes 50% of the joint venture's profits within the line item ***Share of profit/(loss) from investments accounted for using the equity method***.

Booster vaccines

Adacel is the leading trivalent booster vaccine offering protection against diphtheria, tetanus and pertussis. The vaccine can be used from four years of age following primary immunization and is the first Tdap vaccine indicated for use during pregnancy for protection against pertussis in newborns. It is available in 71 countries including the US and other countries mostly in Europe, Asia and Latin America. Recently, Adacel has been introduced in additional countries that are implementing new vaccination programs, particularly focusing on maternal immunization.

Repevax/Adacel-Polio is a combination vaccine that provides protection against diphtheria, tetanus, pertussis and polio. It is the first Tdap-IPV vaccine indicated for use during pregnancy for protection against pertussis in newborns. It is currently marketed in 25 countries outside the US, with a strong focus on European markets (such as France and Germany).

Respiratory syncytial virus (RSV) protection

In 2023, Sanofi launched Beyfortus (nirsevimab-alip), a long-acting monoclonal antibody designed to protect against RSV. It is indicated for the protection of neonates and infants born during or entering their first RSV season, and for children up to 24 months who remain particularly vulnerable to severe RSV in their second RSV season.

Beyfortus is licensed in numerous countries and has now been launched in more than 20 countries, including in North America, Europe, China and Japan. Real world data from countries such as the US, Spain and France have confirmed and even surpassed the outstanding efficacy data generated during the clinical development of this monoclonal antibody. Many more countries are expected to implement all-infant protection in the future. Sanofi and AstraZeneca entered into an agreement in 2017 to develop and commercialize Beyfortus, under which AstraZeneca leads development and manufacturing activities and Sanofi leads commercialization activities and records revenues. Sanofi will continue to expand Beyfortus in new geographies across Europe, Asia and Latin America.

Meningitis and travel & endemic vaccines

Menactra, the first quadrivalent conjugate vaccine against meningococcal meningitis (serogroups: A, C, Y, and W-135), one of the deadliest forms of meningitis, is indicated for people aged nine months through 55 years. Since launch, it has become a strong leader in the meningitis quadrivalent market. It is commercialized in a large number of countries (excluding Europe). Menactra was the first fully liquid (no reconstitution needed) meningitis quadrivalent conjugated vaccine, and more than 100 million doses of this vaccine have been distributed since launch.

MenQuadfi is a novel fully-liquid meningococcal quadrivalent conjugated vaccine expected to have a broad age indication from infants (six weeks) to the elderly, with flexible dosing schedules. MenQuadfi is the first and only quadrivalent ACWY vaccine to demonstrate superior immune response against serogroup C in toddlers compared to a monovalent serogroup C vaccine (standard-of-care in multiple markets in Europe and internationally). MenQuadfi will progressively fully replace Menactra. It is already available in the US (for people over two years of age), and in Australia, Canada, Europe, Japan, Argentina, Brazil, and Chile for people aged 12 months and above. Marketing authorization is also pending in numerous other countries. Extension of the age indication down to six weeks of age will follow submission of additional Phase 3 data.

Sanofi provides a wide range of travel and endemic vaccines including yellow fever, rabies, typhoid and hepatitis A vaccines. These vaccines are used in endemic settings in the developing world and are the foundation for important partnerships with governments and organizations such as UNICEF. They are also used by travelers and military personnel in industrialized countries and in endemic areas.

B.3. Opella

The implementation and simplification of Sanofi's autonomous Opella business unit continued in 2024. Mainly as a result of divestments, the portfolio was further reduced to approximately 100 brands by the end of the year.

Opella operates in 100 countries and manages 13 strategic state-of-the-art production sites as well as four research and innovation centers, with a portfolio of leading brands.

In October 2024, in line with its strategy of focusing on innovative medicines and vaccines, Sanofi announced that it had entered into exclusive negotiations for the sale of a controlling stake of around 50% in Opella. The agreements in connection with the potential sale and purchase of a 50% controlling stake in Opella are described as follows:

- *Share Purchase Agreement*

In connection with the potential sale of a 50% controlling stake in Opella Healthcare SAS ("Opella") to Clayton, Dubilier & Rice (CD&R) (the "Proposed Opella Transaction"), Sanofi has exercised on February 3, 2025 its put option pursuant to the put option agreement entered into with Opal Bidco SAS ("Bidco") on October 21, 2024. The put option agreement appends an agreed form share purchase agreement (the "SPA"), which will govern the terms of the sale and purchase of the share capital of Opella once entered into by the parties. Pursuant to the exercise of its put option, Sanofi contemplates entering into the SPA, in accordance with the put option agreement. The purchase price for the acquisition of Opella will be determined and paid at closing of the Proposed Opella Transaction ("Closing"), based on an enterprise value of approximately €16 billion.

The transaction is expected to close in the second quarter of 2025 at the earliest, subject to obtaining customary regulatory approvals from the competent authorities. The SPA may be terminated by either party if the conditions are not satisfied and Closing has not occurred by an agreed long stop date or such other date as the parties otherwise agree.

Pursuant to the SPA, Sanofi and Bidco have made certain customary representations and warranties and have agreed to certain customary covenants. Specifically, before the Closing, Sanofi is subject to certain business conduct restrictions with respect to the Opella business.

Sanofi has also agreed to enter into a shareholders' agreement (the "Shareholders' Agreement") with CD&R (and certain co-investors) to govern from Closing their respective shareholding and management of a joint venture company ("JV Co") to be formed at or prior to Closing with CD&R that is contemplated to, following the Closing, indirectly wholly own Opella. It is anticipated that Bpifrance will ultimately take an approximately 2 % stake in JV Co but the terms of Bpifrance's investment are subject to ongoing negotiation.

The Shareholders' Agreement will provide for a lock-up period during which Sanofi is only permitted to carry out certain types of direct or indirect transfers of its securities in JV Co.

- *Separation Agreement*

In connection with the separation of the Opella business, Sanofi entered into a Separation Agreement and certain other agreements with Opella on July 22, 2024 (to be amended on or around the date of the SPA) to effect the separation of the Opella business and provide a framework for their ongoing relationship.

The Separation Agreement sets out the rights and obligations of the parties with respect to the separation, including the terms and conditions governing the transfer of assets to, and assumption of liabilities by, each of the Opella group and the Sanofi group. In particular, Sanofi has agreed to retain Gold Bond Co LLC and its business.

The Sanofi group and the Opella group have each agreed, subject to certain exceptions, to release and indemnify the other party and each of their respective past, present and future directors, officers, managers, agents and employees and each of the heirs, executors, administrators, successors and assigns of any of the foregoing from any and all claims against any of them that arise out of or relate to their respective businesses.

The Sanofi group has agreed to indemnify the Opella group in respect of all liabilities relating to, arising out of or resulting from among other things, Sanofi's retained businesses including environmental liabilities, whether arising before or after the Closing, and certain liabilities relating to (i) the commercialization of any Zantac branded products (i.e., products containing ranitidine as its active pharmaceutical ingredient) prior to Closing, including certain product liability claims, and (ii) all personal injury claims resulting from the manufacturing or handling of Zantac prior to Closing (see Note D.22.a to the consolidated financial statements included at Item 18. of this annual report).

B.4. Global research & development

The ambition of Sanofi Research & Development (R&D) is to develop first-in-class or best-in-class medicines that respond to the urgent needs of patients, leveraging our leadership in immunology across all other therapeutic areas. This ambition is reflected in our R&D pipeline, which is presented in "— B.4.1. Biopharma pipeline" below.

Discovering and developing new medicines is a costly, lengthy, and uncertain process and our continuous investments in R&D for future products and for the launches of newly registered medicines could result in increased costs without a proportionate increase in revenues. See "Item 3. Key Information — D. Risk Factors" for further information.

B.4.1. Biopharma pipeline

For 2024, the main changes related to our medicines and vaccines pipeline were:

Medicines and vaccines	Indication	Change	Reason
SAR447537 - AAT fusion protein	Alpha-1 antitrypsin deficiency	Added	Acquired from Inhibrx Inc.
SAR447873 - SSTR targeting alpha-emitter therapy	Gastroenteropancreatic neuroendocrine tumors	Added	Co-developed with RadioMedix and Orano Med
SAR446959 - MMP13 x ADAMTS5 x CAP NANOBODY® VHH	Knee osteoarthritis	Added	Entered confirmatory development
SP0237 - mRNA vaccine	Flu	Added	Entered confirmatory development
SP0268 - mRNA vaccine	Acne	Added	Entered confirmatory development
SP0287 - Fluzone HD + Nuvaxovid combination vaccine	Flu + COVID-19	Added	Entered confirmatory development
SP0287 - Flublok + Nuvaxovid combination vaccine	Flu + COVID-19	Added	Entered confirmatory development
SP0289 - mRNA vaccine	Flu (H5 pandemic)	Added	Entered confirmatory development
SP0291 - mRNA vaccine	RSV+hMPV+PIV3 (older adults)	Added	Entered confirmatory development
SP0335 - Inactivated adjuvanted vaccine	Flu (H5 pandemic)	Added	Entered confirmatory development
Kevzara - IL-6R mAb	Polyarticular juvenile idiopathic arthritis	Removed	Commercialized
SAR439459 - TGFb mAb	Osteogenesis imperfecta	Removed	Development discontinued
SAR442501 - FGFR3 antibody	Achondroplasia	Removed	Development discontinued
SAR443809 - Factor Bb mAb	Rare renal diseases	Removed	Development discontinued
SAR443820 - RIPK1 inhibitor	Amyotrophic lateral sclerosis, Multiple sclerosis	Removed	Development discontinued
SAR444200 - GPC3 x TCR NANOBODY® VH	Solid tumors	Removed	Development discontinued
SAR444245 - pegenzileukin	Solid tumors	Removed	Development discontinued
SAR444559 - CD38 mAb Next generation	Inflammatory indication	Removed	Development discontinued
SAR444836 - PAH replacement AAV-based gene therapy	Phenylketonuria	Removed	Development discontinued
SAR445419 - NK cell-based immunotherapy	Acute myeloid leukemia	Removed	Development discontinued
SAR445611 - CX3CR1 NANOBODY® VHH	Inflammatory indication	Removed	Development discontinued
SAR446309 - HER2 T cell engager	Solid tumors	Removed	Development discontinued
losmapimod - p38a/b MAPK inhibitor	Facioscapulohumeral muscular dystrophy	Removed	Development discontinued [1]
SP0282 - E. coli sepsis vaccine	E. coli sepsis	Removed	Development discontinued [2]
SP0273 - mRNA QIV	Flu	Removed	Development discontinued

Abbreviations are explained in "— B.4.1.1. Products in development" and "— B.4.1.2. Line extensions" below.
[1] in-licensed from Fulcrum Therapeutics outside of the United States.
[2] discontinued in February 2025; partnered with Janssen Pharmaceuticals Inc., a Johnson and Johnson company

The portfolio of products in clinical development (from Phase 1 to Phase 3) and in registration as of December 31, 2024 is described in "—E. R&D Appendix."

Phase 1 studies are the first studies performed in humans, who are mainly healthy volunteers, except for studies in oncology where Phase 1 studies are performed in patients. Their main objective is to assess the tolerability, the pharmacokinetic profile (the

way the product is distributed and metabolized in the body and how it is eliminated) and where possible the pharmacodynamic profiles of the new drug (i.e. how the product may react on some receptors).

Phase 2 studies are early controlled studies in a limited number of patients under closely monitored conditions to show efficacy and short-term safety, and to determine the dose and regimen for Phase 3 studies.

Phase 3 studies have the primary objective of demonstrating or confirming the therapeutic benefit and safety of the new drug in the intended indication and population. They are designed to provide an adequate basis for registration.

B.4.1.1. Products in development

The pipeline of products in clinical development is focused on medicines and vaccines seen as potential market leading opportunities, among which amlitelimab, frexalimab and balinatunfib are 'pipeline-in-a-product' medicines and vaccines, as summarized below:

'Pipeline-in-a-product' medicines	Indications	Development phase
amlitelimab (OX40L mAb)	Atopic dermatitis Asthma Hidradenitis suppurativa Celiac disease Alopecia areata Systemic sclerosis	Phase 3 Phase 2 Phase 2 Phase 2 Phase 2 Phase 2
frexalimab (CD40L mAb)	RMS nrSPMS Systemic lupus erythematosus Type 1 diabetes	Phase 3 Phase 3 Phase 2 Phase 2
balinatunfib (Oral TNFR1si)	Rheumatoid arthritis Psoriasis Crohn's disease	Phase 2 Phase 2 Phase 2
Pipeline medicines and vaccines	**Indications**	**Development phase**
tolebrutinib (BTKi	nrSPMS PPMS	Phase 3 [1] Phase 3
rilzabrutinib (BTKi)	ITP CSU Asthma IgG4-related disease Warm autoimmune hemolytic anemia	Regulatory Phase 2 Phase 2 Phase 2 Phase 2
itepekimab (IL33 mAb)	COPD Bronchiectasis	Phase 3 Phase 2
lunsekimig (IL13xTSLP NANOBODY® VHH)	Moderate to severe asthma High-risk asthma CRSwNP	Phase 2 Phase 2 Phase 2
IRAK4 degrader (SAR444656)	Atopic dermatitis Hidradenitis suppurativa	Phase 2 Phase 2
duvakitug (TL1A mAb)	Ulcerative colitis Crohn's disease	Phase 2b Phase 2b
RSV mRNA vaccine (SP0256)	RSV older adult	Phase 2
Acne mRNA vaccine (SP0268)	Acne	Phase 1

[1] *Awaiting submission acceptance in the US.*

a) Immunology & Inflammation

amlitelimab (SAR445229), a human monoclonal antibody blocking OX40L pathway, is a 'pipeline-in-a-product' asset currently being assessed in clinical programs for the treatment of a range of immune diseases.

In AD, the dosing of once every 12 weeks is being assessed in a large Phase 3 clinical program (OCEANA). Enrollment of the four main AD studies designed to evaluate on- and off-treatment efficacy and safety in adults and adolescents continued in 2024, with results supporting subsequent regulatory submission (expected in 2026).

The proof-of concept Phase 2 study (TIDE-Asthma) assessing amlitelimab in moderate-to-severe asthma has a 60-week double-blind placebo-controlled period, in which patients are dosed once every four weeks during the initial 24 weeks and once every 12 weeks for the subsequent 36 weeks. Sanofi anticipates results for the full and completed 60-week treatment and follow-up period will be available in the first half of 2025.

The Phase 2 study of amlitelimab in hidradenitis suppurativa (HS) recruited its last patient in 2024; results are expected in the first half of 2025.

In 2024, additional Phase 2 studies assessing the efficacy and safety of subcutaneous injections of amlitelimab enrolled their first patients in adults with non-responsive celiac disease, severe alopecia areata and systemic sclerosis, respectively.

frexalimab (SAR441344) is a second generation anti-CD40L monoclonal antibody that blocks the costimulatory CD40/CD40L pathway, which is important for the activation and function of adaptive (T and B cells) and innate (macrophages/microglia and dendritic cells) immunity. Sanofi is developing frexalimab under an exclusive license from ImmuNext Inc.

Frexalimab is a 'pipeline-in-a-product' asset being evaluated in Phase 3 studies for the treatment of MS (see details in "— c*) Neurology*") below, and in Phase 2 studies for the treatment of systemic lupus erythematosus and adults and adolescents with newly diagnosed type 1 diabetes. In 2024, the clinical development of frexalimab in Sjogren's syndrome was discontinued based on results from the Phase 2 study; the data confirmed pharmacological activity and a well-tolerated safety profile, but not the necessary efficacy outcomes to continue to move the development forward in this indication.

balinatunfib (SAR441566) the first small molecule TNFR1 signaling inhibitor, is intended to provide patients with an oral alternative to anti-TNFa monoclonal antibodies in the range of inflammatory indications where these have been approved. Balinatunfib is a 'pipeline-in-a-product' asset currently being evaluated in two Phase 2b clinical studies for the treatment of psoriasis and RA, respectively. In these two indications, results are expected in the first and second half of 2025, respectively. In 2024, a Phase 2 study was initiated to assess balinatunfib in adults with moderate-to-severe Crohn's disease.

itepekimab (SAR440340) is a human anti-IL33 monoclonal antibody co-developed with Regeneron. A Phase 3 clinical program is evaluating itepekimab for the treatment of COPD in former smokers (AERIFY-1 and AERIFY-2 studies) and in current smokers (AERIFY-2); results are expected in the second half of 2025. In addition, an exploratory Phase 2a study (AERIFY-3) is evaluating the mechanism of action of itepekimab and its impact on airway inflammation in former and current smokers with COPD. Itepekimab has FDA fast-track designation for the treatment of COPD. In 2024, an additional Phase 2 study evaluating itepekimab for the treatment of patients with bronchiectasis was initiated.

rilzabrutinib (SAR444671) is a covalent and reversible inhibitor of Bruton's tyrosine kinase under evaluation in multiple clinical studies across a range of autoimmune/inflammatory indications.

Positive results were obtained in 2024 from the RILECSU Phase 2 study, showing that rilzabrutinib significantly improved itch, hives and urticaria in adults with moderate-to-severe CSU whose symptoms are not adequately controlled by H1-antihistamines; the indication will be further investigated in Phase 3.

Encouraging results from a Phase 2 study showed that treatment with rilzabrutinib at both high and low doses led to a numerical reduction in loss of asthma control events (the primary endpoint) and improvements in symptoms in adults with uncontrolled moderate-to-severe asthma.

In the last quarter of 2024, the 52-week open-label two-cohort Phase 2 study of rilzabrutinib in IgG4-related disease showed considerable outcomes on flare-free, steroid-free disease rates.

In addition, rilzabrutinib is being evaluated for the treatment of immune thrombocytopenia and warm autoimmune hemolytic anemia (see details in "— b*) Rare diseases*" below).

lunsekimig (SAR443765) is a bispecific NANOBODY® VHH which blocks both TSLP and IL-13, key upstream and downstream mediators (respectively) of asthma. A Phase 2b study (AIRCULES) is assessing the efficacy, safety, and tolerability of add-on therapy with lunsekimig in adults with moderate-to-severe asthma. In 2024, two additional Phase 2 studies were initiated to assess lunsekimig (i) in adults with asthma who are not eligible for biologic treatments (high-risk asthma), and (ii) in adults with CRSwNP.

SAR444656 is a selective, orally administered small molecule targeting Interleukin-1 Receptor Associated Kinase 4 (IRAK4), which is necessary for proinflammatory signaling and cytokine production. SAR444656 is developed in partnership with Kymera Therapeutics. Two Phase 2 studies are currently evaluating SAR444656 for the treatment of AD and hidradenitis suppurativa (HS), respectively.

duvakitug (SAR447189, also known as TEV-48574) is an anti-TL1A monoclonal antibody co-developed with Teva Pharmaceuticals. In 2024, the companies announced that the RELIEVE UCCD Phase 2b study had met its primary endpoints in patients with ulcerative colitis (UC) and Crohn's disease, the two main types of inflammatory bowel disease (IBD). Sanofi and Teva plan to initiate Phase 3 development in IBD, pending regulatory discussions.

eclitasertib (SAR443122) is a small molecule targeting the receptor-interacting serine/threonine-protein kinase 1 (RIPK1), which is being co-developed with Denali. The Phase 2 RESOLUTE study evaluating eclitasertib in patients with moderate to severe UC is ongoing.

riliprubart (SAR445088) is a humanized IgG4 monoclonal antibody that binds to and inhibits C1s, thereby inhibiting classical pathway (CP) of complement activity. Activation of the CP of complement is associated with a variety of immune disorders involving the presence of autoantibodies. The asset is under clinical development in various indications (see details in *"— c) Neurology"* and *"— b) Rare diseases"* below). A Phase 2 study is currently evaluating the efficacy of riliprubart in prevention of antibody-mediated rejection (AMR) or treatment of active AMR.

brivekimig (SAR442970) is a bispecific NANOBODY® molecule that combines blockades of TNFa and of the immune co-stimulatory regulator OX40L. A Phase 2 study is assessing brivekimig in adults with moderate to severe HS; results are expected in the first half of 2025.

Other assets are currently being evaluated in Phase 1 clinical studies for subsequent development in inflammatory indications:

- SAR444336, a non-beta IL2 Synthorin™ molecule designed to selectively engage CD4+ regulatory T cells (and not on effector T or NK cells).
- SAR445399, a monoclonal antibody targeting IL1R3.
- SAR446422, a bispecific antibody targeting CD28 and OX40.
- SAR446959, a NANOBODY® molecule targeting Matrix Metallopeptidase 13 (MMP13), A Disintegrin And Metalloproteinase with Thrombospondin Motifs 5 (ADAMTS5) and a cartilage anchoring protein (CAP).

b) Rare Diseases

fitusiran (SAR439774) is a first-in-class, subcutaneously administered antithrombin siRNA therapy. The FDA granted fitusiran breakthrough therapy and fast-track designations for hemophilia A/B. Fitusiran also obtained orphan drug designation in the US and in Europe. In 2024, regulatory submissions for the treatment of hemophilia A or B in adults and adolescents with or without inhibitors were completed in several regions, including the US with a prescription drug user fee act (PDUFA) date of March 28, 2025. In addition, Sanofi's collaboration partner Siemens Healthineers submitted the INNOVANCE® Antithrombin Assay for FDA review as a companion diagnostic that will measure antithrombin levels in people living with hemophilia who are prescribed fitusiran.

rilzabrutinib (SAR444671) is a Bruton's tyrosine kinase inhibitor (see details in section *"— a) Immunology & Inflammation"* above) developed for the treatment of immune thrombocytopenia (ITP), for which the FDA has granted fast-track designation. The asset has also obtained orphan drug designation in the US, Europe, and Japan. The primary endpoint of durable platelet response was met in the rilzabrutinib Phase 3 study LUNA 3 in adult patients with persistent or chronic ITP. Other key secondary endpoints were met including reduced bleeding, number of weeks with platelet response, the need for rescue therapy use, and improved physical fatigue and quality of life measures. The safety profile of rilzabrutinib was favorable and consistent with that reported in previous studies. Rilzabrutinib is under regulatory review in the EU, China, and the US with a target date to receive an FDA decision on August 29, 2025.

In 2024, a Phase 2 study in warm autoimmune hemolytic anemia read out positively with clinically meaningful outcomes on response rate and additional disease markers. The results of this study build on the successful Phase 3 study of rilzabrutinib in ITP and reinforce its efficacy in autoimmune cytopenias.

venglustat (GZ402671) is an orally administered brain penetrant glucosylceramide synthase (GCS) inhibitor that blocks the conversion of ceramide to glucosylceramide (GL-1). In 2024, the AMETHIST Phase 3 study of venglustat for the treatment of GM2 gangliosidosis was discontinued based on the absence of positive trends on clinical endpoints. The data reinforced the favorable safety profile and do not impact the other two indications, FD and Gaucher disease type 3, in which venglustat is currently being evaluated in Phase 3 studies. Results in these two indications are expected in the second half of 2025. Orphan drug designation has been granted in the US, Europe, and Japan for FD and Gaucher disease type 3, and the FDA has granted venglustat fast-track designation for FD.

SAR447537 (formerly INBRX-101): in May 2024, the acquisition of Inhibrx, Inc. closed, adding SAR447537 to Sanofi's rare disease Phase 2 pipeline. SAR447537 is a human recombinant protein that holds the promise of allowing alpha-1 antitrypsin deficiency (AATD) patients to achieve normalization of serum AAT levels with less frequent dosing. AATD is an inherited rare disease characterized by low levels of AAT protein, predominantly affecting the lung with progressive deterioration of the tissue. Results from the ongoing Phase 2 study (ELEVAATE) are expected in the second half of 2025. The FDA has granted SAR447537 fast-track designation for AATD.

In 2024, the decision was taken to discontinue the development of riliprubart (see details in *"— a) Immunology & Inflammation"* above) in cold agglutinin disease, a rare autoimmune disorder characterized by the premature destruction of red blood cells (hemolysis), due to prioritization of other projects. As of now, the data confirmed pharmacological activity and a well-tolerated safety profile, as in other indications.

c) Neurology

tolebrutinib (SAR442168) is an oral investigational brain-penetrant and bioactive Bruton's tyrosine kinase (BTK) inhibitor, which achieves cerebrospinal fluid concentrations that are predicted to modulate B lymphocytes and microglial cells.

Positive results from the HERCULES Phase 3 study showed that tolebrutinib met the primary endpoint of improvement over placebo in delaying time to onset of confirmed disability progression in subjects with non-relapsing secondary progressive multiple sclerosis (nrSPMS). Preliminary analysis of liver safety was consistent with previous tolebrutinib studies. In December, the FDA granted breakthrough therapy designation to tolebrutinib for the treatment of adults with nrSPMS. Sanofi expects to receive regulatory submission acceptance in the US during the first half of 2025; EU submission is also anticipated during the first half of 2025.

Results from the GEMINI 1 and 2 Phase 3 studies evaluating tolebrutinib did not meet the primary endpoint of reducing annualized relapse rate, compared to Aubagio, a standard of care treatment, in people with relapsing MS (RMS). However, analysis of the key secondary endpoint of pooled 6-month CDW data showed a considerable delay in time to onset, which supports the CDP data observed in HERCULES.

A Phase 3 study (PERSEUS) is currently ongoing to determine the efficacy of tolebrutinib in delaying disability progression in primary progressive multiple sclerosis (PPMS); results are expected in the second half of 2025 with subsequent submissions anticipated in 2026.

frexalimab (SAR441344) is a monoclonal antibody targeting CD40L (see *"— a) Immunology & Inflammation"* above) that has the potential to address both acute and chronic neuroinflammation in MS through its unique upstream mechanism of action. In 2024, new efficacy and safety data at 18 months from the Phase 2 study for the treatment of RMS demonstrated sustained reduction of disease activity, with stable clinical surrogate endpoints, and good tolerance, with no new safety signals. These results support the ongoing Phase 3 clinical program, with two studies in RMS and nrSPMS.

riliprubart (SAR445088) is a complement C1s inhibitor (see details in *"— a) Immunology & Inflammation"* above) that is being assessed in patients with chronic inflammatory demyelinating polyneuropathy (CIDP), for which orphan drug designation was granted in the US and in Europe. In 2024, new data from a Phase 2 study showed encouraging efficacy and safety for patients with CIDP. In part A results at 24 weeks, riliprubart showed promising disease-controlling benefits, with most study patients improving or remaining stable, including those who experienced failure or inadequate response to standard-of-care treatment (SOC-refractory), and those having residual disability despite treatment with SOC (IVIg-treated). In part B, after approximately one year of treatment, riliprubart continued to show promising disease-controlling benefits across all enrolled cohorts. Additional results indicated that riliprubart may improve patient-reported fatigue and quality-of-life measurements as well as biomarkers associated with CIDP disease progression. Supported by the Phase 2 data, two Phase 3 studies evaluating riliprubart in SOC-refractory CIDP (MOBILIZE) and IVIg-treated CIDP (VITALIZE) were initiated.

SAR446159, a bispecific antibody targeting alpha-synuclein and insulin-like growth factor 1 receptor (IGF1R) developed in collaboration with ABL Bio for the treatment of Parkinson's disease, is under evaluation in a Phase 1 study.

d) Oncology

SAR443579 is a trifunctional anti-CD123 NK cell engager developed in partnership with Innate Pharma. The asset is being investigated in a Sanofi-sponsored Phase 1/2 clinical study in various hematological malignancies, including acute myeloid leukemia for which FDA fast-track designation was obtained. In 2024, SAR443579 progressed to the Phase 2 dose expansion part of the study.

SAR447873 is a somatostatin receptor (SSTR)-targeting alpha-emitter therapy that entered Sanofi's pipeline in 2024 through partnership with RadioMedix and OranoMed. The AlphaMedix02 Phase 2 study is currently evaluating SAR447873 in subjects with SSTR-expressing neuroendocrine tumors; results from this study are expected in the first half of 2025. The asset was granted breakthrough therapy designation in gastroenteropancreatic neuroendocrine tumors from the FDA for patients who are naive to peptide-receptor radionuclide therapy.

In addition, Sanofi's clinical pipeline includes several assets being evaluated in Phase 1 for the treatment of various cancer settings:

- SAR444881, a monoclonal antibody targeting the Ig-like transcript 2 (ILT2) receptor, co-developed with Biond Biologics for the treatment of solid tumors.
- SAR445877, an anti-PD1xIL15 fusion protein under assessment in patients with solid tumors.
- SAR445514, a trifunctional anti-BCMA NK cell engager, developed in partnership with Innate Pharma for the treatment of relapsed or refractory multiple myeloma.
- SAR445953, an antibody drug conjugate that binds to human CEACAM-5 under evaluation for the treatment of colorectal cancer or other solid tumors. SAR445953 is developed in collaboration with Pfizer.

e) Vaccines

SP0087 is a purified human rabies vaccine aimed at replacing Sanofi's commercialized rabies vaccines (Imovax and Verorab). This next generation rabies vaccine is cultured on Vero cells and is free from animal or human material. The asset is currently under evaluation in a Phase 3 study for pre- and post-exposure prophylaxis in all age groups; results from this pivotal study are expected in the first half of 2025. The FDA has granted SP0087 fast-track designation.

SP0125 is a live attenuated vaccine intended to expand protection against RSV to all toddlers, from the second season onwards (all infants can indeed be protected against RSV during their first season with Beyfortus, which is available in the US and several other countries; see "— B.2. Main Biopharma medicines and vaccines"). In 2024, a Phase 3 study (PEARL) was initiated to evaluate SP0125 for the prevention of RSV in toddlers; the study is being conducted in approximately 6,300 children aged six months to less than 22 months. SP0125 has been granted fast-track designation by the FDA and PRIME designation by the EU.

SP0202 is a 21-valent conjugate vaccine intended to provide expanded protection against pneumococcal disease, developed in collaboration with SK bioscience. In 2024, a Phase 3 program was initiated for SP0202, which is the first pneumococcal conjugate vaccine candidate with more than 20 serotypes to enter this clinical stage in infants and toddlers. The Phase 3 program will include more than 7,700 infants, toddlers, young children, and adolescents across multiple geographies, including the US, Europe, Australia, Asia, and Latin America. The FDA has granted SP0202 fast-track designation.

SP0256 is an mRNA vaccine candidate intended to prevent RSV and human metapneumovirus (hMPV) infections in the older adult population. A Phase 1/2 study is ongoing to evaluate this combination vaccine, for which the FDA has granted fast-track designation to prevent RSV and hMPV infections in people aged 60 to 75 years.

SP0218 is a live attenuated yellow fever vaccine (freeze-dried and produced in Vero cells), for subcutaneous and intra-muscular administration in people aged nine months and older. This next generation vaccine aims at replacing Stamaril (licensed in 1983) and YF-VAX (licensed in 1970), thereby securing a sustainable and consistent worldwide supply with a single product. Positive Phase 2 results served as the basis for the initiation of a Phase 3 study that is expected to enroll participants early 2025.

SP0230 is a pentavalent vaccine against meningitis caused by serogroups ABCWY in adults and adolescents. In 2024, a Phase 1/2 study enrolled the first participants; results are expected in the second half of 2025.

SP0237 is a flu mRNA vaccine that is part of our efforts to develop a next generation, enhanced flu vaccine containing hemagglutinin and neuraminidase designed to offer improved efficacy and provide protection beyond flu. In 2024, a Phase 1/2 study with an enhanced mRNA formulation against flu enrolled the first participants.

SP0268, an acne mRNA vaccine designed for adolescents and adults with moderate to severe acne, is the most advanced therapeutic vaccine for acne in development. In 2024, a Phase 1/2 study evaluating SP0268 enrolled the first participants.

Two combination vaccine candidates for prevention of influenza and COVID-19 infections in individuals 50 years of age and older (SP0287), which were granted fast-track designation in the US, had their respective Phase 1/2 studies initiated in 2024. The first combination vaccine candidate consists of the influenza protein-based trivalent vaccine Fluzone HD combined with the

adjuvanted recombinant Novavax COVID-19 vaccine. The second candidate combines the influenza recombinant protein-based trivalent vaccine Flublok with the Novavax COVID-19 vaccine.

Additional vaccine candidates entered clinical development with Phase 1/2 or Phase 2 clinical trials initiated in 2024, respectively for the prevention of pandemic flu (SP0289, a flu mRNA vaccine and SP0335, a flu H5 inactivated adjuvanted vaccine) and of RSV, hMPV, and parainfluenza virus type 3 (PIV3) infections in the older adult (SP0291, an RSV+hMPV+PIV3 mRNA vaccine).

B.4.1.2. Line extensions

The main R&D activities supporting line extensions for our marketed products are summarized below. For more information on marketed products see also " *— B.2. Main Biopharma medicines and vaccines*".

Dupixent is a fully human monoclonal antibody that inhibits the signaling of the interleukin-4 (IL-4) and interleukin-13 (IL-13) pathways, jointly developed with Regeneron. Dupixent has received regulatory approvals in several countries for multiple indications. Details about clinical and regulatory activities for Dupixent during 2024 for the treatment of respiratory, dermatology and gastrointestinal diseases are provided below:

a. The FDA approved Dupixent as an add-on maintenance treatment of adults with COPD and an eosinophilic phenotype. Dupixent is the first biologic medicine approved in the US to treat these patients. The National Medical Products Administration in China approved Dupixent as an add-on maintenance treatment for adults with uncontrolled COPD characterized by raised blood eosinophils. Specifically, the approval covers patients already on a combination of an inhaled corticosteroid (ICS), a long-acting beta2-agonist (LABA) and a long-acting muscarinic antagonist (LAMA), or on a combination of a LABA and a LAMA if ICS is not appropriate. Dupixent has now been approved for the treatment of COPD in more than 30 countries worldwide, including the 27 countries in the EU. In Japan, approval is expected in the first half of 2025.

b. CSU is a chronic skin condition that causes sudden and debilitating hives and persistent itch, which can impact quality of life. LIBERTY-CUPID Study C, a confirmatory Phase 3 study, met the primary and key secondary endpoints for the treatment of patients with uncontrolled, biologic-naive CSU receiving background therapy with antihistamines. The new Study C data supported regulatory resubmission of the supplemental biologics license application (sBLA) for Dupixent in the US in October 2024, with a target action date for the FDA decision of April 18, 2025. This positive study confirmed results from Study A, the first Phase 3 study of Dupixent in this setting. In early in 2024, Japan was the first country to approve Dupixent for adult and adolescent CSU patients based on the results from Study A. The indication is also under review in the EU based on results from Study A and Study B (patients uncontrolled on standard-of-care H1 antihistamines and refractory to omalizumab).

c. Dupixent's pivotal LIBERTY-BP Phase 3 study in bullous pemphigoid (BP) met the primary and all key secondary endpoints evaluating its use in adults with moderate-to-severe disease. Dupixent had previously been granted orphan drug designation by the FDA for this chronic and relapsing disease, characterized by intense itch and blisters, reddening of the skin, and painful chronic lesions. The blisters and rash can form over much of the body and cause the skin to bleed and crust, resulting in patients being more prone to infection and affecting their daily functioning. Results of the LIBERTY-BP study served as the basis for the submission of the sBLA of Dupixent for the treatment of adults with moderate-to-severe BP.

d. The LIBERTY-CPUO-CHIC Study A Phase 3 study evaluating Dupixent in adults with uncontrolled and severe chronic pruritus of unknown origin (CPUO) did not achieve statistical significance in its primary itch responder endpoint (despite favorable numerical improvements) but showed nominally significant improvements in all other itch endpoints. The Dupixent Phase 3 study program in CPUO consists of Study A and Study B. Study B is intended to be initiated as a subsequent pivotal study.

e. A Regeneron-sponsored Phase 2/3 study evaluating Dupixent in adult and adolescent patients with eosinophilic gastritis with or without eosinophilic duodenitis is ongoing.

f. A Phase 3 program to evaluate Dupixent in adults with lichen simplex chronicus was initiated in 2024.

g. Finallly, a Phase 2 clinical study is ongoing for the treatment of patients with ulcerative colitis.

Kevzara, a monoclonal antibody against the IL-6 receptor developed with Regeneron, is already marketed for the treatment of moderate to severe rheumatoid arthritis and polymyalgia rheumatica.

In 2024, the FDA approved Kevzara for the treatment of patients weighing 63 kilograms or greater with active polyarticular juvenile idiopathic arthritis (pJIA), a form of arthritis that impacts multiple joints at a time. The approval in this patient population was supported by evidence from adequate and well-controlled studies and pharmacokinetic data from adults with rheumatoid arthritis as well as a pharmacokinetic, pharmacodynamic, dose finding and safety study in pediatric patients with pJIA. Approval in Europe for the treatment of patients with pJIA was obtained in January 2025.

Tzield, a CD3-directed monoclonal antibody, is the first and only disease modifying therapy in type 1 diabetes (T1D), a chronic autoimmune condition where the body's ability to regulate blood sugar levels is impacted due to the gradual destruction of insulin producing beta cells by one's own immune system. The product is approved by the FDA to delay the onset of Stage 3 T1D in adults and children eight years and older diagnosed with Stage 2 T1D. In addition, the potential of Tzield to slow the progression of Stage 3 T1D in newly diagnosed children and adolescents is currently being evaluated in a Phase 3 clinical program. In 2024, the EMA accepted for review the regulatory submission for Tzield in children and adolescents to delay the onset of stage 3 T1D, as well as for early intervention in stage 3 T1D.

PART I
ITEM 4. Information on the Company

Rezurock is a selective ROCK2 (rho-associated coiled-coil–containing protein kinase-2) inhibitor that was first approved by the FDA for the treatment of adult and pediatric patients aged 12 years and older with chronic graft-versus-host disease (chronic GVHD) after failure of at least two prior lines of systemic therapy. Rezurock is now approved in multiple countries, including China, the UK and Canada. In 2024, the EMA accepted for review the regulatory submission of Rezurock for the third line treatment of chronic GVHD. The EMA granted an orphan designation in 2019 for this indication.

A Phase 3 study is evaluating Rezurock on top of azithromycin and standard-of-care regimen of immunosuppression in adult participants who have evidence of progressive chronic lung allograft dysfunction despite azithromycin therapy.

Nexviazyme is a long-term enzyme replacement therapy targeting the mannose-6-phosphate receptor to effectively clear glycogen build-up in muscle cells. This enzyme replacement therapy is approved for the treatment of patients with Pompe disease, a rare disease caused by a deficiency of the enzyme acid alpha-glucosidase (GAA). In Europe, the treatment is marketed under the brand name Nexviadyme.

In 2024, new data from the Mini-COMET Phase 2 long-term extension study in pediatric patients with infantile-onset Pompe disease (IOPD) suggested that Nexviazyme meaningfully improved ptosis, or drooping eyelid, over nearly three years. Additionally, positive safety debut data were obtained from the Baby-COMET Phase 3 study, the first study in over 20 years of any treatment in naive IOPD patients. This Phase 3 study is currently ongoing and is expected to read out in 2026.

Sarclisa is a monoclonal antibody designed to selectively bind to CD38, a cell surface antigen expressed in MM cancer cells and other hematological malignancies. Sarclisa is approved in several countries in combination settings for the treatment of adults with relapsed refractory multiple myeloma (RRMM). Sarclisa is under evaluation in combination with current standard and novel treatments across the MM treatment continuum.

Sarclisa in combination with bortezomib, lenalidomide, and dexamethasone (VRd) as a first-line treatment option for adult patients with newly diagnosed multiple myeloma who are not eligible for autologous stem cell transplant was approved by the FDA in September 2024 and in the EU and in China in January 2025. The regulatory submission in this indication for Sarclisa is currently under review in Japan, supported by the IMROZ Phase 3 study. This study demonstrated that Sarclisa in combination with standard-of-care VRd, followed by Sarclisa-Rd, improved progression-free survival (PFS) and led to a rapid and greater depth of response compared to VRd alone, as shown by minimal residual disease (MRD) negativity rate over time, in transplant-ineligible patients with newly diagnosed MM.

New results from the German-speaking Myeloma Multicenter Group (GMMG)-HD7 Phase 3 study showed that Sarclisa in combination with lenalidomide, bortezomib and dexamethasone (RVd) during induction therapy in NDMM, transplant-eligible, significantly prolonged PFS from first randomization, resulting in a statistically significant and clinically meaningful reduction in disease progression or death, compared to RVd induction regardless of the maintenance regimen. The study results supported the regulatory submission that is currently under review by the EMA.

The development of a new subcutaneous formulation of Sarclisa at a fixed dose in combination with pomalidomide and dexamethasone (Pd) in RRMM patients who have received at least one prior line of therapy is under evaluation in a Phase 3 study (IRAKLIA); in this program, Sarclisa is administered subcutaneously using Enable Injections' enFuse hands-free on-body device delivery system. The co-primary endpoints of this study were met, supporting regulatory submissions in the US and in the EU that are planned during the first half of 2025.

Sarclisa is also assessed in a Phase 3 study in combination with lenalidomide and dexamethasone versus lenalidomide and dexamethasone in patients with high-risk smoldering MM, and in a Phase 2 study in new combinations with emerging novel mechanisms of action for the treatment of patients with RRMM or newly diagnosed MM patients.

Fluzone HD is a high-dose quadrivalent influenza vaccine licensed in the US and in Europe for the elderly population, who do not respond as well to standard-dose influenza vaccines due to aging of the immune system (immuno-senescence). A Phase 3 study to evaluate immunogenicity and safety of Fluzone HD in participants 50 through 64 years of age was initiated in 2024.

MenQuadfi: Sanofi's Men ACYW-TT vaccine is our latest advance in meningococcal quadrivalent conjugate vaccination, designed to help protect an expanded patient group including infants and adolescents through older adults. MenQuadfi is already licensed in the US (for people aged two years and over), and in Europe and several other countries (for people aged 12 months and over). MenQuadfi has also received WHO pre-qualification for people aged 12 months and above. In 2024, positive safety and immunogenicity results from a Phase 3 study of MenQuadfi to protect infants from six weeks of age against invasive meningococcal disease caused by serogroups ACWY, supported regulatory submission in the US. The FDA accepted for review the supplemental biologics license application for the potential extension of the indication to include children aged six weeks to 23 months through active immunization for the prevention of invasive meningococcal disease caused by Neisseria meningitidis serogroups A, C, W, and Y. The target action date for the FDA decision is May 23, 2025.

B.4.2. R&D Expenditures for late stage development

Expenditures on research and development amounted to €7,394 million in 2024 (€6,507 million in 2023). Research and development expenditures represented approximately 18.0% of our net sales in 2024, compared with 17.2% in 2023. The acceleration in R&D spend was focused mainly on key projects in immunology, rare diseases, neurology and vaccines, and also reflects the acquisitions and in-licensing agreements carried out in 2024; by contrast, expenditures in oncology have been reduced. Expenditures in Medical Affairs and R&D Support Functions reached €2,091 million in 2024 (€2,035 million in 2023 CER), driven by continued investment in digital R&D. In addition, a reimbursement of R&D expenses of approximately €200 million was received from Sobi in 2024 following the registration of ALTUVIIIO in Europe, and credited to R&D expenses.

B.5. Markets

A breakdown of revenues by segment and by geographical region for 2024, 2023, and 2022 can be found at Note D.34. to our consolidated financial statements, included at Item 18. of this annual report.

The following market shares and ranking information are based on consolidated national pharmaceutical sales data (excluding vaccines), in constant euros, on a September 2024 Moving Annual Total (MAT) basis. The data are mainly from IQVIA MIDAS local sales audit supplemented by various other country-specific sources including Knobloch (Mexico), GERS (France) and HMR (Portugal).

B.5.1. Marketing and distribution

We have business operations in approximately 63 countries and our products are available in more than 160 countries. A breakdown of our aggregate net sales by geographical region is presented in "Item 5. Operating and Financial Review and Prospects — Results of Operations — Year Ended December 31, 2024 Compared with Year Ended December 31, 2023." Sanofi is the tenth largest pharmaceutical company globally by sales. Our main markets in terms of net sales are respectively:

- United States: we rank fifteenth with a market share of 2.1%;
- Europe: we are the fifth largest pharmaceutical company in France where our market share is 4.0%, and we rank fourth in Germany with a 4.0% market share; and
- other countries: we are ranked twelfth in Japan with a market share of 2.3%, and ninth in China with a market share of 1.5%.

Although specific distribution patterns vary by country, we sell prescription drugs primarily to wholesale drug distributors, independent and chain retail drug outlets, hospitals, clinics, managed-care organizations and government institutions. Some products in Rare Diseases and Oncology may also be sold directly to physicians. With the exception of Opella products, our drugs are ordinarily dispensed to patients by pharmacies upon presentation of a doctor's prescription. Our vaccines are sold and distributed through multiple channels including physicians, pharmacies, hospitals, private companies and distributors in the private sector, and governmental entities and non-governmental organizations in the public and international donor markets.

We use a range of channels from in-person to digital to disseminate information about and promote our products among healthcare professionals, ensuring that the channels not only cover our latest therapeutic advances but also our established prescription products, which satisfy patient needs in some therapy areas. In some countries, products are also marketed directly to patients by way of television, radio, newspapers and magazines, and digital channels (such as the internet), in accordance with local regulations. National education and prevention campaigns can be used to improve patients' knowledge of their conditions. We regularly exhibit at major medical congresses.

Our sales representatives, who work closely with healthcare professionals, use their expertise to promote and provide scientific information on our drugs, and to inform healthcare professionals when necessary about alternative access to our drugs for their patients. They represent our values on a day-to-day basis and are required to adhere to a code of conduct and to internal policies on which they receive training.

Sanofi markets most of its products through its own own sales forces. Nevertheless, Sanofi has entered into and continues to form alliances to promote/market or co-promote/co-market certain products in specific geographical areas. Our major alliances are detailed at "Item 5. Operating and Financial Review and Prospects — A.1.7. Financial Presentation of Alliances." See also "Item 3. Key Information — D. Risk Factors — We rely on third parties for the discovery, manufacture and marketing of some of our products."

B.5.2. Competition

The pharmaceutical industry continues to experience significant changes in its competitive environment.

There are four primary types of competition in the prescription pharmaceutical market:

- competition among pharmaceutical companies to research and develop new patented products or address unmet medical needs;
- competition among different patented pharmaceutical products for the same therapeutic indication, including competition for market access, as is currently being observed in particular in the US (but also in other markets around the world). The number of drugs excluded from leading pharmacy benefit managers' formularies has increased dramatically over the past five years in the US commercial health insurance market, mostly in crowded therapeutic areas. For 2024, the three largest pharmacy benefit managers (PBMs) - Caremark (CVS Health), Express Scripts (Cigna), and OptumRx (United Health Group) - have again each excluded 600 or more drugs from their standard formularies. Formulary exclusions and utilization management are tools used by payers to manage prescription drug costs and leverage their negotiating power with manufacturers;
- competition among original and generic products or original biological products and biosimilars, at the end of regulatory exclusivity or patent protection; and
- competition among generic or biosimilar products.

Generics manufacturers who have received all necessary regulatory approvals for a product may decide to launch a generic version before the patent expiry date, even in cases where the owner of the original product has already commenced patent infringement litigation against the generics manufacturer. Such launches are said to be "at risk" for the owner and the promoter of the generic product because it may be required to pay damages to the owner of the original product in the context of patent infringement litigation; however, such launches may also significantly impair the profitability of the pharmaceutical company whose product is challenged.

Drug manufacturers also face intra-product competition through parallel trade, where legally permitted. This refers to the practice whereby parallel traders or importers purchase drugs in one country and sell them in another country without the authorization of the original drug manufacturer. This usually occurs in markets where price differences exist due to factors like varying regulations, taxes or exchange rates. The parallel trader or importer will repackage or resize the original product with leaflets in the local language and sell it through an alternative channel at a higher price. This situation is of particular relevance in the European Union single market, where such practices have been encouraged by the current regulatory framework. Some of the risks arising from parallel trade include quality and safety concerns, breach of intellectual property rights and supply chain disruptions (see "Item 3. Key Information — D. Risk Factors").

The industry is also facing a proliferation of falsified and substandard medicines, a problem particularly widespread in low- and middle-income countries. The WHO estimates that 10% of medicines in these regions are falsified, affecting all therapeutic areas including vaccines. Worldwide, falsified products are an issue, due in part to an exponential rise in internet connectivity of those engaged in the manufacture, distribution and supply of substandard and falsified medical products. Similar types of competition apply to Opella.

In Vaccines, there are two primary types of competition:

- competition for innovation in the development of new vaccines, including breakthrough technologies (such as mRNA vaccines introduced against COVID-19) or address unmet medical needs; and
- competition among different patented (or non-patented) vaccine products marketed for the same therapeutic indication.

In contrast, generics and biosimilars do not directly affect vaccines, which rely on proprietary viral or bacterial strains. Competition from parallel importers remains limited due to the specific requirements for vaccines, such as the cold chain and the need for administration by healthcare professionals.

B.5.3. Regulatory framework

The pharmaceutical and health-related biotechnology sectors are highly regulated. National and supranational health authorities administer a vast array of legal and regulatory requirements that dictate pre-approval testing (including testing in human subjects) and quality standards to maximize the safety and efficacy of a new medical product. These authorities also regulate product labeling, manufacturing, importation/exportation, safety reporting and marketing, as well as mandatory post-approval requirements and commitments.

The submission of an application to a regulatory authority does not guarantee that a license or approval to market will be granted. Furthermore, each regulatory authority may impose its own requirements during product development or during the application review. It may refuse to grant approval or require additional data before granting approval, even in circumstances in which the same product has already been approved in other countries. Regulatory authorities also have the authority to request product recalls and product withdrawals, to impose penalties for violations of regulations, and ultimately the ability to revoke product licensure or approval.

Product review and approval can vary from six months or less to several years from the date of application submission depending upon the country and regulatory jurisdiction. Factors such as the quality of data and evidence, the review procedures, the nature of the product and the condition to be treated, play a major role in the length of time a product is under review, and whether or not the product is ultimately licensed or approved.

In the EU, there are three main procedures for applying for marketing authorization:

- the centralized procedure is mandatory for drugs derived from biotechnologies; new active substances designed for human use to treat HIV, viral diseases, cancer, neurodegenerative diseases, diabetes and auto-immune diseases; orphan drugs; and innovative products for veterinary use. When an application for human use is submitted to the EMA, the scientific evaluation of the application is carried out by the EMA's CHMP and a scientific opinion is prepared. This opinion is sent to the EC, which adopts the final decision and grants an EU marketing authorization. Such a marketing authorization is valid throughout the EU, and the drug may be marketed within all EU Member States;
- if a company is seeking a national marketing authorization in more than one Member State, two procedures are available to facilitate the granting of harmonized national authorizations across Member States: the mutual recognition procedure or the decentralized procedure. Both procedures are based on the recognition by national competent authorities of a first assessment performed by the regulatory authority of one Member State; and
- national authorizations are still possible, but are only for products intended for commercialization in a single EU Member State or for line extensions to existing national product licenses.

In the EU, vaccines are treated as pharmaceutical products, and therefore have to obtain marketing authorization under the centralized procedures described above.

Generic products are subject to the same marketing authorization procedures. A generic product must contain the same active medicinal substance as a reference product approved in the EU. Generic applications are abridged: generic manufacturers only need to submit quality data and demonstrate that the generic drug is "bioequivalent" to the originator product (i.e. performs in the same manner in the patient's body), but do not need to submit safety or efficacy data since regulatory authorities can refer to the reference product's dossier.

Another relevant aspect in the EU regulatory framework is the "sunset clause" under which any marketing authorization ceases to be valid if it is not followed by marketing within three years, or if marketing is interrupted for a period of three consecutive years.

In the US, the FDA has broad regulatory jurisdiction over all pharmaceutical and biological products that are intended for sale and marketing in the US. To commercialize a new drug or biologic in the US, an applicant must submit to the FDA a New Drug Application (NDA) under the Food, Drug and Cosmetic (FD&C) Act or a Biologics License Application (BLA) under the Public Health Service (PHS) Act, respectively, for filing and pre-market review. Specifically, the FDA must decide whether the product is safe and effective for its proposed use; if the benefits of the product outweigh its risks; whether the product labeling is adequate; and if the manufacturing of the product and the controls used for maintaining quality are adequate to preserve the product's identity, strength, quality and purity. Based upon this review, the FDA can stipulate post-approval commitments and requirements. Changes to an approved product, including but not limited to a new indication, require submission of a supplemental NDA (sNDA) for a drug or a sBLA for a biological product.

The FD&C Act provides another option for NDA product approval via the 505(b)(2) pathway. This 505(b)(2) application contains full reports of investigations of safety and effectiveness but at least some of the information required for approval comes from studies not conducted by or for the applicant and for which the applicant has not obtained a right of reference. For example, under the 505(b)(2) pathway an applicant may seek to rely on literature or earlier FDA findings of safety and effectiveness for approved drugs.

Sponsors wishing to market a generic drug or biosimilar product can file an Abbreviated NDA (ANDA) under 505(j) of the FD&C Act or abbreviated BLA (aBLA) under 351(k) of the PHS Act, respectively.

- ANDA applications are "abbreviated" because they are generally not required to include data to establish safety and efficacy but need to demonstrate that their product is bioequivalent (i.e., performs in humans in the same manner as the originator's product) to a reference listed drug. Consequently, the length of time and cost required for development of generics can be considerably less than for the innovator's drug. The ANDA pathway in the US can only be used for generics of drugs that can be referenced as having been approved under the FD&C Act.
- aBLA applications contain evidence that the potential product is biosimilar to a reference product already approved by the FDA. A biosimilar is highly similar to and has no clinically meaningful differences in terms of safety, purity, and potency (i.e. safety and effectiveness) from an FDA-licensed reference product. The abbreviated approval pathway for biosimilars was created to help reduce the time and cost of development of biologics without compromising safety and effectiveness. Consequently, the length of time and cost required for development of biosimilars may be less than for the innovator's reference product.

In Japan, the entire process of approval review from review-related inspections and clinical study consultation to review for the drugs approved by the Ministry of Health, Labour and Welfare (MHLW) is undertaken by the PMDA. The PMDA conducts a first scientific review of the NDA submitted, assessing particularly the safety, efficacy and quality of the product or medical device proposed. Results of this primary evaluation are then submitted to the PMDA's external experts. After a second evaluation based on the external experts' feedback, a report is provided; the Pharmaceutical Affairs and Foods Sanitation Council (PAFSC) – one of the councils organized under the MHLW as advisory commission – is consulted, and advises the MHLW on final approvability.

For Japanese registrations, in principle, clinical data for Japanese patients are necessary. The regulatory authorities can require local clinical studies, though they now strongly recommend and also accept multi-regional studies including Japan. In some cases, bridging studies have been conducted to verify extrapolability of foreign clinical data to Japanese patients and to obtain data to determine the appropriateness of the dosages for Japanese patients.

The MHLW may require additional post-approval studies (Phase 4) for some specific cases, to further evaluate safety and/or to gather information on the use of the product under specified conditions. In approval of new drugs, new indications, new dosages or new administrations, the re-examination period is determined by the MHLW. Post-marketing information on a drug for the predetermined period after approval is collected to reconfirm its efficacy, safety and quality at the end of the period. This collection process involves both post-marketing surveillance (PMS), which is a non-interventional study, and post-marketing clinical studies.

For generic products, the data necessary for filing are similar to EU and US requirements. Companies only need to submit quality data, and data demonstrating bioequivalence to the originator product, unless the drug is biopharmaceutical. Common Technical Document (CTD) submission for generics has been mandatory since March 2017.

The International Council for Harmonization of Technical Requirements for Pharmaceuticals for Human Use (ICH) was created in 1990 and reformed in 2015.

The ICH currently includes 23 Members and 38 Observers. Harmonization is achieved through the development of ICH Guidelines via a process of scientific consensus with regulatory and industry experts working side-by-side.

In addition to the joint efforts, Free Trade Agreements (FTAs) have proven to be one of the best ways to open up foreign markets to exporters and to allow for discussions on harmonization topics for regulatory authorities. Some agreements, such as the Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS), are international in nature, while others are between specific countries. The requirements of many countries (including Japan and several EU Member States) to negotiate selling prices or reimbursement rates for pharmaceutical products with government regulators significantly extend the time to market entry beyond the initial marketing approval. While marketing authorizations for new pharmaceutical products in the EU have been largely centralized within the EC in collaboration with the EMA, pricing and reimbursement remain a matter of national competence.

For a description of risks relating to the regulatory environment in which we operate, refer to "— Item 3.D. Risk Factors — Product liability claims could adversely affect our business, results of operations and financial condition."

B.5.4. Pricing & reimbursement

We are operating in a **highly volatile and competitive** market access and launch environment globally.

Faced with mounting budget pressure, governments and payers are using several **drug price control policies** such as price referencing for imported drugs, increased patient co-payments, restrictive formularies, prescribing guidelines, tendering procedures, generic and biosimilar substitution, and medico-economic evaluations of healthcare products.

In addition, the industry faces growing pressure to demonstrate the value and cost-effectiveness of products throughout their life cycle (e.g. comparative efficacy studies, real-world patient data, budget modelling) to meet **diverse and stringent payer evidence requirements**, raising the bar for market entry in many countries.

Despite numerous pricing and reimbursement challenges, payers and regulators remain committed to providing **access to new innovative therapies**, with greater emphasis on real-world evidence (RWE).

These trends are likely to continue in the coming year amid economic, political and geopolitical headwinds.

United States

The US health insurance system is comprised of commercial insurance and government-provided insurance. Commercial insurance is offered widely as part of employee benefit packages and is the main source of employee access to subsidized healthcare. Some individuals purchase private health plans directly or through marketplaces established under the Affordable Care Act, while publicly subsidized programs provide coverage for retirees, the indigent, the disabled, uninsured children, and active or retired military personnel. Double coverage can occur.

Commercial insurance includes:

- Managed Care Organizations (MCOs), which combine the functions of health insurance, delivery of care, and administration. MCOs use specific provider networks and specific services and products. There are four primary types of managed care plans: Health Maintenance Organizations (HMOs), Preferred Provider Organizations (PPOs), Exclusive Provider Organizations (EPOs), and Point of Service (POS) plans; and
- Pharmacy Benefit Managers (PBMs), which serve as intermediaries between insurance companies, pharmacies and manufacturers to negotiate rebates and discounts on formulary placement for commercial health plans, self-insured employer plans, Medicare Part D plans, and federal and state government employee plans.

Government insurance includes:

- *Medicare*, which provides health insurance for retirees and for people with permanent disabilities. The original Medicare program covers inpatient services through Part A, and outpatient items and services through Part B, and the vast majority of retirees purchase additional coverage through some or all of Part B (outpatient items and services). Beneficiaries may choose to enroll in a Medicare Advantage program under Part C in lieu of original Medicare Parts A and B. Beneficiaries under both original Medicare and Part C may also opt to enroll in a Part D plan to obtain outpatient drug coverage. Almost two-thirds of all Medicare beneficiaries have enrolled in Part D plans;
- *Medicaid*, which provides health insurance for low-income families, certain qualified pregnant people and children, individuals receiving supplemental security income, and other eligible persons determined on a state-by-state basis; and
- *TRICARE*, which provides health insurance for uniformed service members, retirees, and their families including comprehensive healthcare, prescription and dental coverage.

The US is still the largest pharmaceutical market in the world and is expected to grow to nearly $1.09 trillion by 2028.

The US landscape is likely to be driven by two major market dynamics over the next decade: shorter economic lifecycles of eight years for small molecules and 12 years for biologics, and more restrictive formulary management.

However, the recent change in administration in the US may spark uncertainty for the regulatory landscape, in particular the Inflation Reduction Act (IRA).

The passage of the IRA, signed into law in August 2022, will exert increased price pressure at launch and throughout the lifecycle of drugs. The legislation contains three main drug pricing policies which are to be phased between 2022 and 2026: Medicare drug price negotiation, inflation penalties on list price increases, and Medicare Part D redesign. Importantly, all of the policy changes enacted under the IRA apply to the coverage of drugs under applicable Medicare Programs: Part B (for physician-administered outpatient medicines) and Part D (for self-administered medicines), as well as such coverage for beneficiaries enrolled in Part C.

The most impactful provision in the IRA is the introduction of Medicare price negotiations affecting the prices of drugs with high budget impact on Medicare Part B and Part D, starting with 10 drugs with high Part D expenditures whose negotiated pricing will take effect in 2026, up to 15 additional high-expenditure Part D drugs whose pricing will take effect in 2027, and up to 15 more drugs with high expenditures under Parts Part B and/or Part D whose negotiated pricing will take effect in 2028. From 2029 and beyond, up to 20 more drugs with high Part B and/or Part D expenditures will be selected for negotiated pricing taking effect each year. No Sanofi product was selected for the first round of price negotiations which resulted in steep discounts ranging from 60% to 80% of the list price on the selected drugs.

The IRA also imposes inflation penalties applied to Medicare volumes in Medicare Part B and D if prices rise faster than inflation (based on the consumer price index, CPI), beginning in October 2022 for Part D and January 2023 for Part B.

Other measures of the IRA redesign the Medicare Part D benefit, including a monthly $35 insulin cap in 2023 and an annual $2,000 out-of-pocket (OOP) spending cap in 2025 for Medicare beneficiaries.

Altogether, the IRA was initially expected to reduce federal drug spending by about $290 billion through 2031 according to estimates from the Congressional Budget Office (CBO). The legislation is also likely to have a negative impact on industry revenue growth and future innovation, although significant uncertainties remain over the process and methods of Medicare price negotiations.

In addition to the IRA, the industry is exposed to increased price pressure from continuing vertical integration and consolidation within the US health insurance market. With the three largest PBM-owned group purchasing organizations (GPOs) Ascent, Zinc and Emisar now covering over 85% of US prescription drug claims, consolidation has increased payers' bargaining power when negotiating discounted prices, leading to stricter formulary management and a dramatic increase in product exclusions over the past five years.

Europe

In Europe, economic pressures stemming from rising inflation and slow economic growth are resulting in a heightened focus on cost-containment across healthcare systems and a growing tension between affordability and innovation.

On April 26 2023, the EC adopted a proposal for a new directive and a new regulation, which represent the largest pharmaceutical reform in the EU in over 20 years.The revision aims to achieve greater equity of access and use of medicines across the EU. The package is still under tripartite discussions between the EC, the Parliament and the Council of Member States, and adoption is unlikely until 2028. The new legislation contains a few components with direct impact on access. The most concerning draft proposals relate to modulated regulatory data protection and orphan market exclusivity periods; greater transparency in R&D costs; faster availability of generics and biosimilars; and more stringent obligations for the supply of medicines. The industry is deeply concerned by the potential detrimental impact of the package on innovation, competitiveness and patient access across Europe because of weakened intellectual property protection.

Harmonization of EU health technology assessment (HTA) is also intended to address patient access inequalities in Europe, with official implementation in January 2025. To achieve this, a joint EU HTA process is being implemented in phases, starting with oncology medicines and advanced therapy medicinal products (ATMPs) from 2025, before expanding to orphan drugs in 2028 and other products in 2030. It will introduce EU-level joint scientific consultations (JSCs) and joint clinical assessments (JCAs) that will serve as the basis for national value assessments and price negotiations. 25 JCAs are planned to be conducted by the EU HTA Coordination Group (HTACG) in 2025. While preparations gathered pace in 2024, there are short-term risks and uncertainties related to the new JCA framework, especially as regards methodologies (i.e. comparators and endpoints), potential delayed assessments, and the disruption caused to national HTA processes in adopting EU HTA without additional resources. In addition, the new EU HTA regulation will trigger increased workload and higher evidence requirements at launch, requiring Sanofi and other manufacturers to adapt their operating models. As countries and companies transition to the new processes, EU-wide coordination on HTA is anticipated to gain momentum, albeit slower than initially expected.

Another priority of the EC is to secure the uninterrupted supply of medicines in Europe. In 2024 it launched the Critical Medicines Alliance, paving the way for a possible Critical Medicines Act in the future. To mitigate drug shortages, the EC is pursuing several actions including reshoring of generics production, compulsory stockpiling, and joint procurement of the most critical medicines.

China

China is pursuing reforms towards "Healthy China 2030". Healthcare is one of the growth priorities with policies aimed at addressing a large and increasing burden of disease (especially cancer, diabetes and cardiovascular diseases), while balancing access to innovation and costs.

China also continues to improve regulatory timelines. For example, Dupixent received approval for the treatment of adults with moderate-to-severe AD in June 2020, within six months of filing through an accelerated review process.

Pricing pressure is expected to remain at a high level as a growing number of products are subject to National Reimbursement Drug List (NRDL) price negotiations and volume-based procurement (VBP) tenders, with the lowest price prevailing to compete with local champions.

Access to innovative therapies has been accelerating in the last five years, fueled by annual NRDL updates, albeit with steep price cuts across therapy areas. According to the National Healthcare Security Administration (NHSA), 91 new drugs were added to the National Reimbursement Drug List (NRDL) in December 2024, with an average price cut of 63%, the highest level since NRDL updates began in 2017. More than 70% of successful medicines were developed by Chinese companies, continuing the recent growth in domestic manufacturers' share of new entries to the NRDL. Additionally, 38 of the 91 new entries to the NRDL are in Class 1 where China is the global first-launch market.

Further expansion of the VBP policy will pursue aggressive price cutting of a growing number of products, including biologics, with more than 500 drugs targeted for inclusion in 2025.

B.6. Patents, intellectual property and other rights

Intellectual property rights are essential to our business because they protect our innovations and investments in research and development, manufacturing and marketing of our products. Intellectual property rights include patents, trademarks, copyrights, know-how, trade secrets and regulatory-based protection.

Patent protection

We own a broad portfolio of patents, patent applications and patent licenses worldwide. These patents are of various types and may cover: active ingredients; pharmaceutical formulations; product manufacturing processes; intermediate chemical compounds; therapeutic indications/methods of use; technology platforms; delivery systems; digital applications; and enabling technologies, such as assays. Patent protection is considered, in the aggregate, to be of material importance to the marketing and sales of our products.

Patent protection for individual products typically extends for 20 years from the patent filing date in countries where we seek patent protection. A substantial part of the 20-year life span of a patent on a new molecule (small molecule or biologic) has generally already passed by the time the related product obtains marketing authorization. As a result, the effective period of patent protection for an approved product's active ingredient is significantly shorter than 20 years. In some cases, the period of effective protection may be extended by procedures established to compensate regulatory delay in Europe (via Supplementary Protection Certificate or SPC), in the US (via Patent Term Extension or PTE), and in Japan (PTE).

The protection a patent provides to the related product depends upon the type of patent and its scope of coverage, and may also vary from country to country.

In Europe, applications for new patents may be submitted to the European Patent Office (EPO). In the US, applications for new patents may be submitted to the United States Patent and Trademark Office (USPTO).

We monitor our competitors and vigorously seek to challenge patent infringers when such infringement would negatively impact our business objectives. See "Item 8. — A. Consolidated Financial Statements and Other Financial Information — Information on Legal or Arbitration Proceedings — Patents" of this annual report.

The expiration or loss of a patent covering a new molecule, typically referred to as a compound patent, may result in significant competition from generic or biosimilar products and can result in a dramatic reduction in sales of the original branded product (see "Item 3. Key Information — D. Risk Factors"). In some cases, it is possible to continue to benefit from a commercial advantage through product manufacturing trade secrets or other types of patents. Certain categories of products, such as traditional vaccines and insulin, were historically relatively less reliant on patent protection and may in many cases have no patent coverage. It is increasingly frequent for novel vaccines also to be patent protected.

Regulatory exclusivity

In some markets, including the EU and the US, many of our pharmaceutical products may also benefit from multi-year regulatory exclusivity periods, during which a generic or biosimilar competitor may not rely on our clinical study and safety data in its drug application. This exclusivity operates independently of patent protection and may protect the product from generic or biosimilar competition even if there is no patent covering the product.

United States

- The FDA may not grant final marketing authorization to a generic competitor for a New Chemical Entity (NCE) until the expiration of the regulatory exclusivity period (five years) that commences upon the first marketing authorization of the reference listed drug.
- Significant new uses of existing NCEs, including new indications, may qualify for an additional three years of regulatory exclusivity if certain conditions are met.
- For biological drugs, the FDA may not approve a biosimilar application until 12 years after the date on which the reference product was first licensed.
- Pediatric extensions are available under certain conditions of the Hatch-Waxman Act by providing data on pediatric studies. Under such cases the FDA allows for an extension of regulatory exclusivity and patent life by six months, to the extent these protections have not already expired (the so-called "pediatric exclusivity").
- Orphan drug exclusivity may be under certain circumstances to drugs intended to treat rare diseases or conditions.

European Union

- Regulatory exclusivity is available in two forms: data exclusivity and marketing exclusivity.
- Generic or biosimilar drug applications will not be accepted for review until eight years after the first marketing authorization (data exclusivity). This eight-year period is followed by a two-year period during which generics or biosimilars cannot be marketed (marketing exclusivity).
- The marketing exclusivity period can be extended to three years if, during the first eight-year period, the marketing authorization holder obtains an authorization for one or more new therapeutic indications which are deemed to provide a significant clinical benefit over existing therapies. This is known as the "8+2+1" rule.
- Pediatric extensions - A regulation on pediatric medicines provides for pediatric research obligations with potential associated rewards including extension of supplementary patent protection and six-month regulatory exclusivity for pediatric marketing authorization (for off-patent medicinal products).
- Orphan drug exclusivities also exist in the EU.

Japan

- The regulatory exclusivity period varies, but is generally four to six years for drugs for a specific use, and for medicinal products with new indications or with new dosages; eight years for drugs containing a new chemical entity; ten years for orphan drugs, and for new drugs requiring pharmaco-epidemiological study; six to eight years for innovative drugs ("SAKIGAKE" products), and for orphan drugs with a new ethical combination or new mode of administration; and six years for other medicinal products, such as new prescription combination drugs or drugs requiring a new mode of administration.
- There is no pediatric research extension of patent protection for patented medicinal products. However, regulatory exclusivity may be extended from eight to ten years.

Emerging markets

One of the main limitations on our operations in emerging market countries is the lack of effective intellectual property protection or enforcement for our products, which frequently do not provide non-patent exclusivity for innovative products. While the situation has gradually improved, the lack of protection for intellectual property rights or the lack of robust enforcement poses difficulties in certain countries. Additionally, in recent years a number of countries have waived or threatened to waive intellectual property protection for specific products, for example through compulsory licensing of generics. See "Item 3. Key Information — D. Risk Factors — Risks Relating to Sanofi's Structure and Strategy — The globalization of our business exposes us to increased risks in specific areas".

Product and patent overview

We summarize in the table below the intellectual property coverage (in some cases through licenses) of our most significant marketed products in terms of sales, in our major markets. In the discussion of patents below, we focus on active ingredient patents (compound patents) and, in the case of NCEs, on any later filed patents listed as applicable in the FDA's list of Approved Drug Products with Therapeutic Equivalence Evaluations (the "Orange Book") or in its foreign equivalents. For biologics, the Orange Book listing does not apply.

The table provides a list of expiration dates, which include six-month pediatric extensions when applicable, and when indicated, extensions due to Patent Term Adjustment (PTA) or other regulatory delays. Where patent terms have expired we indicate such information and mention whether generics or biosimilars are on the market.

We do not provide later filed patent information relating to formulations already available as an unlicensed generic. References below to patent protection in Europe indicate the existence of relevant patents in most major markets in the EU. Specific situations may vary by country.

We additionally set out any regulatory exclusivity from which these products continue to benefit in the EU, US or Japan. Regulatory exclusivities presented below incorporate any pediatric extensions obtained. While EU regulatory exclusivity is intended to be applied throughout the EU, in some cases Member States have taken positions prejudicial to our exclusivity rights.

	United States	European Union	Japan
Dupixent	Compound: March 2031 with PTE*	Compound: September 2032 with SPC* (March 2033 with pediatric extension of SPC* in process of being granted across EU countries)	Compound: May 2034 with PTE*
	Later filed patents: coverage ranging through March 2044 (pending)	Later filed patents: coverage ranging through December 2043 (pending)	Later filed patents: coverage ranging through October 2042 (pending)
	Regulatory exclusivity: March 2029	Regulatory exclusivity: September 2028	Regulatory exclusivity: January 2026
Toujeo	Compound: expired	Compound: expired	Compound: expired
	Later filed patents: coverage ranging through May 2031	Later filed patents: coverage ranging through May 2031	Later filed patents: coverage ranging through July 2033 with PTE*
Lantus	Compound: expired	Compound: expired	Compound: expired
	Generics/biosimilars on the market	Generics/biosimilars on the market	Generics/biosimilars on the market
Lovenox	Compound: expired	Compound: expired	Compound: expired
	Generics on the market	Biosimilars on the market	
Plavix	Compound: expired	Compound: expired	Compound: expired
	Generics on the market	Generics on the market	Generics on the market
Fabrazyme	Patent: expired	Patent: expired	Patent: expired
	Regulatory exclusivity: March 2028 pediatric indication (ages 2-8 with confirmed Fabry disease)		Generics/biosimilars on the market
Myozyme	Compound: expired	Compound: expired	Compound: expired
Alprolix	Use: December 2027 with PTE*	Compound: May 2029 with SPC* in most EU countries	Compound: February 2026 with PTE*
	Later filed patents: coverage ranging through April 2039 (pending)	Later filed patents: coverage ranging through December 2037 (pending)	Later filed patents: coverage ranging through December 2037 (pending)
	Regulatory exclusivity: March 2026	Regulatory exclusivity: May 2028	
Cerezyme	Patent: expired	Patent: expired	Patent: expired
Aubagio	Compound: expired	Compound: expired	Compound: expired
		Later filed patent: coverage ranging through April 2027 with SPC*	
	Generics on the market	Generics on the market	
NEW LAUNCHES			
Nexviazyme/ Nexviadyme	Compound: March 2030 with PTA* (PTE* pending)	Compound: January 2028 (SPC* in process of being granted across EU countries)	Compound: December 2032 with PTE*
	Later filed patents: coverage ranging through May 2032	Later filed patents: coverage ranging through May 2032	Later filed patents: coverage ranging through December 2029
	Regulatory exclusivity: pending	Regulatory exclusivity: no (a)	Regulatory exclusivity: September 2031
Sarclisa	Compound: October 2032 with PTA* and PTE*	Compound: October 2032 with SPC*	Compound: October 2032 with PTE*
	Later filed patents: coverage ranging through November 2041 (pending)	Later filed patents: coverage ranging through November 2041 (pending)	Later filed patents: coverage ranging through November 2041 (pending)
	Regulatory exclusivity: March 2032	Regulatory exclusivity: May 2030	Regulatory exclusivity: June 2028
ALTUVIIIO	Compound: February 2037 with PTA* (PTE* pending)	Compound: January 9, 2035 (SPC* pending)	Compound: January 9, 2035 (PTE* pending)
	Later filed patents: coverage ranging through March 2043 (pending)	Later filed patents: coverage ranging through March 2043 (pending)	Later filed patents: coverage ranging through March 2043 (pending)
	Regulatory exclusivity: February 2035	Regulatory exclusivity: June 2034	Regulatory exclusivity: September 2031
Rezurock	Compound : October 2029 with PTA* (PTE* pending)	N/A	Compound : March 2026 (PTE* pending)
	Later filed patents : coverage ranging through July 2042		Later filed patents : October 2033 (PTE* pending)
	Regulatory exclusivity: July 2028		Regulatory exclusivity: March 2034
Cablivi	Compound: August 2027 with PTA* (PTE* pending)	Compound: May 2031 with SPC* in most EU countries	Compound: May 2031 with PTE*
	Later filed patents: coverage ranging through 2039	Later filed patents: coverage ranging through 2039 (pending)	Later filed patents: coverage ranging through 2039 (pending)
	Regulatory exclusivity: Feb. 2031	Regulatory exclusivity: Sep. 2030	Regulatory exclusivity: Sep. 2032
Xenpozyme	Use: March 2031 with PTA* (PTE* pending)	Use: August 2030 (SPC* in process of being granted across EU countries)	Use: August 2030 (PTE* pending)
	Later filed patents: coverage ranging through 2043 (pending)	Later filed patents: coverage ranging through 2043 (pending)	Later filed patents: coverage ranging through 2043 (pending)
	Regulatory exclusivity: August 2034	Regulatory exclusivity: June 2032	Regulatory exclusivity: March 2030
Tzield	Compound : Expired	N/A	N/A
	Later filed patents : coverage ranging through May 2043 (pending)		
	Regulatory exclusivity: November 2034		
Beyfortus	Compound: January 2035 (PTE* pending)	Compound: January 2035 (SPC* in process of being granted across EU countries)	Compound: January 2035 (PTE* pending)
	Later filed patent: coverage ranging through September 2042 (pending)	Later filed patent: coverage ranging through September 2042 (pending)	Later filed patent: coverage ranging through September 2042 (pending)
	Regulatory exclusivity: July 2035	Regulatory exclusivity: November 2032	Regulatory exclusivity: March 2032

* *PTE: Patent Term Extension. – SPC: Supplementary Protection Certificate. – PTA: Patent Term Adjustment.*
(a) Subject to legal challenge before EU General Court.

Third-party patents and challenges to intellectual property

Patents held or licensed by Sanofi do not in all cases provide effective protection against a competitor's generic or biosimilar version of our products. For example, notwithstanding the presence of unexpired patents, competitors launched generic versions of Allegra in the US (prior to the product being switched to over-the-counter status) and Multaq in the EU.

We caution the reader that there can be no assurance that we will prevail when we assert a patent in litigation and that there may be instances in which Sanofi determines that it does not have a sufficient basis to assert one or more of the patents mentioned in this report, for example in cases where a competitor proposes a formulation not appearing to fall within the claims of our formulation patent; a salt or crystalline form not claimed by our composition of matter patent; or an indication not covered by our method of use patent. See "Item 3. Key Information — D. Risk Factors — Risks Relating to Legal and Regulatory Matters — We rely on our patents and other proprietary rights to provide exclusive rights to market certain of our products, and if such patents and other rights were limited, invalidated or circumvented, our financial results could be materially and adversely affected." As disclosed in Item 8. of this annual report, we are involved in significant litigation concerning the patent protection of a number of our products.

In addition to directly challenging our intellectual property rights, in some circumstances a competitor may be able to market a generic version of one of our products.

In the US, competitor generic companies can challenge patents by filing Abbreviated New Drug Applications (ANDAs) to receive authority to market a generic version of our approved products, by demonstrating that the purportedly generic version has the same properties (safety and other technical data) as the original approved product. Our products and patents are also subject to challenge by under section 505(b)(2) of the US Federal Food, Drug, and Cosmetic Act, which allows for approval for a wide range of products, especially for those products that represent only a limited change from an existing approved drug.

Similarly, entities wishing to market a generic biologic can utilize an abbreviated approval pathway established in the PHS Act. This §351(k) pathway enables an applicant to rely on a reference product sponsor's data when seeking approval of a biological product shown to be biosimilar (highly similar with no clinically meaningful differences) or interchangeable with an FDA-licensed reference BLA product. See also "— B.5.3. Regulatory Framework" above.

In the EU, a generic drug manufacturer may only reference the data of the regulatory file for the original approved product after data exclusivity has expired. Generic products may be approved for marketing following the expiration of marketing exclusivity without regard to the patent holder's rights. Nevertheless, in most of these jurisdictions once the competing product is launched, and in some jurisdictions even prior to launch (once launch is imminent), the patent holder may seek an injunction against such marketing if it believes its patents are infringed. See Item 8. of this annual report.

We seek to defend our patent rights vigorously in these cases. Success or failure in the assertion of a given patent against a competing product is not necessarily predictive of the future success or failure in the assertion of the same patent. See "Item 3. Key Information — D. Risk Factors — Risks Relating to Legal and Regulatory Matters — We rely on our patents and other proprietary rights to provide exclusive rights to market certain of our products, and if such patents and other rights were limited, invalidated or circumvented, our financial results could be materially and adversely affected."

B.7. Production and raw materials

We have opted to manufacture the majority of our products in-house. There are three principal stages in our production process: the manufacture of active ingredients, the transformation of those ingredients into drug products or vaccines, and the final packaging.

Our general policy is to produce our key active ingredients and main drug products at our own plants in order to reduce our dependence on external suppliers. We also rely on third parties for the manufacture and supply of specific active ingredients, drug products and medical devices. Active ingredients are manufactured using raw materials sourced from suppliers who have been subject to rigorous selection and approval procedures, in accordance with international standards and our own internal directives. We have outsourced some of our production under supply contracts associated with acquisitions of products or businesses or with Sanofi plant divestitures, or to establish a local presence to capitalize on growth in emerging markets. Our pharmaceutical subcontractors follow our general quality and logistics policies, as well as meeting other criteria.

Our manufacturing activities require significant amounts of energy, the costs of which increased in 2022 and 2023 as a result of inflationary pressures and supply constraints due to the war in Ukraine. The Group uses supply contracts and hedging to mitigate those risks and costs. See "Item 3. Key Information — D. Risk Factors — Risks Relating to Our Business."

We also obtain active ingredients from third parties under collaboration agreements. This applies in particular to the monoclonal antibodies developed with Regeneron.

Our production sites are divided into three categories:

- global sites, which serve all markets: located mainly in Europe, these facilities are dedicated to the manufacture of our active ingredients, injectable products, and a number of our main solid-form products;
- regional sites, which serve markets at regional level, giving us a strong industrial presence in emerging markets; and
- local sites, which serve their domestic market only.

Vaccines produces vaccines at various sites, with the main locations situated in France, the United States, Canada, India, Mexico and China. The pharmaceutical site at Le Trait (France) also contributes to Vaccines' industrial operations by making its sterile filling facilities available for vaccine manufacturing.

All of our production facilities are good manufacturing practice (GMP) compliant, in line with international regulations.

Our main sites are approved by the FDA:

- the Specialty Care facilities in the United States (Framingham MA and Northborough MA), France (Lyon Gerland, Vitry-sur-Seine, Le Trait), Germany (Frankfurt), Ireland (Waterford) and Belgium (Geel);
- the General Medicines facilities in Germany (Frankfurt), France (Aramon, Sisteron, Ploermel, Ambarès and Tours), Italy (Anagni and Scoppito), Singapore (Jurong) and the United States (Ridgefield NJ);
- the Vaccines facilities in France (Marcy l'Étoile, Le Trait, Val-de-Reuil and Neuville-sur-Saône), the United States (Swiftwater PA) and Canada (Toronto); and
- the Opella facilities in France (Compiègne) and the United States (Chattanooga TN).

Wherever possible, we seek to have multiple plants approved for the production of key active ingredients and our strategic finished products (this is the case with Lovenox and Dupixent, for example).

More details about our manufacturing sites are given below at section "— D. Property, Plant and Equipment".

PART I
ITEM 4. Information on the Company

B.8. Insurance and risk coverage

We are protected by five main insurance programs, relying not only on the traditional corporate insurance and reinsurance market but also on our direct insurance company, Carraig Insurance DAC (Carraig).

These five key programs cover Property & Business Interruption; General & Product Liability; Stock & Transit; loss and liability arising from cyber and digital risks; and Directors & Officers Liability.

Carraig participates in our coverage for various lines of insurance including Property, Stock & Transit, Cyber/Digital, and General & Product Liability. Carraig is run under the supervision of the Irish and European regulatory authorities, is wholly owned by Sanofi, and has sufficient resources to meet those portions of our risks that it has agreed to cover.

Carraig sets premiums for our entities at market rates. Claims are assessed using the traditional models applied by insurance and reinsurance companies, and Sanofi's reserves are regularly verified and confirmed by independent actuaries.

Our Property & Business Interruption program covers all our entities worldwide, in all territories where it is possible to use a centralized program operated by Carraig. By sharing risk between our entities, this approach enables us to set deductibles and cover appropriate to the needs of local entities before the market attachment point. It also incorporates a prevention program, including a comprehensive site visit schedule covering our production, storage, research and distribution facilities and standardized repair and maintenance procedures across all sites.

The Stock & Transit program protects all goods owned by Sanofi while they are in transit nationally or internationally, whatever the means of transport, and all our inventories wherever they are located. Sharing risk between our entities through Carraig means that we can set deductibles at appropriate levels, for instance differentiating between goods that require temperature controlled distribution and those that do not. We have developed a prevention program with assistance from experts, implementing best practices in this area at our distribution sites.

Our Cyber/Digital insurance program protects our operations against loss originating from various sources, and against liability in respect of data security. Centralized through Carraig, the program enables us to set deductibles and cover appropriate to the needs of local entities before the market attachment point.

Our General & Product Liability program was renewed in 2024 for all our subsidiaries worldwide in all territories where it was possible to do so. For several years, insurers have been reducing product liability coverage because of the difficulty of transferring risk for some products that have been subject to numerous claims.

The principal risk exposure for our pharmaceutical products is covered with low deductibles at country level, with a greater proportion of risk being retained. The level of risk self-insured by Sanofi (including via Carraig) before the market attachment point enables us to retain control over the management and prevention of risk. Our negotiations with third-party insurers and reinsurers are tailored to our specific risks. In particular, they allow for differential treatment of products in the development phase, for discrepancies in risk exposure between European countries and the United States and for specific issues arising in certain jurisdictions. Coverage is adjusted every year to take account of the relative weight of new product liability risks such as those arising out of biotechnologies and new technology platforms.

Our coverage for risks that are not specific to the pharma-biotech industry (general liability) is designed to address the potential impacts of our operations.

For all the insurance programs handled by Carraig, outstanding claims are covered by provisions for the estimated cost of settling all claims incurred but not paid at the balance sheet date, whether reported or not, together with all related claims handling expenses. Where there is sufficient data history from Sanofi or from the market for claims made and settled, management – with assistance from independent actuaries – prepares an actuarial estimate of our exposure to unreported claims for the risks covered. The actuaries perform an actuarial valuation of the company's Incurred But Not Reported (IBNR) and Allocated Loss Adjustment Expense (ALAE) liabilities at year end. Two ultimate loss projections (based upon reported losses and paid losses, respectively) are computed each year using various actuarial methods including the Bornhuetter-Ferguson method; those projections form the basis for the provisions set.

The Directors & Officers Liability program protects all legal entities under our control, and their directors and officers. Carraig is not involved in this program.

We also operate other insurance programs, but these are of much lesser importance than those described above.

All our insurance programs are backed by highly-rated insurers and reinsurers and are intended to be designed in such a way that we can integrate most newly acquired businesses without interruption of cover. Our insurance coverage has been designed to reflect our risk profile and the capacity available in the insurance market. By centralizing our major programs, we are able to provide what we believe to be excellent, cost effective protection.

B.9. Health, Safety and Environment

Our manufacturing and research operations are subject to increasingly stringent health, safety and environmental (HSE) laws and regulations. These laws and regulations are complex and rapidly changing, and Sanofi invests the necessary sums in order to comply with them. This investment, which aims to respect HSE matters, varies from year to year.

Applicable environmental laws and regulations may require us to eliminate or reduce the effects of chemical substance discharge at our various sites. The sites in question may belong to Sanofi, and may be currently operational, or may have been owned or operational in the past. In this regard, Sanofi may be held liable for the costs of removal or remediation of hazardous substances on, under or in the sites concerned, or on sites where waste from activities has been stored, without regard to whether the owner

or operator knew of or under certain circumstances caused the presence of the contaminants, or at the time site operations occurred the discharge of those substances was authorized.

As is the case for a number of companies in the pharmaceutical, chemical and intense agrochemical industries, soil and groundwater contamination has occurred at some of our sites in the past, and may still occur or be discovered at others. In Sanofi's case, such sites are mainly located in the United States, Germany and France. As part of a program of environmental surveys conducted over the last few years, detailed assessments of the risk of soil and groundwater contamination have been carried out at current and former Sanofi sites. In cooperation with national and local authorities, Sanofi regularly assesses the rehabilitation work required and carries out such work when appropriate. Remediation works have just been completed at Neuville in France. Long-term rehabilitation work is in progress or planned in Mount Pleasant, Portland in the United States; Frankfurt in Germany; Valernes, Septèmes and Limay in France; and on a number of sites divested to third parties and covered by contractual environmental guarantees granted by Sanofi.

We may also have potential liability for investigation and cleanup at several other sites. We have established provisions for the sites already identified and to cover contractual guarantees for environmental liabilities for sites that have been divested. In France specifically, we have provided the financial guarantees to the authorities as required under French regulations for environmental protection in connection with the operation of activities on French sites.

Potential environmental contingencies arising from certain business divestitures are described in Note D.22.d. to the consolidated financial statements. In 2024, Sanofi spent €35 million on rehabilitating sites previously contaminated by soil or groundwater pollution.

Due to changes in environmental regulations governing site remediation, our provisions for remediation obligations may not be adequate due to the multiple factors involved, such as the complexity of operational or previously operational sites, the nature of claims received, the remediation techniques involved, the planned timetable for rehabilitation, and the outcome of discussions with national regulatory authorities or other potentially responsible parties, as in the case of multiparty sites. Given the long industrial history of some of our sites and the legacy obligations arising from the past involvement of Aventis in the chemical and agrochemical industries, it is impossible to quantify the future impact of these laws and regulations with precision. See "Item 3.D. Risk Factors — Environmental and safety risks of Our Industrial Activities."

We have established, in accordance with our current knowledge and projections, provisions for cases already identified and to cover contractual guarantees for environmental liabilities relating to sites that have been divested. In accordance with Sanofi standards, a comprehensive review is carried out once a year on the legacy of environmental pollution. In light of data collected during this review, we adjusted our provisions to €474 million as of December 31, 2024 versus €493 million as of December 31, 2023. The terms of certain business divestitures, and the environmental obligations and retained environmental liabilities relating thereto, are described in Note D.22. to our consolidated financial statements.

To our knowledge, Sanofi did not incur any liability in 2024 for non-compliance with current HSE laws and regulations that could be expected to significantly jeopardize its activities, financial situation or operating income. We also believe that we are in substantial compliance with current HSE laws and regulations and that all the environmental permits required to operate our facilities have been obtained.

Regular HSE audits are carried out by Sanofi in order to assess compliance with standards (which implies compliance with regulations) and to initiate corrective measures (19 internal audits performed in 2024). Moreover, more than 100 specific visits were performed jointly with experts representing our insurers.

Sanofi has implemented a worldwide master policy on HSE to promote the health and well-being of the employees and contractors working on its sites and respect for the environment. We consider this master policy to be an integral part of our commitment to social responsibility. In order to implement this master policy, Sanofi key requirements have been drawn up in the key fields of HSE management, HSE leadership, safety in the workplace, process safety, occupational hygiene, health in the workplace and protection of the environment. However, despite these efforts, Sanofi may be unsuccessful in the implementation of its policy to reduce and mitigate the harmful effects of its activities on the health and safety of its employees, customers or the general public and on the environment more generally. See "Item 3. Key information — D. Risk Factors" for further information.

Health

From the development of compounds to the commercial launch of new drugs, Sanofi research scientists continuously assess the effect of products on human health. This expertise is made available to employees through two committees responsible for chemical and biological risk assessment. Sanofi's COVALIS *(Comité des Valeurs Limites Internes Sanofi)* Committee is responsible for the hazard determination and classification of all API and synthesis intermediates handled at Sanofi facilities. This covers all active ingredients handled in production at company sites or in processes sub-contracted for manufacture. Any important issues involving raw materials or other substances that lack established occupational exposure limits may also be reviewed. The COVALIS Committee determines the occupational exposure limits required within Sanofi. Our TRIBIO Committee is responsible for classifying all biological agents according to their degree of pathogenicity, and applies rules for their containment and the preventive measures to be respected throughout Sanofi. See "Item 3. Key Information — D. Risk Factors — Environmental and safety risks of our industrial activities — Risks from manufacturing activities and the handling of hazardous materials could adversely affect our results of operations and reputation."

Appropriate occupational hygiene practices and programs are defined and implemented in each site. These practices consist essentially of containment measures for collective and individual protection against chemical and biological exposure in all workplaces where chemical substances or biological agents are handled. All personnel are monitored with an appropriate medical surveillance program, based on the results of professional risk evaluations linked to their duties.

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In addition, dedicated resources have been created to implement the European Regulation on Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) and the European Regulation on Classification, Labeling and Packaging of chemicals (CLP). To fully comply with REACH, Sanofi has registered the relevant hazardous chemical substances with the European Chemicals Agency (ECHA).

While these measures focus on managing chemical and biological risks, Sanofi's commitment to employee well-being extends beyond safety protocols. Through the All Well program, Sanofi offers comprehensive health and wellbeing support to all its employees. This program provides various global and local resources to promote healthy nutrition, physical activity, vaccination, and health checkups, as well as a Global Employee Assistance Program, ensuring a holistic approach to employee health and safety.

Safety

Sanofi has rigorous policies to identify and evaluate safety risks and to develop preventive safety measures, and methods for checking their efficacy. Additionally, Sanofi invests in training that is designed to instill in all employees a sense of concern for safety, regardless of their duties. These policies are implemented on a worldwide scale to ensure the safety of all employees and to protect their health. Each project, whether in research, development or manufacturing, is subject to evaluation procedures, incorporating the chemical substance and process data communicated by the COVALIS and TRIBIO Committees described above. The preventive measures are designed primarily to reduce the number and seriousness of work accidents and to minimize exposures involving permanent and temporary Sanofi employees as well as our sub-contractors.

The French chemical manufacturing sites in Aramon and Sisteron are listed Seveso III (from the name of the European directive that deals with potentially dangerous establishments where dangerous substances may be present in quantities exceeding certain thresholds to prevent major accidents and limit their consequences). In accordance with French law on technological risk prevention, the French sites are also subject to heightened security inspections due to the toxic or flammable materials stored on the sites and used in the operating processes.

Risk assessments of processes and installations are drawn up according to standards and internal guidelines incorporating the best state of the art benchmarks for the industry. These assessments are used to fulfill regulatory requirements and are regularly updated. Particular attention is paid to any risk-generating changes such as process or installation changes, as well as changes in production scale and transfers between industrial or research units.

We are using specialized process safety-testing laboratories that are fully integrated into our chemical development activities, apply methods to obtain the physico-chemical parameters of manufactured chemical substances (intermediate chemical compounds) and apply models to measure the effect of potentially leachable substances in the event of a major accident. In these laboratories the parameters for qualifying hazardous reactions are also determined, in order to define scale-up process conditions while transferring from development stage to industrial scale. We use these data to enhance the relevance of our risk assessments.

We believe that the safety management systems implemented at each site, the hazard studies carried out and the risk management methods implemented, as well as our third-party property insurance policies covering any third-party physical damage, are consistent with legal requirements and the best practices in the industry, although no guarantee can be given that they will prevent accidents of various kinds.

We have also designed a new Global Safety Culture program — "Leading Safety" — to help protect the health and safety of our employees, contractors and communities. It is based on five positive performance drivers: strengthen safety leadership; focus on key risks; increase managerial skills; improve safety barriers and the effectiveness of controls; and increase reports of unsafe acts & hazardous conditions.

Environment

Beyond healthcare, we have taken steps to address the environmental impacts of our products and activities and to help strengthen our resilience in the face of environmental changes. We have identified six major environmental challenges relating to our businesses: greenhouse gas emissions and climate disruption; eco-design; water; pharmaceuticals in the environment; waste; and biodiversity.

We have been implementing environmental initiatives since 2010. More recently, we established the Planet Care program, which seeks to address environmental impacts across the value chain.

We have also taken measures to seek to reduce our greenhouse gas emissions and pursue more sustainable water resource management, especially at sites which are under hydric stress, and have set both medium-term and long-term targets. See "Cautionary statement regarding forward-looking statements" and "Item 3.D. Risk Factors."

C. Organizational Structure

C.1. Significant Subsidiaries

Sanofi is the holding company of a consolidated group consisting of almost 260 companies. The principal companies in the Sanofi group as of December 31, 2024 is provided in Note F. to our consolidated financial statements, included in Item 18. of this annual report.

Since 2009, we have transformed Sanofi through numerous acquisitions and divestments, in particular the acquisitions of Genzyme in April 2011, Boehringer Ingelheim (BI) Consumer Healthcare in January 2017 (mainly through an asset purchase), Bioverativ in March 2018, Ablynx in June 2018, Synthorx in January 2020, Principia in September 2020, Kymab in April 2021, Translate Bio in September 2021, and Amunix Pharmaceuticals, Inc in February 2022; the deconsolidation of EUROAPI in May 2022, the acquisitions of Provention Bio, Inc. QRIB Intermediate Holdings, LLC. in 2023; and the acquisitions of Inhibrx, Inc in 2024; and the sale of Opella, expected to close in the second quarter of 2025 at the earliest (for a description of the main such events over the past three years, refer to "A. History and Development of the Company" above).

In certain countries, we carry on some of our business operations through joint ventures with local partners. In addition, we have entered into worldwide collaboration agreements, in particular with Regeneron on Dupixent and Kevzara and with AztraZeneca on Beyfortus. For further information, refer to Note C. "Principal Alliances" to our consolidated financial statements, included at Item 18. of this annual report.

C.2. Internal organization of activities

Sanofi and its subsidiaries collectively form a group organized around a Biopharma operating segment (Immunology & Inflammation, Rare diseases, Neurology, Oncology, Other medicines, Vaccines). Opella, our former Consumer Healthcare operating segment, is now classified as a discontinued operation in accordance with IFRS 5. See "Item 5. Operating and Financial Review and Prospects — A.1.1. 2024 Overview".

Within Sanofi, responsibility for R&D rests with Sanofi and Genzyme Corporation for medicines, and with Sanofi Pasteur and Sanofi Pasteur, Inc. for vaccines. However, within our integrated R&D organization, strategic priorities are set and R&D efforts coordinated on a worldwide scale. In fulfilling their role in R&D, the aforementioned companies subcontract R&D to those of their subsidiaries that have the necessary resources. They also license patents, manufacturing know-how and trademarks to certain of their French and foreign subsidiaries. Those licensee subsidiaries manufacture, commercialize and distribute the majority of our products, either directly or via local distribution entities.

Our industrial property rights, patents and trademarks are mainly held by the following companies:

- Biopharma: Sanofi, Sanofi Mature IP, Sanofi Biotechnology SAS (France), Sanofi-Aventis Deutschland GmbH (Germany), Ablynx (Belgium), Genzyme Corporation, Bioverativ Inc., Kadmon Corporation LLC, Amunix Pharmaceuticals, Inc., Kymab Ltd, Principia Biopharma Inc., Sanofi Pasteur (France), Sanofi Pasteur, Inc. (US), Sanofi Pasteur Vaxdesign Corp., Translate Bio (US), Synthorx, Inc., Aventis Pharma SA and Provention Bio, Inc.;
- Opella: A. Nattermann Cie & GmbH (Germany), Chattem Inc. (US), Opella Healthcare and SSP Co. Ltd (Japan), which are now part of Sanofi's discontinued operations (see "Item 5. Operating and Financial Review and Prospects — A.1.1. 2024 Overview").

For a description of our principal items of property, plant and equipment, see "— D. Property, Plant and Equipment" below. Our property, plant and equipment is held mainly by the following companies:

- in France: Sanofi Pasteur SA, Sanofi Winthrop Industrie, Opella Healthcare International SAS and Sanofi-Aventis Recherche & Développement;
- in the United States: Sanofi Pasteur, Inc., Genzyme Therapeutics Products LP, Genzyme Corporation and Translate Bio;
- in Germany: Sanofi-Aventis Deutschland GmbH;
- in Canada: Sanofi Pasteur Limited;
- in Belgium: Genzyme Flanders BVBA; and
- in Ireland: Genzyme Ireland Limited.

C.3. Financing and financial relationships between group companies

The Sanofi parent company raises the bulk of the Company's external financing and uses the funds raised to meet, directly or indirectly, the financing needs of its subsidiaries. The parent company operates a cash pooling arrangement under which any surplus cash held by subsidiaries is managed centrally. There is also a centralized foreign exchange risk management system in place, whereby the parent company contracts hedges to meet the needs of its principal subsidiaries.

Consequently, at December 31, 2024, the Sanofi parent company held 91% of our external financing and 77% of our surplus cash.

In addition, the Sanofi parent company, plus the wholly-owned Sanofi subsidiaries Sanofi European Treasury Center SA (SETC) and/or Genzyme Ireland Limited, provide financing and certain financial services to Sanofi subsidiaries.

D. Property, Plant and Equipment

D.1. Overview

Our headquarters are located in Paris, France.

We operate our business through office premises and research, production and logistics facilities in approximately 70 countries around the world. Our office premises house all of our support functions, plus operational representatives from our subsidiaries and the Company.

A breakdown of our sites by use and by ownership status (owned versus leasehold) is provided below. This breakdown is based on surface area. All surface area figures are unaudited.

Breakdown of sites by use	
Industrial	59%
Research	13%
Offices	13%
Logistics	9%
Other	6%

Breakdown of sites by ownership status	
Leasehold	26%
Owned	74%

D.2. Description of our sites

Sanofi industrial sites

As part of the process of transforming Sanofi and creating Global Business Units, we are continuing to adapt the organization of the Manufacturing & Supply department in support of our new business model.

The Manufacturing & Supply department focuses on customer needs and service quality; the sharing of "Sanofi Manufacturing System" good manufacturing practices; and the development of a common culture committed to quality.

The organizational structure of Manufacturing & Supply is aligned on our corporate structure and our four Global Business Units: Specialty Care, General Medicines, Vaccines and Opella, which is now part of Sanofi's discontinued operations (see "Item 5. Operating and Financial Review and Prospects — A.1.1. 2024 Overview").

The Manufacturing & Supply department is also responsible for Sanofi Global HSE and Global Supply Chain.

At the end of 2024, we were carrying out industrial production at 52 sites in 24 countries:

- 8 sites for our Specialty Care operations;
- 21 sites for our General Medicines operations;
- 9 sites for the industrial operations of Vaccines; and
- 13 sites for our Opella operations, which are now part of Sanofi's discontinued operations (see "Item 5. Operating and Financial Review and Prospects — A.1.1. 2024 Overview").

The quantity of units sold in 2024, including in-house and outsourced production, was 4.2 billion. This comprised:

- Biopharma: 2.1 billion units; and
- Opella: 2.1 billion units.

We believe that our production facilities are in compliance with all material regulatory requirements, are properly maintained and are generally suitable for future needs. We regularly inspect and evaluate those facilities with regard to environmental, health, safety and security matters, quality compliance and capacity utilization. For more information about our property, plant and equipment, see Note D.3. to our consolidated financial statements, included at Item 18. of this annual report, and section "B.7. Production and Raw Materials" above.

Our main production sites by volume are:

- Le Trait (France), Frankfurt (Germany), Waterford (Ireland), Geel (Belgium) and Framingham (United States) for Specialty Care;
- Aramon, Sisteron and Ambarès (France), Frankfurt (Germany), Csanyikvölgy (Hungary), Lüleburgaz (Turkey), Campinas (Brazil), Jurong (Singapore) and Hangzhou (China) for General Medicines products;
- Marcy-l'Étoile and Val-de-Reuil (France), Toronto (Canada) and Swiftwater (United States) for vaccines; and
- Compiègne and Lisieux (France), Cologne (Germany), Origgio (Italy), Chattanooga (United States) and Ocoyoacac (Mexico) for Opella products, now part of Sanofi's discontinued operations (see "Item 5. Operating and Financial Review and Prospects — A.1.1. 2024 Overview").

Research & Development sites

In Pharmaceuticals, research and development activities are conducted at the following sites:

- two operational sites in France: Montpellier and Vitry-sur-Seine/Alfortville;
- two sites in the rest of Europe (Germany and Belgium), the larger of which is in Frankfurt (Germany);
- three sites in the United States: Bridgewater, Cambridge and Framingham/Waltham ; and
- three sites in China (Beijing, Shanghai and Chengdu).

In Vaccines, research and development activities are conducted at the following sites :

- Swiftwater, Cambridge and Orlando (United States);
- Marcy-l'Étoile/Lyon (France); and
- Toronto (Canada).

D.3. Acquisitions, capital expenditures and divestitures

The carrying amount of our property, plant and equipment at December 31, 2024 was €10,091 million. During 2024, we invested €1,717 million (see Note D.3. to our consolidated financial statements, included at Item 18. of this annual report), mainly in increasing capacity and improving productivity at our various production and R&D sites.

Our principal acquisitions, capital expenditures and divestitures in 2022, 2023 and 2024 are described in Notes D.1. & D.2. ("Changes in the scope of consolidation"), D.3. ("Property, plant and equipment") and D.4. ("Goodwill and other intangible assets") to our consolidated financial statements, included at Item 18. of this annual report. For associated commitments, and in particular future contingent milestone payments, refer to Notes D.18 and D.21. to our consolidated financial statements, which provide disclosures about liabilities related to business combinations and our principal research and development collaboration agreements, respectively.

As of December 31, 2024, our firm commitments in respect of future capital expenditures amounted to €422 million. The principal locations involved are: for medicines, the industrial facilities at Frankfurt (Germany); Le Trait, Maisons-Alfort, Compiègne, and Ambares (France); Cambridge (United States); Geel (Belgium); Origgio, Anagni, Brindisi and Scoppito (Italy); and for vaccines, the facilities at Swiftwater (United States); Toronto (Canada); Marcy-l'Étoile, Neuville-sur-Saône and Val-de-Reuil (France); and Singapore.

In the medium term and assuming no changes in the scope of consolidation, we expect to invest on average approximately €1.5 billion a year in property, plant and equipment. We believe that our own cash resources and the undrawn portion of our existing credit facilities will be sufficient to fund these expenditures.

Our principal ongoing capital expenditures are described below.

Medicines

Our Medicines industrial operations are organized through end-to-end clusters.

We have four dedicated biotechnology hubs: Paris/Lyon (France), Frankfurt (Germany), Geel (Belgium) and the Boston Area (United States). Exploiting innovative techniques, including cell and microbiological culture and the development of viral vectors, our biotechnology operations call for highly specific knowledge and expertise backed by dedicated production platforms to support global product launches. In May 2024, Sanofi announced plans for major investment to increase the production capabilities of our facility at Vitry-sur-Seine (France).

We also have end-to-end clusters with chemistry, pharmaceutical and injectable sites organized through a network of regional and local industrial sites, supporting growth in those markets. A dedicated Launch Sites cluster has been implemented, from API manufacturing to finished goods packaging (Sisteron, Aramon, Ambarès, Scoppito). The Frankfurt facility is our principal site for the manufacture of diabetes treatments. Also in 2024, we announced major investments in the production of insulin APIs, at new facilities in Frankfurt (Germany) and Beijing (China).

Vaccines

The industrial operations of our Vaccines business are in a major investment phase, preparing for the upcoming growth of our influenza and Polio/Pertussis/Hib franchises, plus the mid-term growth linked to our mRNA roadmap and New Vaccines pipeline. Major investments were announced in 2020 and 2021 with a new Evolutive Facility in France (Neuville-Sur-Saone) and a new facility in Singapore for our New Vaccines pipeline. Other major investments are under way in France (including construction of a new influenza vaccine building at Val-de-Reuil), Canada (a new pertussis vaccine building), the US and Mexico.

Opella

The pharmaceutical industrial operations of our Opella business are spread across a dedicated network. Global markets are supplied from our facilities at Compiègne (France), Cologne (Germany) and Origgio (Italy). We have recently invested in new production capacities in Narita (Japan), Origgio (Italy) and Lisieux (France). All of these operations are part of Sanofi's discontinued operations (see Note D.36. to our consolidated financial statements, included at Item 18 of this Annual Report on Form 20-F).

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Innovation and culture of industrial excellence

The ambition of our Manufacturing & Supply department is to continue to raise safety, quality and operating standards in Sanofi's production activities, and to remain a world leader and a benchmark in the global pharmaceutical industry. To achieve this goal, all our activities share a common culture of industrial excellence, enshrined in the Sanofi Manufacturing System. This sets out a series of priorities (such as customer service, constant improvement, site network optimization and transverse optimization) that constitute our industrial vision and will be crucial to our mutual success.

In terms of operational excellence, we continue to build on our Top Decile performance program, focused on core sites and fully leveraging digital opportunities and technology innovations. We are also reinforcing the Sanofi Manufacturing System to drive more improvement directly from the sites and reach our performance goals, while creating a culture of best practices shared across the industrial network.

E. R&D Appendix

R&D Pipeline

Registration

Name	Description	Indication
Dupixent[a]	IL4xIL13 mAb	Chronic obstructive pulmonary disease (JP) Chronic spontaneous urticaria (US, EU)
fitusiran	RNAi targeting anti-thrombin	Hemophilia A and B (US, CN)[1]
rilzabrutinib	BTK inhibitor	Immune thrombocytopenia (US, EU, CN)
Sarclisa	CD38 mAb	NDMM, TI (IMROZ) (JP) NDMM, TE (HD7) (EU)
MenQuadfi	4-valent (ACWY) conjugate vaccine	Meningitis (six weeks+) (US) [1]

Phase 3

Name	Description	Indication
Immunology		
Dupixent[a]	IL4xIL13 mAb	Bullous pemphigoid[2] Chronic pruritus of unknown origin Eosinophilic gastritis Lichen simplex chronicus
itepekimab[a]	IL33 mAb	Chronic obstructive pulmonary disease
amlitelimab	OX40L mAb	Atopic dermatitis
Rezurock	ROCK2 inhibitor	Chronic lung allograft dysfunction Chronic graft-versus-host disease, 1L
Tzield	CD3 mAb	Type 1 diabetes
Rare diseases		
Nexviazyme	Enzyme replacement therapy	Pompe disease infantile onset (US)
venglustat	Oral GCS inhibitor	Fabry disease Gaucher disease type 3

Name	Description	Indication
Neurology		
tolebrutinib	BTK inhibitor	Non-relapsing secondary progressive MS[2] Primary progressive MS
frexalimab[b]	CD40L mAb	Relapsing MS Non-relapsing secondary progressive MS
riliprubart	C1s inhibitor	SOC-refractory CIDP IVIg-treated CIDP
Oncology		
Sarclisa	CD38 mAb	NDMM, TE (HD7) (US) NDMM, TE (IsKia) Smoldering MM (ITHACA)
	CD38 mAb subcutaneous	Relapsed/refractory MM (IRAKLIA)
Vaccines		
SP0087	Vero cell vaccine	Rabies
SP0125	Live attenuated vaccine	RSV (toddlers)
Fluzone HD	Multivalent inactivated vaccine	Flu (50 years+)
SP0202[c]	21-valent conjugate vaccine	Pneumococcal disease

(1) Currently in Phase 3 in EU - (2) Awaiting regulatory acceptance in the US

Collaborations:
(a) Regeneron - (b) ImmuNext - (c) SK bioscience

Abbreviations:
1L: 1st line - BTK: Bruton's tyrosine kinase - CD: Cluster of differentiation - C1s: Complement component 1s - CIDP: Chronic inflammatory demyelinating polyneuropathy - CN: China - EU: Europe - GCS: Glucosylceramide synthase - HD: High dose - IL: Interleukin - IVIg: Intravenous immunoglobulin - JP: Japan - mAb: Monoclonal antibody - MM: Multiple myeloma - MS: Multiple sclerosis - NDMM: Newly diagnosed multiple myeloma - RNAi: RNA interference - ROCK2: Rho Associated coiled-coil containing protein kinase 2 - RSV: Respiratory syncytial virus - SOC: Standard of care - TE: Transplant eligible - TI: Transplant ineligible - US: United States of America

Phase 2

Name	Description	Indication
Immunology		
Dupixent[a]	IL4xIL13 mAb	Ulcerative colitis
itepekimab[a]	IL33 mAb	Bronchiectasis
amlitelimab	OX40L mAb	Alopecia areata Asthma Celiac disease Hidradenitis suppurativa Systemic sclerosis
rilzabrutinib	BTK inhibitor	Asthma Chronic spontaneous urticaria IgG4-related disease
frexalimab [b]	CD40L mAb	Systemic lupus erythematosus Type 1 diabetes
balinatunfib	Oral TNFR1 signaling inhibitor	Psoriasis Rheumatoid arthritis Crohn's disease
lunsekimig	IL13xTSLP NANOBODY® VHH	Asthma High-risk asthma Chronic rhinosinusitis with nasal polyps
eclitasertib[c]	RIPK1 inhibitor	Ulcerative colitis
SAR44656[d]	IRAK4 degrader	Atopic dermatitis Hidradenitis suppurativa
brivekimig	TNFaxOX40L NANOBODY® VHH	Hidradenitis suppurativa
duvakitug[e]	TL1A mAb	Crohn's disease Ulcerative colitis
riliprubart	C1s inhibitor	Antibody-mediated rejection

Name	Description	Indication
Rare diseases		
rilzabrutinib	BTK inhibitor	Warm autoimmune hemolytic anemia
SAR447537	AAT fusion protein	Alpha-1 antitrypsin deficiency
Oncology		
Sarclisa	CD38 mAb	Relapsed/refractory MM
SAR443579[f]	Trifunctional anti-CD123 NK cell engager	Acute myeloid leukemia
SAR447873[g]	SSTR targeting alpha-emitter therapy	Gastroenteropancreatic neuroendocrine tumors
Vaccines		
SP0218	Vero cell vaccine	Yellow fever
SP230	5-valent (ABCYW) vaccine	Meningitis
SP0256	mRNA vaccine	RSV (older adults)
SP0335	Inactivated adjuvanted vaccine	Flu (H5 pandemic)

Phase 1

Name	Description	Indication
Immunology		
SAR444336	Non-beta IL2 Synthorin™	Inflammatory indication
SAR445399[h]	IL1R3 mAb	Inflammatory indication
SAR446422	CD28xOX40 bispecific Ab	Inflammatory indication
SAR446959	MMP13xADAMTS5xCAP NANOBODY® VHH	Knee osteoarthritis
Neurology		
SAR446159[h]	SynucleinxIGF1R mAb	Parkinson's disease

Name	Description	Indication
Oncology		
SAR444881[i]	ILT2 mAb	Solid tumors
SAR445877	PD1xIL15 fusion protein	Solid tumors
SAR445514[f]	Trifunctional anti-BCMA NK cell engager	Relapsed/refractory MM
SAR445953[j]	CEACAM5-Topo1 ADC	Colorectal cancer
Vaccines		
SP0237	mRNA vaccine	Flu
SP0268	mRNA vaccine	Acne
SP0287	Fluzone HD+Nuvaxovid	Flu+COVID-19
SP0287	Flublok+Nuvaxovid	Flu+COVID-19
SP0289	mRNA vaccine	Flu (H5 pandemic)
SP0256	mRNA vaccine	RSV+hMPV (older adults)
SP0291	mRNA vaccine	RSV+hMPV+PIV3 (older adults)

(1) Also known as MAB212, in-licensed from MAB Discovery

Collaborations:
(a) Regeneron - (b) ImmuNext - (c) Denali - (d) Kymera - (e) Teva Pharmaceuticals - (f) Innate Pharma - (g) RadioMedix and Orano Med - (h) ABL Bio - (i) Biond Biologics - (j) Pfizer

Abbreviations:
AAT: Alpha-1 antitrypsin - Ab: Antibody - ADAMTS5: A Disintegrin And Metalloproteinase with Thrombospondin Motifs 5 - ADC: Antibody-drug conjugate - BCMA: B-Cell maturation antigen - BTK: Bruton's tyrosine kinase - C1s: Complement component 1s - CAP: Cartilge anchoring protein - CD: Cluster of differentiation - CEACAM5: Carcinoembryonic antigen cell adhesion molecule 5 - H5: hemagglutinin 5 - hMPV: human Metapneumovirus - IGF1R: Insulin-like growth factor 1 receptor - IgG4: Immunoglobulin G4 - IL: Interleukin - IL1R3: Interleukin-1 receptor 3 - ILT2: Ig-like transcript 2 - IRAK4: Interleukin 1 receptor associated kinase 4 - mAb: Monoclonal antibody - MM: Multiple myeloma - MMP13: Matrix metallopeptidase 13 - mRNA: messenger RNA - NK: Natural killer - PD1: Programmed death protein 1 – PIV3: Parainfluenza virus type 3 - RIPK1: Receptor-interacting serine/threonine protein kinase 1 - RSV: Respiratory syncytial virus - SSTR: Somatostatin receptor - TL1A: Tumor necrosis factor-like cytokine 1A - TNFa: Tumor necrosis factor alpha - TNFR1: Tumor necrosis factor receptor 1 - Topo1: Topoisomerase - TSLP: Thymic stromal lymphopoietin

Item 4A. Unresolved Staff Comments

N/A

Item 5. Operating and Financial Review and Prospects

You should read the following discussion in conjunction with our consolidated financial statements and the notes thereto included in this annual report at Item 18.

Our consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and with IFRS endorsed by the European Union as of December 31, 2024.

The following discussion contains forward-looking statements that involve inherent risks and uncertainties. Actual results may differ materially from those contained in such forward-looking statements. See "Cautionary Statement Regarding Forward-Looking Statements" at the beginning of this document.

Unless otherwise stated, all financial variations in this item are given on a reported basis.

A. Operating results

A.1. Significant operating information

A.1.1. 2024 Overview

2024 Business Developments

During 2024, Sanofi continued to implement its "Play to Win" strategy, initiating the second phase which aims to launch major innovations, redeploy resources and develop leading innovative R&D. For further information about our strategy, refer to "Item 4. Information on the Company — B. Business Overview — B.1. Strategy." Other significant events of the year are described below.

On May 10, 2024, Sanofi entered into a co-exclusive licensing agreement with *Novavax*. The terms of the agreement include (i) a co-exclusive license to co-commercialize Novavax's current stand-alone adjuvanted COVID-19 vaccine worldwide (except in countries with existing Advance Purchase Agreements and in India, Japan, and South Korea, where Novavax has existing partnership agreements); (ii) an exclusive license to Novavax's adjuvanted COVID-19 vaccine for use in combination with Sanofi's flu vaccines; and (iii) a non-exclusive license to use the Matrix-M adjuvant in vaccine products. Novavax received an upfront payment of $500 million and could receive up to $700 million contingent on the attainment of development, regulatory and commercialization milestones, representing up to $1.2 billion in total. Starting in 2025, Sanofi will recognize sales of Novavax's adjuvanted COVID-19 vaccine and will bear certain R&D, regulatory, and commercialization expenses. Novavax will receive double-digit tiered royalties on Sanofi sales of COVID-19 vaccines and combined influenza/COVID-19 vaccines. Novavax is also entitled to additional launch and sales milestone payments of up to $200 million, plus single-digit royalties for each additional Sanofi vaccine product developed under a non-exclusive license using Novavax's Matrix-M adjuvant technology. In addition, Sanofi took a minority equity interest of less than 5% in Novavax. Outside of the collaboration, each party may develop and commercialize their own flu and COVID-19 vaccines and their own adjuvanted products at their own cost.

On May 13, 2024, Sanofi announced plans for an investment in *major industrial projects* of more than €1.1 billion, to create new bioproduction capacity at its sites in Vitry-sur-Seine (Val de Marne), Le Trait (Seine-Maritime) and Lyon Gerland (Rhône). This plan brings to more than €3.5 billion the amount committed by Sanofi since the COVID-19 pandemic to major projects to keep production of medicines and vaccines in France for patients around the world.

On May 30, 2024, Sanofi announced that it had completed the acquisition of *Inhibrx, Inc* (Inhibrx), a publicly-traded, clinical-stage biopharmaceutical company focused on developing a pipeline of novel biologic therapeutic candidates in oncology and orphan diseases. The acquisition added SAR447537 (formerly INBRX-101) to Sanofi's rare disease development portfolio. Under the terms of the merger agreement, Sanofi agreed to (i) pay Inhibrx stockholders $30 per share of Inhibrx common stock on closing of the merger (approximately $1.7 billion) and issue one non-transferable contingent value right (CVR) per share of Inhibrx common stock, entitling its holder to receive a deferred cash payment of $5, contingent upon the achievement of certain regulatory milestones (approximately $0.3 billion, if those milestones are achieved); (ii) pay off Inhibrx's outstanding third-party debt (approximately $0.2 billion); and (iii) contribute capital to a new publicly traded company (New Inhibrx) (at least $0.2 billion). Since the closing of the merger, Inhibrx has become a wholly owned subsidiary of Sanofi. Additionally, Sanofi retains a minority stake (approximately 8%) in New Inhibrx.

On September 10, 2024, in the presence of President Macron, Sanofi broke ground on a new production unit in Neuville-sur-Saône (Rhône-Alpes), named *Modulus*, to produce upcoming vaccines and biological drugs. Modulus has the unique capability of adapting to produce up to four vaccines or biopharmaceuticals simultaneously and can be reconfigured within days or weeks to switch technological platforms (live attenuated viral vaccines, recombinant protein vaccines, or mRNA-based vaccines, as well as biotechnology-derived treatments like enzymes or monoclonal antibodies), whereas such changes typically take several months or even years in conventional factories. Sanofi invested nearly €500 million in Modulus, which is expected to be operational by the end of 2025, following certification of the facilities and validation of manufacturing processes. Sanofi plans to produce some of its future biopharmaceuticals and vaccines there.

On October 21, 2024, Sanofi and Clayton, Dubilier & Rice (CD&R) announced that they had entered exclusive negotiations for the Proposed Opella Transaction as defined under "Item 4 –B.3. Opella." The opening of the exclusive negotiations relating to the Proposed Opella Transaction, and the signature of a put option agreement as of that date (leading to loss of the control previously exercised by Sanofi over Opella), triggered the reclassification of the Opella business as a discontinued operation for the 2024 financial year. Opella meets the criteria for a discontinued operation under IFRS 5, and the post-tax profit or loss from Opella is now presented separately within the line item ***Net income/(loss) from discontinued operations*** in Sanofi's consolidated income statement. This presentation in a separate line item of the income statement applies to operations for the year ended December 31, 2024 and for the comparative periods presented. Sanofi has exercised the put option, pursuant to which Sanofi is contemplating entering into an agreed form share purchase agreement; that agreement, once entered into by the parties, will govern the terms for the sale and purchase of the share capital of Opella. Sanofi expects to receive a cash payment during 2025, which may reach several billion euros, upon closing of the Proposed Opella Transaction, expected in the second quarter of 2025 at the earliest, while retaining an indirect stake of around 50% in Opella. The proceeds would be used in line with Sanofi's existing capital allocation priorities, including shareholder returns.

2024 Financial results

For further information about the biopharma products we sell, and about our research and development portfolio, refer to "Item 4. Information on the Company — B. Business Overview."

Our net sales for 2024 amounted to €41,081 million, an increase of 8.6% from 2023. At constant exchange rates (CER)[1], net sales rose by 11.3%, driven mainly by strong performances for Dupixent and increased sales of ALTUVIIIO, Lantus and Beyfortus.

Net income attributable to equity holders of Sanofi amounted to €5,560 million for 2024, compared with €5,400 million in 2023, a €160 million increase. Earnings per share was €4.44 in 2024, compared with €4.31 in 2023. Business net income[2] was €8,912 million, down 1.8% on 2023, while business earnings per share (business EPS[2]) was 1.8% lower than in 2023 at €7.12.

At the Annual General Meeting on April 30, 2025, we will ask our shareholders to approve a dividend of €3.92 per share for the 2024 financial year, representing a payout of 55.0% of our Business net income per share (see "— B.2. Consolidated balance sheet and debt.").

A.1.2. Impacts of competition from generics and biosimilars

Some of our flagship products continued to suffer sales erosion in 2024 under the impact of competition from generics and biosimilars. We do not believe it is possible to state with certainty what level of net sales would have been achieved in the absence of generic competition. A comparison of our consolidated net sales for the years ended December 31, 2024 and 2023 (see "— Results of Operations — Year Ended December 31, 2024 Compared with Year Ended December 31, 2023" below) for the main products affected by generic and biosimilar competition shows a loss of €794 million of net sales on a reported basis. However, other parameters can also contribute to the loss of sales, such as a fall in the average selling price of certain products.

The table below sets forth the change by product.

(€ million)	2024	2023	Change on a reported basis	Change on a reported basis (%)
Aprovel Europe	73	78	(5)	-6.4%
Lantus Europe	340	357	(17)	-4.8%
Lovenox Europe	567	622	(55)	-8.8%
Plavix Europe	91	96	(5)	-5.2%
Aubagio Europe	152	437	(285)	-65.2%
Mozobil Europe	39	70	(31)	-44.3%
Aubagio United States	187	460	(273)	-59.3%
Mozobil United States	12	119	(107)	-89.9%
Aprovel Japan	11	16	(5)	-31.3%
Plavix Japan	22	33	(11)	-33.3%
Total	**1,494**	**2,288**	**(794)**	**-34.7%**

We expect the erosion caused by generic competition to continue in 2025, with a negative impact on our net income. The products likely to be impacted in 2025 include those that already faced generic competition in 2024, but whose sales can reasonably be expected to be subject to further sales erosion in 2025 (see products listed in the table above). In addition, we have experienced generic competition for Aubagio in the United States since March 2023 and in Europe since October 2023, with a greater impact in 2024. The same pattern occurred for Mozobil with generic competition in United States since July 2023, and in Europe since early 2024.

[1] *Non-IFRS financial measure: see definition in "— Presentation of Net Sales" below.*
[2] *Non-IFRS financial measure: see definition in "— Segment Information — Business Net Income" below.*

In 2024, aggregate consolidated net sales of those products in Europe, the United States and Japan amounted to €1,494 million; this comprised €1,262 million in Europe, €187 million in the United States and €33 million in Japan. The negative impact on our 2025 net sales is likely to represent a substantial portion of those sales, but the actual impact will depend on a number of factors, such as the impact of generics and biosimilars on sales of our molecules, but also the market entry of generics of other molecules that are in competition with our products.

In China, the authorities have implemented a range of healthcare cost containment measures, including the Volume Based Procurement (VBP) reverse auction that particularly impacts our insulin-based products, Plavix, Aprovel, and Lovenox (see also "Item 4. Information on the Company — B. Business Overview — B.5.4. Pricing & Reimbursement"). A large number of molecules were selected to submit tenders under successive waves of the VBP program, with the successful bidders being awarded a high level of market share in return for offering lower prices. The recent tenth round of VBP results was very unfavorable to multinational companies like Sanofi. Domestic generic companies won almost 100% of the bids due to further aggressive price reductions.

A.1.3. Purchase accounting effects

Our results of operations and financial condition for the years ended December 31, 2024, 2023 and 2022, have been significantly affected by our past acquisitions (acquisition of Genzyme in April 2011, exchange of our Animal Health business (Merial) for Boehringer Ingelheim's CHC business in January 2017, acquisition of Bioverativ in 2018, and certain other transactions). See "— A.1.11. Critical accounting and reporting policies — 2/ Business combinations" below for an explanation of the impact of business combinations on our results of operations.

The Genzyme business combination has generated significant amortization of intangible assets (€152 million in 2024, €405 million in 2023 and €513 million in 2022). The exchange of Merial for Boehringer Ingelheim's CHC business has generated amortization of intangible assets (€179 million in 2024, €184 million in 2023 and €188 million in 2022). The Bioverativ business combination has generated significant amortization of intangible assets (€630 million in 2024, €633 million in 2023 and €375 million in 2022). The Kadmon acquisition has generated amortization of intangible assets (€164 million in 2024, €156 million in 2023 and €160 million in 2022). The Provention Bio, Inc. acquisition has generated amortization of intangible assets (€214 million in 2024 and €144 million in 2023).

In order to isolate the purchase accounting effects of all acquisitions and certain other items, we use a non-IFRS financial measure that we refer to as "business net income" (see definition and discussion of reconciliation to the IFRS financial measure ***Operating income*** in "— A.1.5. Segment Information and Business Net Income —Business Net Income" below).

A.1.4. Sources of revenues and expenses

Revenues. Revenue arising from the sale of goods is presented in the income statement within ***Net sales***. Net sales comprise revenue from sales of medicines, vaccines and active ingredients [(1)], net of sales returns, of customer incentives and discounts, and of certain sales-based payments paid or payable to the healthcare authorities. Returns, discounts, incentives and rebates are recognized in the period in which the underlying sales are recognized, as a reduction of sales revenue. See Note B.13.1. to our consolidated financial statements included at Item 18. of this annual report. We sell biopharma products directly, through alliances, and by licensing arrangements throughout the world. When we sell products directly, we record sales revenues as part of our consolidated net sales. When we sell products through alliances, the revenues reflected in our consolidated financial statements are based on the contractual arrangements governing those alliances. For more information about our alliances, see "— A.1.7. Financial Presentation of Alliances" below.

Other revenues: all revenue that falls within the scope of IFRS 15 but does not relate to sales of Sanofi products is shown in this line item. It mainly comprises (i) royalties received from licensing intellectual property rights to third parties; (ii) VaxServe sales of products sourced from third-party manufacturers; and (iii) revenue received under agreements for Sanofi to provide manufacturing services to third parties. Royalties received under licensing arrangements are recognized over the period during which the underlying sales are recognized. VaxServe's operations include the distribution within the United States of vaccines and other products manufactured by third parties.

Other revenues is also used to recognize revenues arising from the manufacturing of Consumer Healthcare products by legal entities within the scope of continuing operations on behalf of legal entities within the scope of discontinued operations (see Note B.7.).

Other revenues includes revenues associated with Consumer Healthcare operations not transferred on the effective date of loss of control of Opella. These comprise primarily, but not exclusively, Consumer Healthcare activities that will not be transferred on the effective date of loss of control of Opella, primarily (i) hospital sales of Opella products in China, the transfer of which will be finalized no earlier than 2028 after a transitional period required to complete the transfer plan agreed with Sanofi in the context of public tendering arrangements ; (ii) sales made by the dedicated entity Opella Russie, the equity interests in which will be retained by Sanofi. Sanofi will continue to distribute Opella products in Russian territory under the distribution agreement signed in connection with the separation, the parties reserving the right to discuss the transfer of this retained interest during the distribution agreement term ; and (iii) sales of the Gold Bond product range, which are continuing in the United States through the retained subsidiary Gold Bond LLC (holder of the associated worldwide property rights).

Cost of Sales. Our cost of sales consists primarily of the cost of purchasing raw materials and active ingredients, labor and other costs relating to our manufacturing activities, packaging materials, payments made under licensing agreements and distribution costs. We have license agreements under which we manufacture, sell and distribute products that are patented by other companies. When we pay royalties, we record them in ***Cost of sales***.

(1) *From 2024,* ***Net sales*** *excludes sales of Consumer Healthcare products, reclassified within* ***Net income from discontinued operations*** *for the three years presented.*

Operating Income. Our operating income reflects our revenues, our cost of sales and the remainder of our operating expenses, the most significant of which are research and development expenses and selling and general expenses. For our operating segment, we also measure our results of operations through an indicator referred to as "Business Operating Income," which we describe below under "— A.1.5. Segment Information and Business Net Income — Business Operating Income."

A.1.5. Segment information and Business net income

1/ Segment information

In accordance with IFRS 8 (Operating Segments), the segment information reported by Sanofi is prepared on the basis of internal management data provided to our Chief Executive Officer, who is the chief operating decision maker of Sanofi. The operating segment disclosures required under IFRS 8 are provided in Notes B.26. and D.35. to the consolidated financial statements included at Item 18. of this annual report.

Sanofi reports segment information for the Biopharma operating segment, further to the opening of exclusive negotiations between Sanofi and Clayton, Dubilier & Rice (CD&R) on October 21, 2024 with a view to selling an equity interest in Opella, which would lead to loss of control over Opella on the effective closing date, scheduled for the second quarter of 2025 at the earliest.

Prior to the opening of those exclusive negotiations, Opella (formerly Consumer Healthcare) was an operating segment of Sanofi. As a result of the announcement of the Proposed Opella Transaction (as defined in Note D.1.1.2. Project to divest a controlling interest in Opella), as of the fourth quarter of 2024 Opella meets the criteria for a discontinued operation under IFRS 5 (see Note B.7.), and the net income from this business is now presented separately within the line item ***Net income from discontinued operations*** in the consolidated income statement. This presentation in a separate line item in the income statement applies to results of operations for the current period, and for the comparative periods presented. With effect from that date, Sanofi became a dedicated Biopharma company of which the performance, based on internal management reporting, is subject to regular review by the Chief Executive Officer, Sanofi's chief operating decision-maker.

The Biopharma operating segment comprises commercial operations and research, development and production activities relating to the Specialty Care, General Medicines and Vaccines franchises plus support and corporate functions, for all geographical territories. It also includes revenues generated by legal entities within the Biopharma segment (and included in the scope of continuing operations) from the manufacture of Consumer Healthcare products on behalf of legal entities within Opella; those revenues are presented within ***Other Revenues*** in the income statement. The Biopharma operating segment also includes the the purchase price of Biopharma products manufactured by legal entities within the Opella scope.

The "Other" category comprises primarily, but not exclusively, Consumer Healthcare activities that will not be transferred on the effective date of loss of control of Opella. These are primarily (i) hospital sales of Opella products in China, the transfer of which will be finalized no earlier than 2028 after a transitional period required to complete the transfer plan agreed with Sanofi in the context of public tendering arrangements ; (ii) sales made by the dedicated entity Opella Russie, the equity interests in which will be retained by Sanofi. Sanofi will continue to distribute Opella products in Russian territory under the distribution agreement signed in connection with the separation, the parties reserving the right to discuss the transfer of this retained interest during the distribution agreement term ; and (iii) sales of the Gold Bond product range, which are continuing in the United States through the retained subsidiary Gold Bond LLC (holder of the associated worldwide property rights).

Figures for comparative periods (2023 and 2022) have been re-presented on a consistent basis to reflect the classification of Opella as a discontinued operation.

2/ Business operating income (non-IFRS financial measure)

We report segment results on the basis of "Business operating income." This non-IFRS indicator is used internally by Sanofi's chief operating decision maker to measure the performance of our operating segment and to allocate resources. For a definition of "Business operating income," and a reconciliation between that indicator and IFRS ***Income before tax and investments accounted for using the equity method***, refer to Note D.35. to our consolidated financial statements included at Item 18. of this annual report.

"Business operating income" is a non-IFRS financial measure and is reconciled with IFRS ***Operating income***. IFRS ***Operating income*** for 2024 amounted to €7,252 million, versus €6,960 million for 2023 and €10,162 million for 2022; refer to Note D.35. to our consolidated financial statements included at Item 18. of this annual report.

Our "Business operating income" for 2024 amounted to €11,343 million, versus €11,178 million in 2023 and €12,793 million in 2022.

Because our "Business operating income" is not a standardized measure, it may not be directly comparable with the non-IFRS financial measures of other companies using the same or similar non-IFRS financial measures. Although management uses this non-IFRS measure to set goals and measure performance, it has no standardized meaning prescribed by IFRS. This non-IFRS measure is presented solely to permit investors to more fully understand how Sanofi's management assesses underlying performance. This non-IFRS measure is not, and should not be viewed as, a substitute for IFRS measures, and should be viewed in conjunction with IFRS measures of our performance and financial position. Consequently, there may be limitations on the usefulness of this measure to investors.

3/ Business net income (non-IFRS financial measure)

Sanofi also presents "Business net income", a non-GAAP financial measure that is not included in our financial statements. We believe that reporting this indicator enhances understanding of our operational performance by our management and investors. "Business net income" represents "Business operating income," less (i) net financial expenses (except those related to financial liabilities accounted for at amortized cost and subject to periodic remeasurement in accordance with paragraph B5.4.6 of IFRS 9) and (ii) income tax expense related to "Business operating income".

"Business net income" is a non-IFRS financial measure; it is reconciled with IFRS ***Net income attributable to equity holders of Sanofi***, which amounted to €5,560 million for 2024 versus €5,400 million for 2023 and €8,371 million for 2022. Our "Business net income" for 2024 was €8,912 million, 1.8% lower than in 2023 (€9,076 million). That represents 21.7% of our net sales, compared with 24.0% in 2023 and 26.8% in 2022.

The table below reconciles ***Net income attributable to equity holders of Sanofi*** to our "Business net income":

(€ million)	2024	2023(g)	2022(g)
Net income attributable to equity holders of Sanofi (IFRS)	**5,560**	**5,400**	**8,371**
Net income from discontinued operations	(64)	(338)	(401)
Amortization of intangible assets	1,749	1,911	1,804
Impairment of intangible assets [(a)]	248	896	(429)
Fair value remeasurement of contingent consideration[(b)]	127	93	53
Expenses arising from the impact of acquisitions on inventories	10	9	3
Restructuring costs and similar items	1,396	1,030	1,077
Other gains and losses, and litigation[(c)]	470	196	143
Financial (income)/expenses relating to financial liabilities accounted for at amortized cost and subject to periodic remeasurement [(d)]	291	541	—
Tax effects of the items listed above:	(883)	(940)	(560)
• *amortization and impairment of intangible assets*	*(359)*	*(433)*	*(206)*
• *fair value remeasurement of contingent consideration*	*(25)*	*(13)*	*(9)*
• *restructuring costs and similar items*	*(320)*	*(278)*	*(175)*
• *other items*	*(179)*	*(216)*	*(144)*
Other tax effects	(81)	23	—
Other items[(e)]	89	255	—
Business net income (non-IFRS)	**8,912**	**9,076**	**10,099**
Average number of shares outstanding (million)	1,251.4	1,251.7	1,251.9
Basic earnings per share (IFRS) (€)	4.44	4.31	6.69
Reconciling items per share (€)[(f)]	2.68	2.94	1.38
Business earnings per share (non-IFRS) (€)	7.12	7.25	8.07

(a) For 2024, this line corresponds to (i) an impairment loss of €640 million in connection with various research and development projects – including a €239 million loss resulting from the decision taken in February 2025 to discontinue a phase 3 clinical study investigating of a vaccine candidate to prevent invasive E.coli disease - and (ii) an impairment reversal of €392 million recognized in connection with the disposals of the ProXTen technology platform and of Enjaymo, a commercialized product.
For 2023, this amount mainly comprises an impairment loss of €833 million, reflecting the impact of the strategic decision to de-prioritize certain R&D programs, in particular those related to the NK Cell and ProXTen technology platforms.
For 2022, this line includes a reversal of €2,154 million on Eloctate franchise products following FDA approval of ALTUVIIIO on February 22, 2023, partly offset by an impairment loss of €1,586 million on intangible assets relating to SAR444245 (non-alpha interleukin-2) based on revised cash flow projections reflecting unfavorable developments in the launch schedule in key indications.
(b) This line includes an impact attributable to non-controlling interests, related to a remeasurement of contingent consideration within a subsidiary of Sanofi: €31 million expense in 2024, not material in 2023 and €80 million expense in 2022.
(c) Other gains and losses, and litigation for 2024 represent a charge of €470 million, mainly comprising a provision recognized in respect of the litigation related to Plavix (clopidogrel) in the US state of Hawaii (see Note D.22.)
(d) This line corresponds to the financial expense arising from remeasurement of the financial liability recognized in the balance sheet to reflect estimated future royalties on sales of Beyfortus in the United States.
(e) This line includes the share of profits/losses arising from the equity-accounted investment in EUROAPI, including an impairment loss taken against the equity interests based on the quoted market price: €2.88 as of December 31, 2024 and €5.73 as of December 31, 2023.
(f) Corresponds to the reconciliation between basic earnings per Share (IFRS) and business earnings per share (non-IFRS): sum total of reconciling items divided by the weighted average number of shares outstanding.
(g) Figures for comparative periods (2023 and 2022) have been re-presented on a consistent basis to reflect the classification of Opella as a discontinued operation.
2022 business net income has been recast from the amount previously reported to include the one-time income of €952 million from the Libtayo transaction (€706 million net of tax).

We define "Business net income" as ***Net income attributable to equity holders of Sanofi*** determined under IFRS, excluding the following items:

- net income from discontinued operations, including Opella;
- amortization and impairment losses charged against intangible assets (other than software and other rights of an industrial or operational nature);
- fair value remeasurements of contingent consideration relating to business combinations (IFRS 3), or to divestments of operations meeting the definition of a business;
- expenses arising from the remeasurement of inventories following business combinations (IFRS 3) or acquisitions of groups of assets that do not constitute a business within the meaning of paragraph 2b of IFRS 3;
- restructuring costs and similar items (presented within the line item ***Restructuring costs and similar items***);
- other gains and losses (including gains and losses on major divestments), presented within the line item ***Other gains and losses, and litigation***;
- other costs and provisions related to litigation (presented within the line item ***Other gains and losses, and litigation***);
- (income)/expenses related to financial liabilities accounted for at amortized cost and subject to periodic remeasurement in accordance with paragraph B5.4.6 of IFRS 9 (Financial Instruments);
- tax effects related to the items listed above as well as effects of major tax disputes;
- the share of profits/losses from investments accounted for using the equity method, except for joint ventures and associates with which Sanofi has a strategic alliance; and
- the portion attributable to non-controlling interests of the items listed above.

We also report "Business earnings per share" ("Business EPS"), a non-IFRS financial measure we define as "Business net income" divided by the weighted average number of shares outstanding. "Business EPS" was €7.12 for 2024, compared with €7.25 for 2023 (down 1.8%) and €8.07 for 2022, based on an average number of shares outstanding of 1,251.4 million for 2024, 1,251.7 million for 2023 and 1,251.9 million for 2022.

The table below reconciles our "Business operating income" to our "Business net income":

(€ million)[(a)]	December 31, 2024	December 31, 2023	December 31, 2022[(b)]
Business operating income	**11,343**	**11,178**	**12,793**
Financial income and expenses (except those related to financial liabilities accounted for at amortized cost and subject to periodic remeasurement in accordance with paragraph B5.4.6 of IFRS 9)	(263)	(168)	(225)
Income tax expense on business operating income	(2,168)	(1,934)	(2,469)
Business net income	**8,912**	**9,076**	**10,099**

(a) Figures for comparative periods (2023 and 2022) have been re-presented on a consistent basis to reflect the classification of Opella as a discontinued operation.
(b) 2022 business operating income has been recast from the amount previously reported to include the one-time income of €952 million from the Libtayo transaction (€706 million net of tax).

The most significant reconciling items between "Business net income" and ***Net income attributable to equity holders of Sanofi*** relate to (i) the purchase accounting effects of our acquisitions of groups of assets and business combinations, particularly the amortization and impairment of intangible assets (other than software and other rights of an industrial or operational nature); (ii) the impacts of restructurings or transactions regarded as non-recurring, where the amounts involved are particularly significant; (iii) remeasurements recognized through profit or loss in respect of (a) amounts receivable in respect of business divestments and accounted for at fair value, (b) liabilities arising from business combinations (IFRS 3) and accounted for at fair value, (c) liabilities accounted for at amortized cost and subject to periodic remeasurement under IFRS 9; and (iv) net income from discontinued operations, including Opella. We believe that excluding those impacts enhances an investor's understanding of our underlying economic performance, because it gives a better representation of our recurring operating performance.

We believe that eliminating charges related to the purchase accounting effects of our acquisitions and business combinations (particularly amortization and impairment of some intangible assets) enhances comparability of our ongoing operating performance relative to our peers. Those intangible assets (principally rights relating to research and development, technology platforms and commercialization of products) are accounted for in accordance with IAS 38 (Intangible Assets) and IFRS 3 (Business Combinations).

We also believe that eliminating the other effects of business combinations (such as the incremental cost of sales arising from the workdown of acquired inventories remeasured at fair value in business combinations) gives a better understanding of our recurring operating performance.

Eliminating restructuring costs and similar items enhances comparability with our peers because those costs are incurred in connection with reorganization and transformation processes intended to optimize our operations.

We believe that eliminating the effects of transactions that we regard as non-recurring and that involve particularly significant amounts (such as major gains and losses on disposals, and costs and provisions associated with major litigation and other major non-recurring items) improves comparability from one period to the next.

Finally, remeasurements recognized in profit or loss during the period in respect of (i) assets or liabilities accounted for at fair value and recognized in the balance sheet in connection with business acquisitions or divestments or (ii) liabilities accounted for at amortized cost and subject to periodic remeasurement, generally determined on the basis of revised sales forecasts, are not reflective of our operating performance.

In addition to the items mentioned above relating to our continuing operations, "Business net income" excludes net income from the Opella discontinued operation, the results of which have been presented separately in the consolidated income statement since October 2024 (comparative figures have been re-presented on a consistent basis). Under IFRS 5 (Non-Current Assets Held for Sale and Discontinued Operations), a discontinued operation is defined as a component of an entity that has been disposed of or is classified as held for sale, and represents a separate major line of business. With effect from October 2024, "Business net income" from continuing operations is used by management to measure Sanofi's financial performance on an ongoing basis. We believe that providing a performance measure aligned with our management approach is useful for investors and analysts.

We remind investors, however, that "Business net income" should not be considered in isolation from, or as a substitute for, ***Net income attributable to equity holders of Sanofi*** reported in accordance with IFRS. In addition, we strongly encourage investors and potential investors not to rely on any single financial measure but to review our financial statements, including the notes thereto, carefully and in their entirety.

We compensate for the material limitations described above by using "Business net income" only to supplement our IFRS financial reporting and by ensuring that our disclosures provide sufficient information for a full understanding of all adjustments included in "Business net income."

Because our "Business net income" and "Business EPS" are not standardized measures, they may not be directly comparable with the non-IFRS financial measures of other companies using the same or similar non-IFRS financial measures.

A.1.6. Presentation of net sales

In the discussion below, we present our consolidated net sales for 2024, 2023 and 2022. We analyze our net sales by various categories including medicines, vaccines, business, and geographical region. In addition to reported net sales, we analyze non-IFRS financial measures designed to isolate the impact on our net sales of currency exchange rates and changes in the structure of our group.

When we refer to changes in our net sales at constant exchange rates (CER), that means that we have excluded the effect of exchange rates by recalculating net sales for the relevant period using the exchange rates that were used for the previous period.

A.1.7. Financial presentation of alliances

We have entered into a number of alliances for the development, co-promotion and/or co-marketing of our products. We believe that a presentation of our two principal alliances is useful to an understanding of our financial statements.

1. Alliance arrangements with Regeneron Pharmaceuticals, Inc. (Regeneron)

Collaboration agreements on human therapeutic antibodies

In November 2007, Sanofi and Regeneron signed two agreements (amended in November 2009) relating to human therapeutic antibodies: (i) the Discovery and Preclinical Development Agreement, and (ii) the License and Collaboration Agreement, relating to clinical development and commercialization. Under the License and Collaboration Agreement, Sanofi had an option to develop and commercialize antibodies discovered by Regeneron under the Discovery and Preclinical Development Agreement.

Discovery and development

Because Sanofi decided not to exercise its option to extend the Discovery and Preclinical Development Agreement, that agreement expired on December 31, 2017.

As a result of Sanofi's exercise of an option with respect to an antibody under the Discovery and Preclinical Development Agreement, such antibody became a "Licensed Product" under the License and Collaboration Agreement, pursuant to which Sanofi and Regeneron co-develop the antibody with Sanofi initially being wholly responsible for funding the development program. On receipt of the first positive Phase 3 study results for any antibody being developed under the License and Collaboration Agreement, the subsequent development costs for that antibody are split 80% Sanofi, 20% Regeneron. Amounts received from Regeneron under the License and Collaboration Agreement are recognized by Sanofi as a reduction in the line item ***Research and development expenses***. Co-development with Regeneron of the antibodies Dupixent, Kevzara and REGN3500 (SAR440340 - itepekimab) is ongoing under the License and Collaboration Agreement as of December 31, 2024.

Once a product begins to be commercialized, and provided that the share of quarterly results under the agreement represents a profit, Sanofi is entitled to an additional portion of Regeneron's profit-share (capped at 20% of Regeneron's share of quarterly profits since April 1, 2022, and at 10% until March 31, 2022) until Regeneron has paid 50% of the cumulative development costs incurred by the parties in the collaboration (see Note D.21.1.).

On the later of (i) 24 months before the scheduled launch date or (ii) the first positive Phase 3 study results, Sanofi and Regeneron share the commercial expenses of the antibodies co-developed under the License and Collaboration Agreement.

Commercialization

Sanofi is the lead party with respect to the commercialization of all co-developed antibodies, and Regeneron has certain option rights to co-promote the antibodies. Regeneron has exercised its co-promotion rights in the United States and in certain other countries. Sanofi recognizes all sales of the antibodies. Profits and losses arising from commercial operations in the United States are split 50/50. Outside the United States, Sanofi is entitled to between 55% and 65% of profits depending on sales of the antibodies, and bears 55% of any losses. The share of profits and losses due to or from Regeneron under the agreement is recognized within the line items ***Other operating income*** or ***Other operating expenses***, which are components of ***Operating income***.

In addition, Regeneron is entitled to receive payments contingent on the attainment of specified levels of aggregate sales on all antibodies outside the United States, on a rolling twelve-month basis. The opposite entry for that liability is capitalized within ***Other intangible assets*** on the balance sheet. Two payments of $50 million each were made in 2022, following attainment first of $2.0 billion and then of $2.5 billion in sales of all antibodies outside the United States on a rolling twelve-month basis. The final milestone payment of $50 million, payable to Regeneron in the event that $3.0 billion in sales on a rolling twelve-month basis is attained, was made in 2023.

Amendments to the collaboration agreements

In January 2018, Sanofi and Regeneron signed a set of amendments to their collaboration agreements, including an amendment that allowed for the funding of additional programs on Dupixent and REGN3500 (SAR440340 – itepekimab) with an intended focus on extending the current range of indications, finding new indications, and improving co-morbidity between multiple pathologies.

Effective April 1, 2020, Sanofi and Regeneron signed a Cross License and Commercialization Agreement for Praluent, whereby Sanofi obtained sole ex-US rights to Praluent, and Regeneron obtained sole US rights to Praluent along with a right to 5% royalties on Sanofi's sales of Praluent outside the United States. Each party is solely responsible for funding the development, manufacturing and commercialization of Praluent in their respective territories. Although each party has sole responsibility for supplying Praluent in its respective territory, Sanofi and Regeneron entered into agreements to support manufacturing needs for each other.

Effective September 30, 2021, Sanofi and Regeneron signed an amendment to their collaboration agreement in order to specify allocations of responsibilities and associated resources between the two parties in connection with the co-promotion of Dupixent in certain countries. The terms of the collaboration relating to REGN3500 (SAR440340 – itepekimab) are unchanged.

Effective July 1, 2022, Sanofi and Regeneron signed an amendment to their collaboration agreement in order to increase the additional portion of Regeneron's quarterly profit-share attributable to Sanofi from 10% to 20% with retroactive impact as of April 1, 2022.

Immuno-oncology (IO) collaboration agreements

On July 1, 2015, Sanofi and Regeneron signed two agreements – the IO Discovery and Development Agreement and the IO License and Collaboration Agreement (IO LCA) – relating to new antibody cancer treatments in the field of immuno-oncology.

The Amended IO Discovery Agreement, effective from December 31, 2018, was terminated through a Letter Amendment dated March 16, 2021 in which Sanofi formalized its opt-out from the BCMAxCD3 and MUC16xCD3 programs.

LIBTAYO (cemiplimab)

Under the 2015 IO LCA as amended in January 2018, Sanofi and Regeneron committed funding of no more than $1,640 million, split on a 50/50 basis ($820 million per company), for the development of REGN2810 (cemiplimab, trademark Libtayo), a PD-1 inhibitor antibody. The funding was raised to $1,840 million by way of amendment effective on September 30, 2021. Regeneron was responsible for the commercialization of Libtayo in the United States, and Sanofi in all other territories. Sanofi has exercised its option to co-promote Libtayo in the United States. In 2021, Regeneron exercised its option to co-promote Libtayo in certain other countries.

The IO LCA also provided for a one-time milestone payment of $375 million by Sanofi to Regeneron in the event that sales of a PD-1 product were to exceed, in the aggregate, $2 billion in any consecutive 12-month period.

Under the IO LCA Sanofi and Regeneron shared equally in profits and losses generated by the commercialization of collaboration products, except that Sanofi was entitled to an additional portion of Regeneron's profit-share (capped at 10% of Regeneron's share of quarterly profits) until Regeneron had paid 50% of the cumulative development costs incurred by the parties under the IO Discovery Agreement, as amended.

In June 2022, Sanofi and Regeneron restructured their IO LCA. Under the terms of the Amended and Restated IO LCA, Regeneron holds exclusive worldwide licensing rights to Libtayo with effect from July 1, 2022.

In July 2022, Sanofi received as consideration an upfront payment of $900 million (€856 million), which was recognized within ***Other operating income*** on the date of receipt. The same line item also includes a regulatory milestone payment of $100 million (€96 million) following the US FDA approval in November 2022 of Libtayo in combination with chemotherapy as a first line treatment for NSCLC (non-small cell lung cancer). In addition, Sanofi is entitled to royalties of 11% and to milestone payments (€116 million in 2023, €111 million in 2022) linked to global net sales of Libtayo; those royalties are recognized within ***Other operating income*** in line with the pattern of sales. All of the cash inflows relating to the above items (€117 million in 2024, €196 million in 2023, €952 million in 2022) are presented within ***Net cash provided by/(used in) operating activities*** in the consolidated statement of cash flows.

The amendment to the terms of the IO LCA resulted in Sanofi recognizing an accelerated amortization charge of €226 million in 2022; this was allocated to the Libtayo product rights included within the residual carrying amount of the intangible asset recognized in July 2015 to reflect rights to an antibody targeting the immune checkpoint receptor PD-1 (programmed cell death protein-1) under the Sanofi/Regeneron alliance.

The transaction also includes time-limited transitional services agreements with Regeneron which include manufacturing, distribution (for which Sanofi acts as agent), and promotion.

Investor agreement

In 2014 and 2020, Sanofi and Regeneron amended the investor agreement entered into by the two companies in 2007. Under the terms of the amendments, Sanofi accepted various restrictions, including "standstill" provisions that contractually prohibit Sanofi from seeking to directly or indirectly exert control of Regeneron or acquiring more than 30% of Regeneron's capital stock (consisting of the outstanding shares of common stock and the shares of Class A stock). This prohibition remains in place until the earlier of (i) the later of the fifth anniversaries of the expiration or earlier termination of the Zaltrap collaboration agreement with Regeneron (related to the development and commercialization of Zaltrap) or the collaboration agreement with Regeneron on monoclonal antibodies (see "Collaboration agreements on human therapeutic antibodies" above), each as amended or (ii) other specified events.

Starting in 2018 Sanofi began to sell shares of Regeneron stock and announced on May 29, 2020 the closing of its sale of 13 million shares of Regeneron common stock in a registered offering and a private sale to Regeneron (see Note D.1.).

Pursuant to subsequent sales in 2022, Sanofi no longer holds any shares of Regeneron stock, as of December 31, 2024.

2. Agreements on the commercialization of Beyfortus (nirsevimab, previously MEDI8897) in the US

On March 1, 2017, Sanofi and AstraZeneca entered into an agreement to develop and commercialize a monoclonal antibody (MEDI8897, nirsevimab) for the prevention of Respiratory Syncytial Virus (RSV) associated illness in newborns and infants.

Under the terms of the agreement, Sanofi made an upfront payment of €120 million in March 2017, a development milestone payment of €30 million in the third quarter of 2019, a regulatory milestone payment of €25 million associated with the approval of Beyfortus (nirsevimab) by the EMA in Europe in November 2022, and a regulatory milestone payment of €65 million associated with the approval of Beyfortus (nirsevimab) by the US FDA in July 2023.

In addition, Sanofi could pay AstraZeneca up to €375 million if sales objectives are met. Those amounts are recognized as a component of the value of the intangible asset when payment becomes probable. In 2024, payments of €25 million and of €50 million were made, and an amount of €100 million was recognized as an accrued expense further to a contractual threshold being met.

The agreement also specifies that AstraZeneca is responsible for development and manufacturing, and Sanofi for commercialization. Sanofi recognizes the sales and cost of sales (purchases of finished products from AstraZeneca) and shares the Alliance's commercial profits (i) 50/50 in major territories and (ii) based on 25% of net sales in other territories. The share of commercial profits and losses due to or from AstraZeneca is recognized as a component of operating income, within the line items ***Other operating income*** or ***Other operating expenses***. In addition, Sanofi and AstraZeneca share development costs 50/50, with Sanofi's portion recognized within the income statement line item ***Research and development expenses***.

On April 9, 2023, Sanofi and AstraZeneca simplified their contractual agreements for the development and commercialization of Beyfortus (nirsevimab) in the US. Sanofi thereby obtained control of all commercial rights to Beyfortus (nirsevimab) in the US, and ended the sharing of commercial profits between the two partners in that territory. In line with the terms of the revised agreements and in accordance with IAS 38, Sanofi recognized an intangible asset of €1.6 billion for the fair value of the additional US rights. On the same date, AstraZeneca and Sobi ended their participation agreement, signed in 2018, which transferred the economic rights for the US territory to Sobi.

Sanofi simultaneously entered into an agreement with Sobi relating to direct royalties on US net sales of Beyfortus (nirsevimab). In line with the terms of that agreement, on April 9, 2023 Sanofi recognized a financial liability amounting to €1.6 billion. That liability is classified as a financial liability at amortized cost under IFRS 9. Other than royalty payments, subsequent movements in the liability comprise (i) the unwinding of discount and (ii) changes in estimates of future cash outflows for royalty payments. Those movements will be recognized in the income statement within ***Net financial income/(expenses)*** in accordance with paragraph B.5.4.6 of IFRS 9.

As of December 31, 2024 the liability was remeasured by an amount of €291 million. As of December 31, 2023 the liability was remeasured by an amount of €541 million, reflecting the strong success of the US launch of Beyfortus, which led to sales forecasts being revised upward from the initial estimate. The resulting adjustment was recognized within ***Financial expenses***.

For territories other than the US (except for China, which is now considered a "major market," with profits/losses shared 50/50 with AstraZeneca), the existing agreement between AstraZeneca and Sanofi continues to govern the principal terms of the collaboration: Sanofi recognizes the sales and cost of sales and shares the Alliance's commercial profits with AstraZeneca.

In May 2023, data from the HARMONIE Phase 3b study confirmed that nirsevimab prevents infant hospitalizations due to RSV with consistent and high efficacy.

Beyfortus was approved in Europe in November 2022, in the United States in July 2023, and in a number of other countries (including China and Japan) in 2024.

A.1.8. Impact of exchange rates

We report our consolidated financial statements in euros. Because we earn a significant portion of our revenues in countries where the euro is not the local currency, our results of operations can be significantly affected by exchange rate movements between the euro and other currencies.

We experience these effects even though certain of these countries do not account for a large portion of our net sales. In 2024, we earned 48.7% of our net sales in the United States. An increase in the value of the US dollar against the euro has a positive impact on both our revenues and our operating income. A decrease in the value of the US dollar against the euro has a negative impact on our revenues, which is not offset by an equal reduction in our costs and therefore negatively affects our operating income. A variation in the value of the US dollar has a particularly significant impact on our operating income, which is higher in the United States than elsewhere.

For a description of arrangements entered into to manage operating foreign exchange risks as well as our hedging policy, see "Item 11. Quantitative and Qualitative Disclosures about Market Risk," and "Item 3. Key Information — D. Risk Factors — Risks Related to Financial Markets — Fluctuations in currency exchange rates could adversely affect our results of operations and financial condition."

A.1.9. Divestments

On November 29, 2024, Sanofi entered into a definitive agreement with *Recordati* for the sale of Sanofi's global rights to Enjaymo and the transfer of specific employees. Under this agreement, Sanofi received an upfront payment of $825 million and will be eligible for milestone payments of up to $250 million based on sales.

There were no material divestments in 2023.

On May 3, 2022, Sanofi's General Meeting of Shareholders approved the decision to distribute approximately 58% of the share capital of *EUROAPI*, a European leader in the development, manufacture, marketing and distribution of Active Pharmaceutical Ingredients (APIs), in the form of an exceptional dividend in kind to Sanofi shareholders. On the dividend payment date of May 10, 2022 (further to the admission of EUROAPI shares to listing on the regulated market of Euronext Paris on May 6, 2022), Sanofi divested control over EUROAPI and its subsidiaries, resulting in their deconsolidation from the Sanofi consolidated financial statements as of that date. The cash impact of the deconsolidation of EUROAPI, presented within the line item ***Disposals of consolidated undertakings and investments accounted for using the equity method*** in the statement of cash flows, was a net cash inflow of €101 million.

For further details about the divestments mentioned above, see Note D.1. to our consolidated financial statements included at Item 18. of this annual report.

A.1.10. Acquisitions

On May 30, 2024, Sanofi completed the acquisition of *Inhibrx, Inc* (Inhibrx), adding SAR447537 (formerly INBRX-101) to Sanofi's rare disease pipeline. The transaction did not meet the criteria for a business combination under IFRS 3, and consequently was accounted for as an acquisition of a group of assets.

The acquisition price was $2,035 million. Of that amount (plus acquisition-related costs), $1,885 million was allocated to in-process development in respect of SAR447537, and recognized within ***Other intangible assets*** in accordance with IAS 38. The difference between that amount and the acquisition price corresponds to the other assets acquired and liabilities assumed in the transaction.

In addition, Sanofi awarded the former shareholders of Inhibrx an unquoted, non-transferable CVR certificate that entitles them to a deferred cash payment of $5.00 per Inhibrx share, subject to attainment of a specified regulatory milestone before June 30, 2027. The nominal value of that off balance sheet commitment is $300 million.

The impact of this acquisition, as reflected within the line item ***Acquisitions of consolidated undertakings and investments accounted for using the equity method*** in the consolidated statement of cash flows, is a net cash outflow of $2,035 million.

On July 28, 2023, Sanofi agreed to acquire *QRIB Intermediate Holdings, LLC* (QRIB), the owner of Qunol, a market-leading US-based health & wellness brand. The acquisition strengthened Opella's operations in the Vitamin, Mineral and Supplements (VMS) category. The acquisition of QRIB by Sanofi was completed on September 29, 2023, at a purchase price of $1,419 million. The impact of this acquisition is reflected in ***Acquisitions of consolidated undertakings and investments accounted for using the equity method*** in the consolidated statement of cash flows and represents a net cash outflow of $1,410 million.

On March 13, 2023, Sanofi entered into a merger agreement with *Provention Bio, Inc.* (Provention), a US-based publicly traded biopharmaceutical company developing therapies to prevent and intercept immune-mediated diseases including type 1 diabetes. Under the terms of the agreement, Sanofi acquired the outstanding shares of Provention common stock for $25.00 per share in an all-cash transaction valued at approximately $2.8 billion. The acquisition of Provention was completed on April 27, 2023, with Sanofi holding all of the shares of Provention on expiration of the tender offer. The impact of this acquisition as reflected within the line item ***Acquisitions of consolidated undertakings and investments accounted for using the equity method*** in the consolidated statement of cash flows is a net cash outflow of $2,722 million.

On February 8, 2022, Sanofi acquired the entire share capital of the immuno-oncology company *Amunix Pharmaceuticals, Inc.* (Amunix), thereby gaining access to Amunix's innovative ProXTen technology and a promising pipeline of immunotherapies. The acquisition price of Amunix comprised a fixed payment of €970 million, plus contingent consideration in the form of milestone payments based on attainment of certain future development objectives of up to $225 million, the fair value of which as of the acquisition date was €156 million. The impact of this acquisition was reflected within the line item ***Acquisitions of consolidated undertakings and investments accounted for using the equity method*** in the consolidated statement of cash flows is a net cash outflow of €852 million. The license agreement entered into with Vir Biotechnology, Inc. in September 2024 led to the derecognition of the ProXTen intangible asset.

For further information about the acquisitions mentioned above, see Note D.1. to our consolidated financial statements included at Item 18. of this annual report.

A.1.11. Critical accounting and reporting policies

Our consolidated financial statements are affected by the accounting and reporting policies that we use. Certain of our accounting and reporting policies are critical to an understanding of our results of operations and financial condition, and in some cases the application of these critical policies can be significantly affected by the estimates, judgments and assumptions made by management during the preparation of our consolidated financial statements. The accounting and reporting policies that we have identified as critical to a full understanding of our results of operations and financial condition are the following:

1/ Revenue recognition

Our policies with respect to revenue recognition are discussed in Note B.13. to our consolidated financial statements included at Item 18. of this annual report. Revenue arising from the sale of goods is presented in the income statement within ***Net sales***. ***Net sales*** comprise revenue from sales of medicines, vaccines, and active ingredients, net of sales returns, of customer incentives and discounts, and of certain sales-based payments paid or payable to the healthcare authorities. In accordance with IFRS 15 (Revenue from Contracts with Customers), such revenue is recognized when Sanofi transfers control over the product to the customer. Control refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, the products. For the vast majority of contracts, revenue is recognized when the product is physically transferred, in accordance with the delivery and acceptance terms agreed with the customer.

For contracts entered into by our vaccines business, transfer of control is usually determined by reference to the terms of release (immediate or deferred) and acceptance of batches of vaccine.

As regards contracts with distributors, Sanofi does not recognize revenue when the product is physically transferred to the distributor in case of products sold on consignment, or if the distributor acts as an agent. In such cases, revenue is recognized when control is transferred to the end customer, and the distributor's commission is presented within the line item ***Selling and general expenses*** in the income statement.

We offer various types of price reductions on our products. In particular, products sold in the United States are covered by various programs (such as Medicare and Medicaid) under which products are sold at a discount. Rebates are granted to healthcare authorities, and under contractual arrangements with certain customers. Some wholesalers are entitled to chargeback incentives based on the selling price to the end customer, under specific contractual arrangements. Cash discounts may also be granted for prompt payment. The discounts, incentives and rebates described above are estimated on the basis of specific contractual arrangements with our customers or of specific terms of the relevant regulations and/or agreements applicable for transactions with healthcare authorities, and of assumptions about the attainment of sales targets. We also estimate the amount of sales returns, on the basis of contractual sales terms and reliable historical data. Discounts, incentives, rebates and sales returns are recognized in the period in which the underlying sales are recognized within ***Net Sales***, as a reduction of gross sales. For additional details regarding the financial impact of discounts, incentives, rebates and sales returns, see Note D.23. to our consolidated financial statements included at Item 18. of this annual report.

Revenues from non-Sanofi products, mainly comprising royalty income from license arrangements and sales of non-Sanofi products by our US-based entity VaxServe, are presented within ***Other revenues***. This line item also includes revenues arising from the distribution of Eloctate and Alprolix under Sanofi's agreements with Swedish Orphan Biovitrum AB (Sobi) and revenue received under agreements for Sanofi to provide manufacturing services to third parties. ***Other revenues*** is also used to recognize revenues arising from the manufacturing of Consumer Healthcare products by legal entities within the scope of continuing operations on behalf of legal entities within the scope of discontinued operations (see Note B.7.). Finally, in the interests of consistency, ***Other Revenues*** includes revenues associated with Consumer Healthcare operations that will not be transferred on the effective date of loss of control of Opella. These are primarily, but not exclusively, Consumer Healthcare activities that will not be transferred on the effective date of loss of control of Opella. These are primarily (i) hospital sales of Opella products in China, the transfer of which will be finalized no earlier than 2028 after a transitional period required to complete the transfer plan agreed with Sanofi in the context of public tendering arrangements ; (ii) sales made by the dedicated entity Opella Russie, the equity interests in which will be retained by Sanofi. Sanofi will continue to distribute Opella products in Russian territory under the distribution agreement signed in connection with the separation, the parties reserving the right to discuss the transfer of this retained interest during the distribution agreement term; and (iii) sales of the Gold Bond product range, which are continuing in the United States through the retained subsidiary Gold Bond LLC (holder of the associated worldwide property rights).

2/ Business combinations

As discussed in Note B.3. "Business combinations and transactions with non-controlling interests" to our consolidated financial statements included at Item 18. of this annual report, business combinations are accounted for by the acquisition method. The acquiree's identifiable assets and liabilities that satisfy the recognition criteria of IFRS 3 (Business Combinations) are measured initially at their fair values as at the acquisition date, except for (i) non-current assets classified as held for sale, which are measured at fair value less costs to sell and (ii) assets and liabilities that fall within the scope of IAS 12 (Income Taxes) and IAS 19 (Employee Benefits). Business combinations completed on or after January 1, 2010 are accounted for in accordance with the revised IFRS 3 and IFRS 10 (Consolidated Financial Statements). In particular, contingent consideration payable to former owners agreed in a business combination, e.g. in the form of payments upon the achievement of certain R&D milestones, is recognized as a liability at fair value as of the acquisition date irrespective of the probability of payment. If the contingent consideration was originally recognized as a liability, subsequent adjustments to the liability are recognized in profit or loss (see Note D.18. "Liabilities related to business combinations and non-controlling interests" to our consolidated financial statements included at Item 18. of this annual report).

3/ Impairment of goodwill and intangible assets

As discussed in Note B.6. "Impairment of property, plant and equipment, intangible assets, and investments accounted for using the equity method" and in Note D.5. "Impairment of intangible assets and property, plant and equipment" to our consolidated financial statements included at Item 18. of this annual report, we test our intangible assets for impairment periodically or when there is any internal or external indication of impairment. Such indicators could include primarily but not exclusively (i) increased market competition resulting from (for example) the introduction of a competitor's product; (ii) earlier than expected loss of exclusivity; (iii) increased pricing pressure; (iv) restrictions imposed by regulatory authorities on the manufacture or sale of a product; (v) delay in the projected launch of a product; (vi) different from expected clinical study results; (vii) higher than expected development costs or (viii) lower than expected economic performance.

We test for impairment on the basis of the same objective criteria that were used for the initial valuation. Our initial valuation and ongoing tests are based on the relationship of the value of our projected future cash flows associated with the asset to either the purchase price of the asset (for its initial valuation) or the carrying amount of the asset (for ongoing tests for impairment).

Significant underlying assumptions requiring the exercise of considerable judgement are applied in the future cash flow projections used to determine the recoverability of intangible assets, including primarily but not exclusively (i) therapeutic class market growth drivers; (ii) expected impacts from competing products (including but not exclusively generics and biosimilars); (iii) projected pricing and operating margin levels; (iv) likely changes in the regulatory, legal or tax environment; and (v) management's estimates of terminal growth or attrition rates.

The recoverable amounts of intangible assets related to research and development projects are determined based on future net cash flows, which reflect the development stage of the project and the associated probability of success of marketization of the compound.

The projected cash flows are discounted to present value using a discount rate, which factors in the risks inherent in cash flow projections.

Changes in facts and circumstances, assumptions and/or estimates may lead to future additional impairment losses or reversal of impairment previously recorded.

Key assumptions relating to goodwill impairment are the perpetual growth rate and the post-tax discount rate. A sensitivity analysis to the key assumptions is disclosed in Note D.5. "Impairment of intangible assets and property, plant and equipment" to our consolidated financial statements included at Item 18. of this annual report.

4/ Pensions and post-retirement benefits

As described in Note B.23. "Employee benefit obligations" to our consolidated financial statements included at Item 18. of this annual report, we recognize our pension and retirement benefit commitments as liabilities on the basis of an actuarial estimate of the rights vested in employees and retirees at the end of the reporting period, net of the fair value of plan assets held to meet those obligations. We prepare this estimate at least on an annual basis taking into account financial assumptions (such as discount rates) and demographic assumptions (such as life expectancy, retirement age, employee turnover, and the rate of salary increases).

We recognize all actuarial gains and losses (including the impact of a change in discount rate) immediately through equity.

Depending on the key assumptions used, the pension and post-retirement benefit expense could vary within a range of outcomes and have a material effect on reported earnings. A sensitivity analysis to these key assumptions is set forth in Note D.19.1. "Provisions for pensions and other benefits" to our consolidated financial statements included at Item 18. of this annual report.

5/ Taxes

As discussed in Note B.22. “Income tax expense” to our consolidated financial statements included at Item 18. of this annual report, we recognize deferred income taxes on tax loss carry-forwards and on temporary differences between the tax base and carrying amount of assets and liabilities. We calculate our deferred tax assets and liabilities using enacted tax rates applicable for the years during which we estimate that the temporary differences are expected to reverse. We do not recognize deferred tax assets when it is more likely than not that the deferred tax assets will not be realized. The recognition of deferred tax assets is determined on the basis of profit forecasts for each tax group, and of the tax consequences of the strategic opportunities available to Sanofi.

The positions adopted by Sanofi in tax matters are based on its interpretation of tax laws and regulations. Some of those positions may be subject to uncertainty. In such cases, Sanofi assesses the amount of the tax liability on the basis of the following assumptions: that its position will be examined by one or more tax authorities on the basis of all relevant information; that a technical assessment is carried out with reference to legislation, case law, regulations, and established practice; and that each position is assessed individually (or collectively where appropriate), with no offset or aggregation between positions. Those assumptions are assessed on the basis of facts and circumstances existing at the end of the reporting period. When an uncertain tax liability is regarded as probable, it is measured on the basis of Sanofi’s best estimate and recognized as a liability; uncertain tax assets are not recognized.

6/ Provisions for risks

Sanofi and its subsidiaries and affiliates may be involved in litigation, arbitration or other legal proceedings. These proceedings typically are related to product liability claims, intellectual property rights, compliance and trade practices, commercial claims, employment and wrongful discharge claims, tax assessment claims, waste disposal and pollution claims, and claims under warranties or indemnification arrangements relating to business divestitures. As discussed in Note B.12. “Provisions for risks” to our consolidated financial statements included at Item 18. of this annual report, we record a provision where we have a present obligation, whether legal or constructive, as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the outflow of resources. We also disclose a contingent liability in circumstances where we are unable to make a reasonable estimate of the expected financial effect that will result from the ultimate resolution of the proceeding, or a cash outflow is not probable.

For additional details regarding the financial impact of provisions for risks see Notes D.19.3. “Other provisions” and D.22. “Legal and Arbitral Proceedings” to our consolidated financial statements included at Item 18. of this annual report.

7/ Provisions for restructuring costs

Provisions for restructuring costs include collective redundancy or early retirement benefits, compensation for early termination of contracts, and rationalization costs relating to restructured sites. Refer to Note D.19.2. to our consolidated financial statements included at Item 18. of this annual report.

Provisions are estimated on the basis of events and circumstances related to present obligations at the end of the reporting period and of past experience, and to the best of management’s knowledge at the date of preparation of the financial statements. The assessment of provisions can involve a series of complex judgments about future events and can rely heavily on estimates and assumptions. Given the inherent uncertainties related to these estimates and assumptions, the actual outflows resulting from the realization of those risks could differ from our estimates.

A.2. Results of operations

Year ended December 31, 2024 compared with year ended December 31, 2023

Consolidated income statements

(€ million)	2024	as % of net sales	2023(a)	as % of net sales
Net sales	**41,081**	**100.0%**	**37,817**	**100.0%**
Other revenues	3,205	7.8%	3,801	10.1%
Cost of sales	(13,205)	-32.1%	(12,628)	-33.4%
Gross profit	**31,081**	**75.7%**	**28,990**	**76.7%**
Research and development expenses	(7,394)	-18.0%	(6,507)	-17.2%
Selling and general expenses	(9,183)	-22.4%	(8,933)	-23.6%
Other operating income	1,089		979	
Other operating expenses	(4,382)		(3,443)	
Amortization of intangible assets	(1,749)		(1,911)	
Impairment of intangible assets	(248)		(896)	
Fair value remeasurement of contingent consideration	(96)		(93)	
Restructuring costs and similar items	(1,396)		(1,030)	
Other gains and losses, and litigation	(470)		(196)	
Operating income	**7,252**	**17.7%**	**6,960**	**18.4%**
Financial expenses	(1,073)		(1,293)	
Financial income	519		584	
Income before tax and investments accounted for using the equity method	**6,698**	**16.3%**	**6,251**	**16.5%**
Income tax expense	(1,204)		(1,017)	
Share of profit/(loss) from investments accounted for using the equity method	60		(136)	
Net income from continuing operations	**5,554**		**5,098**	
Net income from discontinued operations	64		338	
Net income	**5,618**	**13.7%**	**5,436**	**14.4%**
Net income attributable to non-controlling interests	58		36	
Net income attributable to equity holders of Sanofi	**5,560**	**13.5%**	**5,400**	**14.3%**
Average number of shares outstanding (million)	1,251.4		1,251.7	
Average number of shares after dilution (million)	1,256.1		1,256.4	
• Basic earnings per share from continuing operations (€)	4.40		4.06	
• Basic earnings per share from discontinued operations (€)	0.04		0.25	
Basic earnings per share (€)	**4.44**		**4.31**	
• Diluted earnings per share from continuing operations (€)	4.39		4.30	
• Diluted earnings per share from discontinued operations (€)	0.04		4.05	
Diluted earnings per share (€)	**4.43**		**4.30**	

(a) Figures for the comparative period (2023) have been re-presented on a consistent basis to reflect the classification of Opella as a discontinued operation.

A.2.1. Net sales

Consolidated net sales for the year ended December 31, 2024 amounted to €41,081 million, 8.6% higher than in 2023 on a reported basis. Exchange rate fluctuations had a negative effect of 2.7 percentage points overall, due mainly to adverse trends in the Argentine peso, Japanese yen and Turkish lira against the euro. At constant exchange rates (CER), net sales rose by 11.3%, driven mainly by strong performances for Dupixent, Beyfortus and ALTUVIIIO.

Reconciliation of Net sales (IFRS) to Net sales at CER (non-IFRS)

(€ million)	2024	2023(a)	Change
Net sales (IFRS)	**41,081**	**37,817**	**+8.6%**
Effect of exchange rates	992		
Net sales at constant exchange rates (non-IFRS)	**42,073**	**37,817**	**+11.3%**

(a) Figures for the comparative period (2023) have been re-presented on a consistent basis to reflect the classification of Opella as a discontinued operation.

To facilitate analysis and comparisons with prior periods, some figures are given at CER.

We calculate net sales at CER by recalculating net sales for the relevant period using the exchange rates that were used for the previous period.

1/ Net sales by operating segment

Our net sales comprise the net sales generated by our Biopharma segment.

(€ million)	2024	2023(a)	Change on a reported basis (IFRS)	Change at constant exchange rates (non-IFRS)
Biopharma segment	**41,081**	**37,817**	**+8.6%**	**+11.3%**
Total net sales	**41,081**	**37,817**	**+8.6%**	**+11.3%**

(a) Figures for the comparative period (2023) have been re-presented on a consistent basis to reflect the classification of Opella as a discontinued operation.

2/ Net sales by medicine, vaccine and geography – 2024 compared with 2023

(€ million)	Total sales	Change (reported)	Change (CER)	United States	Change (CER)	Europe	Change (CER)	Rest of the world	Change (CER)
Immunology									
Dupixent	13,072	+22.0%	+23.1%	9,544	+17.2%	1,618	+31.9%	1,910	+50.8%
Kevzara	424	+18.8%	+21.0%	246	+26.2%	121	+5.2%	57	+38.3%
Rare diseases									
Fabrazyme	1,047	+5.8%	+9.1%	531	+5.6%	254	+5.4%	262	+19.9%
Cerezyme	742	+8.2%	+20.3%	191	+1.1%	244	+6.6%	307	+45.5%
ALTUVIIIO (*)	682	+328.9%	+330.2%	617	+298.1%	—	—%	65	+1575.0%
Myozyme	671	-14.2%	-12.3%	234	-7.5%	260	-23.8%	177	+2.1%
Nexviazyme / Nexviadyme (*)	667	+56.9%	+61.2%	361	+32.7%	201	+101.0%	105	+132.1%
Alprolix	588	+8.9%	+9.6%	464	+5.5%	—	—%	124	+28.0%
Eloctate	368	-21.9%	-20.8%	236	-30.8%	—	—%	132	+5.4%
Cerdelga	333	+11.7%	+12.8%	186	+13.4%	128	+8.5%	19	+37.5%
Aldurazyme	297	+6.5%	+12.2%	72	+7.5%	84	+2.4%	141	+20.8%
Cablivi (*)	249	+9.7%	+9.7%	136	+21.4%	93	-6.1%	20	+23.5%
Xenpozyme (*)	151	+65.9%	+68.1%	81	+55.8%	46	+48.4%	24	+225.0%
Enjaymo (*)	105	+45.8%	+48.6%	58	+40.5%	17	+183.3%	30	+29.2%
Neurology									
Aubagio	379	-60.3%	-59.4%	187	-59.1%	152	-65.2%	40	-17.2%
Oncology									
Sarclisa (*)	471	+23.6%	+29.7%	200	+21.2%	134	+20.7%	137	+52.4%
Jevtana	290	-9.4%	-7.8%	214	-7.0%	7	-41.7%	69	-5.1%
Fasturtec	183	+7.6%	+8.2%	119	+8.2%	48	+9.3%	16	+5.9%
Other medicines									
Lantus	1,628	+14.6%	+20.8%	638	+127.0%	340	-4.8%	650	-5.8%
Toujeo	1,227	+9.3%	+13.4%	217	+1.9%	479	+8.6%	531	+23.0%
Lovenox	982	-12.5%	-7.0%	9	+28.6%	567	-9.0%	406	-4.9%
Plavix	914	-3.6%	-0.4%	6	-25.0%	91	-5.2%	817	+0.4%
Thymoglobulin	492	+2.9%	+7.3%	312	+6.5%	39	+2.7%	141	+10.1%
Praluent	483	+14.5%	+15.2%	—	-100.0%	340	+14.9%	143	+15.0%
Rezurock (*)	470	+51.6%	+51.6%	425	+40.6%	28	+460.0%	17	+700.0%
Aprovel	416	-0.2%	+1.0%	4	-55.6%	73	-6.4%	339	+4.2%
Multaq	311	-9.6%	-9.6%	278	-10.3%	11	-8.3%	22	—%
Soliqua/iGlarLixi	227	+4.6%	+7.8%	75	-20.0%	48	+40.0%	104	+25.3%
Mozobil	74	-66.4%	-65.9%	12	-89.9%	39	-44.3%	23	-22.6%
Tzield (*)	54	+116.0%	+116.0%	52	+108.0%	1	—%	1	—%
Other	4,262	-11.7%	-7.7%	364	-16.9%	1,263	-6.8%	2,635	-6.8%
Industrial Sales	523	-5.1%	-5.1%	1	-75.0%	520	-1.5%	2	-89.5%
Vaccines									
Polio / Pertussis / Hib Vaccines & Boosters	2,741	-0.9%	+1.2%	679	-5.5%	497	+4.0%	1,565	+3.5%
Influenza Vaccines	2,555	-4.3%	-1.3%	1,433	+4.3%	640	-7.8%	482	-7.4%
RSV (Beyfortus) (*)	1,686	+208.2%	+214.4%	1,068	+167.3%	440	+214.3%	178	—%
Meningitis, Travel and Endemics Vaccines	1,316	+3.9%	+5.4%	736	+1.5%	204	+28.7%	376	+3.2%
Biopharma	**41,081**	**+8.6%**	**+11.3%**	**19,986**	**+16.2%**	**9,027**	**+2.3%**	**12,068**	**+10.7%**
Of which new launches (*)	4,535	+102.7%	+106.3%	2,998	+97.0%	960	+95.3%	577	+199.1%

3/ Net sales - Biopharma segment

In 2024, net sales for the Biopharma segment (see " — A.1.5. Segment Information and Business net income" for detailed disclosures about our operating segments and Note D.35. to our consolidated financial statements included at Item 18. of this annual report) amounted to €41,081 million, up 8.6% on a reported basis and 11.3% at CER. The year-on-year reported-basis increase of €3,264 million reflects adverse exchange rate effects amounting to €992 million, and the following principal effects at CER:

- a solid performance from Dupixent (+€2,480 million, a 23.1% increase), ALTUVIIIO (+€525 million), and Lantus (+€295 million); which more than offset a drop in sales of Aubagio (-€567 million); and
- triple-digit growth for Beyfortus (to €1,173 million, a 214.4% increase).

Comments on the performances of our major Biopharma segment products are provided below.

New launches

ALTUVIIIO (hemophilia A) posted sales of €682 million in 2024, with 90% generated in the United States. Growth continued to be driven by patient switches from older factor medicines and increasingly, from non-factor treatments. Sales also benefited from supplies to Sanofi's partner in Europe, where the medicine obtained regulatory approval. Total hemophilia A franchise sales (ALTUVIIIO + Eloctate) amounted to €1,050 million (+67.8% CER), representing an increase in Sanofi's market share of factor-based treatments as well as of the overall hemophilia A market.

Nexviazyme/Nexviadyme (Pompe disease) sales were €667 million (including €361 million in the United States), up 61.2% year-on-year, driven by switches from Myozyme/Lumizyme in the eligible late-onset Pompe disease population and by an increase in new patients. Total sales for the Pompe franchise (Nexviazyme/Nexviadyme + Myozyme/Lumizyme) were €1,338 million. Nexviazyme/Nexviadyme now account for 50% of total Pompe franchise sales.

Sarclisa (multiple myeloma) reported sales of €471 million, up 29.7% CER, driven by strong growth in all three regions. Sales reached €200 million in the United States (+21.2% CER), €134 million in Europe (+20.7% CER), and €137 million in the Rest of the World region (+52.4% CER).

Sales of *Rezurock* (chronic graft-versus-host disease) were €470 million in 2024, an increase of 51.6% CER, driven by continued strong uptake in the US (€425 million, +40.6% CER), where the product is becoming the standard of care in the indicated setting, and by rapid uptake in launch countries (especially China and the United Kingdom). Globally, more than 9,400 patients have been prescribed Rezurock (including 830 patients in early access or managed access programs) since launch, key drivers being the product's real-world efficacy, tolerability and oral route of administration.

Cablivi (acquired thrombotic thrombocytopenic purpura) reported 2024 sales of €249 million (+9.7% CER), including €136 million (+21.4% CER) in the United States driven by patient growth.

Xenpozyme (acid sphingomyelinase deficiency) achieved sales of €151 million in 2024 (+68.1% CER), with most of the growth coming in the United States.

Enjaymo (cold agglutinin disease) posted sales of €105 million, up 48.6% CER, driven by all regions. On November 29, 2024, Sanofi entered into a definitive agreement with Recordati for the sale of its worldwide rights to Enjaymo.

Sales of *Tzield* (delayed onset of type 1 diabetes) amounted to €54 million. As expected, sales are on a gradual uptrend, driven by continued growth in infusions supported by increased awareness and screening.

Immunology & Inflammation

Dupixent (collaboration with Regeneron) generated net sales of €13,072 million in 2024, up 22.0% on a reported basis and 23.1% at constant exchange rates. In the United States, sales of Dupixent reached €9,544 million (+17.2% CER), driven by continuing strong demand in the product's approved indications: atopic dermatitis (AD), asthma, chronic rhinosinusitis with nasal polyposis (CRSwNP), eosinophilic esophagitis, and prurigo nodularis. In Europe, the product's net sales for 2024 totaled €1,618 million, up 31.9% CER, reflecting continued growth in all approved indications and emerging sales in chronic obstructive pulmonary disease (COPD). In the Rest of the World region, Dupixent posted net sales of €1,910 million (+50.8% CER), driven mainly by Japan and China. More than one million patients are currently being treated with Dupixent globally.

Other medicines

Lantus sales increased to €1,628 million (+20.8% CER). In the United States, sales were up 127.0% CER, reflecting the withdrawal of a competing medicine from the market and a lower comparative base in terms of net-price adjustments. In the Rest of the World region and Europe, sales were down by 5.8% and 4.8% CER, respectively, mainly due to the strategy of switching to Toujeo in China.

Toujeo sales increased by 13.4% CER to €1,227 million, driven by China, where the product's market share now exceeds that of Lantus. Sales slowly increased in the United States, mainly due to the withdrawal of a competing medicine.

Sales of *Fabrazyme* reached €1,047 million in 2024 (+9.1% CER), propelled by the Rest of World region due to growth in the number of patients.

Lovenox sales decreased by 7.0% CER to €982 million, reflecting impacts from volume-based procurement (VBP) in China and from biosimilar competition in Europe.

Plavix sales decreased by 0.4% CER to €914 million due to a deceleration of market share in the Rest of the World region, partially offset by volume growth in China from VBP inclusion.

Cerezyme sales rose by 20.3% CER to €742 million, reflecting growth in high-inflation countries (Argentina and Turkey) included in the Rest of the World region.

Sales of *Myozyme/Lumizyme* decreased by 12.3% CER in 2024 to €671 million, reflecting switches to Nexviazyme/Nexviadyme as mentioned above.

In 2024, sales of *Alprolix* amounted to €588 million, up 9.6% CER, driven by the Rest of the World region and the United States.

Thymoglobulin sales rose by 7.3% CER to €492 million, driven by the United States and the Rest of the World region.

Net sales of *Praluent* for 2024 reached €483 million, up 15.2% CER, underpinned by Europe and the Rest of the World region.

Sales of *Aubagio* were down 59.4% CER at €379 million, reflecting the loss of exclusivity in the United States in March 2023 followed by Europe in September 2023.

Eloctate posted sales of €368 million in 2024, down 20.8% CER, reflecting switches to ALTUVIIIO.

Cerdelga sales were €333 million, up 12.8%, underpinned by continued growth in the United States and Europe.

Vaccines

In 2024, Vaccines sales were up 11.0% on a reported basis and 13.5% CER, at €8,299 million. Sales reflected a strong Beyfortus ramp-up, which more than offset the absence of COVID-19 vaccine sales in the period (versus €226 million in 2023).

Sales of *Polio/Pertussis/Hib Vaccines and Boosters*, reached €2,741 million, up 1.2% CER. Growth was driven by increased demand for Booster vaccines across all regions, and continued expansion of our pediatric combination vaccines in the Rest of World region. In the United States, Vaxelis became market leader in the three-dose primary series market for infants at the end of 2023. Vaxelis sales in the United States are not consolidated by Sanofi, but profits are shared equally between Sanofi and Merck & Co.

Sales of *Influenza Vaccines* reached €2,555 million, down 1.3% CER, due to soft vaccination coverage.

Beyfortus sales reached €1,686 million, driven by a successful rollout in the first full year of launch. In collaboration with AstraZeneca, who manufacture Beyfortus, increased supply was enabled by additional capacity.

Meningitis, Travel and Endemics Vaccines sales increased by 5.4% CER to €1,316 million, reflecting the expansion of MenQuadfi in Europe and the Rest of the World region.

4/ Net sales by geographical region

The table below sets forth our net sales for 2024 and 2023 by geographical region:

(€ million)	2024	2023	Change on a reported basis	Change at constant exchange rates
United States	19,986	17,262	+15.8%	+16.2%
Europe	9,027	8,816	+2.4%	+2.3%
Rest of the World	12,068	11,739	+2.8%	+10.7%
of which China	*2,666*	*2,728*	*-2.3%*	*-0.5%*
Total net sales	**41,081**	**37,817**	**+8.6%**	**+11.3%**

In 2024, net sales in the *United States* reached €19,986 million, up 15.8% on a reported basis and 16.2% CER. The strong performance was driven by new launches including Beyfortus and ALTUVIIIO (€1,068 million and €617 million respectively), and by Dupixent (+17.2% CER at €9,544 million) and Lantus. Sales growth was slightly dampened by lower sales of legacy medicines.

In *Europe*, net sales advanced by 2.4% on a reported basis and 2.3% at CER in 2024 to €9,027 million. The effects of Aubagio generics and a high comparative base for vaccines due to COVID-19 vaccine sales recorded in 2023 were more than offset by the strong performance of Dupixent and Beyfortus.

In the *Rest of the World region*, net sales for 2024 increased by 2.8% on a reported basis and by 10.7% CER to €12,068 million, due to exceptional performances from Dupixent (+50.8% CER at €1,910 million) and the launch of Beyfortus in two countries in the southern hemisphere.

A.2.2. Other income statement items

1/ Other revenues

Other revenues decreased by 15.7% to €3,205 million in 2024 (versus €3,801 million in 2023), due largely to the absence in 2024 of COVID-19 sales, which represented €509 million in 2023.

The ***Other revenues*** line item also includes VaxServe sales of non-Sanofi products, amounting to €1,959 million (versus €2,167 million in 2023). In addition, ***Other revenues*** included sales of Opella products in markets retained by Sanofi (€339 million); sales to entities within the Opella scope that are classified as held for sale (€163 million); royalties (€121 million); and other services/manufacturing services (€623 million).

2/ Gross profit

Gross profit for 2024 amounted to €31,081 million compared with €28,990 million in 2023, an increase of 7.2%. Gross margin (the ratio of gross profit to net sales) decreased, reaching 75.7% in 2024, versus 76.7% in 2023. The lower gross margin was primarily due to the lack of COVID-19 revenues in 2024.

3/ Research and development expenses

Research and development (R&D) expenses amounted to €7,394 million in 2024, versus €6,507 million in 2023, an increase of 13.6%, reflecting an acceleration in immunology, neurology, vaccines and digital R&D, while spend on oncology was reduced. R&D expenses represented 18.0% of net sales in 2024, versus 17.2% in 2023.

4/ Selling and general expenses

Selling and general expenses amounted to €9,183 million in 2024 (22.4% of net sales), versus €8,933 million in 2023 (23.6% of net sales), a 2.8% year-on-year increase.

5/ Other operating income and expenses

Other operating income amounted to €1,089 million in 2024 (versus €979 million in 2023), and other operating expenses to €4,382 million (versus €3,443 million in 2023).

Overall, this represented a net expense of €3,293 million in 2024, compared with a net expense of €2,464 million in 2023.

(€ million)	2024	2023	Change
Other operating income	1,089	979	110
Other operating expenses	(4,382)	(3,443)	(939)
Other operating income/(expenses), net	**(3,293)**	**(2,464)**	**(829)**

The increase of €829 million mainly reflects an increase in the share of profits generated by the monoclonal antibody alliance with Regeneron under the collaboration agreement (see Note C.1. to our consolidated financial statements), the principal factor being increased sales of Dupixent.

The net contribution of items related to Regeneron to this line item is as follows:

(€ million)	2024	2023
Income & expense related to (profit)/loss sharing under the Monoclonal Antibody Alliance	(4,143)	(3,321)
Additional share of profit paid by Regeneron towards development costs[(a)]	833	668
Reimbursement to Regeneron of selling expenses incurred	(637)	(543)
Total: Monoclonal Antibody Alliance	**(3,947)**	**(3,196)**
Other (mainly Zaltrap and Libtayo)	**158**	**217**
Other operating income/(expenses), net related to Regeneron Alliance	**(3,789)**	**(2,979)**
of which amount presented in "Other operating income"	*166*	*227*

(a) As of December 31, 2024, the commitment received by Sanofi in respect of the additional profit share payable by Regeneron towards development costs amounted to €1.6 billion, compared with €2.1 billion as of December 31, 2023 (see Note D.21.to our consolidated financial statements).

6/ Amortization of intangible assets

Amortization charged against intangible assets amounted to €1,749 million in 2024, compared with €1,911 million in 2023.

This reduction was mainly driven by the impact of some intangible assets reaching the end of their amortization periods.

7/ Impairment of intangible assets, net of reversals

The monitoring of impairment indicators for other intangible assets led to the recognition of net impairment losses of €248 million in 2024, comprising (i) an impairment loss of €640 million in connection with various research and development projects - including a €239 million loss resulting from the discontinuation in February 2025 of a phase 3 clinical study investigating of a vaccine candidate to prevent invasive E.coli disease - and (ii) an impairment reversal totalling €392 million recognized in connection with the divestment of the ProXTen technology platform and of Enjaymo, a commercialized product, certain assets within which had been subject to impairment losses in previous years.

For 2023, this line shows a net loss of €896 million, mainly comprising an impairment loss of €833 million reflecting the impact of the strategic decision to de-prioritize certain R&D programs, in particular those related to the NK Cell and ProXTen technology platforms.

8/ Fair value remeasurement of contingent consideration

Fair value remeasurements of contingent consideration assets and liabilities (recognized on acquisitions or disposals of activities) represented a net expense of €96 million in 2024, versus a net expense of €93 million in 2023. For 2024, this line item mainly comprises a fair value adjustment to the amount of contingent consideration vis-à-vis Shire as a result of a transaction carried out by Translate Bio, Inc. prior to the acquisition of that entity by Sanofi (expense of €94 million in 2024, versus €74 million in 2023).

9/ Restructuring costs and similar items

Restructuring costs and similar items represented a total charge of €1,396 million in 2024, versus a charge of €1,030 million in 2023, an increase of €366 million. For 2024, they mainly comprise costs relating to severance plans announced by Sanofi during the year. For 2023 they included the impact of pension reform in France on future annuities under the rules of each severance plan. Restructuring costs and similar items also include the effects of Sanofi's ongoing transformation projects.

10/ Other gains and losses, and litigation

Other gains and losses, and litigation for 2024 represent a charge of €470 million, mainly comprising a provision recognized in respect of the litigation related to Plavix (clopidogrel) in the US state of Hawaii (see Note D.22.)

For 2023, this line item represented a charge of €196 million related to major litigation.

11/ Operating income

Operating income amounted to €7,252 million in 2024, versus €6,960 million in 2023.

12/ Financial income and expenses

Net financial expenses were €554 million in 2024, versus €709 million in 2023, a decrease of €155 million.

The 2024 amount includes a financial expense of €291 million (€541 million in 2023) in respect of the liability recognized in the balance sheet for estimated future royalties on US sales of Beyfortus, which were remeasured to reflect the successful US launch of the product (see Notes C.2. and D.29. to our consolidated financial statements).

The cost of our net debt (see the definition in "— B. Liquidity and Capital Resources" below and Note D.29. to our consolidated financial statements) was €186 million in 2024, compared with €25 million in 2023; the rise of €161 was mainly explained by a lower level of income from short-term investments and deposits (€413 million in 2024 versus €527 million in 2023, a decrease of €114 million).

13/ Income before tax and investments accounted for using the equity method

Income before tax and investments accounted for using the equity method reached €6,698 million in 2024, versus €6,251 million in 2023.

14/ Income tax expense

Income tax expense represented €1,204 million in 2024, versus €1,017 million in 2023, giving an effective tax rate based on consolidated net income of 18.0% in 2024, compared with 16.3% in 2023. The increase in the effective tax rate is mainly explained by an increase in the weighted average tax rate applicable across all the tax jurisdictions in which Sanofi operates (see Note D.30 to our consolidated financial statements), including additional tax recognized pursuant to the application of Pillar Two rules (€58 million in 2024).

The effective tax rate based on business net income is a non-IFRS financial measure (see definition under "— Segment information — Business Net Income" above). It is calculated on the basis of business operating income, minus net financial expenses and before (i) the share of profit/loss from investments accounted for using the equity method and (ii) net income attributable to non-controlling interests. We believe the presentation of this measure, used by our management, is also useful for investors as it provides a means to analyze the effective cost of taxes on our profits excluding (i) the reconciling items described in section A.1.5. above and (ii) non-recurring or unusual tax effects. However, it should not be seen as a substitute for the effective tax rate based on our consolidated net income.

When calculated on business net income, our effective tax rate was 19.8% in 2024, compared with 17.7% in 2023. The main factors in this year-on-year change were (i) the impact of the OECD Pillar Two model rules, which aim to ensure that large multinationals pay a minimum level of tax on the income arising in each jurisdiction where they operate; and (ii) updates to estimates of prior period tax liabilities following progress of reviews and closure of open issues with tax authorities in various jurisdictions.

The table below reconciles our effective tax rate based on consolidated net income to our effective tax rate based on business net income:

(as a percentage)	2024	2023
Effective tax rate based on consolidated net income (IFRS)	**18.0%**	**16.3%**
Tax effects:		
Amortization and impairment of intangible assets	(0.4)	(0.3)
Restructuring costs and similar items	0.5	1.6
Other tax effects	1.7	0.1
Effective tax rate based on business net income (non-IFRS)	**19.8%**	**17.7%**

15/ Share of profit/(loss) from investments accounted for using the equity method

The line item ***Share of profit/(loss) from investments accounted for using the equity method*** showed net income of €60 million in 2024 (after charging an impairment loss of €77 million on the equity-accounted investment in EUROAPI – see Note D.6.), compared with a net loss of €136 million for 2023.

16/ Net income from continuing operations

Net income from continuing operations amounted to €5,554 million in 2024, compared with €5,098 million in 2023.

17/ Net income from discontinued operations

Due to (i) the classification of Opella's assets and liabilities as held for sale since the announcement on October 21, 2024 of the opening of exclusive negotiations with CD&R for the transfer of those assets and liabilities and (ii) the assessment that Opella qualifies as a principal line of business within the meaning of IFRS 5, the net income or loss of Opella is presented in a separate line item, ***Net income from discontinued operations*** (see Notes D.1. and D.36. to our consolidated financial statements included at Item 18. of this annual report). This business reported net income of €64 million in 2024, compared with net income of €338 million in 2023.

Net income from the Opella discontinued operation was €274 million lower in 2024 than in 2023. This year-on-year change reflects in particular the acceleration in 2024 of the transformational project to create the standalone Opella entity; transaction costs incurred in 2024 in respect of the proposed Opella transfer; and changes in gains from asset divestments within the Opella scope between the two periods.

In addition, net income from the Opella discontinued operation for the year ended December 31, 2024 includes a net tax expense of €122 million relating to the tax cost of the legal restructuring of the Opella scope. For the year ended December 31, 2023, net income from the Opella discontinued operation includes a €365 million deferred tax liability recognized in respect of investments in consolidated entities in light of the proposed separation of the Opella business.

18/ Net income attributable to non-controlling interests

Net income attributable to non-controlling interests was €58 million in 2024, versus €36 million in 2023.

19/ Net income attributable to equity holders of Sanofi

Net income attributable to equity holders of Sanofi amounted to €5,560 million in 2024, compared with €5,400 million in 2023.

Basic earnings per share for 2024 was €4.44 versus €4.31 for 2023, based on an average number of shares outstanding of 1,251.4 million in 2024 and 1,251.7 million in 2023. Diluted earnings per share for 2024 was €4.43 versus €4.30 for 2023, based on an average number of shares after dilution of 1,256.1 million in 2024 and 1,256.4 million in 2023.

A.2.3. Segment results

Our business operating income, as defined in Note D.35. ("Segment information") to our consolidated financial statements included at Item 18. of this annual report, was €11,343 million in 2024, compared with €11,178 million in 2023 (a increase of 1.5%). It represented 27.6% of our net sales in 2024, compared with 29.6% in 2023.

Our business operating income (non-IFRS) is reconciled with our operating income (IFRS) in Note "D.35. Segment information — D.35.1.2. Business operating income" of the financial statements included at Item 18. of this annual report.

The table below sets forth our business operating income for the years ended December 31, 2024 and 2023:

(€ million)	December 31, 2024	December 31, 2023	Change	Change at CER
Biopharma operating segment	11,285	11,155	+1.2%	+7.3%
As percentage of sales	*27.5%*	*29.5%*		
Other	58	23	+152.2%	+160.9 %
Business operating income (non-IFRS)	**11,343**	**11,178**	**+1.5%**	**+7.6%**
As percentage of sales	*27.6%*	*29.6%*		

A.3. Results of operations

Year ended December 31, 2023 compared with year ended December 31, 2022

Consolidated income statements

(€ million)[a]	2023	as % of net sales	2022	as % of net sales
Net sales	**37,817**	**100.0%**	**37,651**	**100.0%**
Other revenues	3,801	10.1%	2,910	7.7%
Cost of sales	(12,628)	-33.4%	(11,882)	-31.6%
Gross profit	**28,990**	**76.7%**	**28,679**	**76.2%**
Research and development expenses	(6,507)	-17.2%	(6,501)	-17.3%
Selling and general expenses	(8,933)	-23.6%	(8,739)	-23.2%
Other operating income	979		1,814	
Other operating expenses	(3,443)		(2,523)	
Amortization of intangible assets	(1,911)		(1,804)	
Impairment of intangible assets	(896)		429	
Fair value remeasurement of contingent consideration	(93)		27	
Restructuring costs and similar items	(1,030)		(1,077)	
Other gains and losses, and litigation	(196)		(143)	
Operating income	**6,960**	**18.4%**	**10,162**	**27.0%**
Financial expenses	(1,293)		(430)	
Financial income	584		205	
Income before tax and investments accounted for using the equity method	**6,251**	**16.5%**	**9,937**	**26.4%**
Income tax expense	(1,017)		(1,909)	
Share of profit/(loss) from investments accounted for using the equity method	(136)		55	
Net income from continuing operations	5,098		8,083	
Net income from discontinued operations	338		401	
Net income	**5,436**	**14.4%**	**8,484**	**22.5%**
Net income attributable to non-controlling interests	36		113	
Net income attributable to equity holders of Sanofi	**5,400**	**14.3%**	**8,371**	**22.2%**
Average number of shares outstanding (million)	1,251.7		1,251.9	
Average number of shares after dilution (million)	1,256.4		1,256.9	
• Basic earnings per share from continuing operations (€)	4.06		6.38	
• Basic earnings per share from discontinued operations (€)	0.25		0.31	
Basic earnings per share (€)	**4.31**		**6.69**	
• Diluted earnings per share from continuing operations (€)	4.05		6.35	
• Diluted earnings per share from discontinued operations (€)	0.25		0.31	
Diluted earnings per share (€)	**4.30**		**6.66**	

(a) Figures for 2023 and 2022 have been re-presented on a consistent basis to reflect the classification of Opella as a discontinued operation.

A.3.1. Net sales

Consolidated net sales for the year ended December 31, 2023 amounted to €37,817 million, 0.4% higher than in 2022 on a reported basis. Exchange rate fluctuations had a negative effect of 5.0 percentage points overall, due mainly to adverse trends in the US dollar and Argentine peso against the euro. At CER[1], net sales rose by 5.4%, driven mainly by strong performances for Dupixent and increased sales for our Vaccines business, more than offsetting lower sales for other medicines.

Reconciliation of Net sales (IFRS) to net sales at CER (non-IFRS)

(€ million)[a]	2023	2022	Change
Net sales (IFRS)	**37,817**	**37,651**	**+0.4%**
Effect of exchange rates	1,859		
Net sales at constant exchange rates (non-IFRS)	**39,676**	**37,651**	**+5.4%**

(a) Figures for 2023 and 2022 have been re-presented on a consistent basis to reflect the classification of Opella as a discontinued operation.

1/ Net sales by operating segment

Our net sales comprise the net sales generated by our Biopharma segment.

(€ million)[a]	2023	2022	Change on a reported basis	Change at constant exchange rates
Biopharma segment	**37,817**	**37,651**	**+0.4%**	**+5.4%**
Total net sales	**37,817**	**37,651**	**+0.4%**	**+5.4%**

(a) Figures for comparative periods (2023 and 2022) have been re-presented on a consistent basis to reflect the classification of Opella as a discontinued operation.

[1] *Non-IFRS financial measure: see definition in "A.2.1 — Presentation of Net Sales."*

2/ Net sales by medicine, vaccine and geography – 2023 compared with 2022

(€ million)	Total sales	Change (CER)	Change (reported)	United States	Change (CER)	Europe	Change (CER)	Rest of the world	Change (CER)
Immunology									
Dupixent	10,715	+34.0%	+29.2%	8,145	+32.6%	1,224	+30.9%	1,346	+46.2%
Kevzara	357	+9.7%	+5.3%	195	+8.6%	115	+8.5%	47	+17.0%
Rare diseases									
Fabrazyme	990	+11.9%	+6.3%	503	+9.8%	241	+6.1%	246	+22.0%
ALTUVIIIO (*)	159	—%	—%	155	—%	—	—%	4	—%
Myozyme	782	-14.8%	-17.9%	254	-17.9%	341	-16.4%	187	-7.5%
Cerezyme	686	+10.1%	-2.0%	189	+0.5%	229	-3.3%	268	+29.2%
Nexviazyme / Nexviadyme (*)	425	+126.0%	+116.8%	272	+77.8%	100	+494.1%	53	+190.5%
Alprolix	540	+11.3%	+7.1%	440	+11.6%	—	—%	100	+10.2%
Eloctate	471	-15.5%	-18.8%	341	-22.0%	—	—%	130	+6.9%
Cerdelga	298	+6.9%	+3.5%	164	+5.6%	118	+6.3%	16	+23.5%
Aldurazyme	279	+16.3%	+8.6%	67	+13.1%	82	-4.7%	130	+34.5%
Cablivi (*)	227	+10.0%	+7.6%	112	+4.5%	98	+4.3%	17	+171.4%
Xenpozyme (*)	91	+347.6%	+333.3%	52	+980.0%	31	+106.7%	8	+800.0%
Enjaymo (*)	72	+240.9%	+227.3%	42	+152.9%	6	—%	24	+420.0%
Neurology									
Aubagio	955	-52.6%	-52.9%	460	-67.8%	437	-14.3%	58	-31.6%
Oncology									
Sarclisa (*)	381	+37.1%	+29.6%	165	+33.9%	111	+27.3%	105	+53.2%
Jevtana	320	-14.2%	-17.5%	230	-14.2%	12	-63.6%	78	+6.3%
Fasturtec	170	-1.1%	-4.0%	110	—%	43	-8.3%	17	+12.5%
Other medicines									
Lantus	1,420	-32.0%	-36.9%	281	-62.6%	357	-15.7%	782	-16.9%
Toujeo	1,123	+6.8%	+1.2%	213	-23.0%	441	+5.5%	469	+29.1%
Lovenox	1,122	-7.8%	-13.3%	7	-58.8%	622	-5.5%	493	-8.9%
Plavix	948	+4.5%	-3.5%	8	-11.1%	96	-5.0%	844	+5.7%
Rezurock (*)	310	+54.6%	+49.8%	303	+51.9%	5	+400.0%	2	—%
Praluent	422	+15.2%	+12.2%	(1)	-101.8%	296	+30.6%	127	+46.7%
Thymoglobulin	478	+15.2%	+8.1%	292	+11.9%	37	+8.8%	149	+23.0%
Aprovel	417	-8.8%	-12.8%	9	+28.6%	78	-4.9%	330	-10.3%
Multaq	344	-7.6%	-10.2%	310	-8.1%	12	-25.0%	22	+15.0%
Soliqua/iGlarLixi	217	+5.6%	+0.9%	95	-18.5%	35	+24.1%	87	+40.3%
Mozobil	220	-14.6%	-15.7%	119	-22.1%	70	+6.0%	31	-20.0%
Tzield (*)	25	—%	—%	25	—%	—	—%	—	—%
Others	4,825	-8.5%	-14.6%	437	-29.5%	1,354	-14.2%	3,034	-1.9%
Industrial Sales	551	-8.7%	-9.4%	4	-76.5%	528	-8.3%	19	+72.7%
Vaccines									
Influenza Vaccines	2,669	-5.5%	-10.3%	1,406	-12.8%	694	+1.9%	569	+8.2%
Polio / Pertussis / Hib vaccines & Boosters	2,766	+1.4%	-3.3%	721	-5.7%	477	-0.2%	1,568	+5.5%
RSV vaccines (Beyfortus) (*)	547	—%	—%	407	—%	140	—%	—	—%
Meningitis, travel and endemics vaccines	1,266	+0.5%	-3.3%	730	-0.8%	157	+40.2%	379	-7.4%
Biopharma	**37,817**	**+5.4%**	**+0.4%**	**17,262**	**+5.2%**	**8,816**	**+4.2%**	**11,739**	**+6.4%**
Of which new launches (*)	2,237	+145.3%	+135.2%	1,533	+156.7%	491	+129.3%	213	+113.3%

3/ Net sales – Biopharma segment

In 2023, net sales for the Biopharma segment amounted to €37,817 million, up 0.4% on a reported basis and 5.4% at CER.

Comments on the performances of our major Biopharma segment products are provided below.

New launches

ALTUVIIIO, a first-in-class, once-weekly factor VIII replacement therapy that confers significant protection against bleeds for hemophilia A patients, was launched in the United States at the end of March 2023 and generated sales of €159 million in 2023.

Sales of *Nexviazyme/Nexviadyme* reached €425 million, including €272 million in the United States, reflecting switches of eligible Pompe patients (advanced stage) from Myozyme/Lumizyme and increased uptake by new patients.

Net sales of *Rezurock* reached €310 million, a significant increase of 54.6% CER. Since its launch, approximately 4,000 patients have been treated, with strong persistency rates. Sanofi recently reacquired rights to be the sole marketing authorization holder for Rezurock in China, where in August 2023 the China National Medical Products Administration (NMPA) approved belumosudil (Rezurock) for the treatment of patients aged 12 years and older with chronic Graft Versus Host Disease (cGVHD) who have an inadequate response to corticosteroids or other systemic treatments.

Net sales of *Sarclisa* (multiple myeloma) in 2023 were €381 million, up 37.1% CER, with good performances in all three regions: the United States (€165 million, +33.9% CER); Europe (€111 million, +27.3% CER); and the Rest of the Word, especially Japan where sales reached €77 million (+28.8% CER).

Cablivi posted net sales of €227 million in 2023, up 10.0% CER, reflecting increased awareness of acquired thrombotic thrombocytopenic purpura (aTTP), and treatment in line with guidelines from the International Society on Thrombosis and Haemostasis (ISTH) recommending first-line use of Cablivi for all aTTP patients. Sales reached €112 million in the United States (+4.5% CER), and in Europe net sales were up 4.3% CER at €98 million, mainly due to greater market penetration as a result of increased product awareness.

Xenpozyme reported net sales of €91 million, mainly in the United States (€52 million) and Europe (€31 million).

Net sales of *Enjaymo* reached €72 million, with sales being generated primarily in the United States and Japan.

In the second quarter of 2023, Sanofi acquired Provention, adding *Tzield* , an innovative first-in-class treatment for people with type 1 diabetes, to the core medicines portfolio. In 2023, Tzield sales were €25 million, in line with the expected gradual ramp-up as a result of early patient identification programs.

Immunology & Inflammation

Dupixent (developed in collaboration with Regeneron) generated net sales of €10,715 million in 2023, up 29.2% on a reported basis and 34.0% at CER. In the United States, sales of Dupixent reached €8,145 million in 2023, up 32.6% CER, boosted by continuing strong demand in the product's approved indications: atopic dermatitis, asthma, nasal polyps, eosinophilic esophagitis, and prurigo nodularis. In Europe, the product posted 2023 net sales of €1,224 million, up 30.9% CER, driven by continuing growth in atopic dermatitis, asthma and nasal polyps. In the Rest of the World region, Dupixent posted net sales of €1,346 million (+46.2% CER), driven mainly by Japan and China.

Other medicines

Lantus sales fell to €1,420 million (-32.0% CER) in 2023. In the United States, sales were down 62.6% CER, reflecting lower net selling prices due to a change in reimbursement channel mix and an inventory adjustment in anticipation of the previously-announced 2024 US list price reduction. In the Rest of the World region, sales were down by 16.9% CER, mainly due to the Value Based Procurement rollout in China.

Toujeo net sales were €1,123 million in 2023, up 6.8% CER. Growth was driven mainly by the Rest of the World region (+29.1% CER), due to the Value Based Procurement program in China and the associated acceleration in sales volumes. The impact was partly offset by lower sales in the United States (-23.0% CER) due to price erosion.

Net sales of the Fabry disease treatment *Fabrazyme* in 2023 were €990 million (+11.9% CER), driven by the Rest of the World region (+22.0% CER at €246 million) followed by the United States (+9.8% CER at €503 million). The year-on-year increase reflects more patients adopting the product across all three regions.

Net sales of *Lovenox* were €1,122 million in 2023, down 7.8% CER, reflecting strong biosimilar competition across all geographies.

Plavix net sales reached €948 million in 2023, up 4.5% CER, in line with consistent volume growth in China.

Sales of *Myozyme/Lumizyme* (Pompe disease) were down year-on-year (-14.8% CER at €782 million) as patients switched to Nexviazyme. In 2023, sales of Nexviazyme/Nexviadyme represented 35.2% of total sales for the Pompe disease franchise.

Cerezyme sales were up 10.1% CER at €686 million on a solid performance in the Rest of the World region (+29.2% CER at €268 million), driven by new patients on therapy and favorable pricing.

In 2023, net sales of *Alprolix* were €540 million, up 11.3% CER, driven by the United States where sales of the product reached €440 million, up 11.6% CER.

Praluent posted net sales of €422 million, up 15.2% CER. Growth was reported in Europe (+30.6% CER) and the Rest of the World region (+46.7% CER, due mainly due to China), though the effect was partly offset by lower sales in the United States following the release of a glyceryl trinitrate.

Thymoglobulin sales rose by 15.2% CER in 2023 to €478 million, driven by the United States.

Eloctate generated net sales of €471 million in 2023, down 15.5% CER, due to the adoption of ALTUVIIIO and competitive pressures.

Net sales of *Aubagio* fell by 52.6% CER in 2023 to €955 million, mainly due to the arrival of generics. In the United States, where generics came on the market on March 12, 2023, Aubagio fell by 67.8% CER at €460 million. In Europe, generic competition for Aubagio began at the end of September 2023.

Cerdelga sales rose by 6.9% CER to €298 million, with growth reported in the United States (+5.6% CER at €164 million), Europe (+6.3% CER at €118 million), and the Rest of the World region (+23.5% CER at €16 million) as new patients adopted the product or switched treatment.

Vaccines

In 2023, the vaccines posted total net sales of €7,477 million, up 3.6% on a reported basis and 8.6% CER. The main driver was the launch of Beyfortus, which more than offset slow sales of influenza vaccines.

Sales of *Influenza Vaccines* decreased by 5.5% CER in 2023 to €2,669 million, due to a slight reduction in vaccine uptake and increased competition in the United States.

Polio/Pertussis/Hib Vaccines and boosters, posted net sales of €2,766 million in 2023 (+1.4% CER), reflecting the ongoing expansion of Vaxelis in the United States at the expense of pentavalent vaccines in the first series of infant vaccinations. In the US, Vaxelis became market leader at the end of 2023 in the three-dose primary series market. As a reminder, sales of Vaxelis in the United States are not consolidated, and the profits are shared equally between Sanofi and Merck & Co.

The *Beyfortus* launch began in late September 2023, in the United States and Europe. Sales of the product reached €547 million in 2023, reflecting strong demand through All Infant Protection Programs rolled out in United States, Spain and France.

Net sales of *Meningitis, Travel and Endemics Vaccines* for 2023 reached €1,266 million, up 0.5% CER, with 40.2% growth in Europe more than offsetting lower sales in the Rest of the World region (-7.4% CER) and the United States (-0.8% CER at €730 million), reflecting a favorable pattern in the US, while the divestment of the Japanese Encephalitis vaccine in 2022 impacted the Rest of the World region.

4/ Net sales by geographical region

The table below sets forth our net sales for 2023 and 2022 by geographical region:

(€ million)	2023	2022	Change on a reported basis	Change at constant exchange rates
United States	17,262	16,986	+1.6%	+5.2%
Europe	8,816	8,490	+3.8%	+4.2%
Rest of the World	11,739	12,175	-3.6%	+6.4%
of which China	*2,728*	*2,950*	*-7.5%*	*-0.3%*
Total net sales	**37,817**	**37,651**	**+0.4%**	**+5.4%**

In 2023, net sales in the *United States* reached €17,262 million, up 5.2% at CER, reflecting a strong performance from Dupixent (+32.6% CER at €8,145 million) and the launches of Beyfortus (€407 million) and ALTUVIIIO, (€155 million) partly offsetting by the impact of generics of Aubagio and lower sales of Lantus and influenza vaccines .

In *Europe*, net sales advanced by 4.2% at CER in 2023 to €8,816 million. The performance of Dupixent (+30.9% CER at €1,224 million) and the launch of Beyfortus (€140 million) were partially offset by the impact of Aubagio generics and the decline in sales of non-strategic products.

In the *Rest of the World region*, net sales for 2023 increased by 6.4% at CER to €11,739 million, due to exceptional performances from Dupixent (+46.2% CER at €1,346 million).

A.3.2. Other income statement items

1/ Other revenues

Other revenues increased by 30.6% to €3,801 million in 2023 (versus €2,910 million in 2022). This line item mainly comprises VaxServe sales of non-Sanofi vaccines (€2,167 million in 2023 versus €1,567 million in 2022). The year-on-year increase also reflects higher revenues from manufacturing services contracts and revenues from the COVID-19 vaccine (in particular, €411 million received from the US government in connection with the supply contract for the recombinant COVID-19 vaccine candidate).

2/ Gross profit

Gross profit for 2023 amounted to €28,990 million compared with €28,679 million in 2022, an increase of 1.1%. Gross margin (the ratio of gross profit to net sales) also rose, reaching 76.7% in 2023, versus 76.2% in 2022. The year-on-year increase in gross margin reflects largely a favorable product mix and revenues related to the COVID-19 vaccine, which more than offset the effects of generic competition for Aubagio and unfavorable pricing effects for Lantus in the United States.

3/ Research and development expenses

Research and development (R&D) expenses amounted to €6,507 million in 2023, versus €6,501 million in 2022, an increase of 0.1%, as investment stabilized. R&D expenses represented 17.3% of net sales in 2023, the same as in 2022.

4/ Selling and general expenses

Selling and general expenses amounted to €8,933 million in 2023 (23.6% of net sales), versus €8,739 million in 2022 (23.2% of net sales), a 2.2% increase.

5/ Other operating income and expenses

Other operating income amounted to €979 million in 2023 (versus €1,814 million in 2022), and other operating expenses to €3,443 million (versus €2,523 million in 2022).

Overall, this represented a net expense of €2,464 million in 2023, compared with a net expense of €709 million in 2022.

(€ million)	2023	2022	Change
Other operating income	979	1,814	(835)
Other operating expenses	(3,443)	(2,523)	(920)
Other operating income/(expenses), net	**(2,464)**	**(709)**	**(1,755)**

The increase of €1,755 million mainly reflects an increase in the share of profits generated by the monoclonal antibody alliance with Regeneron under the collaboration agreement, the principal factors being (i) increased sales of Dupixent and (ii) the impact in 2022 of the recognition of the proceeds arising from the restructuring of the immuno-oncology (IO) collaboration agreement between Sanofi and Regeneron (see Note C.1. to our consolidated financial statements).

The net contribution of items related to Regeneron to this line item is as follows:

(€ million)	2023	2022
Income & expense related to (profit)/loss sharing under the Monoclonal Antibody Alliance	(3,321)	(2,325)
Additional share of profit paid by Regeneron towards development costs[(a)]	668	434
Reimbursement to Regeneron of selling expenses incurred	(543)	(476)
Total: Monoclonal Antibody Alliance	**(3,196)**	**(2,367)**
Immuno-Oncology Alliance	**—**	**16**
Other (mainly Zaltrap and Libtayo)	**217**	**1,120**
Other operating income/(expenses), net related to Regeneron Alliance	**(2,979)**	**(1,231)**
of which amount presented in "Other operating income"	*227*	*1,147*

(a) As of December 31, 2023, the commitment received by Sanofi in respect of the additional profit share payable by Regeneron towards development costs amounted to €2.1 billion, compared with €2.7 billion as of December 31, 2022.

6/ Amortization of intangible assets

Amortization charged against intangible assets amounted to €1,911 million in 2023, compared with €1,804 million in 2022.

This €107 million increase was mainly due to (i) increased amortization expense in 2023 against Eloctate franchise assets further to FDA approval for ALTUVIIIO (€206 million) and (ii) the acquisition of Provention Bio, Inc., which led to €144 million of amortization being charged from the acquisition date against the intangible asset related to Tzield product; those effects were partly offset by the non-recurrence of the €226 million accelerated amortization charge taken in 2022 against Libtayo rights following the restructuring of the IO LCA with Regeneron (see Note C.1. to our consolidated financial statements).

7/ Impairment of intangible assets, net of reversals

For 2023, this line shows a net loss of €896 million, mainly comprising an impairment loss of €833 million reflecting the impact of the strategic decision to de-prioritize certain R&D programs, in particular those related to the NK Cell and ProXTen technology platforms.

For 2022, this line item shows a net gain of €429 million, mainly comprising:

- a reversal of €2,154 million relating to Eloctate franchise assets, following FDA approval of ALTUVIIIO (the commercial name of efanesoctocog alpha, corresponding to the BIVV001 project); and
- an impairment loss of €1,586 million relating to the development project for SAR444245 (non-alpha interleukin-2), based on revised cash flow projections reflecting unfavorable developments in the launch schedule.

8/ Fair value remeasurement of contingent consideration

Fair value remeasurements of contingent consideration assets and liabilities recognized in business combinations represented a net expense of €93 million in 2023, versus a net gain of €27 million in 2022. For 2023, this line item mainly comprises a change in the amount of contingent consideration payable to Shire as a result of a transaction carried out by Translate Bio, Inc. prior to the acquisition of that entity by Sanofi (expense of €74 million in 2023, versus €2 million in 2022).

9/ Restructuring costs and similar items

Restructuring costs and similar items represented a total charge of €1,030 million in 2023, versus a charge of €1,077 million in 2022.

Restructuring costs and similar items decreased by €47 million year-on-year. For 2023 they include the impact of French pension reforms on future annuities under the rules of each severance plan, while for 2022 they mainly comprised severance costs recognized further to the announcements made during that period. Also included in restructuring costs are the impacts of ongoing transformational projects.

10/ Other gains and losses, and litigation

For 2023, this line item represented a charge of €196 million related to major litigations.

For 2022, this line item represented a charge of €143 million, comprising the pre-tax loss arising on the deconsolidation of EUROAPI (see Note D.1.3.) and costs related to major litigation.

11/ Operating income

Operating income amounted to €6,960 million in 2023, versus €10,162 million in 2022.

The year-on-year decrease was largely due to the movements in impairment allowances against intangible assets.

12/ Financial income and expenses

Net financial expenses were €709 million in 2023, versus €225 million in 2022, a increase of €484 million.

The cost of our net debt (see the definition in "— Liquidity and Capital Resources" below and Note D.29. to our consolidated financial statements, included at Item 18. of this annual report) was €25 million in 2023, compared with €123 million in 2022; the reduction of €98 million was largely due to an increased return on cash, cash equivalents and associated derivatives (€527 million in 2023 versus €239 million in 2022, an increase of €288 million).

In addition, a financial expense of €541 million was recognized in 2023 in respect of the liability recognized in the balance sheet for estimated future royalties on US sales of Beyfortus, which was remeasured as of December 31, 2023 to reflect the very successful US launch of the product (see Notes C.2. and D.29. to our consolidated financial statements).

13/ Income before tax and investments accounted for using the equity method

Income before tax and investments accounted for using the equity method reached €6,251 million in 2023, versus €9,937 million in 2022.

14/ Income tax expense

Income tax expense represented €1,017 million in 2023, versus €1,909 million in 2022, giving an effective tax rate based on consolidated net income of 16.3% in 2023, compared with 19.2% in 2022. The reduction in income tax expense was mainly due to a year-on-year increase in net amortization and impairment losses charged against intangible assets (impact of €563 million in 2023 and €268 million in 2022). In addition, a deferred tax asset of €133 million was recognized on the remeasurement of the financial liability recognized in the balance sheet to reflect estimated future royalties on US sales of Beyfortus

In 2022, income tax expense included the effect of the reversal of impairment losses relating to ALTUVIIIO (€503 million impact) following FDA approval.

The effective tax rate based on business net income is a non-IFRS financial measure (see definition under "— Segment information — Business Net Income" above). It is calculated on the basis of business operating income, minus net financial expenses and before (i) the share of profit/loss from investments accounted for using the equity method and (ii) net income attributable to non-controlling interests. We believe the presentation of this measure, used by our management, is also useful for investors as it provides a means to analyze the effective tax cost of our current business activities. It should not be seen as a substitute for the effective tax rate based on consolidated net income.

The table below reconciles our effective tax rate based on consolidated net income to our effective tax rate based on business net income:

(as a percentage)	2023	2022
Effective tax rate based on consolidated net income (IFRS)	**16.3 %**	**19.2 %**
Tax effects:		
Amortization and impairment of intangible assets	(0.3)	(0.4)
Restructuring costs and similar items	1.6	(0.3)
Other tax effects	0.1	1.2
Effective tax rate based on business net income (non-IFRS)	**17.7 %**	**19.7 %**

15/ Share of profit/(loss) from investments accounted for using the equity method

The line item ***Share of profit/(loss) from investments accounted for using the equity method*** was a net loss of €136 million in 2023 (including an impairment loss of €231 million on the equity-accounted investment in EUROAPI – see Note D.6.), compared with net income of €55 million for 2022

16/ Net income from continuing operations

Net income from continuing operations amounted to €5,098 million in 2023, compared with €8,083 million in 2022.

17/ Net income from discontinued operations

In accordance with IFRS 5, the net income or loss of the Opella business is presented in a separate line item, "***Net income from discontinued operations***" (see Notes D.1. and D.36. to our consolidated financial statements). This business reported a net income of €338 million in 2023, compared with net income of €401 million in 2022. In 2023, this line item includes income tax expense of €365 million arising from taxable temporary differences relating to holdings in subsidiaries, because it became probable that those differences would reverse.

18/ Net income attributable to non-controlling interests

Net income attributable to non-controlling interests was €36 million in 2023, versus €113 million in 2022.

19/ Net income attributable to equity holders of Sanofi

Net income attributable to equity holders of Sanofi amounted to €5,400 million in 2023, compared with €8,371 million in 2022.

Basic earnings per share for 2023 was €4.31 versus €6.69 for 2022, based on an average number of shares outstanding of 1,251.7 million in 2023 and 1,251.9 million in 2022. Diluted earnings per share for 2023 was €4.30 versus €6.66 for 2022, based on an average number of shares after dilution of 1,256.4 million in 2023 and 1,256.9 million in 2022.

A.3.3. Segment results

Our business operating income, as defined in Note D.35. ("Segment information") to our consolidated financial statements included at Item 18. of this annual report, was €11,178 million in 2023 compared with €12,793 million in 2022 (a decrease of 12.6%). It represented 29.6% in 2023 compared with 34.0 % in 2022.

Our business operating income (non-IFRS) is reconciled with our operating income (IFRS) in Note "D.35. Segment information — D.35.1.2. Business operating income" of the financial statements included at Item 18. of this annual report.

The table below sets forth our business operating income for the years ended December 31, 2023 and 2022:

(€ million)	December 31, 2023	December 31, 2022	Change
Biopharma operating segment	11,155	12,764	-12.6%
As percentage of sales	*29.5%*	*33.9%*	
Other	23	29	-20.7%
Business operating income (non-IFRS)	**11,178**	**12,793**	**-12.6%**
As percentage of sales	*29.6%*	*34.0%*	

B. Liquidity and capital resources

Our operations generate significant positive cash flows. We fund our day-to-day investments (with the exception of significant acquisitions) primarily with operating cash flow, and pay regular dividends on our shares.

"Net debt" is a non-IFRS financial indicator which is reviewed by our management, and which we believe provides useful information to measure our overall liquidity and capital resources. We define "net debt" as (i) the sum total of long-term debt, short-term debt and current portion of long-term debt, and interest rate and currency derivatives used to manage debt, minus (ii) the sum total of cash and cash equivalents and interest rate and currency derivatives used to manage cash and cash equivalents. Lease liabilities are not included in net debt.

As of December 31, 2024 our net debt was €8,772 million, compared with €7,793 million as of December 31, 2023 and €6,437 million as of December 31, 2022. For an explanation of the increase in our net debt, refer to section "— B.2. Consolidated Balance Sheet and Debt" below.

In order to assess our financing risk, we also use the "gearing ratio," a non-IFRS financial measure (see table in section "— B.2. Consolidated Balance Sheet and Debt" below). We define the gearing ratio as the ratio of net debt to total equity. As of December 31, 2024, our gearing ratio was 11.3%, compared with 10.5% as of December 31, 2023 and 8.6% as of December 31, 2022.

Because our net debt and gearing ratio are not standardized measures, they may not be directly comparable with the non-IFRS financial measures of other companies using the same or similar non-IFRS financial measures. Despite the use of non-IFRS measures by management in setting goals and measuring performance, these are non-IFRS measures that have no standardized meaning prescribed by IFRS.

B.1. Consolidated statement of cash flows

Generally, factors that affect our earnings – for example, pricing, volume, costs and exchange rates – flow through to cash from operations. The most significant source of cash from operations is sales of our branded medicines and vaccines. Receipts of royalty payments also contribute to cash from operations.

Summarized consolidated statements of cash flows

(€ million)[a]	2024	2023	2022
Net cash provided by/(used in) continuing operating activities	8,607	9,271	9,638
Net cash provided by/(used in) operating activities of the discontinued Opella business	474	987	888
Net cash provided by/(used in) operating activities	**9,081**	**10,258**	**10,526**
Net cash provided by/(used in) continuing investing activities	(4,298)	(4,950)	(2,117)
Net cash provided by/(used in) investing activities of the discontinued Opella business	(109)	(1,250)	42
Net cash provided by/(used in) investing activities	**(4,407)**	**(6,200)**	**(2,075)**
Net cash provided by/(used in) continuing financing activities	(5,751)	(8,048)	(5,807)
Net cash provided by/(used in) financing activities of the discontinued Opella business	(12)	(4)	(14)
Net cash provided by/(used in)financing activities	**(5,763)**	**(8,052)**	**(5,821)**
Impact of exchange rates on cash and cash equivalents	(13)	(32)	8
Impact on cash and cash equivalents of the reclassification of the Opella business to "Assets held for sale"	(167)	—	—
Net change in cash and cash equivalents	**(1,269)**	**(4,026)**	**2,638**
Cash and cash equivalent, beginning of period	**8,710**	**12,736**	**10,098**
Cash and cash equivalent, end of period	**7,441**	**8,710**	**12,736**

(a) Cash flows of the Opella business are presented separately in accordance with IFRS 5 (Non-current Assets Held for sale and Discontinued Operations).

Year Ended December 31, 2024 Compared with Year Ended December 31, 2023

Net cash provided by/used in continuing operating activities represented a net cash inflow of €8,607 million in 2024, compared with €9,271 million in 2023. The year-on-year decrease was due mainly to a higher level of operating cash flow before changes in working capital (€9,222 million in 2024, versus €8,858 million in 2023), more than offset by a net decrease of €615 million in the working capital requirement in 2024 (versus a net increase of €413 million in 2023), including a decrease in US rebate provisions (€1,330 million) following the decision to reduce the Lantus list price effective January 1, 2024.

Net cash provided by/used in continuing investing activities represented a net cash outflow of €4,298 million in 2024, compared with a net outflow of €4,950 million in 2023. The net outflow in 2024 was mainly a result of the acquisition of Inhibrx.inc ($2,035 million). The net outflow in 2023 was mainly a result of the acquisition of Provention Bio, Inc. ($2,722 million).

Acquisitions of property, plant and equipment and intangible assets amounted to €3,195 million, versus €2,906 million in 2023. There were €1,733 million of acquisitions of property, plant and equipment (versus €1,619 million in 2023), most of which related to industrial facilities. Acquisitions of intangible assets (€1,462 million, versus €1,287 million in 2023) mainly comprised contractual payments for intangible rights under license and collaboration agreements.

After-tax proceeds from disposals (€1,461 million in 2024, €807 million in 2023) exclude proceeds from divestments of investments in consolidated undertakings and investments accounted for using the equity method, and mainly comprised the sale of the Enjaymo global rights to Recordati for pre-tax proceeds of €768 million.

Net cash provided by/used in continuing financing activities represented a net cash outflow of €5,751 million in 2024, compared with a net cash outflow of €8,048 million in 2023. The 2024 figure includes the redemption of a €600 million bond issue. Other movements included (i) the dividend payout to our shareholders of €4,704 million (versus €4,454 million in 2023); and (ii) the effect of changes in our share capital (repurchases of our own shares, net of capital increases), representing a net cash outflow of €115 million in 2024 versus a net cash outflow of €398 million in 2023.

The ***net change in cash and cash equivalents of continuing operations*** in 2024 was a decrease of €1,442 million, versus a decrease of €3,727 million in 2023.

Net cash flows of the discontinued Opella business represented a net cash inflow of €353 million in 2024, versus a net cash outflow of €267 million in 2023.

The ***net change in cash and cash equivalents*** during 2024 (after the €167 million impact on cash and cash equivalents of the reclassification of the Opella business to ***Assets held for sale***), was a decrease of €1,269 million; this compares with a decrease of €4,026 million in 2023.

"Free cash flow" (a non-IFRS measure) for the year ended December 31, 2024 was €5,955 million, a decrease from the 2023 figure of €7,409 million.

For details of the arrangements in place to manage our liquidity needs for current operations as of December 31, 2024, refer to Note 17.1.(b) to our consolidated financial statements, included at Item 18. of this annual report.

Year Ended December 31, 2023 Compared with Year Ended December 31, 2022

Net cash provided by/used in continuing operating activities represented a net cash inflow of €9,271 million in 2023, compared with €9,638 million in 2022. The year-on-year decrease was due mainly to a lower level of operating cash flow before changes in working capital (€8,858 million in 2023 versus €10,432 million in 2022) and a net increase of €413 million in the working capital requirement in 2024 (versus a net decrease of €794 million in 2022).

Net cash provided by/used in continuing investing activities represented a net cash outflow of €4,950 million in 2023 versus a net outflow of €2,117 million in 2022. For 2022, the net cash outflow was mainly due to the acquisition of Amunix Pharmaceuticals, Inc (€852 million), partly offset by the proceeds of €150 million from the sale of a 12% equity interest in EUROAPI to EPIC Bpifrance.

Acquisitions of property, plant and equipment and intangible assets amounted to €2,906 million in 2023 versus €2,103 million in 2022. There were €1,619 million of acquisitions of property, plant and equipment (versus €1,529 million in 2022), most of which related to industrial facilities. Acquisitions of intangible assets (€1,287 million in 2023 versus €574 million in 2022) mainly comprised contractual payments for intangible rights under license and collaboration agreements.

After-tax proceeds from disposals (€807 million in 2023 versus €1,340 million in 2022) exclude proceeds from divestments of investments in consolidated undertakings and investments accounted for using the equity method, and mainly comprised divestments of assets and activities related to the streamlining of the portfolio, and disposals of equity and debt instruments.

Net cash provided by/used in continuing financing activities represented a net cash outflow €8,048 million in 2023 versus a net cash outflow of €5,807 million in 2022. The 2023 figure includes the redemption of bond issues totalling €3,664 million. Other movements included (i) the dividend payout to our shareholders of €4,454 million (versus €4,168 million in 2022); and (ii) the effect of changes in our share capital (repurchases of our own shares, net of capital increases), representing a net cash outflow of €398 million in 2023 versus a net cash outflow of €309 million in 2022.

The ***net change in cash and cash equivalents of continuing operations*** in 2023 was a decrease of €3,727 million, versus an increase of €1,714 million in 2022.

Net cash flows for the discontinued Opella business represented net cash outflows of €267 million in 2023 versus a net cash inflows €916 million in 2022.

The ***net change in cash and cash equivalents*** during 2023 was a reduction of €4,026 million; this compares with an increase of €2,638 million in 2022.

"Free cash flow," a non-IFRS measure, for the year ended December 31, 2023 was €7,409 million, this compares with the 2022 figure of €7,579 million.

For details of the arrangements in place to manage our liquidity needs for current operations as of December 31, 2023, refer to Note 17.1.(b) to our consolidated financial statements, included at Item 18. of this annual report.

"Free cash flow" is a non-IFRS financial indicator which is reviewed by our management, and which we believe provides useful information to measure the net cash generated from our operations that is available for strategic investments[1] (net of divestments[1]), for debt repayment, and for payments to shareholders. "Free cash flow" comprises cash flows generated from our continuing operations; it is calculated from our "Business net income"[2] after adding back (in the case of expenses and losses) or deducting (in the case of income and gains) the following items: depreciation, amortization and impairment, share of undistributed earnings from investments accounted for using the equity method, gains & losses on disposals, net change in provisions including pensions and other post-employment benefits, deferred taxes, share-based payment expense and other non-cash items. It also includes net changes in working capital, capital expenditures and other asset acquisitions[3] net of disposal proceeds[3], and payments related to restructuring and similar items. "Free cash flow" is not defined by IFRS, and is not a substitute for ***Net cash provided by operating activities*** as reported under IFRS. Management recognizes that the term "Free cash flow" may be interpreted differently by other companies and under different circumstances.

[1] *Above a cap of €500 million per transaction.*
[2] *Non-IFRS financial measure, as defined in "— Segment Information — Business Net income" above.*
[3] *Not exceeding a cap of €500 million per transaction.*

The table below sets forth a reconciliation between ***Net cash provided by continuing operating activities*** and "Free cash flow":

(€ million)	2024	2023[d]	2022[d]
Net cash provided by/(used in) operating activities (IFRS)	**9,081**	**10,258**	**10,526**
Net cash provided by/(used in) operating activities (IFRS) of the discontinued Opella business	(474)	(987)	(888)
Acquisitions of property, plant and equipment and software	(1,808)	(1,677)	(1,599)
Acquisitions of intangible assets, equity interests and other non-current financial assets[a]	(1,434)	(1,091)	(796)
Proceeds from disposals of property, plant and equipment, intangible assets and other non-current assets, net of tax[a]	805	789	1,382
Repayments of lease liabilities[b]	(282)	(253)	(280)
Other items[c]	67	370	(766)
Free cash flow (non-IFRS)	**5,955**	**7,409**	**7,579**

(a) Free cash flow includes investments and divestments not exceeding a cap of €500 million per transaction.
(b) Cash outflows relating to repayments of the principal portion of lease liabilities (IFRS 16) are included in free cash flow.
(c) In 2022, includes an upfront payment of $900 million, a regulatory milestone payment of $100 million in connection with the one-time income from the Libtayo transaction further to the restructuring of the Immuno-Oncology collaboration agreement with Regeneron (see Note C.1. to our consolidated financial statements, included at Item 18. of this annual report).
(d) Figures for comparative periods (2023 and 2022) have been re-presented on a consistent basis to reflect the classification of Opella as a discontinued operation.

B.2. Consolidated balance sheet and debt

Total assets were €132,798 million as of December 31, 2024, compared with €126,464 million as of December 31, 2023, a increase of €6,334 million.

Total equity was €77,857 million as of December 31, 2024, versus €74,353 million as of December 31, 2023. The year-on-year net change reflects the following principal factors:

- increases: our net income for 2024 (€5,618 million) and positive currency translation differences (€2,459 million); and
- decreases: the dividend paid to our shareholders in respect of the 2023 financial year (€4,704 million) and repurchases of our own shares (€302 million).

Net debt was €8,772 million as of December 31, 2024, compared with €7,793 million as of December 31, 2023. The increase in 2024 mainly reflects cash outflows of €2,035 million on the acquisition of Inhibrx, Inc. and of €4,704 million for the dividend payout to our shareholders, less the €5,955 million of free cash flow generated in the year (see reconciliation with ***Net cash provided by/(used in)operating activities*** from continuing operations in section B.1. above).

"Net debt" is a non-IFRS financial measure which is reviewed by our management, and which we believe provides useful information to measure our overall liquidity and capital resources. We define "net debt" as (i) the sum total of long-term debt, short-term debt and current portion of long-term debt and interest rate and currency derivatives used to manage debt, minus (ii) the sum total of cash and cash equivalents and interest rate and currency derivatives used to manage cash and cash equivalents.

(€ million)	2024	2023	2022
Long-term debt	11,791	14,347	14,857
Short-term debt and current portion of long-term debt	4,209	2,045	4,174
Interest rate and currency derivatives used to manage debt	137	139	187
Total debt (IFRS)	**16,137**	**16,531**	**19,218**
Cash and cash equivalents	(7,441)	(8,710)	(12,736)
Interest rate and currency derivatives used to manage cash and cash equivalents	76	(28)	(45)
Net debt[a] (non- IFRS)	**8,772**	**7,793**	**6,437**
Total equity	77,857	74,353	75,152
Gearing ratio (non-IFRS)	**11.3 %**	**10.5 %**	**8.6 %**

(a) Net debt does not include lease liabilities, which amounted to €1,906 million as of December 31, 2024, €2,030 million as of December 31, 2023 and €2,181 million as of December 31, 2022

"Net debt" is a non-IFRS financial measure used by management and investors to measure Sanofi's overall net indebtedness.

To assess our financing risk, we use the "gearing ratio", a non-IFRS financial measure. This ratio (which we define as the ratio of net debt to total equity) increased from 10.5% as of December 31, 2023 to 11.3% as of December 31, 2024. Analyses of debt as of December 31, 2024, December 31, 2023 and December 31, 2022 by type, maturity, interest rate and currency, are provided in Note D.17.1. to our consolidated financial statements, included at Item 18. of this annual report.

We expect that the future cash flows generated by our operating activities will be sufficient to repay our debt. The financing arrangements in place as of December 31, 2024 at the Sanofi parent company level are not subject to covenants regarding financial ratios and do not contain any clauses linking fees to Sanofi's credit rating.

As of December 31, 2024, we held 9.5 million of our own shares, recorded as a deduction from equity and representing 0.75% of our share capital. As of December 31, 2023, we were holding 13.5 million of our own shares, recorded as a deduction from equity and representing 1.06% of our share capital.

Goodwill and ***Other intangible assets*** (€66,013 million in total) decreased by €7,710 million, mainly following the reclassification of Opella assets on the line Assets held for sale, including goodwill for an amount of 7,255 million euros.

Investments accounted for using the equity method (€316 million) decreased by €108 million, mainly reflecting an impairment loss taken against the equity-accounted investment in EUROAPI to reflect the significant and lasting drop in the quoted market price of EUROAPI shares.

Other non-current assets amounted to €3,753 million, a year-on-year increase of €535 million.

Net deferred tax assets amounted to €5,801 million as of December 31, 2024, versus €4,570 million as of December 31, 2023 a year-on-year increase of €1,231 million. The year-on-year increase mainly reflects (i) reversals of deferred tax liabilities relating to remeasurements of other acquired intangible assets further to the amortization charged in the period; (ii) an increase in deferred tax assets on consolidation adjustments (eliminiation of intragroup margin in inventory); and (iii) an increase in deferred tax assets arising on the spread tax deduction of R&D expenses in the United States.

Non-current provisions and other non-current liabilities (€8,096 million) showed an increase of €494 million, mainly due a provision recognized in respect of the litigation related to Plavix (clopidogrel) in the US state of Hawaii (see Note D.22.) and an increase in restructuring provisions.

Liabilities related to business combinations and to non-controlling interests were €68 million lower year-on-year, at €641 million.

Assets held for sale (€13,489 million) and liabilities related to assets held for sale (€2,131 million) mainly comprise the assets and liabilities of the held for sale Opella business (see Note D.8. to our consolidated financial statements included at Item 18. of this annual report).

B.3. Liquidity

We expect that our existing cash resources and cash from operations will be sufficient to finance our foreseeable working capital requirements, in both the short term (i.e. the 12 months following the year ended December 31, 2024) and the long term (i.e. beyond such additional 12-month period). As of December 31, 2024, we held cash and cash equivalents amounting to €7,441 million, substantially all of which were held in euros (see Note D.13. to our consolidated financial statements, included at Item 18. of this annual report). As of December 31, 2024, €446 million of our cash and cash equivalents were held by captive insurance and reinsurance companies in accordance with insurance regulations.

We run the risk of delayed payments or even non-payment by our customers, who consist principally of wholesalers, distributors, pharmacies, hospitals, clinics and government agencies (see "Item 3. Key information — D. Risk Factors — 2. Risks Relating to Our Business — We are subject to the risk of non-payment by our customers"). Deteriorating credit and economic conditions and other factors in some countries have resulted in, and may continue to result in, an increase in the average length of time taken to collect our accounts receivable in these countries. Should these factors continue, it may require us to re-evaluate the collectability of these receivables in future periods. We carefully monitor sovereign debt issues and economic conditions and evaluate accounts receivable in these countries for potential collection risks. We have been conducting an active recovery policy, adapted to each country and including intense communication with customers, negotiations of payment plans, charging of interest for late payments, and legal action. Over our business as a whole, the amount of trade receivables overdue by more than 12 months (which primarily consists of amounts due from public sector bodies) decreased from €81 million as of December 31, 2023 to €44 million as of December 31, 2024 (see Note D.10. to our consolidated financial statements included at Item 18. of this annual report).

As of December 31, 2024, we had no commitments for capital expenditures that we consider to be material to our consolidated financial position. Undrawn confirmed credit facilities amounted to a total of €8,000 million at December 31, 2024. For a discussion of our treasury policies, see "Item 11. Quantitative and Qualitative Disclosures about Market Risk."

We expect that cash from our operations will be sufficient to repay our debt. For a discussion of our liquidity risks, see "Item 11. Quantitative and Qualitative Disclosures about Market Risk."

B.4. Off balance sheet arrangements/Contractual obligations and other commercial commitments

We have various contractual obligations and other commercial commitments arising from our operations. Our contractual obligations and our other commercial commitments as of December 31, 2024 are shown in Notes D.3., D.17., D.18., and D.21. to our consolidated financial statements, included at Item 18. of this annual report. Note D.21. to our consolidated financial statements included at Item 18. of this annual report discloses details of commitments under our principal research and development collaboration agreements. For a description of the principal contingencies arising from certain business divestitures, refer to Note D.22.d.) to our 2024 consolidated financial statements included at Item 18. of this annual report.

Off balance sheet commitments relating to Sanofi's operating activities, not including as of December 31, 2024 the commitments of the held-for-sale Opella operation, comprise the following (for Opella off balance sheet commitments please refer to Note D.36.):

December 31, 2024		**Payments due by period**			
(€ million)	**Total**	**Less than 1 year**	**1 to 3 years**	**3 to 5 years**	**More than 5 years**
Future contractual cash flows relating to debt and debt hedging instruments[a]	**17,238**	**4,399**	**4,582**	**3,190**	**5,067**
Principal payments related to lease liabilities[b]	**2,080**	**377**	**498**	**386**	**819**
Other lease obligations (with a term of less than 12 months, low value asset leases and lease contracts committed but not yet commenced)[c]	**554**	**28**	**34**	**41**	**451**
Irrevocable purchase commitments[d]					
• Given	**3,683**	**1,152**	**1,195**	**442**	**894**
• Received	**(391)**	**(288)**	**(96)**	**(7)**	**—**
Research & development license agreements					
• Commitments related to R&D and other commitments	**84**	**42**	**29**	**6**	**7**
• Potential milestone payments[e]	**4,230**	**941**	**635**	**470**	**2,184**
Obligations relating to business combinations[f]	**72**	**72**	**—**	**—**	**—**
Estimated benefit payments on unfunded pensions and post employment benefits[g]	**1,035**	**67**	**122**	**131**	**715**
Total contractual obligations and other commitments	**28,585**	**6,790**	**6,999**	**4,659**	**10,137**
Undrawn general-purpose credit facilities	8,000	—	4,000	—	4,000

(a) See Note D.17.1. to our consolidated financial statements, included at Item 18. of this annual report.
(b) See Note D.17.2. to our consolidated financial statements, included at Item 18. of this annual report.
(c) See Note D.21.1. to our consolidated financial statements, included at Item 18. of this annual report.
(d) These comprise irrevocable commitments to suppliers of (i) property, plant and equipment, net of down payments (see Note D.3. to our consolidated financial statements, included at Item 18. of this annual report) and (ii) goods and services.
(e) This line includes all milestone payments on projects regarded as reasonably possible, i.e. on projects in the development phase.
(f) See Note D.18. to our consolidated financial statements, included at Item 18. of this annual report.
(g) See Note D.19.1. to our consolidated financial statements, included at Item 18. of this annual report. The table above does not include ongoing annual employer's contributions to plan assets, estimated at €77 million for 2024.

We may have payments due to our current or former research and development partners under collaboration agreements. These agreements typically cover multiple products, and give us the option to participate in development on a product-by-product basis. When we exercise our option with respect to a product, we pay our collaboration partner a fee and receive intellectual property rights to the product in exchange. We are also generally required to fund some or all of the development costs for the products that we select, and to make payments to our partners when those products reach development milestones.

We have entered into collaboration agreements under which we have rights to acquire products or technology from third parties through the acquisition of shares, loans, license agreements, joint development, co-marketing and other contractual arrangements. In addition to upfront payments on signature of the agreement, our contracts frequently require us to make payments contingent upon the completion of development milestones by our alliance partner or upon the granting of approvals or licenses.

Because of the uncertain nature of development work, it is impossible to predict (i) whether Sanofi will exercise further options for products, or (ii) whether the expected milestones will be achieved, or (iii) the number of compounds that will reach the relevant milestones. It is therefore impossible to estimate the maximum aggregate amount that Sanofi will actually pay in the future under existing collaboration agreements.

Given the nature of its business, it is highly unlikely that Sanofi will exercise all options for all products or that all milestones will be achieved.

The main collaboration agreements relating to development projects are described in Note D.21.1. to our consolidated financial statements, included at Item 18. of this annual report. Milestone payments relating to development projects under these agreements included in the table above exclude projects still in the research phase (€14.4 billion in 2024, €16.8 billion in 2023) and payments contingent upon the attainment of sales targets once a product is on the market (€15.2 billion in 2024, €17.9 billion in 2023).

C. Research and development, patents and licenses, etc.

Our research and development teams utilize our deep expertise to contribute to the growth of our business. As of December 31, 2024, we had 8,940 employees engaged in research and development activities. In the years ended December 31, 2022, 2023 and 2024 we spent €6,501 million, €6,507 million and €7,394 million, respectively, on research and development. For a discussion of our research and development activities, see "Item 4. Information on the Company — B. Business Overview" and section "— A. Operating Results" above.

D. Trend information

For a discussion of trends, see "Item 4. Information on the Company — Business Overview" and sections "— A. Operating Results" and "— Liquidity and Capital Resources" above.

E. Critical accounting estimates

For a discussion of our critical accounting estimates, see Note A.3 of our consolidated financial statements included in Item 18. of this annual report.

Item 6. Directors, Senior Management and Employees

A. Directors and Senior Management

Since January 1, 2007, Sanofi has separated the offices of Chairman and Chief Executive Officer. Annual evaluations conducted since that date have indicated that this governance structure is appropriate to Sanofi's current configuration. When the term of office of Serge Weinberg as Chairman ended and Frédéric Oudéa was appointed in May 2023, our Board of Directors decided to continue separating the offices of Chairman and Chief Executive Officer. The Board believes this governance structure is still appropriate to the current context in which Sanofi operates and its share ownership structure, as well as protecting the rights of all of its stakeholders.

The Chairman organizes and directs the work of the Board, and is responsible for ensuring the proper functioning of the corporate decision-making bodies in compliance with good governance principles. The Chairman coordinates the work of the Board of Directors with that of its Committees. He ensures that the Company's management bodies function properly, and in particular that the directors are able to fulfill their duties. The Chairman is accountable to the Shareholders' General Meeting, which he chairs.

In addition to these roles conferred by law, the Chairman:

- in coordination with the Chief Executive Officer, liaises between the Board of Directors and the shareholders of the Company;
- is kept regularly informed by the Chief Executive Officer of significant events and situations affecting the affairs of the Company, and may request from the Chief Executive Officer any information useful to the Board of Directors;
- may, in close collaboration with the Chief Executive Officer, represent the Company in high-level dealings with governmental bodies and with key partners of the Company and/or of its subsidiaries, both nationally and internationally;
- seeks to prevent any conflict of interest and manages any situation that might give rise to a conflict of interest. He also gives rulings, in the name of the Board, on requests to take up external directorships of which he may become aware or that may be submitted to him by a director;
- may interview the statutory auditors in preparation for the work of the Board of Directors and the Audit Committee; and
- strives to promote in all circumstances the values and image of the Company.

The Chairman is also required to develop and maintain a proper relationship of trust between the Board and the Chief Executive Officer, so as to ensure that the latter consistently and continuously implements the orientations determined by the Board.

In fulfilling his remit, the Chairman may meet with any individual, including senior executives of the Company, while avoiding any involvement in directing the Company or managing its operations, which are exclusively the responsibility of the Chief Executive Officer.

Finally, the Chairman reports to the Board on the fulfillment of his remit.

The Chairman carries out his duties during the entire period of his term of office, subject to the caveat that a director who is a natural person may not be appointed or reappointed once that director has reached the age of 70.

The Chief Executive Officer manages the Company, and represents it in dealings with third parties within the limit of the corporate purpose. The Chief Executive Officer has the broadest powers to act in all circumstances in the name of the Company, subject to the powers that are attributed by law to the Board of Directors and to the Shareholders' General Meeting and within the limits set by the Board of Directors.

The Chief Executive Officer must be less than 65 years old.

Limitations on the powers of the Chief Executive Officer set by the Board

The limitations on the powers of the Chief Executive Officer are specified in the Board Charter. Without prejudice to legal provisions regarding authorizations that must be granted by the Board (regulated agreements, guarantees, divestments of equity holdings or real estate, etc.), prior approval from the Board of Directors is required for transactions or decisions resulting in an investment or divestment, or an expenditure or guarantee commitment, made by the Company and its subsidiaries, in excess of:

- a cap of €500 million (per transaction) for transactions, decisions or commitments pertaining to a previously approved strategy; and
- a cap of €150 million (per transaction) for transactions, decisions or commitments not pertaining to a previously approved strategy.

When such transactions, decisions or commitments give rise to installment payments to the contracting third party (or parties) that are contingent upon future results or objectives, such as the registration of one or more products, attainment of the caps is calculated by aggregating the various payments due from the signing of the contract until (and including) the filing of the first application for marketing authorization in the United States or in Europe.

Attainment of the above caps is also assessed after taking into account all commitments to make payments upon exercising a firm or conditional option with immediate or deferred effect, and all guarantees or collateral to be provided to third parties over the duration of such commitments.

The prior approval procedure does not apply to transactions and decisions that result in the signature of agreements that solely involve subsidiaries and the Company itself.

Remit of the Board of Directors

The Board of Directors establishes the orientation of the Company's activities and ensures that they are implemented, paying due consideration to social and environmental issues. Subject to those powers expressly attributed to Shareholders' General Meetings and within the limits set by the corporate purpose, the Board addresses any issue of relevance to the proper conduct of the Company's affairs and, through its deliberations, settles matters concerning the Company.

French law, Articles of Association and Board Charter

The rules and operating procedures of our Board of Directors are defined by French law, by our Articles of Association, and by our Board Charter (English language versions of which are reproduced in full as Exhibit 1.1 and Exhibit 1.2 to this annual report).

Our Board Charter describes the rights and obligations of Board members; the composition, role and operating procedures of the Board of Directors and Board Committees; and the roles and powers of the Chairman and the Chief Executive Officer. It is prepared in accordance with the French Commercial Code and our Articles of Association.

Composition of the Board of Directors

As of December 31, 2024, the Sanofi Board of Directors had 17 members, including 12 independent directors and two directors representing employees; 47% of our Board members were women (excluding directors representing employees, in accordance with Order no. 2024-934 of October 15, 2024 transposing into French law Directive (EU) 2022/2381 of the European Parliament and of the Council of November 23, 2022 on improving the gender balance among directors of listed companies and related measures); and 41% were non-French nationals (including directors representing employees).

On January 1, 2025, Jean-Paul Kress joined the Sanofi Board of Directors, following the Board's decision to co-opt him as an independent director, replacing Gilles Schnepp, who resigned from office, effective December 31, 2024. In accordance with French law, Mr. Kress's appointment must be ratified by the shareholders at the Annual General Meeting of April 30, 2025, in which case Mr. Kress will serve for the remainder of Gilles Schnepp's term of office, i.e. until the close of the Annual General Meeting held in 2026 to approve the financial statements for the accounts for the year ended December 31, 2025. Following this co-option, the proportion of women and of non-French nationals (including directors representing employees) remains unchanged. The table below gives further detail about the composition of our Board of Directors as of February 12, 2025.

Fabienne Lecorvaisier's term of office will end at the close of the Annual General Meeting of April 30, 2025 and will not be renewed. Once her term of office ends, the Board will be composed of 16 members.

	As of February 12, 2025		Age	Nationality	Number of Sanofi shares held	Number of directorships in listed companies[a]	Date first appointed	End of current term of office (AGM)	Years of service on Board	Audit Committee	Appointments, Governance & CSR Committee	Compensation Committee	Strategy Committee	Scientific Committee
CHAIRMAN	Frédéric Oudéa		61		1,000	3	2023[b]	2027	2		●		★	●
CHIEF EXECUTIVE OFFICER	Paul Hudson		57		136,628[c]	1	2019	2026	5				●	
NON-INDEPENDENT DIRECTORS	Christophe Babule		59		1,000	1	2019	2026	5	●				
	Barbara Lavernos		56		1,000	1	2021	2025	3		●		●	
INDEPENDENT DIRECTORS	Clotilde Delbos		57		500	4	2024	2027	1	●		●		
	Rachel Duan		54		1,000	4	2020	2028	4			●		
	Carole Ferrand		54		1,000	1	2022	2025	2	★				
	Lise Kingo		63		1,000	3	2020	2028	4		●			
	Jean-Paul Kress		59		1,000	1	2025[d]	2026	0				●	●
	Patrick Kron		71		1,000	3	2014	2026	10		★[e]	★	●	
	Fabienne Lecorvaisier		62		1,000	3	2013	2025	11	●				
	Anne-Françoise Nesmes		53		533	2	2024	2027	1	●				
	John Sundy		63		500	1	2024	2027	1					●
	Emile Vœst		65		1,000	1	2022	2025	2					●
	Antoine Yver		67		1,000	1	2022	2025	2				●	★
DIRECTORS REPRESENTING EMPLOYEES	Wolfgang Laux		57		See biography	1	2021	2025	3			●		
	Yann Tran		59		See biography	1	2021	2025	3					

★ *Chair* ● *Member*

(a) Includes all directorships held in listed companies. The office held within Sanofi is included.

(b) Frédéric Oudéa was initially appointed as a non-voting director by the Board on September 2, 2022, and then appointed as a director by the Annual General Meeting on May 25, 2023.

(c) Includes shares that vested in May 2023 and May 2024 under the equity-based compensation plans of April 28, 2020 and April 30, 2021.

(d) Jean-Paul Kress was co-opted as a director by the Board of Directors meeting of December 19, 2024 with effect from January 1, 2025, to replace Gilles Schnepp who resigned from office effective December 31, 2024.

(e) Patrick Kron was appointed as Chair of the Appointments, Governance & CSR Committee with effect from January 1, 2025 on an interim basis until the close of the 2025 AGM following Gilles Schnepp's registration as a director.

Director who held office during the year ended December 31, 2024

	Age	Nationality	Number of Sanofi shares held	Number of directorships in listed companies[a]	Date first appointed	End of term of office	Years of service on Board	Audit Committee	Appointments, Governance & CSR Committee	Compensation Committee	Strategy Committee	Scientific Committee
Gilles Schnepp[a]	66		1,000	3	2020	2024	4		★		●	

(a) Gilles Schnepp resigned from his office as a director, effective December 31, 2024.

In line with current legislation and given that less than 3% of our share capital is owned by our employees, Sanofi does not have a director representing its employee shareholders.

Term of Office

The term of office of directors is four years. Directors are required to seek reappointment by rotation, such that members of the Board are required to seek reappointment on a regular basis in the most equal proportions possible. Exceptionally, the Shareholders' Ordinary General Meeting may appoint a director to serve for a term of one, two or three years, in order to ensure an adequate rotation of Board members. Each director standing down is eligible for reappointment. Should one or more directorships fall vacant as a result of death or resignation, the Board of Directors may make provisional appointments in the period between two Shareholders' General Meetings, in accordance with applicable laws.

Directors may be removed from office at any time by a Shareholders' General Meeting.

A natural person cannot be appointed or reappointed as a director once he or she reaches the age of 70. As soon as the number of directors over the age of 70 represents more than one-third of the directors in office, the oldest director shall be deemed to have resigned; his or her term of office shall end at the date of the next Shareholders' Ordinary General Meeting.

Changes in the composition of the Board of Directors during 2023, 2024 and early 2025

The table below shows changes in the composition of the Board of Directors during 2023 and 2024, and in early 2025:

	Annual General Meeting of May 25, 2023	Annual General Meeting of April 30, 2024	Subsequent to Annual General Meeting of April 30, 2024
End of term of office	Serge Weinberg	Diane Souza Thomas Südhof	None
Renewal of term of office	None	Rachel Duan Lise Kingo	None
Proposed new appointments	Frédéric Oudéa	Clotilde Delbos Anne-Françoise Nesmes John Sundy	None
Co-opted	None	None	Jean-Paul Kress [a]
Other	None	None	Gilles Schnepp [b]

(a) Jean-Paul Kress was co-opted as a director by the Board of Directors meeting of December 19, 2024 with effect from January 1, 2025, to replace Gilles Schnepp, who resigned from office effective December 31, 2024.
(b) Gilles Schnepp resigned from office as a director effective December 31, 2024.

Changes in Board membership to be submitted for shareholder approval at the Annual General Meeting on April 30, 2025

Expiry of term of office	Fabienne Lecorvaisier
Proposed reappointments	See below
Proposed new appointments	See below
Ratification of co-option	Jean-Paul Kress
Other	None

The terms of office of Carole Ferrand, Barbara Lavernos, Fabienne Lecorvaisier, Emile Voest and Antoine Yver will expire at the close of the Annual General Meeting to be held on April 30, 2025. The Appointments, Governance and CSR Committee held on February 4, 2025 recommended the renewal of the mandates of Carole Ferrand, Barbara Lavernos, Emile Voest and Antoine Yver. Proposed resolutions to be submitted for shareholder approval at the Annual General Meeting on April 30, 2025 will be approved by the Board of Directors on March 2025 and will be communicated in the notice of meeting of said Annual General Meeting. To date, however, it is specified that:

- Fabienne Lecorvaisier's term of office cannot be renewed because she will have served as a director of Sanofi for 12 years and will therefore no longer be considered independent according to the AFEP-MEDEF Code; and
- the ratification of the co-option of Jean-Paul Kress will be proposed.

In addition, the terms of office of Wolfgang Laux and Yann Tran as directors representing employees will expire at the close of the Annual General Meeting of April 30, 2025. Designation of directors representing employees will be made in accordance with Article 11 of our Articles of Association.

Rules relating to the composition of the Board and its Committees

Each year, the Board of Directors conducts a review to ensure that there is an appropriate balance in its composition and in the composition of its Committees. In particular, the Board seeks gender balance and a broad diversity of competencies, experiences, nationalities and ages, reflecting our status as a diversified global business. The Board investigates and evaluates not only potential candidates, but also whether existing directors should seek reappointment. Above all, the Board seeks directors who show independence of mind and are competent, dedicated and committed, with compatible and complementary personalities.

Acting on proposals from the Chief Executive Officer and in liaison with the Appointments, Governance and CSR Committee, the Board sets objectives for gender representation in Sanofi's executive bodies, and more generally to apply that an inclusion (non-discrimination) and diversity policy within the Company. That policy of diversity, fairness and inclusion is included in our Play to Win strategy. As of December 31, 2024, 31% of our 13 Executive Committee members were women, and 61% were non-French nationals.

The Board of Directors is also kept informed, in particular on the occasion of its annual discussion on its equal opportunity and equal pay policy, on how Sanofi's inclusion and diversity policy is cascaded down to "Senior Leaders" and "Executives" (the positions in Sanofi with the highest level of responsibility).

Competencies of Board members

The Board of Directors, in liaison with the Appointments, Governance and CSR Committee, must ensure that the composition of the Board is balanced, diverse and fit for purpose.

In assessing its composition, the Board takes account of the new challenges facing Sanofi and our corporate strategy, and determines whether the qualities and skills of serving directors are sufficient for the Board to deliver on its remit.

In recent years, the Board has adapted its composition by bringing additional scientific expertise onto the Board and maintaining the level of other key competencies, especially in finance and accounting.

The Board has completed an overview of the Board's current competencies. The matrix below[(a)] shows a complete and balanced spread of the types of competencies required, both in general terms and by reference to our strategic ambitions (the matrix shows the number of directors possessing each of those competencies). The detailed information about individual Board members presented in "—Detailed information about Board members" below aligns with the competencies summarized in the matrix, including specific competencies in Sustainable Development and Digitalization/AI implementation, which were added to the matrix further to a recommendation made by the Appointments, Governance & CSR Committee on February 4, 2025.

	Scientific training	Healthcare/ pharmaceutical industry experience	Senior executive role in international group	Directorship in international group	International experience	Mergers & Acquisitions	Finance/ Accounting	Sustainable development	Digitalization/ IA implementation
Frédéric Oudéa			●	●	●	●	●	●	●
Paul Hudson		●	●		●	●		●	●
Christophe Babule			●		●	●	●	●	●
Clotilde Delbos			●	●	●	●	●	●	
Rachel Duan		●	●	●	●	●	●		
Carole Ferrand			●	●	●	●	●		●
Lise Kingo		●	●	●	●			●	●
Jean-Paul Kress	●	●	●	●	●	●			
Patrick Kron			●	●	●	●			
Wolfgang Laux	●	●			●	●			
Barbara Lavernos			●		●			●	●
Fabienne Lecorvaisier			●	●	●	●	●	●	
Anne-Françoise Nesmes		●	●	●	●	●	●	●	
John Sundy	●	●		●	●			●	●
Yann Tran	●	●							
Emile Voest	●	●					●		●
Antoine Yver	●	●	●		●				
% COMPETENCY SCORE	**35%**	**59%**	**76%**	**59%**	**88%**	**65%**	**47%**	**53%**	**47%**

(a) Matrix based on Board composition (including directors representing employees) as of February 12, 2025.

Director Training

In 2024, Board members received three training modules on artificial intelligence (AI), cybersecurity and CSR. Delivered by in-house and/or external specialists (depending on the topic), those modules enabled participants to address more specifically the following key issues:

- AI: the concept of AI, Sanofi's strategy of embedding AI in its operations, and training plans for executives and other staff;
- Cybersecurity: cybersecurity issues and Sanofi's largest recent cyberattacks, Sanofi's cybersecurity organization and capabilities, and the role and responsibilities of the Sanofi Board of Directors with respect to cybersecurity matters; and
- CSR: the interaction of scientific issues and business issues, attitudes among stakeholders (regulators, civil society, investors) with respect to sustainability issues, the role of corporations in sustainable transformation and long-term value creation, opportunities for the pharmaceutical industry, and the European Corporate Sustainability Reporting Directive (CSRD).

The formal evaluation of the Board identified the training needs of Board members (see "—Evaluation of the Board and its Committees" below). On that basis, a training plan for 2025 was agreed upon by the Board of Directors on February 12, 2025. That training plan will include a training on key principles in Immunology, EU regulatory framework, equitable access to care, and AI.

Independence of Board Members

Under the terms of the AFEP-MEDEF Code, a director is independent when he or she has no relationship of any kind whatsoever with the Company, its group or its senior management that may color his or her judgment. More specifically, a director can only be regarded as independent if he or she:

- is not (and has not been during the past five years):
  - an employee or executive officer of the Company,
  - an employee, executive officer or director of an entity consolidated by the Company, or
  - an employee, executive officer or director of the Company's parent, or of an entity consolidated by that parent (criterion 1);
- is not an executive officer of an entity in which (i) the Company directly or indirectly holds a directorship or (ii) an employee of the Company is designated as a director or (iii) an executive officer of the Company (currently, or who has held office within the past five years) holds a directorship (criterion 2);
- is not a customer, supplier, investment banker or corporate banker that is material to the Company or its group, or for whom the Company or its group represents a significant proportion of its business (criterion 3);
- has no close family ties with a corporate officer of the Company (criterion 4);
- has not acted as an auditor for the Company over the course of the past five years (criterion 5);
- has not been a director of the Company for more than 12 years (criterion 6);
- does not receive variable compensation in cash or in the form of shares or any compensation linked to the performance of the Company or its group (criterion 7); or
- does not represent a shareholder that has a significant or controlling interest in the Company (criterion 8).

The influence of other factors such as the ability to understand challenges and risks, and the courage to express ideas and form a judgment, is also evaluated before it is decided whether a director can be regarded as independent.

In accordance with our Board Charter and pursuant to the AFEP-MEDEF Code, the Board of Directors' meeting of February 12, 2025 discussed the independence of the current directors. Of the 17 directors in office on that date, 12 were deemed to be independent directors by reference to the independence criteria used by the Board of Directors pursuant to the AFEP-MEDEF Code: Frédéric Oudéa, Clotilde Delbos, Rachel Duan, Carole Ferrand, Lise Kingo, Jean-Paul Kress, Patrick Kron, Fabienne Lecorvaisier, Anne-Françoise Nesmes, John Sundy, Emile Voest and Antoine Yver.

In accordance with the rules described above, Paul Hudson (who is an executive director of Sanofi), and Barbara Lavernos and Christophe Babule (who were appointed on the recommendation of L'Oréal, a major shareholder of Sanofi), are not deemed independent.

Consequently, the proportion of independent directors is 80%. This complies with the AFEP-MEDEF recommendation of at least 50% in companies with dispersed ownership and no controlling shareholder (which is the case for Sanofi). In accordance with the recommendations of the AFEP-MEDEF Code, directors representing employees are excluded when calculating the proportion of independent directors.

	Frédéric Oudéa	Paul Hudson	Christophe Babule[(a)]	Clotilde Delbos	Rachel Duan	Carole Ferrand	Lise Kingo	Jean-Paul Kress	Patrick Kron	Barbara Lavernos	Fabienne Lecorvaisier	Anne-Françoise Nesmes	John Sundy	Emile Voest	Antoine Yver
Criterion 1: employee/executive officer in past 5 years	●	X	●	●	●	●	●	●	●	●	●	●	●	●	●
Criterion 2: cross-directorships	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Criterion 3: significant business relationship	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Criterion 4: close family ties	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Criterion 5: auditor	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Criterion 6: held office for > 12 years	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Criterion 7: non-executive director in receipt of variable or performance-linked compensation	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Criterion 8: significant shareholder	●	●	X	●	●	●	●	●	●	X	●	●	●	●	●
Deemed independent	**YES**	**NO**	**NO**	**YES**	**YES**	**YES**	**YES**	**YES**	**YES**	**NO**	**YES**	**YES**	**YES**	**YES**	**YES**

● *Independence criterion met* **X** *Independence criterion not met*

(a) This table only refers to independence as defined under the AFEP-MEDEF Code. However, Christophe Babule is independent for the purposes of the NASDAQ Listing Rules and Rule 10A-3 under the Exchange Act.

Failure to fulfil one of the criteria does not automatically disqualify a director from being independent.

In assessing the criterion related to significant business relationships (criterion 3), the Board of Directors took into account the various relationships between directors and Sanofi and concluded that there was no relationship of a kind that might undermine their independence. The Board of Directors noted that the Company and its subsidiaries had, in the normal course of business, over the past three years, sold products and provided services to, and/or purchased products and received services from, companies in which certain of the Company's directors, who are classified as independent (or their close family members) were senior executives or employees during 2024. In each case, the amounts paid to or received from such companies over the past three years were determined on an arm's length basis and not at amounts that the Board regarded as undermining the independence of the directors in question.

Selection process for Board members

The Appointments, Governance and CSR Committee has a remit to organize a procedure for selecting future independent directors. Once the desired profile and skillset for a new director has been defined, a search for potential candidates is conducted by external consultants.

Once a shortlist has been established, the Committee interviews two or three candidates. The candidates also meet with the Chairs of the other Board committees, and in some cases the other Committee members as well. In all cases, they meet with the Chairman of the Board of Directors and the Chief Executive Officer. After completing the interviews, the Committee makes a recommendation to the Board on the candidate with the best fit for the profile, supporting that recommendation with an explanation of how the interviews were conducted and giving reasons why a candidate was selected. Before recommending a candidate to the Board, the Committee obtains assurance as to their availability, in particular as regards any other executive posts or offices the candidate may hold.

Overview of selection process for Board members

	Definition of profile and skillset	Pre-selection	Selection	Appointment
Independent directors	Appointments, Governance & CSR Committee defines the profile and skillset	Appointments, Governance & CSR Committee pre-selects three potential candidates from a long-list suggested by an external consultant	Some or all Committee members interviews two or three short-listed candidates	Appointments, Governance & CSR Committee recommends a candidate, and explains the reasons for its recommendation
Directors representing employees				• One Director representing employees is designated by the trade union body which is the most representative, in the Company and those of its direct or indirect subsidiaries that have their registered office in French territory, • One Director representing employees is designated by the European Works Council

Succession planning

General principles

The remit of the Appointments, Governance and CSR Committee includes preparing for the future of the Company's executive bodies, in particular through the establishment of a succession plan for executive officers.

The succession plan, which is reviewed at meetings of the Appointments, Governance and CSR Committee, addresses various scenarios:

- unplanned vacancy due to prohibition, resignation or death;
- forced vacancy due to poor performance, mismanagement or misconduct; and
- planned vacancy due to retirement or expiration of term of office.

Through its work and discussions, the Committee seeks to devise a succession plan that is adaptable to situations arising in the short, medium or long term, but which also builds in diversity – in all its facets – as a key factor.

To fulfill its remit, the Appointments, Governance and CSR Committee:

- provides the Board with progress reports, in particular at executive sessions;
- co-ordinates with the Compensation Committee. In that regard, having a director that sits on both Committees is a great advantage;
- works closely with the Chief Executive Officer to (i) ensure the succession plan is consistent with the Company's own practices and market practices, (ii) ensure high-potential internal prospects receive appropriate support and training, and (iii) check there is adequate monitoring of key posts likely to fall vacant;
- meets key executives on an ad hoc basis; and
- involves the Chairman and the Chief Executive Officer insofar as each has a key role in planning for his own successor, though without them directing the process.

In fulfilling their remit, Committee members are acutely conscious of confidentiality issues.

Although aware that separating the offices of Chairman and Chief Executive Officer provides continuity of power, the Committee nonetheless assesses the situation of the Chairman as well as that of the executive team.

Succession planning for the Chief Executive Officer is also reviewed regularly by the Appointments, Governance and CSR Committee.

Evaluation of the Board and its Committees

Under the terms of the Board Charter, and in accordance with the AFEP-MEDEF Code, a discussion of the operating procedures of the Board and its committees must be included on the agenda of one Board meeting every year. The Charter also requires a formal evaluation to be performed at least every three years under the direction of the Appointments, Governance and CSR Committee, with assistance from an independent consultant.

Since 2023 the evaluation procedure has included one-on-one interviews with each director (including the Chief Executive Officer), intended to measure the contribution of each director to the work of the Board and its committees and to record any suggestions they may have.

In practice, even in years when the three-yearly formal evaluation procedure (assisted by an independent consultant) is not conducted, an annual internal evaluation is conducted using a detailed questionnaire sent to directors by the Secretary to the Board, and covering the composition and the operation of the Board and its committees. The responses (which are confidential) are analyzed by the Secretary to the Board. The results are then presented and discussed at a meeting of the Appointments, Governance and CSR Committee; a detailed report prepared for that meeting is then submitted to a Board meeting at the start of the following year.

In 2024, a formal evaluation was conducted under the direction of the Appointments, Governance and CSR Committee with the assistance of an independent consultant.

Evaluation of the Board and its Committees in 2023 - Internal evaluation

In 2023, the evaluation was conducted internally via a detailed questionnaire (as described above). Actions taken to address areas of progress and vigilance identified during that evaluation are shown below:

Areas of progress and vigilance identified in 2023 evaluation	Actions implemented in 2024
Even closer monitoring of R&D governance and drug pipeline development following installation of new management team in the fall of 2023.	In 2024, Sanofi held its first "R&D Pipeline Review Week" which all members of the Scientific Committee were able to attend, giving them an opportunity for in-depth scrutiny of the strategy for key therapeutic areas. The Executive Vice President, Head of R&D gave members of the Scientific Commitee a presentation about progress on delivery of the strategy during one of the strategy seminars.
More in-depth analysis of acquisitions strategy, in line with the R&D strategy and the broader Play to Win strategy.	The 2024 M&A and business development roadmap, including leadtimes and costs associated with projects under review, was presented to Board members, giving them a broader overview of the acquisitions strategy and how it dovetails with the R&D strategy.
Sharper focus on digital strategy and artificial intelligence.	In parallel with dedicated artificial intelligence training, Board members were given a presentation on the AI strategy and the use of IT systems. This gave them insights into how IT projects align with the digital strategy, especially in R&D and the Manufacturing & Supply organization.
Closer monitoring of all transformation projects such as those relating to manufacturing operations, changes in the Opella business, and cost control plans.	Board members were able to scrutinize ongoing transformation and governance programs (organizational change in R&D and Manufacturing & Supply, commercial support for pre-launch and launch phases) and cost efficiency programs.
More time to be allocated to human resources, especially talent management and succession planning.	Board members had the opportunity to address issues around the corporate culture (employee satisfaction survey, promotion of Sanofi values) and talent management. These included a presentation on succession planning for critical roles, with a particular focus on R&D.

Evaluation of the Board and its Committees in 2024 - Internal evaluation with assistance from an independent consultant

In 2024 there was a formal evaluation under the direction of the Appointments, Governance and CSR Committee, with assistance from an independent consultancy firm.

The evaluation, which took several weeks, was conducted as follows:

- issuance of a questionnaire to all directors, the main topics addressed being: alignment of the composition of the Board with Sanofi's requirements; quality of documentation and presentations; working practices; usefulness of resources provided to the Board and its committees; compliance of corporate governance with best practice; quality of debates and freedom of expression; composition and remit of committees; relations between the Board and the Executive Committee, shareholders and stakeholders; directors' expectations; personal contributions, including by the Chairman competencies and effective participation in debate;
- review of responses received from the directors; and
- individual interviews conducted by the selected consultant.

In addition, all along 2024, the Chairman of the Board conducted discussions with each director intended to measure their contribution to the work of the Board and its committees and to record any suggestions they may have.

The results of the 2024 evaluation were presented and discussed at a meeting of the Appointments, Governance and CSR Committee on February 4, 2025, and the detail report finalized at that meeting was presented to the Sanofi Board of Directors on February 12, 2025.

Overall, the board members considered that the functioning of the board improved in 2024 and that the board has been able to conduct a robust decision-making process on key strategic projects, while having more open and collegial interactions. The board demonstrated an increased capacity to work together and sustain a very dense agenda over the last months. The structure of the agendas and the time allocation to each topic are considered as adequate. The development of the board as a team has been enhanced by the visit to China.

The composition and the size of the board are considered as appropriate with the right level of diversity of all kinds, especially with regards to nationalities, gender and expertise. The recent changes contributed to increase the expertise in the pharma sector, in particular in the areas of therapeutic focus of the company. In terms of evolution of the board's composition, strengthening skills in that domain and in the digital transformation could be considered in the coming years.

The chairman onboarding process was considered satisfactory in the first year in the role with a rapid ramp-up on the core topics of the company.

The articulation between the committees and the board and between the committees themselves is key in particular regarding the cross-fertilization between the scientific and strategic committees. Progress has been made regarding the process of validating acquisition opportunities.

The areas of progress identified for 2025 are as follows:

- Continued reinforcement of the supervision of the transformation of R&D, including AI usage;
- Supervision of the capital allocation and the Business Development / M&A progresses;
- Review of the US activities;
- Strategy in China;
- In depth review of succession plans and talent management;
- Enhancement of the training program for board members with at least three sessions planned to address the US market and its evolution, the key principles in Immunology and the equitable access to care.

Detailed information about Board members

The following pages provide key information about each director individually:

- directorships and appointments held during 2024 (directorships in listed companies are indicated by an asterisk, and each director's principal position is indicated in bold);
- other directorships held during the last five years; and
- training and professional experience.

Frédéric Oudéa

Date of birth: July 3, 1963 (aged 61)
Nationality: French
First appointed: May 2023
Term expires: 2027
Business address: Sanofi – 46, avenue de la Grande Armée – 75017 Paris – France
Number of shares held: 1,000

Current directorships and appointments

WITHIN THE SANOFI GROUP

Chairman of the Board of Directors

- Chairman of the Strategy Committee
- Member of the Appointments, Governance and CSR Committee
- Member of the Scientific Committee

Chairman of Foundation S

OUTSIDE THE SANOFI GROUP

In French companies

- Lead independent Director of Capgemini*
- Director of Sienna Investment managers SA since December 11, 2023
- Member of the Supervisory Board of Sonic Topco, simplified joint stock company *(société par actions simplifiée)* - since February 1, 2024

In foreign companies

- Member of the Supervisory Board of Umicore* (Belgium)

Past directorships expiring within the last five years

WITHIN THE SANOFI GROUP

- None

OUTSIDE THE SANOFI GROUP

In French companies

- Board member of ALD Automotive*

In foreign companies

- None

Education and professional experience

- Graduate of ENA (*École Nationale d'Administration*)
- Degree from *École Polytechnique*

Since November 2023	**Senior Executive Advisor of Bruxelles Lambert Group***
Since May 2023	**Chairman of the Board of Directors of Sanofi***
2015-2023	Chief Executive Officer of Société Générale*
2009-2015	Chief Executive Officer and Chairman of the Board of Société Générale*
2008-2009	Chief Executive Officer of Société Générale*
2003-2008	Group Chief Financial Officer of Société Générale*
2002-2003	Deputy Group Chief Financial Officer of Société Générale*
1998-2002	Head of global supervision and development of the Equity Department of Société Générale*
1995-1998	Assistant Manager, then Manager of the Corporate Banking department in London at Société Générale*
1987-1995	Various positions within the French Civil Service (General Inspectorate of Finance Service, Ministry of the Economy and Finance, Ministry of the Budget and Office of the Minister of Budget and Communication)

** Listed company.*

Paul Hudson

Date of birth: October 14, 1967 (aged 57)
Nationality: British
First appointed: September 2019
Last reappointment: May 2022
Term expires: 2026
Business address: Sanofi – 46, avenue de la Grande Armée – 75017 Paris – France
Number of shares held: 136,628

Current directorships and appointments

WITHIN THE SANOFI GROUP

Chief Executive Officer

- Director
- Member of the Strategy Committee

OUTSIDE THE SANOFI GROUP

In French companies

- None

In foreign companies

- None

Past directorships expiring within the last five years

WITHIN THE SANOFI GROUP

- None

OUTSIDE THE SANOFI GROUP

In French companies

- None

In foreign companies

- None

Education and professional experience

- Degree in economics from Manchester Metropolitan University, UK
- Diploma in marketing from the Chartered Institute of Marketing, UK
- Honorary Doctorate in Business Administration, Manchester Metropolitan University, UK

Since September 1, 2019	**Chief Executive Officer of Sanofi***
2016-2019	CEO of Novartis Pharmaceuticals*, member of Executive Committee
2006-2016	Various operational and managerial positions at AstraZeneca* (including President, AstraZeneca US; Executive Vice President, North America; Representative Director & President, AstraZeneca KK, Japan; President of AstraZeneca Spain; and Vice-President and head of Primary Care United Kingdom)
Before 2006	Various operational and managerial positions at Schering-Plough, including Head of Global Marketing for biologicals. Various sales and marketing positions at GlaxoSmithKline* UK and Sanofi-Synthélabo UK

** Listed company.*

Christophe Babule

Date of birth: September 20, 1965 (aged 59)
Nationality: French
First appointed: February 2019
Last reappointment: May 2022
Term expires: 2026
Business address: Sanofi – 46, avenue de la Grande Armée – 75017 Paris – France
Number of shares held: 1,000

Current directorships and appointments

WITHIN THE SANOFI GROUP

Director

- Member of the Audit Committee

OUTSIDE THE SANOFI GROUP

In French companies

- Director of the "L'Oréal Fund for Women" charitable endowment fund

In foreign companies

- None

Past directorships expiring within the last five years

WITHIN THE SANOFI GROUP

- None

OUTSIDE THE SANOFI GROUP

In French companies

- None

In foreign companies

L'Oréal* Group:

- Director of L'Oréal US Inc. (United States)

Education and professional experience

- MBA, HEC School of Management

Since February 2019	**Chief Financial Officer at L'Oréal***
Since 1988	Various positions within the L'Oréal* Group, including as Director of Administration & Finance for China, then Mexico; Director of Internal Audit; and Director of Administration & Finance for the Asia Pacific Zone

** Listed company.*

Clotilde Delbos

Date of birth: September 30, 1967 (aged 57)
Nationality: French
First appointed: April 2024
Term expires: 2027
Business adress: Sanofi - 46, avenue de la Grande Armée - 75017 Paris - France.
Number of shares held: 500

Current directorships and appointments

WITHIN THE SANOFI GROUP

Independent director

- Member of the Audit Committee
- Member of the Compensation Committee

OUTSIDE THE SANOFI GROUP

In French companies

- Director of AXA *
- Director of Alstom * (Chairwoman of the Audit and Risks Committee)
- Directeur of Schneider Electric *
- *Co-gérant* of Hactif Patrimoine
- President of Hactif Advisory

In foreign companies

- None

Past directorships expiring within the last five years

WITHIN THE SANOFI GROUP

- None

OUTSIDE THE SANOFI GROUP

In French companies

- President of Mobilize Invest
- President of RCI Banque SA
- President of Renault Venture Capital
- President of Renault Mobility as an Industry

In foreign companies

- Director of Renault Espana
- Member of the Management Board of Alliance Rostec Auto BV
- Member of the Management Board of Renault Nissan BV
- Member of the Supervisory Board of Alliance Ventures BV
- President of Renault Nissan BV

Education and professional experience

- MBA EM Lyon in Finance and Accounting

2012 - 2022	Various positions at Renault Group * including Group Chief Financial Officer, Chairwoman of the Board of Directors of RCI Banque, Interim Chief Executive Officer of Renault SA, Deputy Chief Executive Officer of the Renault group and Chief Executive Officer of Mobilize.
Before 2012	Various positions in Internal Audit, Mergers & Acquisitions and Treasury, including at PricewaterhouseCoopers and Pechiney.

** Listed company.*

Rachel Duan

Date of birth: July 25, 1970 (aged 54)
Nationality: Chinese
First appointed: April 2020
Last reappointment: April 2024
Term expires: 2028
Business address: Sanofi – 46, avenue de la Grande Armée – 75017 Paris – France
Number of shares held: 1,000

Current directorships and appointments

WITHIN THE SANOFI GROUP

Independent director

- Member of the Compensation Committee

OUTSIDE THE SANOFI GROUP

In French companies

- Director of Kering *

In foreign companies

- Director of HSBC*
- Director of Adecco Group*

Past directorships expiring within the last five years

WITHIN THE SANOFI GROUP

- None

OUTSIDE THE SANOFI GROUP

In French companies

- Director of AXA*

In foreign companies

- None

Education and professional experience

- MBA, University of Wisconsin-Madison (United States)
- Bachelor's degree in Economics and International Trade, Shanghai International Studies University (China)

Since March 2024	**Independent Director, Kering***
Since September 2021	**Independent Director, HSBC***
Since April 2020	**Independent Director, Adecco Group***
2018-2024	Independent Director, AXA*
1996-2020	Senior Vice President of General Electric* (United States) and President & CEO of GE Global Markets (China)

** Listed company.*

Carole Ferrand

Date of birth: April 2, 1970 (aged 54)
Nationality: French
First appointed: May 2022
Term expires: 2025
Business address: Sanofi – 46, avenue de la Grande Armée – 75017 Paris – France
Number of shares held: 1,000

Current directorships and appointments

WITHIN THE SANOFI GROUP

Independent director

- Chairwoman of the Audit Committee

OUTSIDE THE SANOFI GROUP

In French companies

- Honorary President and Director of Terra Nova (non-profit association)
- Director and member of the Commitments Committee of France Télévisions

In foreign companies

- None

Past directorships expiring within the last five years

WITHIN THE SANOFI GROUP

- None

OUTSIDE THE SANOFI GROUP

In French companies

- Director and Chair of the Audit Committee of Fnac Darty*
- Member of the Executive Committee of June 21 SAS
- President of Capgemini Ventures SAS

In foreign companies

- Director of June 21 SAS
- Substitute of Alain de Marcellus, Capgemini Brasil SA (Brazil)
- Director of Capgemini Solutions Canada Inc.
- Director of Capgemini UK plc
- Director of CGS Holdings Ltd (United Kingdom)
- Director of Capgemini Espana SL (Spain)
- Director of Altran Innovacion SLU (Spain)

Education and professional experience

- HEC School of Management, Master's degree

2024	**Head of Strategy and Development of Motier Holding**
2018 - 2023	Chief Financial Officer of Capgemini*
2013-2018	Financing Operations Director of Groupe Artémis
2011-2012	Chief Financial Officer of EuropaCorp
2000-2011	Chief Financial Officer and General Counsel of Sony France
1992-2000	Audit and Transaction Services at PricewaterhouseCoopers (PwC)

** Listed company.*

Lise Kingo

Date of birth: August 3, 1961 (aged 63)
Nationality: Danish
First appointed: April 2020
Last reappointment: April 2024
Term expires: 2028
Business address: Sanofi – 46, avenue de la Grande Armée – 75017 Paris – France
Number of shares held: 1,000

Current directorships and appointments

WITHIN THE SANOFI GROUP

Independent director

- Member of the Appointments, Governance & CSR Committee

OUTSIDE THE SANOFI GROUP

In French companies

- Director of Danone*

In foreign companies

- Member of the Supervisory Board of Covestro AG* (Germany)
- Director of Allianz Trade

Past directorships expiring within the last five years

WITHIN THE SANOFI GROUP

- None

OUTSIDE THE SANOFI GROUP

In French companies

- None

In foreign companies

- Independent Director, Aker Horizons ASA* (Norway)
- Member of the Advisory Panel for Humanitarian and Development Aid Coordination, Novo Nordisk Foundation (Denmark)

Education and professional experience

- Master's degree in Responsibility & Business, University of Bath (United Kingdom)
- Bachelor's degree in Marketing and Economics, Copenhagen Business School (Denmark)
- Bachelor's degree in Religions and Ancient Greek Art, University of Aarhus (Denmark)
- Director Certification, INSEAD (France)

Since 2022	**Independent director of Danone***
Since 2021	**Independent director of Covestro AG* (Germany)**
2021-2023	Independent Director, Aker Horizons ASA* (Norway)
2015-2020	CEO & Executive Director of United Nations Global Compact (US)
2002-2014	Executive Vice President Corporate Relations & Chief of Staff at Novo Nordisk A/S (Denmark)
1999-2002	Senior Vice President, Stakeholder Relations at Novo Holding (Denmark)
1988-1999	Director, Environmental Affairs of Novozymes (Denmark)

** Listed company.*

Jean-Paul Kress

Date of birth: August 1, 1965 (aged 59)
Nationality: French
First appointed (co-option): January 1, 2025
Term expires: 2026
Business address: Sanofi – 46, avenue de la Grande Armée – 75017 Paris – France
Number of shares held: 2,000 American Depositary Receipts, equivalent to **1,000 shares** and **51.5635 FCPE shares**

Current directorships and appointments

WITHIN THE SANOFI GROUP

Independent director

- Member of the Strategy Committee
- Member of the Scientific Committee

OUTSIDE THE SANOFI GROUP

In French companies

- Chairman of the Board of Directors of EnnoDC

In foreign companies

- None

Past directorships expiring within the last five years

WITHIN THE SANOFI GROUP

- None

OUTSIDE THE SANOFI GROUP

In French companies

- Chairman of the Board of Directors of ERYTECH Pharma*

In foreign companies

- None

Education and professional experience

- M.D. from Faculté Necker-Enfants Malades in Paris and Master of Sciences in molecular and cellular pharmacology from Ecole normale supérieure (Ulm) in Paris

2019-2024	CEO of MorphoSys* (acquired by Novartis)
2019-2023	Chairman of the Board of Directors of ERYTECH Pharma*
2018	Chairman and CEO of Syntimmune (acquired by Alexion)
2017-2018	Executive Vice President, International President and Head of Global Therapeutic Operations of Biogen
2015-2017	Member of the Board of Directors of Sarepta Therapeutics
2015-2017	Senior Vice President, Head of North America at Sanofi Genzyme
2011-2015	Chairman and CEO at Sanofi Pasteur MSD
2006-2011	Several positions at Gilead Sciences: • Vice-President and General Manager France • Vice-President, US Sales and marketing, Antiviral Business Unit
1997-2006	General Manager, Denmark / Various US and EU Roles in Marketing, Commercial Operations & Business Development at Abbott
1993-1996	Product Manager at Eli Lilly

** Listed company.*

Patrick Kron

Date of birth: September 26, 1953 (aged 71)
Nationality: French
First appointed: May 2014
Last reappointment: May 2022
Term expires: 2026
Business address: Sanofi – 46, avenue de la Grande Armée – 75017 Paris – France
Number of shares held: 1,000

Current directorships and appointments

WITHIN THE SANOFI GROUP

Independent director

- Chairman of the Compensation Committee
- Chairman of the Appointments, Governance and CSR Committee
- Member of the Strategy Committee

OUTSIDE THE SANOFI GROUP

In French companies

- Chairman of Imerys*
- Chairman of PKC&I SAS:
  - Permanent representative of PKC&I on the Supervisory Board of Segula Technologies

In foreign companies

- Director of Viohalco* (Belgium)

Past directorships expiring within the last five years

WITHIN THE SANOFI GROUP

- None

OUTSIDE THE SANOFI GROUP

In French companies

- Interim Chief Executive Officer of Imerys*
- Chairman of Truffle Capital SAS

In foreign companies

- ElvalHalcor* (Greece)
- Director of Holcim* (Switzerland)

Education and professional experience

- Degree from *École Polytechnique* and *École Nationale Supérieure des Mines de Paris*

Since 2019	Chairman of Imerys* (and Interim Chief Executive Officer from October 2019 to February 2020)
Since 2016	Chairman of PKC&I SAS
2016-2024	Chairman of Truffle Capital SAS
2003-2016	Chief Executive Officer, then Chairman and Chief Executive Officer of Alstom*
1998-2002	Chairman of the Managing Board of Imerys
1995-1997	Manager of the Food and Health Care Packaging Sector at Pechiney, and Chief Operating Officer of American National Can Company in Chicago (United States)
1993-1997	Chairman and Chief Executive Officer of Carbone Lorraine
1993	Member of the Executive Committee of the Pechiney Group
1988-1993	Various senior operational and financial positions within the Pechiney Group
1984-1988	Operational responsibilities in one of the Pechiney Group's biggest factories in Greece, then manager of the Greek subsidiary of Pechiney
1979-1984	Various positions at the French Ministry of Industry, including as project officer at the *Direction régionale de l'Industrie, de la Recherche et de l'Environnement* (DRIRE) and in the Ministry's general directorate

** Listed company.*

Wolfgang Laux

Date of birth: January 24, 1968 (aged 57)
Nationality: German
First appointed: April 2021
Term expires: 2025
Business address: Sanofi – 46, avenue de la Grande Armée – 75017 Paris – France
Number of shares held: 2,647 FCPE units and 1,558 performance shares

Current directorships and appointments

WITHIN THE SANOFI GROUP

Director representing employees

- Member of the Compensation Committee

OUTSIDE THE SANOFI GROUP

In French companies

- None

In foreign companies

- None

Past directorships expiring within the last five years

WITHIN THE SANOFI GROUP

- None

OUTSIDE THE SANOFI GROUP

In French companies

- None

In foreign companies

- None

Education and professional experience

- Post-doctoral research fellow at the State University of New York at Stony Brook (1998-2000) and at the University of Montpellier (1996-1997)
- Ph.D. in organic chemistry from the University of Frankfurt am Main
- Corporate Director's Certificate from SciencesPo/IFA *(Certificat Administrateur de Sociétés)*
- European Board Diploma by ecoDa

Since 2006	**Industrialization Coordinator at Sanofi Chimie and Sanofi Winthrop Industries, Croix-de-Berny and Gentilly (France)**
Since 2014	**Staff representative on the CFE-CGC ticket**
2016-2021	Union delegate
2014-2021	Member of the Works Council, Sanofi Chimie headquarters
2016-2019	Member of the Committee on health, safety and working conditions (CHSCT)
2000-2006	Senior scientist in Process Development at the Frankfurt site of Höchst AG

** Listed company.*

Barbara Lavernos

Date of birth: April 22, 1968 (aged 56)
Nationality: French
First appointed: April 2021
Term expires: 2025
Business address: Sanofi – 46, avenue de la Grande Armée – 75017 Paris – France
Number of shares held: 1,000

Current directorships and appointments

WITHIN THE SANOFI GROUP

Director

- Member of the Appointments, Governance and CSR Committee
- Member of the Strategy Committee

OUTSIDE THE SANOFI GROUP

In French companies

- Vice-Chair of the L'Oréal Climate Emergency Fund

In foreign companies

- None

Past directorships expiring within the last five years

WITHIN THE SANOFI GROUP

- None

OUTSIDE THE SANOFI GROUP

In French companies

- Director of Bpifrance Investment and Bpifrance Participations

In foreign companies

L'Oréal Group*:

- Board member of Lactobio A/S (Denmark)
- Board member of Bak Skincare ApS (Denmark)

Education and professional experience

- Graduate of the HEI chemical engineering school at Lille, France

Since May 2021	**Deputy CEO of L'Oréal* in charge of Research, Innovation and Technology**
February 2021-May 2021	President Research, Innovation and Technologies at L'Oréal*– Member of the Executive Committee at L'Oréal*
2018-2021	Chief Technology and Operations Officer at L'Oréal* – Member of the Executive Committee
2014-2018	Executive Vice-President Operations at L'Oréal* – Member of the Executive Committee
2011-2014	Managing Director of Travel Retail at L'Oréal*
2004-2011	Global Chief Procurement Officer at L'Oréal*

** Listed company.*

Fabienne Lecorvaisier

Date of birth: August 27, 1962 (aged 62)
Nationality: French
First appointed: May 2013
Last reappointment: April 2021
Term expires: 2025
Business address: Sanofi – 46, avenue de la Grande Armée – 75017 Paris – France
Number of shares held: 1,000

Current directorships and appointments

WITHIN THE SANOFI GROUP

Independent director

- Member of the Audit Committee

OUTSIDE THE SANOFI GROUP

In French companies

- Director of Safran *
  (Member of the Audit and Risk Committee)
- Member of the Supervisory Board of Wendel *
  (Member of the Audit, Risk and Compliance Committee and member of the Governance and Sustainability Committee)

In foreign companies

- None

Past directorships expiring within the last five years

WITHIN THE SANOFI GROUP

- None

OUTSIDE THE SANOFI GROUP

In French companies

Air Liquide Group*:

- Director of Air Liquide International
- Director of The Hydrogen Company
- Director of Air Liquide Finance
- Director of ANSA (*Association Nationale des Sociétés par Actions*)
- Director of Rexecode (economic research institute)

In foreign companies

Air Liquide Group*:

- Chairwoman of Air Liquide US LLC
- Executive Vice President of Air Liquide International Corporation
- Director of American Air Liquide Holdings, Inc.

Education and professional experience

- Civil engineer, graduate of *École Nationale des Ponts et Chaussées*

2021- May 2023	Executive Vice President in charge of Sustainable Development, Public and International Affairs, Social Programs and General Secretariat of Air Liquide*
July 2017-July 2021	Executive Vice President of Air Liquide*
2008-2023	Executive Committee member of Air Liquide*
2008-2021	Chief Financial Officer of Air Liquide*
1993-2008	Various positions within Essilor* including Group Chief Financial Officer (2001-2007) and Chief Strategy and Acquisitions Officer (2007-2008)
1990-1993	Assistant General Manager of Banque du Louvre, Taittinger Group
1989-1990	Senior Banking Executive in charge of the LBO Department (Paris)/Corporate Finance Department (Paris and London) at Barclays
1985-1989	Member of the Corporate Finance Department, then Mergers and Acquisitions Department of Société Générale*

** Listed company.*

Anne-Françoise Nesmes

Date of birth: May 16, 1971 (aged 53)
Nationality: British and French
First appointed: April 2024
Term expires: 2027
Business address : Sanofi - 46, avenue de la Grande Armée - 75017 Paris - France
Number of shares held: 533

Current directorships and appointments

WITHIN THE SANOFI GROUP

Independent Director

- Member of the Audit Committee

OUTSIDE THE SANOFI GROUP

In French companies

- None

In foreign companies

Director of Compass Group PLC (UK) * (Chairwoman of the Audit Committee and member of the Corporate Responsibility Committee, Nomination Committee and Remuneration Committee)

Past directorships expiring within the last five years

WITHIN THE SANOFI GROUP

- None

OUTSIDE THE SANOFI GROUP

In French companies

- None

In foreign companies

- Chief Financial Officer of Smith + Nephew PLC *

Education and professional experience

- Master's degree from Grenoble Business School and a Master's degree in Business Administration from Henley Business School
- Chartered Management Accountant

2020-2024	Chief Financial Officer of Smith + Nephew PLC
2016-2020	Chief Financial Officer of Merlin Entertainments PLC
2013-2016	Chief Financial Officer of Dechra Pharmaceuticals PLC
1997-2013	Various finance positions at GlaxoSmithKline PLC * including Senior Vice President of Finance for global vaccines

** Listed company.*

John Sundy

Date of birth: October 7, 1961 (aged 63)
Nationality: American
First appointed: April 2024
Term expires: 2027
Business address: Sanofi - 46, avenue de la Grande Armée - 75017 Paris - France
Number of shares held: 1,000 American Depositary Receipts, equivalent to **500** shares

Current directorships and appointments

WITHIN THE SANOFI GROUP

Independent director

- Member of the Scientific Committee

OUTSIDE THE SANOFI GROUP

In French companies

- None

In foreign companies

- Director of Neutrolis Inc
- Director of the Childhood Arthritis and Rheumatology Research Alliance (CARRA)

Past directorships expiring within the last five years

WITHIN THE SANOFI GROUP

- None

OUTSIDE THE SANOFI GROUP

In French companies

- None

In foreign companies

- None

Education and professional experience

- B. S. in biology from Bucknell University
- M.D. from Hahnemann University
- Ph. D in immunology from Hahnemann University
- Clinical training in rheumatology and allergy/immunology at Duke

Since 2022	**Chief Medical Officer and Head of Research and Development at Seismic Therapeutic**
2020-2021	Chief Medical Officer at Pandion Therapeutics
2014-2020	Several management positions including Senior Vice President at Gilead Sciences
2006-2014	Adjunct Professor of Medicine in the Division of Rheumatology and Immunology at Duke University School of Medicine

** Listed company.*

Yann Tran

Date of birth: December 5, 1965 (aged 59)
Nationality: French
First appointed: May 2021
Term expires: 2025
Business address: Sanofi – 46, avenue de la Grande Armée – 75017 Paris – France
Number of shares held: 1,546 FCPE units

Current directorships and appointments

WITHIN THE SANOFI GROUP

Director representing employees

OUTSIDE THE SANOFI GROUP

In French companies

- None

In foreign companies

- None

Past directorships expiring within the last five years

WITHIN THE SANOFI GROUP

- Coordinator for Industrial Europe on the Sanofi European Works Council

OUTSIDE THE SANOFI GROUP

In French companies

- None

In foreign companies

- None

Education and professional experience

- IFA Company Director Certificate from Sciences Po (2022)
- DEA in Biochemistry: Integrative Protein Biology from the University of Paris VII (France)
- Master's degree in Biochemical and Biological Engineering Sciences and Techniques from the University of Paris XII (France)

Since 2010	**Head of Labor Relations, France at Sanofi**
2021	Coordinator for IndustriALL Europe on the Sanofi European Works Council
2014-2021	Federation delegate for the Pharmaceuticals industry, in charge of negotiating and monitoring of industry agreements and national collective agreements
2014-2021	FCE-CFDT federation delegate for social welfare
2010-2021	Trade union leader in labor relations in the Sanofi Group
2010-2014	Member of the Supervisory Board of Sanofi employee savings plans (PEG and PERCO) and member of the Sanofi Group Committee
2006-2010	Bioinformatics researcher at Sanofi R&D
1995-2006	Researcher in molecular biology at Sanofi and Aventis

** Listed company.*

Emile Voest

Date of birth: August 20, 1959 (aged 65)
Nationality: Dutch
First appointed: May 2022
Term expires: 2025
Business address: Sanofi – 46, avenue de la Grande Armée – 75017 Paris – France
Number of shares held: 1,000

Current directorships and appointments

WITHIN THE SANOFI GROUP

Independent director

- Member of the Scientific Committee

OUTSIDE THE SANOFI GROUP

In French companies

- None

In foreign companies

- Board Member of the Center for Personalized Cancer Treatment
- Member of the Supervisory Board of the Hartwig Medical Foundation

Past directorships expiring within the last five years

WITHIN THE SANOFI GROUP

- None

OUTSIDE THE SANOFI GROUP

In French companies

- None

In foreign companies

- Chairman of the Board of Cancer Core Europe

Education and professional experience

- Ph.D. in Medicine, cum laude, University of Utrecht

Since 2021	**Founder of Mosaic Therapeutics and Strategic Advisor**
Since 2019	**Senior Group Leader of the Oncode Institute**
Since 2015	**Founder and Member of Supervisory Board of the Hartwig Medical Foundation**
2016-2023	Director of Cancer Core Europe
2015-2020	ESMO (European Society for Medical Oncology) • Chair of the Publications Committee (2016-2020) • Member of the Executive Board (2015-2020)
Since 2014	The Netherlands Cancer Institute • Medical Oncologist (since 2014) • Executive Medical Director (2014-2020) and senior group leader
2013-2016	Co-founder and Non-Executive Medical Director of Hubrecht Organoid Technology
Since 2010	Co-founder and Member of the Executive Board of the Center for Personalized Cancer Treatment (CPCT)
Since 1999	Professor of Medical Oncology at UMC Utrecht

** Listed company.*

Antoine Yver

Date of birth: January 31, 1958 (aged 67)
Nationality: American, French, Swiss
First appointed: May 2022
Term expires: 2025
Business address: Sanofi – 46, avenue de la Grande Armée – 75017 Paris – France
Number of shares held: 2,000 American Depositary Receipts, equivalent to **1,000 shares**

Current directorships and appointments

WITHIN THE SANOFI GROUP

Independent director

- Chairman of the Scientific Committee
- Member of the Strategy Committee

OUTSIDE THE SANOFI GROUP

In French companies

- Director of Allspim, Paris

In foreign companies

- Director of D3Biologics, Shanghai (PRC)
- Director of Stipple Therapeutics (USA)
- Chair of One Carbon Therapeutics, Stockholm (Sweden)

Past directorships expiring within the last five years

WITHIN THE SANOFI GROUP

- None

OUTSIDE THE SANOFI GROUP

In French companies

- None

In foreign companies

- Director of Spotlight Therapeutics *

Education and professional experience

- Doctor of Medicine and Pediatrics, University of Paris-Sud 11

Since 2024	**Pediatrician**
Current	**Advisor of Centessa, TOAD, Soley Therapeutics, Lilly Asia Ventures, Duality biologics, AptarGroup**
2021-2024	Chairman of Development of Centessa Pharmaceuticals
2016-2021	EVP Global Head Oncology R&D at Daiichi Sankyo, Inc.
2009-2016	AstraZeneca* • SVP Head Oncology Global Medicines Development & Lead China GMD (2013-2016) • VP Head Oncology Global Medicines Development & Lead China GMD (2012-2013) • VP Clinical Oncology & New Opportunities (2011-2012) • VP Clinical Oncology & Infection (2009-2011)
2006-2009	Executive Director in Oncology at the Schering-Plough Research Institute
2005-2006	Senior Director Oncology at Johnson & Johnson*
1990-2005	Senior Director Clinical Research at Aventis
1981-1990	Medical doctor at the *Assistance Publique des Hôpitaux de Paris*

** Listed company.*

Attendance Rates of Board members

Director	Attendance rate at Board meetings	Attendance rate at Committee meetings
Frédéric Oudéa	100%	94%
Paul Hudson	100%	100%
Christophe Babule	100%	93%
Clotilde Delbos[(a)(b)]	100%	100%
Rachel Duan	92%	100%
Carole Ferrand	100%	100%
Lise Kingo	100%	100%
Patrick Kron	100%	100%
Wolfgang Laux	100%	100%
Barbara Lavernos	100%	84%
Fabienne Lecorvaisier	100%	100%
Anne-Françoise Nesmes[(a)(c)]	100%	100%
Gilles Schnepp[(d)]	75%	93%
Diane Souza[(e)]	100%	100%
Thomas Südhof[(e)]	100%	100%
John Sundy[(a)(f)]	100%	88%
Yann Tran	100%	100%
Emile Voest	100%	100%
Antoine Yver[(g)]	100%	100%
	Average attendance rate at Board meetings	**Average attendance rate at Committee meetings**
	98%	**97%**

(a) Clotilde Delbos, Anne-Françoise Nesmes and John Sundy joined the Board during 2024.
(b) Clotilde Delbos joined the Audit Committee and Compensation Committee in April 2024, and attended the four and two meetings, respectively, held subsequent to her appointment.
(c) Anne-Françoise Nesmes joined the Audit Committee in April 2024, and attended the four meetings held subsequent to her appointment.
(d) Gilles Schnepp left the Board on December 31, 2024. He did not take part to the Board meetings dedicated to the Opella separation.
(e) Diane Souza and Thomas Südhof left the Board during 2024.
(f) John Sundy joined the Scientific Committee in April 2024, and attended three meetings out of four held subsequent to his appointment.
(g) Antoine Yver joined the Strategy Committee in April 2024, and attended the three meetings held subsequent to his appointment.

Directors who were absent from some meetings provided clear and substantiated explanations for their absence, which related mainly to personal matters or to unscheduled meetings called at short notice (especially where sudden developments on an ongoing project necessitated a Board meeting).

Declarations by Board members (including convictions and conflicts of interest)

As of December 31, 2024, no corporate officer has been the subject of any conviction or court order, or been associated with any bankruptcy or winding-up order. As of this day, there is no potential conflict of interest between any corporate officer and Sanofi.

As of December 31, 2024, the members of our Board of Directors collectively held (directly, or via the employee share ownership fund associated with the Group savings scheme) 155,251 of our shares, representing 0.012% of our share capital.

Service agreements entered into with Board members

Except as otherwise described below, there are no existing service agreements or arrangements between the Company or any of its subsidiaries, and any Board member or corporate officer providing for benefits upon termination of employment.

Executive Committee

The Executive Committee is chaired by the Chief Executive Officer.

Three new members joined the Executive Committee in 2024: François Roger (Executive Vice President, Chief Financial Officer), Audrey Duval (Executive Vice President, Corporate Affairs), and Brian Foard (Executive Vice President, Specialty Care).

As of February 13, 2025, the Executive Committee had 13 members, four of whom are women. In accordance with our Board Charter, the Board of Directors – in liaison with the Compensation Committee and the Appointments, Governance and CSR Committee, and on a proposal from the Chief Executive Officer – has established a policy on gender representation within Sanofi's executive bodies. A key objective of this policy is to support the creation of a talent pool of both women and men who can potentially join the Executive Committee in future.

Paul Hudson

Chief Executive Officer

Date of birth: October 14, 1967.

Paul Hudson joined Sanofi as Chief Executive Officer on September 1, 2019.

Previously CEO of Novartis Pharmaceuticals (2016-2019), where he was a member of the Executive Committee, Paul has had an extensive international career in healthcare that spans the US, Japan and Europe.

Prior to Novartis, he worked for AstraZeneca, where he held several increasingly senior positions and most recently carried out the roles of President, AstraZeneca United States and Executive Vice President, North America.

He began his career in sales and marketing roles at GlaxoSmithKline UK and Sanofi-Synthélabo UK.

Paul holds a degree in economics from Manchester Metropolitan University in the UK and in 2018, his alma mater awarded him an honorary Doctor of Business Administration for his achievements in industry. He also holds a diploma in marketing from the Chartered Institute of Marketing, also in the UK.

Paul Hudson is a citizen of the United Kingdom.

Houman Ashrafian

Executive Vice President, Head of Research and Development

Date of birth: February 4, 1975.

Houman Ashrafian joined Sanofi on September 11, 2023.

Houman joined Sanofi from SV Health Investors where he was Managing Partner of the global private equity and venture capital investment platform which has a special focus on biotechnology, healthcare growth equity, and medtech. He has a robust track record in building high value, successful companies in the healthcare space, that brought transformational medicines from discovery to market: he co-founded and chaired the biotechs Alchemab Therapeutics, Dualitas, Enara Bio, Mestag Therapeutics, Sitryx and Trex Bio. Previously, he was Vice President and head of the Clinical Science Group at UCB with a main focus on precision medicine strategies and early clinical activities across the R&D portfolio. He also co-founded Cardiac Report, a cardiac services company, Heart Metabolics, Catamaran Bio, as well as Weatherden, a boutique clinical consultancy.

Houman is an Honorary Consultant Cardiologist at the John Radcliffe Hospital in Oxford, and a Visiting Professor at the University of Oxford in the UK. He has received numerous prestigious awards and recognitions over the course of his career, including the Michael Davies Early Career Award from the British Cardiovascular Society and the Schuldham Prize.

Houman has a bachelor's and master's degree from the University of Cambridge (UK) and a BM BCh and DPhil from the University of Oxford (UK).

Houman Ashrafian is a citizen of the United Kingdom.

Natalie Bickford

Executive Vice President, Chief People Officer

Date of birth: July 16, 1970.

Natalie Bickford joined Sanofi on August 1, 2020. She has worked in HR and HR leadership for more than 20 years and brings a wealth of experience in consumer-facing industries to Sanofi.

Prior to joining Sanofi, Natalie was Group HR Director at Merlin Entertainments, the world's second largest location-based entertainment business, where she was responsible for 30,000 employees across Europe, North America, and Asia Pacific. She also held senior HR positions at Sodexo, AstraZeneca and Kingfisher Plc.

Natalie has a strong track record of transforming organizations, with a strong focus on inclusion and diversity. She was awarded "HR Diversity Champion of the Year" at the European Diversity Awards in November 2019. Natalie is also Board member of the Kronos Workforce Institute, a reflection of her deep interest in understanding and shaping the future of work. Natalie is a Board Advisor to the Coalition for Epidemic Preparedness Innovation (CEPI).

Natalie holds a degree in French and International Politics from the University of Warwick in the UK.

Natalie Bickford is a citizen of the United Kingdom.

Olivier Charmeil

Executive Vice President, General Medicines

Date of birth: February 19, 1963.

From 1989 to 1994, Olivier Charmeil worked in the Mergers & Acquisitions department of Banque de l'Union Européenne. He joined Sanofi Pharma in 1994 as head of Business Development. Subsequently, he held various positions within Sanofi, including Chief Financial Officer (Asia) of Sanofi-Synthélabo in 1999 and Attaché to the Chairman, Jean-François Dehecq, in 2000, before being appointed as Vice President, Development within the Sanofi-Synthélabo International Operations Directorate, where he was responsible for China and support functions. In 2003, Olivier Charmeil was appointed Chairman and Chief Executive Officer of Sanofi-Synthélabo France, before taking the position of Senior Vice President, Business Management and Support within the Pharmaceutical Operations Directorate. In this role, he piloted the operational integration of Sanofi-Synthélabo and Aventis. He was appointed Senior Vice President Asia/Pacific, Pharmaceutical Operations in February 2006; Operations Japan reported to him from January 1, 2008, as did Asia/Pacific and Japan Vaccines from February 2009. On January 1, 2011, Olivier Charmeil was appointed Executive Vice President Vaccines, and joined our Executive Committee.

In May 2015, Olivier Charmeil and André Syrota were appointed as Co-Leaders of "Medicine of the Future", an initiative developed by the French Minister for Economy, Industry and Digital Affairs, the French Minister for Social Affairs, Health and Women's Rights and the French Minister for National and Higher Education and Research. They have been tasked with assembling a group of industrialists and academics, with the objective of imagining how French industry can accelerate the launch and export of innovative industrial products, with an emphasis on new biotechnologies.

From June 2016 to December 2018, Olivier Charmeil served as Executive Vice President of our General Medicines and Emerging Markets Global Business Unit.

He took up the position of Executive Vice President China & Emerging Markets in January 2019. In February 2020 he was appointed to lead the General Medicines GBU, created out of the former Primary Care and China & Emerging Markets GBUs. He also serves as sponsor for China. Also in 2020, Olivier became a Board Member of the European Federation of Pharmaceutical Industries and Associations (EFPIA).

Olivier is a graduate of HEC (*École des Hautes Études Commerciales*) and of the *Institut d'Études Politiques* in Paris.

Olivier Charmeil is a citizen of France.

Audrey Duval

Executive Vice President, Corporate Affairs

Date of birth: December 6, 1977.

Audrey Duval joined Sanofi in September 2022, as President, Sanofi France.

Audrey began her career in public hospitals in Paris and went on to work as a Researcher at the Pasteur Research Center of Hong Kong University and then as a Scientific Expert at Salusmed, based in Hong Kong. She later returned to France to join Pfizer, working in medical affairs in the areas of Endocrinology, Transplant and Rheumatology. and continues to retain that role, supporting and coordinating Sanofi's representation to its various external stakeholders in France. Prior to joining Sanofi, Audrey worked for Novartis, where she served as Business Franchise Head for Ophthalmology and then Country President for the company's operations in Ireland.

Audrey holds a Medical Doctorate from the Paris Faculty of Medicine Cochin, and a Bachelor of Science in Medical Biology.

Audrey Duval is a citizen of France.

Brian Foard

Executive Vice President, Specialty Care

Date of birth: December 20, 1973.

As head of our Specialty Care GBU, Brian oversees an extensive portfolio of medicines in immunology, neuro-inflammation, rare diseases, and oncology. Brian and his colleagues are responsible for launching treatments in those fields, and for implementing the strategy to bring Sanofi's scientific breakthroughs to patients.

Brian joined Sanofi in March 2017 as the Global Head of Dermatology and Respiratory, and held roles of increasing responsibility, including as Head of Global Immunology for Sanofi and then as US Country Lead and Head of Specialty Care for North America. He has over 20 years' experience in the specialist biopharma industry, and began his career with Galderma where he spent more than 10 years in the US before relocating to Paris to lead global marketing and launch readiness. During his time at Galderma, Brian also served in roles including General Manager for Australia & New Zealand and Vice President & General Manager of the global prescription business unit.

Brian received a degree in business from East Carolina University and has completed an executive education course at Wharton.

Brian Foard is a citizen of the United States.

Emmanuel Frenehard

Executive Vice President, Chief Digital Officer

Date of birth: October 18, 1972.

Emmanuel joined Sanofi in 2020 as Global Head of Digital, and was appointed to the Executive Committee on August 31, 2023.

Prior to being appointed Chief Digital Officer, he held the positions of Global Head, Digital GBU teams and Digital Products. He also led the Sanofi Digital Accelerator and a number of digital commerce initiatives.

Before joining Sanofi, Emmanuel spent 20 years leading large global organizations as well as three years in startups. He has built and launched multiple global digital products in support of existing and new business models. In particular, he managed iflix's rollout across Southeast Asia and led the launch of DisneyLife, Disney's direct-to-consumer digital subscription service, in the UK.

Emmanuel is a graduate of the European Business School (EBS) and holds a Master II in Business, Finance and Audit from the *Institut Supérieur de Gestion* (ISG).

Emmanuel Frenehard is a citizen of France.

Brendan O'Callaghan

Executive Vice President, Global Manufacturing & Supply

Date of birth: July 16, 1961.

Brendan O'Callaghan joined Sanofi on January 1, 2015. He joined the Executive Committee on October 1, 2021.

Brendan joined Sanofi in 2015 and was previously Global Head of Biologics and Industrial Affairs Head of the Specialty Care portfolio. He has played a key role in supporting our transformation to a fully integrated BioPharmaceutical company and advancing the digital transformation of our manufacturing network.

Prior to Sanofi, Brendan worked at Schering-Plough before moving to Merck/MSD as Head of Biologics and later Vice President of its Europe, Middle East and Africa Operations.

Brendan graduated in chemical engineering from the University College of Dublin, where he currently serves as an honorary adjunct Professor of Chemical and Biochemical Engineering.

Brendan O'Callaghan is a citizen of Ireland.

Julie Van Ongevalle

Executive Vice President, Consumer Healthcare

Date of birth: November 22, 1974.

Julie Van Ongevalle joined Sanofi on September 1, 2020.

With over 20 years of international experience, Julie Van Ongevalle has a deep knowledge of consumers and digital, as well as a proven track record in brand building, from identifying growth opportunities to building and implementing delivery strategies.

Prior to joining Sanofi, Julie worked at the Estée Lauder Companies, where she held roles of increasing responsibility across the company, starting in 2004. As Global Brand President of the Origins brand from 2016, she led a global organization of 4,000 people, growing the company's market share across geographies. Prior to Origins, she spent eight years in the M.A.C. Cosmetics division, first as General Manager Benelux, then of the EMEA Region and finally North America.

Julie started her career as a marketing manager at GSK Consumer Healthcare and Clinique.

Julie graduated from the *Institut Catholique des Hautes Études Commerciales* (Belgium) with a Master of Science in Commercial and Financial Sciences.

Julie Van Ongevalle is a citizen of Belgium.

Roy Papatheodorou

Executive Vice President, General Counsel

Date of birth: May 15, 1978.

Roy Papatheodorou joined Sanofi on February 1, 2022.

Roy Papatheodorou leads the Legal, Ethics and Business Integrity and Global Security (LEBI & GS) team. The LEBI & GS team is composed of lawyers, patent attorneys, compliance officers and security professionals covering Sanofi's operations around the world. Its team members play an essential role in protecting the interests of the company and of its patients, customers, shareholders, and employees while delivering on Sanofi's Play to Win roadmap and contributing to its long-term ambition to transform the practice of medicine.

Before joining Sanofi, Roy served as General Counsel of Novartis Pharmaceuticals from 2017. Prior to that, he headed up Legal Transactions at Novartis covering mergers & acquisitions, business development & licensing, antitrust, corporate & finance law, and venture funds.

From 2011 to 2013, he was Group General Counsel and Secretary to the Board of Directors at Actavis, a leading global generic pharmaceuticals company. Prior to this, Roy spent several years at Linklaters in London, Moscow and Sao Paulo, advising mainly on corporate law, international mergers & acquisitions, private equity, and restructurings.

Roy completed a Legal Practice Course from BPP School of Law in London and holds an LLB in Law from King's College London. He is a qualified solicitor in England & Wales.

Roy Papatheodorou is a citizen of Cyprus and Italy.

Madeleine Roach

Executive Vice President, Business Operations

Date of birth: May 23, 1984.

Madeleine Roach joined Sanofi in 2022 as Head of Internal Audit and Risk Management, before being appointed to the Executive Committee on October 1, 2023.

Prior to joining Sanofi, Madeleine served at AstraZeneca as Head of Group Finance Services, Asia-Pacific and Head of Global Business Services Site Lead in Malaysia, delivering a wide range of business services to stakeholders and further expanding the site with the addition of value-added services and digitalization capabilities, whilst attracting top talent through strong employer branding.

Madeleine also held positions of growing responsibility in Finance and Global Business Services at AstraZeneca, after starting her career at PricewaterhouseCoopers and KPMG in Assurance and Advisory services, in Germany and the UK.

Madeleine holds a BA (Hons) in Economics and Politics from the School of Oriental and African Studies, University of London.

Madeleine Roach is a citizen of Germany.

François Roger

Executive Vice President, Chief Financial Officer

Date of birth: May 14, 1962.

François Roger has served as Chief Financial Officer of Sanofi since April 2024, leading a team that manages financial risk and capital allocation to create value and growth for Sanofi.

François joined Sanofi from Nestlé where he was CFO for nearly nine years. Before Nestlé, he served from 2013 to 2015 as CFO of Takeda Pharmaceuticals, based in Japan. He spent the first 14 years of his career working in the pharmaceutical industry, first at Roussel, Hoechst and later Aventis, serving in various countries. He worked at Danone from 2000 to 2008 in various finance roles and was CFO of Millicom, a NASDAQ listed, global mobile phone operator from 2008 to 2013. He has lived and worked in Europe, the United States, Asia, Africa and Latin America.

François holds an MBA from Ohio State University in the US and a Major in Accounting from Audencia Business School in France.

François Roger is a citizen of France.

Thomas Triomphe

Executive Vice President, Vaccines

Date of birth: August 6, 1974.

Thomas Triomphe joined Vaccines in 2004 and has since advanced within the company in several roles of increasing responsibility in sales and marketing at country, regional and global levels. From 2015 to 2018, he was Head of the Asia-Pacific Region, based in Singapore. Before that, he served as Head of Vaccines Japan from 2012 to 2015. In 2010, he became Associate Vice President, Head of the Influenza-Pneumo Franchise after three years as Director for the same franchise, based in the United States. Earlier in his career, Thomas worked in banking and strategic consulting.

Thomas served as Vice President and Head of Franchise & Product Strategy for Vaccines from January 2018, in which position he implemented the strategy for our vaccine franchises, in close collaboration with Manufacturing & Supply and R&D.

He was appointed to his current position on June 15, 2020.

Thomas earned his MSc in industrial engineering from *École des Ponts ParisTech* and the IFP School, and he also holds an MBA from INSEAD.

Thomas Triomphe is a citizen of France.

B. Compensation

Compensation and other arrangements for corporate officers

Process for determining the compensation policy for corporate officers

The compensation policy for corporate officers is established by the Board of Directors, acting on the recommendation of the Compensation Committee. The Board of Directors applies the AFEP-MEDEF Code when determining the compensation and benefits awarded to our executive and non-executive corporate officers.

All members of the Compensation Committee are independent, and were chosen for their technical competencies and their good understanding of current standards, emerging trends and Sanofi's practices.

To fulfill their remit, the Committee regularly invites Sanofi's Chief People Officer and Head of Reward and Performance to attend their meetings, although the latter absent themselves when the Committee deliberates. Committee members also work with the Chairman and the Secretary of the Board, who have contacts with our principal institutional shareholders ahead of the Annual General Meeting.

In addition, the Chair of the Committee:

- discusses the financial, accounting and tax impacts of the proposed compensation policy with the Chair of the Audit Committee;
- plays an active role at meetings of the Appointments, Governance and CSR Committee and the Strategy Committee (to both of which he/she belongs), thereby gaining assurance that the proposed performance criteria are consistent and appropriate in light of Sanofi's strategic ambitions.

The compensation policy is not subject to annual review, although some arrangements for implementing the policy – such as the performance criteria applicable to the Chief Executive Officer's annual variable compensation, for example – are defined by the Board of Directors on an annual basis.

After consulting the Compensation Committee and as the case may be the other Board Committees, the Board of Directors may, under the second paragraph of item III of Article L. 22-10-8 of the French Commercial Code, temporarily derogate from the approved compensation policy for the Chief Executive Officer in exceptional circumstances and to the extent that the changes are aligned with the corporate interest and necessary to safeguard the continuity or viability of Sanofi. Derogations from the approved policy are possible in respect of the performance conditions applied to the Chief Executive Officer's compensation, and may result in either an increase or a decrease in compensation. Such derogations are possible in the event of a change in the structure of the Sanofi group or major events affecting the markets. Such derogations may only be temporary and must be properly substantiated.

Compensation policy for corporate officers

This section describes the compensation policy for corporate officers of Sanofi, as established pursuant to Article L. 22-10-8 of the French Commercial Code. That policy describes all the components of compensation awarded to corporate officers of Sanofi as consideration for holding office, and explains the process by which it is determined, allocated, reviewed and implemented.

Our compensation policy for corporate officers has three distinct elements: (i) the compensation policy for directors; (ii) the compensation policy for the Chairman of the Board; and (iii) the compensation policy for the Chief Executive Officer.

Each of those policies is submitted for approval by our shareholders at the Annual General Meeting, in accordance with Article L. 22-10-8 II of the French Commercial Code. The compensation policy approved in any given year applies to any person holding corporate office in that year. When a corporate officer is appointed between two Annual General Meetings, their compensation is defined by applying the terms of the compensation policy approved by the most recent Annual General Meeting of shareholders.

General principles and objectives

Our compensation policy is based on the following general principles:

- the policy must be simple;
- the policy must prioritize long-term performance;
- the level of compensation must be competitive, so that we can attract and retain talent; and
- there must be a fair balance between the corporate interest, the challenges of delivering on our strategy, and the expectations of our stakeholders.

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. In terms of annual variable compensation and equity-based compensation, the Compensation Committee aims to achieve convergence between the performance criteria applied to our Senior Leaders and those applied to the Chief Executive Officer.

Our equity-based compensation policy, which aims to align employee and shareholder interests and reinforce loyalty to Sanofi, is a critical tool for our worldwide attractiveness as an employer.

Grantees of equity-based compensation plans (including our Chief Executive Officer) can only be awarded performance shares. Awarding performance shares reduces the dilutive effect of equity-based compensation plans while maintaining the same level of motivation for grantees.

Acting on the recommendation of the Compensation Committee, the Board of Directors determines the performance conditions attached to equity-based compensation for all grantees at Sanofi and its subsidiaries worldwide, thereby furthering the attainment of our objectives.

The Board of Directors makes any grant of performance shares contingent on multiple, exacting multi-year performance criteria in order to ensure that our equity-based compensation plans incentivize overall performance. Failure to achieve those criteria over the entire performance measurement period results in a reduction or loss of the initial grant.

In order to align equity-based compensation with our long-term performance, performance is measured over three financial years (the "vesting period"). Awards of performance shares are also contingent on continued employment in the Sanofi group during the vesting period, followed by stringent lock-up obligations in the case of the Chief Executive Officer (see below).

The terms of prior awards cannot be reset subsequently, for instance with less exacting performance conditions.

Compensation policy for directors

Directors hold office for a four-year term, as specified in our Articles of Association. They may be removed from office by a shareholders' meeting, at any time and without restriction.

The maximum annual amount of overall compensation allocated to the directors was set at €2,500,000 by the Annual General Meeting of May 25, 2023. The arrangements for allocating the overall annual amount set by the Annual General Meeting between the directors are determined by the Board of Directors, acting on a recommendation from the Compensation Committee. Directors' compensation comprises an annual fixed amount of €30,000, apportioned on a time basis for directors who assumed or left office during the year; and a variable amount, allocated by the Board according to actual attendance at Board and Committee meetings. As required by the AFEP-MEDEF Code, directors' compensation is allocated predominantly on a variable basis.

The table below shows how the variable amount payable to directors for attendance at Board and committee meetings is determined.

	Compensation per meeting			
	Directors resident in France	Directors resident outside France but within Europe	Directors resident outside Europe	Chairman/Chairwoman
Board of Directors	€5,500	€8,250	€11,000	N/A
Audit Committee	€8,250	€11,000	€13,750	€13,750
Compensation Committee	€5,500	€8,250	€11,000	€11,000
Appointments, Governance and CSR Committee	€5,500	€8,250	€11,000	€11,000
Strategy Committee	€5,500	€8,250	€11,000	N/A
Scientific Committee	€5,500	€8,250	€11,000	€11,000

The introduction of a separate compensation scale depending on whether or not the director is a European resident is intended to take into account the significantly longer travel time required to attend Board meetings in person.

Directors who take part via videoconference receive compensation equivalent to that paid to a director resident in France attending in person. Committee Chairs continue to receive the usual compensation in respect of the Committee they chair.

As an exception, in certain cases two meetings held on the same day give entitlement only to a single payment:

- if on the day of a Shareholders' General Meeting, the Board of Directors meets both before and after the Meeting, only one payment is made for the two Board meetings; and
- if on the same day a director participates in a meeting of the Compensation Committee and a meeting of the Appointments, Governance and CSR Committee, only the higher of the two payments is made to cover both meetings.

Directors do not receive any exceptional compensation or equity-based compensation and have no entitlement to a top-up pension plan.

Neither the Chairman of the Board nor the Chief Executive Officer receives any compensation for serving as a director.

Compensation policy for the Chairman of the Board of Directors

The term of office of the Chairman of the Board is the same as that of the other directors (four years), and the Chairman's term is aligned with his term of office as a director. He may be removed from office at any time by the Board of Directors.

The compensation policy for the Chairman of the Board of Directors is discussed by the Compensation Committee, which then makes a recommendation to the Board of Directors. The Chairman of the Board is not a member of the Committee, and does not attend meetings where his compensation is discussed.

The compensation of the Chairman of the Board of Directors (where the office of Chairman is separate from that of Chief Executive Officer, as is currently the case) consists solely of fixed compensation and benefits in kind and excludes any variable or exceptional compensation, any awards of stock options or performance shares, and any compensation for serving as a director.

The annual fixed compensation awarded to the Chairman of the Board of Directors is €880,000 gross; that amount was set at the Board meeting of February 22, 2023, and became applicable with effect from May 25, 2023, date on which the current Chairman took office.

This amount takes account of the specific remit of the Chairman of the Board of Directors as described in the Sanofi Board Charter, and of his membership of three Board Committees (the Strategy Committee, which he chairs; the Appointments, Governance and CSR Committee; and the Scientific Committee).

The compensation of the Chairman of the Board of Directors is not subject to annual review.

Where the office of Chairman is separate from that of Chief Executive Officer, the Chairman of the Board is not entitled to the Sanofi top-up defined-contribution pension plan.

Nor is he entitled to a termination benefit or a non-compete indemnity.

Compensation policy for the Chief Executive Officer

General principles

Our Chief Executive Officer is not appointed for a fixed term of office. He may be removed from office on legitimate grounds at any time by the Board of Directors.

The compensation policy for the Chief Executive Officer is established by the Board of Directors, acting on the recommendation of the Compensation Committee. The compensation structure is not subject to annual review and is applicable for as long as it remains unchanged. The arrangements for implementing the policy may vary from year to year; a table showing the changes made to those arrangements in 2025 and 2024 is provided at the end of the present section.

The overall compensation of the Chief Executive Officer is determined with reference to practices adopted by (i) a panel of companies in the CAC 40 and (ii) a panel of pharmaceutical companies with which Sanofi is in competition. Because Sanofi operates in a particularly competitive international environment and has broad geographical reach (with over three-quarters of its net sales generated in the United States and non-European countries), a panel is used comprising the Chief Executive Officer compensation of 12 leading global pharmaceutical companies with comparable levels of net sales to Sanofi, but with no limitation as to geography[1]. That panel has remained unchanged since 2020.

This consistency with market practice is fundamental in order to attract and retain the talents necessary to our success, but does not imply that Sanofi should adopt in every respect practices that are in some cases widely divergent, especially as regards the level of long term compensation.

Panel of CAC 40 companies

Local practices are reviewed by reference to a panel of 14 CAC 40 companies[2] with a comparable profile to Sanofi in terms of market capitalization, net sales, market presence, return on capital employed, etc; the panel was selected with assistance from an independent consultant[3]. This study showed that Sanofi is in the fourth quartile of the panel in terms of market capitalization, and close to the panel median in terms of net sales.

Based on the panel, the fixed compensation of our Chief Executive Officer is above the median, while his target short-term compensation (fixed plus variable) is in the third quartile. His equity-based compensation is in the fourth quartile of the panel, largely because our Compensation Committee takes into account practices adopted by our pharmaceutical industry competitors (see below). His target overall compensation (fixed, variable and equity-based) is in the lower range of the fourth quartile.

Panel of pharmaceutical companies

In 2024, on the basis of information published as of the date of this annual report, the median fixed compensation of the Chief Executive Officers of the companies belonging to the pharmaceutical panel was approximately €1,768,000; the median of the annual variable compensation awarded was in the region of €3,074,000; and the median of the long-term compensation awarded (whether equity-based or in cash) represented approximately 922% of fixed compensation. In 2024, Paul Hudson's overall compensation (fixed, variable and equity-based) was within in the first quartile of the panel, whereas in 2023 it was in the lower range of the second quartile.

Review of the Chief Executive Officer's compensation at the Board meeting of February 12, 2025

The quantum and structure of the Chief Executive Officer's compensation, which had been unchanged since 2022, were subject to an in-depth review by the Board of Directors at their meeting of February 12, 2025. Issues considered by the Board included:

- Sanofi's performance during the 2022-2024 period, including (i) the continuation of the Play to Win strategy led by Paul Hudson, involving a major transformation in our profile to a global immunology leader combined with the separation of our Consumer Healthcare business; (ii) further successful launches; and (iii) favorable readouts from a number of Phase 3 studies;
- Paul Hudson's international profile, reflecting his thorough understanding and recognized international experience of the pharmaceutical industry and his ability, since his appointment, to develop an ambitious strategy in a competitive, concentrated sector, combined with the need to ensure continuity (with support from the Executive Committee) in delivering this strategy in the years ahead – including performance improvement and change management, especially in our R&D teams; and
- trends in compensation practices for the Chief Executive Officers of the panel companies mentioned above, the relative ranking of Sanofi, and the widening gap with the panel of pharmaceutical companies, given that Paul Hudson's compensation has been reviewed only once since he took office in 2019, with a 7.7% increase in his annual fixed compensation and 10% in his equity-based compensation in 2022.

[1] *Amgen, AstraZeneca plc, Bayer AG, Bristol-Myers-Squibb Inc., Eli Lilly and Company Inc., GlaxoSmithKline plc, Johnson & Johnson Inc., Merck Inc., Novartis AG, Novo Nordisk, Pfizer Inc. and Roche Holding Ltd.*
[2] *Air Liquide, Airbus, AXA, Danone, Dassault Systèmes, EssilorLuxottica, Kering, L'Oréal, LVMH, Saint-Gobain, Schneider Electric, Stellantis, TotalEnergies, and Vinci.*
[3] *Studies carried out on the basis of figures communicated by the companies Pay Governance and Boracay*

Following this latest review, our Board of Directors, acting on a recommendation from the Compensation Committee, decided to (i) raise the Chief Executive Officer's annual fixed compensation to €1,600,000, a 14.3% rise (equivalent to 4.77% on an annual basis over the last three years), and (ii) increase the quantum of his allocation of equity-based compensation for 2025, subject to the ceiling set by the compensation policy (see above). The other components of his compensation would remain unchanged.

That overall increase is in line with the average increase for Sanofi employee salaries between 2022 and 2024 in the countries where Sanofi employs the highest number of people (a 13.9% increase across a group of countries representing approximately two-thirds of our workforce).

Following that increase, Paul Hudson's short-term compensation (fixed + variable) would remain below the median compensation of the panel of pharmaceutical companies (based on compensation paid in respect of 2023). His equity-based compensation would be slightly above the first quartile. His target overall compensation (fixed + variable + equity-based) would be in the second quartile of the panel.

The Board of Directors takes the view that the proposed increase would keep Paul Hudson's compensation competitive relative to practices in the pharmaceutical industry while remaining consistent with practices adopted by the CAC 40 panel. During the decision-making process, our Board of Directors was careful to take into account not only our positioning relative to our peers (size, market capitalization, etc.), but also the specific characteristics of certain markets. Unlike the practices adopted by some pharmaceutical companies, (i) the long-term component, representing 60%-65% of our Chief Executive Officer's overall compensation, is awarded solely in the form of performance shares and (ii) the final number of shares vesting may not exceed 100% of the initial award. Moreover, the overall compensation of our Chief Executive Officer will remain predominantly variable (85%) and subject to the attainment of stringent performance conditions (as illustrated by the historical rates of attainment of annual variable compensation and equity-based compensation since his appointment).

To achieve further alignment between the respective interests of Sanofi, the Chief Executive Officer and our shareholders, and to reinforce the stringent nature of the performance conditions, the weighting of the Total Shareholder Return (TSR) criterion for the Chief Executive Officer's performance share plan would be increased from 20% to 30% with effect from 2025.

In addition, the Chief Executive Officer is obliged to retain, until he ceases to hold office, a number of Sanofi shares equivalent to 50% of the capital gain as calculated on the vesting date, net of associated taxes and contributions. At present, the number of shares that the Chief Executive Officer is obliged to retain under past compensation plans which have now vested is 22,166. As of February 12, 2025, those shares were valued at €2,309,697, representing around 144% of Paul Hudson's new annual fixed compensation.

On taking up office

When the Chief Executive Officer is an outside appointment, the Board of Directors may decide, acting on a recommendation from the Compensation Committee, to compensate the appointee for some or all of the benefits he may have forfeited on leaving his previous employer. In such a case, the terms on which the Chief Executive Officer is hired aim to replicate the diversity of what was forfeited, with a comparable level of risk (variable portion, medium-term equity-based or cash compensation).

During the term of office

Compensation structure

Our policy aims at achieving and maintaining a balance in the compensation structure between fixed compensation, benefits in kind, short-term variable cash compensation, and medium-term variable equity-based compensation.

The compensation policy for the Chief Executive Officer is designed to motivate and reward performance by ensuring that a significant portion of compensation is contingent on the attainment of financial, operational and extra-financial criteria that reflect Sanofi's objectives, and are aligned with the corporate interest and with the creation of shareholder value. Variable cash compensation and equity-based compensation are the two principal levers for action, and are intended to align the interests of the Chief Executive Officer with those of our shareholders and stakeholders.

During the meeting that follows the Board meeting held to close off the financial statements for the previous year, the Compensation Committee examines the levels of attainment of variable compensation for that year. In advance of that meeting, the Chief Executive Officer presents the Committee with a report containing narrative and quantitative information necessary to measure attainment of the objectives. The members of the Compensation Committee then discuss the information provided and report to the Board on those discussions, giving an evaluation of the Chief Executive Officer's performance against each of the criteria (determining the level of attainment for quantitative objectives, and evaluating the level of attainment for qualitative objectives compared to the objectives set at the beginning of the year).

Annual fixed compensation

The annual fixed compensation of the Chief Executive Officer was set at €1,400,000 gross from 2022 through 2024; it had previously remained unchanged since 2019.

The amount of fixed compensation is not subject to annual review. It may however be changed, provided that such changes are not material:

- on the appointment of a new Chief Executive Officer, to reflect the new appointee's competencies and/or then current market practice; and
- in exceptional circumstances, to take account of changes in (i) the role or responsibilities of the Chief Executive Officer, for example in terms of market conditions or the size of the Sanofi group or (ii) the performance level of Sanofi over a given period.

The Board meeting of February 12, 2025 decided to increase the annual fixed compensation of the Chief Executive Officer to €1,600,000 gross with effect from January 1st, 2025; for an explanation, refer to "— Review of the Chief Executive Officer's compensation at the Board meeting of February 12, 2025" above.

Annual variable compensation

Annual variable compensation is in a range between 0% and 250% of fixed compensation, with a target of 150%. It is subject to a range of varied and exacting performance criteria, both quantitative and qualitative. The criteria are reviewed annually in light of the strategic objectives determined by Sanofi. The Board of Directors sets the criteria for each year at the start of that year on the recommendation of the Compensation Committee.

For 2025, the criteria are:

- 60% based on financial indicators published by Sanofi: sales growth, free cash flow (FCF) and business earnings per share (business EPS), each accounting for 20%; and
- 40% based on specific individual objectives: transformation (15%), R&D pipeline (15%), and CSR (10%). The individual objectives set for variable remuneration for 2024 are described in "— Compensation and benefits of all kinds awardable to corporate officers in respect of 2024" below.

Although for each of those financial criteria the Board of Directors (acting on a proposal from the Compensation Committee) has set specific objectives, those objectives cannot be disclosed for confidentiality reasons. Nevertheless, to align on shareholder expectations Sanofi will henceforth provide ex-post disclosures for each financial criterion, showing key thresholds within the range of outcomes that enable attainment levels for the past financial year to be calculated (see "—Compensation and benefits of all kinds paid during 2024 or awarded in respect of 2024 to Paul Hudson, Chief Executive Officer" below).

The percentage of variable compensation linked to the attainment of quantitative criteria may be scaled down regardless of actual performance, in order to give greater weight to the attainment of qualitative criteria. This flexibility can only operate to reduce the amount of variable compensation, and cannot compensate for underperformance on quantitative criteria.

Payment of annual variable compensation in a given year in respect of the previous year is contingent on a favorable shareholder vote at the Annual General Meeting.

Equity-based compensation

The Chief Executive Officer's equity-based compensation, which can only be in the form of performance shares, may not exceed 250% of his target short-term compensation (fixed plus variable).

The Chief Executive Officer's equity-based compensation is contingent upon attainment of exacting performance conditions, all of them quantitative, measured over a three-year-period. Such awards are contingent upon both:

- internal criteria based upon:
  - business earnings per share (business EPS), free cash flow (FCF), and development of the R&D pipeline,
  - Affordable Access and Planet Care – extra-financial criteria; and
- an external criterion based on Sanofi's total shareholder return (TSR) relative to a benchmark panel of the 12 leading global pharmaceutical companies: Amgen, AstraZeneca plc, Bayer AG, Bristol-Myers Squibb Inc., Eli Lilly and Company Inc., GlaxoSmithKline plc, Johnson & Johnson Inc., Merck Inc., Novartis AG, Novo Nordisk, Pfizer Inc., and Roche Holding Ltd.

As indicated in our currently applicable performance share plans, our Board of Directors reserves the right to adjust, both upwards and downwards and within the limits of policy, the performance conditions in exceptional circumstances justifying such an adjustment (if the Compensation Committee so advises), and specifically in the event of (i) a change in the structure of the Sanofi group, (ii) a change in accounting policy, or (iii) any other circumstances that would justify such an adjustment, in the opinion of our Board of Directors. The purpose of such an adjustment would be to ensure that the results of applying performance conditions reflect the above-mentioned changes. Any such adjustments would be justified and disclosed ex-post in our annual report on Form 20-F.

Acting on a proposal from the Compensation Committee, the Board of Directors has sought to maintain common criteria for annual variable compensation and equity-based compensation, in order to ensure that short-term performance does not come at the expense of long-term performance.

The valuation of performance shares is calculated at the date of grant, weighted between (i) fair value determined using the Monte Carlo model and (ii) the market price of Sanofi shares at the date of grant, adjusted for dividends expected during the vesting period.

Each award to our Chief Executive Officer takes into account previous awards and his overall compensation. In any event, the maximum number of shares to be delivered may not be more than the number of performance shares initially awarded.

For details of the proposed award to the Chief Executive Officer in respect of 2025, refer to "— Compensation and benefits of all kinds awardable to corporate officers in respect of 2025" below.

Share ownership and lock-up obligation of the Chief Executive Officer

The Chief Executive Officer is bound by the same obligations regarding share ownership specified in our Articles of Association and Board Charter as our other corporate officers.

In addition, the Chief Executive Officer is bound by an obligation to retain, until he ceases to hold office, a quantity of Sanofi shares corresponding to 50% of the capital gain (net of taxes and social contributions) arising on the vesting of his shares, calculated as of the date on which they vest. Those shares must be held in registered form until he ceases to hold office.

In compliance with the AFEP-MEDEF Code and our Board Charter, the Chief Executive Officer must undertake to refrain from entering into speculative or hedging transactions.

Multi-year variable compensation

The Chief Executive Officer does not receive multi-year variable compensation.

Compensation for serving as a director

Executive officers of Sanofi do not receive any compensation for serving as directors. Consequently, the Chief Executive Officer does not receive compensation in his capacity as a director or as a member of the Strategy Committee.

Exceptional compensation

No exceptional compensation can be awarded to the Chief Executive Officer.

On leaving office

The Chief Executive Officer is entitled to a top-up defined-contribution pension plan, a termination benefit, and a non-compete indemnity.

Such arrangements are part of the overall compensation package generally awarded to executive officers; in line with the recommendations of the AFEP-MEDEF code, there are very strict rules about how they are implemented. The termination benefit and non-compete indemnity are intended to compensate for the fact that the Chief Executive Officer may be dismissed at any time.

Each of those benefits is taken into account by the Board of Directors when fixing the overall compensation of the Chief Executive Officer.

Pension arrangements

The Chief Executive Officer is entitled to benefits under the top-up defined-contribution pension plan introduced within Sanofi on January 1, 2020. This is a collective plan falling within the scope of Article 82 of the French General Tax Code. It is also offered to members of our Executive Committee and to all senior executives whose position is classified within the Sanofi grade scale as “Executive Level 1 or 2”. The Chief Executive Officer’s entitlement under this plan may be withdrawn by a decision of the Board of Directors, but not retroactively.

Under the terms of the plan, the Chief Executive Officer receives an annual contribution the amount of which (subject to attainment of a performance condition) may be up to 25% of his reference compensation (annual fixed and variable cash-based compensation only; all other compensation is excluded). The rights accruing under the plan are those that are generated by the capitalization contract taken out with the insurer, and vest even if the Chief Executive Officer does not remain with Sanofi until retirement. The Chief Executive Officer may elect for the rights to be transferable as a survivor’s pension.

The performance condition is as follows:

- if the level of attainment for variable compensation is equal to or greater than the target (i.e. 150% of fixed compensation), 100% of the contribution is paid;
- if the level of attainment for variable compensation is less than 100% of fixed compensation, no contribution is paid; and
- between those two limits, the contribution is calculated on a pro rata basis.

Because this performance condition is linked to the attainment of the performance criteria for annual variable compensation (which itself is determined with reference to the strategic objectives of Sanofi), it ensures that no pension contributions could be made in the event that the Chief Executive Officer fails to deliver.

The plan is wholly funded by Sanofi, which pays the full amount of the gross contributions. Because it is treated as equivalent to compensation, the contribution is subject to payroll taxes and employer’s social security charges, and to income tax in the hands of the Chief Executive Officer; all of the above are charged on the basis of the bands, rates and other conditions applicable to compensation, and paid and declared on his pay slips for the contribution period.

Subject to (i) formal confirmation by the Board of Directors that the performance condition for the previous year has been met and (ii) approval of the Chief Executive Officer’s compensation package for that year by the Annual General Meeting of our shareholders, the annual gross contribution is paid as follows:

- 50% as a gross insurance premium to the fund manager; and
- 50% to the Chief Executive Officer, to indemnify him for the social security and tax charges for which he will become immediately liable.

In accordance with Article 39.5 bis of the French General Tax Code, deferred compensation as defined in section 4 of Article L. 22-10-9.4 of the French Commercial Code can be offset against corporate profits as a taxable expense up to a limit set at three times the annual social security ceiling per beneficiary.

The pension entitlement is not cumulative with (i) any termination benefit paid in the event of forced departure or (ii) any non-compete indemnity.

PART I
ITEM 6. Directors, Senior Management and Employees

Termination arrangements

The termination benefit only becomes payable if the departure of the Chief Executive Officer is forced, i.e. in the event of removal from office or resignation linked to a change in strategy or control of Sanofi. Compensation for non-renewal of the term of office is irrelevant in the case of the Chief Executive Officer, because this office is held for an indefinite term.

In addition, no termination benefit is payable and the arrangement is deemed to have been rescinded in the following circumstances:

- removal from office for gross or serious misconduct *(faute grave ou lourde)*;
- if the Chief Executive Officer elects to leave Sanofi to take up another position;
- if the Chief Executive Officer is assigned to another position within Sanofi; or
- if the Chief Executive Officer takes his pension.

Payment of the termination benefit is contingent upon fulfillment of a performance condition, which is deemed to have been met if the attainment rate for the individual variable compensation objectives exceeded 90% of the target; that condition is assessed over the three financial years preceding the Chief Executive Officer leaving office.

The amount of the termination benefit is capped at 24 months of the Chief Executive Officer’s most recent total compensation on the basis of (i) the fixed compensation effective on the date of leaving office and (ii) the last variable compensation received prior to that date subject to fulfillment of the performance condition.

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.

Non-compete undertaking

In the event of his departure from Sanofi, the Chief Executive Officer undertakes, during the 12-month period following his departure, not to join a competitor of Sanofi as an employee or corporate officer, or to provide services to or cooperate with such a competitor.

In return for this undertaking, he receives an indemnity corresponding to one year’s total compensation, based on his fixed compensation effective on the day he leaves office and on the last individual variable compensation he received prior to that date. This indemnity is payable in 12 monthly installments.

However, the Board of Directors reserves the right to release the Chief Executive Officer from that undertaking for some or all of that 12-month period. In such cases, the non-compete indemnity would not be due for the period of time waived by the Company.

Consequences of the Chief Executive Officer’s departure for equity-based compensation

If the Chief Executive Officer leaves Sanofi for reasons other than resignation or removal from office for gross or serious misconduct (in which case any award of equity-based compensation is forfeited in full), the overall allocation percentage is prorated to reflect the amount of time the Chief Executive Officer remained with Sanofi during the vesting period.

If at any time prior to the expiration of the vesting period of his performance shares the Chief Executive Officer joins a competitor of Sanofi as an employee or corporate officer, or provides services to or cooperates with such a competitor, he irrevocably loses those performance shares regardless of any full or partial discharge by the Board of Directors of the non-compete undertaking relating to his office as Chief Executive Officer.

Since 2021, if the Chief Executive Officer retires at the statutory retirement age prior to the expiration of the vesting period of his performance shares, the overall allocation rate will be apportioned on a *pro rata* basis to reflect the amount of time for which the Chief Executive Officer remained in the employment of Sanofi during the vesting period.

Summary of benefits awarded to the Chief Executive Officer on leaving office

The table below presents a summary of the benefits (as described above) that could be claimed by the Chief Executive Officer on leaving office, depending on the terms of his departure. The information provided in this summary is without prejudice to any decisions that may be made by the Board of Directors.

	Voluntary departure/Removal from office for gross or serious misconduct	Forced departure	Retirement
Termination benefit[a]	/	24 months of fixed compensation as of the date of leaving office + 24 months of most recent individual variable compensation received[d] – Amounts received as non-compete indemnity	/
Non-compete indemnity[b]	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	12 months of fixed compensation as of date of leaving office + 12 months of most recent individual variable compensation received prior to leaving office[e]	/
Top-up pension[c]	/	/	Annual contribution of up to 25% of reference compensation
Performance share plans not yet vested	Forfeited in full	Rights retained pro rata to period of employment within Sanofi[f]	Rights retained pro rata to period of employment within Sanofi[f]

(a) 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.

(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 condition, assessed annually.

(d) Subject to fulfillment of the performance condition assessed over the three financial years preceding departure from office, as described above.

(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 and the non-compete clause.

Policy to recover erroneously-awarded compensation ("clawback")

In 2023, the NASDAQ listing rules were amended to include Rule 5608, in application of Section 10D-1 of the Securities Exchange Act of 1934 which requires listed companies to implement a clawback policy.

On October 26, 2023, our Board of Directors adopted a clawback policy under which Sanofi must, within a reasonable time-frame, recover the portion of the Chief Executive Officer's variable compensation (cash-based or equity-based) that is wholly or partly contingent on the attainment of financial performance criteria and was paid to him (according to the definition contained in the NASDAQ listing rules) based on financial information that has been determined to be erroneous and has required accounting restatement to correct an error in previously-published financial statements. The policy applies to compensation paid on or after October 2, 2023.

The clawback policy also applies to members of our Executive Committee and to our Head of Consolidation (equivalent to the Chief Accounting Officer within the meaning of the NASDAQ listing rules).

Summary of changes made to the compensation policy for the Chief Executive Officer

The table below summarizes adjustments made to the compensation policy for the Chief Executive Officer and to the content of the information published in the compensation report, some of which have been discussed in depth with our shareholders.

2025	2024
• Annual fixed compensation: – Annual fixed compensation is increased from €1,400,000 gross to €1,600,000 from 2025. • Equity-based compensation: – Given the increase in the number of performance shares it is proposed to award to the Chief Executive Officer in respect of 2025, it is proposed to increase the weighting of the TSR criterion from 20% to 30%. To enable the TSR weighting to increase to 30%, the Business EPS weighting would reduce from 35% to 30%, and the FCF weighting from 25% to 20%; the R&D and CSR criteria would remain unchanged. Furthermore, in order to align with market practices, the Board of Directors has decided to review the mechanism and remunerate Sanofi's relative positioning vis-à-vis the peer panel. • Transparency on performance criteria applicable to annual variable compensation: – Transparency on the financial performance criteria applicable to annual variable compensation has been enhanced: information about the thresholds (floor, target and maximum attainment level) used by the Board of Directors to determine the overall attainment level and payout is now published for each criterion.	• Annual variable compensation: – To reflect shareholder expectations, the weighting of financial objectives was increased from 50% to 60% (removal of criteria related to business net income, business operating income margin and new asset growth, addition of a criterion based on business EPS. • Equity-based compensation: – The criterion related to business net income has been replaced by business EPS. – To demonstrate Sanofi's commitment to delivering on the strategic roadmap, a criterion linked to the R&D pipeline has been included in the Chief Executive Officer's equity-based compensation plan. • Clawback Policy: – Pursuant to the NASDAQ listing rules as amended in 2023, on October 26, 2023, our Board of Directors adopted a clause allowing the clawback, in full or in part, of compensation paid to the Chief Executive Officer wholly or partly contingent on the attainment of financial criteria based on erroneous financial information.

Arrangements in favor of executive officers in office as of December 31, 2024 (table No. 11 of the AFEP-MEDEF Code)

Executive officer	Contract of employment	Top-up pension plan	Indemnities or benefits payable or potentially payable on cessation of office	Indemnities payable under non-compete clause
Chairman of the Board	No	No	No	No
Chief Executive Officer	No	Yes	Yes	Yes

Compensation and benefits of all kinds awardable to corporate officers in respect of 2025

The section below describes the components of the compensation and benefits of all kinds awardable to corporate officers in respect of the 2025 financial year, pursuant to the compensation policies described in "— Compensation policy for corporate officers" above.

Compensation and benefits of all kinds awardable to directors in respect of 2025

The amounts to be awarded to directors in respect of 2025 will be determined in accordance with the principles described above in "— Compensation policy for corporate officers — Compensation policy for directors."

Compensation and benefits of all kinds awardable in respect of 2025 to the Chairman of the Board of Directors

The components of compensation awardable to the Chairman of the Board of Directors are described above in "— Compensation policy for corporate officers — Compensation policy for the Chairman of the Board of Directors."

Acting on a recommendation from the Compensation Committee, the Board of Directors meeting of February 12, 2025 decided to maintain the amount of compensation payable to the Chairman of the Board of Directors at €880,000 gross.

The Chairman of the Board of Directors does not receive any variable compensation, stock options or performance shares, in accordance with AMF recommendations. Nor does he receive any compensation (i) for serving as a director or (ii) from any company included in Sanofi's scope of consolidation within the meaning of Article L. 233-16 of the French Commercial Code.

Benefits in kind for 2025 comprise a company car with a driver.

Compensation and benefits of all kinds awardable in respect of 2025 to Paul Hudson, Chief Executive Officer

Fixed and variable annual compensation

Acting on a recommendation from the Compensation Committee, the Board of Directors meeting of February 12, 2025 determined the components of Paul Hudson's compensation for the 2025 financial year.

Paul Hudson's annual compensation comprises (i) annual fixed gross compensation of €1,600,000 (see the explanations provided under "— Compensation policy for corporate officers — Compensation policy for the Chief Executive Officer" above) and (ii) annual variable compensation in a range from 0% to 250% of his annual fixed compensation, with a target of 150%, and subject to both quantitative and qualitative criteria.

The objectives are based 60% on financial indicators – sales growth, FCF and business EPS – each accounting for 20%.

Floors have been set for each financial criterion, below which no variable compensation is payable for that criterion.

Objectives based on financial indicators – unchanged for 2025

2025		2024	
Sales growth	20%	Sales growth	20%
FCF	20%	FCF	20%
Business EPS	20%	Business EPS	20%
TOTAL	**60%**		**60%**

The structure of individual objectives was streamlined in 2024.

Individual objectives for 2025 and 2024 are shown below:

2025 individual objectives		2024 individual objectives *	
Business transformation (R&D Platform Optimization, Review of Manufacturing & Supply Operating Model, Smart Spending, Asset Portfolio, Ongoing Digital Transformation)	15.0%	Business transformation (Reallocation of Pipeline Resources, Centralization, Hub Strategy, Smart Spending, Asset Portfolio, Digital Transformation)	15.0%
Development pipeline M1 (Lead selection), M2 (Candidate selection), First in Human, Pivotal Studies, Submissions, Approvals	15.0%	Development pipeline M1 (Lead selection), M2 (Candidate selection), First in Human, Pivotal Studies, Submissions, Approvals	15.0%
CSR People & Culture, Environment, Governance (efficient Executive Committee operations and effective Board interactions)	10.0%	CSR People & Culture, Environment, Governance (reinforcement of the strategic dialogue with the Board of Directors and functioning of the new Executive Committee)	10.0%

(*) For details of individual objectives for 2024 refer to "— Compensation and benefits of all kinds paid during 2024 or awarded in respect of 2024 to Paul Hudson, Chief Executive Officer" below.

Equity-based compensation

Acting on a recommendation from the Compensation Committee and within the limits set out in the Chief Executive Officer's compensation policy, the Board of Directors meeting of February 12, 2025 proposes awarding 90,000 performance shares to Paul Hudson in respect of 2025. In accordance with the AFEP-MEDEF Code, the entire award will be subject to criteria that are both internal and external. Given the proposed increase in the number of performance shares awarded in respect of 2025 (see "— Compensation Policy for the Chief Executive Officer" above), the Board of Directors decided, on a recommendation from the Compensation Committee, to raise the proportion based on the external criterion (TSR) from 20% to 30% for the Chief Executive Officer (see below). To enable this, the Business EPS weighting would reduce from 35% to 30%, and the FCF weighting from 25% to 20%; the R&D and CSR criteria would remain unchanged.

The criteria applied to the Chief Executive Officer's 2025 performance share plan are as follows:

- internal criteria, based on Business EPS 30%, FCF 20%, R&D pipeline 10%, and CSR criteria 10%; and
- an external criterion (accounting for 30%) based on the level of TSR as compared with that of a panel of 12 leading global pharmaceutical companies: Amgen, AstraZeneca plc, Bayer AG, Bristol-Myers Squibb Inc., Eli Lilly and Company Inc., GlaxoSmithKline plc, Johnson & Johnson Inc., Merck Inc., Novartis AG, Novo Nordisk, Pfizer Inc., and Roche Holding Ltd. Any TSR-linked payment is contingent on Sanofi achieving an Endpoint Rank greater than or equal to the median of the TSR panel.

  To achieve even further alignment between the respective interests of Sanofi, the Chief Executive Officer and our shareholders, and to reinforce the stringent nature of the performance conditions, the weighting of the Total Shareholder Return (TSR) criterion for the Chief Executive Officer's performance share plan will be increased from 20% to 30% with effect from 2025. Furthermore, in order to align with market practices, the Board of Directors has decided to review the mechanism and reward Sanofi's relative positioning vis-à-vis the peer panel.

The CSR criteria, both of which are quantitative and which count for 10% of the award, are:

1. Affordable Access: providing essential medicines to non-communicable disease patients through Sanofi Global Health; and
2. Planet Care: Carbon Footprint Reduction, scopes 1 & 2 (reduction in CO_2 emissions vs 2019).

Details of the performance objectives applicable to the Chief Executive Officer's equity-based compensation plan for 2025, including the mechanisms used to determine the attainment level for each criterion, will be published on our corporate website, in the "Compensation" section of the "Governance" pages, in advance of the Annual General Meeting.

Summary of performance objectives applicable to equity-based compensation plans

2025			2024	
Business EPS	Internal financial criterion	30%	Business EPS	35%
FCF	Internal financial criterion	20%	FCF	25%
TSR	External financial criterion	30%	TSR	20%
R&D pipeline	Internal criterion	10%	R&D pipeline	10%
CSR criteria	Internal extra-financial criteria	10%	CSR criteria	10%
TOTAL		**100%**		**100%**

In accordance with the AFEP-MEDEF Code, Paul Hudson is bound by rules on insider trading that impose blackout periods, as contained in our Board Charter.

In accordance with the AFEP-MEDEF Code and our Board Charter, Paul Hudson has undertaken not to engage in speculative or hedging transactions, and as far as the company is aware, no hedging instruments have been contracted.

PART I
ITEM 6. Directors, Senior Management and Employees

Compensation and benefits of all kinds paid during 2024 or awarded in respect of 2024 to corporate officers

The section below constitutes the report on compensation of corporate officers required by Articles L. 225-37 and L. 22-10-8 of the French Commercial Code. The arrangements described therein will be submitted for approval by our shareholders at the Annual General Meeting called to approve the financial statements for the year ended December 31, 2024 pursuant to Article L. 22-10-34 of the French Commercial Code.

Compensation elements and benefits of all kinds paid during 2024 or awarded in respect of 2024 to directors

The compensation policy for directors (as described above in the section entitled "— Compensation policy for directors") defines the fixed amount of compensation, and the principles for allocating the variable portion between directors, up to the limit of the overall amount approved by the Annual General Meeting.

Directors' compensation includes an annual fixed payment, apportioned on a time basis for directors who assumed or left office during the year; and a variable amount, allocated by the Board according to actual attendance at Board and Committee meetings. As required by the AFEP-MEDEF Code, directors' compensation is allocated predominantly on a variable basis.

For 2024, directors' compensation was determined in accordance with the compensation policy for directors as described above in the section entitled "— Compensation policy for directors."

Compensation allocated to directors for serving as directors (table No. 3 of the AFEP-MEDEF Code)

The table below shows amounts paid in respect of 2024 and 2023 to each member of our Board of Directors, including those whose term of office ended during those years.

Directors' compensation for 2023, the amount of which was approved at the Board meeting of February 22, 2024, was partially paid in July 2023, with an additional payment made in 2024.

Directors' compensation for 2024, the amount of which was approved at the Board meeting of February 12, 2025, was partially paid in July 2024, with an additional payment to be made in 2025.

(€)	Compensation in respect of 2024			Compensation in respect of 2023		
Name	**Fixed portion**	**Variable portion**	**Total amount (variable + fixed portion)**	**Fixed portion**	**Variable portion**	**Total gross compensation**
Christophe Babule	30,000	132,000	162,000	30,000	104,500	134,500
Clotilde Delbos[(a)]	20,000	104,500	124,500	—	—	—
Rachel Duan[(b)]	30,000	115,500	145,500	30,000	115,500	145,500
Carole Ferrand	30,000	167,750	197,750	30,000	110,000	140,000
Lise Kingo[(c)]	30,000	137,500	167,500	30,000	118,250	148,250
Patrick Kron	30,000	165,000	195,000	30,000	145,750	175,750
Wolfgang Laux[(d)]	30,000	99,000	129,000	30,000	77,000	107,000
Barbara Lavernos	30,000	126,500	156,500	30,000	104,500	134,500
Fabienne Lecorvaisier	30,000	140,250	170,250	30,000	126,500	156,500
Anne-Françoise Nesmes[(a)(b)]	20,000	104,500	124,500	—	—	—
Gilles Schnepp	30,000	165,000	195,000	30,000	145,750	175,750
Diane Souza[(b)]	10,000	68,750	78,750	30,000	187,000	217,000
John Sundy[(a)(b)]	20,000	93,500	113,500	—	—	—
Thomas Südhof[(b)]	10,000	55,000	65,000	30,000	192,500	222,500
Yann Tran[(d)(e)]	30,000	82,500	112,500	30,000	60,500	90,500
Emile Voest[(c)]	30,000	129,250	159,250	30,000	148,500	178,500
Antoine Yver	30,000	154,000	184,000	30,000	187,000	217,000
Frédéric Oudéa[(f)]	—	—	—	12,016	33,000	45,016
Total	**440,000**	**2,040,500**	**2,480,500**	**432,016**	**1,856,250**	**2,288,266**

The amounts reported are gross amounts before taxes.
(a) Director appointed by the General Meeting of April 30, 2024.
(b) Director resident outside Europe.
(c) Director resident outside France but within Europe.
(d) Director representing employees.
(e) Compensation due to Yann Tran is paid directly to Fédération Chimie Énergie CFDT.
(f) Frédéric Oudéa was appointed as a non-voting Board member appointed by the Board of Directors on September 2, 2022 until his appointment as Chairman of the Board on May 25, 2023. In accordance with our Articles of Association, the compensation of non-voting Board members is deducted from the annual amount allocated by the General Meeting.

Each of the two directors representing employees has a contract of employment with a Sanofi subsidiary, under which they receive compensation unrelated to their office as director. Consequently, that remuneration is not disclosed.

Variable compensation allocated to directors in respect of 2024 represented 82.26% of their total compensation.

Compensation and benefits of all kinds paid during 2024 or awarded in respect of 2024 to Frédéric Oudéa, Chairman of the Board of Directors

Frédéric Oudéa was appointed Chairman of the Board of Directors on May 25, 2023. He does not have a contract of employment with Sanofi.

As Chairman of the Board, Frédéric Oudéa is a member of the Appointments, Governance and CSR Committee and the Scientific Committee, and Chair of the Strategy Committee.

The remit of the Chairman of the Board is specified in the Board Charter, which is reproduced in its entirety in Exhibit 1.2. to this annual report.

During 2024, the activities of Frédéric Oudéa as Chairman of the Board of Directors included:

- chairing meetings of the Board of Directors (twelve meetings), attending meetings of Committees of which he is a member (six meetings of the Appointments, Governance and CSR Committee, five meetings of the Strategy Committee, and six meetings of the Scientific Committee), attending Committee meetings to which he was invited (Audit Committee and Compensation Committee), and attending the R&D pipeline review week;
- organizing and chairing the strategy seminars held in April and October 2024, and organizing meetings and visits in China in December 2024;
- monitoring of the proper implementation of the decisions taken by the Board;
- meetings with directors, including (i) in connection with the evaluation of the Board's operating procedures, (ii) on matters relating to the projects presented to the Board, and (iii) on corporate governance matters;
- regular meetings with the members of the Executive Committee;
- meetings with Sanofi employees and visits to subsidiaries of Sanofi;
- meetings with biotech and medtech companies; and
- representing Sanofi at events or official meetings (in France and abroad) with representatives of the public authorities and other stakeholders, in line with his remit as defined by the Board Charter, and in particular with the French State in respect of the proposed separation of Sanofi's Consumer Healthcare business.

The Chairman also has a role in explaining positions taken by the Board within its sphere of competence, especially in terms of strategy, governance and executive compensation. In furtherance of this role, the Chairman drew on his experience of corporate communications in:

- answering letters from investors and shareholders; and
- holding meetings with certain shareholders.

Those tasks were carried out in coordination with the Chief Executive Officer.

Compensation paid in respect of the 2024 financial year

Acting on a recommendation from the Compensation Committee, the Board meeting of February 12, 2025 determined the components of Frédéric Oudéa's compensation for the 2024 financial year. For that year, Frédéric Oudéa's fixed compensation was unchanged from the 2023 financial year at €880,000 gross.

In line with our compensation policy for the Chairman of the Board, Frédéric Oudéa did not receive any variable compensation, and was not awarded any stock options or performance shares. He received no compensation for serving as a director, and no compensation from any company included in Sanofi's scope of consolidation within the meaning of Article L. 233-16 of the French Commercial Code.

Benefits in kind amounted to €4,836, and relate to a company car with a driver.

Frédéric Oudéa is not covered by the Sanofi defined-contribution pension plan.

Compensation, options and shares awarded to Frédéric Oudéa (table No. 1 of the AFEP-MEDEF Code)

(€)	2024	2023
Compensation awarded for the year (details provided in the following table)	884,836	528,505
Valuation of stock options awarded during the year	N/A	N/A
Valuation of performance shares awarded during the year	N/A	N/A
Valuation of other long-term compensation plans	N/A	N/A
Total	**884,836**	**528,505**

Compensation awarded to Frédéric Oudéa (table No. 2 of the AFEP-MEDEF Code)

	2024		2023	
(€)	Amounts due	Amounts paid	Amounts due	Amounts paid
Fixed compensation[a]	880,000	880,000	526,087	526,087
Annual variable compensation	N/A	N/A	N/A	N/A
Exceptional compensation	N/A	N/A	N/A	N/A
Compensation for serving as a director [b]	N/A	N/A	N/A	N/A
Benefits in kind	4,836	4,836	2,418	2,418
Total	**884,836**	**884,836**	**528,505**	**528,505**

The amounts reported are gross amounts before taxes.
(a) Fixed compensation due in respect of a given year is paid during that year.
(b) Compensation awarded to Frédéric Oudéa for service as a non-voting Board member, an office he held from September 2, 2022 to May 25, 2023 (the date on which he was appointed Chairman of the Board of Directors), is disclosed in the section entitled "Compensation elements and benefits of all kinds paid during 2024 or awarded in respect of 2024 to directors" above.

Compensation and benefits of all kinds paid during 2024 or awarded in respect of 2024 to Paul Hudson, Chief Executive Officer

Paul Hudson has served as Chief Executive Officer of Sanofi since September 1, 2019, and holds office for an indeterminate period.

Paul Hudson does not have a contract of employment with Sanofi, and receives no compensation from any company included in Sanofi's scope of consolidation within the meaning of Article L. 233-16 of the French Commercial Code.

Compensation awarded to Paul Hudson (table No. 1 of the AFEP-MEDEF Code)

(€)	2024	2023
Compensation awarded for the year (details provided in the following table)	3,979,697	3,792,797
Valuation of performance shares awarded during the year[a]	5,971,350	6,779,025
Total	**9,951,047**	**10,571,822**

(a) Weighting between (i) fair value determined using the Monte Carlo model and (ii) market price of Sanofi shares at the date of grant, adjusted for dividends expected during the vesting period.

The parameters used to calculate the valuations are market parameters available in the financial press.

Fixed and variable compensation awarded to Paul Hudson (table No. 2 of the AFEP-MEDEF Code)

	2024		2023	
(€)	Amounts due	Amounts paid	Amounts due	Amounts paid
Fixed compensation[a]	1,400,000	1,400,000	1,400,000	1,400,000
Annual variable compensation[b]	2,566,200	2,379,300	2,379,300	2,337,300
Cash bonus (sign-on bonus)	N/A	N/A	N/A	N/A
Exceptional compensation	N/A	N/A	N/A	N/A
Compensation for serving as a director	N/A	N/A	N/A	N/A
Benefits in kind	13,497	13,497	13,497	13,497
Total	**3,979,697**	**3,792,797**	**3,792,797**	**3,750,797**

The amounts reported are gross amounts before taxes.
(a) Fixed compensation due in respect of a given year is paid during that year.
(b) Variable compensation in respect of a given year is determined at the start of the following year and paid after the Annual General Meeting in that year, subject to shareholder approval.

Fixed and variable compensation

Acting on a recommendation from the Compensation Committee, the Board meeting of February 12, 2025 determined the components of Paul Hudson's compensation for the 2024 financial year.

In accordance with the compensation policy for the Chief Executive Officer as approved by the Annual General Meeting of Sanofi's shareholders on April 30, 2024, his annual compensation for 2024 comprises (i) annual fixed gross compensation of €1,400,000; and (ii) annual variable compensation in a range from 0% to 250% of his annual fixed compensation, with a target of 150%, and subject to both quantitative and qualitative criteria.

The objectives applicable to annual variable compensation in respect of 2024 were:

- 60% based on financial indicators: sales growth, FCF and business earnings per share Business EPS, each accounting for 20%; and
- 40% based on specific individual objectives. For 2024, the individual objectives set by the Board were:
  - business transformation (15%) – quantitative and qualitative objective,
  - development pipeline (15%) – quantitative objective,
  - CSR (10%) – quantitative and qualitative objective.

In the interests of transparency, Sanofi is now disclosing, for each financial criterion, information about the thresholds (floor, target and maximum attainment level) used by the Board of Directors to determine the overall attainment level and payout.

		Payout		
Objective	**Measured against**	**Threshold (floor) Payout = 0%**	**Target (X, in %) Payout = 100%**	**Maximum payout = 166.67%**
			Attainment level	
Sales growth	Growth compared to the 2024 budget	X -4% percentage points	100%	X +4% percentage points
Business earnings per share (Business EPS)	Attainment level vs 2024 budget	X -5% percentage points	100%	X +5% percentage points
Free cash flow	Growth compared to the 2024 budget	X -15% percentage points	100%	X +50% percentage points

Likewise, at the start of each year, the Board of Directors establishes a precise matrix for determining each of the individual objectives. Sanofi discloses the content of the qualitative criteria, accompanied by narrative for each sub-criterion explaining the level of attainment reached. Those criteria are always assessed by reference to the performances of the leading global pharmaceutical companies.

Acting on a recommendation from the Compensation Committee, the Board meeting of February 12, 2025 reviewed the attainment level of each criterion and sub-criterion. The Board's conclusions are summarized in the table below.

Criterion	**Type**	**Weight**	**Target/ Maximum (as % of fixed compensation)**	**2024 Attainment level**	**2023 reference**	**Comments**	**Payout (as % of fixed compensation)**
				Financial objectives			
Sales growth	Quantitative	20%	30%/50%	158.56%	*112.90%*	Confidential target, Performance above budget	47.57%
Business earnings per share (Business EPS)	Quantitative	20%	30%/50%	112.54%	*112.43%*	Confidential target, Performance above budget	33.76%
Free cash flow	Quantitative	20%	30%/50%	116.92%	*105.61%*	Confidential target, Performance above budget	35.08%
				Individual objectives			
Business Transformation	Quantitative / Qualitative	15%	22.5% / 37.5%	102.17%	*101.83%*	Overall Business • Double-digit growth sustained through successful launches of innovative medicines. • Significant progress made in modernizing the Group with progress on initiatives to achieve external commitments : deployment of a new standard commercial blueprint model across all business units, significant progress on the hub strategy to foster synergies & innovation, dynamic reallocation of resources across the Group to fund the pipeline and growth through optimized supplier relationships, realignment of the R&D footprint to focus research platforms towards an ambition of becoming an Immunology powerhouse. Manufacturing and Supply • Significant progress on the implementation of the Manufacturing and Supply Operating Model with key performance outcomes improved across Safety, Quality, Supply and Cost, and improved industrial performance delivered vs. 2023. Asset Portfolio • Opella: Achieved milestones on separation planning and strategy for Consumer Healthcare business. Digital • Advance made on Sanofi's data-driven mindset development programs, extending digital executive programs to senior leaders. (target exceeded with more than 700 executives trained). • Successful deployment of new generative AI cases across the organization: – In R&D: 60% of medical writers trained for Clinical Study reports writing with GenAI tool. – In M&S: implementation of GenAI tool for Product quality report (PQR) writing in 68% of manufacturing sites.	22.99%
Developement Pipeline	Quantitative	15%	22.5% / 37.5%	118.50%	*120.82%*	R&D achieved above execution focused KPI with: • 21 submissions and 14 regulatory approvals in different indications across major countries, • 4 priority reviews and 11 regulatory designations received; • Increased productivity in clinical development: 7 phase 3 studies and 11 phase 2 initiated, 6 new molecular (NMEs) or vaccines (NVEs) entities entered the clinical phase (FIH); • Scientific research has achieved above execution focused KPI with delivery of: 16 entries into M1, 9 development candidates into M2. • Reinforcement of the pipeline through business development and acquisitions: 35 new BD partnerships (25 pharma; 5 vaccines; and 5 outlicensing) signed. Acquisition and integration of Inhibrx (Pharma).	26.66%

Criterion	Type	Weight	Target/ Maximum (as % of fixed compensation)	2024 Attainment level	2023 reference	Comments	Payout (as % of fixed compensation)
CSR / ESG	Quantitative / Qualitative	10%	15%/25%	114.58%	*105%*	People & Culture: • Significant progress on Sanofi culture shift with global engagement score increased vs 2023. • Balanced representation of men and women among identified succession candidates for executive roles. Environmental • CO_2 (Scope 1&2) reduction between Q3 2023 and Q3 2024 = 14%. • CO_2 (Scope 3) reduction between Q3 2023 and Q3 2024 = 6.5%. Governance • Cohesive and high-performing Executive Committee successfully assembled • Effective communication channels and collaborative relationships established between the new team and the Board of Directors.	17.19%
Total		**100%**	**150%/250%**	**122.20%**	**113.30%**		**183.25%**

(a) For a definition, see "Item 5. Operating and Financial Review and Prospects – A. Operating results — 1.5. Business net income" in this annual report.
(b) Business net income criterion has been replaced by Business EPS criterion starting from 2024.

Acting on a recommendation from the Compensation Committee, the Board meeting of February 12, 2025 set Paul Hudson's variable compensation for 2024 at €2,566,200 gross, equivalent to 183.25% of his fixed compensation.

Payment of Paul Hudson's variable compensation in respect of the 2024 financial year is contingent on approval of his compensation package by the shareholders in an Ordinary General Meeting, on the terms stipulated in Article L. 22-10-34 II of the French Commercial Code.

Equity-based compensation

Using the authorization granted by our shareholders via the twentieth resolution of the Annual General Meeting of April 30, 2024, the Board meeting held on that day decided, acting on the recommendation of the Compensation Committee, to award Paul Hudson 82,500 performance shares in respect of 2024. The valuation of that award as of April 30, 2024, determined in accordance with IFRS and incorporating a market-related condition, was €5,971,350, equivalent to 4.27 times his fixed compensation.

The entire amount of the award is contingent upon the attainment of performance objectives based on (i) internal criteria based on business earnings per share (Business EPS), free cash flow (FCF), corporate social responsibility (CSR) and the R&D pipeline, and (ii) an external criterion based on improvement in total shareholder return (TSR) relative to that of a benchmark panel of 12 leading global pharmaceutical companies (plus Sanofi): Amgen, AstraZeneca plc, Bayer AG, Bristol-Myers Squibb Inc., Eli Lilly and Company Inc., GlaxoSmithKline plc, Johnson & Johnson Inc., Merck Inc., Novartis AG, Novo Nordisk, Pfizer Inc., and Roche Holding Ltd.

To align equity-based compensation on our medium-term performance, a three-year period (2024-2026) is used to measure performance.

The above criteria were selected because they align medium-term equity-based compensation on the strategy adopted by Sanofi.

The arrangements relating to these awards are as follows:

- The Business EPS criterion accounts for 35% of the award (Business EPS represents Sanofi's "business net income" divided by the number of Sanofi shares), and is determined as the average actual-to-budget ratio of Business EPS attained over the entire vesting period at constant exchange rates.

  The objective cannot be less than the lower end of the range of the annual guidance announced publicly by Sanofi at the start of each year. If the attainment level is less than 95%, no payment will be made for this criterion.

Business EPS actual-to-budget attainment level (B)	Business EPS allocation rate
If B < 95%	0%
If B = 95%	50%
If B is > 95% but < 98%	(50 + [(B - 95) x 16])%
If B is ≥ 98% but ≤ 105%	B%
If B is > 105% but < 110%	(105 + [(B - 105) x 3])%
If B is ≥ 110%	120%

- The FCF criterion accounts for 25% of the award. This criterion was selected because it is aligned with Sanofi's current strategic objectives, and is transparent both within and outside the company.

  The FCF criterion represents the average actual-to-budget FCF ratio attained over the entire period. The award is based on a target FCF, below which some or all of the performance shares are forfeited; if the attainment level is less than 70%, no payment will be made for this criterion.

FCF actual-to-budget attainment level (F)	FCF allocation rate
If F is ≤ 70%	0%
If F is > 70% but < 80%	[(F - 70) x 5]%
If F = 80%	50%
If F is > 80% but < 100%	(50 + [(F – 80) x 2.5])%
If F = 100%	100%
If F is > 100% but < 120%	F%
If F is ≥ 120%	120%

- The TSR Rank Improvement criterion accounts for 20% of the award. It corresponds to the change in rank of Sanofi's TSR as compared to the TSR of peer companies included in a panel (see above). The TSR corresponds to the quoted market price of Sanofi shares uplifted by dividends per share during the measurement periods, without reinvestment. The Sanofi TSR Rank Improvement is determined by comparing the Endpoint Sanofi TSR rank (determined over a three-year period) to the Baseline Sanofi TSR rank (determined over a one-year period).
- The Baseline Sanofi TSR equal to the following formula: (average share price for 2023 – average share price for 2022 + dividends per share for 2023)/average share price for 2022.
- The Endpoint Sanofi TSR is equal to the following formula: (average share price for 2026 – average share price for 2023 + dividends per share for 2024 and 2025)/average share price for 2022.

Our TSR is compared with the benchmark panel of 12 companies listed above, so as to determine the ranking of Sanofi within the panel. The number of performance shares vesting depends upon the improvement in our TSR ranking, as follows:

Sanofi's improvement in the rankings	TSR allocation rate
+3 or more	150%
+2	100%
+1	50%
No improvement	0%

Even if there is an improvement in Sanofi's TSR ranking based on the principles set out above, no TSR allocation can be made if Sanofi's ranking is below median TSR, defined as the performance of the company ranked seventh in the panel.

- The CSR criterion accounts for 10% of the award. This performance condition equates to the attainment over a three-year period of annual objectives plus a "stretch" objective, linked to the following pillars of Sanofi's CSR strategy:
  1. Affordable Access: providing essential medicines to non-communicable disease patients through Sanofi Global Health;
  2. Planet Care: Carbon Footprint Reduction, scopes 1 & 2 (% reduction in CO_2 emissions vs 2019).

Attainment of each annual CSR objective will earn one performance point; a maximum of three points, plus one extra point linked to the "stretch" objective, can be earned for each CSR pillar. For each criterion, attainment of the objectives for 2026 will earn three points even if the annual objectives were not attained.

At the end of the period, the Board of Directors will determine the CSR Allocation Rate, corresponding to the number of points earned, as shown, below:

CSR points earned	CSR Allocation Rate
Less than 3 points	0%
3 points	50%
4 points	67%
5 points	83%
6 points	100%
7 points	110%
8 points	120%

- The R&D pipeline criterion, accounting for 10% of the award, was introduced in 2024 to reflect the importance of Sanofi's commitment to developing a robust R&D pipeline. The performance criterion is based on the attainment levels of two equally-weighted performance indicators measured over a three-year period.

1. Clinical Trial Readouts (CTRs) - the number of clinical trial results based on forecast pipeline deliveries

At the end of the period, the CTR attainment level will be calculated on the basis of the number of CTRs achieved in the period as follows:

Number of Clinical Trial Readouts (CTRs)	CTR Attainment Level
CTR < 15	0%
CTR = 15	50%
CTR > 15, but < 25	(50+ [CTR – 15] x 5)%
CTR = 25	100%
CTR >25 but <30	(100+ [CTR– 25] x 4)%
CTR ≥ 30	120%

2. Regulatory Approvals – the number of regulatory approvals obtained for new molecular entities (NMEs), new vaccine entities (NVEs) or line extensions in key markets, relative to forecast pipeline deliveries

At the end of the period, the "Regulatory Approval" (RA) attainment level will be calculated on the basis of the number of RAs obtained in the period as follows:

Number of regulatory approvals (RA) of NMEs, NVEs and line extensions in key markets	RA attainment level
RA < 15	0%
RA = 15	50%
RA > 15 but < 25	(50+ [RA – 15] X 5)%
RDA = 25	100%
RA >25 but < 30	(100+ [RA – 25] x 4)%
RA ≥ 30	120%

The R&D Allocation Rate will be determined as the weighted average of the CTR attainment level and the RA attainment level.

Other terms and conditions

Paul Hudson is under an obligation to retain, until he ceases to hold office, a quantity of Sanofi shares equivalent to 50% of any gain (net of taxes and social contributions) arising on the vesting of his performance shares, calculated as of the date on which those shares vest.

In compliance with the AFEP-MEDEF Code and our Board Charter, Paul Hudson has undertaken to refrain from entering into speculative or hedging transactions, and so far as Sanofi is aware no hedging instruments have been contracted.

Historical allocation rates

In the interests of transparency, we disclose below attainment levels and allocation rates for the most recent performance-linked equity-based compensation plans awarded to our Chief Executive Officer.

	Attainment level			Allocation rate
	BNI	FCF	TSR	
April 28, 2020 plans	2020-2022: 103.27%	2020-2022: 117.67%	2020-2022: 0%	2020-2022: 86.94% i.e. 65,205 performance shares
April 30, 2021 plans	2021-2023: 103.58%	2021-2023: 110.31%	2021-2023: 51.77%	2021-2023: 95.23% i.e. 71,423 performance shares
May 3, 2022 plans	2022-2024: 102.56%	2022-2024: 110.25%	2022-2024: 0%	2022-2024: 84.36% i.e. 69,597 performance shares

Performance shares awarded to Paul Hudson in 2024 (table No. 6 of the AFEP-MEDEF Code)

Source	Plan date	Valuation of performance shares (€)	Number of performance shares awarded during the period	Vesting date	Availability date[a]	Performance conditions
Sanofi	04/30/2024	5,971,350	82,500	04/30/2027	04/30/2027	Yes

(a) Under the terms of our Board Charter, Paul Hudson is required to retain a quantity of shares corresponding to 50% of the capital gain arising on the vesting of the shares, net of the associated taxes and social contributions.

Each performance share awarded on April 30, 2024, was valued at €72.38, valuing the total benefit at €5,971,350.

The General Meeting of April 30, 2024 restricted the number of performance shares that can be awarded to executive officers to 5% of the overall limit (itself set at 1.5% of the share capital). The number of shares awarded to Paul Hudson in 2024 represents 0.43% of the total limit approved by that Meeting and 0.006% of our share capital at the date of grant.

Performance shares awarded to Paul Hudson which became available in 2024 (table No. 7 of the AFEP-MEDEF Code)

Paul Hudson was awarded 75,000 performance shares on April 20, 2021. The Board of Directors meeting of February 22, 2024 noted the level of achievement of the performance conditions applicable to this plan (95%), and 71,423 shares vested in Paul Hudson on May 2, 2024.

Source	Plan date	Number of performance shares vesting during the period
Sanofi	April 30, 2021	71,423

In accordance with the compensation policy for the Chief Executive Officer, until he ceases to hold office Paul Hudson must retain a quantity of Sanofi shares equivalent to 50% of the capital gain calculated as of the vesting date of performance shares, net of taxes and social security/health insurance contributions that would apply in the event of a sale on that date (i.e. on May 2, 2024, the delivery date), at the highest applicable marginal rate. Pursuant to that rule, Paul Hudson must retain 11,577 shares under the plan dated April 30, 2021.

Because awards of stock options to our Chief Executive Officer are not permitted under our compensation policy, tables No. 4 and No. 5 of the AFEP-MEDEF Code are not applicable.

Pension rights

Paul Hudson is entitled to benefits under the top-up defined-contribution pension plan introduced within Sanofi on January 1, 2020. Under the terms of the plan, the Chief Executive Officer receives (subject to attainment of a performance condition) an annual contribution of up to 25% of his reference compensation (annual fixed and variable compensation).

The performance condition for the vesting of pension rights is linked to the attainment of the performance criteria for 2024 variable compensation. The Board of Directors, at its meeting of February 12, 2025, ascertained whether that performance condition had been met, noting that the global attainment level for the variable portion of Paul Hudson's compensation for the 2024 financial year was 122.20%.

The annual gross contribution is paid as follows:

- 50% as a gross insurance premium to the fund manager – the amount due to the fund manager with respect to 2024 is €495,775; and
- 50% to Paul Hudson, to indemnify him for the social security and tax charges for which he will become immediately liable. The amount due to Paul Hudson in respect of 2024 was set by the Board of Directors at its meeting of February 22, 2024 at €495,775.

Payment of those amounts is contingent on approval of the Chief Executive Officer's compensation package by the shareholders in an Ordinary General Meeting, on the terms stipulated in Article L. 22-10-34 II of the French Commercial Code.

Social welfare and health insurance

Paul Hudson is subject to, benefits from and contributes to the same health cover, and death and disability plans, as are applicable to other employees of Sanofi based in France. He also benefits from an unemployment insurance scheme.

Benefits in kind

The benefits in kind received by Paul Hudson in 2024 were valued at €13,497, and correspond to a company car with a driver.

Compensation and benefits for other Executive Committee members

Compensation

The compensation of Executive Committee members other than the Chief Executive Officer is reviewed by the Compensation Committee, taking into consideration the practices of leading global pharmaceutical companies.

In addition to fixed compensation, they receive variable compensation. Their target variable compensation depends on their position, and can represent up to 100% of their fixed compensation. The target amount of individual variable compensation is determined in line with market practice. It rewards the joint contribution of all Executive Committee members to Sanofi's performance.

For 2024, the variable component consisted of three elements:

- attainment of quantitative objectives (accounting for 60%) measured at consolidated level: sales growth 20%, business earnings per share (Business EPS) 20%, research and development outcomes 10%, and free cash flow (FCF) 10%;
- attainment of corporate social responsibility (CSR) objectives measured at consolidated level (accounting for 10%); and
- attainment of individual quantitative and qualitative objectives (accounting for 30%).

The indicators used are intended to measure Sanofi's annual performance objectives; individual objectives; the attainment of human capital objectives (such as gender representation in senior executive roles and transformation of the corporate culture to align with the Play to Win strategy; and an objective relating to the reduction in Sanofi's carbon footprint.

In addition, Executive Committee members may be awarded performance shares.

For 2024, the total gross compensation paid and accrued in respect of members of the Executive Committee (excluding the Chief Executive Officer) was €21 million, of which €9 million was fixed compensation.

A total of 298,471 performance shares were awarded in 2024 to members of the Executive Committee (excluding the award to the Chief Executive Officer). No stock options were awarded to members of the Executive Committee or the Chief Executive Officer in 2024.

In compliance with the AFEP-MEDEF Code, all awards are contingent upon four internal criteria: business earnings per share (Business EPS), free cash flow (FCF), a CSR criterion, and a new criterion linked to the R&D pipeline. An external criterion based on total shareholder return (TSR) is also applied. Those criteria were selected because they align equity-based compensation with the strategy adopted by Sanofi. The Board believes that the performance conditions applied are good indicators of shareholder value creation in terms of the quality of investment decisions and the commitment to deliver exacting financial results in a difficult economic environment.

The arrangements relating to these awards are as follows:

- The performance criterion based on business earnings per share (Business EPS) accounts for 35% of the award. Business EPS represents Sanofi's "business net income" divided by the number of Sanofi shares; this criterion corresponds to the average actual-to-budget ratio of Business EPS attained over the entire period. Budgeted business net income is derived from the budget as approved by the Board of Directors at the beginning of each financial year. The Business EPS objective may not be lower than the bottom end of the full-year guidance range publicly announced by Sanofi at the beginning of each year. If the ratio is less than 95% of the objective, the corresponding performance shares are forfeited.

Business EPS actual-to-budget attainment level (B)	Business EPS allocation rate
If B is < 95%	0%
If B = 95%	50%
If B is > 95% but < 98%	(50 + [(B –95) x 16])%
If B is ≥ 98% but ≤ 105%	B%
If B is > 105% but < 110%	(105 + [(B –105) x 3])%
If B is ≥ 110%	120%

- The FCF criterion accounts for 25% of the award. It represents the average actual-to-budget ratio of FCF attained over the entire period. The award is based on a target FCF, below which some or all performance shares are forfeited.

FCF actual-to-budget attainment level (F)	FCF allocation rate
If F is ≤ 70%	0%
If F is > 70% but < 80%	[(F – 70) x 5]%
If F = 80%	50%
If F is > 80% but < 100%	(50 + [(F – 80) x 2.5])%
If F = 100%	100%
If F is > 100% but < 120%	F%
If F is > 120%	120%

- The criterion based on Total Shareholder Return ("TSR") Rank Improvement accounts for 20% of the award.

The TSR Rank Improvement corresponds to the change in Sanofi's TSR rank relative to the TSR of a panel of Sanofi plus 12 peer companies (Amgen, AstraZeneca plc, Bayer AG, Bristol-Myers Squibb Inc., Eli Lilly and Company Inc., GlaxoSmithKline plc, Johnson & Johnson Inc., Merck Inc., Novartis AG, Novo Nordisk, Pfizer Inc., and Roche Holding Ltd).

TSR corresponds to the market performance of Sanofi shares uplifted by dividends per share during the measurement periods, without reinvestment.

For the plan applicable to Executive Committee members, the TSR Rank Improvement is determined by comparing the Endpoint Sanofi TSR rank (measured over a three-year period) with the Baseline Sanofi TSR rank (measured over a one-year period). The TSR payment would amount to 50% for an improvement of one place in the rankings, 100% for two places in the rankings, and 150% for three places in the rankings;

- The criterion based on CSR accounts for 10% of the award, and is linked to attainment of (i) annual objectives over a three-year period and (ii) a "stretch" objective, linked to the following pillars:
  1. Affordable Access: providing essential medicines to non-communicable disease patients through Sanofi Global Health;
  2. Planet Care - Carbon Footprint Reduction, scopes 1 & 2 (% CO_2 emissions reduction vs 2019).

  Attainment of each annual CSR objective will generate one performance point; a maximum of three points (plus one bonus point for the "stretch" objective) may be obtained for each pillar. For each criterion, attainment of the 2025 objectives will generate three points, even if the annual objectives are not attained.
- The R&D pipeline criterion, accounting for 10% of the award, corresponds to the attainment levels of two equally-weighted performance indicators measured over a three-year period:
  1. Clinical Trial Readouts (CTRs) - the number of clinical trial results based on forecast pipeline deliveries;
  2. Regulatory Approvals – the number of regulatory approvals obtained for new molecular entities (NMEs), new vaccine entities (NVEs) or line extensions in key markets, relative to forecast pipeline deliveries.
- The number of performance shares vesting depends on the overall allocation rate, which for each period is the weighted average of the Business EPS allocation rate (35%), the FCF allocation rate (25%), the TSR allocation rate for the period (20%), the CSR allocation rate (10%), and the R&D allocation rate (10%).
- A multiplier is applied that will uplift the number of performance shares vesting by 10% if (i) the maximum TSR allocation rate is attained and (ii) Sanofi ranks higher than or equal to the median for the TSR benchmark panel at the endpoint.
- In order to align equity-based compensation with medium-term performance, performance is measured over three financial years.
- Vesting is subject to a non-compete clause.
- The entire award is forfeited in the event of resignation, or dismissal for gross or serious misconduct;
- In the event of (i) individual dismissal other than for gross or serious misconduct, (ii) retirement before the age of 60, (iii) the beneficiary's employer ceasing to be part of the Sanofi group or (iv) termination of employment contract under the terms of a collective separation plan initiated by the employer in accordance with locally applicable legislation or measures approved by local authorities, the overall allocation percentage is apportioned on a pro rata time basis to reflect the amount of time the person remained with the Sanofi group during the vesting period.
- If any of the following events occur, full rights to the award are retained: (i) retirement on or after reaching the statutory retirement age, or after the age of 60 under any circumstances;; (ii) disability classified in the second or third categories as stipulated in Article L. 314-4 of the French Social Security Code; or (iii) death of the beneficiary.

Pension arrangements

The total amount accrued as of December 31, 2024 in respect of corporate pension plans for persons who have held an executive position during 2024 was €9 million. That amount includes an expense of €1 million recognized in profit or loss during 2024.

Pay ratio between compensation of executive officers and average/median compensation of Sanofi employees – changes in compensation of executive officers and employees relative to the performance of Sanofi

This information is disclosed in accordance with Article L. 22-10-9 6° of the French Commercial Code, further to the enactment of the "Pacte" law.

Sanofi has referred to the guidance on compensation multiples issued by AFEP (version issued February 2021) in establishing the calculation methods used for the ratios presented.

Explanations of calculation methods and of year-on-year changes in the executive pay ratio:

- the scope includes Sanofi SA (the parent company) and all of its direct and indirect subsidiaries located in France, and hence covers more than 80% of total payroll of permanent employees in France. No separate ratios are published for Sanofi SA (the parent company), as the low headcount at Sanofi SA means that such ratios would not be representative of our total headcount in France;
- the employee compensation used in the calculation is the full time equivalent (FTE) compensation of permanent employees with at least two financial years of uninterrupted employment;
- direct compensation includes fixed compensation awarded during the reference year, and variable compensation related to the previous year and paid during the reference year. All compensation amounts are gross amounts;

- in order to maintain consistency, we have excluded from the numerator (i) compensation items not included in the denominator and (ii) non-recurring compensation items. This applies in particular to accommodation expenses related to the relocation to France of the Chief Executive Officer (Paul Hudson) in 2020, and to expenses related to unemployment insurance;
- long term variable compensation: performance shares and stock options awarded during each reference year are valued at the date of grant in accordance with International Financial Reporting Standards. The valuation of performance shares that include the Total Shareholder Return (TSR) performance condition incorporates market conditions where applicable. Awards are subject to a continuing employment condition (three years minimum) and to performance conditions. Consequently, the valuation at the date of grant is not necessarily indicative of the value of stock options and performance shares at the end of the vesting period, especially if the performance conditions are not met;
- since Olivier Brandicourt (our previous Chief Executive Officer) received the same number of stock options and performance shares each year from 2016 to 2019, fluctuations in the Sanofi share price had a significant impact on the pay ratio during this period;
- 2018 and 2019 figures have been restated for comparative purposes, to (i) exclude Sanofi's equity-accounted share of Regeneron's net profits (see Note D.1. to our consolidated financial statements, included at Item 18. of this annual report) and (ii) include the effects of IFRS 16;
- regular benchmarking reviews are conducted to ensure that the level of compensation awarded to our employees and CEO is competitive and consistent with pharmaceutical industry levels.

Comparison of compensation of Sanofi executive officers with employee compensation* (parent company and all direct and indirect subsidiaries located in France), and year-on-year change in compensation of corporate officers and employees with reference to the company's performance

Chief Executive Officer[a]	**2020** vs 2019	**2021** vs 2020	**2022** vs 2021	**2023** vs 2022	**2024** vs 2023
Change in compensation (%)	9.2%	-1.0%	20.5%	-1.5%	1.7%
Ratio versus average employee compensation	110.64	111.44	124.55	124.49	124.42
Year-on-year change in ratio (%)	3.8%	0.7%	11.8%	-0.1%	-0.1%
Ratio to median employee compensation	142.78	142.11	159.17	159.97	158.01
Year-on-year change in ratio (%)	5.5%	-0.5%	12.0%	0.5%	-1.2%

Chairman of the Board[b]	**2020** vs 2019	**2021** vs 2020	**2022** vs 2021	**2023** vs 2022	**2024** vs 2023
Change in compensation (%)	14.1%	—%	—%	5.7%	3.7%
Ratio versus average employee compensation	9.98	10.15	9.41	10.09	10.28
Year-on-year change in ratio (%)	8.4%	1.7%	-7.3%	7.2%	1.9%
Ratio versus median employee compensation	12.87	12.94	12.03	12.97	13.06
Year-on-year change in ratio (%)	10.1%	0.5%	-7.1%	7.8%	0.7%

Employees	**2020** vs 2019	**2021** vs 2020	**2022** vs 2021	**2023** vs 2022	**2024** vs 2023
Change in compensation (%)	5.2%	-1.7%	7.8%	-1.4%	1.8%
Company Performance					
Financial criterion	BNI	BNI	BNI	BNI	BNI
Year-on-year change (%)	4.2%	11.8%	25.9%	-1.8%	0.2%

* *Table based on the model table recommended in the AFEP guidance on compensation multiples (February 2021).*

(a) 2019: Olivier Brandicourt left office on August 31. Paul Hudson was appointed as CEO on September 1, 2019.
2020: The 2020 CEO compensation includes Paul Hudson's 2020 fixed compensation (€1.3 million), his 2019 variable compensation as paid in 2020 and annualized (€1.95 million), and 75,000 performance shares awarded in 2020.

(b) Frédéric Oudéa (since May 25, 2023). Serge Weinberg's term of office expired on May 25, 2023.

Based on full-time equivalent permanent employees of all Sanofi legal entities worldwide with at least two years of uninterrupted employment, the ratios for 2024 were as follows:

- CEO:
  - ratio versus average compensation: 117.9; and
  - ratio versus median compensation: 166.3.
- Chairman of the Board of Directors:
  - ratio versus average compensation: 9.6; and
  - ratio versus median compensation: 13.5.

These ratios were calculated on the basis of annualized basic compensation, variable compensation in respect of the previous year, and performance shares awarded during 2024, applying 2024 average exchange rates.

C. Board Practices

Application of the AFEP-MEDEF Code

The corporate governance code applied by Sanofi is the December 2022 version of the AFEP-MEDEF Code which is available at https://hcge.fr/le-code-afep-medef/.

Our Board Charter requires at least one-half of our directors to be independent; contains a section on the ethical rules applicable to our directors; sets out the remit and operating procedures of the Board; defines the roles and powers of our Chairman and our Chief Executive Officer; and describes the composition, remit and operating procedures of the Board committees, in accordance with the recommendations of the AFEP-MEDEF Code. Collectively, our Articles of Association and our Board Charter establish the framework within which Sanofi implements its principles of corporate governance

Our Board practices comply with the AFEP-MEDEF Code recommendations, with certain exceptions, and with the report of the *Autorité de marchés financiers* on Audit Committees, issued on July 22, 2010.

Activities of the Board of Directors in 2024

During 2024, the Board of Directors met 14 times (including strategy seminars), with an overall attendance rate among Board members of 98%.

The following persons attended meetings of the Board of Directors:

- the directors;
- the Secretary to the Board;
- frequently: members of the Executive Committee; and
- occasionally: the statutory auditors, managers of our global support functions, and other company employees.

The agenda for each meeting of the Board is prepared by the Secretary after consultation with the Chairman, taking account of the agendas for the meetings of the specialist Committees and the suggestions of the directors.

Approximately one week prior to each meeting of the Board of Directors, the directors each receive a file containing the agenda, the minutes of the previous meeting, and documentation relating to the agenda.

The minutes of each meeting are expressly approved at the next meeting of the Board of Directors.

In compliance with our Board Charter, certain issues are examined in advance by the various Committees according to their areas of competence, to enable them to make a recommendation; those issues are then submitted for a decision by the Board of Directors.

Since 2016, acting on a recommendation from the Appointments, Governance and CSR Committee, each year the Board has held at least two executive sessions, i.e. meetings held without the Chief Executive Officer present. If the Chairman of the Board so decides, such sessions may also be held without the directors representing employees (or any other Sanofi employee) being present. The primary purpose of such sessions is to evaluate the way the Board and its Committees operate, discuss the performance of the Chief Executive Officer, and debate succession planning. Three executive sessions were held in 2024: two one-hour sessions in January and February, and a 20-minute session in April.

In 2024, the main activities of the Board of Directors related to the following issues:

	FINANCIAL STATEMENTS AND FINANCIAL MANAGEMENT
●	Review of the individual company and consolidated financial statements for the 2023 financial year and for the first half of 2024, review of the consolidated financial statements for the first three quarters of 2024, and review of draft press releases and presentations to analysts relating to the publication of those financial statements.
●	Projected 2024 accounting close, presentation of 2025 budget and 2025-2027 financial forecasts.
●	Review of forward-looking management documents.
●	Proposed dividend for the 2023 financial year.
●	Renewal of share repurchase program.
●	Formally recording the share capital, and amending the Articles of Association accordingly.
●	Delegation to the Chief Executive Officer of the power to issue bonds.
●	Authorizations in respect of guarantees, endorsements and sureties, and report on the use made of the authorizations granted in 2023.
	OPERATIONS, STRATEGY AND RISK MANAGEMENT
●	Review of the minutes of the Strategy Committee and Scientific Committee meetings.
●	Update on risks, and review of risk management activity report and 2024 risk profile analysis.
●	Review of acquisition projects.
●	Update on business development projects.
★	Update on the Opella separation.
★	Update on vaccines.
★	Update on France, and the Manufacturing & Supply strategy.
★	Update on litigation (including Zantac).
★	Artificial intelligence and the use of data and IT systems.
	APPOINTMENTS AND GOVERNANCE
●	Composition of the Board and its committees.
●	Review of director independence.
●	Review of management report, corporate governance report, and statutory auditors' reports.
●	Adoption of draft resolutions, the Board report on the resolutions, and special reports on awards of stock options and performance shares.
●	Annual evaluation of the work of the Board and its Committees.
●	Review of previously-approved related-party agreements.
●	Update on the Action 2024 employee share ownership plan.
★	Refresher on conflicts of interest policy.
	COMPENSATION
●	Determination of the compensation of corporate officers: • review of the components of compensation paid in 2023; • determination of compensation policies.
●	Allocation of directors' compensation for 2023, and principles for the 2024 allocation.
●	Review of fixed and variable Executive Committee compensation for 2023 and 2024.
●	Adoption of performance share plans for 2024, sign-off on attainment of performance conditions for prior equity-based compensation plans.
	CORPORATE SOCIAL RESPONSIBILITY
●	Monitoring of progress on the CSR strategy.
●	Monitoring of objectives for gender representation in executive bodies, and more generally of Sanofi's diversity policy in accordance with legislation.
●	Monitoring of Sanofi's equal pay and equal opportunity policy.
★	Ethics and corporate culture update – feedback on the "Your Voice" survey.
★	Implementation of the European Corporate Sustainability Reporting Directive (CSRD).

● Annual items **★ Non-recurring items**

In addition, two strategy seminars were held, in April and October 2024, in which all members of the Executive Committee took part. The seminar gave directors an opportunity to address issues including:

- monitoring delivery of phase 2 of the the Play to Win strategy;
- feedback from "Strat Days" (a two-day Executive Committee meeting designed to address long-term strategic decisions);
- modernization of Manufacturing & Supply;
- R&D transformation plan;
- mergers & acquisitions in the pharmaceutical market over the past few years;
- update on mergers & acquisitions strategy;
- in-depth review of mRNA; and
- emerging markets strategy, especially in China.

Remit and Operation of Board Committees

Our Board of Directors is assisted in its deliberations and decisions by five specialist Committees (for a description of the remit of each Committee, refer to our Board Charter, provided as Exhibit 1.2 to this annual report). Chairs and members of these Committees are chosen by the Board from among its members, based on their experience.

The Committees are responsible for the preparation of certain items on the agenda of the Board of Directors. Decisions of the Committees are adopted by a simple majority with the Chair of the Committee having a casting vote. Minutes are prepared, and approved by the Committee members.

The Chair of each Committee reports to the Board on the work of that Committee, so that the Board is fully informed whenever it takes a decision.

Audit Committee

Composition of the Committee in 2024

	Audit Committee	
	Composition as of January 1, 2024	**Composition as of December 31, 2024**
Chair	Fabienne Lecorvaisier (independent director)	Carole Ferrand (independent director)[(b)]
Members	Christophe Babule[(a)] Carole Ferrand (independent director) Diane Souza (independent director)	Christophe Babule[(a)] Clotilde Delbos (independent director)[(c)] Fabienne Lecorvaisier (independent director) Anne-Françoise Nesmes (independent director)[(c)]
	Proportion of independent directors: 75% (3/4)	Proportion of independent directors: 80% (4/5)

(a) This table only refers to independence as defined under the AFEP-MEDEF Code. However, Christophe Babule is independent for the purposes of the NASDAQ Listing Rules and Rule 10A-3 under the Exchange Act.

(b) Carole Ferrand was appointed as Chair of the Audit Committee by a Board decision of April 30, 2024 to facilitate the handover with Fabienne Lecorvaisier, whose term of office as member of the board and Chair of the Audit Committee will expire at the close of the Annual General Meeting called to approve the financial statements for the year ended December 31, 2024.

(c) Clotilde Delbos and Anne-Françoise Nesmes were appointed members of the Audit Committee by a Board decision of April 30, 2024.

All members of the Audit Committee have financial or accounting expertise as a consequence of their training and professional experience, and all are deemed to be financial experts as defined by the Sarbanes-Oxley Act and by Article L. 823-19 of the French Commercial Code. See "Item 16A. Audit Committee Financial Expert".

Remit of the Committee

The remit of the Committee is described in our Board Charter, provided as Exhibit 1.2 to this annual report.

Since December 2023, our Audit Committee has been tasked with reviewing the process for the preparation and certification of sustainability disclosures. In fulfilling that role, the Audit Committee works in conjunction with the Appointments, Governance and CSR Committee. Collectively, the two committees determined the material sustainability issues facing Sanofi.

Operation of the Committee

In addition to the statutory auditors, the principal financial officers, the Senior Vice President Group Internal Audit and other members of the senior management team attend meetings of the Audit Committee.

The statutory auditors attend all meetings of the Audit Committee; they presented their opinions on the annual and half-year financial statements at the Committee meetings of January 30 and July 23, 2024, respectively. The Committee meets regularly with the statutory auditors without management present.

The Chair of the Committee also meets regularly with certain members of management, in particular the heads of Internal Audit, Risk Management and Ethics/Compliance.

For information about Audit Committee oversight of internal control and risks relating to the processing of accounting and financial information, refer to "Item 15. Controls and Procedures."

Work of the Committee in 2024

The work of the Committee in 2024 is summarized below:

	FINANCIAL POSITION
●	Preliminary review of the individual company and consolidated financial statements for the 2023 financial year, review of the individual company and consolidated financial statements for the first half of 2024, review of the consolidated financial statements for the first three quarters of 2024, and review of draft press releases.
●	Financial position of Sanofi, indebtedness and liquidity, off balance sheet commitments.
	INTERNAL AUDIT, INTERNAL CONTROL AND RISK MANAGEMENT
●	Review of the work of the Internal Control function and evaluation of that work for 2023 as certified by the statutory auditors pursuant to Section 404 of the Sarbanes-Oxley Act, and examination of the 2023 annual report on Form 20-F.
●	Principal risks (risk management and risk profiles) including CSR risks; Risk Committee report for 2024; tracking of whistleblowing and material compliance investigations; review of emerging risks, including geopolitical and macroeconomic risks; review of tax risks and deferred tax assets; review of material litigation.
●	Conclusions of Sanofi senior management on internal control procedures and review of the 2023 Management Report, in particular the description of risk factors in the Universal Registration Document and annual report on Form 20-F.
●	Internal audit report for 2024 and audit program for 2025.
●	Reporting on guarantees, endorsements and sureties.
●	Cybersecurity.
★	Update on end-to-end global supply chain.
★	Update on crisis management and business continuity.
★	Update on the combatting falsified medicines.
★	Ethics and data protection.
	STRATEGY AND COMPENSATION
●	Presentation of 2025 budget.
●	Review of attainment of performance conditions for 2021 equity-based compensation plans.
★	Update on financial strategy.
★	Proposed separation of Opella business – financial and tax implications.
	COMPLIANCE, BUSINESS ETHICS AND CSR
●	Review of European Green Taxonomy indicators included in the Universal Registration Document.
●	Audit plan for sustainability disclosures under the CSRD.
●	Progress report on CSRD implementation.
●	Joint meeting with Appointments, Governance and CSR Committee on CSRD implementation.
★	Update on business ethics and compliance.
★	Update on governance and management of third parties.
	RELATIONS WITH STATUTORY AUDITORS
●	Audit engagements and fees.
●	Review and budget for non-audit services (audit-related services, tax, and other).

● Annual items **★ Non-recurring items**

On October 31, 2024, the Audit Committee and the Appointments, Governance and CSR Committee held a joint meeting on the implementation of the European Corporate Sustainability Reporting Directive (CSRD), dealing with the following issues:

- overview of the CSRD;
- presentation of internal governance structures supporting CSRD implementation;
- update on double materiality and Impacts/Risks/Opportunities (IRO);
- interactions with the external auditors; and
- next steps.

Attendance rates in 2024

The Audit Committee met seven times in 2024, including meetings immediately prior to the Board meetings that approved the financial statements. Committee members had an attendance rate of 97%.

Appointments, Governance and CSR Committee

Composition of the Committee in 2024

Appointments, Governance and CSR Committee		
	Composition as of January 1, 2024	**Composition as of December 31, 2024[a]**
Chair	Gilles Schnepp (independent director)	Gilles Schnepp (independent director)
Members	Lise Kingo (independent director) Patrick Kron (independent director) Barbara Lavernos Frédéric Oudéa (independent director)	Lise Kingo (independent director) Patrick Kron (independent director) Barbara Lavernos Frédéric Oudéa (independent director)
	Proportion of independent directors: 80% (4/5)	Proportion of independent directors: 80% (4/5)

(a) Patrick Kron was appointed temporarily as Chair of the Appointments, Governance & CSR Committee by a Board decision of December 19, 2024 with effect from January 1, 2025, to replace Gilles Schnepp who left office on December 31, 2024.

The Chief Executive Officer is involved in the work of the Committee.

Remit of the Committee

The remit of the Committee is described in our Board Charter, provided as Exhibit 1.2 to this annual report.

The remit to review the process for the preparation and certification of sustainability disclosures has been given to our Audit Committee (see above). The Appointments, Governance and CSR Committee plays a role in this work through joint meetings.

Work of the Committee in 2024

The work of the Appointments, Governance and CSR Committee during 2024 covered the following issues:

	APPOINTMENTS
●	Succession planning for the Chairman, Chief Executive Officer and Executive Committee.
●	Changes to the composition of the Board and its committees.
●	Review of expiring terms of office, and appointment of new Board members.
	GOVERNANCE
●	Update on annual evaluation of the Board and its committees.
●	Review of director independence.
●	Review of management report and corporate governance report in the 2023 Universal Registration Document and annual report on Form 20-F.
●	Governance roadshows with key Sanofi investors, and analysis of the policies of proxy advisors.
★	Review of Board competencies matrix.
	CSR
●	Annual overview
●	Review of the CSR chapter in the 2023 Universal Registration Document.
★	New sustainable development strategy.
★	Sustainable procurement and human rights.
★	Update on environmental issues.
★	Joint meeting with Audit Committee on implementation of the Corporate Sustainability Reporting Directive (CSRD).
★	Update on Foundation S.

● Annual items **★ Non-recurring items**

Attendance rates in 2024

The Committee met seven times in 2024, including a joint meeting with the Audit Committee, with an overall attendance rate of 94%.

Compensation Committee

Composition of the Committee in 2024

Compensation Committee

	Composition as of January 1, 2024	Composition as of December 31, 2024
Chair	Patrick Kron (independent director)	Patrick Kron (independent director)
Members	Rachel Duan (independent director) Wolfgang Laux Diane Souza (independent director)	Clotilde Delbos (independent director)[a] Rachel Duan (independent director) Wolfgang Laux
	Proportion of independent directors: 75% (3/4)	Proportion of independent directors: 75% (3/4)

(a) Clotilde Delbos was appointed as a member of the Audit Committee by a Board decision of April 30, 2024.

Work of the Committee in 2024

The work of the Compensation Committee during 2024 covered the following issues:

	COMPENSATION OF CORPORATE OFFICERS
●	Components of the compensation of corporate officers (Chief Executive Officer and Chairman of the Board of Directors).
●	Review of performance conditions applicable to the compensation of the Chief Executive Officer, in particular CSR criteria.
●	Allocation of directors' compensation for 2023, and review of general principles of the compensation policy applicable to directors.
●	Review of the disclosures about compensation contained in the corporate governance section of the 2023 Universal Registration Document and the annual report on Form 20-F, and of equal pay ratios.
●	Review of the draft "say on pay" resolutions to be submitted to the Annual General Meeting of April 30, 2024.
●	Governance roadshows with key Sanofi investors, and analysis of the policies of proxy advisors.
★	Review of the structure of the Chief Executive Officer's compensation, and objectives for 2025.
	EQUITY-BASED COMPENSATION
●	Implementation of equity-based compensation plans awarded in prior years (sign-off on attainment of performance conditions for 2021 plans).
★	Introduction of a new R&D criterion into the 2024 long-term incentive plan for the Chief Executive Officer.
	EMPLOYEE SHARE OWNERSHIP
●	Status report and analysis of 2024 employee share ownership plan.
●	Consideration of next employee share ownership plan, and implementation of Action 2025 plan.
	EXECUTIVE COMMITTEE COMPENSATION
●	Monitoring of fixed and variable compensation of Executive Committee members in 2023 and 2024.
★	Terms for incoming and outgoing Executive Committee members.

● **Annual items** ★ **Non-recurring items**

When the Committee discusses the compensation policy for members of senior management who are not corporate officers, i.e. the members of the Executive Committee, the Committee invites the Chief Executive Officer to attend.

Attendance rates in 2024

The Committee met three times in 2024, with an overall attendance rate of 100%.

Strategy Committee

Composition of the Committee in 2024

Strategy Committee

	Composition as of January 1, 2024	Composition as of December 31, 2024[a]
Chair	Frédéric Oudéa (independent director)	Frédéric Oudéa (independent director)
Members	Paul Hudson Patrick Kron (independent director) Barbara Lavernos Gilles Schnepp (independent director)	Paul Hudson Patrick Kron (independent director) Barbara Lavernos Gilles Schnepp (independent director) Antoine Yver[b]
	Proportion of independent directors: 60% (3/5)	Proportion of independent directors: 66% (4/6)

(a) Jean-Paul Kress was appointed as member of the Strategy Committee by a Board decision of December 19, 2024, with effect from January 1, 2025, to replace Gilles Schnepp who left office on December 31, 2024.
(b) Antoine Yver was appointed as a member of the Strategy Committee by a Board decision of April 30, 2024.

Work of the Committee in 2024

During 2024, the Committee's work included the following key issues:

●	Divestment and acquisition projects, and business development priorities.
●	Update on phase 2 of the Play to Win strategy.
★	Update on the Opella separation, including options review.
★	Review of the Opella business plan.
★	Update on investments in Manufacturing & Supply projects.
★	Update on the transformation plan for France.

● **Annual items** ★ **Non-recurring items**

Attendance rates in 2024

The Committee met five times in 2024, with an overall attendance rate of 93%.

Scientific Committee

Composition of the Committee in 2024

Scientific Committee

	Composition as of January 1, 2024	Composition as of December 31, 2024[a]
Chair	Thomas Südhof (independent director)	Antoine Yver (independent director)
Members	Frédéric Oudéa (independent director) Emile Voest (independent director) Antoine Yver (independent director)	Frédéric Oudéa (independent director) John Sundy (independent director) Emile Voest (independent director)
	Proportion of independent directors: 100% (4/4)	Proportion of independent directors: 100% (4/4)

(a) Jean-Paul Kress was appointed as a member of the Scientific Committee by a Board decision of December 19, 2024, with effect from January 1, 2025. For the current composition of the Committee, refer to the Governance section of our corporate website: https://www.sanofi.com/en..
(b) Antoine Yver was appointed as Chair of the Scientific Committee by a Board decision of April 30, 2024.

Work of the Committee in 2024

During 2024, the Committee's work included the following key issues:

●	Review of product portfolio.
●	Review of acquisition and alliance projects.
●	Update on Vaccines.
●	Update on R&D transformation and roadmap.
★	Update on R&D in France.
★	Update on Centers of Excellence.
★	Update on fundamental research and early-stage development in immunology and inflammation including risk review, M&A/business development strategy, and white space analysis.

● **Annual items** ★ **Non-recurring items**

Attendance rates in 2024

The Committee met six times in 2024, with an overall attendance rate of 90%.

D. Employees

Number of Employees[(a)]

In 2024, Sanofi employed 82,878 people worldwide, 3,210 fewer than in 2023. The tables below give a breakdown of employees by geographical area and function as of December 31, 2024, 2023 and 2022.

Employees by Geographical Area[(a)]

	As of December 31,					
	2024	**%**	**2023**	**%**	**2022**	**%**
Europe	41,193	50%	42,115	49%	42,151	47%
United States	12,898	16%	13,418	16 %	13,761	15%
Rest of the World	28,787	35%	30,555	35 %	33,912	38 %
Total	**82,878**	**100.0%**	**86,088**	**100.0%**	**89,824**	**100.0%**

Employees by Function[(a)]

		As of December 31,		
		2024	**2023**	**2022**
Biopharma	General Medicines	10,039	11,784	15,290
	Go To Market Capabilities	1,330	N/A	N/A
	Specialty Care	7,459	9,694	9,411
	Vaccines	5,103	5,444	15,541
	Research and Development	8,940	9,257	9,449
	Manufacturing and Supply	28,450	29,184	21,441
	Corporate Functions	11,186	10,078	9,803
	Sub-total Biopharma	**72,507**	**75,441**	**80,935**
Opella	Consumer Healthcare -Opella	10,371	10,647	8,889
	Total	**82,878**	**86,088**	**89,824**

(a) Employees on garden leave and Executive Committee management level are excluded from the data.

Industrial Relations

In all countries where we operate, we seek to strike a balance between our economic interests and those of our employees, which we regard as inseparable.

Our belief in a balanced workplace for our employees is based on the basic principles of our Social Charter, which outlines the rights and duties of all Sanofi employees. The Social Charter addresses our key ambitions vis-à-vis our workforce: equal opportunity for all people without discrimination, the right to health and safety, respect for privacy, the right to information and professional training, social protection for employees and their families, freedom of association and the right to collective bargaining, and respect for the principles contained in the Global Compact on labor relations and ILO conventions governing the physical and emotional well-being and safety of children.

Our labor relations are based on respect and dialogue. In this spirit, management and employee representatives meet regularly to exchange views, negotiate, sign agreements and ensure that agreements are being implemented.

Employee dialogue takes place in different ways from country to country, as dictated by specific local circumstances. Depending on the circumstances, employee dialogue relating to information, consultation and negotiation processes may take place at national, regional or company level. It may be organized on an interprofessional or sectorial basis, or both. Employee dialogue may be informal or implemented through a specific formal body, or a combination of both methods. Whatever the situation, Sanofi encourages employees to voice their opinions, help create a stimulating work environment and take part in decisions aiming to improve the way we work. These efforts reflect one of the principles of the Social Charter, whereby improving working conditions and the necessary adaptation to our business environment go hand-in-hand.

Profit-sharing Schemes, Employee Savings Schemes and Employee Share Ownership

Profit-sharing schemes

All employees of our French companies belong to voluntary and statutory profit-sharing schemes.

Voluntary schemes

Voluntary schemes *(intéressement des salariés)* are collective schemes that are optional for the employer and contingent upon performance. The aim is to give employees an interest in the growth of the business and improvements in its performance.

In June 2023, we entered into a new fixed-term statutory profit-sharing agreement for the 2023, 2024 and 2025 financial years, which applies to all employees of our French companies. Under the agreement, Sanofi pays collective variable compensation determined on the basis of the more favorable of (i) growth in consolidated net sales (at constant exchange rates and on a constant structure basis) or (ii) the ratio of business operating income to net sales on a reported basis (BOI margin). For each of those criteria, a matrix determines what percentage of total payroll is to be allocated to the scheme. An additional sum capped at 0.5% of total payroll may also be distributed, determined on the basis of two CSR-related performance conditions, each weighted at 0.25%:

- a criterion reflecting progress in environmental matters (reduction in Sanofi greenhouse gas emissions worldwide); and
- a social responsibility criterion: the number of employees in France registered on Sanofi-referenced volunteering programs.

This overall allocation is reduced by the amount required by law to be transferred to a special profit-sharing reserve. The balance is then distributed between the employees unless the transfer to the reserve equals or exceeds the maximum amount determined under the specified criteria, in which case no profit share is paid to the employees.

No distribution was made under the voluntary scheme in 2024 in respect of 2023.

Statutory scheme

The statutory scheme *(participation des salariés aux résultats de l'entreprise)* is a French legal obligation for companies with more than 50 employees that made a profit in the previous financial year.

The amount distributed by our French companies in 2024 in respect of the statutory scheme for the year ended December 31, 2023 represented 10.62% of total payroll.

Distribution formula

In order to favor lower-paid employees, the voluntary and statutory profit-sharing agreements entered into since 2005 split the benefit between those entitled as follows:

- 60% prorated on the basis of time spent in the Company's employment in the year; and
- 40% prorated on the basis of gross annual salary received during the year, subject to a lower limit equal to the social security ceiling and an upper limit of three times the social security ceiling.

Employee savings schemes and collective retirement savings plan

The employee savings arrangements operated by Sanofi are based on a collective savings scheme *(Plan d'Épargne Groupe)* and a collective retirement savings scheme *(Plan d'Épargne pour la Retraite Collectif)*. Those schemes reinvest the sums derived from the statutory and voluntary profit-sharing schemes, plus voluntary contributions from employees.

In 2024, 92% of the employees who benefited from the profit-sharing schemes opted to invest in the collective savings scheme, and nearly 80% opted to invest in the collective retirement savings scheme.

Sanofi supplements the amount invested by employees in these schemes by making a top-up contribution.

In 2024, €141.3 million and €58.1 million were invested in the collective savings scheme and the collective retirement savings scheme respectively through the voluntary and statutory schemes, and through top-up contributions.

Employee share ownership

As of December 31, 2024, shares held under the collective savings scheme or in registered form by employees of Sanofi, employees of related companies and former employees amounted to 2.9% of our share capital.

For more information about our most recent employee share ownership plan, refer to "Item 10. Additional Information — Changes in Share Capital — Increases in Share Capital".

E. Share Ownership

Senior Management

Members of the Executive Committee hold shares of our Company amounting in the aggregate to less than 1% of our share capital.

Existing Option Plans as of December 31, 2024

In 2019, the Board of Directors reviewed Sanofi's compensation policy and decided that stock options would no longer be awarded from 2020 onwards. That decision was taken to standardize the terms of equity-based compensation awards within Sanofi, and in response to feedback from some shareholders and proxy advisors who had concerns about stock options given their dilutive effect and potential unintended consequences.

Share Purchase Option Plans

As of December 31, 2024 there were no stock purchase option plans outstanding.

Share Subscription Option Plans

Source	Date of shareholder authorization	Date of grant	Total number of options granted	to corporate officers[a]	to the 10 employees awarded the most options[b]	Start date of exercise period	Expiry date	Exercise price (€)	Number of shares subscribed as of 12/31/2024	Number of options canceled as of 12/31/2024[c]	Number of options outstanding
Sanofi	May 3, 2013	Mar 5, 2014	769,250	—	364,500	Mar 6, 2018	Mar 5, 2024	73.48	666,625	102,625	
Sanofi	May 3, 2013	Mar 5, 2014	240,000	240,000	—	Mar 6, 2018	Mar 5, 2024	73.48	193,440	46,560	
Sanofi	May 3, 2013	Jun 24, 2015	12,500	—	12,500	Jun 25, 2019	Jun 24, 2025	89.38	2,250	8,500	1,750
Sanofi	May 3, 2013	Jun 24, 2015	202,500	—	202,500	Jun 25, 2019	Jun 24, 2025	89.38	45,000		157,500
Sanofi	May 3, 2013	Jun 24, 2015	220,000	220,000	—	Jun 25, 2019	Jun 24, 2025	89.38	178,464	41,536	
Sanofi	May 4, 2016	May 4, 2016	17,750	—	17,750	May 5, 2020	May 4, 2026	75.90	4,500	9,750	3,500
Sanofi	May 4, 2016	May 4, 2016	165,000	—	165,000	May 5, 2020	May 4, 2026	75.90	82,500		82,500
Sanofi	May 4, 2016	May 4, 2016	220,000	220,000	—	May 5, 2020	May 4, 2026	75.90	128,750	41,250	50,000
Sanofi	May 10, 2017	May 10, 2017	158,040	—	157,140	May 11, 2021	May 10, 2027	88.97	34,184	44,276	79,580
Sanofi	May 10, 2017	May 10, 2017	220,000	220,000	—	May 11, 2021	May 10, 2027	88.97		42,570	177,430
Sanofi	May 2, 2018	May 2, 2018	220,000	220,000	—	May 3, 2022	May 3, 2028	65.84		51,216	168,784
Sanofi	Apr 30, 2019	Apr 30, 2019	220,000	220,000	—	May 1, 2023	Apr 30, 2029	76.71		6,600	213,400

(a) Comprises the Chief Executive Officer, and any Deputy Chief Executive Officers or members of the Management Board in office at the date of grant.
(b) In office at the date of grant.
(c) Includes 293,812 options cancelled due to partial non-fulfillment of performance conditions.

In 2024, 23,187 stock options were exercised by individuals who were Executive Committee members as of December 31, 2024. The plan involved post-dates the creation of the Executive Committee (Sanofi plan of March 5, 2014, exercise price €73.48).

As of December 31, 2024, a total of 934,444 stock subscription options remained outstanding. As of the same date, 934,444 options were immediately exercisable.

Existing Performance Share Plans as of December 31, 2024

The Board of Directors awards shares to certain employees in order to give them a direct stake in our future and performances via trends in the share price, as a partial substitute for the granting of stock options.

Shares are awarded to employees by the Board of Directors on the basis of a list submitted to the Compensation Committee. The Board of Directors sets terms of the awards, including continuing employment conditions and performance conditions (measured over three financial years).

The employee plans have a three-year vesting period, with no lock-up period.

- At its meeting of April 30, 2024, the Board of Directors awarded a share performance plan, cascaded down into three sub-plans:
  - a plan under which 470 beneficiaries classified as "Senior Executives" were awarded a total of 1,394,478 shares;
  - a plan under which 8,234 beneficiaries not classified as "Senior Executives" were awarded a total of 2,888,502 shares;
  - a plan under which 82,500 performance shares were awarded to the Chief Executive Officer.

Of the 8,705 beneficiaries, 50% were women.

- At its meeting of December 4, 2024, the Board of Directors awarded a share performance plan, cascaded down into two sub-plans:
  - a plan under which 15 beneficiaries classified as "Senior Executives" were awarded a total of 82,222 performance shares;
  - a plan under which five beneficiaries not classified as "Senior Executives" were awarded a total of 6,649 performance shares.

Of those 20 beneficiaries, 40% were women.

The entirety of those awards is contingent upon criteria based on business net income (BNI), free cash flow (FCF) and Corporate Social Responsibility (CSR); in the case of employees classified as "Senior Executives", two additional criteria based on (i) total shareholder return (TSR) and (ii) the R&D allocation rate were added, accounting for respectively 20% and 10% of the total. Vesting is subject to a non-compete clause.

The number of shares awarded to the Chief Executive Officer in 2024 represents 0.4% of the total limit approved by our shareholders at the Annual General Meeting of April 30, 2024 (1.5% of our share capital) and 1.85% of the total amount awarded to all beneficiaries in 2024.

The 2024 awards represent a dilution of approximately 0.21% of our undiluted share capital as of December 31, 2024.

Not all of our employees were awarded performance shares, but a new voluntary profit-sharing agreement was signed in June 2023, which gives all of our employees an interest in Sanofi's performance (for more details refer to "— Profit-Sharing Schemes, Employee Savings Schemes and Employee Share Ownership" above).

Performance Share Plans

Source	Date of shareholder authorization	Date of award	Total number of shares awarded	to corporate officers[a]	to the 10 employees awarded the most shares[b]	Start date of vesting period[c]	Vesting date	End of lock-up period	Number of shares vested as of 12/31/2024	Number of rights canceled as of 12/31/2024[d]	Number of shares not yet vested
Sanofi	April 30, 2021	April 30, 2021	1,614,023	—	19,407	April 30, 2021	May 01, 2024	May 01, 2024	1,280,302	333,721	—
Sanofi	April 30, 2021	April 30, 2021	701,824	—	163,877	April 30, 2021	May 01, 2024	May 01, 2024	468,036	233,788	—
Sanofi	April 30, 2021	April 30, 2021	595,878	—	10,918	April 30, 2021	May 01, 2024	May 01, 2024	556,745	39,133	—
Sanofi	April 30, 2021	April 30, 2021	497,695	—	150,339	April 30, 2021	May 01, 2024	May 01, 2024	429,739	67,956	—
Sanofi	April 30, 2021	April 30, 2021	75,000	75,000	—	April 30, 2021	May 01, 2024	May 01, 2024	71,423	3,577	—
Sanofi	April 30, 2021	October 27, 2021	13,521	—	13,521	October 27, 2021	October 28, 2024	October 28, 2024	10,917	2,604	—
Sanofi	April 30, 2021	May 03, 2022	2,000,627	—	25,882	May 03, 2022	May 03, 2025	May 04, 2025	1,295	265,897	1,733,435
Sanofi	April 30, 2021	May 03, 2022	1,146,431	—	192,542	May 03, 2022	May 03, 2025	May 04, 2025		227,001	919,430
Sanofi	April 30, 2021	May 03, 2022	82,500	82,500	—	May 03, 2022	May 03, 2025	May 04, 2025			82,500
Sanofi	April 30, 2021	December 14, 2022	90,580	—	77,111	December 14, 2022	December 14, 2025	December 15, 2025		1,206	89,374
Sanofi	April 30, 2021	December 14, 2022	10,335	—	10,335	December 14, 2022	December 14, 2025	December 15, 2025		267	10,068
Sanofi	April 30, 2021	May 25, 2023	2,425,047	—	25,417	May 25, 2023	May 25, 2026	May 25, 2026	820	236,854	2,187,373
Sanofi	April 30, 2021	May 25, 2023	1,209,790	—	192,417	May 25, 2023	May 25, 2026	May 25, 2026		164,801	1,044,989
Sanofi	April 30, 2021	May 25, 2023	82,500	82,500	—	May 25, 2023	May 25, 2026	May 25, 2026			82,500
Sanofi	April 30, 2021	December 13, 2023	58,347	—	58,347	December 13, 2023	December 14, 2026	December 14, 2026			58,347
Sanofi	April 30, 2021	December 13, 2023	944	—	944	December 13, 2023	December 14, 2026	December 14, 2026			944
Sanofi	April 30, 2024	April 30, 2024	2,888,502	—	25,656	April 30, 2024	May 01, 2027	May 02, 2027		104,300	2,784,202
Sanofi	April 30, 2024	April 30, 2024	1,394,478	—	244,434	April 30, 2024	May 01, 2027	May 02, 2027		43,646	1,350,832
Sanofi	April 30, 2024	April 30, 2024	82,500	82,500	—	April 30, 2024	May 01, 2027	May 02, 2027			82,500
Sanofi	April 30, 2024	December 04, 2024	6,649	—	6,649	December 04, 2024	December 05, 2027	December 06, 2027			6,649
Sanofi	April 30, 2024	December 04, 2024	82,222	—	76,702	December 04, 2024	December 05, 2027	December 06, 2027			82,222

(a) Comprises the Chief Executive Officer, and any Deputy Chief Executive Officers or members of the Management Board in office at the date of grant.
(b) In office at the date of grant.
(c) Subject to the conditions set.
(d) 48,885 rights were cancelled due to partial non-fulfillment of performance condition.

As of December 31, 2024, 10,515,365 shares had not yet vested pending fulfillment of performance conditions.

Shares Owned by Members of the Board of Directors

As of December 31, 2024, members of our Board of Directors held in the aggregate 155,251 shares, or under 1% of the share capital and of the voting rights, excluding the beneficial ownership of 118,227,307 shares held by L'Oréal as of such date which may be attributed to Barbara Lavernos or Christophe Babule (who disclaim beneficial ownership of such shares).

Transactions in Shares by Members of the Board of Directors and Equivalent Persons in 2024 and early 2025

As far as Sanofi is aware, transactions in our securities carried out during 2024 and early 2025 by (i) Board members, (ii) executives with the power to make management decisions affecting our future development and corporate strategy and (iii) persons with close personal ties to such individuals (as per Article L. 621-18-2 of the French Monetary and Financial Code), were as follows:

- April 26, 2024: Antoine Yver, director, acquired 1,000 shares at a price of €91.38 per share, and concomitantly sold 2,000 ADSs (*American Depositary Shares*);
- May 2, 2024: Paul Hudson, Chief Executive Officer, acquired 71,423 restricted shares;
- June 21, 2024: John Sundy, director, acquired 887 ADSs at a price of $46.94 per ADS;
- September 16, 2024: Anne-Françoise Nesmes, director, acquired 533 shares at a price of £87.02 per share;
- October 31, 2024: Clotilde Delbos, director, acquired 500 shares at a price of €97.53 per share;
- February 4, 2025: Jean-Paul Kress, director, acquired 2,000 ADSs at a price of $53.12 per ADS.

F. Disclosure of action to recover erroneously awarded compensation

N/A

Item 7. Major Shareholders and Related Party Transactions

A. Major Shareholders

The table below shows the ownership of our shares as of January 31, 2025, indicating the beneficial owners of our shares. To the best of our knowledge and on the basis of the notifications received as disclosed below, except for L'Oréal and BlackRock, Inc., no other shareholder currently holds more than 5% of our share capital or voting rights.

	Total number of issued shares		Actual number of voting rights (excluding treasury shares)[e]		Theoretical number of voting rights (including treasury shares)[f]	
	Number	%	Number	%	Number	%
L'Oréal[a]	118,227,307	9.36	236,454,614	16.69	236,454,614	16.58
BlackRock[b]	87,967,799	6.96	87,967,799	6.21	87,967,799	6.17
Employees[c]	32,197,639	2.55	67,419,659	4.76	67,419,659	4.73
Public	1,015,198,895	80.37	1,024,583,360	72.34	1,024,583,360	71.85
Treasury shares[a][d]	9,531,081	0.75	—	—	9,531,081	0.67
Total	**1,263,122,721**	**100**	**1,416,425,432**	**100**	**1,425,956,513**	**100**

(a) On February 2, 2025, Sanofi and L'Oréal entered into a share buyback agreement pursuant to which Sanofi repurchased 29,556,650 shares from L'Oréal, a significant shareholder, at €101.50 per share, for a total amount of approximately €3 billion. After the transaction and cancellation of the shares, L'Oréal will hold 7.2% of Sanofi's share capital and 13.1% of its voting rights (excluding treasury shares). The transaction closed on February 5, 2025. Sanofi will cancel the shares acquired from L'Oréal at the latest on April 29, 2025. For more information, see "Item 8. Financial Information - B. Significant Changes".

(b) Based on BlackRock's declaration dated January 23, 2025.

(c) Shares held by the employees according to article L.225-102 of the French Commercial Code.

(d) Number of shares repurchased as of January 31, 2025 under the share repurchase program in force.

(e) Based on the total number of voting rights as of January 31, 2025.

(f) Based on the total number of voting rights as of January 31, 2025 as published in accordance with Article 223-11 and seq. of the General Regulations of the Autorité des marchés financiers (i.e. including treasury shares, the voting rights of which are suspended).

Our Articles of Association provide for double voting rights for shares held in registered form for at least two years. All of our shareholders may benefit from double voting rights if these conditions are met, and no shareholder benefits from specific voting rights. For more information relating to our shares, see "Item 10. Additional Information — B. Memorandum and Articles of Association."

Neither L'Oréal nor BlackRock holds different voting rights from those of our other shareholders.

To the best of our knowledge, no other shareholder currently holds, directly or indirectly and acting alone or in concert, more than 5% of our share capital or voting rights. Furthermore, we believe that we are not directly or indirectly owned or controlled by another corporation or government, or by any other natural or legal persons. To our knowledge, there are no arrangements that may result in a change of control.

During the year ended December 31, 2024 we did not receive any share ownership declarations informing us that a legal threshold had been passed, as required under Article L. 233-7 of the French Commercial Code.

In addition to the statutory requirement to inform the Company and the *Autorité des marchés financiers* (AMF, the French Financial Markets Regulator) that they hold a number of shares (or of securities equivalent to shares or of voting rights pursuant to Article L. 233-9 of the French Commercial Code) representing more than one-twentieth (5%), one-tenth (10%), three-twentieths (15%), one-fifth (20%), one-quarter (25%), three-tenths (30%), one-third (1/3), one-half (50%), two-thirds (2/3), nine-tenths (90%) or nineteen-twentieths (95%) of the share capital or theoretical voting rights within four trading days after crossing any such ownership threshold (Article L. 233-7 of the French Commercial Code), any natural or legal person who directly or indirectly comes to hold a percentage of the share capital, voting rights or securities giving future access to the Company's capital that is equal to or greater than 1% or any multiple of that percentage, is obliged to inform the Company thereof by registered mail, return receipt requested, indicating the number of securities held, within five trading days following the date on which each of the thresholds was crossed.

If such declaration is not made, the shares in excess of the fraction that should have been declared will be stripped of voting rights at shareholders' meetings, if on the occasion of such meeting, the failure to declare has been formally noted and one or more shareholders collectively holding at least 5% of the Company's share capital or voting rights so request at that meeting.

Any natural or legal person is also required to inform the Company, in the forms and within the time limits stipulated above for passing above a specified threshold, if their direct or indirect holding passes below any of the aforementioned thresholds.

Since January 1, 2025 Sanofi has received declarations of the passing of share ownership as required under the Articles of Association; and one share ownership declaration was received informing us that a legal threshold had been passed (in which L'Oréal declared that on February 5, 2025, it had passed below the 15% threshold in terms of voting rights, and holds 7.02% of our share capital and 12.73% of our voting rights).

As of December 31, 2024, Sanofi had approximately 27,247 shareholders listed in its share register, representing approximately 13.20% of issued shares. Based on the Sanofi share register and excluding treasury shares, approximately 98.40% of the shares registered by name were held in France, and approximately 0.011% were held in the United States. In France, our country of incorporation, there were 11,552 identified shareholders of record. In the United States, our host country, there were 53 identified shareholders of record and 17,526 identified ADS holders of record.

Shareholders' Agreement

We are unaware of any shareholders' agreement currently in force.

B. Related Party Transactions

See Note D.33. to our consolidated financial statements included at Item 18. of this annual report.

On February 2, 2025, Sanofi and L'Oréal entered into a share buyback agreement pursuant to which Sanofi repurchased 29,556,650 shares from L'Oréal, a significant shareholder, at €101.50 per share, for a total amount of approximately €3 billion. After the transaction and cancellation of the shares, L'Oréal will hold 7.2% of Sanofi's share capital and 13.1% of its actual voting rights (excluding treasury shares). The transaction closed on February 5, 2025. Sanofi will cancel the shares acquired from L'Oréal at the latest on April 29, 2025. For more information, see "Item 8. Financial Information - B. Significant Changes".

C. Interests of Experts and Counsel

N/A

Item 8. Financial Information

A. Consolidated Financial Statements and Other Financial Information

Our consolidated financial statements as of and for the years ended December 31, 2024, 2023 and 2022 are included in this annual report at "Item 18. Financial Statements."

Dividends on ordinary shares

We paid annual dividends for the years ended December 31, 2020, 2021, 2022 and 2023 and our shareholders will be asked to approve the payment of an annual dividend of €3.92 per share for the 2024 fiscal year at our next annual shareholders' meeting. If approved, this dividend will be paid on May 15, 2025.

We expect that we will continue to pay regular dividends based on our financial condition and results of operations. The proposed 2024 dividend equates to a distribution of 55.0% of our business net income. For information on the non-IFRS financial measure "business earnings per share" see "Item 5. Operating and Financial Review and Prospects — Business Net Income."

The following table sets forth information with respect to the dividends paid by our Company in respect of the 2020, 2021, 2022 and 2023 fiscal years and the dividend that will be proposed for approval by our shareholders in respect of the 2024 fiscal year at our April 30, 2025 shareholders' meeting.

	2024 [(a)]	2023	2022	2021 [(b)]	2020
Dividend per Share (€)	3.92	3.76	3.56	3.33	3.20

(a) Proposal, subject to shareholder approval.
(b) Plus a dividend in kind of EUROAPI shares, at a ratio of one EUROAPI share per 23 Sanofi shares.

The declaration, amount and payment of any future dividends will be determined by majority vote of the holders of our shares at an ordinary general meeting, following the recommendation of our Board of Directors. Any declaration will depend on our results of operations, financial condition, cash requirements, future prospects and other factors deemed relevant by our shareholders. Accordingly, we cannot assure you that we will pay dividends in the future on a continuous and regular basis. Under French law, we are required to pay dividends approved by an ordinary general meeting of shareholders within nine months following the meeting at which they are approved.

Disclosure pursuant to Section 13(r) of the United States Exchange Act of 1934

Sanofi engages in limited business activities with Iran related to human health products – namely, sales of bulk and branded pharmaceuticals and vaccines. These activities, which are disclosed pursuant to Section 13(r) of the United States Exchange Act of 1934, as amended, are not financially material to Sanofi and contributed well under 1% of Sanofi's consolidated net sales in 2024.

Sanofi's US affiliates and non-US affiliates owned or controlled by Sanofi's US affiliates either do not engage in Iran-related activities or act under licenses issued by the US Department of the Treasury's Office of Foreign Assets Control (OFAC).

Sanofi and certain non-US Sanofi affiliates engage in limited business activities that neither are expressly authorized by OFAC nor require such authorization.

In 2016, Sanofi and the Iran Food and Drug Administration (IFDA), an entity affiliated with the Iranian Ministry of Health and Medical Education, signed a Memorandum of Cooperation (MOC) regarding: (i) potential future projects to reinforce current partnerships with reputable Iranian manufacturers (in particular, to enhance industrial quality standards); (ii) collaborating with the Ministry of Health and Medical Education on programs for the prevention and control of certain chronic and non-communicable diseases (in particular, diabetes); and (iii) potential future collaboration on epidemiological studies. In 2024, activities conducted under the MOC did not generate any revenue or net profits.

Certain non-US Sanofi affiliates engage in limited business with Iranian counterparties associated with the Iranian Ministry of Health, such as public hospitals or distributors. In 2024, those business activities generated approximately €29.3 million in gross revenue and contributed no more than €2.0 million in net loss.

Finally, a representative office in Tehran currently under liquidation incurs incidental expenses from state-owned utilities.

Sanofi believes that it and its affiliates' activities are compliant with applicable law, and in light of the nature of the activities concerned, Sanofi and its affiliates intend to continue their ongoing activities in Iran.

Information on Legal or Arbitration Proceedings

This Item 8. incorporates by reference the disclosures found in Note D.22. to the consolidated financial statements at Item 18. of this annual report; material updates thereto as of the date of this annual report are found below under the heading "— B. Significant Changes — Updates to Note D.22.".

Sanofi and its subsidiaries are involved in litigation, arbitration and other legal proceedings. These proceedings typically are related to product liability claims, intellectual property rights (particularly claims against generic companies seeking to limit the patent protection of Sanofi products), competition law and trade practices, commercial claims, employment and wrongful discharge claims, tax assessment claims, waste disposal and pollution claims, and claims under warranties or indemnification arrangements relating to business divestitures. As a result, we may become subject to substantial liabilities that may not be covered by insurance and could affect our business and reputation. While we do not currently believe that any of these legal proceedings will have a material adverse effect on our financial position, litigation is inherently unpredictable. As a consequence, we may in the future incur judgments or enter into settlements of claims that could have a material adverse effect on results of operations, cash flows and/or our reputation.

Government Investigations and Related Litigation

From time to time, subsidiaries of Sanofi are subject to governmental investigations and information requests from regulatory authorities inquiring as to the practices of Sanofi with respect to the sales, marketing, and promotion of its products.

From 2017 through 2024, several federal and state government agencies issued Civil Investigative Demands (CIDs) or other discovery requests calling for the production of documents and information relating to Sanofi's trade and pricing practices for its insulin products and/or Lantus-related litigation. Several of those investigations have concluded: Sanofi US reached a resolution with the New York Attorney General in April 2023; the Ohio Attorney General closed its investigation in November 2023; and although the Federal Trade Commission (FTC) has not formally closed its investigation, it filed a lawsuit against Pharmacy Benefit Managers (PBMs) only in September 2024, and Sanofi does not expect the FTC to commence litigation against the manufacturers at this time. Although several other investigations (including by the State Attorney General's offices in California, Colorado, Texas, Vermont and Washington), have not been closed, those investigations have been dormant for several years and Sanofi US does not anticipate undertaking further action on them at this time.

In September 2019, Sanofi US received a CID from the US Department of Justice concerning Dupixent, Kevzara, Praluent and Zaltrap. In June 2021, the government declined to intervene in the underlying complaint which was filed in November 2018. The government investigation into this matter is now closed. Relators, however, filed their First Amended Complaint in October 2021, which the Court dismissed with prejudice in August 2023. Relators have since filed an appeal to the Ninth Circuit Court of Appeals in this non intervened False Claims Act matter against Sanofi and co-promotion partner Regeneron.

In February 2020, Genzyme Corporation received a CID from the US Department of Justice. The CID requests documents and information relating to Genzyme Corporation's payments made to vendors or developers of electronic health record technology. Genzyme Corporation has cooperated with this investigation, which has been dormant over the past year. Genzyme Corporation does not expect further activity in this matter.

In November 2023, Sanofi US received a CID from the US Department of Justice regarding an investigation into Sanofi's pricing submissions for Admelog. On February 26, 2024, the US District Court unsealed the underlying whistleblower complaint and granted Sanofi's motion to dismiss in August 2024. Plaintiff filed a second amended complaint, which the Court dismissed with prejudice on December 10, 2024. Plaintiff did not appeal and this matter is now closed.

Insulin-Related Litigation

In December 2016 and January 2017, two putative class actions were filed against Sanofi US and Sanofi GmbH in the US Federal Court in Massachusetts on behalf of direct purchasers of Lantus alleging certain antitrust violations. Sanofi GmbH was later dismissed from the actions. In January 2018, the Court dismissed Plaintiffs' consolidated amended complaint against Sanofi US. Plaintiffs appealed that order to the Court of Appeals for the First Circuit, which issued its decision on February 13, 2020, reversing and remanding to the district court. In January 2021, Sanofi-Aventis Puerto Rico, Inc. (Sanofi PR) was added as a defendant. In October 2022, plaintiffs informed Sanofi US and Sanofi PR that they would proceed via joinder rather than move for class certification. Consistent with the Court's joinder deadline, new plaintiffs moved to intervene on January 3, 2023. Fact discovery has completed, and expert discovery is underway.

There are a number of insulin-related litigation matters pending in the US federal and state courts. These include cases brought on behalf of putative classes of consumers, wholesale purchasers of insulin, and state and local governments. The cases, which have been filed against Sanofi US along with other insulin manufacturers and, in some cases, pharmacy benefit managers, challenge those entities' insulin pricing practices (including Sanofi's pricing practices for Lantus, Apidra, Toujeo and/or Soliqua). The suits allege some combination of: violations of the Racketeer Influenced and Corrupt Organizations Act ("RICO Act"); violations of the Robinson-Patman Act; violations of various state unfair/deceptive trade practices statutes; unjust enrichment; common-law fraud; and civil conspiracy. In August 2023, the vast majority of the insulin-related litigation was consolidated in a multidistrict litigation (MDL) in federal court in New Jersey. The MDL proceedings currently include cases brought by 14 state attorneys general (Arizona, Arkansas, California, Illinois, Indiana, Kansas, Kentucky, Louisiana, Massachusetts, Mississippi, Montana, Oklahoma, Texas, and Utah) and Puerto Rico, as well as over 400 cases brought by other plaintiffs. On January 24, 2024, the District Court for the District of New Jersey (which is presiding over the MDL) issued a decision denying plaintiffs' motion for class certification in a putative class action on behalf of consumers. Following denial of plaintiffs' appeal of that decision, plaintiffs filed an amended complaint, which defendants have moved to strike or dismiss. On December 31, 2024, the District Court dismissed some of plaintiffs' claims but allowed others to proceed. Sanofi has also settled (on non-monetary terms) a case brought by Minnesota's Attorney General and has secured the voluntary dismissal of another case brought by a group of entities known as Medicare Secondary Payer (MSP) Recoveries.

Mylan vs Sanofi antitrust complaint

In May 2023, Mylan Pharmaceuticals Inc., Mylan Specialty LP and Mylan Inc. (Mylan) filed suit against Sanofi-Aventis US LLC, Sanofi SA, Aventis Pharma SA and Sanofi-Aventis Puerto Rico (Sanofi) in the Western District of Pennsylvania for alleged antitrust violations related to Mylan's insulin product Semglee. Sanofi has moved to dismiss the complaint.

B. Significant Changes

Updates to Note D.22.

N/A

Other Changes

On January 21, 2025, Opella announced that the US Food and Drug Administration (FDA) has lifted a clinical hold on its planned actual use trial(AUT) to support the switch of Cialis (tadalafil) from a prescription to an over-the-counter medicine. This decision allows for the initiation of the AUT and makes Cialis the first PDE-5 inhibitor to achieve this milestone.

During the meeting of the Board of Directors on January 29, 2025, the Board authorized Sanofi to repurchase the Company's shares, for an amount not exceeding €5 billion, under the terms and conditions set by the General Meeting of April 30, 2024 in its 19th resolution.

As part of this authorization, Sanofi entered into a share buyback agreement with its historical shareholder L'Oréal on February 2, 2025 for the acquisition of 2.34% of its share capital, or the equivalent of 29,556,650 shares, for a total amount of approximately €3 billion, representing a price of €101.50 per share. The conclusion of this agreement was approved by the Board of Directors on the same day prior to the signing of said agreement and in accordance with the procedure of Articles L. 225-38 et seq. of the French Commercial Code. In addition, on February 6, 2025, Sanofi entered into a mandate with an investment services provider to repurchase its own shares for a maximum amount of €2 billion, between February 7, 2025 and December 31, 2025 at the latest.

Item 9. The Offer and Listing

A. Offer and Listing Details

We have one class of shares. Each American Depositary Share, or ADS, represents one-half of one share. The ADSs are evidenced by American Depositary Receipts, or ADRs, which are issued by JPMorgan Chase Bank, NA.

Our shares trade on Compartment A of the regulated market of Euronext Paris under the symbol "SAN," and our ADSs trade on the Nasdaq Global Select Market, or Nasdaq, under the symbol "SNY."

B. Plan of Distribution

N/A

C. Markets

Shares and ADSs

Our shares are listed on Euronext Paris under the symbol "SAN" and our ADSs are listed on the Nasdaq under the symbol "SNY."

As of the date of this annual report, our shares are included in a large number of indexes, including the "CAC 40 Index," the principal French index published by Euronext Paris. This index contains 40 stocks selected among the top 100 companies based on free-float capitalization and the most active stocks listed on the Euronext Paris market. The CAC 40 Index indicates trends in the French stock market as a whole and is one of the most widely followed stock price indices in France.

Our shares are included in European indexes, such as the EURO STOXX 50, STOXX Europe 600 index, FTSE Eurofirst 300, MSCI Europe, MSCI Pan Euro, Euronext 100, and STOXX Europe 600 Health Care. They are also included in American and international indexes, such as the NASDAQ Composite, NASDAQ Health Care, S&P Global 100, MSCI World, and MSCI World Pharmaceuticals, Biotechnology and Life Sciences.

Our shares are also part of the main extra-financial rating indices, taking into account environmental, social, and governance criteria (FTSE4Good, STOXX Global ESG Leaders, and EURO STOXX 50 Low Carbon).

Trading by Sanofi in our own Shares

Under French law, a company may not issue shares to itself, but it may purchase its own shares in the limited cases described at "Item 10. Additional Information — B. Memorandum and Articles of Association — Trading in Our Own Shares."

D. Selling Shareholders

N/A

E. Dilution

N/A

F. Expenses of the Issue

N/A

Item 10. Additional Information

A. Share Capital

N/A

B. Memorandum and Articles of Association

General

Our Company is a *société anonyme*, a form of limited liability company, organized under the laws of France. The LEI number of the Company is 549300E9PC51EN656011.

In this section, we summarize material information concerning our share capital, together with material provisions of applicable French law and our Articles of Association *(statuts)*, an English translation of which has been filed as an exhibit to this annual report. For a description of certain provisions of our Articles of Association relating to our Board of Directors and statutory auditors, see "Item 6. Directors, Senior Management and Employees." You may obtain copies of our Articles of Association in French from the *greffe* (Clerk) of the *Registre du Commerce et des Sociétés de Paris* (Registry of Commerce and Companies of Paris, France, registration number: 395 030 844). Please refer to that full document for additional details.

Our Articles of Association specify that our corporate affairs are governed by:

- applicable laws and regulations (in particular, Title II of the French Commercial Code); and
- the Articles of Association themselves.

Article 3 of our Articles of Association specifies that the Company's corporate purpose, in France and abroad, is:

- acquiring interests and holdings, in any form whatsoever, in any company or enterprise, in existence or to be created, connected directly or indirectly with the health and fine chemistry sectors, human and animal therapeutics, nutrition and bio-industry:
  - in the following areas:
    - purchase and sale of all raw materials and products necessary for these activities,
    - research, study and development of new products, techniques and processes,
    - manufacture and sale of all chemical, biological, dietary and hygienic products,
    - obtaining or acquiring all intellectual property rights related to results obtained and, in particular, filing all patents, trademarks and models, processes or inventions,
    - operating directly or indirectly, purchasing, and transferring – for free or for consideration – pledging or securing all intellectual property rights, particularly all patents, trademarks and models, processes or inventions,
    - obtaining, operating, holding and granting all licenses,
    - within the framework of a group-wide policy and subject to compliance with the relevant legislation, participating in treasury management transactions, whether as lead company or otherwise, in the form of centralized currency risk management or intra-group netting, or any other form permitted under the relevant laws and regulations,
  - and, more generally:
    - all commercial, industrial, real or personal property, financial or other transactions, connected directly or indirectly, totally or partially, with the activities described above and with all similar or related activities and even with any other purposes likely to encourage or develop the Company's activities.

Directors

Transactions in which directors are materially interested

Under French law, any agreement entered into (directly or through an intermediary) between our Company and any one of the members of the Board of Directors that is not entered into (i) in the ordinary course of our business and (ii) under normal conditions, is subject to the prior authorization of the disinterested members of the Board of Directors. The same provision applies to agreements between our Company and another company if one of the members of the Board of Directors is the owner, general partner, manager, director, general manager or member of the executive or supervisory board of the other company, as well as to agreements in which one of the members of the Board of Directors has an indirect interest.

The Board of Directors must also approve any undertaking taken by our Company for the benefit of our Chairman, Chief Executive Officer *(directeur général)* or his delegates *(directeurs généraux délégués)* pursuant to which such persons will or may be granted compensation, benefits or any other advantages as a result of the termination of or a change in their offices or following such termination or change, in accordance with Article L. 22-10-8 III of the French Commercial Code. Each such undertaking must be included in our compensation policy for corporate officers, which is submitted for approval by our shareholders at the Annual General Meeting in accordance with Article L. 22-10-8 II of the French Commercial Code. No such

compensation or undertaking may be determined, awarded or paid unless in accordance with such compensation policy. See "Item 6. Directors, Senior Management and Employees — B. Compensation" for a description of the process for establishing and authorizing such compensation policy.

Directors' compensation

The aggregate amount of compensation of the Board of Directors is determined at the Shareholders' Ordinary General Meeting. The Board of Directors then divides this aggregate amount among its members by a simple majority vote. In addition, the Board of Directors may grant exceptional compensation *(rémunérations exceptionnelles)* to individual directors on a case-by-case basis for special assignments following the procedures described above at "— Transactions in which directors are materially interested". The Board of Directors may also authorize the reimbursement of travel and accommodation expenses, as well as other expenses incurred by Directors in the corporate interest. See also "Item 6. Directors, Senior Management and Employees." Furthermore, under our Articles of Association, the Board of Directors may compensate any observers *(censeurs)* to the Board of Directors, which would reduce by the same amount the total annual compensation available for allocation to the Board of Directors.

Board of Directors' authority to take out loans or borrow money on behalf of the Company

All loans or borrowings on behalf of the Company may be decided by the Board of Directors within the limits, if any, imposed by the Shareholders' Extraordinary General Meeting. There are currently no limits imposed on the amounts of loans or borrowings that the Board of Directors may approve.

Directors' age limits

For a description of the provisions of our Articles of Association relating to age limits applicable to our Directors, see "Item 6. Directors, Senior Management and Employees – A. Directors and Senior Management."

Directors' share ownership requirements

Pursuant to our Articles of Association, each director appointed by a Shareholders' Ordinary General Meeting must own at least 500 shares throughout their term of office. In addition, pursuant to the Board Charter, our Directors must within no more than two years from their appointment hold at least 1,000 Sanofi shares in their own name, which must be retained until they cease to hold office.

Shareholders' meetings

General

In accordance with the provisions of the French Commercial Code, there are three types of shareholders' meetings: ordinary, extraordinary and special.

Ordinary general meetings of shareholders are required for matters such as:

- electing, replacing and removing Directors;
- appointing independent auditors;
- approving the annual financial statements;
- declaring dividends or authorizing dividends to be paid in shares, provided the Articles of Association contain a provision to that effect; and
- approving share repurchase programs.

Extraordinary general meetings of shareholders are required for approval of matters such as amendments to our Articles of Association, including any amendment required in connection with extraordinary corporate actions. Extraordinary corporate actions include:

- changing our Company's name or corporate purpose;
- increasing or decreasing our share capital;
- creating a new class of equity securities;
- authorizing the issuance of:
  - shares giving access to our share capital or giving the right to receive debt instruments, or
  - other securities giving access to our share capital;
- establishing any other rights to equity securities;
- selling or transferring substantially all of our assets; and
- the voluntary liquidation of our Company.

Special meetings of shareholders of a certain category of shares or shares with certain specific rights (such as shares with double voting rights) are required for any modification of the rights derived from that category of shares. The resolutions of the shareholders' general meeting affecting these rights are effective only after approval by the relevant special meeting.

Annual ordinary meetings

The French Commercial Code requires the Board of Directors to convene an annual ordinary general shareholders' meeting to approve the annual financial statements. This meeting must be held within six months of the end of each fiscal year.

The Board of Directors may also convene an ordinary or extraordinary general shareholders' meeting upon proper notice at any time during the year. If the Board of Directors fails to convene a shareholders' meeting, our independent auditors may call the meeting. In case of bankruptcy, the liquidator or court-appointed agent may also call a shareholders' meeting in some instances. In addition, any of the following may request the court to appoint an agent for the purpose of calling a shareholders' meeting:

- one or several shareholders holding at least 5% of our share capital;
- duly qualified associations of shareholders who have held their shares in registered form for at least two years and who together hold at least 1% of our voting rights;
- the works council in cases of urgency; or
- any interested party in cases of urgency.

Under our Articles of Association, the Board of Directors may take decisions by written consultation under the conditions permitted by law and as specified in the Board Charter (an English language version of which is reproduced in full as Exhibit 1.2 to this annual report), including the possibility to convene an ordinary or extraordinary general meeting.

Notice of shareholders' meetings

All prior notice periods provided for below are minimum periods required by French law and cannot be shortened, except in case of a public tender offer for our shares.

We must announce general meetings at least thirty-five days in advance by means of a preliminary notice *(avis de réunion)*, which is published in the *Bulletin des Annonces Légales Obligatoires*, or BALO. The preliminary notice must first be sent to the French Financial markets authority (*Autorité des marchés financiers*, the "AMF"), with an indication of the date on which it will be published in the BALO. It must be published on our website at least twenty-one days prior to the general meeting. The preliminary notice must contain, among other things, the agenda, a draft of the resolutions to be submitted to the shareholders for consideration at the general meeting and a detailed description of the voting procedures (proxy voting, electronic voting or voting by mail), the procedures permitting shareholders to submit additional resolutions or items to the agenda and to ask written questions to the Board of Directors. The AMF also recommends that, prior to or simultaneously with the publication of the preliminary notice, we publish a summary of the notice indicating the date, time and place of the meeting in a newspaper of national circulation in France and on our website.

At least fifteen days prior to the date set for a first convening, and at least ten days prior to any second convening, we must send a final notice *(avis de convocation)* containing the final agenda, the date, time and place of the meeting and other information related to the meeting. Such final notice must be sent by mail to all registered shareholders who have held shares in registered form for more than one month prior to the date of the final notice and by registered mail, if shareholders have asked for it and paid the corresponding charges. The final notice must also be published in a newspaper authorized to publish legal announcements in the local administrative department *(département)* in which our Company is registered as well as in the BALO, with prior notice having been given to the AMF for informational purposes. Even if there are no proposals for new resolutions or items to be submitted to the shareholders at the meeting, we must publish a final notice in a newspaper authorized to publish legal announcements in the local administrative department *(département)* in which our Company is registered as well as in the BALO.

Other issues

In general, shareholders can only take action at shareholders' meetings on matters listed on the agenda. As an exception to this rule, shareholders may take action with respect to the appointment and dismissal of directors even if this action has not been included on the agenda.

Additional resolutions to be submitted for approval by the shareholders at the shareholders' meeting may be proposed to the Board of Directors, for recommendation to the shareholders at any time from the publication of the preliminary notice in the BALO until twenty-five days prior to the general meeting and in any case no later than twenty days following the publication of the preliminary notice in the BALO by:

- one or several shareholders together holding a specified percentage of shares;
- a duly qualified association of shareholders who have held their shares in registered form for at least two years and who together hold at least 1% of our voting rights; or
- the works council.

Within the same period, the shareholders may also propose additional items (points) to be submitted and discussed during the shareholders' meeting, without a shareholders' vote. The shareholders must substantiate the reasons for their proposals of additional items.

The resolutions and the list of items added to the agenda of the shareholders' meeting must be promptly published on our website.

The Board of Directors must submit the resolutions to a vote of the shareholders after having made a recommendation thereon. The Board of Directors may also comment on the items that are submitted to the shareholders' meeting.

Following the date on which documents must be made available to the shareholders (including documents to be submitted to the shareholders' meeting and resolutions proposed by the Board of Directors, which must be published on our website at least twenty-one days prior to the general meeting), shareholders may submit written questions to the Board of Directors relating to the agenda for the meeting until the fourth business day prior to the general meeting. The Board of Directors must respond to these questions during the meeting or may refer to a Q&A section located on our website in which the question submitted by a shareholder has already been answered.

Attendance at shareholders' meetings; proxies and votes by mail

In general, all shareholders may participate in general meetings either in person or by proxy. Shareholders may vote in person, by proxy or by mail.

The right of shareholders to participate in general meetings is subject to the recording (inscription en compte) of their shares on the second business day, 12:00 a.m. (Paris time), preceding the general meeting:

- for holders of registered shares: in the registered shareholder account held by the Company or on its behalf by an agent appointed by it; and
- for holders of bearer shares: in the bearer shareholder account held by the accredited financial intermediary with whom such holders have deposited their shares; such financial intermediaries shall deliver to holders of bearer shares a shareholding certificate *(attestation de participation)* enabling them to participate in the general meeting.

Attendance in person

Any shareholder may attend ordinary general meetings and extraordinary general meetings and exercise its voting rights subject to the conditions specified in the French Commercial Code, the French Civil Code and our Articles of Association.

An attendance sheet and written minutes are established for each shareholders' meeting; failure to do so could lead to cancellation of the decisions at the shareholders' meeting.

Proxies and votes by mail

Proxies are sent to any shareholder upon a request received between the publication of the final notice of meeting and six days before the general meeting and must be made available on our website at least twenty-one days before the general meeting. In order to be counted, such proxies must be received at our registered office, or at any other address indicated on the notice of the meeting or by any electronic mail indicated on the notice of the meeting, prior to the date of the meeting (in practice, we request that shareholders return proxies at least three business days prior to the meeting; electronic proxies must be returned before 3 p.m. Paris time, on the day prior to the general meeting). A shareholder may grant proxies to any natural person or legal entity. The agent may be required to disclose certain information to the shareholder or to the public.

A proxy is only valid for one meeting (or by way of exception for two meetings, one being ordinary and the other extraordinary, held on the same day or within a single 15-day period); it remains valid in the event such meeting is convened multiple times for the same agenda, and may be revoked by written statement of the shareholder granting the proxy.

Alternatively, the shareholder may send us a blank proxy without nominating any representative. In this case, the chairman of the meeting will vote the blank proxies in favor of all resolutions proposed or approved by the Board of Directors and against all others.

With respect to votes by mail, we must send shareholders a voting form upon request or must make available a voting form on our website at least twenty-one days before the general meeting. The completed form must be returned to us at least three days prior to the date of the shareholders' meeting. For holders of registered shares, in addition to traditional voting by mail, instructions may also be given via the Internet.

Quorum

The French Commercial Code requires that shareholders holding in the aggregate at least 20% of the shares entitled to vote must be present in person, or vote by mail or by proxy, in order to fulfill the quorum requirement for:

- an ordinary general meeting; and
- an extraordinary general meeting where the only resolutions pertain to either (a) a proposed increase in our share capital through incorporation of reserves, profits or share premium, or (b) the potential issuance of free share warrants in the event of a public tender offer for our shares (Article L. 233-32 of the French Commercial Code).

For any other extraordinary general meeting the quorum requirement is at least 25% of the shares entitled to vote, held by shareholders present in person, voting by mail or by proxy.

For a special meeting of holders of a certain category of shares, the quorum requirement is one third of the shares entitled to vote in that category, held by shareholders present in person, voting by mail or by proxy.

If a quorum is not present at a meeting, the meeting is adjourned. However, only questions that were on the agenda of the adjourned meeting may be discussed and voted upon once the meeting resumes.

When an adjourned meeting is resumed, there is no quorum requirement for meetings cited in the first paragraph of this "Quorum" section. In the case of any other reconvened extraordinary general meeting or special meeting, the quorum requirement is 20% of the shares entitled to vote (or voting shares belonging to the relevant category for special meetings of holders of shares of such specific category), held by shareholders present in person or voting by mail or by proxy. If a quorum is not met, the reconvened meeting may be adjourned for a maximum of two months with the same quorum requirement. No deliberation or action by the shareholders may take place without a quorum.

C. Material Contracts

In the ordinary course of our business, we enter into agreements for licensing or collaboration in the development and commercialization of products, as well as agreements for the purchase or sale of other businesses. Certain of the agreements which have led to successful commercialization to date are summarized in "Item 5. Operating and financial review and prospects — A.1.7 Financial presentation of alliances.". Agreements in connection with the potential sale and purchase of a 50% controlling stake in Opella are described in "Item 4. Information on the Company — B.3 Opella".

Share Repurchase Agreement with L'Oréal

On February 2, 2025, Sanofi and L'Oréal entered into a share buyback agreement pursuant to which Sanofi repurchased 29,556,650 shares from L'Oréal, a significant shareholder, at €101.50 per share, for a total amount of approximately €3 billion. After the transaction and cancellation of the shares, L'Oréal will hold 7.2% of Sanofi's share capital and 13.1% of its voting rights (excluding treasury shares). The transaction closed on February 5, 2025. Sanofi will cancel the shares acquired from L'Oréal at the latest on April 29, 2025. For more information, see "Item 8. Financial Information - B. Significant Changes".

D. Exchange Controls

French exchange control regulations currently do not limit the amount of payments that we may remit to non-residents of France. Laws and regulations concerning foreign exchange controls do require, however, that all payments or transfers of funds made by a French resident to a non-resident be handled by an accredited intermediary.

E. Taxation

General

The following generally summarizes the material French and US federal income tax consequences to US holders (as defined below) of purchasing, owning and disposing of our ADSs and ordinary shares (collectively the "Securities"). This discussion is intended only as a descriptive summary and does not purport to be a complete analysis or listing of all potential tax effects of the purchase, ownership or disposition of our Securities. All of the following is subject to change. Such changes could apply retroactively and could affect the consequences described below.

In particular, the French Finance Bill for 2025 (*Loi de Finances pour 2025*) was adopted by the French Parliament on February 6, 2025, but has not yet been enacted into law. The French Finance Bill for 2025 contains certain measures that would affect the French taxation of US holders purchasing the Securities (as mentioned below). As of February 12, 2025, certain articles of the Finance Bill for 2025 are under review by the French Constitutional Council (*Conseil Constitutionnel*).

This summary does not constitute a legal opinion or tax advice. Holders are urged to consult their own tax advisers regarding the tax consequences of the purchase, ownership and disposition of Securities in light of their particular circumstances, including the effect of any US federal, state, local or other national tax laws.

A set of tax rules is applicable to French assets that are held by or in foreign trusts. These rules provide inter alia for the inclusion of trust assets in the settlor's net assets for purpose of applying the French real estate wealth tax, for the application of French gift and death duties to French assets held in trust, for a specific tax on capital on the French assets of foreign trusts not already subject to the French real estate wealth tax and for a number of French tax reporting and disclosure obligations. The following discussion does not address the French tax consequences applicable to Securities held in trusts. *If Securities are held in trust, the grantor, trustee and beneficiary are urged to consult their own tax adviser regarding the specific tax consequences of acquiring, owning and disposing of Securities.*

The description of the French and US federal income tax consequences set forth below is based on the laws (including, for US federal income tax purposes, the Internal Revenue Code of 1986, as amended (the "Code"), final, temporary and proposed US Treasury Regulations promulgated thereunder and administrative and judicial interpretations thereof) in force as of the date of this annual report, the Convention Between the Government of the United States of America and the Government of the French Republic for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and Capital of August 31, 1994 (the "Treaty"), which entered into force on December 30, 1995 (as amended by any subsequent protocols, including the protocol of January 13, 2009), and the tax regulations issued by the French tax authorities within the *Bulletin Officiel des Finances Publiques-Impôts* (the "Regulations") in force as of the date of this report. *US holders are advised to consult their own tax advisers regarding their eligibility for Treaty benefits, especially with regard to the "Limitations on Benefits" provision, in light of their own particular circumstances.*

No advance ruling has been obtained with respect to the tax consequences of the acquisition, ownership or disposition of the Securities from either the French or US tax authorities. Thus, there can no assurances that either or both of such authorities will not take a position concerning said tax consequences different from that set out herein or that such a position would not be sustained by a court.

For the purposes of this discussion, a US holder is a beneficial owner of Securities that is (i) an individual who is a US citizen or resident for US federal income tax purposes, (ii) a US domestic corporation created or organized in or under the laws of the United States or any state thereof, including the District of Columbia, or (iii) certain estates or trusts that are subject to US tax jurisdiction.

If a partnership holds Securities, the tax treatment of a partner generally will depend upon the status of the partner and the activities of the partnership. *If a US holder is an estate or trust or partner in a partnership that holds Securities, the holder is urged to consult its own tax adviser regarding the specific tax consequences of acquiring, owning and disposing of Securities.*

This discussion is intended only as a general summary and does not purport to be a complete analysis or listing of all potential tax effects of the acquisition, ownership or disposition of the Securities to any particular investor, and does not discuss tax considerations that arise from rules of general application or that are generally assumed to be known by investors. The discussion applies only to investors that hold our Securities as capital assets that have the US dollar as their functional currency, that are entitled to Treaty benefits under the "Limitation on Benefits" provision contained in the Treaty, and whose ownership of the Securities is not effectively connected to a permanent establishment or a fixed base in France. Certain holders (including, but not limited to, US expatriates, partnerships or other entities classified as partnerships for US federal income tax purposes, banks, insurance companies, regulated investment companies, tax-exempt organizations, financial institutions, persons subject to the alternative minimum tax, persons who acquired the Securities pursuant to the exercise of employee stock options or otherwise as compensation, persons that own (directly, indirectly or by attribution) 5% or more of our voting stock or 5% or more of our outstanding share capital, dealers in securities or currencies, persons that elect to mark their securities to market for US federal income tax purposes, persons that acquire ADSs in "pre-release" transactions (i.e. prior to deposit of the relevant ordinary shares, although our depositary has indicated that such transactions have been halted) and persons holding Securities as a position in a synthetic security, straddle or conversion transaction) may be subject to special rules not discussed below. *Holders of Securities are advised to consult their own tax advisers with regard to the application of French tax law and US federal tax law to their particular situations, as well as any tax consequences arising under the laws of any state, local or other foreign jurisdiction.*

French taxes

Estate and gift taxes and transfer taxes

In general, a transfer of Securities by gift or by reason of death of a US holder that would otherwise be subject to French gift or inheritance tax, respectively, will not be subject to such French tax by reason of the Convention between the Government of the United States of America and the Government of the French Republic for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Estates, Inheritances and Gifts, dated November 24, 1978, unless the donor or the transferor is domiciled in France at the time of making the gift or at the time of his or her death, or the Securities were used in, or held for use in, the conduct of a business through a permanent establishment or a fixed base in France.

Pursuant to Article 235 ter ZD of the French General Tax Code, purchases of Securities are currently subject to a 0.3% French tax on financial transactions (the "FTFF"). According to Article 26 *quater* of the Finance Bill for 2025, the rate of the FTFF will be increased to 0.4% for purchases of Securities as from the first day of the second month following the enactment of the Finance Bill for 2025. Purchases of Securities are subject to the FTFF provided that Sanofi's market capitalization exceeds €1 billion as of December 1 of the year preceding the taxation year. A list of companies whose market capitalization exceeds €1 billion as of December 1 of the year preceding the taxation year used to be published annually by the French Ministry of Economy. It is now published by the French tax authorities, and could be amended at any time. Pursuant to Regulations BOI-ANNX-000467-23/12/2024 issued on December 23, 2024, purchases of Sanofi's Securities in 2025 should be subject to the FTFF as the market capitalization of Sanofi exceeded €1 billion as of December 1, 2024. In accordance with Article 726-II-d of the French General Tax Code, purchases which are subject to the FTFF should however not be subject to transfer taxes *(droits d'enregistrement)* in France.

Wealth tax

The French wealth tax *(impôt de solidarité sur la fortune)* has been replaced with a French real estate wealth tax *(impôt sur la fortune immobilière)* with effect from January 1, 2018. French real estate wealth tax applies only to individuals and does not generally apply to the Securities if the holder is a US resident, as defined pursuant to the provisions of the Treaty, provided that the individual does not own directly or indirectly a shareholding exceeding 10% of the financial rights and voting rights.

US taxes

Ownership of the securities

Deposits and withdrawals by a US holder of ordinary shares in exchange for ADSs, will not be taxable events for US federal income tax purposes. For US tax purposes, holders of ADSs will be treated as owners of the ordinary shares represented by such ADSs. Accordingly, the discussion that follows regarding the US federal income tax consequences of acquiring, owning and disposing of ordinary shares is equally applicable to ADSs.

Information reporting and backup withholding tax

Distributions made to holders and proceeds paid from the sale, exchange, redemption or disposal of Securities may be subject to information reporting to the Internal Revenue Service. Such payments may be subject to backup withholding taxes unless the holder (i) is a corporation or other exempt recipient or (ii) provides a taxpayer identification number and certifies that no loss of exemption from backup withholding has occurred. Holders that are not US persons generally are not subject to information reporting or backup withholding. However, such a holder may be required to provide a certification of its non-US status in connection with payments received within the United States or through a US-related financial intermediary to establish that it is an exempt recipient. Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against a holder's US federal income tax liability. A holder may obtain a refund of any excess amounts withheld under the backup withholding rules by filing the appropriate claim for refund with the Internal Revenue Service and furnishing any required information.

Foreign asset reporting

In addition, a US holder that is an individual or certain entities may be subject to reporting obligations with respect to ordinary shares and ADSs if the aggregate value of these and certain other "specified foreign financial assets" exceeds $50,000 on the last day of the tax year or more than $75,000 at any time during the tax year. If required, this disclosure is made by filing Form 8938 with the US Internal Revenue Service. Significant penalties can apply if holders are required to make this disclosure and fail to do so. In addition, a US holder should consider the possible obligation to file online a FinCEN Form 114 – Foreign Bank and Financial Accounts Report as a result of holding ordinary shares or ADSs. Holders are encouraged to consult their US tax advisors with respect to these and other reporting requirements that may apply to their acquisition of ordinary shares and ADSs.

State and local taxes

In addition to US federal income tax, US holders of Securities may be subject to US state and local taxes with respect to such Securities. *Holders of Securities are advised to consult their own tax advisers with regard to the application of US state and local income tax law to their particular situation.*

ADSs-Ordinary Shares

French taxes

Taxation of dividends

Under French law, dividends paid by a French corporation, such as Sanofi, to non-residents of France are generally subject to French withholding tax at a rate of (i) 25% for payments benefiting legal persons who are beneficial owners and are not French tax residents (and 15% for distributions made to not-for-profit organizations with a head office in a Member State of the European Economic Area which would be subject to the tax regime set forth under Article 206 paragraph 2 of the French General Tax Code if its head office were located in France and which meet the criteria set forth in the Regulations BOI-RPPM-RCM-30-30-10-70-24/12/2019, No. 130), and (ii) 12.8% for payments benefiting individuals who are beneficial owners and are not French tax residents. Dividends paid by a French corporation, such as Sanofi, towards non-cooperative States or territories, as defined in Article 238-0 A of the French General Tax Code (other than those mentioned in 2° of 2 bis of the same Article 238-0 A of the French Tax Code), will generally be subject to French withholding tax at a rate of 75%, irrespective of the tax residence of the beneficiary of the dividends if the dividends are received in such States or territories; however, eligible US holders entitled to Treaty benefits under the "Limitation on Benefits" provision contained in the Treaty who are US residents, as defined pursuant to the provisions of the Treaty and who receive dividends in non-cooperative States or territories, will not be subject to this 75% withholding tax rate.

Under the Treaty, the rate of French withholding tax on dividends paid to an eligible US holder who is a US resident as defined pursuant to the provisions of the Treaty and whose ownership of the ordinary shares or ADSs is not effectively connected with a permanent establishment or fixed base that such US holder has in France, is reduced to 15%, or to 5% if such US holder is a corporation and owns directly or indirectly at least 10% of the share capital of the issuing company; such US holder may claim a refund from the French tax authorities of the amount withheld in excess of the Treaty rates of 15% or 5%, if any. For US holders that are not individuals but are US residents, as defined pursuant to the provisions of the Treaty, the requirements for eligibility for Treaty benefits, including the reduced 5% or 15% withholding tax rates contained in the "Limitation on Benefits" provision of the Treaty, are complicated, and certain technical changes were made to these requirements by the protocol of January 13, 2009. US holders are advised to consult their own tax advisers regarding their eligibility for Treaty benefits in light of their own particular circumstances.

Dividends paid to an eligible US holder may immediately be subject to the reduced rates of 5% or 15% provided that such holder establishes before the date of payment that it is a US resident under the Treaty by completing and providing the depositary with a treaty form (Form 5000). Dividends paid to a US holder that has not filed the Form 5000 before the dividend payment date will be subject to French withholding tax at the rate of 25% and then reduced at a later date to 5% or 15%, provided that such holder duly completes and provides the French tax authorities with the treaty forms Form 5000 and Form 5001 (due to recent case law regarding the status of limitations for filing a withholding tax claim, U.S. holders are advised to consult their own tax advisors in this respect). Pension funds and certain other tax-exempt entities are subject to the same general filing requirements as other US holders except that they may have to supply additional documentation evidencing their entitlement to these benefits.

The depositary agrees to use reasonable efforts to follow the procedures established, or that may be established, by the French tax authorities (i) to enable eligible US holders to qualify for the reduced withholding tax rate provided by the Treaty, if available at the time the dividends are paid, or (ii) to recover any excess French withholding taxes initially withheld or deducted with respect to dividends and other distributions to which such US holders may be eligible from the French tax authorities and (iii) to recover any other available tax credits. In particular, associated forms (including Form 5000 and Form 5001, together with their instructions), will be made available by the depositary to all US holders registered with the depositary, and are also generally available from the US Internal Revenue Service.

The withholding tax refund, if any, ordinarily is paid within 12 months of filing the applicable French Treasury Form, but not before January 15 of the year following the calendar year in which the related dividend is paid.

In addition, please note that, pursuant to Article 235 quater of the French Tax Code and under certain conditions (in particular, in addition to certain reporting obligations, the interest held in the distributing company must not enable the beneficiary to participate effectively in the management or control of that company and the beneficiary company must be located in a country

that has signed an administrative assistance agreement with France to combat tax evasion and avoidance, as well as an administrative assistance agreement on tax collection, and that is not a non-cooperative country), a corporate U.S. holder in a tax loss position or whose tax result is nil due to offset of tax losses for the fiscal year during which the dividend is received may be entitled to a deferral regime, and obtain a withholding tax refund. The tax deferral ends in respect of the first financial year during which this U.S. holder is in a profit making position, as well as in the cases set out in Article 235 quater of the French Tax Code. The refund must be claimed within the same period applicable to claims related to taxes other than local taxes. Also, pursuant to Article 235 quinquies of the French Tax Code and under certain conditions, a corporate U.S. holder may be entitled to a refund of a fraction of the withholding tax, up to the difference between the withholding tax paid (on a gross basis) and the withholding tax based on the dividend net of the expenses incurred for the acquisition and conservation directly related to the income, provided (i) that these expenses would have been tax deductible had the U.S. holder been established in France, and (ii) that the tax rules in the United States do not allow the U.S. holder to offset the withholding tax.

Given the special features of the ADSs, U.S. holders are urged to consult their own tax advisor about the possible application to ADSs of such provisions in light of their own circumstances.

Tax on sale or other disposition

In general, under the Treaty, a US holder who is a US resident for purposes of the Treaty will not be subject to French tax on any capital gain from the redemption (other than redemption proceeds characterized as dividends under French domestic law), sale or exchange of ordinary shares or ADSs unless the ordinary shares or the ADSs form part of the business property of a permanent establishment or fixed base that the US holder has in France. Special rules apply to holders who are residents of more than one country.

US Taxes

Taxation of dividends

For US federal income tax purposes, the gross amount of any distribution paid to US holders (that is, the net distribution received plus any tax withheld therefrom) will be treated as ordinary dividend income to the extent paid or deemed paid out of the current or accumulated earnings and profits of Sanofi (as determined under US federal income tax principles). Dividends paid by Sanofi will not be eligible for the dividends-received deduction generally allowed to corporate US holders.

Subject to certain exceptions for short-term and hedged positions, the US dollar amount of dividends received by an individual US holder with respect to the ADSs or our ordinary shares is currently subject to taxation at a maximum rate of 20% if the dividends are "qualified dividends". Dividends paid on the ordinary shares or ADSs will be treated as qualified dividends if (i) the issuer is eligible for the benefits of a comprehensive income tax treaty with the United States that the Internal Revenue Service has approved for the purposes of the qualified dividend rules and (ii) the issuer was not, in the year prior to the year in which the dividend was paid, and is not, in the year in which the dividend is paid, a passive foreign investment company (PFIC). The Treaty has been approved for the purposes of the qualified dividend rules. Based on our financial statements and relevant market and shareholder data, we believe Sanofi was not a PFIC for US federal income tax purposes with respect to its 2024 taxable year. In addition, based on its current expectations regarding the value and nature of its assets, the sources and nature of its income, and relevant market and shareholder data, we do not anticipate that Sanofi will become a PFIC for its 2025 taxable year. *Holders of ordinary shares and ADSs should consult their own tax advisers regarding the availability of the reduced dividend tax rate in light of their own particular circumstances.*

If you are a US holder, dividend income received by you with respect to ADSs or ordinary shares generally will be treated as foreign source income for foreign tax credit purposes. The limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. Distributions out of earnings and profits with respect to the ADSs or ordinary shares generally will be treated as "passive category" income (or, in the case of certain US holders, "general category" income). Subject to certain limitations and the Foreign Tax Credit Regulations (as defined below), French income tax withheld in connection with any distribution with respect to the ADSs or ordinary shares may be claimed as a credit against the US federal income tax liability of a US holder if such US holder elects for that year to credit all foreign income taxes. Alternatively, such French withholding tax may be taken as a deduction against taxable income. Foreign tax credits will not be allowed for withholding taxes imposed in respect of certain short-term or hedged positions in Securities and may not be allowed in respect of certain arrangements in which a US holder's expected economic profit is insubstantial. Further, certain Treasury regulations addressing foreign tax credits (the "Foreign Tax Credit Regulations") impose additional requirements for foreign taxes to be eligible for a foreign tax credit if the relevant taxpayer does not elect to apply the benefits of an applicable income tax treaty, and there can be no assurance that those requirements will be satisfied. Recent notices from the Internal Revenue Service provide temporary relief by allowing taxpayers that comply with applicable requirements to apply many aspects of the foreign tax credit regulations as they previously existed (before the release of the current Foreign Tax Credit Regulations) for taxable years ending before the date that a notice or other guidance withdrawing or modifying the temporary relief is issued (or any later date specified in such notice or other guidance). *The US federal income tax rules governing the availability and computation of foreign tax credits are complex. US holders should consult their own tax advisers concerning the implications of these rules, including the Foreign Tax Credit Regulations and the related temporary relief in the Internal Revenue Service notices, in light of their particular circumstances.*

To the extent that an amount received by a US holder exceeds the allocable share of our current and accumulated earnings and profits, such excess will be applied first to reduce such US holder's tax basis in its ordinary shares or ADSs and then, to the extent it exceeds the US holder's tax basis, it will constitute capital gain from a deemed sale or exchange of such ordinary shares or ADSs (see "— Tax on Sale or Other Disposition", below).

The amount of any distribution paid in euros will be equal to the US dollar value of the euro amount distributed, calculated by reference to the exchange rate in effect on the date the dividend is received by a US holder of ordinary shares (or by the depositary, in the case of ADSs) regardless of whether the payment is in fact converted into US dollars on such date. *US holders should consult their own tax advisers regarding the treatment of foreign currency gain or loss, if any, on any euros received by a US holder that are converted into US dollars on a date subsequent to receipt.*

Distributions to holders of additional ordinary shares (or ADSs) with respect to their ordinary shares (or ADSs) that are made as part of a pro rata distribution to all ordinary shareholders generally will not be subject to US federal income tax. However, if a US holder has the option to receive a distribution in shares (or ADSs) or to receive cash in lieu of such shares (or ADSs), the distribution of shares (or ADSs) will be taxable as if the holder had received an amount equal to the fair market value of the distributed shares (or ADSs), and such holder's tax basis in the distributed shares (or ADSs) will be equal to such amount.

Tax on sale or other disposition

In general, for US federal income tax purposes, a US holder that sells, exchanges or otherwise disposes of its ordinary shares or ADSs will recognize capital gain or loss in an amount equal to the US dollar value of the difference between the amount realized for the ordinary shares or ADSs and the US holder's adjusted tax basis (determined in US dollars and under US federal income tax rules) in the ordinary shares or ADSs. Such gain or loss generally will be US-source gain or loss, and will be treated as long-term capital gain or loss if the US holder's holding period in the ordinary shares or ADSs exceeds one year at the time of disposition. If the US holder is an individual, any capital gain generally will be subject to US federal income tax at preferential rates (currently a maximum of 20%) if specified minimum holding periods are met. The deductibility of capital losses is subject to significant limitations.

Medicare tax

Certain US holders who are individuals, estates or trusts are required to pay a Medicare tax of 3.8% (in addition to taxes they would otherwise be subject to) on their "net investment income" which would include, among other things, dividends and capital gains from the ordinary shares and ADSs.

F. Dividends and Paying Agents

N/A

G. Statement by Experts

N/A

H. Documents on Display

We are subject to the information requirements of the US Securities Exchange Act of 1934, as amended, or Exchange Act, and, in accordance therewith, we are required to file reports, including this annual report, and other information with the US Securities and Exchange Commission, or Commission, by electronic means.

You may review a copy of our filings with the Commission, as well as other information furnished to the Commission, including exhibits and schedules filed with it, at the Commission's public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information. In addition, the Commission maintains an Internet site at http://www.sec.gov that contains reports and other information regarding issuers that file electronically with the Commission (these documents are not incorporated by reference in this annual report).

I. Subsidiary Information

N/A.

J. Annual Report to Security Holders

To the extent we furnish an annual report to security holders, we will promptly submit an English version of this annual report to US security holders under the cover of Form 6-K.

Item 11. Quantitative and Qualitative Disclosures about Market Risk[1]

General policy

Liquidity risk, foreign exchange risk and interest rate risk, as well as related counterparty risks, are managed centrally by our dedicated treasury team within the Group Finance Department. Where it is not possible to manage those risks centrally – in particular due to regulatory restrictions (such as foreign exchange controls) or local tax restrictions – credit facilities and/or currency lines, guaranteed whenever necessary by the parent company, are contracted by our subsidiaries locally with banks, under the supervision of the central treasury team.

Our financing and investment strategies, and our interest rate and currency hedging strategies, are reviewed monthly by the Group Finance Department.

Our policy prohibits the use of derivatives for speculative purposes.

Counterparty risk

Our financing and investing transactions, and our currency and interest rate hedges, are contracted with leading counterparties. We set limits for investment and derivative transactions with individual financial institutions, depending on the rating of each institution. Compliance with these limits, which are based on the notional amounts of the investments and the fair value of the hedging instruments, is monitored on a daily basis.

The table below shows our total exposure as of December 31, 2024 by rating and in terms of our percentage exposure to the dominant counterparty.

(€ million)	Cash and cash equivalents (excluding mutual funds) [a]	Notional amounts of currency hedges [b]	Fair value of currency hedges	Notional amounts of interest rate hedges [b]	Fair value of interest rate hedges	General corporate purpose credit facilities
AA	390	967	23	—	—	500
AA-	652	10,157	188	1,083	(49)	1,000
A+	649	10,512	217	690	(37)	4,000
A	427	6,393	110	347	(21)	2,000
A-	3	504	11	347	(20)	500
BBB+	—	—	—	—	—	—
Unallocated	128	—	—	—	—	—
Total	**2,249**	**28,534**	**550**	**2,466**	**(128)**	**8,000**
%/rating of dominant counterparty	24,8% / AA-	12,1% /A+		20,1 % /A+		6 % /A+

(a) Cash equivalents include mutual fund investments of €4,157 million.
(b) The notional amounts are translated into euros at the relevant closing exchange rate as of December 31, 2024.

As of December 31, 2024, we held investments in euro and US dollar denominated money-market mutual funds. Those instruments have low volatility, low sensitivity to interest rate risk, and a very low probability of loss of principal. The depositary banks of the mutual funds, and of Sanofi itself, have a long-term rating of at least A. Realization of counterparty risk could impact our liquidity in certain circumstances.

Foreign exchange risk

A. Operating foreign exchange risk

A substantial portion of our net sales is generated in countries where the euro, which is our reporting currency, is not the functional currency. In 2024, for example, 48.7% of our net sales were generated in the United States; 22.0% in Europe; and 29.4% in the Rest of the World region (see the definition in "Item 5. Operating and Financial Review and Prospects — A. Operating results), including countries that are, or may in the future become, subject to exchange controls, of which 6.5% was generated in China and 3.4% in Japan. Although we also incur expenses in those countries, the impact of those expenses is not enough wholly to offset the impact of exchange rates on our net sales. Consequently, our operating income may be materially affected by fluctuations in exchange rates between the euro and other currencies. Sanofi operates a foreign exchange risk hedging policy to reduce the exposure of operating income to exchange rate movements. That policy involves regular assessments of Sanofi's worldwide foreign currency exposure, based on foreign currency transactions carried out by the parent company and its subsidiaries. Those transactions mainly comprise sales, purchases, research costs, co-marketing and co-promotion expenses, and royalties. To reduce the exposure of those transactions to exchange rate movements, Sanofi contracts hedges using liquid derivative instruments, mainly forward currency purchases and sales, and also foreign exchange swaps. See also "Item 5. Operating and Financial Review and Prospects — A. Operating results — A.1.8 Impact of Exchange Rates."

[1] *The disclosures in this section supplement those provided in Note B.8.7. to the consolidated financial statements as regards the disclosure requirements of IFRS 7, and are covered by the independent registered public accounting firms' opinion on the consolidated financial statements.*

The table below shows operating currency hedging instruments in place as of December 31, 2024, with the notional amount translated into euros at the relevant closing exchange rate (see Note D.20. to the consolidated financial statements for the accounting classification of those instruments as of December 31, 2024).

Operating foreign exchange derivatives as of December 31, 2024

(€ million)	Notional amount	Fair value
Forward currency sales	**7,521**	**(67)**
of which US dollar	3,974	(59)
of which Chinese yuan renminbi	703	(5)
of which Pound sterling	368	(1)
of which Japanese yen	241	2
of which Turkish lira	216	(23)
Forward currency purchases	**4,796**	**37**
of which US dollar	2,660	24
of which Singapore dollar	484	3
of which Chinese yuan renminbi	451	2
of which Turkish lira	203	19
of which Canadian dollar	126	—
Total	**12,317**	**(30)**

The above positions mainly hedge future material foreign-currency cash flows arising after the end of the reporting period in relation to transactions carried out during the year ended December 31, 2024 and recognized in the balance sheet at that date. Gains and losses on hedging instruments (forward contracts) are calculated and recognized in parallel with the recognition of gains and losses on the hedged items. Due to this hedging relationship, the commercial foreign exchange profit or loss on these items (hedging instruments and hedged transactions) was immaterial in 2024.

B. Financial foreign exchange risk

The cash pooling arrangements for foreign subsidiaries outside the euro zone, and some of Sanofi's financing activities, expose certain Sanofi entities to financial foreign exchange risk (i.e. the risk of changes in the value of borrowings and loans denominated in a currency other than the functional currency of the borrower or lender). That foreign exchange exposure is hedged using derivative instruments (foreign exchange swaps, forward contracts or currency swaps) that alter the currency split of Sanofi's net debt once those instruments are taken into account.

The table below shows financial currency hedging instruments in place as of December 31, 2024, with the notional amounts translated into euros at the relevant closing exchange rate (see also Note D.20. to the consolidated financial statements for the accounting classification of these instruments as of December 31, 2024).

Financial foreign exchange derivatives as of December 31, 2024

(€ million)	Notional amount	Fair value	Expiry
Forward currency sales	**10,377**	**(195)**	
of which US dollar	*8,923* [a]	*(176)*	*2025*
of which Japanese yen	*371*	*4*	*2025*
of which Chinese yuan renminbi	*235*	*(1)*	*2025*
Forward currency purchases	**6,884**	**112**	
of which US dollar	*4,397* [b]	*123*	*2025*
of which Singapore dollar	*819*	*2*	*2025*
of which Hungarian forint	*641*	*(9)*	*2025*
Total	**17,261**	**(83)**	

(a) Includes forward sales with a notional amount of $3,615 million expiring in 2025, designated as a hedge of Sanofi's net investment in Bioveratiy. As of December 31, 2024, the fair value of these forward contracts represented a liability of €88 million; the opposite entry was recognized in "Other comprehensive income," with the impact on financial income and expense being immaterial.
(b) Includes forward purchases with a notional amount of $1,000 million expiring in 2025, designated as a fair value hedge of the exposure of $1,000 million of bond issues to fluctuations in the EUR/USD spot rate. As of December 31, 2024, the fair value of the contracts represented an asset of €75 million, the opposite entry for €0.2 million of which was debited from "Other comprehensive income" under the cost of hedging accounting treatment.
(c) Includes forward purchases with a notional amount of $1,250 million expiring in 2025, designated as a fair value hedge of the exposure of $1,250 million of commercial paper. As of December 31, 2024, the fair value of these forward contracts swaps represented an asset of €23 million, the opposite entry for €0.1 million of which was credited to "Other comprehensive income" under the cost of hedging accounting treatment.

These hedging instruments generate a net financial gain or loss arising from the interest rate differential between the hedged currency and the euro, given that the foreign exchange gain or loss on the foreign-currency borrowing and loans is offset by the change in the intrinsic value of the hedging instruments. The interest rate differential is recognized within cost of net debt (see Note D.29. to our consolidated financial statements). We may also hedge some future foreign-currency investment or divestment cash flows.

C. Other foreign exchange risks

A significant proportion of our net assets is denominated in US dollars (see Note D.35. to the consolidated financial statements). As a result, any fluctuation in the exchange rate of the US dollar against the euro automatically impacts the amount of our equity as expressed in euros.

In addition, we use the euro as our reporting currency. Consequently, if one or more European Union Member States were to abandon the euro as a currency, the resulting economic upheavals – in particular, fluctuations in exchange rates – could have a significant impact on the terms under which we can obtain financing and on our financial results, the extent and consequences of which are not currently foreseeable.

Liquidity risk

We operate a centralized treasury platform whereby all surplus cash and financing needs of our subsidiaries are invested with or funded by the parent company (where permitted by local legislation). The central treasury department manages our current and projected financing, and ensures that Sanofi is able to meet its financial commitments by maintaining sufficient cash and confirmed credit facilities for the size of our operations and the maturity of our debt (see Notes D.17.1.c. and D.17.1.g. to the consolidated financial statements).

We diversify our short-term investments with leading counterparties using money-market products with instant access or with a maturity of less than three months.

As of December 31, 2024, cash and cash equivalents amounted to €7,441 million, and short-term investments predominantly comprised:

- collective investments in euro and US dollar denominated money-market mutual funds. All such funds can be traded on a daily basis and the amount invested in each fund may not exceed 10% of the aggregate amount invested in such funds; and
- amounts invested directly with banks and non-financial institutions in the form of instant access deposits, term deposits, and Negotiable European Commercial Paper with a maturity of no more than three months.

As of December 31, 2024 we also had €8 billion of undrawn general corporate purpose confirmed credit facilities, half of which expires in December 2027 and half in March 2030. Those credit facilities are not subject to financial covenant ratios.

Our policy is to diversify our sources of funding through public or private issuances of debt securities, in the United States (shelf registration statement) and Europe (Euro Medium Term Note program). In addition, our A-1+/P-1 short-term rating gives us access to commercial paper programs in the United States, and to Negotiable European Commercial Paper programs in France. The average maturity of our total debt was 3.56 years as of December 31, 2024, compared with 4.45 years as of December 31, 2023.

Average drawdowns under the Negotiable European Commercial Paper program during 2024 were €0.1 billion (with a maximum of €0.4 billion); the average maturity of those drawdowns was two months. As of December 31, 2024, this program was not being utilized;

Average drawdowns under the US Commercial Paper program during 2024 were €5.8 billion (with a maximum of €8.9 billion); the average maturity of those drawdowns was three months. As of December 31, 2024, drawdowns under the program amounted to €1.3 billion.

In the event of a liquidity crisis, we could be exposed to difficulties in calling up our available cash, a scarcity of sources of funding including the above-mentioned programs, and/or a deterioration in their terms. This situation could damage our capacity to refinance our debt or to issue new debt on reasonable terms.

Interest rate risk

Sanofi issues debt in two currencies, the euro and the US dollar, and also invests its cash and cash equivalents in those currencies. Sanofi also operates cash pooling arrangements to manage the surplus cash and short-term liquidity needs of foreign subsidiaries located outside the euro zone.

To optimize the cost of debt or reduce the volatility of debt and manage its exposure to financial foreign exchange risk, Sanofi uses derivative instruments (interest rate swaps, currency swaps, foreign exchange swaps and forward contracts) that alter the fixed/floating rate split and the currency split of its net debt.

The projected full-year sensitivity to interest rate fluctuations of our debt, net of cash and cash equivalents for 2025 is as follows:

Change in short-term interest rates	Impact on pre-tax net income *(€ million)*	Impact on pre-tax income/(expense) recognized directly in equity *(€ million)*
+100 bp	34	—
+25 bp	8	—
-25 bp	(8)	—
-100 bp	(34)	—

Stock market risk

It is our policy not to trade on the stock market for speculative purposes.

Item 12. Description of Securities other than Equity Securities

12.A. Debt securities

Not applicable.

12.B. Warrants and rights

Not applicable.

12.C. Other securities

Not applicable.

12.D. American depositary shares

General

JPMorgan Chase Bank, NA ("JPMorgan"), as depositary, issues Sanofi ADSs in certificated form (evidenced by an ADR) or book-entry form. Each ADR is a certificate evidencing a specific number of Sanofi ADSs. Each Sanofi ADS represents one-half of one Sanofi ordinary share (or the right to receive one-half of one Sanofi ordinary share) deposited with the Paris, France office of BNP Paribas, as custodian. Each Sanofi ADS also represents an interest in any other securities, cash or other property that may be held by the depositary under the Second Amended and Restated Deposit Agreement between Sanofi and JPMorgan dated February 13, 2015, as amended by Amendment No. 1 dated July 23, 2020 ("Amendment No. 1"), Amendment No. 2 dated December 18, 2023 ("Amendment No. 2"), and as may be further amended from time to time (together, the "deposit agreement"). The depositary's principal executive office is located at 383 Madison Avenue, 11th Floor, New York, New York 10179.

For additional information on our ADSs, please refer to Exhibit 2.2 "Description of securities registered under section 12 of the Exchange Act." of this Annual Report.

Fees and expenses

Fees payable by ADS holders

Pursuant to the deposit agreement, holders of our ADSs may have to pay to JPMorgan, either directly or indirectly, fees, charges and expenses up to the amounts set forth in the table below.

Associated Fee	Depositary Action
$5.00 or less per 100 ADSs (or portion thereof)	The deposit of shares and/or the execution and delivery of ADRs (pursuant to distribution in shares or distribution of rights to subscribe for additional shares, or distribution of any rights of any other nature), and/or the reduction of ADSs and surrender of ADRs for the purposes of withdrawal, including the termination of the deposit agreement.
$0.05 or less per ADS (or portion thereof)	Any distribution made pursuant to the deposit agreement, including, among other things: • any cash distribution made, or for any elective cash/stock dividend offered; and • the direct or indirect distribution of securities (other than ADSs or rights to purchase additional ADSs) or the net cash proceeds from the public or private sale of any such securities.
$0.05 or less per ADS per calendar year (or portion thereof)	Services performed in administering the ADRs (which fee may be charged on a periodic basis during each calendar year).
An amount for the reimbursement of such fees, charges and expenses as are incurred by JPMorgan and/or any of its agents (including, without limitation BNP Paribas, as custodian and expenses incurred on behalf of owners in connection with compliance with foreign exchange control regulations or any law or regulation relating to foreign investment)	Compliance with foreign exchange control regulations or any law or regulation relating to foreign investment, servicing of shares or other deposited securities, sale of securities, delivery of deposited securities or otherwise.
Expenses incurred by JPMorgan	Foreign currency conversion into dollars.

The Depositary may sell (by public or private sale) sufficient securities and property received in respect of Share distributions, rights and other distributions prior to a deposit to pay any charge owing.

In addition to the fees outlined above, each holder will be responsible for any taxes or other governmental charges payable on his or her Sanofi ADSs or on the deposited securities underlying his or her Sanofi ADSs. The depositary may refuse to transfer a holder's Sanofi ADSs or allow a holder to withdraw the deposited securities underlying his or her Sanofi ADSs until such taxes or other charges are paid. It may apply payments owed to a holder or sell deposited securities underlying a holder's Sanofi ADSs to pay any taxes owed, and the holder will remain liable for any deficiency. If it sells deposited securities, it will, if appropriate, reduce the number of Sanofi ADSs to reflect the sale and pay to the holder any proceeds, or send to the holder any property, remaining after it has paid the taxes. For additional information regarding taxation, see "Item 10. Additional Information — E. Taxation".

Fees paid to Sanofi by the depositary

JPMorgan, as depositary, has agreed to reimburse Sanofi for certain expenses that Sanofi incurs relating to the establishment and maintenance of the ADR program, as agreed from time to time. Pursuant to a letter agreement dated October 4, 2022 (the "letter agreement"), JPMorgan as our ADS depositary has agreed to make (i) an initial contribution to Sanofi, within 30 days of the commencement date of the letter agreement and (ii) with respect to each 12-month period beginning on the anniversary of the effective date of the agreement (each such 12-month period, a "Contract Year"), a contribution, paid at the end of such Contract Year quarter, equal to the aggregate of the program share (equal to 100% of routine program revenues and 50% of non-routine program revenues) of any program revenues, less the aggregate of any program costs for the applicable Contract Year and any invoiced supplementary costs not paid within 60 days of the date of the applicable invoice.

To the extent in any given Contract Year the depositary does not collect/recoup the entirety of the program costs and unpaid supplementary costs, no contribution shall be payable to Sanofi and such excess will, at the discretion of the depositary, either be deducted from future contributions or be payable to the depositary by Sanofi promptly upon invoicing as supplementary costs under the letter agreement.

JPMorgan has further agreed to waive the $0.05 per ADS issuance fees that would normally be owed by Sanofi in connection with our deposits of shares as part of our employee stock purchase plans. Sanofi is responsible for reimbursing JPMorgan for all taxes and governmental charges in connection with payments to JPMorgan under the letter agreement.

From January 1, 2024 to December 31, 2024, we received a total amount of $23,374,305.08 from JPMorgan pursuant to the letter agreement.

Part II

Item 13. Defaults, Dividend Arrearages and Delinquencies

N/A

Item 14. Material Modifications to the Rights of Security Holders

N/A

Item 15. Controls and Procedures

a. Our Chief Executive Officer and principal financial officer, after evaluating the effectiveness of our disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e)) as of the end of the period covered by this Form 20-F, have concluded that, as of such date, our disclosure controls and procedures were effective to ensure that material information relating to Sanofi was timely made known to them by others within Sanofi.

b. Report of Management on Internal Control Over Financial Reporting.

   Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). Management assessed the effectiveness of internal control over financial reporting as of December 31, 2024 based on the framework in "Internal Control — Integrated Framework" (2013 framework) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

   Based on that assessment, management has concluded that the Company's internal control over financial reporting was effective as of December 31, 2024 to provide reasonable assurance regarding the reliability of its financial reporting and the preparation of its financial statements for external purposes, in accordance with generally accepted accounting principles.

   Due to its inherent limitations, internal control over financial reporting may not prevent or detect misstatements, and can only provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

   The effectiveness of the Company's internal control over financial reporting has been audited by PricewaterhouseCoopers Audit (PCAOB ID 1347) and Forvis Mazars SA (PCAOB ID 1334) independent registered public accounting firms, as stated in their report on the Company's internal control over financial reporting as of December 31, 2024, which is included herein. See paragraph (c) of the present Item 15., below.

c. See report of PricewaterhouseCoopers Audit and Forvis Mazars SA , independent registered public accounting firms, included under "Item 18. Financial Statements" on page 187.

d. There were no changes to our internal control over financial reporting that occurred during the period covered by this Form 20-F that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 16A. Audit Committee Financial Expert

The Audit Committee is composed of Carole Ferrand, Clotilde Delbos, Christophe Babule, Fabienne Lecorvaisier and Anne-Françoise Nesmes.

Our Board of Directors has determined that all directors are independent financial experts within the meaning of Section 407 of the Sarbanes-Oxley Act of 2002.

The Board of Directors deemed Carole Ferrand to be a financial expert based on her education and experience in audit at PricewaterhouseCoopers and as Chief Financial Officer of Sony France, EuropaCorp, Groupe Artémis and Capgemini. She is now Head of Strategy and Development of Motier Holding.

The Board of Directors deemed Clotilde Delbos to be a financial expert based on her education and experience in Audit, Mergers & Acquisitions and Treasury, including at Price Waterhouse and Pechiney. She has also been Chief Financial Officer of Renault Group for six years.

The Board of Directors deemed Christophe Babule to be a financial expert based on his education and experience in audit and corporate finance in major corporations and as Executive Vice President and Chief Financial Officer of L'Oréal. He has also served as a director of L'Oréal US Inc.

The Board of Directors deemed Fabienne Lecorvaisier to be a financial expert based on her education and experience in corporate finance in various international banks and as Chief Financial Officer of Essilor and Air Liquide. Until May 2023, she was Executive Vice President, in charge of Sustainable Development, Public and International Affairs as well as the supervision of the Social Programs and the General Secretariat of Air Liquide Group. Ms. Lecorvaisier's term of office as a member of the Board of Directors will expire at the close of the Annual General Meeting of April 30, 2025 and will not be renewed.

The Board of Directors deemed Anne-Françoise Nesmes to be a financial expert based on her education and experience as a Chief Financial Officer of several listed companies: Dechra Pharmaceuticals PLC, Merlin Entertainments PLC, and Smith + Nephew PLC. She was Chief Financial Officer of Smith + Nephew PLC until the end of 2024.

The Board of Directors has determined that all five directors meet the independence criteria of US Securities and Exchange Commission Rule 10A-3, although only Carole Ferrand, Clotilde Delbos, Fabienne Lecorvaisier and Anne-Françoise Nesmes meet the French AFEP-MEDEF Code criteria of independence applied by the Board of Directors for general corporate governance purposes (see Item 16G., below).

Item 16B. Code of Ethics

We have adopted a code of ethics (hereafter the "Code of Conduct"), as defined in Item 16B. of Form 20-F under the Exchange Act, containing specific rules relating to financial ethics. Our Code of Conduct applies to our Chief Executive Officer, Chief Financial Officer, Chief Accounting Officer and other officers performing similar functions, as designated from time to time. Our Code of Conduct was amended on December 16, 2024 and this amended version is available on our website at www.sanofi.com (information on our website is not incorporated by reference in this annual report). A copy of our Code of Conduct may also be obtained free of charge by addressing a written request to the attention of Individual Shareholder Relations at our headquarters in Paris. We will disclose any future amendments to the provisions of such financial Code of Conduct on our website.

Item 16C. Principal Accountants' Fees and Services

The Audit Committee has adopted an Audit and Non-Audit Services Pre-Approval Policy that sets forth the procedures and the conditions pursuant to which services proposed to be performed by the statutory auditors may be pre-approved and that are not prohibited by regulatory or other professional requirements. This policy provides for pre-approval of certain types of services through the use of an annual budget approved by the Audit Committee for these types of services. The Audit Committee reviews on an annual basis the services provided by the statutory auditors.

See Note E. to our consolidated financial statements included at Item 18. of this annual report.

Item 16D. Exemptions from the Listing Standards for Audit Committees

N/A

Item 16E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers

In 2024, Sanofi made the following purchases of its ordinary shares.

Period[a]	(A) Total Number of Shares Purchased	(B) Average Price Paid per Share	(C) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs[b]	(D) Approximate Value of Shares that May Yet Be Purchased Under the Plans or Programs[c]
January 2024	3,215,460	93.57	3,215,460	18,382
Total	**3,215,460**			

(a) On February 2, 2025, Sanofi and L'Oréal entered into a share purchase agreement pursuant to which Sanofi repurchased 29,556,650 shares from L'Oréal, a significant shareholder, at €101.50 per share, for a total amount of approximately €3 billion. After the transaction, L'Oréal holds 7.2% of Sanofi's share capital and 13.1% of its actual voting rights (excluding treasury shares). The transaction closed on February 5, 2025. Sanofi will cancel the shares acquired from L'Oréal at the latest on April 29, 2025. In addition, on February 6, 2025 Sanofi mandated an investment services provider to carry out further share repurchases up to a maximum of €2 billion, between February 7, 2025 and December 31, 2025 at the latest.. For more information, see "Item 8. Financial Information - B. Significant Changes".

(b) Sanofi was authorized to repurchase up to €18,912,535,950 of its own shares for a period of eighteen months (i.e. through November 25, 2024) by the Annual Shareholders' Meeting held on May 25, 2023. Sanofi was subsequently authorized to repurchase up to €18,971,999,400 of its own shares for a period of eighteen months (i.e. through October 30, 2025) by the Annual Shareholders' Meeting held on April 30, 2024.

(c) Millions of euros.

For more information see "Exhibit 2.2. "Description of securities registered under section 12 of the Exchange Act." of this annual report".

Item 16F. Change in Registrant's Certifying Accountant

Forvis Mazars SA was appointed as joint statutory auditor for a six-year term by the annual shareholders' meeting held on April 30, 2024. The term of office of Forvis Mazars SA will expire at the end of the annual shareholders' meeting to be held in 2030, which will approve the financial statements for 2029. This appointment follows the Audit Committee's recommendation and the decision of the Board of Directors taken on October 27, 2022.

The term of office of Ernst & Young et Autres expired at the 2024 Annual Shareholders' Meeting and could not be renewed because it had reached the maximum legal duration. The report of Ernst & Young et Autres on the consolidated financial statements for each of the years ended December 31, 2023 and 2022 did not contain an adverse opinion or a disclaimer of opinion and was not qualified or modified as to uncertainty, audit scope or accounting principles and there were no "disagreements" (as that term is described in Item 16F.(a)(1)(iv) of the Instructions to Form 20-F and the Instructions to Item 16F.) or "reportable events" (as that term is defined in Item 16F.(a)(1)(v) of the Instructions to Form 20-F) during those periods.

A copy of Ernst & Young et Autres' letter, dated February 23, 2024, was filed as Exhibit 15.3 to the annual report on Form 20-F filed on February 23, 2024.

Item 16G. Corporate Governance

Sanofi is incorporated under the laws of France, with securities listed on regulated public markets in the United States (Nasdaq Global Select Market – NASDAQ) and France (Euronext Paris). Consequently, as described further in this annual report, our corporate governance framework reflects the mandatory provisions of French corporate law, the securities laws and regulations of France and the United States and the rules of the aforementioned public markets.

As a "foreign private issuer," as defined in the rules promulgated under the US Securities Exchange Act of 1934, as amended, (the "Exchange Act"), Sanofi is permitted, pursuant to NASDAQ Listing Rule 5615(a)(3), to follow its home country practice in lieu of certain NASDAQ corporate governance requirements applicable to US corporations listed on the NASDAQ. Sanofi has informed NASDAQ that it intends to follow corporate governance standards under French law to the extent permitted by the NASDAQ listing rules and US securities laws, as further discussed below.

We generally follow the "AFEP-MEDEF" corporate governance recommendations for French listed issuers (hereafter referred to as the "AFEP-MEDEF Code"). As a result, our corporate governance framework is similar in many respects to, and provides investor protections that are comparable to – or in some cases, more stringent than – the corresponding rules of the NASDAQ. Nevertheless, there are certain important differences.

In line with NASDAQ listing rules applicable to domestic issuers, a majority of Sanofi's Board of Directors is comprised of independent directors. Sanofi evaluates the independence of members of our Board of Directors using the standards of the French AFEP-MEDEF Code as the principal reference. We believe that AFEP-MEDEF's overarching criteria for independence – that Board members have no relationship of any kind whatsoever with the Company, its group or the management of either such

as to color a Board member's judgment – is on the whole consistent with the goals of the NASDAQ's listing rules; however, the specific tests proposed under the two standards may vary on some points. Our Audit Committee complies with the independence and other requirements of Rule 10A-3 under the Exchange Act, adopted pursuant to the Sarbanes-Oxley Act of 2002. Our Audit Committee includes one member, Christophe Babule, who is considered non-independent under the AFEP-MEDEF Code, and which is permitted under the AFEP-MEDEF Code. Three out of the four members of our Compensation Committee meet the independence standards of the AFEP-MEDEF Code (the Director representing employees is not considered as independent) and the independence requirements of NASDAQ's listing rules.

Sanofi follows the recommendation of the AFEP-MEDEF Code that at least one meeting of the Board of Directors not attended by the company's executive officers be organized each year. Accordingly, Sanofi's Board Charter provides that the Board of Directors shall organize at least two meetings a year without its executive officers, thereby providing the Chairman with the option of whether to include directors representing employees or any other Group employee, as the case may require, depending on the agenda of the meeting. Sanofi's practice in that respect departs from NASDAQ Listing Rule 5605(b)(2), which provides that independent directors must have regularly scheduled meetings at which only independent directors are present.

Under French law, the committees of our Board of Directors are advisory only, and where the NASDAQ Listing Rule 5600 series would vest certain decision-making powers with specific committees by delegation (e.g. the appointment of Sanofi's auditors by the Audit Committee), under French law, our Board of Directors remains the only competent body to take such decisions, albeit taking into account the recommendation of the relevant committees. Additionally, under French corporate law, it is the shareholders of Sanofi voting at the Shareholders' General Meeting that have the authority to appoint our auditors upon consideration of the proposal of our Board of Directors, although our Board Charter provides that the Board of Directors will make its proposal on the basis of the recommendation of our Audit Committee. We believe that this requirement of French law, together with the additional legal requirement that two sets of statutory auditors be appointed, is in line with the NASDAQ's underlying goal of ensuring that the audit of our accounts be conducted by auditors independent from company management.

NASDAQ Listing Rule 5635 requires a NASDAQ listed company to obtain shareholder approval prior to certain issuances of securities, including: (a) issuances in connection with the acquisition of the stock or assets of another company if upon issuance the issued shares will equal 20% or more of the number of shares or voting power outstanding prior to the issuance, or if certain specified persons have a 5% or greater interest in the assets or company to be acquired (NASDAQ Listing Rule 5635(a)); (b) issuances or potential issuances that will result in a change of control of us (NASDAQ Listing Rule 5635(b)); (c) issuances in connection with equity compensation arrangements (NASDAQ Listing Rule 5635(c)); and (d) 20% or greater issuances in transactions other than public offerings, as defined in the NASDAQ listing rules (NASDAQ Listing Rule 5635(d)). Under French law, our shareholders may approve issuances of equity, as a general matter, through the adoption of delegation of authority resolutions at the Company's shareholders' meeting pursuant to which shareholders may delegate their authority to the Board of Directors to increase the Company's share capital within specified parameters set by the shareholders, which may include a time limitation to carry out the share capital increase, the cancellation of their preferential subscription rights to the benefit of named persons or a category of persons, specified price limitations and/or specific or aggregate limitations on the size of the share capital increase. Due to differences between French law and corporate governance practices and NASDAQ Listing Rule 5635, the Company follows French home country practice, rather than complying with this NASDAQ Listing Rule.

In addition to the oversight role of our Compensation Committee for questions of management compensation including by way of equity, under French law any option or restricted share plans or other share capital increases, whether for the benefit of senior management or employees, may only be adopted by the Board of Directors pursuant to and within the limits of a shareholder resolution approving the related capital increase and delegating to the Board the authority to implement such operations. While NASDAQ rules require shareholder approval when a plan or other equity compensation arrangement is established or materially amended, under French law our shareholders must decide any issuance of equity, as a general matter. We intend to follow our French home country practice and ask our shareholders to delegate their authority to issue incentive equity and define the final terms of any equity compensation plan or arrangements to our Board of Directors. We may, from time to time, ask for our shareholders' subsequent approval on an equity compensation arrangement in order to obtain advantageous tax treatment or otherwise. In addition, under French law, our Board of Directors must obtain the prior approval of our shareholders before establishing or amending a plan or arrangement that would exceed the limits of the granted delegation.

As described above, a number of issues, which could be resolved directly by a board or its committees in the United States, require the additional protection of direct shareholder consultation in France.

Because we are a "foreign private issuer" as described above, our Chief Executive Officer and our Chief Financial Officer issue the certifications required by Section 302 and Section 906 of the Sarbanes-Oxley Act of 2002 on an annual basis (with the filing of our annual report) rather than on a quarterly basis as would be the case of a US corporation filing quarterly reports on Form 10- Q.

French corporate law provides that the Board of Directors must vote to approve a broadly defined range of transactions that could potentially create conflicts of interest between Sanofi on the one hand and its directors and Chief Executive Officer on the other hand, which are then presented to shareholders for approval at the next annual meeting. This legal safeguard operates in place of certain provisions of the NASDAQ listing rules.

Sanofi is governed by the French Commercial Code, which provides that an ordinary general meeting of the shareholders may validly deliberate when first convened if the shareholders present or represented hold at least one-fifth of the voting shares. If it is reconvened, no quorum is required. The French Commercial Code further provides that the shareholders at an extraordinary general meeting may validly deliberate when first convened only if the shareholders present or represented hold at least one-quarter of the voting shares and, if reconvened, one-fifth of the voting shares. Therefore, Sanofi will not follow NASDAQ Listing Rule 5620(c), which provides that the minimum quorum requirement for a meeting of shareholders is $33^{1}/_{3}$% of the outstanding common voting shares of the company. In accordance with the provisions of the French Commercial Code, the required majority for the adoption of a decision is a simple majority (for an ordinary general meeting of the shareholders) or a two-thirds majority (for an extraordinary general meeting) of the votes cast by the shareholders present or represented.

The Company has, pursuant to Rule 10D-1 under the Exchange Act, adopted a recovery policy for compensation erroneously paid to "executive officers" (as defined in Rule 10D-1(d) under the Exchange Act) based in whole or in part on any financial reporting measures pursuant to the applicable NASDAQ listing rules, Rule 10D-1 under the Exchange Act and applicable interpretive guidance. For more information concerning our recovery policy for compensation erroneously paid to "executive officers", see also "Item 6. Directors, Senior Management and Employees – B. Compensation". Our recovery policy for compensation erroneously paid to "executive officers" is filed as Exhibit 97 to this annual report.

Item 16H. Mine Safety Disclosure

N/A

Item 16I. Disclosure regarding foreign jurisdictions that prevent inspections

N/A

Item 16J. Insider Trading Policies

Sanofi has adopted a Global Operating Procedure on the Prevention of Insider Trading governing the purchase, sale, and other dispositions of securities by directors, senior management, and employees that is reasonably designed to promote compliance with applicable insider trading laws, rules and regulations, and any applicable listing standards. A copy of the policy is included as Exhibit 11.1.

Item 16K. Cybersecurity

Risk Management and Strategy

Sanofi has implemented a cybersecurity strategy involving various dedicated personnel and resources aimed at preventing, detecting and responding to cyberattacks, as well as being able to recover promptly in the event of material impact following a cyberattack. Additionally, Sanofi has set up various cybersecurity processes applicable to subsidiaries within the Sanofi group. Sanofi regularly updates its cybersecurity processes to address cybersecurity trends and threats. Cybersecurity processes have been established to address material cybersecurity risks, including in connection with the following areas:

- information technology and solution usage;
- access control;
- patch management;
- security on specific environments (i.e. cloud, virtualization, SAP, automated systems, IoT, etc.);
- log management;
- network security;
- systems security standards;
- remote access;
- secure development of applications;
- cryptography;
- mobile devices;
- third-party management (including cybersecurity requirements in contracts); and
- incident management.

Sanofi utilizes security standards and frameworks (i.e. the NIST framework) and has established cross-functional risk control capabilities to facilitate operational implementation aligned with its cybersecurity processes.

Sanofi regularly analyzes its Internet-based services and performs regular penetration tests and attack simulations to assess the protections and the detections capabilities. The cybersecurity compliance status of computing assets connected to Sanofi's network is routinely consolidated for Sanofi's business units, including within manufacturing, and research and development sites. Monthly dashboards are published and shared within Sanofi's different business units and global functions. Sanofi implements corrective measures and improvement actions in response to these processes. Data classification and protection tools are in place, such as the implementation of a specific process and technology aimed at detecting and responding to abnormal data flows.

Sanofi has set up a cybersecurity operation center in charge of detecting and responding to cybersecurity threats and attacks, as well as coordinating Sanofi-wide incident responses. Incident response trainings and simulations are run within Sanofi to seek to be better prepared in case of a cybersecurity incident. In addition, Sanofi's employees, who are the main users of Sanofi's digital assets, are regularly trained to face cybersecurity threats and attacks. In the event of a cyberattack, Sanofi has established a plan that includes criteria triggering the notification process for material cybersecurity incidents including from the cybersecurity operation center and the Chief Information Security Officer who can use the internal escalation channels to inform the management and the Board of Directors and, as appropriate, the relevant regulatory bodies.

When dealing with third parties, our main commercial contracts include cybersecurity clauses aimed at ensuring such third parties comply with Sanofi's cybersecurity rules and requirements, especially when providing services to and processing data from Sanofi. Additionally, Sanofi set up a vendor's risk assessment program to evaluate the digital maturity of a vendor, which covers their business continuity as well as their related internal regulations, such as data privacy. As part of their contractual commitments major vendors and partners must report to Sanofi any cybersecurity incident that may have a significant impact for Sanofi. A dedicated process has been implemented for third parties' networks interconnected with Sanofi's network, aimed at limiting any propagation of a cyberattack to Sanofi's digital assets.

Sanofi's cybersecurity risk management processes are integrated into its overall risk management system through its enterprise risk management process, which seeks to identify and address material risks to the organization. Each year, specific risk committees identify the risks that affect Sanofi's local businesses in each country it operates and Sanofi's global functions, such as Research and Development or Manufacturing and Supply.

Although Sanofi has put in place the cybersecurity processes described above, Sanofi remains exposed to cybersecurity attacks and incidents and misuse or manipulation of any of its IT systems, which could have a material adverse effect on its business strategy, results of operations or financial condition (see "Item 3. Key Information — D. Risk Factors — Risks relating to our business — Breaches of data security, disruptions of information technology systems and cyber threats could result in financial, legal, competitive, operational, business or reputational harm").

Governance

Sanofi has appointed a Chief Information Security Officer who oversees Sanofi's information, cybersecurity, and technology security. Our current Chief Information Security Officer has been working for Sanofi in this capacity since 2014 and has seventeen years of experience in the cybersecurity industry, including eight years as the global head of cybersecurity at one of France's largest telecommunications companies. The Chief Information Security Officer is informed about and monitors the prevention, detection, mitigation, and remediation of cybersecurity incidents through the cybersecurity operation center. He develops appropriate plans to mitigate such risks. Such plans are validated by the Chief Digital Officer and shared with the Executive Committee.

The Chief Information Security Officer belongs to the digital division and directly reports to the Chief Digital Officer, a member of the Executive Committee. In addition, the Chief Information Security Officer is a permanent member of the group Risk Committee and reports on the cybersecurity risk to such group Risk Committee, to the Audit Committee and to the Executive Committee regularly. The reporting covers various matters, such as the outcomes of audits on Sanofi's information systems, the main incidents encountered over the preceding period, Sanofi's digital transformation or the cybersecurity strategy and framework for the coming years.

The group Risk Committee, comprised of the managers of Sanofi's Global Business Units, consolidates the risks identified by the specific committees and targets the high priority risks Sanofi is facing. The group Risk Committee then allocates each risk to the relevant Executive Committee member (i.e. the cybersecurity risk is allocated to the Chief Digital Officer as the relevant member of the Executive Committee, who manages the mitigation of such risk with the Chief Information Security Officer) and reports regularly to the Audit Committee. Following this identification and allocation process, the group Risk Committee reports on a quarterly basis to the Executive Committee on the progress of the mitigation plans.

The Audit Committee controls that the cybersecurity risks are well managed and reports on such management to the Board of Directors. The Board of Directors is also informed of such risks, as well as other cybersecurity matters, through periodic reports from the Chief Digital Officer, the Head of the group Risk Committee, or the Chief Information Security Officer.

Part III

Item 17. Financial Statements

See Item 18.

Item 18. Financial Statements

See pages F-1 through F-103 incorporated herein by reference.

Item 19. Exhibits

1.1.	Articles of association (statuts) of Sanofi (English translation).
1.2.	Board Charter (Règlement Intérieur) of Sanofi (English translation) (Incorporated by reference to Exhibit 1.2 of the Company's Annual Report on Form 20-F for the year ended December 31, 2023)
2.1.	The total amount of long-term debt securities authorized under any instrument does not exceed 10% of the total assets of the Company and its subsidiaries on a consolidated basis. We hereby agree to furnish to the SEC, upon its request, a copy of any instrument defining the rights of holders of long-term debt of the Company or of its subsidiaries for which consolidated or unconsolidated financial statements are required to be filed.
2.2.	Description of securities registered under section 12 of the Exchange Act.
4.1	Share repurchase agreement between Sanofi and L'Oréal, dated February 2, 2025
8.1.	List of significant subsidiaries, see "Item 4. Information on the Company — C. Organizational Structure" of this annual report.
11.1	Global Operating Procedure on the Prevention of Insider Trading
12.1.	Certification by Paul Hudson, Chief Executive Officer, required by Section 302 of the Sarbanes-Oxley Act of 2002.
12.2.	Certification by Francois-Xavier Roger, Principal Financial Officer, required by Section 302 of the Sarbanes-Oxley Act of 2002.
13.1.	Certification by Paul Hudson, Chief Executive Officer, required by Section 906 of the Sarbanes-Oxley Act of 2002.
13.2.	Certification by Francois-Xavier Roger, Principal Financial Officer, required by Section 906 of the Sarbanes-Oxley Act of 2002.
15.1.	Consent of Forvis Mazars SA dated February 13, 2025.
15.2.	Consent of PricewaterhouseCoopers Audit dated February 13, 2025.
15.3	Consent of Ernst and Young dated February 13, 2025.
97.	Clawback policy (Incorporated by reference to Exhibit 97 of the Company's Annual Report on Form 20-F for the year ended December 31, 2023)
101.INS	XBRL Instance Document.
101.SCH	XBRL Taxonomy Extension Schema.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase.
101.DEF	XBRL Taxonomy Extension Definition Linkbase.
101.LAB	XBRL Taxonomy Extension Label Linkbase.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase.
104.1	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

Signature

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

Sanofi

By: /s/ PAUL HUDSON

Name: Paul Hudson

Title: Chief Executive Officer

Date: February 13, 2025

Report of Independent Registered Public Accounting Firms

To the Shareholders and the Board of Directors of Sanofi,

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheet of Sanofi and its subsidiaries (the "Company") as of December 31, 2024, and the related consolidated income statement, and consolidated statements of comprehensive income, of changes in equity and of cash flows for the year then ended December 31, 2024, including the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024, and the results of its operations and its cash flows for the year then ended, in conformity with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and in conformity with IFRS as endorsed by the European Union.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 13, 2025 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for these consolidated financial statements. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audit. We are public accounting firms registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud.

Our audit of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Recoverable amount of other intangible assets - Acquired R&D, products, trademarks and other rights

Description of the Matter	Other intangible assets composed of acquired R&D, products, trademarks and other rights amounted to €22,210 million at December 31, 2024. Management recognized a net loss of €248 million relating to impairment charges and reversals for the year ended December 31, 2024. As described in Notes B.6.1., D.4. and D.5. to the consolidated financial statements, other intangible assets not yet available for use are tested for impairment annually and whenever events or circumstances indicate that impairment might exist. Other intangible assets that generate separate cash flows and assets included in cash-generating units (CGUs) are assessed for impairment when events or changes in circumstances indicate that the asset or CGU may be impaired. Management estimates the recoverable amount of the asset and recognizes an impairment loss if the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of the asset is the higher of its fair value less costs to sell or its value in use. Value in use is determined by management using estimated future cash flows generated by the asset or CGU which are discounted and prepared using the same methods as those used in the initial measurement of the assets and on the basis of medium-term strategic plans. Management cash flow projections include significant assumptions related to mid and long-term sales forecasts; perpetual growth or attrition rate, where applicable; discount rate; and probability of success of current research and development projects. The principal considerations for our determination that auditing the recoverable amount of other intangible assets is especially challenging, subjective, and required complex auditor judgment related to the significant judgments made by management when developing the significant assumptions utilized in the future cash flow projections as described above.
How We Addressed the Matter in Our Audit	Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These audit procedures included obtaining an understanding of the process and assessing the design and testing the operating effectiveness of controls relating to management's other intangible assets impairment assessment, including controls over the significant assumptions used in the impairment testing of the other intangible assets. These audit procedures also included, among others, evaluating the appropriateness of the discounted cash flow model; testing the completeness, accuracy, and relevance of underlying data used in the model; and evaluating the significant assumptions used by management as described above. Evaluating management's assumptions involved evaluating whether the assumptions used by management were reasonable by considering the current and past performance of other intangible assets in comparison to management's previous forecasts and current trends, the consistency of certain assumptions with external market and industry data, and whether these assumptions were consistent with evidence obtained in other areas of the audit such as internal company communications and presentations and external communications. We involved our professionals with specialized skills and knowledge to assist us notably in the assessment of the discount rate used by management.

Valuation of the provisions for rebates relating to Sanofi's business in the United States – Medicaid, Medicare and Managed Care

Description of the Matter	As described in Notes B.13.1. and D.23. to the consolidated financial statements, products sold in the United States are covered by various Government and State programs (of which Medicaid and Medicare are the most significant) and are subject to commercial agreements with healthcare authorities and certain customers and distributors. Estimates of discounts and rebates incentives (hereinafter the "Rebates") to be provided to customers under those arrangements are recognized as a reduction of gross sales in the period in which the underlying sales are recognized. Provisions for the Medicaid, Medicare and Managed Care Rebates amounted to €1,193 million, €722 million and €1,097million, respectively, at December 31, 2024. The Rebates estimated by management are based on the nature and patient profile of the underlying product; the applicable regulations or the specific terms and conditions of contracts with governmental authorities, wholesalers and other customers; historical data relating to similar contracts; past experience and sales growth trends for the same or similar products; actual inventory levels in distribution channels, monitored by Sanofi using internal sales data and externally provided data; market trends including competition, pricing and demand. The principal considerations for our determination that auditing the provisions for Rebates relating to the Company's business in the United States is especially challenging and required complex auditor judgment related to the significant judgment by management due to significant measurement uncertainty involved in developing these provisions. These provisions are estimated based on multiple factors as described above.
How We Addressed the Matter in Our Audit	Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These audit procedures included obtaining an understanding of the process and assessing the design and testing the operating effectiveness of controls relating to management's estimates of the provisions for Rebates relating to the Company's business in the United States, including controls over the assumptions used to estimate these Rebates. These procedures also included, among others, developing an independent estimate of the provisions for Rebates by utilizing third party data on inventory levels in distribution channels, volume, changes to price, the terms of the specific rebate programs, and the historical trend of actual rebate claims paid. The independent estimate was compared to the provisions recorded by the Company. Additionally, these procedures included testing actual rebate claims paid and evaluating the contractual terms of the Company's rebate agreements.

Provisions for product liability risks, litigation and other and contingent liabilities

Description of the Matter	Provisions for product liability risks, litigation and other were recorded in an amount of €1,676 million at December 31, 2024. As described in Notes B.12., D.19.3. and D.22. to the consolidated financial statements, the Company records such provisions when an outflow of resources is probable and the amount of the outflow can be reliably estimated. The Company also discloses the contingent liabilities in circumstances where management is unable to make a reasonable estimate of the expected financial effect that will result from ultimate resolution of the proceeding, or a cash outflow is not probable. The pharmaceutical industry is highly regulated, which increases the inherent risk of litigation and arbitration. The Company is involved in litigation, arbitration and other legal proceedings. These proceedings are typically related to litigation concerning product liability claims, intellectual property rights, competition law and trade practices, as well as claims under warranties or indemnification arrangements relating to business divestments. The issues raised by these claims are highly complex and subject to substantial uncertainties; therefore, the probability of loss and an estimation of damages are difficult to ascertain. The principal considerations for our determination that auditing the provision for product liability risks, litigation and other, and auditing the contingent liabilities is especially challenging, subjective and required complex auditor judgment resulted from the determination that the measurement of the provisions can involve a series of complex judgments about future events and can rely heavily on estimates and assumptions by management. There is inherent uncertainty related to these cases and in estimating the likelihood and outcome of the cases.
How We Addressed the Matter in Our Audit	Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These audit procedures included obtaining an understanding of the process and assessing the design and testing the operating effectiveness of controls relating to management's evaluation of the provisions for product liability risks, litigation and other, including controls over determining whether a loss is probable and whether the amount of loss can be reasonably estimated, as well as the need for and the level of financial statement disclosures. These procedures also included, among others, obtaining and evaluating the letters of audit inquiry with internal and external legal counsels, evaluating management's assessment regarding whether an unfavorable outcome is reasonably possible or probable and reasonably estimable through the evaluation of the legal letters and summaries of the proceedings and lawsuit correspondence. We also evaluated the Company's disclosures for contingent liabilities.

Uncertain tax positions

Description of the Matter	As described in Notes B.22. and D.19.4. to the consolidated financial statements, the Company has recorded liabilities pertaining to uncertain tax positions of €1,512 million at December 31, 2024. The Company operates in multiple tax jurisdictions, carrying out potentially complex transactions that require management to make judgments and estimates as to the tax impact of those transactions. The positions adopted by the Company in tax matters are based on its interpretation of tax laws and regulations. Some of those positions may be subject to uncertainty. In such cases, the Company assesses the amount of the tax liability on the basis of the following assumptions: that its position will be examined by one or more tax authorities on the basis of all relevant information; that a technical assessment is carried out with reference to legislation, case law, regulations, and established practice; and that each position is assessed individually (or collectively where appropriate), with no offset or aggregation between positions. Those assumptions are assessed on the basis of facts and circumstances existing at the end of the reporting period. When an uncertain tax liability is regarded as probable, it is measured on the basis of the Company's best estimate. The principal considerations for our determination that auditing uncertain tax positions is especially challenging, subjective and required complex auditor judgment related to the significant judgment by management when determining the liability for uncertain tax positions, including a high degree of estimation uncertainty of certain assumptions and interpretations of the tax laws and regulations underlying the positions.
How We Addressed the Matter in Our Audit	Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These audit procedures included obtaining an understanding of the process and assessing the design and testing the operating effectiveness of controls relating to the identification and recognition of the liability for uncertain tax positions, management's assessment and interpretation of tax laws and its evaluation of which tax positions may not be sustained upon audit and controls over measurement of the liability. These procedures also included, among others, testing the completeness and accuracy of the underlying data used in the calculation of the liability for uncertain tax positions and evaluating the assumptions used by management when determining its tax positions, the status of tax audits and investigations, and the potential impact of past claims. Our tax professionals assisted in evaluating management's assessments by comparing the positions taken by management with tax regulations and past decisions from tax authorities and where applicable, evaluating opinions from the Company's external tax advisors. We also evaluated the disclosures provided in the notes to the consolidated financial statements concerning uncertain tax positions.

/s/ PricewaterhouseCoopers Audit /s/ Forvis Mazars SA

PricewaterhouseCoopers Audit and Forvis Mazars SA have served as the Company's auditors since 1999 and 2024, respectively.

Neuilly-sur-Seine and Courbevoie, France, February 13, 2025

Report of Independent Registered Public Accounting Firms

To the Shareholders and the Board of Directors of Sanofi,

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Sanofi and its subsidiaries ("the Company") as of December 31, 2023 and 2022, the related consolidated income statements, statements of comprehensive income, changes in equity, and cash flows for each of the years in the two-year period ended December 31, 2023, and the related notes (collectively, "the consolidated financial statements"), before the effects of the adjustments to retrospectively reflect the classification as discontinued operations of Opella described in Note D.1.1.2 and before the recast of the segment information described in Note D.35.

In our opinion, the consolidated financial statements, before the effects of the adjustments to retrospectively reflect the classification as discontinued operations of Opella described in Note D.1.1.2 and before the recast of the segment information described in Note D.35, present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the years in the two-year period ended December 31, 2023, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board and in conformity with International Financial Reporting Standards as endorsed by the European Union (the 2023 and 2022 financial statements before the effects of the adjustments described in Note D.1.1.2 and before the recast of the segment information described in Note D.35 are not presented herein).

ERNST & YOUNG et Autres was not engaged to audit, review, or apply any procedures to the adjustments to retrospectively reflect the classification as discontinued operations of Opella described in Note D.1.1.2 and to the recast of the segment information described in Note D.35, and, accordingly ERNST & YOUNG et Autres does not express an opinion or any other form of assurance about whether such adjustments are appropriate and have been properly applied. Those adjustments were audited by PricewaterhouseCoopers Audit in 2024. In the opinion of PricewaterhouseCoopers Audit, such adjustments are appropriate and have been properly applied.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are public accounting firms registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers Audit

/s/ ERNST & YOUNG et Autres

PricewaterhouseCoopers Audit and ERNST & YOUNG et Autres have served as the Company's auditors since 1999 and 1986 to 2024, respectively.

Neuilly-sur-Seine, France, February 23, 2024, except for the effect of the classification as discontinued operations of Opella described in Note D.1.1.2 and for the recast of the segment information described in Note D.35, as to which the date is February 13, 2025

Paris La Défense, France, February 23, 2024

2024 CONSOLIDATED FINANCIAL STATEMENTS
Report of Independent Registered Public Accounting Firms

Report of Independent Registered Public Accounting Firms

To the Shareholders and the Board of Directors of Sanofi,

Opinion on Internal Control over Financial Reporting

We have audited Sanofi and its subsidiaries' (together the "Company") internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the "COSO criteria"). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the consolidated balance sheet of the Company as of December 31, 2024, and the related consolidated income statement, and consolidated statements of comprehensive income, of changes in equity and of cash flows for the year ended December 31, 2024, including the related notes (collectively referred to as the "consolidated financial statements") and our report dated February 13, 2025 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the Report of Management on Internal Control Over Financial Reporting appearing under Item 15. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are public accounting firms registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers Audit

/s/ Forvis Mazars SA

Neuilly-sur-Seine and Courbevoie, France, February 13, 2025

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2024 Consolidated financial statements

The financial statements are presented in accordance with International Financial Reporting Standards (IFRS).

Consolidated balance sheets - assets

(€ million)	Note	December 31, 2024	December 31, 2023	December 31, 2022
Property, plant and equipment	D.3.1.	10,091	10,160	9,869
Right-of-use assets	D.3.2.	1,510	1,654	1,815
Goodwill	D.4.	43,384	49,404	49,892
Other intangible assets	D.4.	22,629	24,319	21,640
Investments accounted for using the equity method	D.6.	316	424	677
Other non-current assets	D.7.	3,753	3,218	3,095
Non-current income tax assets		560	188	242
Deferred tax assets	D.14.	7,967	6,427	5,381
Non-current assets		**90,210**	**95,794**	**92,611**
Inventories	D.9.	9,431	9,666	8,960
Accounts receivable	D.10.	7,677	8,433	8,424
Other current assets	D.11.	3,826	3,455	3,532
Current income tax assets		724	391	374
Cash and cash equivalents	D.13. - D.17.1.	7,441	8,710	12,736
Assets held for sale	D.8. - D.36.	13,489	15	85
Current assets		**42,588**	**30,670**	**34,111**
Total assets		**132,798**	**126,464**	**126,722**

Consolidated balance sheets – equity and liabilities

(€ million)	Note	December 31, 2024	December 31, 2023	December 31, 2022
Equity attributable to equity holders of Sanofi	D.15.	77,507	74,040	74,784
Equity attributable to non-controlling interests	D.16.	350	313	368
Total equity		**77,857**	**74,353**	**75,152**
Long-term debt	D.17.1.	11,791	14,347	14,857
Non-current lease liabilities	D.17.2.	1,645	1,755	1,904
Non-current liabilities related to business combinations and to non-controlling interests	D.18.	569	501	674
Non-current provisions and other non-current liabilities	D.19.	8,096	7,602	6,341
Non-current income tax liabilities	D.19.4.	1,512	1,842	1,979
Deferred tax liabilities	D.14.	2,166	1,857	1,841
Non-current liabilities		**25,779**	**27,904**	**27,596**
Accounts payable		7,551	7,328	6,813
Current liabilities related to business combinations and to non-controlling interests	D.18.	72	208	105
Current provisions and other current liabilities	D.19.5.	14,241	13,741	12,021
Current income tax liabilities		697	597	574
Current lease liabilities	D.17.2.	261	275	277
Short-term debt and current portion of long-term debt	D.17.1.	4,209	2,045	4,174
Liabilities related to assets held for sale	D.8. - D.36.	2,131	13	10
Current liabilities		**29,162**	**24,207**	**23,974**
Total equity and liabilities		**132,798**	**126,464**	**126,722**

Consolidated income statements

(€ million)	Note	2024	2023[a]	2022[a]
Net sales	D.34.	**41,081**	**37,817**	**37,651**
Other revenues	D.34.	3,205	3,801	2,910
Cost of sales		(13,205)	(12,628)	(11,882)
Gross profit		**31,081**	**28,990**	**28,679**
Research and development expenses		(7,394)	(6,507)	(6,501)
Selling and general expenses		(9,183)	(8,933)	(8,739)
Other operating income	D.25.	1,089	979	1,814
Other operating expenses	D.26.	(4,382)	(3,443)	(2,523)
Amortization of intangible assets	D.4.	(1,749)	(1,911)	(1,804)
Impairment of intangible assets	D.5.	(248)	(896)	429
Fair value remeasurement of contingent consideration	D.12. - D.18.	(96)	(93)	27
Restructuring costs and similar items	D.27.	(1,396)	(1,030)	(1,077)
Other gains and losses, and litigation	D.28.	(470)	(196)	(143)
Operating income		**7,252**	**6,960**	**10,162**
Financial expenses	D.29.	(1,073)	(1,293)	(430)
Financial income	D.29.	519	584	205
Income before tax and investments accounted for using the equity method	D.35.1.	**6,698**	**6,251**	**9,937**
Income tax expense	D.30.	(1,204)	(1,017)	(1,909)
Share of profit/(loss) from investments accounted for using the equity method	D.31.	60	(136)	55
Net income from continuing operations		**5,554**	**5,098**	**8,083**
Net income from discontinued operations	D.36.	64	338	401
Net income		**5,618**	**5,436**	**8,484**
Net income attributable to non-controlling interests	D.32.	58	36	113
Net income attributable to equity holders of Sanofi		**5,560**	**5,400**	**8,371**
Average number of shares outstanding *(million)*	D.15.9.	1,251.4	1,251.7	1,251.9
Average number of shares after dilution *(million)*	D.15.9.	1,256.1	1,256.4	1,256.9
• Basic earnings per share from continuing operations (€)		4.40	4.06	6.38
• Basic earnings per share from discontinued operations (€)		0.04	0.25	0.31
Basic earnings per share (€)		**4.44**	**4.31**	**6.69**
• Diluted earnings per share from continuing operations (€)		4.39	4.05	6.35
• Diluted earnings per share from discontinued operations (€)		0.04	0.25	0.31
Diluted earnings per share (€)		**4.43**	**4.30**	**6.66**

(a) Figures for comparative periods (2023 and 2022) have been re-presented on a consistent basis to reflect the classification of Opella as a discontinued operation.

Consolidated statements of comprehensive income

(€ million)		2024	2023	2022
Net income		**5,618**	**5,436**	**8,484**
Attributable to equity holders of Sanofi		*5,560*	*5,400*	*8,371*
Attributable to non-controlling interests		*58*	*36*	*113*
Other comprehensive income:				
• Actuarial gains/(losses)	D.15.7.	11	(168)	622
• Change in fair value of equity instruments included in financial assets and financial liabilities	D.15.7.	(20)	97	13
• Tax effects	D.15.7.	(18)	(6)	(204)
Sub-total: items not subsequently reclassifiable to profit or loss from continuing operations (A)		**(27)**	**(77)**	**431**
• Change in fair value of debt instruments included in financial assets	D.15.7.	5	21	(77)
• Change in fair value of cash flow hedges	D.15.7.	(6)	(1)	7
• Change in currency translation differences	D.15.7.	2,470	(1,462)	2,332
• Tax effects	D.15.7.	19	(6)	105
Sub-total: items subsequently reclassifiable to profit or loss from continuing operations (B)		**2,488**	**(1,448)**	**2,367**
Other comprehensive income / (loss) from continuing operations for the period, net of taxes (A+B)		**2,461**	**(1,525)**	**2,798**
Other comprehensive income / (loss) for the period from discontinued operations, net of taxes (C)		**(29)**	**(78)**	**(34)**
Comprehensive income		**8,050**	**3,833**	**11,248**
Attributable to equity holders of Sanofi		*7,970*	*3,810*	*11,130*
• *Continuing operations*		*7,958*	*3,567*	*10,768*
• *Discontinued operations*		*12*	*243*	*362*
Attributable to non-controlling interests		*80*	*23*	*118*

Consolidated statements of changes in equity

(€ million)	Share capital	Additional paid-in capital	Treasury shares	Reserves and retained earnings	Stock options and other share-based payments	Other comprehensive income	Attributable to equity holders of Sanofi	Attributable to non-controlling interests	Total equity
Balance at January 1, 2022	**2,527**	**532**	**(939)**	**63,013**	**4,405**	**(857)**	**68,681**	**350**	**69,031**
Other comprehensive income for the period	—	—	—	451	—	2,308	2,759	5	2,764
Net income for the period	—	—	—	8,371	—	—	8,371	113	8,484
Comprehensive income for the period	**—**	**—**	**—**	**8,822**	**—**	**2,308**	**11,130**	**118**	**11,248**
Dividend paid out of 2021 earnings (€3.33 per share)	—	—	—	(4,168)	—	—	(4,168)	—	(4,168)
Effect of the distribution of an exceptional supplementary dividend of 58% of the shares of EUROAPI to the equity holders of Sanofi [e]	—	—	—	(793)	—	—	(793)	—	(793)
Payment of dividends to non-controlling interests	—	—	—	—	—	—	—	(100)	(100)
Share repurchase program[a]	—	—	(497)	—	—	—	(497)	—	(497)
Reduction in share capital[a]	(13)	(587)	600	—	—	—	—	—	—
Share-based payment plans:									
• Exercise of stock options[a]	1	34	—	—	—	—	35	—	35
• Issuance of restricted shares and vesting of existing restricted shares[a][c]	3	(3)	130	(130)	—	—	—	—	—
• Employee share ownership plan[a]	4	149	—	—	—	—	153	—	153
• Value of services obtained from employees	—	—	—	—	245	—	245	—	245
• Tax effects on share-based payments	—	—	—	—	8	—	8	—	8
Other movements	—	—	—	(10)	—	—	(10)	—	(10)
Balance at December 31, 2022	**2,522**	**125**	**(706)**	**66,734**	**4,658**	**1,451**	**74,784**	**368**	**75,152**

(€ million)	Share capital	Additional paid-in capital	Treasury shares	Reserves and retained earnings	Stock options and other share-based payments	Other comprehensive income	Attributable to equity holders of Sanofi	Attributable to non-controlling interests	Total equity
Balance at January 1, 2023	**2,522**	**125**	**(706)**	**66,734**	**4,658**	**1,451**	**74,784**	**368**	**75,152**
Other comprehensive income for the period	—	—	—	(77)	—	(1,513)	(1,590)	(13)	(1,603)
Net income for the period	—	—	—	5,400	—	—	5,400	36	5,436
Comprehensive income for the period	**—**	**—**	**—**	**5,323**	**—**	**(1,513)**	**3,810**	**23**	**3,833**
Dividend paid out of 2022 earnings (€3.56 per share)	—	—	—	(4,454)	—	—	(4,454)	—	(4,454)
Payment of dividends to non-controlling interests	—	—	—	—	—	—	—	(59)	(59)
Share repurchase program[a]	—	—	(593)	—	—	—	(593)	—	(593)
Share-based payment plans:									
• Exercise of stock options[a]	1	36	—	—	—	—	37	—	37
• Issuance of restricted shares and vesting of existing restricted shares[a][c]	3	(3)	115	(115)	—	—	—	—	—
• Employee share ownership plan[a]	4	155	—	—	—	—	159	—	159
• Value of services obtained from employees	—	—	—	—	283	—	283	—	283
• Tax effects on share-based payments	—	—	—	—	3	—	3	—	3
Other changes arising from issuance of restricted shares[b]	—	—	—	2	—	—	2	—	2
Other changes in non-controlling interests[d]	—	—	—	9	—	—	9	(19)	(10)
Balance at December 31, 2023	**2,530**	**313**	**(1,184)**	**67,499**	**4,944**	**(62)**	**74,040**	**313**	**74,353**

(€ million)	Share capital	Additional paid-in capital	Treasury shares	Reserves and retained earnings	Stock options and other share-based payments	Other comprehensive income	Attributable to equity holders of Sanofi	Attributable to non-controlling interests	Total equity
Balance at January 1, 2024	**2,530**	**313**	**(1,184)**	**67,499**	**4,944**	**(62)**	**74,040**	**313**	**74,353**
Other comprehensive income for the period	—	—	—	(28)	—	2,438	2,410	22	2,432
Net income for the period	—	—	—	5,560	—	—	5,560	58	5,618
Comprehensive income for the period	**—**	**—**	**—**	**5,532**	**—**	**2,438**	**7,970**	**80**	**8,050**
Dividend paid out of 2023 earnings (€3.76 per share)	—	—	—	(4,704)	—	—	(4,704)	—	(4,704)
Payment of dividends to non-controlling interests	—	—	—	—	—	—	—	(44)	(44)
Share repurchase program[a]	—	—	(302)	—	—	—	(302)	—	(302)
Reduction in share capital[a]	(12)	(492)	530	(26)	—	—	—	—	—
Share-based payment plans:									
• Exercise of stock options[a]	1	32	—	—	—	—	33	—	33
• Issuance of restricted shares and vesting of existing restricted shares[a][c]	3	(3)	116	(116)	—	—	—	—	—
• Employee share ownership plan[a]	4	150	—	—	—	—	154	—	154
• Value of services obtained from employees	—	—	—	—	305	—	305	—	305
• Tax effects on share-based payments	—	—	—	—	11	—	11	—	11
Other changes arising from issuance of restricted shares[b]	—	—	—	1	—	—	1	—	1
Change in non-controlling interests without loss of control	—	—	—	(1)	—	—	(1)	1	—
Balance at December 31, 2024	**2,526**	**—**	**(840)**	**68,185**	**5,260**	**2,376**	**77,507**	**350**	**77,857**

(a) See Notes D.15.1., D.15.3., D.15.4. and D.15.5.
(b) This line comprises the impact of the issuance of restricted shares to former employees of EUROAPI subsequent to the date on which Sanofi lost control of EUROAPI.
(c) This line includes the use of existing shares to fulfill vested rights under restricted share plans.
(d) This line mainly comprises changes in non-controlling interests arising from divestments and acquisitions.
(e) This amount includes the valuation of the shares distributed as a dividend in kind, at a price of €14.58 per share, as of May 10, 2022 (see Note D.1.3).

Consolidated statements of cash flows

(€ million)	Note	2024	2023[a]	2022[a]
Net income attributable to equity holders of Sanofi		**5,560**	**5,400**	**8,371**
Net (income)/loss from the discontinued Opella business[a]		(64)	(338)	(401)
Non-controlling interests	D.32.	58	36	113
Share of undistributed earnings from investments accounted for using the equity method		82	293	(45)
Depreciation, amortization and impairment of property, plant and equipment, right-of-use assets and intangible assets		3,586	4,429	3,108
Gains and losses on disposals of non-current assets, net of tax[b]		(366)	(364)	(590)
Net change in deferred taxes		(802)	(1,233)	(529)
Net change in non-current provisions and other non-current liabilities[c]		812	105	48
Cost of employee benefits (share-based payments)	D.15.2. - D.15.3. - D.15.8.	278	260	234
Impact of the workdown of acquired inventories remeasured at fair value	D.35.1.	10	9	3
Other profit or loss items with no cash effect on cash flows generated by operating activities[d]		68	261	120
Operating cash flow before changes in working capital of continuing operations		**9,222**	**8,858**	**10,432**
(Increase)/decrease in inventories		(477)	(866)	(918)
(Increase)/decrease in accounts receivable		(28)	(472)	(500)
Increase/(decrease) in accounts payable		789	258	340
Net change in other current assets and other current liabilities		(899)	1,493	284
Net cash provided by/(used in) continuing operating activities		**8,607**	**9,271**	**9,638**
Net cash provided by/(used in) operating activities of the discontinued Opella business		**474**	**987**	**888**
Net cash provided by/(used in) operating activities[e]		**9,081**	**10,258**	**10,526**
Acquisition of property, plant and equipment and intangible assets	D.3. - D.4.	(3,195)	(2,906)	(2,103)
Acquisitions of consolidated undertakings and investments accounted for using the equity method[f]	D.1. - D.18.	(1,901)	(2,535)	(987)
Acquisitions of other equity investments	D.7.	(623)	(134)	(487)
Proceeds from disposals of property, plant and equipment, intangible assets and other non-current assets, net of tax[g]		1,461	807	1,340
Disposal of consolidated undertakings and investments accounted for using the equity method, net of tax[h]		—	42	134
Net change in other non-current assets		(40)	(224)	(14)
Net cash provided by/(used in) continuing investing activities		**(4,298)**	**(4,950)**	**(2,117)**
Net cash provided by/(used in) investing activities of the discontinued Opella business[i]		**(109)**	**(1,250)**	**42**
Net cash provided by/(used in) investing activities		**(4,407)**	**(6,200)**	**(2,075)**
Issuance of Sanofi shares	D.15.1.	187	195	188
Dividends paid:				
• to shareholders of Sanofi		(4,704)	(4,454)	(4,168)
• to non-controlling interests		(38)	(56)	(97)
Payments received/(made) on changes of ownership interest in a subsidiary without loss of control		—	(3)	—
Additional long-term debt contracted	D.17.1.	—	48	1,549
Repayments of long-term debt	D.17.1.	(671)	(3,683)	(2,718)
Repayments of lease liabilities		(282)	(253)	(280)
Net change in short-term debt and other financial instruments[j]		59	751	216
Acquisitions of treasury shares	D.15.4.	(302)	(593)	(497)
Net cash provided by/(used in) continuing financing activities		**(5,751)**	**(8,048)**	**(5,807)**
Net cash provided by/(used in) financing activities of the discontinued Opella business		**(12)**	**(4)**	**(14)**
Net cash provided by/(used in) financing activities		**(5,763)**	**(8,052)**	**(5,821)**
Impact of exchange rates on cash and cash equivalents		(13)	(32)	8
Impact on cash and cash equivalents of the reclassification of the Opella business to "Assets held for sale"		(167)	—	—
Net change in cash and cash equivalents		**(1,269)**	**(4,026)**	**2,638**
Cash and cash equivalents, beginning of period		**8,710**	**12,736**	**10,098**
Cash and cash equivalents, end of period	**D.13.**	**7,441**	**8,710**	**12,736**
Cash and cash equivalents, beginning of period of discontinued operations reported as held for sale		**—**	**—**	**—**
Cash and cash equivalents, end of period of discontinued operations reported as held for sale		**167**	**—**	**—**

(a) Cash flows of the Opella business are presented separately in accordance with IFRS 5 (Non-Current Assets Held for Sale and Discontinued Operations).
(b) Includes non-current financial assets.
(c) This line item includes contributions paid to pension funds (see Note D.19.1.).
(d) This line item mainly comprises unrealized foreign exchange gains and losses arising on the remeasurement of monetary items in non-functional currencies and on instruments used to hedge such items.

(e) Including:

	2024	2023	2022
• Income tax paid	(3,291)	(2,623)	(2,452)
• Interest paid	(587)	(559)	(380)
• Interest received	447	547	173
• Dividends received from non-consolidated entities	52	17	1

(f) This line item includes payments made in respect of contingent consideration identified and recognized as a liability in business combinations. For 2024, it includes the net cash outflow relating to the acquisition of Inhibrx, Inc. (see Note D.1..1). For 2023, it includes the net cash outflow on the acquisitions of Provention Bio (see Note D.1.). For 2022, it includes the net cash outflow on the acquisition of Amunix (see Note D.1.)
(g) For 2024, this line item includes the sale of the Enjaymo global rights to Recordati for pre-tax proceeds of €768 million. For 2023 and 2022, this line item mainly comprises disposals of assets and activities related to portfolio streamlining, and disposals of equity and debt instruments.
(h) For 2022, this line item includes the net cash inflows (before taxes) of €101 million on the divestment of EUROAPI (see Note D.1.).
(i) For 2023, this line item includes the net cash outflow on the acquisition of QRIB (see Note D.1.)
(j) For 2024, this line item mainly includes a US commercial paper program for €262 million. For 2024, 2023 and 2022, it also includes realized foreign exchange differences on (i) cash and cash equivalents in non-functional currencies (primarily the US dollar) and (ii) derivative instruments used to manage such cash and cash equivalents.

Notes to the Consolidated Financial Statements

Introduction

Sanofi, together with its subsidiaries (collectively "Sanofi", "the Group" or "the Company"), is a global healthcare leader engaged in the research, development and marketing of therapeutic solutions focused on patient needs.

Sanofi is listed in Paris (Euronext: SAN) and New York (Nasdaq: SNY).

The consolidated financial statements for the year ended December 31, 2024, and the notes thereto, were signed off by the Sanofi Board of Directors on February 12, 2025.

A/ Basis of preparation

A.1. International financial reporting standards (IFRS)

The consolidated financial statements cover the twelve-month periods ended December 31, 2024, 2023 and 2022.

In accordance with Regulation No. 1606/2002 of the European Parliament and Council of July 19, 2002 on the application of international accounting standards, Sanofi has presented its consolidated financial statements in accordance with IFRS since January 1, 2005. The term "IFRS" refers collectively to international accounting and financial reporting standards (IASs and IFRSs) and to interpretations of the interpretations committees (SIC and IFRIC) with mandatory application as of December 31, 2024.

The consolidated financial statements of Sanofi as of December 31, 2024 have been prepared in compliance with IFRS as issued by the International Accounting Standards Board (IASB) and with IFRS as endorsed by the European Union as of December 31, 2024.

IFRS as endorsed by the European Union as of December 31, 2024 are available under the heading "IFRS Financial Statements" via the following web link:

https://www.efrag.org/Endorsement

The consolidated financial statements have been prepared in accordance with the IFRS general principles of fair presentation, going concern, accrual basis of accounting, consistency of presentation, materiality, and aggregation.

A.2. New standards, amendments and interpretations

A.2.1. New standards applicable from January 1, 2024

On September 22, 2022, the IASB issued an amendment to IFRS 16 (Leases) relating to lease liabilities in a sale-and-leaseback arrangement, which is applicable from January 1, 2024 and had no impact on Sanofi's financial statements.

On January 23, 2020, the IASB issued "Classification of Liabilities as Current or Non-current", an amendment to IAS 1, and then on October 31, 2022 issued "Non-current Liabilities with Covenants", a further amendment to IAS 1. The amendments, which are applicable from January 1, 2024, had no impact on Sanofi's financial statements.

On May 25, 2023, the IASB issued "Supplier Finance Arrangements", amendments to IAS 7 and IFRS 7, applicable from January 1, 2024. The amendments relate to disclosures of information about such arrangements, and have led to the following clarification: within ***Accounts payable***, amounts representing payables that are managed via a paying agent contract under which a bank manages the settlement of Sanofi's trade accounts payable on behalf of Sanofi and that have already been paid to suppliers by the bank represented around 2% as of December 31, 2024. As those amounts are not material, Sanofi does not provide additional information in respect of those amendments.

A.2.2. New pronouncements issued by the IASB and applicable from 2025 or later

This note describes standards, amendments and interpretations issued by the IASB that will have mandatory application in 2025 or subsequent years, and Sanofi's position regarding future application.

On August 15, 2023, the IASB issued "Lack of Exchangeability", an amendment to IAS 21 (The Effects of Changes in Foreign Exchange Rates), relating to how to determine the exchange rate when a currency is not exchangeable. The amendment is applicable at the earliest from January 1, 2025 ; it will not have a material impact on the Sanofi financial statements, and Sanofi will not early adopt it.

On April 9, 2024, the IASB issued IFRS 18 (Presentation and Disclosure in Financial Statements), applicable from January 1, 2027 (subject to endorsement by the European Union). An impact assessment is currently under way. Sanofi will not early adopt this new standard.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

On May 30, 2024, the IASB issued amendments to IFRS 9 and IFRS 7 relating to the classification and measurement of financial instruments, applicable no earlier than January 1, 2026 (subject to endorsement by the European Union). Sanofi does not expect any material impact, and will not early adopt these amendments.

On July 18, 2024, the IASB issued Volume 11 of its annual improvements to various standards, which are essentially in the nature of clarifications, applicable from January 1, 2026 at the earliest (subject to endorsement by the European Union). Sanofi does not expect any material impact, and will not early adopt these amendments.

On December 18, 2024, the IASB issued "Contracts referencing nature-dependent electricity", amendments to IFRS 9 and IFRS 7, applicable (subject to endorsement by the European Union) from January 1, 2026. The amendments clarify the application of the 'own use' exemption to Power Purchase Agreements (PPAs) with physical delivery of renewable electricity, and modify the hedge accounting requirements for contracts without physical delivery (VPPAs). Sanofi does not expect any material impact and does not intend to early adopt these amendments. Renewable energy purchase contracts entered into by Sanofi as of December 31, 2024 are described in note D.21.

A.3. Use of estimates and judgments

The preparation of financial statements requires management to make reasonable estimates and assumptions based on information available at the date of the finalization of the financial statements. Those estimates and assumptions may affect the reported amounts of assets, liabilities, revenues and expenses in the financial statements, and disclosures of contingent assets and contingent liabilities as of the date of the review of the financial statements. Examples of estimates and assumptions include:

- amounts deducted from sales for projected sales returns, chargeback incentives, rebates and price reductions (see Notes B.13. and D.23.);
- impairment of property, plant and equipment and intangible assets (see Notes B.6. and D.5.);
- the valuation of goodwill and the valuation and estimated useful life of acquired intangible assets (see Notes B.3.2., B.4., D.4. and D.5.);
- the measurement of contingent consideration receivable in connection with asset divestments (see Notes B.8.5. and D.12.) and of contingent consideration payable (see Notes B.3. and D.18.);
- the measurement of financial assets and liabilities at amortized cost (see Note B.8.5.);
- the amount of post-employment benefit obligations (see Notes B.23. and D.19.1.);
- the amount of liabilities or provisions for restructuring, litigation, tax risks relating to corporate income taxes, and environmental risks (see Notes B.12., B.19., B.20., D.19. and D.22.); and
- the amount of deferred tax assets resulting from tax losses available for carry-forward and deductible temporary differences (see Notes B.22. and D.14.).

Actual results could differ from these estimates.

Management is also required to exercise judgment in assessing whether the criteria required under IFRS 5 (Non-Current Assets Held For Sale and Discontinued Operations) are met for (i) classifying a non-current asset or a group of assets as held for sale and (ii) presenting a discontinued operation on a separate line item in the consolidated balance sheet, income statement, statement of comprehensive income and cash flow statement. Such assessments are reviewed at the end of each reporting period each closing date to take account of changes in events and circumstances.

In preparing the consolidated financial statements, Sanofi has also taken account of risks related to the effects of climate change and energy transition.

As part of its Planet Care program, Sanofi has committed to move towards carbon neutrality by 2030 and net zero emissions by 2045 for its Scope 1, 2 and 3 emissions. That involves:

- aiming for a 55% reduction in greenhouse gas (GHG) emissions from Sanofi's own activities (Scopes 1 & 2) and a 30% reduction in Scope 3 GHG emissions by 2030 (versus a 2019 baseline), and a 90% reduction in GHG emissions (all scopes) by 2045. These objectives have been validated by the Science Based Target initiative (STBi);
- supplying all our sites with 100% renewably-sourced electricity by 2030;
- promoting an eco-friendly vehicle fleet by 2030; and
- engaging the Sanofi supply chain in reducing Scope 3 emissions.

The analysis of climate-related physical and transition risks facing Sanofi was updated in 2023 on the basis of three global warming scenarios out to 2030 and 2050. A number of assumptions – on issues such as carbon costs, natural disasters, water stress, raw material scarcity and logistics disruption – were built into this analysis, which also takes account of certain capital expenditures on mitigations derived from the Planet Care roadmap.

In preparing the consolidated financial statements, that analysis was taken into account as follows:

- the value of intangible assets and property, plant and equipment was subject to impairment testing conducted at CGU level, as described in Note D.5. Certain climate-related assumptions, such as the evolution of energy costs, transitioning to sustainable agriculture, and waste management, are already built into the forecast used for impairment testing purposes. For those assumptions not yet built into budgets, sensitivity analyses can be performed as needed;
- the periodic reviews conducted on the useful lives of property, plant and equipment take account of environmental regulatory constraints, including not only GHG emissions but also physical risks;

- environmental risks are covered by provisions on the basis described in Note D.19.3.; and
- the credit facilities available to Sanofi as of December 31, 2024 incorporate performance objectives, including objectives related to cutting Sanofi's carbon footprint, which could reduce the cost of debt if they are attained (see Note D.17.).

It is important to bear in mind that estimating climate change related risks involves an element of unpredictability. Uncertainties may arise from factors such as changes in government policy, rapid technological change, and varied responses from stakeholders. That high level of uncertainty adds complexity to assessment of the potential impacts on our operations, and to how those impacts are reflected in our budgets. Actual impacts on Sanofi's profits and financial position could therefore differ from initial estimates.

Finally, in line with its environmental protection objectives, Sanofi has initiated projects to build eco-design into its products so as to limit their environmental impacts over their entire life cycle. Those projects will require Sanofi to redefine all of its production methods, and as such have also been built into definitions of the useful lives of Sanofi production facilities.

A.4. Hyperinflation

In 2024, Sanofi continued to account for subsidiaries based in Venezuela using the full consolidation method, on the basis that the criteria for control as specified in IFRS 10 (Consolidated Financial Statements) are still met. The contribution of the Venezuelan subsidiaries to the consolidated financial statements is immaterial.

In Argentina, the cumulative rate of inflation over the last three years is in excess of 100%, based on a combination of indices used to measure inflation in that country. Consequently, Sanofi has since July 1, 2018 treated Argentina as a hyperinflationary economy and has applied IAS 29. The impact of the resulting restatements is immaterial at Sanofi group level.

In Turkey, the cumulative rate of inflation over the last three years is in excess of 100% based on a combination of indices used to measure inflation in that country. Consequently, Sanofi has since January 1, 2022 treated Turkey as a hyperinflationary economy and has applied IAS 29. The impact of the resulting restatements is immaterial at Sanofi group level.

A.5. Agreements relating to the recombinant COVID-19 vaccine candidate developed by Sanofi in collaboration with GSK

On February 18, 2020, Sanofi and the US Department of Health and Human Services extended their research and development partnership to leverage Sanofi's previous development work on a SARS vaccine to attempt to unlock a fast path forward for developing a COVID-19 vaccine. Under the terms of the collaboration, the Biomedical Advanced Research and Development Authority (BARDA), part of the Office of the Assistant Secretary for Preparedness and Response within the US Department of Health and Human Services, is helping to fund the research and development undertaken by Sanofi.

On April 14, 2020, Sanofi and GlaxoSmithKline (GSK) entered into a collaboration agreement to develop a recombinant COVID-19 vaccine candidate, with Sanofi contributing its S-protein COVID-19 antigen (based on recombinant DNA technology) and GSK contributing its pandemic adjuvant technology. Sanofi is leading clinical development and the registration process for the vaccine.

On July 31, 2020, the recombinant COVID-19 vaccine candidate developed by Sanofi in collaboration with GSK was selected by the US government's Operation Warp Speed (OWS) program. Under the OWS, the US government is providing funds to support further development of the vaccine, including clinical studies and scaling-up of manufacturing capacity. Initially, the agreement also provided for the supply of 100 million doses of the vaccine. In light of the evolving context of the pandemic (including variants of the virus) and the availability of vaccines on the market, the parties decided to review the initial supply contract. At the end of 2023, the agreement was amended in respect of the supply clause, confirming that Sanofi had fulfilled its contractual obligations and setting the amount of compensation paid to Sanofi. On the basis of that signed amendment, Sanofi recognized an amount of €411 million within the line item ***Other revenues***; that amount was paid to Sanofi in December 2023.

Sanofi has recognized the funding received from the US government as a deduction from the development expenses incurred, in accordance with IAS 20 (Accounting for Government Grants and Disclosure of Government Assistance).

The amount of government aid received from the US federal government and BARDA and recognized as a deduction from development expenses and other operating expenses was €58 million in 2024, compared with €59 million in 2023 and €265 million in 2022.

In September 2020, Sanofi and GSK signed pre-order contracts with the Canadian and UK governments and with the European Union for doses of the vaccine candidate. During 2021, Sanofi and GSK contractualized with the Canadian and UK governments and with the European Union on the number of doses ordered.

On December 15, 2021, Sanofi and GSK announced positive preliminary data on their COVID-19 booster vaccine candidate and indicated that their Phase 3 study was to continue, based on recommendations from an independent monitoring board.

On November 10, 2022, in line with the positive opinion issued by the Committee for Medicinal Products for Human Use (CHMP) of the European Medicines Agency, the European Commission approved VidPrevtyn Beta vaccine as booster for the prevention of COVID-19 in adults aged 18 years and older. Designed to provide broad protection against multiple variants, this protein-based COVID-19 booster vaccine is based on the Beta variant antigen and includes GSK's pandemic adjuvant. VidPrevtyn Beta is indicated as a booster for active immunization against SARS-CoV-2 in adults who have previously received an mRNA or adenoviral COVID-19 vaccine.

On December 21, 2022, following the European Commission approval, the Medicines and Healthcare Products Regulatory Agency (MHRA) approved VidPrevtyn Beta vaccine for the prevention of COVID-19 in adults aged 18 and over within the UK.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

In accordance with IFRS 15 (see Note B.13.1.), Sanofi recognizes revenue when control over the product is transferred to the customer (for vaccines, transfer of control is determined by reference to the terms of release and acceptance of batches of vaccine). Payments received subsequent to signature of vaccine pre-order contracts relating to doses not yet delivered are customer contract liabilities (i.e. an obligation for the entity to supply goods to a customer, for which consideration has been received from the customer). They are presented within "Customer contract liabilities" in the balance sheet (see Note D.19.5.), and within "Net change in other current assets and other current liabilities" in the statement of cash flows.

The pre-order contracts for Canada, the United Kingdom and the European Union expired in 2023. The customer contract liabilities, which amounted to €269 million as of December 31, 2022 and €319 million as of December 31, 2021 (see Note D.19.5., "Current provisions and other current liabilities") were released to profit or loss in 2023, including an amount of €94 million classified in ***Other revenue*** in respect of doses which there was no longer an obligation to deliver as of December 31, 2023.

B/ Summary of significant accounting policies

B.1. Basis of consolidation

In accordance with IFRS 10 (Consolidated Financial Statements), the consolidated financial statements of Sanofi include the financial statements of entities that Sanofi controls directly or indirectly, regardless of the level of the equity interest in those entities. An entity is controlled when Sanofi has power over the entity, exposure or rights to variable returns from its involvement with the entity, and the ability to affect those returns through its power over the entity. In determining whether control exists, potential voting rights must be taken into account if those rights are substantive, in other words they can be exercised on a timely basis when decisions about the relevant activities of the entity are to be taken.

Entities consolidated by Sanofi are referred to as "subsidiaries". Entities that Sanofi controls by means other than voting rights are referred to as "consolidated structured entities".

In accordance with IFRS 11 (Joint Arrangements), Sanofi classifies its joint arrangements (i.e. arrangements in which Sanofi exercises joint control with one or more other parties) either as a joint operation (in which case, Sanofi recognizes the assets and liabilities of the operation in proportion to its rights and obligations relating to those assets and liabilities) or as a joint venture.

Sanofi exercises joint control over a joint arrangement when decisions relating to the relevant activities of the arrangement require the unanimous consent of Sanofi and the other parties with whom control is shared.

Sanofi exercises significant influence over an entity when it has the power to participate in the financial and operating policy decisions of that entity, but does not have the power to exercise control or joint control over those policies.

In accordance with IAS 28 (Investments in Associates and Joint Ventures), the equity method is used to account for joint ventures (i.e. entities over which Sanofi exercises joint control) and for associates (i.e. entities over which Sanofi exercises significant influence).

Under the equity method, the investment is initially recognized at cost, and subsequently adjusted to reflect changes in the net assets of the associate or joint venture. IAS 28 does not specify the treatment to be adopted on first-time application of the equity method to an investee following a step acquisition. Consequently, by reference to paragraph 10 of IAS 28, Sanofi has opted to apply the cost method, whereby the carrying amount of the investment represents the sum of the historical cost amounts for each step in the acquisition. As of the date on which the equity method is first applied, goodwill (which is included in the carrying amount of the investment) is determined for each acquisition step. The same applies to subsequent increases in the percentage interest in the equity-accounted investment.

When the criteria of IFRS 5 are met, Sanofi recognizes the equity interest within the balance sheet line item ***Assets held for sale***. The equity method is not applied to equity interests that are classified as held for sale assets.

Transactions between consolidated companies are eliminated, as are intragroup profits.

A list of the principal companies included in the consolidation in 2024 is presented in Note F.

B.2. Foreign currency translation

B.2.1. Accounting for foreign currency transactions in the financial statements of consolidated entities

Non-current assets and inventories acquired in foreign currencies are translated into the functional currency using the exchange rate prevailing at the acquisition date.

Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rate prevailing at the end of the reporting period. The gains and losses resulting from foreign currency translation are recorded in the income statement. However, foreign exchange gains and losses arising from the translation of advances between consolidated subsidiaries for which settlement is neither planned nor likely to occur in the foreseeable future are recognized in equity, in the line item ***Change in currency translation differences.***

B.2.2. Foreign currency translation of the financial statements of foreign entities

Sanofi presents its consolidated financial statements in euros (€). In accordance with IAS 21 (The Effects of Changes in Foreign Exchange Rates), each subsidiary accounts for its transactions in the currency that is most representative of its economic environment (the functional currency).

All assets and liabilities are translated into euros using the exchange rate of the subsidiary's functional currency prevailing at the end of the reporting period. Income statements are translated using a weighted average exchange rate for the period, except in the case of foreign subsidiaries in a hyperinflationary economy. The resulting currency translation difference is recognized as a separate component of equity in the consolidated statement of comprehensive income, and is recognized in the income statement only when the subsidiary is sold or is wholly or partially liquidated.

B.3. Business combinations and transactions with non-controlling interests

B.3.1. Accounting for business combinations, transactions with non-controlling interests and loss of control

Business combinations are accounted for in accordance with IFRS 3 (Business Combinations) and IFRS 10 (Consolidated Financial Statements).

Business combinations are accounted for using the acquisition method. Under this method, the acquiree's identifiable assets and liabilities that satisfy the recognition criteria of IFRS 3 (Business Combinations) are measured initially at their fair values at the date of acquisition, except for (i) non-current assets classified as held for sale (which are measured at fair value less costs to sell) and (ii) assets and liabilities that fall within the scope of IAS 12 (Income Taxes) and IAS 19 (Employee Benefits). Restructuring liabilities are recognized as a liability of the acquiree only if the acquiree has an obligation as of the acquisition date to carry out the restructuring.

The principal accounting rules applicable to business combinations and transactions with non-controlling interests include:

- acquisition-related costs are recognized as an expense, as a component of ***Operating income***;
- contingent consideration is recognized in equity if the contingent payment is settled by delivery of a fixed number of the acquirer's equity instruments; otherwise, it is recognized in liabilities related to business combinations. Contingent consideration is recognized at fair value at the acquisition date irrespective of the probability of payment. If the contingent consideration was originally recognized as a financial liability, subsequent adjustments to the liability are recognized in profit or loss in the line item ***Fair value remeasurement of contingent consideration***, unless the adjustment is made within the 12 months following the acquisition date and relates to facts and circumstances existing as of that date; and
- goodwill may be calculated on the basis of either (i) the entire fair value of the acquiree, or (ii) a share of the fair value of the acquiree proportionate to the interest acquired. This option is elected for each acquisition individually.

Purchase price allocations are performed under the responsibility of management, with assistance from an independent valuer in the case of major acquisitions. IFRS 3 does not specify an accounting treatment for contingent consideration arising from a business combination made by an entity prior to the acquisition of control in that entity and carried as a liability in the acquired entity's balance sheet. The accounting treatment applied by Sanofi to such a liability is to measure it at fair value as of the acquisition date and to report it in the line item ***Liabilities related to business combinations and to non-controlling*** interests, with subsequent remeasurements recognized in profit or loss. This treatment is consistent with the accounting applied to contingent consideration in the books of the acquirer.

Finally, management may where it deems fit elect to apply the optional test to identify concentration of fair value permitted under IFRS 3 in order to determine whether a transaction is a business combination within the meaning of IFRS 3, or merely the acquisition of an asset or of a group of similar assets.

B.3.2. Goodwill

The excess of the cost of an acquisition over Sanofi's interest in the fair value of the identifiable assets and liabilities of the acquiree is recognized as goodwill at the date of the business combination. ***Goodwill*** arising on the acquisition of subsidiaries is shown in a separate balance sheet line item, whereas goodwill arising on the acquisition of investments accounted for using the equity method is recorded in ***Investments accounted for using the equity method.***

Goodwill arising on foreign operations is expressed in the functional currency of the country concerned and translated into euros using the exchange rate prevailing at the end of the reporting period.

In accordance with IAS 36 (Impairment of Assets), goodwill is carried at cost less accumulated impairment (see Note B.6.).

Goodwill is tested for impairment annually and whenever events or circumstances indicate that impairment might exist. Such events or circumstances include significant changes more likely than not to have an other-than-temporary impact on the substance of the original investment.

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B.4. Other intangible assets

Other intangible assets are initially measured at acquisition cost or production cost, including any directly attributable costs of preparing the asset for its intended use, or (in the case of assets acquired in a business combination) at fair value as of the date of the business combination. Intangible assets are amortized on a straight line basis over their useful lives.

The useful lives of other intangible assets are reviewed at the end of each reporting period. The effect of any adjustment to useful lives is recognized prospectively as a change in accounting estimate.

Amortization of other intangible assets is recognized in the income statement within ***Amortization of intangible assets*** except for amortization charged against (i) acquired or internally-developed software and (ii) other rights of an industrial or operational nature, which is recognized in the relevant classification of expense by function.

Sanofi does not own any intangible assets with an indefinite useful life, other than goodwill.

Intangible assets (other than goodwill) are carried at cost less accumulated amortization and accumulated impairment, if any, in accordance with IAS 36 (see Note B.6.).

B.4.1. Research and development not acquired in a business combination

Internally generated research and development

Under IAS 38, research expenses are recognized in profit or loss when incurred.

Internally generated development expenses are recognized as an intangible asset if, and only if, all the following six criteria can be demonstrated: (a) the technical feasibility of completing the development project; (b) Sanofi's intention to complete the project; (c) Sanofi's ability to use the project; (d) the probability that the project will generate future economic benefits; (e) the availability of adequate technical, financial and other resources to complete the project; and (f) the ability to measure the development expenditure reliably.

Due to the risks and uncertainties relating to regulatory approval and to the research and development process, the six criteria for capitalization are usually considered not to have been met until the product has obtained marketing approval from the regulatory authorities. Consequently, internally generated development expenses arising before marketing approval has been obtained, mainly the cost of clinical studies, are generally expensed as incurred within ***Research and development expenses***.

Some industrial development expenses (such as those incurred in developing a second-generation synthesis process) are incurred after marketing approval has been obtained, in order to improve the industrial process for an active ingredient. To the extent that the six IAS 38 criteria are considered as having been met, such expenses are recognized as an asset in the balance sheet within ***Other intangible assets*** as incurred. Similarly, some clinical studies, for example those undertaken to obtain a geographical extension for a molecule that has already obtained marketing approval in a major market, may in certain circumstances meet the six capitalization criteria under IAS 38, in which case the related expenses are recognized as an asset in the balance sheet within ***Other intangible assets***.

Separately acquired research and development

Payments for separately acquired research and development are capitalized within ***Other intangible assets*** provided that they meet the definition of an intangible asset: a resource that is (i) controlled by Sanofi, (ii) expected to provide future economic benefits for Sanofi, and (iii) identifiable (i.e. it is either separable or arises from contractual or legal rights). Under paragraph 25 of IAS 38, the first condition for capitalization (the probability that the expected future economic benefits from the asset will flow to the entity) is considered to be satisfied for separately acquired research and development. Consequently, upfront and milestone payments to third parties related to pharmaceutical products for which marketing approval has not yet been obtained are recognized as intangible assets, and amortized on a straight line basis over their useful lives beginning when marketing approval is obtained.

Payments under research and development arrangements relating to access to technology or to databases, and payments made to purchase generics dossiers, are also capitalized, and amortized over the useful life of the intangible asset.

Subcontracting arrangements, payments for research and development services, and continuous payments under research and development collaborations which are unrelated to the outcome of that collaboration, are expensed over the service term.

B.4.2. Other intangible assets not acquired in a business combination

Licenses other than those related to pharmaceutical products and research projects, in particular software licenses, are capitalized at acquisition cost, including any directly attributable cost of preparing the software for its intended use. Software licenses are amortized on a straight line basis over their useful lives for Sanofi (three to five years).

Internally generated costs incurred to develop or upgrade software are capitalized if the IAS 38 recognition criteria are satisfied, and amortized on a straight line basis over the useful life of the software from the date on which the software is ready for use.

B.4.3. Other intangible assets acquired in a business combination

Other intangible assets acquired in a business combination (in-process research and development, technology platforms, and currently marketed products) that are reliably measurable are identified separately from goodwill, measured at fair value, and capitalized within ***Other intangible assets*** in accordance with IFRS 3 (Business Combinations) and IAS 38 (Intangible Assets). The related deferred tax liability is also recognized if a deductible or taxable temporary difference exists.

In-process research and development acquired in a business combination is amortized on a straight line basis over its useful life from the date of receipt of marketing approval.

Rights to technology platforms and to products currently marketed by Sanofi are amortized on a straight line basis over their useful lives, determined (in particular for marketed products) on the basis of cash flow forecasts which take into account the patent protection period of the marketed product.

B.5. Property, plant and equipment owned and leased

B.5.1. Property, plant and equipment owned

Property, plant and equipment is initially measured and recognized at acquisition cost, including any directly attributable cost of preparing the asset for its intended use, or (in the case of assets acquired in a business combination) at fair value as of the date of the business combination. The component-based approach to accounting for property, plant and equipment is applied. Under this approach, each component of an item of property, plant and equipment with a cost which is significant in relation to the total cost of the item and which has a different useful life from the other components must be depreciated separately.

After initial measurement, property, plant and equipment is carried at cost less accumulated depreciation and impairment, except for land which is carried at cost less impairment.

Subsequent costs are not recognized as assets unless (i) it is probable that future economic benefits associated with those costs will flow to Sanofi and (ii) the costs can be measured reliably.

Borrowing costs attributable to the financing of items of property, plant and equipment, and incurred during the construction period, are capitalized as part of the acquisition cost of the item.

Government grants relating to property, plant and equipment are deducted from the acquisition cost of the asset to which they relate.

The depreciable amount of items of property, plant and equipment, net of any residual value, is depreciated on a straight line basis over the useful life of the asset. The useful life of an asset is usually equivalent to its economic life.

The customary useful lives of property, plant and equipment are as follows:

Buildings	15 to 40 years
Fixtures	10 to 20 years
Machinery and equipment	5 to 15 years
Other	3 to 15 years

Useful lives and residual values of property, plant and equipment are reviewed annually. The effect of any adjustment to useful lives or residual values is recognized prospectively as a change in accounting estimate.

Depreciation of property, plant and equipment is recognized as an expense in the income statement, in the relevant classification of expense by function.

B.5.2. Property, plant and equipment leased

Leases contracted by Sanofi have been accounted for in accordance with IFRS 16 (Leases). Sanofi recognizes a right-of-use asset and a lease liability for all of its lease contracts, except for (i) leases relating to low-value assets and (ii) short-term leases (12 months or less). Payments made in respect of leases not recognized on the balance sheet are recognized as an operating expense on a straight line basis over the lease term.

On commencement of a lease, the liability for future lease payments is discounted at the incremental borrowing rate, which is a risk-free rate adjusted to reflect the specific risk profile of each Sanofi entity. Because lease payments are spread over the lease term, Sanofi applies a discount rate based on the duration of those payments.

The payments used to determine the liability for future lease payments exclude non-lease components, but include fixed payments that Sanofi expects to make to the lessor over the estimated lease term.

After commencement of the lease, the liability for future lease payments is reduced by the amount of the lease payments made, and increased to reflect interest on the liability. In the event of a reassessment or modification of future lease payments, the lease liability is remeasured. The right-of-use asset – which is initially measured at cost including direct costs of the lessee, prepayments made at or prior to the commencement date, less lease incentives received and restoration costs – is depreciated on a straight line basis over the lease term, and tested for impairment as required.

Sanofi recognizes deferred taxes in respect of right-of-use assets and lease liabilities.

Leasehold improvements are depreciated over their economic life, which is capped at the lease term as determined under IFRS 16.

B.6. Impairment of property, plant and equipment, intangible assets, and investments accounted for using the equity method

B.6.1. Impairment of property, plant and equipment and intangible assets

In accordance with IAS 36 (Impairment of Assets), assets that generate separate cash flows and assets included in cash-generating units (CGUs) are assessed for impairment when events or changes in circumstances indicate that the asset or CGU may be impaired. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Under IAS 36, each CGU or group of CGUs to which goodwill is allocated must (i) represent the lowest level within the entity at which the goodwill is monitored for internal management purposes, and (ii) not be larger than an operating segment determined in accordance with IFRS 8 (Operating Segments), before application of the IFRS 8 aggregation criteria (see Note B.26.).

Quantitative and qualitative indications of impairment (primarily relating to the status of the research and development portfolio, pharmacovigilance, patent litigation, and the launch of competing products) are reviewed at the end of each reporting period. If there is any internal or external indication of impairment, Sanofi estimates the recoverable amount of the asset or CGU.

Other intangible assets not yet available for use (such as capitalized in-process research and development), and CGUs or groups of CGUs that include goodwill, are tested for impairment annually whether or not there is any indication of impairment, and more frequently if any event or circumstance indicates that they might be impaired. Such assets are not amortized.

When there is an internal or external indication of impairment, Sanofi estimates the recoverable amount of the asset and recognizes an impairment loss if the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of the asset is the higher of its fair value less costs to sell or its value in use. To determine value in use, Sanofi uses estimates of future cash flows generated by the asset or CGU, prepared using the same methods as those used in the initial measurement of the asset or CGU on the basis of medium-term strategic plans.

In the case of goodwill, estimates of future cash flows are based on a six-year strategic plan and a terminal value. In the case of other intangible assets, the period used is based on the economic life of the asset.

Estimated cash flows are discounted at long-term market interest rates that reflect the best estimate by Sanofi of the time value of money, the risks specific to the asset or CGU, and economic conditions in the geographical regions in which the business activity associated with the asset or CGU is located.

Certain assets and liabilities that are not directly attributable to a specific CGU are allocated between CGUs on a basis that is reasonable, and consistent with the allocation of the corresponding goodwill.

Impairment losses arising on property, plant and equipment, software and certain rights, are recognized within the appropriate income statement line item according to the origin of the impairment.

Impairment losses arising on other intangible assets (products, trademarks, technology platforms, acquired R&D) are recognized within ***Impairment of intangible assets*** in the income statement.

B.6.2. Impairment of investments accounted for using the equity method

In accordance with IAS 28 (Investments in Associates and Joint Ventures), Sanofi determines whether investments accounted for using the equity method may be impaired based on indicators such as default in contractual payments, significant financial difficulties, probability of bankruptcy, or a prolonged or significant decline in quoted market price. If an investment is impaired, the amount of the impairment loss is determined by applying IAS 36 (see Note B.6.1.) and recognized in ***Share of profit/(loss) from investments accounted for using the equity method.***

B.6.3. Reversals of impairment losses charged against property, plant and equipment, intangible assets, and investments accounted for using the equity method

At the end of each reporting period, Sanofi assesses whether events or changes in circumstances indicate that an impairment loss recognized in a prior period in respect of an asset (other than goodwill) or an investment accounted for using the equity method can be reversed. If this is the case, and the recoverable amount as determined based on the revised estimates exceeds the carrying amount of the asset, Sanofi reverses the impairment loss only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset.

Reversals of impairment losses in respect of other intangible assets are recognized within the income statement line item ***Impairment of intangible assets***, while reversals of impairment losses in respect of investments accounted for using the equity method are recognized within the income statement line item ***Share of profit/(loss) from investments accounted for using the equity method***. Impairment losses taken against goodwill are never reversed, unless the goodwill is part of the carrying amount of an investment accounted for using the equity method.

B.7. Assets held for sale and liabilities related to assets held for sale and discontinued operations

In accordance with IFRS 5 (Non-Current Assets Held for sale and Discontinued Operations), non-current assets and groups of assets are classified as held for sale in the balance sheet if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Within the meaning of IFRS 5, the term "sale" also includes exchanges for other assets.

Non-current assets or asset groups held for sale must be available for immediate sale in their present condition, subject only to terms that are usual and customary for sales of such assets, and a sale must be highly probable. Criteria used to determine whether a sale is highly probable include:

- the appropriate level of management must be committed to a plan to sell;
- an active program to locate a buyer and complete the plan must have been initiated;
- the asset must be actively marketed for sale at a price that is reasonable in relation to its current fair value;
- completion of the sale should be foreseeable within the 12 months following the date of reclassification to ***Assets held for sale***; and
- actions required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Before initial reclassification of the non-current asset (or asset group) to ***Assets held for sale***, the carrying amounts of the asset (or of all the assets and liabilities in the asset group) must be measured in accordance with the applicable standards.

Subsequent to reclassification to ***Assets held for sale***, the non-current asset (or asset group) is measured at the lower of carrying amount or fair value less costs to sell, with any write-down recognized by means of an impairment loss. Once a non-current asset has been reclassified as held for sale or exchange, it is no longer depreciated or amortized.

From the date of reclassification:

- property, plant and equipment, right-of-use assets and intangible assets are no longer subject to individual depreciation, amortization or impairment; and
- the share of profits and losses from investments accounted for using the equity method is no longer recognized.

In a disposal of an equity interest leading to loss of control, all the assets and liabilities of the entity involved are classified as held for sale assets or liabilities within the balance sheet line items ***Assets held for sale*** or ***Liabilities related to assets held for sale***, provided that the disposal satisfies the IFRS 5 classification criteria.

The profit or loss generated by a held for sale asset group is reported in a separate line item in the income statement for the current period and for the comparative periods presented, provided that the asset group:

- represents a separate major line of business or geographical area of operations; or
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

In accordance with IFRS 10, intragroup balances and transactions relating to held for sale entities are eliminated.

In the absence of any specific accounting treatment under IFRS 5, Sanofi has opted to eliminate transactions between discontinued operations and continuing operations so as to reflect the impact of such transactions consistently with the way they are presented in the income statement after effective loss of control.

Events or circumstances beyond Sanofi's control may extend the period to complete the sale or exchange beyond one year without precluding classification of the asset (or disposal group) in ***Assets held for sale*** provided that there is sufficient evidence that Sanofi remains committed to the planned sale or exchange. Finally, in the event of changes to a plan of sale that requires an asset no longer to be classified as held for sale, IFRS 5 specifies the following treatment:

- the assets and liabilities previously classified as held for sale are reclassified to the appropriate balance sheet line items, with no restatement of comparative periods;
- each asset is measured at the lower of (a) its carrying amount before the asset was reclassified as held for sale, adjusted for any depreciation, amortization or revaluation that would have been recognized if the asset had not been reclassified as held for sale, or (b) its recoverable amount at the date of reclassification;
- the backlog of depreciation, amortization and impairment not recognized while non-current assets were classified as held for sale must be reported in the same income statement line item that was used to report impairment losses arising on initial reclassification of assets as held for sale and gains or losses arising on the sale of such assets. In the consolidated income statement, those impacts are reported within the line item ***Other gains and losses, and litigation***;
- the net income of a business previously classified as discontinued or as held for sale or exchange and reported on a separate line in the income statement must be reclassified and included in net income from continuing operations, for all periods presented; and
- in addition, segment information relating to the income statement and the statement of cash flows (acquisitions of non-current assets) must be disclosed in the notes to the financial statements in accordance with IFRS 8 (Operating Segments), and must also be restated for all prior periods presented.

B.8. Financial instruments

B.8.1. Non-derivative financial assets

In accordance with IFRS 9 (Financial Instruments) and IAS 32 (Financial Instruments: Presentation), Sanofi has adopted the classification of non-derivative financial assets described below. The classification used depends on (i) the characteristics of the contractual cash flows (i.e. whether they represent interest or principal) and (ii) the business model for managing the asset applied at the time of initial recognition.

Financial assets at fair value through other comprehensive income

These mainly comprise:

- quoted and unquoted equity investments that Sanofi does not hold for trading purposes and that management has designated at "fair value through other comprehensive income" on initial recognition. Gains and losses arising from changes in fair value are recognized in equity within the statement of comprehensive income in the period in which they occur. When such instruments are derecognized, the previously-recognized changes in fair value remain within ***Other comprehensive income***, as does the gain or loss on divestment. Dividends received are recognized in profit or loss for the period, within the line item ***Financial income***; and
- debt instruments whose contractual cash flows represent payments of interest or repayments of principal, and which are managed with a view to collecting cash flows and selling the asset. Gains and losses arising from changes in fair value are recognized in equity within the statement of comprehensive income in the period in which they occur. When such assets are derecognized, the cumulative gains and losses previously recognized in equity are reclassified to profit or loss for the period within the line items ***Financial income*** or ***Financial expenses***.

Financial assets at fair value through profit or loss

These mainly comprise:

- contingent consideration already carried in the books of an acquired entity or granted in connection with a business combination;
- instruments whose contractual cash flows represent payments of interest and repayments of principal, which are managed with a view to selling the asset in the short term;
- instruments that management has designated at "fair value through profit or loss" on initial recognition; and
- quoted and unquoted equity investments: equity instruments that are not held for trading and which management did not designate at "fair value through other comprehensive income" on initial recognition, and instruments that do not meet the IFRS definition of "equity instruments".

Gains and losses arising from changes in fair value are recognized in profit or loss within the line items ***Financial income*** or ***Financial expenses***. Dividends received are recognized in profit or loss for the period, within the line item ***Financial income***.

Fair value of equity investments in unquoted entities

On initial recognition of an equity investment in an entity not quoted in an active market, the fair value of the investment is the transaction price except in specific circumstances. This acquisition cost ceases to be a representative measure of the fair value of an unquoted equity investment when Sanofi identifies significant changes in the investee, or in the environment in which it operates. In such cases, an internal valuation is carried out, based mainly on growth forecasts or by reference to similar transactions contracted with third parties.

Financial assets measured at amortized cost

Financial assets at amortized cost comprise instruments whose contractual cash flows represent payments of interest and repayments of principal and which are managed with a view to collecting cash flows. The main assets in this category are loans and receivables. They are presented within the line items ***Other non-current assets***, ***Other current assets***, ***Accounts receivable*** and ***Cash and cash equivalents***. Loans with a maturity of more than 12 months are presented in "Long-term loans and advances" within ***Other non-current assets***. These financial assets are measured at amortized cost using the effective interest method.

Impairment of financial assets measured at amortized cost

The main assets involved are accounts receivable. Accounts receivable are initially recognized at the amount invoiced to the customer. Impairment losses on trade accounts receivable are estimated using the expected credit loss method, in order to take account of the risk of payment default throughout the lifetime of the receivables. The expected credit loss is estimated collectively for all accounts receivable at each reporting date using an average expected loss rate, determined primarily on the basis of historical credit loss rates. However, that average expected loss rate may be adjusted if there are indications of a likely significant increase in credit risk. If a receivable is subject to a known credit risk, a specific impairment loss is recognized for that receivable. The amount of expected losses is recognized in the balance sheet as a reduction in the gross amount of accounts receivable. Impairment losses on accounts receivable are recognized within ***Selling and general expenses*** in the income statement.

B.8.2. Derivative instruments

Derivative instruments that do not qualify for hedge accounting are initially and subsequently measured at fair value, with changes in fair value recognized in the income statement in ***Other operating income*** or in ***Financial income*** or ***Financial expenses***, depending on the nature of the underlying economic item which is hedged.

Derivative instruments that qualify for hedge accounting are measured using the policies described in Note B.8.3. below.

IFRS 13 (Fair Value Measurement) requires counterparty credit risk to be taken into account when measuring the fair value of financial instruments. That risk is estimated on the basis of observable, publicly-available statistical data.

Policy on offsetting

In order for a financial asset and a financial liability to be presented as a net amount in the balance sheet under IAS 32, there must be:

(a) a legally enforceable right to offset; and

(b) the intention either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

B.8.3. Hedging

As part of its overall market risk management policy, Sanofi enters into various hedging transactions involving derivative or non-derivative instruments; these may include forward contracts, currency swaps or options, interest rate swaps or options, cross-currency swaps, and debt placings or issues.

Such financial instruments are designated as hedging instruments and recognized using the hedge accounting principles of IFRS 9 when (a) there is formal designation and documentation of the hedging relationship, of how the effectiveness of the hedging relationship will be assessed, and of the underlying market risk management objective and strategy; (b) the hedged item and the hedging instrument are eligible for hedge accounting; and (c) there is an economic relationship between the hedged item and the hedging instrument, defined on the basis of a hedge ratio that is consistent with the underlying market risk management strategy, and the residual credit risk does not dominate the value changes that result from that economic relationship.

Fair value hedge

A fair value hedge is a hedge of the exposure to changes in fair value of an asset, liability or firm commitment that is attributable to one or more risk components and could affect profit or loss.

Changes in fair value of the hedging instrument and changes in fair value of the hedged item attributable to the hedged risk components are generally recognized in the income statement, within ***Other operating income*** for hedges related to operating activities, or within ***Financial income*** or ***Financial expenses*** for hedges related to investing or financing activities.

Cash flow hedge

A cash flow hedge is a hedge of the exposure to variability in cash flows from an asset, liability or highly probable forecast transaction that is attributable to one or more risk components and could affect profit or loss.

Changes in fair value of the hedging instrument attributable to the effective portion of the hedge are recognized directly in equity in the consolidated statement of comprehensive income. Changes in fair value attributable to the ineffective portion of the hedge are recognized in the income statement within ***Other operating income*** for hedges related to operating activities, and within ***Financial income*** or ***Financial expenses*** for hedges related to investing or financing activities.

Cumulative changes in fair value of the hedging instrument previously recognized in equity are reclassified to the income statement when the hedged transaction affects profit or loss. Those reclassified gains and losses are recognized within ***Other operating income*** for hedges related to operating activities, and within ***Financial income*** or ***Financial expenses*** for hedges related to investing or financing activities.

When a forecast transaction results in the recognition of a non-financial asset or liability, cumulative changes in the fair value of the hedging instrument previously recognized in equity are incorporated in the initial carrying amount of that asset or liability.

When the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss previously recognized in equity remains separately recognized in equity and is not reclassified to the income statement, or recognized as an adjustment to the initial cost of the related non-financial asset or liability, until the forecast transaction occurs. However, if Sanofi no longer expects the forecast transaction to occur, the cumulative gain or loss previously recognized in equity is recognized immediately in profit or loss.

Hedge of a net investment in a foreign operation

In a hedge of a net investment in a foreign operation, changes in the fair value of the hedging instrument attributable to the effective portion of the hedge are recognized directly in equity in the consolidated statement of comprehensive income. Changes in fair value attributable to the ineffective portion of the hedge are recognized in the income statement within ***Financial income*** or ***Financial expenses***. When the investment in the foreign operation is sold, the changes in the fair value of the hedging instrument previously recognized in equity are reclassified to the income statement within ***Financial income*** or ***Financial expenses***.

Cost of hedging

As part of its market risk management policy, Sanofi may designate currency options or interest rate options as hedging instruments, the effectiveness of which is measured on the basis of changes in intrinsic value. In such cases, the time value of the option is treated as a hedging cost and accounted for as follows:

- if the option includes a component that is not aligned on the critical features of the hedged item, the corresponding change in the time value is taken to profit or loss;
- otherwise, the change in the time value is taken to equity within the statement of comprehensive income, and then:
  - if the hedged item is linked to a transaction that results in the recognition of a financial asset or liability, the change in the time value is reclassified to profit or loss symmetrically with the hedged item, or
  - if the hedged item is linked to a transaction that results in the recognition of a non-financial asset or liability, the change in the time value is incorporated in the initial carrying amount of that asset or liability, or
  - if the hedged item is linked to a period of time, the change in time value is reclassified to profit or loss on a straight line basis over the life of the hedging relationship.

In the case of forward contracts and foreign exchange swaps, and of cross-currency swaps that qualify for hedge accounting on the basis of changes in spot rates, Sanofi may elect for each transaction to use the option whereby the premium/discount or foreign currency basis spread are treated in the same way as the time value of an option.

Discontinuation of hedge accounting

Hedge accounting is discontinued when the eligibility criteria are no longer met (in particular, when the hedging instrument expires or is sold, terminated or exercised), or if there is a change in the market risk management objective of the hedging relationship.

B.8.4. Non-derivative financial liabilities

Borrowings and debt

Bank borrowings and debt instruments are initially measured at fair value of the consideration received, net of directly attributable transaction costs.

Subsequently, they are measured at amortized cost using the effective interest method. All costs related to the issuance of borrowings or debt instruments, and all differences between the issue proceeds net of transaction costs and the value on redemption, are recognized within ***Financial expenses*** in the income statement over the term of the debt using the effective interest method.

Liabilities related to business combinations and to non-controlling interests

These line items record the fair value of (i) contingent consideration payable in connection with business combinations and (ii) commitments to buy out equity holders of subsidiaries, including put options granted to non-controlling interests.

Adjustments to the fair value of commitments to buy out equity holders of subsidiaries, including put options granted to non-controlling interests, are recognized in equity.

Other non-derivative financial liabilities

Other non-derivative financial liabilities include trade accounts payable, which are measured at fair value (which in most cases equates to face value) on initial recognition, and subsequently at amortized cost.

B.8.5. Fair value of financial instruments

Under IFRS 13 (Fair Value Measurement) and IFRS 7 (Financial Instruments: Disclosures), fair value measurements must be classified using a hierarchy based on the inputs used to measure the fair value of the instrument. This hierarchy has three levels:

a. level 1: quoted prices in active markets for identical assets or liabilities (without modification or repackaging);
b. level 2: quoted prices in active markets for similar assets and liabilities, or valuation techniques in which all important inputs are derived from observable market data; and
c. level 3: valuation techniques in which not all important inputs are derived from observable market data.

The table below shows the disclosures required under IFRS 7 relating to the measurement principles applied to financial instruments.

					Method used to determine fair value		
						Market data	
Note	Type of financial instrument	Measurement principle	Level in fair value hierarchy	Valuation technique	Valuation model	Exchange rate	Interest rate
D.7.	Financial assets measured at fair value (quoted equity instruments)	Fair value	1	Market value	Quoted market price		N/A
D.7.	Financial assets measured at fair value (quoted debt instruments)	Fair value	1	Market value	Quoted market price		N/A
D.7.	Financial assets measured at fair value (unquoted equity instruments)	Fair value	3	Cost/ Approach based on comparables	If cost ceases to be a representative measure of fair value, an internal valuation is carried out, based mainly on comparables.		
D.7.	Financial assets measured at fair value (contingent consideration receivable)	Fair value	3	Revenue-based approach	The fair value of contingent consideration receivable is determined by adjusting the contingent consideration at the end of the reporting period using the method described in Note D.7.3.		
D.7.	Financial assets measured at fair value held to meet obligations under post-employment benefit plans	Fair value	1	Market value	Quoted market price		N/A
D.7.	Financial assets designated at fair value held to meet obligations under deferred compensation plans	Fair value	1	Market value	Quoted market price		N/A
D.7.	Long-term loans and advances and other non-current receivables	Amortized cost	N/A	N/A	The amortized cost of long-term loans and advances and other non-current receivables at the end of the reporting period is not materially different from their fair value.		
D.13.	Investments in mutual funds	Fair value	1	Market value	Net asset value		N/A
D.13.	Negotiable debt instruments, commercial paper, instant access deposits and term deposits	Amortized cost	N/A	N/A	Because these instruments have a maturity of less than three months, amortized cost is regarded as an acceptable approximation of fair value as disclosed in the notes to the consolidated financial statements. In the case of debt with a maturity of less than three months, amortized cost is regarded as an acceptable approximation of fair value as reported in the notes to the consolidated financial statements.		
D.17.1., D.19.	Debt	Amortized cost[(a)]	N/A	N/A	For debt with a maturity of more than three months, fair value as reported in the notes to the consolidated financial statements is determined either by reference to quoted market prices at the end of the reporting period (quoted instruments) or by discounting the future cash flows based on observable market data at the end of the reporting period (unquoted instruments). For financial liabilities based on variable payments such as royalties, fair value is determined on the basis of discounted cash flow projections.		
D.17.2.	Lease liabilities	Amortized cost	N/A	N/A	The liability for future lease payments is discounted using the incremental borrowing rate.		
D.20.	Forward currency contracts	Fair value	2		Present value of future cash flows	Mid Market	< 1 year: Mid Money Market > 1 year: Mid Zero Coupon
D.20.	Interest rate swaps	Fair value	2	Revenue-based approach	Present value of future cash flows	Mid Market Spot	< 1 year: Mid Money Market and LIFFE interest rate futures > 1 year: Mid Zero Coupon
D.20.	Cross-currency swaps	Fair value	2		Present value of future cash flows	Mid Market Spot	< 1 year: Mid Money Market and LIFFE interest rate futures > 1 year: Mid Zero Coupon
D.18.	Liabilities related to business combinations and to non-controlling interests (CVRs)	Fair value	1	Market value	Quoted market price		
D.18.	Liabilities related to business combinations and to non-controlling interests (other than CVRs)	Fair value	3	Revenue-based approach	Under IAS 32, contingent consideration payable in a business combination is a financial liability. The fair value of such liabilities is determined by adjusting the contingent consideration at the end of the reporting period using the method described in Note B.8.4.		

(a) In the case of debt designated as a hedged item in a fair value hedging relationship, the carrying amount in the consolidated balance sheet includes changes in fair value attributable to the hedged risk(s).

B.8.6. Derecognition of financial instruments

Financial assets are derecognized when the contractual rights to cash flows from the asset have ended or have been transferred and when Sanofi has transferred substantially all the risks and rewards of ownership of the asset. If Sanofi has neither transferred nor retained substantially all the risks and rewards of ownership of a financial asset, it is derecognized if Sanofi does not retain control of the asset.

A financial liability is derecognized when Sanofi's contractual obligations in respect of the liability are discharged, cancelled or extinguished.

B.8.7. Risks relating to financial instruments

Market risks in respect of non-current financial assets, cash equivalents, derivative instruments and debt are described in the discussions of risk factors presented in "Item 3. Key Information — D. Risk factors" and "Item 11. Quantitative and Qualitative Disclosures about Market Risk" of Sanofi's annual report on Form 20-F for 2024.

Credit risk is the risk that customers may fail to pay their debts. For a description of credit risk, refer to "We are subject to the risk of non-payment by our customers" within "Item 3. Key Information — D. Risk factors" and "Item 11. Quantitative and Qualitative Disclosures about Market Risk" of Sanofi's annual report on Form 20-F for 2024.

B.9. Inventories

Inventories are measured at the lower of cost or net realizable value. Cost is calculated using the weighted average cost method or the first-in, first-out method, depending on the nature of the inventory.

The cost of finished goods inventories includes costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

During the launch phase of a new product, any inventories of that product are written down to zero pending regulatory approval, other than in specific circumstances which make it possible to estimate that there is a high probability at the end of the reporting period that the carrying amount of the inventories will be recoverable. The write-down is reversed once it becomes highly probable that marketing approval will be obtained.

B.10. Cash and cash equivalents

Cash and cash equivalents as shown in the consolidated balance sheet and statement of cash flows comprise cash, plus liquid short-term investments that are readily convertible into cash and are subject to an insignificant risk of changes in value in the event of movements in interest rates.

B.11. Treasury shares

In accordance with IAS 32, Sanofi treasury shares are deducted from equity, irrespective of the purpose for which they are held. No gain or loss is recognized in the income statement on the purchase, sale, impairment or cancellation of treasury shares.

B.12. Provisions for risks

In accordance with IAS 37 (Provisions, Contingent Liabilities and Contingent Assets), Sanofi records a provision when it has a present obligation, whether legal or constructive, as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the outflow of resources.

If the obligation is expected to be settled more than 12 months after the end of the reporting period, or has no definite settlement date, the provision is recorded within ***Non-current provisions and other non-current liabilities***.

Provisions relating to the insurance programs in which Sanofi's captive insurance company participates are based on risk exposure estimates calculated by management, with assistance from independent actuaries, using IBNR (Incurred But Not Reported) techniques. Those techniques use past claims experience, within Sanofi and in the market, to estimate future trends in the cost of claims.

Contingent liabilities are not recognized, but are disclosed in the notes to the financial statements unless the possibility of an outflow of economic resources is remote.

Sanofi estimates provisions on the basis of events and circumstances related to present obligations at the end of the reporting period and of past experience, and to the best of management's knowledge at the date of preparation of the financial statements.

Reimbursements offsetting the probable outflow of resources are recognized as assets only if it is virtually certain that they will be received. Contingent assets are not recognized.

Restructuring provisions are recognized if Sanofi has a detailed, formal restructuring plan at the end of the reporting period and has announced its intention to implement this plan to those affected by it.

No provisions are recorded for future operating losses.

Sanofi records non-current provisions for certain obligations, such as legal or constructive obligations, where an outflow of resources is probable and the amount of the outflow can be reliably estimated.

In the case of environmental risks, including at sites where operations are ongoing, Sanofi recognizes a provision where there is a violation of integrity in respect of human health or the environment resulting from past contamination at a site that requires remediation. The amount of the provision is a best estimate of the future expenditures to be incurred on the remediation plan.

Where the effect of the time value of money is material, those provisions are measured at the present value of the expenditures expected to be required to settle the obligation, calculated using a discount rate that reflects an estimate of the time value of money and the risks specific to the obligation.

Increases in provisions to reflect the effects of the passage of time are recognized within ***Financial expenses***.

B.13. Revenue recognition

B.13.1. Net sales

Revenue arising from the sale of goods is presented in the income statement within ***Net sales***. Net sales comprise revenue from sales of medicines, vaccines and active ingredients, net of sales returns, of customer incentives and discounts, and of certain sales-based payments paid or payable to the healthcare authorities. Analyses of net sales are provided in Note D.34.1. " Analysis of net sales".

In accordance with IFRS 15 (Revenue from Contracts with Customers), such revenue is recognized when Sanofi transfers control over the product to the customer; control of an asset refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from that asset. For the vast majority of contracts, revenue is recognized when the product is physically transferred, in accordance with the delivery and acceptance terms agreed with the customer.

For contracts entered into by Vaccines franchise, transfer of control is usually determined by reference to the terms of release (immediate or deferred) and acceptance of batches of vaccine.

In the case of contracts with distributors, Sanofi does not recognize revenue when the product is physically transferred to the distributor if the products are sold on consignment, or if the distributor acts as agent. In such cases, revenue is recognized when control is transferred to the end customer, and the distributor's commission is presented within the line item ***Selling and general expenses*** in the income statement.

The amount of revenue recognized reflects the various types of price reductions or rights of return offered by Sanofi to its customers on certain products. Such price reductions and rights of return qualify as variable consideration under IFRS 15.

In particular, products sold in the United States are covered by various Government and State programs (such as Medicare and Medicaid) under which products are sold at a discount. Rebates are granted to healthcare authorities, and under contractual arrangements with certain customers. Some wholesalers are entitled to chargeback incentives based on the selling price to the end customer, under specific contractual arrangements. Cash discounts may also be granted for prompt payment. Returns, discounts, incentives and rebates, as described above, are recognized in the period in which the underlying sales are recognized as a reduction of ***gross sales***.

These amounts are calculated as follows:

- the amount of chargeback incentives is estimated on the basis of the relevant subsidiary's standard sales terms and conditions, and in certain cases on the basis of specific contractual arrangements with the customer;
- the amount of rebates based on attainment of sales targets is estimated and accrued as each of the underlying sales transactions is recognized;
- the amount of price reductions under Government and State programs, largely in the United States, is estimated on the basis of the specific terms of the relevant regulations or agreements, and accrued as each of the underlying sales transactions is recognized; and
- the amount of sales returns is calculated on the basis of management's best estimate of the amount of product that will ultimately be returned by customers. In countries where product returns are permitted, Sanofi operates a returns policy that allows the customer to return products within a certain period either side of the expiry date (usually 12 months after the expiry date). The amount recognized for returns is estimated on the basis of past experience of sales returns. Sanofi also takes into account factors such as levels of inventory in its various distribution channels, product expiry dates, information about potential discontinuation of products, the entry of competing generics into the market, and the launch of over-the-counter medicines. Most product return clauses relate solely to date-expired products, which cannot be resold and are destroyed. Sanofi does not recognize a right of return asset in the balance sheet for contracts that allow for the return of time-expired products, since those products have no value.

The estimated amounts described above are recognized in the income statement within ***Net sales*** as a reduction of gross sales, and within ***Other current liabilities*** in the balance sheet. They are subject to regular review and adjustment as appropriate based on the most recent data available to management. Sanofi believes that it has the ability to measure each of the above amounts reliably, using the following factors in developing its estimates:

- the nature and patient profile of the underlying product;
- the applicable regulations or the specific terms and conditions of contracts with governmental authorities, wholesalers and other customers;
- historical data relating to similar contracts, in the case of qualitative and quantitative rebates and chargeback incentives;
- past experience and sales growth trends for the same or similar products;
- actual inventory levels in distribution channels, monitored by Sanofi using internal sales data and externally provided data;
- the shelf life of Sanofi products; and
- market trends including competition, pricing and demand.

An analysis of provisions for discounts, rebates and sales returns is provided in Note D.23.

B.13.2. Other revenues

The line item ***Other revenues*** is used to recognize all revenue that falls within the scope of IFRS 15 but does not relate to sales of Sanofi products.

It mainly comprises (i) royalties received from licensing intellectual property rights to third parties; (ii) VaxServe sales of products sourced from third-party manufacturers; and (iii) revenue received under agreements for Sanofi to provide manufacturing services to third parties.

Royalties received under licensing arrangements are recognized over the period during which the underlying sales are recognized.

VaxServe is a vaccines related entity whose operations include the distribution within the United States of vaccines and other products manufactured by third parties. VaxServe sales of products sourced from third-party manufacturers are presented within ***Other revenues***.

Other revenues is also used to recognize revenues arising from the manufacturing of Consumer Healthcare products by legal entities within the scope of continuing operations on behalf of legal entities within the scope of discontinued operations (see Note B.7.).

Other revenues includes revenues associated with Consumer Healthcare operations not transferred on the effective date of loss of control of Opella. These comprise primarily, but not exclusively, Consumer Healthcare activities that will not be transferred on the effective date of loss of control of Opella, primarily (i) hospital sales of Opella products in China, the transfer of which will be finalized no earlier than 2028 after a transitional period required to complete the transfer plan agreed with Sanofi in the context of public tendering arrangements ; (ii) sales made by the dedicated entity Opella Russie, the equity interests in which will be retained by Sanofi. Sanofi will continue to distribute Opella products in Russian territory under the distribution agreement signed in connection with the separation, the parties reserving the right to discuss the transfer of this retained interest during the distribution agreement term ; and (iii) sales of the Gold Bond product range, which are continuing in the United States through the retained subsidiary Gold Bond LLC (holder of the associated worldwide property rights).

B.14. Cost of sales

Cost of sales consists primarily of the industrial cost of goods sold, royalties paid for in-licensing of intellectual property, and distribution costs. The industrial cost of goods sold includes the cost of materials, depreciation of property, plant and equipment, amortization of software, personnel costs, and other expenses attributable to production. This line also includes the purchase price of manufactured pharmaceutical products sourced from Opella.

B.15. Research and development

Note B.4.1. "Research and development not acquired in a business combination" and Note B.4.3. "Other intangible assets acquired in a business combination" describe the principles applied to the recognition of research and development costs.

Contributions or reimbursements received from alliance partners are recorded as a reduction of ***Research and development expenses***.

B.16. Other operating income and expenses

B.16.1. Other operating income

Other operating income includes the share of profits that Sanofi is entitled to receive from alliance partners in respect of product marketing agreements. It also includes revenues generated under certain agreements, which may include partnership, co-promotion arrangements and licenses not included in ***Other revenues***.

This line item also includes realized and unrealized foreign exchange gains and losses on operating activities (see Note B.8.3.), and operating gains on disposals not regarded as major disposals (see Note B.20.).

B.16.2. Other operating expenses

Other operating expenses mainly comprise the share of profits that alliance partners are entitled to receive from Sanofi under product marketing agreements.

B.17. Amortization and impairment of intangible assets

B.17.1. Amortization of intangible assets

The expenses recorded in this line item comprise amortization charged against intangible assets (products, trademarks and technology platforms, see Note D.4.) whose contribution to Sanofi's commercial, industrial and development functions cannot be separately identified.

Amortization of software, and of other rights of an industrial or operational nature, is recognized as an expense in the income statement, in the relevant line items of expense by function.

B.17.2. Impairment of intangible assets

This line item records impairment losses taken against intangible assets (products, trademarks, technology platforms and acquired research), and any reversals of such impairment losses.

B.18. Fair value remeasurement of contingent consideration

Changes in the fair value of contingent consideration that was (i) already carried in the books of an acquired entity, or (ii) granted in connection with a business combination and initially recognized as a liability in accordance with IFRS 3, are reported in profit or loss. Such adjustments are reported separately in the income statement, in the line item ***Fair value remeasurement of contingent consideration***.

This line item also includes changes in the fair value of contingent consideration receivable in connection with a divestment and classified as a financial asset at fair value through profit or loss.

Finally, it includes the effect of the unwinding of discount, and of exchange rate movements where the asset or liability is expressed in a currency other than the functional currency of the reporting entity.

B.19. Restructuring costs and similar items

Restructuring costs are expenses incurred in connection with the transformation or reorganization of Sanofi's operations or support functions. Such costs include collective redundancy plans, compensation to third parties for early termination of contracts, and commitments made in connection with transformation or reorganization decisions. They also include accelerated depreciation charges arising from site closures (including closures of leased sites), and losses on asset disposals resulting from such decisions.

In addition, this line item includes expenses incurred in connection with programs implemented as part of the transformation strategy announced in December 2019 and recently renewed in October 2023, and intended primarily to deliver a global information systems solution, further supported by the implementation from 2021 of Sanofi's new digital strategy.

B.20. Other gains and losses, and litigation

The line item ***Other gains and losses, and litigation*** includes the impact of material transactions of an unusual nature or amount which Sanofi believes it necessary to report separately in the income statement in order to improve the relevance of the financial statements, such as:

- gains and losses on major disposals of property, plant and equipment, of intangible assets, of assets (or groups of assets and liabilities) held for sale, or of a business within the meaning of IFRS 3, other than those considered to be restructuring costs;
- impairment losses and reversals of impairment losses on assets (or groups of assets and liabilities) held for sale, other than those considered to be restructuring costs;
- gains on bargain purchases;
- costs relating to major litigation; and
- pre-tax separation costs associated with the process of disinvesting from operations in the event of a major divestment.

B.21. Financial expenses and income

B.21.1. Financial expenses

Financial expenses mainly comprise interest charges on Sanofi's debt financing; negative changes in the fair value of certain financial instruments (where changes in fair value are recognized in profit or loss); realized and unrealized foreign exchange losses on financing and investing activities; impairment losses on financial instruments; and any reversals of impairment losses on financial instruments.

Financial expenses also include expenses arising from the unwinding of discount on long-term provisions, and the net interest cost related to employee benefits. This line item does not include commercial cash discounts, which are deducted from net sales.

B.21.2. Financial income

Financial income includes interest and dividend income; positive changes in the fair value of certain financial instruments (where changes in fair value are recognized in profit or loss); realized and unrealized foreign exchange gains on financing and investing activities; and gains on disposals of financial assets at fair value through profit or loss.

B.22. Income tax expense

Income tax expense includes all current and deferred taxes of consolidated companies.

Sanofi accounts for deferred taxes in accordance with IAS 12 (Income Taxes), using the methods described below:

- deferred tax assets and liabilities are recognized on taxable and deductible temporary differences, and on tax loss carry-forwards. Temporary differences are differences between the carrying amount of an asset or liability in the balance sheet and its tax base;
- French business taxes include a value added based component: "CVAE" *(Cotisation sur la Valeur Ajoutée des Entreprises)*. Given that CVAE is (i) calculated as the amount by which certain revenues exceed certain expenses and (ii) borne primarily by companies that own intellectual property rights on income derived from those rights (royalties, and margin on sales to third parties and to Sanofi entities), it is regarded as meeting the definition of income taxes specified in IAS 12, paragraph 2 ("taxes which are based on taxable profits");
- deferred tax assets and liabilities are calculated using the tax rate expected to apply in the period when the corresponding temporary differences are expected to reverse, based on tax rates enacted or substantively enacted at the end of the reporting period;
- deferred tax assets are recognized in respect of deductible temporary differences, tax losses available for carry-forward and unused tax credits to the extent that future recovery is regarded as probable. The recoverability of deferred tax assets is assessed on a case-by-case basis, taking into account the profit forecasts contained in Sanofi's medium-term business plan;
- a deferred tax liability is recognized for temporary differences relating to interests in subsidiaries, associates and joint ventures, except in cases where Sanofi is able to control the timing of the reversal of the temporary differences. This applies in particular when Sanofi is able to control dividend policy and it is probable that the temporary differences will not reverse in the foreseeable future;
- no deferred tax is recognized on eliminations of intragroup transfers of interests in subsidiaries, associates or joint ventures;
- each tax entity calculates its own net deferred tax position. All net deferred tax asset and liability positions are then aggregated and shown in separate line items on the relevant side of the consolidated balance sheet. Deferred tax assets and liabilities are offset only if (i) Sanofi has a legally enforceable right to offset current tax assets and current tax liabilities, and (ii) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority;
- deferred taxes are not discounted, except implicitly in the case of deferred taxes on assets and liabilities which are already impacted by discounting. In addition, Sanofi has elected not to discount current taxes payable or receivable where the amounts in question are payable or receivable in the long term; and
- withholding taxes on intragroup royalties and dividends, and on royalties and dividends collected from third parties, are accounted for as current income taxes.

In accounting for business combinations, Sanofi complies with IFRS 3 as regards the recognition of deferred tax assets after the initial accounting period. Consequently, any deferred tax assets recognized by the acquiree after the end of that period in respect of temporary differences or tax loss carry-forwards existing at the acquisition date are recognized in profit or loss.

The positions adopted by Sanofi in tax matters are based on its interpretation of tax laws and regulations. Some of those positions may be subject to uncertainty. In such cases, Sanofi assesses the amount of the tax liability on the basis of the following assumptions: that its position will be examined by one or more tax authorities on the basis of all relevant information; that a technical assessment is carried out with reference to legislation, case law, regulations, and established practice; and that each position is assessed individually (or collectively where appropriate), with no offset or aggregation between positions. Those assumptions are assessed on the basis of facts and circumstances existing at the end of the reporting period. When an uncertain tax liability is regarded as probable, it is measured on the basis of Sanofi's best estimate and recognized as a liability; uncertain tax assets are not recognized. The amount of the liability includes any penalties and late payment interest. The line item ***Income tax expense*** includes the effects of tax reassessments and tax disputes, and any penalties and late payment interest arising from such disputes that have the characteristics of income taxes within the meaning of paragraph 2 of IAS 12 ("taxes which are based on taxable profits"). Tax exposures relating to corporate income taxes are presented separately within ***Non-current income tax liabilities*** (see Note D.19.4.).

No deferred taxation is recognized on temporary differences that are liable to be subject to US global intangible low taxed income (GILTI) provisions. The related tax expense is recognized in the year in which it is declared in the tax return to the extent that it arises from the existence of non-US profits that exceed the theoretical return on investment specified in the GILTI provisions and are taxed at a rate lower than the applicable US tax rate.

As a reminder, Sanofi has applied in its consolidated financial statements "International Tax Reform – Pillar Two Model Rules", an amendment to IAS 12 issued by the IASB on May 23, 2023, and has not recognized deferred tax on temporary differences related to Pillar Two rules.

In accordance with IAS 1 (Presentation of Financial Statements), current income tax assets and liabilities are presented as separate line items in the consolidated balance sheet.

B.23. Employee benefit obligations

Sanofi offers retirement benefits to employees and retirees. Such benefits are accounted for in accordance with IAS 19 (Employee Benefits).

Benefits are provided in the form of either defined contribution plans or defined benefit plans. In the case of defined contribution plans, the cost is recognized immediately in the period in which it is incurred, and equates to the amount of the contributions paid by Sanofi. For defined benefit plans, Sanofi recognizes its obligations to pay pensions and similar benefits to employees as a liability, based on an actuarial estimate of the rights vested or currently vesting in employees and retirees, using the projected unit credit method. Estimates are performed at least once a year, and rely on financial assumptions (such as discount rates, the inflation rate and the rate of salary increases) and demographic assumptions (such as life expectancy, retirement age and employee turnover).

Obligations relating to other post-employment benefits (healthcare and life insurance) offered by Sanofi companies to employees are also recognized as a liability based on an actuarial estimate of the rights vested or currently vesting in employees and retirees at the end of the reporting period.

Such liabilities are recognized net of the fair value of plan assets.

In the case of multi-employer defined benefit plans where plan assets cannot be allocated to each participating employer with sufficient reliability, the plan is accounted for as a defined contribution plan, in accordance with paragraph 34 of IAS 19.

The benefit cost for the period consists primarily of current service cost, past service cost, net interest cost, gains or losses arising from plan settlements not specified in the terms of the plan, and the impact of plan curtailments. Net interest cost for the period is determined by applying the opening discount rate specified in IAS 19 to the net liability (i.e. the amount of the obligation, net of plan assets) recognized in respect of defined benefit plans. Past service cost is recognized immediately in profit or loss in the period in which it is incurred, regardless of whether or not the rights have vested at the time of adoption (in the case of a new plan) or of amendment (in the case of an existing plan).

Actuarial gains and losses on defined benefit plans (pensions and other post-employment benefits), also referred to as "Remeasurements of the net defined benefit liability (asset)", arise as a result of changes in financial and demographic assumptions, experience adjustments, and the difference between the actual return and the return on plan assets included in the calculation of the net interest cost. The impacts of those remeasurements are recognized in ***Other comprehensive income***, net of deferred taxes; they are not subsequently reclassifiable to profit or loss.

B.24. Share-based payment

Share-based payment expense is recognized as a component of operating income, in the relevant classification of expense by function. In measuring the expense, the level of attainment of any performance conditions is taken into account.

B.24.1. Stock option plans

Sanofi has granted a number of equity-settled share-based payment plans (stock option plans) to some of its employees. The terms of those plans may make the award contingent on the attainment of performance criteria for some of the grantees.

In accordance with IFRS 2 (Share-Based Payment), services received from employees as consideration for stock options are recognized as an expense in the income statement, with the opposite entry recognized in equity. The expense corresponds to the fair value of the stock option plans, and is charged to income on a straight-line basis over the four-year vesting period of the plan.

The fair value of stock option plans is measured at the date of grant using the Black-Scholes valuation model, taking into account the expected life of the options. The resulting expense also takes into account the expected cancellation rate of the options. The expense is adjusted over the vesting period to reflect (i) actual cancellation rates resulting from option-holders ceasing to be employed by Sanofi and (ii) attainment of non-market performance conditions.

B.24.2. Employee share ownership plans

Sanofi may offer its employees the opportunity to subscribe to reserved share issues at a discount to the reference market price. Shares awarded to employees under such plans fall within the scope of IFRS 2. Consequently, an expense is recognized at the subscription date, based on the value of the discount offered to employees, with the opposite entry recognized in equity.

B.24.3. Restricted share plans

Sanofi may award restricted share plans to certain of its employees. The terms of those plans may make the award contingent on the attainment of performance criteria for some of the grantees.

In accordance with IFRS 2, an expense equivalent to the fair value of such plans is recognized in profit or loss on a straight line basis over the vesting period of the plan, with the opposite entry recognized in equity. The vesting period is three years.

The fair value of restricted share plans is based on the quoted market price of Sanofi shares at the date of grant, adjusted for expected dividends during the vesting period; it also takes account of any vesting conditions contingent on stock market performance, measured using the Monte-Carlo valuation model. Other vesting conditions are taken into account in the estimate of the number of shares awarded during the vesting period; that number is then definitively adjusted based on the actual number of shares awarded on the vesting date.

B.25. Earnings per share

Basic earnings per share is calculated using the weighted average number of shares outstanding during the reporting period, adjusted on a time-weighted basis from the acquisition date to reflect the number of own shares held by Sanofi. Diluted earnings per share is calculated on the basis of the weighted average number of ordinary shares, computed using the treasury stock method.

This method assumes that (i) all outstanding dilutive options and warrants are exercised, and (ii) Sanofi acquires its own shares at the quoted market price for an amount equivalent to the cash received as consideration for the exercise of the options or warrants, plus the expense arising on unamortized stock options.

B.26. Segment information

In accordance with IFRS 8 (Operating Segments), the segment information reported by Sanofi is prepared on the basis of internal management data provided to our Chief Executive Officer, who is the chief operating decision maker of Sanofi. The performance of the segment is monitored individually using internal reports and indicators.

Information about operating segments in accordance with IFRS 8 is presented in Note D.35., "Segment information".

C/ Principal alliances

C.1. Alliance arrangements with Regeneron Pharmaceuticals, Inc. (Regeneron)

Collaboration agreements on human therapeutic antibodies

In November 2007, Sanofi and Regeneron signed two agreements (amended in November 2009) relating to human therapeutic antibodies: (i) the Discovery and Preclinical Development Agreement, and (ii) the License and Collaboration Agreement, relating to clinical development and commercialization. Under the License and Collaboration Agreement, Sanofi had an option to develop and commercialize antibodies discovered by Regeneron under the Discovery and Preclinical Development Agreement.

Discovery and development

Because Sanofi decided not to exercise its option to extend the Discovery and Preclinical Development Agreement, that agreement expired on December 31, 2017.

As a result of Sanofi's exercise of an option with respect to an antibody under the Discovery and Preclinical Development Agreement, such antibody became a "Licensed Product" under the License and Collaboration Agreement, pursuant to which Sanofi and Regeneron co-develop the antibody with Sanofi initially being wholly responsible for funding the development program. On receipt of the first positive Phase 3 study results for any antibody being developed under the License and Collaboration Agreement, the subsequent development costs for that antibody are split 80% Sanofi, 20% Regeneron. Amounts received from Regeneron under the License and Collaboration Agreement are recognized by Sanofi as a reduction in the line item ***Research and development expenses***. Co-development with Regeneron of the antibodies Dupixent, Kevzara and REGN3500 (SAR440340 - itepekimab) is ongoing under the License and Collaboration Agreement as of December 31, 2024.

Once a product begins to be commercialized, and provided that the share of quarterly results under the agreement represents a profit, Sanofi is entitled to an additional portion of Regeneron's profit-share (capped at 20% of Regeneron's share of quarterly profits since April 1, 2022, and at 10% until March 31, 2022) until Regeneron has paid 50% of the cumulative development costs incurred by the parties in the collaboration (see Note D.21.1.).

On the later of (i) 24 months before the scheduled launch date or (ii) the first positive Phase 3 study results, Sanofi and Regeneron share the commercial expenses of the antibodies co-developed under the License and Collaboration Agreement.

Commercialization

Sanofi is the lead party with respect to the commercialization of all co-developed antibodies, and Regeneron has certain option rights to co-promote the antibodies. Regeneron has exercised its co-promotion rights in the United States and in certain other countries. Sanofi recognizes all sales of the antibodies. Profits and losses arising from commercial operations in the United States are split 50/50. Outside the United States, Sanofi is entitled to between 55% and 65% of profits depending on sales of the antibodies, and bears 55% of any losses. The share of profits and losses due to or from Regeneron under the agreement is recognized within the line items ***Other operating income*** or ***Other operating expenses***, which are components of ***Operating income***.

In addition, Regeneron is entitled to receive payments contingent on the attainment of specified levels of aggregate sales on all antibodies outside the United States, on a rolling twelve-month basis. The opposite entry for that liability is capitalized within ***Other intangible assets*** on the balance sheet. Two payments of $50 million each were made in 2022, following attainment first of $2.0 billion and then of $2.5 billion in sales of all antibodies outside the United States on a rolling twelve-month basis. The final milestone payment of $50 million, payable to Regeneron in the event that $3.0 billion in sales on a rolling twelve-month basis is attained, was made in 2023.

Amendments to the collaboration agreements

In January 2018, Sanofi and Regeneron signed a set of amendments to their collaboration agreements, including an amendment that allowed for the funding of additional programs on Dupixent and REGN3500 (SAR440340 – itepekimab) with an intended focus on extending the current range of indications, finding new indications, and improving co-morbidity between multiple pathologies.

Effective April 1, 2020, Sanofi and Regeneron signed a Cross License and Commercialization Agreement for Praluent, whereby Sanofi obtained sole ex-US rights to Praluent, and Regeneron obtained sole US rights to Praluent along with a right to 5% royalties on Sanofi's sales of Praluent outside the United States. Each party is solely responsible for funding the development, manufacturing and commercialization of Praluent in their respective territories. Although each party has sole responsibility for supplying Praluent in its respective territory, Sanofi and Regeneron entered into agreements to support manufacturing needs for each other.

Effective September 30, 2021, Sanofi and Regeneron signed an amendment to their collaboration agreement in order to specify allocations of responsibilities and associated resources between the two parties in connection with the co-promotion of Dupixent in certain countries. The terms of the collaboration relating to REGN3500 (SAR440340 – itepekimab) are unchanged.

Effective July 1, 2022, Sanofi and Regeneron signed an amendment to their collaboration agreement in order to increase the additional portion of Regeneron's quarterly profit-share attributable to Sanofi from 10% to 20% with retroactive impact as of April 1, 2022.

Immuno-oncology (IO) collaboration agreements

On July 1, 2015, Sanofi and Regeneron signed two agreements – the IO Discovery and Development Agreement and the IO License and Collaboration Agreement (IO LCA) – relating to new antibody cancer treatments in the field of immuno-oncology.

The Amended IO Discovery Agreement, effective from December 31, 2018, was terminated through a Letter Amendment dated March 16, 2021 in which Sanofi formalized its opt-out from the BCMAxCD3 and MUC16xCD3 programs.

LIBTAYO (cemiplimab)

Under the 2015 IO LCA as amended in January 2018, Sanofi and Regeneron committed funding of no more than $1,640 million, split on a 50/50 basis ($820 million per company), for the development of REGN2810 (cemiplimab, trademark Libtayo), a PD-1 inhibitor antibody. The funding was raised to $1,840 million by way of amendment effective on September 30, 2021. Regeneron was responsible for the commercialization of Libtayo in the United States, and Sanofi in all other territories. Sanofi has exercised its option to co-promote Libtayo in the United States. In 2021, Regeneron exercised its option to co-promote Libtayo in certain other countries.

The IO LCA also provided for a one-time milestone payment of $375 million by Sanofi to Regeneron in the event that sales of a PD-1 product were to exceed, in the aggregate, $2 billion in any consecutive 12-month period.

Under the IO LCA Sanofi and Regeneron shared equally in profits and losses generated by the commercialization of collaboration products, except that Sanofi was entitled to an additional portion of Regeneron's profit-share (capped at 10% of Regeneron's share of quarterly profits) until Regeneron had paid 50% of the cumulative development costs incurred by the parties under the IO Discovery Agreement, as amended.

In June 2022, Sanofi and Regeneron restructured their IO LCA. Under the terms of the Amended and Restated IO LCA, Regeneron holds exclusive worldwide licensing rights to Libtayo with effect from July 1, 2022.

In July 2022, Sanofi received as consideration an upfront payment of $900 million (€856 million), which was recognized within ***Other operating income*** on the date of receipt. The same line item also includes a regulatory milestone payment of $100 million (€96 million) following the US FDA approval in November 2022 of Libtayo in combination with chemotherapy as a first line treatment for NSCLC (non-small cell lung cancer). In addition, Sanofi is entitled to royalties of 11% and to milestone payments (€116 million in 2023, €111 million in 2022) linked to global net sales of Libtayo; those royalties are recognized within ***Other operating income*** in line with the pattern of sales. All of the cash inflows relating to the above items (€117 million in 2024, €196 million in 2023, €952 million in 2022) are presented within ***Net cash provided by/(used in) operating activities*** in the consolidated statement of cash flows.

The amendment to the terms of the IO LCA resulted in Sanofi recognizing an accelerated amortization charge of €226 million in 2022; this was allocated to the Libtayo product rights included within the residual carrying amount of the intangible asset recognized in July 2015 to reflect rights to an antibody targeting the immune checkpoint receptor PD-1 (programmed cell death protein-1) under the Sanofi/Regeneron alliance.

The transaction also includes time-limited transitional services agreements with Regeneron which include manufacturing, distribution (for which Sanofi acts as agent), and promotion.

Investor agreement

In 2014 and 2020, Sanofi and Regeneron amended the investor agreement entered into by the two companies in 2007. Under the terms of the amendments, Sanofi accepted various restrictions, including "standstill" provisions that contractually prohibit Sanofi from seeking to directly or indirectly exert control of Regeneron or acquiring more than 30% of Regeneron's capital stock (consisting of the outstanding shares of common stock and the shares of Class A stock). This prohibition remains in place until the earlier of (i) the later of the fifth anniversaries of the expiration or earlier termination of the Zaltrap collaboration agreement with Regeneron (related to the development and commercialization of Zaltrap) or the collaboration agreement with Regeneron on monoclonal antibodies (see "Collaboration agreements on human therapeutic antibodies" above), each as amended or (ii) other specified events.

Starting in 2018 Sanofi began to sell shares of Regeneron stock and announced on May 29, 2020 the closing of its sale of 13 million shares of Regeneron common stock in a registered offering and a private sale to Regeneron (see Note D.1.).

Pursuant to subsequent sales in 2022, Sanofi no longer holds any shares of Regeneron stock, as of December 31, 2024.

C.2. Agreements on the commercialization of Beyfortus (nirsevimab, previously MEDI8897) in the US

On March 1, 2017, Sanofi and AstraZeneca entered into an agreement to develop and commercialize a monoclonal antibody (MEDI8897, nirsevimab) for the prevention of Respiratory Syncytial Virus (RSV) associated illness in newborns and infants.

Under the terms of the agreement, Sanofi made an upfront payment of €120 million in March 2017, a development milestone payment of €30 million in the third quarter of 2019, a regulatory milestone payment of €25 million associated with the approval of Beyfortus (nirsevimab) by the EMA in Europe in November 2022, and a regulatory milestone payment of €65 million associated with the approval of Beyfortus (nirsevimab) by the US FDA in July 2023.

In addition, Sanofi could pay AstraZeneca up to €375 million if sales objectives are met. Those amounts are recognized as a component of the value of the intangible asset when payment becomes probable. In 2024, payments of €25 million and of €50 million were made, and an amount of €100 million was recognized as an accrued expense further to a contractual threshold being met.

The agreement also specifies that AstraZeneca is responsible for development and manufacturing, and Sanofi for commercialization. Sanofi recognizes the sales and cost of sales (purchases of finished products from AstraZeneca) and shares the Alliance's commercial profits (i) 50/50 in major territories and (ii) based on 25% of net sales in other territories. The share of commercial profits and losses due to or from AstraZeneca is recognized as a component of operating income, within the line items ***Other operating income*** or ***Other operating expenses***. In addition, Sanofi and AstraZeneca share development costs 50/50, with Sanofi's portion recognized within the income statement line item ***Research and development expenses***.

On April 9, 2023, Sanofi and AstraZeneca simplified their contractual agreements for the development and commercialization of Beyfortus (nirsevimab) in the US. Sanofi thereby obtained control of all commercial rights to Beyfortus (nirsevimab) in the US, and ended the sharing of commercial profits between the two partners in that territory. In line with the terms of the revised agreements and in accordance with IAS 38, Sanofi recognized an intangible asset of €1.6 billion for the fair value of the additional US rights. On the same date, AstraZeneca and Sobi ended their participation agreement, signed in 2018, which transferred the economic rights for the US territory to Sobi.

Sanofi simultaneously entered into an agreement with Sobi relating to direct royalties on US net sales of Beyfortus (nirsevimab). In line with the terms of that agreement, on April 9, 2023 Sanofi recognized a financial liability amounting to €1.6 billion. That liability is classified as a financial liability at amortized cost under IFRS 9. Other than royalty payments, subsequent movements in the liability comprise (i) the unwinding of discount and (ii) changes in estimates of future cash outflows for royalty payments. Those movements will be recognized in the income statement within ***Net financial income/(expenses)*** in accordance with paragraph B.5.4.6 of IFRS 9.

As of December 31, 2024 the liability was remeasured by an amount of €291 million. As of December 31, 2023 the liability was remeasured by an amount of €541 million, reflecting the strong success of the US launch of Beyfortus, which led to sales forecasts being revised upward from the initial estimate. The resulting adjustment was recognized within ***Financial expenses***.

For territories other than the US (except for China, which is now considered a "major market," with profits/losses shared 50/50 with AstraZeneca), the existing agreement between AstraZeneca and Sanofi continues to govern the principal terms of the collaboration: Sanofi recognizes the sales and cost of sales and shares the Alliance's commercial profits with AstraZeneca.

In May 2023, data from the HARMONIE Phase 3b study confirmed that nirsevimab prevents infant hospitalizations due to RSV with consistent and high efficacy.

Beyfortus was approved in Europe in November 2022, in the United States in July 2023, and in a number of other countries (including China and Japan) in 2024.

D/ Presentation of the financial statements

D.1. Significant transactions

D.1.1. Significant transactions of 2024

D.1.1.1. Acquisition of Inhibrx, Inc

On May 30, 2024, Sanofi completed the acquisition of Inhibrx, Inc ("Inhibrx"), adding SAR447537 (formerly INBRX-101) to Sanofi's rare disease pipeline. SAR447537 is a human recombinant protein that holds the promise of allowing alpha-1 antitrypsin deficiency (AATD) patients to achieve normalization of serum AAT levels with less frequent (monthly vs. weekly) dosing. AATD is an inherited rare disease characterized by low levels of AAT protein, predominantly affecting the lungs with progressive tissue deterioration. SAR447537 may help to reduce inflammation and prevent further deterioration of lung function in affected individuals.

The transaction did not meet the criteria for a business combination under IFRS 3, and consequently was accounted for as an acquisition of a group of assets.

The acquisition price was $2,035 million. Of that amount (plus acquisition-related costs), $1,885 million was allocated to in-process development in respect of SAR447537 and recognized within ***Other intangible assets*** in accordance with IAS 38. The difference between that amount and the acquisition price corresponds to the other assets acquired and liabilities assumed in the transaction.

In addition, Sanofi awarded the former shareholders of Inhibrx an unquoted, non-negotiable Contingent Value Right (CVR) certificate that entitles them to a deferred cash payment of $5.00 per Inhibrx share, subject to attainment of a specified regulatory milestone before June 30, 2027. The nominal value of that off balance sheet commitment is $300 million.

The impact of this acquisition, as reflected within the line item ***Acquisitions of consolidated undertakings and investments accounted for using the equity method*** in the consolidated statement of cash flows, is a net cash outflow of $2,035 million.

D.1.1.2. Project to divest a controlling interest in Opella

On October 21, 2024, Sanofi and Clayton, Dubilier & Rice (CD&R) entered into exclusive negotiations for the transfer of a controlling interest in Opella (in which Sanofi will remain a significant shareholder), leading to the signature of a fully-funded unilateral put option agreement . On closing of the transaction, Sanofi would retain an equity interest of approximately 50% in the new entity which will indirectly own the Opella scope of companies, comprising Opella Healthcare and its subsidiaries.

The put option agreement is based on a valuation of Opella, determined by the parties, of approximately €16 billion. On February 3, 2025, Sanofi exercised the put option agreement, confirming its intention to sign the share purchase agreement appended to the put option agreement.

At the current stage of the ongoing discussions with CD&R, further heads of agreement have been agreed and appended to the put option agreement, including but not limited to: (i) a future shareholder agreement setting forth governance arrangements for the new entity; (ii) an investment agreement governing the structure of the target entity (in which Sanofi and CD&R will hold equity interests in the proportions specified in the contract) and conferring control of the relevant activities of Opella on CD&R, in accordance with the requirements of IFRS 10 (see below); and (iii) an amended version of the Separation Agreement of July 24, 2024, specifying the arrangements for the separation of the Opella activities from Sanofi.

Under the terms of that agreement, certain Opella activities will not be transferred on the effective date of loss of control upon closing of the transaction. These are primarily (i) hospital sales of Opella products in China, the transfer of which will be finalized no earlier than 2028 after a transitional period required to complete the transfer plan agreed with Sanofi in the context of public tendering arrangements and (ii) sales made by the dedicated entity Opella Russie, the equity interests in which will be retained by Sanofi. Sanofi will continue to distribute Opella products in Russian territory under the distribution agreement signed in connection with the separation, the parties reserving the right to discuss the transfer of this retained interest during the distribution agreement term .

As regards the product liability claims described in Note D.22. "Legal and arbitral proceedings", and in particular the ongoing litigation relating to Zantac in the United States, the Separation Agreement specifies that Sanofi will indemnify Opella, without limitation as to amount, for all liabilities resulting from the marketing of any Zantac brand product containing ranitidine as an active pharmaceutical ingredient, including product liability claims.

In addition, under the same Separation Agreement, Sanofi retains the worldwide rights to the Gold Bond product. The assets associated with those rights, and the liabilities recognized in respect of the ongoing Gold Bond litigation in the United States, are retained by Sanofi. Gold Bond will continue to be marketed in the United States through the retained subsidiary Gold Bond LLC.

All social processes have been conducted, and are now completed.

The proposed transaction remains subject to obtaining customary regulatory approvals from the competent authorities.

Closing of the transaction is expected in the second quarter of 2025 at the earliest.

Following the closing of the transaction, Sanofi will lose control of Opella. The analysis of where power resides is based primarily on the agreement reached on the key terms of the future shareholder agreement between CD&R and Sanofi, as appended to the put option agreement signed on October 21, 2024, under which CD&R will hold a majority of voting rights in shareholder meetings of the newly-constituted entity that will indirectly own Opella, with the exception of certain decisions that must be made jointly, those being primarily decisions of a protective nature relating to fundamental changes to the nature of the activities carried on by the new entity. In addition, CD&R will have a majority on the governance body of the new entity, giving CD&R power over that entity and consequently over decisions related to the activities of Opella, thereby leading to the loss of control by Sanofi over Opella based on the criteria for assessment of control specified in IFRS 10 and the Basis of Conclusions thereto.

BpiFrance is expected to participate as a minority shareholder with a c.2% stake in Opella, which does not change the analysis of control set forth above.

With effect from the date of closing of the transaction, Sanofi will exercise significant influence over Opella. The share of profits or losses from the retained interest in Opella will then be reported within the line item ***Share of profit/(loss) from investments accounted for using the equity method*** in the Sanofi income statement.

Completion of the transaction is considered highly probable. In accordance with the classification and presentation requirements of IFRS 5 (see Note B.7.), all assets of Opella and all liabilities directly related to those assets are classified from October 21, 2024 in the line items ***Assets held for sale*** and ***Liabilities related to assets held for sale***, respectively, in the consolidated balance sheet (see Notes D.8. and D.36.).

Opella (formerly known as Consumer Healthcare) constituted an operating segment of Sanofi until October 21, 2024 (see Note D.35., "Segment Information"). Consequently, Opella meets the definition of a discontinued operation under IFRS 5 (see Note B.7.), as a result of which the net income from this business is presented separately within the line item ***Net income from discontinued operations*** in the consolidated income statement. This presentation in a separate income statement line item applies to operations for the year ended December 31, 2024, and on a consistent basis for the comparative periods presented.

The cash flows arising from operating, investing and financing activities of the Opella business are also presented in separate line items in the consolidated statements of cash flows for the year ended December 31, 2024 and for the comparative periods presented.

For detailed information about the contribution of the Opella business to the consolidated financial statements refer to Note D.36., "Information related to Opella".

D.1.1.3. Enjaymo divestment

On November 29, 2024, Sanofi entered into a definitive agreement with Recordati for the sale of Sanofi's global rights to Enjaymo and the transfer of specific employees. Under this agreement, Sanofi received an upfront payment of $825 million and will be eligible for milestone payments of up to $250 million based on sales.

This agreement led to the de-recognition of assets relating to the Enjaymo activity, including goodwill of €276 million. The gain arising on the divestment is immaterial.

The impact of the disposal in the consolidated cash flow statement, as reflected in the line item ***Proceeds from disposals of tangible, intangible and other non-current assets net of tax***, is a pre-tax cash inflow of €768 million.

D.1.2. Significant transactions of 2023

Acquisition of Provention Bio, Inc.

On March 13, 2023, Sanofi entered into a merger agreement with Provention Bio, Inc. (Provention), a US-based publicly traded biopharmaceutical company developing therapies to prevent and intercept immune-mediated diseases including type 1 diabetes. Under the terms of the agreement, Sanofi acquired the outstanding shares of Provention common stock for $25.00 per share in an all-cash transaction valued at approximately $2.8 billion.

The acquisition of Provention was completed on April 27, 2023, with Sanofi holding all of the shares of Provention on expiration of the tender offer.

Sanofi applied the optional test to identify concentration of fair value under paragraph B7A of IFRS 3. The transaction was accounted for as an acquisition of a group of assets, given that the principal asset (teplizumab-mzwv, commercialized in the United States under the name Tzield) concentrates substantially all of the fair value of the acquired set of activities and assets.

Under the terms of a share purchase agreement entered into by Sanofi and Provention in February 2023, Sanofi already held an equity interest in Provention, representing approximately 3% of Provention's share capital. On the date Sanofi obtained control of Provention, that equity interest was remeasured at a price of $25.00 per share, representing a total amount of $68 million. The impact of the remeasurement was recognized in ***Other comprehensive income***.

The acquisition price for the shares not already held was $2,806 million. Out of the total price (including the fair value of the shares already held), $2,810 million was allocated to Tzield and recognized within ***Other intangible assets***. The difference between that amount and the acquisition price corresponds to the other assets acquired and liabilities assumed as part of the transaction, after taking account of the previously-held shares and acquisition-related costs.

The impact of this acquisition as reflected within the line item ***Acquisitions of consolidated undertakings and investments accounted for using the equity method*** in the consolidated statement of cash flows is a net cash outflow of $2,722 million.

Acquisition of QRIB Intermediate Holdings, LLC

On July 28, 2023, Sanofi announced that it had acquired QRIB Intermediate Holdings, LLC (QRIB), the owner of Qunol, a market-leading US-based health & wellness brand. The acquisition strengthened Opella's operations in the Vitamin, Mineral and Supplements (VMS) category.

The acquisition of QRIB by Sanofi was completed on September 29, 2023, at a purchase price of $1,419 million.

The final purchase price allocation led to the recognition of goodwill of €484 million, determined as follows:

(€ million)	Fair value at acquisition date
Other intangible assets	774
Other current and non-current assets and liabilities	80
Cash and cash equivalents	8
Deferred taxes, net	(3)
Net assets of QRIB Intermediate Holdings, LLC	**859**
Goodwill	484
Purchase price	**1,343**

The other acquired intangible assets identified consist of the Qunol brand.

Goodwill mainly represents the expected future profits attributable to the development of the VMS platform in the United States as a result of the integration of QRIB into the Sanofi group.

The entire amount of goodwill is deductible for tax purposes over a period of 15 years.

The impact of this acquisition is reflected in ***Net cash provided by/(used in) investing activities of the discontinued Opella business*** in the consolidated statement of cash flows, and represents a net cash outflow of $1,410 million.

Net assets related to this acquisition, including associated goodwill, are part of Opella's net assets and are therefore reclassified to ***Assets held for sale*** and ***Liabilities related to assets held for sale*** (see Note D.36.).

D.1.3. Significant transactions of 2022

Acquisition of Amunix Pharmaceuticals, Inc.

On February 8, 2022, Sanofi acquired the entire share capital of the immuno-oncology company Amunix Pharmaceuticals, Inc. (Amunix), thereby gaining access to Amunix's innovative ProXTen technology and a promising pipeline of immunotherapies.

The acquisition price of Amunix comprises a fixed cash payment of €970 million, plus contingent consideration in the form of milestone payments based on attainment of certain future development objectives of up to $225 million, the fair value of which as of the acquisition date was €156 million. In accordance with IFRS 3, this contingent purchase consideration was recognized in ***Liabilities related to business combinations and non-controlling interests*** (see Note D.18.).

The final purchase price allocation led to the recognition of €609 million of goodwill, determined as follows:

(€ million)	Fair value at acquisition date
Other intangible assets	493
Other current and non-current assets and liabilities	(13)
Cash and cash equivalents	118
Deferred taxes, net	(81)
Net assets of Amunix	**517**
Goodwill	609
Purchase price	**1,126**

Other intangible assets comprise ProXTen, an innovative universal protease-releasable masking technology platform for the discovery and development of transformative cytokine therapies and T-cell engager (TCE) immunotherapies for patients with cancer. In 2023, an impairment loss was taken against the ProXTen platform, in line with a strategic decision to de-prioritize certain R&D programs (see Note D.5., "Impairment of intangible assets and property, plant and equipment").

The license agreement entered into with Vir Biotechnology, Inc. in September 2024 led to the derecognition of the ProXTen intangible asset for its full value, after recognizing a partial reversal of the impairment recognized in 2023.

Goodwill mainly represents the value of Amunix's upstream research and development pipeline of immuno-oncology therapies based on next-generation conditionally activated biologics, especially when combined with Sanofi's existing oncology portfolio.

The goodwill generated on this acquisition does not give rise to any deduction for income tax purposes.

Amunixhas no commercial operations.

The impact of this acquisition as reflected within the line item ***Acquisitions of consolidated undertakings and investments accounted for using the equity method*** in the consolidated statement of cash flows is a cash outflow of €852 million.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

EUROAPI - Loss of control and accounting implications

On March 17, 2022, the Sanofi Board of Directors approved a decision to put to a shareholder vote the proposed distribution in kind of approximately 58% of the share capital of EUROAPI, thereby confirming Sanofi's commitment (announced in February 2020) to discontinue its active pharmaceutical ingredient operations. As part of the same corporate action and on the same date, Sanofi entered into an investment agreement with EPIC Bpifrance, which undertook to acquire from Sanofi – via the French Tech Souveraineté fund – a 12% equity interest in EUROAPI at a price not exceeding €150 million and to be determined on the basis of the volume weighted average price (VWAP) of EUROAPI shares on the Euronext Paris regulated market over the thirty-day period starting from the date of initial listing, i.e. May 6, 2022. On completion of those transactions, Sanofi holds an equity interest of 30.1% in EUROAPI, which it has undertaken to retain for at least two years from the date of the distribution, subject to the customary exceptions. With effect from that date, Sanofi exercises significant influence over EUROAPI as a result of (i) its equity interest, and (ii) having one representative on the EUROAPI Board of Directors.

On May 3, 2022, the General Meeting of Sanofi shareholders approved the decision of the Board of Directors to distribute approximately 58% of the share capital of EUROAPI in the form of an exceptional dividend in kind.

On May 10, 2022, the payment date of the dividend in kind in the days following the admission to listing of EUROAPI shares, those Sanofi shareholders who had retained their Sanofi shares received 1 EUROAPI share per 23 Sanofi shares, representing in total 57.88% of the share capital of EUROAPI. As of that date, Sanofi lost control over the EUROAPI entities, based on an assessment of the criteria specified in IFRS 10 (Consolidated financial statements). The assets and liabilities of EUROAPI, which since March 17, 2022 had been presented as assets and liabilities held for sale within the Sanofi balance sheet in accordance with IFRS 5 (Non-Current Assets Held for sale), were deconsolidated. In addition, because EUROAPI operations do not constitute a discontinued operation under IFRS 5, the contribution from EUROAPI has not been presented within separate line items in the income statement and statement of cash flows or in information for prior comparative periods. The contribution of EUROAPI operations to the consolidated net sales of Sanofi in the year ended December 31, 2021 was €486 million.

The principal consequences of the deconsolidation of EUROAPI are described below:

- the derecognition of the carrying amount of all the assets and liabilities of EUROAPI, representing a net amount of €1,227 million as of May 10, 2022. This includes goodwill of €164 million, determined in accordance with IAS 36 ("Impairment of Assets"), which was historically allocated to the Pharmaceuticals cash generating unit (CGU), and which for the purposes of the deconsolidation was allocated using an alternative method based on the relative values of goodwill as of the date of consolidation (the "notional goodwill method"). That method was considered more appropriate to the capital-intensive nature of EUROAPI operations than the method based on the relative values of EUROAPI operations and the retained portion of the CGU;
- a reduction in ***Equity attributable to equity holders*** of Sanofi reflecting the distribution in kind, measured at €793 million based on the weighted average price of €14.58 per share as of the date of delivery of the EUROAPI shares to Sanofi shareholders and corresponding to the fair value of the distribution in accordance with IFRIC 17 (Distribution of Non-Cash Assets to Owners);
- a cash inflow of €150 million from the divestment of 12% of the share capital of EUROAPI to EPIC Bpifrance as of the settlement date of the shares, i.e. June 17, 2022;
- the recognition in the balance sheet within the line item ***Investments accounted for using the equity method***, of the retained 30.1% equity interest in EUROAPI at an amount of €413 million, determined on the basis of the weighted average price of €14.58 per share and representing the fair value of the equity interest in accordance with IFRS 10;
- the reclassification within the net gain/loss on deconsolidation of unrealized foreign exchange losses amounting to €35 million arising on EUROAPI subsidiaries, in accordance with IAS 21 (The Effects of Changes in Foreign Exchange Rates);
- the recognition of transaction-related costs and of the effects of undertakings made under agreements entered into with EUROAPI setting out the principles and terms of the legal reorganization carried out ahead of the date of deconsolidation. The principal undertakings made to EUROAPI relate to compensation for:
  - environmental remediation obligations on non-operational chemical sites in France transferred to EUROAPI, amounting to €14 million, and
  - regulatory compliance costs relating to certain state-of-the-art active pharmaceutical ingredients of EUROAPI, capped at €15 million.

These elements collectively resulted in a pre-tax loss on deconsolidation of €3 million, presented within the line item ***Other gains and losses, and litigation*** in the income statement. The tax effect of the deconsolidation was a net gain of €111 million, presented within the line item ***Income tax expense*** in the income statement.

The cash impact of the deconsolidation of EUROAPI, presented within the line item ***Disposals of consolidated undertakings and investments accounted for using the equity method*** in the statement of cash flows, was a net cash inflow of €101 million.

Sanofi has entered into an agreement with EUROAPI for the manufacture and supply of active pharmaceutical ingredients, intermediates and other substances, which took effect on October 1, 2021 and expires five years after the loss of control. Under the terms of the agreement, Sanofi committed to target annual net sales of approximately €300 million for a list of specified active ingredients until the agreement expires in 2026. As of December 31, 2022, that commitment amounted to €1.1 billion.

As of the date of deconsolidation, the 30.1% equity interest in EUROAPI is accounted for using the equity method in accordance with IAS 28 (Investments in Associates and Joint Ventures), and the share of EUROAPI profits or losses arising from application of the equity method is excluded from "Business operating income", the non-IFRS financial indicator used internally by Sanofi to measure the performance of its operating segments.

D.2. Capital and financial risk management information

D.2.1. Capital management information

In order to maintain or adjust the capital structure, Sanofi can adjust the amount of dividends paid to shareholders, repurchase its own shares, issue new shares, or issue securities giving access to its capital.

The following objectives are defined under the terms of Sanofi's share repurchase programs:

- the implementation of any stock option plan giving entitlement to purchase shares in the Sanofi parent company (see Note D.15.);
- the allotment or sale of shares to employees under statutory profit sharing schemes and employee savings plans;
- the consideration-free allotment of shares (i.e. restricted share plans) (see Note D.15.);
- the cancellation of some or all of the repurchased shares (see Note D.15.);
- market-making in the secondary market by an investment services provider under a liquidity contract in compliance with the ethical code recognized by the *Autorité des marchés financiers* (AMF);
- the delivery of shares on the exercise of rights attached to securities giving access to the capital by redemption, conversion, exchange, presentation of a warrant or any other means;
- the delivery of shares (in exchange, as payment, or otherwise) in connection with mergers and acquisitions;
- the execution by an investment services provider of purchases, sales or transfers by any means, in particular via off-market trading; or
- any other purpose that is or may in the future be authorized under the applicable laws and regulations.

Sanofi is not subject to any constraints on equity capital imposed by third parties.

Sanofi defines "Net debt" as (i) the sum of short-term debt, long-term debt and interest rate derivatives and currency derivatives used to hedge debt, minus (ii) the sum of cash and cash equivalents and interest rate derivatives and currency derivatives used to hedge cash and cash equivalents (see Note D.17.).

D.2.2. Financial risk management

Credit risk

Credit risk is the risk that customers (wholesalers, distributors, pharmacies, hospitals, clinics or government agencies) may fail to pay their debts; for Sanofi, that risk is mainly concentrated on amounts receivable from wholesalers in the United States. Sanofi manages credit risk by vetting customers in order to set credit limits and risk levels, and asking for guarantees or insurance where necessary; performing controls; and monitoring qualitative and quantitative indicators of accounts receivable balances, such as the period of credit taken and overdue payments.

Sales generated by Sanofi with its biggest customers are disclosed in Note D.35.

Market risks

Please refer to "Item 11. Quantitative and Qualitative Disclosures about Market Risk" of this Annual Report on Form 20-F, and to Notes D.17 and D.20. below.

D.3. Property, plant and equipment

D.3.1. Property, plant and equipment owned

Property, plant and equipment owned by Sanofi is comprised of the following items:

(€ million)	Land	Buildings	Machinery and equipment	Fixtures, fittings and other	Property, plant and equipment in process	Total
Gross value at January 1, 2022	**240**	**7,170**	**11,648**	**2,655**	**3,097**	**24,810**
Changes in scope of consolidation	(17)	(294)	(1,480)	(163)	(150)	(2,104)
Acquisitions and other increases	—	11	54	41	1,642	1,748
Disposals and other decreases	(1)	(161)	(240)	(155)	(2)	(559)
Currency translation differences	17	122	144	29	35	347
Transfers[a]	(2)	480	722	108	(1,626)	(318)
Gross value at December 31, 2022	**237**	**7,328**	**10,848**	**2,515**	**2,996**	**23,924**
Changes in scope of consolidation	—	(11)	(29)	(7)	(4)	(51)
Acquisitions and other increases	—	27	47	36	1,583	1,693
Disposals and other decreases	(2)	(50)	(340)	(100)	(10)	(502)
Currency translation differences	(5)	(94)	(71)	(30)	(45)	(245)
Transfers[a]	(2)	481	457	86	(1,071)	(49)
Gross value at December 31, 2023	**228**	**7,681**	**10,912**	**2,500**	**3,449**	**24,770**
Changes in scope of consolidation	—	—	—	—	—	—
Acquisitions and other increases	—	13	36	36	1,632	1,717
Disposals and other decreases	(3)	(209)	(510)	(173)	(79)	(974)
Currency translation differences	13	163	126	30	17	349
Transfers[a]	(1)	335	764	142	(1,235)	5
Opella reclassification [b]	(36)	(539)	(866)	(154)	(211)	(1,806)
Gross value at December 31, 2024	**201**	**7,444**	**10,462**	**2,381**	**3,573**	**24,061**
Accumulated depreciation & impairment at January 1, 2022	**(9)**	**(4,190)**	**(8,340)**	**(2,115)**	**(128)**	**(14,782)**
Changes in scope of consolidation	—	201	1,202	130	—	1,533
Depreciation expense	—	(356)	(622)	(164)	—	(1,142)
Impairment losses, net of reversals	(1)	(50)	(58)	(2)	(75)	(186)
Disposals and other decreases	—	133	201	153	31	518
Currency translation differences	—	(52)	(69)	(22)	5	(138)
Transfers[a]	—	89	49	5	(1)	142
Accumulated depreciation & impairment at December 31, 2022	**(10)**	**(4,225)**	**(7,637)**	**(2,015)**	**(168)**	**(14,055)**
Changes in scope of consolidation	—	5	16	3	—	24
Depreciation expense	—	(321)	(620)	(139)	—	(1,080)
Impairment losses, net of reversals	—	(30)	(46)	(4)	(50)	(130)
Disposals and other decreases	—	48	334	98	8	488
Currency translation differences	2	45	44	21	—	112
Transfers[a]	—	(22)	36	(1)	18	31
Accumulated depreciation & impairment at December 31, 2023	**(8)**	**(4,500)**	**(7,873)**	**(2,037)**	**(192)**	**(14,610)**
Changes in scope of consolidation	—	—	—	—	—	—
Depreciation expense	—	(325)	(580)	(136)	—	(1,041)
Impairment losses, net of reversals	—	(47)	(23)	(3)	(32)	(105)
Disposals and other decreases	1	197	507	172	37	914
Currency translation differences	1	(77)	(95)	(18)	—	(189)
Transfers[a]	—	9	5	4	(3)	15
Opella reclassification [b]	6	333	599	97	11	1,046
Accumulated depreciation & impairment at December 31, 2024	**—**	**(4,410)**	**(7,460)**	**(1,921)**	**(179)**	**(13,970)**
Carrying amount at December 31, 2022	227	3,103	3,211	500	2,828	9,869
Carrying amount at December 31, 2023	220	3,181	3,039	463	3,257	10,160
Carrying amount at December 31, 2024	**201**	**3,034**	**3,002**	**460**	**3,394**	**10,091**

*(a) This line mainly comprises property, plant and equipment in process brought into service during the period, and reclassification of assets (other than Opella assets) to **Assets held for sale**.*

*(b) This line comprises property, plant and equipment owned by Opella, reclassified to **Assets held for sale** as of December 31, 2024 in accordance with IFRS 5 (see Note D.1.).*

The table below sets forth acquisitions and capitalized interest for the years ended December 31, 2024, 2023 and 2022:

(€ million)	**2024**	**2023**	**2022**
Acquisitions	**1,717**	**1,693**	**1,748**
Biopharma (operating segment)	1,554	1,592	1,678
of which Manufacturing & Supply	*1,114*	*1,188*	*1,129*
Opella (discontinued operation, see Note D.1.)	163	101	70
of which Manufacturing & Supply	*135*	*90*	*63*
Of which capitalized interest	***51***	***26***	***17***

Off balance sheet commitments relating to property, plant and equipment as of December 31, 2024, 2023 and 2022 are set forth below:

(€ million)	**2024**	**2023**	**2022**
Firm orders of property, plant and equipment	422	638	861
Property, plant and equipment pledged as security for liabilities	21	16	—

The table below sets forth the net impairment losses recognized in each of the last three financial periods:

(€ million)	**2024**	**2023**	**2022**
Net impairment losses on property, plant and equipment[(a)]	**105**	**130**	**186**

(a) These amounts mainly comprise impairment losses recognized as a result of decisions taken during the periods presented, relating primarily to shutdowns or changes in use of industrial sites.

D.3.2. Property, plant and equipment leased – right-of-use assets

Right-of-use assets relating to property, plant and equipment leased by Sanofi are analyzed in the table below:

(€ million)	**Right-of-use assets**
Gross value at January 1, 2022	**2,745**
Changes in scope of consolidation	(26)
Acquisitions and other increases	292
Disposals and other decreases	(232)
Currency translation differences	101
Transfers[(a)]	(8)
Gross value at December 31, 2022	**2,872**
Acquisitions and other increases	247
Disposals and other decreases	(314)
Currency translation differences	(58)
Transfers[(a)]	(75)
Gross value at December 31, 2023	**2,672**
Acquisitions and other increases	442
Disposals and other decreases	(375)
Currency translation differences	89
Transfers(a)	(60)
Opella reclassification [(b)]	(155)
Gross value at December 31, 2024	**2,613**
Accumulated depreciation & impairment at January 1, 2022	**(797)**
Changes in scope of consolidation	14
Depreciation and impairment charged in the period	(341)
Disposals and other decreases	82
Currency translation differences	(17)
Transfers[(a)]	2
Accumulated depreciation & impairment at December 31, 2022	**(1,057)**
Depreciation and impairment charged in the period	(292)
Disposals and other decreases	276
Currency translation differences	21
Transfers[(a)]	34
Accumulated depreciation & impairment at December 31, 2023	**(1,018)**
Depreciation and impairment charged in the period	(315)
Disposals and other decreases	183
Currency translation differences	(30)
Transfers[(a)]	38
Opella reclassification [(b)]	39
Accumulated depreciation & impairment at December 31, 2024	**(1,103)**
Carrying amount at December 31, 2022	**1,815**
Carrying amount at December 31, 2023	**1,654**
Carrying amount at December 31, 2024	**1,510**

*(a) This line also includes the effect of the reclassification of assets (other than Opella assets) to **Assets held for sale**.*
*(b) This line comprises the Opella right-of-use assets, reclassified to **Assets held for sale** as of December 31, 2024 in accordance with IFRS 5 (see Note D.1.).*

Leased assets comprised offices and industrial premises (90%) and the vehicle fleet (10%) as of December 31, 2024.

Annual lease costs on short term leases and low value asset leases amounted to €16 million in the year ended December 31, 2024, €19 million in the year ended December 31, 2023, and €26 million in the year ended December 31, 2022. Variable lease payments, sub-leasing activities, and sale-and-leaseback transactions were immaterial.

Total cash outflows on leases (excluding annual lease costs on short term leases and low value asset leases) were €348 million in the year ended December 31, 2024, €315 million in the year ended December 31, 2023, and €389 million in the year ended December 31, 2022.

A maturity analysis of the lease liability is disclosed in Note D.17.2.

Commitments related to short-term leases and low value asset leases, including future payments for lease contracts committed but not yet commenced, are disclosed in Note D.21.

D.4. Goodwill and other intangible assets

Movements in goodwill comprise:

(€ million)	Goodwill
Balance at January 1, 2022	**48,056**
Acquisitions during the period	609
Other movements during the period[a]	(258)
Currency translation differences	1,485
Balance at December 31, 2022	**49,892**
Acquisitions during the period [c]	475
Other movements during the period[a]	(90)
Currency translation differences	(873)
Balance at December 31, 2023	**49,404**
Acquisitions during the period	—
Other movements during the period[a]	(351)
Currency translation differences	1,586
Opella reclassification [b]	(7,255)
Balance at December 31, 2024	**43,384**

(a) This line mainly comprises the amount of goodwill allocated to divested operations in accordance with paragraph 86 of IAS 36, including in 2024 the allocated goodwill relating to the divestment of the Enjaymo activity to Recordati (see Note D.1.). For 2022, this line includes the loss of control of EUROAPI (see Note D.1.).

*(b) The Opella goodwill is presented within **Assets held for sale** (see Note D.1.).*

(c) The final purchase price allocation for QRIB Intermediate Holdings, LLC resulted in the recognition of intangible assets (other than goodwill) of €774 million as of the acquisition date (September 29, 2023) and of goodwill measured at €484 million as of the acquisition date (see Note D.1.).

In accordance with IAS 36, goodwill is allocated to groups of Cash Generating Units (CGUs) at a level corresponding to the Biopharma operating segment (see Note D.35.).

For the purpose of annual impairment testing of goodwill, the recoverable amount was determined on the basis of value in use, as derived from discounted estimates of the future cash flows in accordance with the policies described in Note B.6.1.

Acquisition of Amunix Pharmaceuticals, Inc. (2022)

The final purchase price allocation for Amunix Pharmaceuticals, Inc. resulted in the recognition of intangible assets (other than goodwill) of €493 million as of the acquisition date (February 8, 2022), and of goodwill measured at €609 million as of the acquisition date (see Note D.1.).

Movements in other intangible assets comprise:

(€ million)	Acquired R&D	Products, trademarks and other rights	Software	Total other intangible assets
Gross value at January 1, 2022[a]	**11,207**	**65,906**	**1,752**	**78,865**
Changes in scope of consolidation[c]	—	499	(35)	464
Acquisitions and other increases	277	195	99	571
Disposals and other decreases	(72)	(423)	(48)	(543)
Currency translation differences	518	1,994	21	2,533
Transfers[b]	(1,576)	1,408	(6)	(174)
Gross value at December 31, 2022	**10,354**	**69,579**	**1,783**	**81,716**
Changes in scope of consolidation[c]	113	3,287	1	3,401
Acquisitions and other increases[f]	1,062	1,970	80	3,112
Disposals and other decreases	(262)	(380)	(41)	(683)
Currency translation differences	(242)	(1,584)	(11)	(1,837)
Transfers[b]	(1,253)	861	(4)	(396)
Gross value at December 31, 2023	**9,772**	**73,733**	**1,808**	**85,313**
Changes in scope of consolidation[c]	1,745	—	—	1,745
Acquisitions and other increases[f]	1,006	444	104	1,554
Disposals and other decreases	(58)	(1,447)	(9)	(1,514)
Currency translation differences	606	2,708	17	3,331
Transfers[b]	(52)	66	(11)	3
Opella reclassification [a]	(153)	(9,156)	(57)	(9,366)
Gross value at December 31, 2024	**12,866**	**66,348**	**1,852**	**81,066**
Accumulated amortization & impairment at January 1, 2022[a]	**(3,477)**	**(52,744)**	**(1,237)**	**(57,458)**
Changes in scope of consolidation	—	—	11	11
Amortization expense[e]	—	(2,099)	(97)	(2,196)
Impairment losses, net of reversals[d]	(1,107)	1,561	—	454
Disposals and other decreases	75	411	39	525
Currency translation differences	(7)	(1,567)	(17)	(1,591)
Transfers[b]	388	(214)	5	179
Accumulated amortization & impairment at December 31, 2022	**(4,128)**	**(54,652)**	**(1,296)**	**(60,076)**
Changes in scope of consolidation[c]	—	33	—	33
Amortization expense	—	(2,225)	(120)	(2,345)
Impairment losses, net of reversals[d]	(90)	(842)	—	(932)
Disposals and other decreases	262	326	41	629
Currency translation differences	94	1,184	9	1,287
Transfers[b]	128	268	14	410
Accumulated amortization & impairment at December 31, 2023	**(3,734)**	**(55,908)**	**(1,352)**	**(60,994)**
Amortization expense	—	(2,094)	(106)	(2,200)
Impairment losses, net of reversals[d]	(638)	373	1	(264)
Disposals and other decreases	58	655	9	722
Currency translation differences	(191)	(1,928)	(15)	(2,134)
Transfers[b]	(2)	(3)	—	(5)
Opella reclassification [a]	10	6,398	30	6,438
Accumulated amortization & impairment at December 31, 2024	**(4,497)**	**(52,507)**	**(1,433)**	**(58,437)**
Carrying amount at December 31, 2022	6,226	14,927	487	21,640
Carrying amount at December 31, 2023	6,038	17,825	456	24,319
Carrying amount at December 31, 2024	**8,369**	**13,841**	**419**	**22,629**

*(a) Comprises the other intangible assets of Opella, now reclassified to **Assets held for sale** at December 31, 2024 in accordance with IFRS 5 (see note D.1.).*

*(b) The "Transfers" line mainly comprises (i) acquired R&D that came into commercial use during the period and (ii) reclassifications of assets (other than Opella assets) as **Assets held for sale**.*

(c) The "Changes in scope of consolidation" line mainly comprises the fair value of intangible assets recognized in connection with acquisitions made during the period (see Note D.1.).

(d) See Note D.5.

(e) The amendment to the terms of the IO License and Collaboration Agreement resulted in the recognition of an amortization charge of €226 million in 2022 (see Note C.1.).

(f) This line mainly comprises:

In 2023:

- *the rights acquired as a result of the simplification agreed between Sanofi and AstraZeneca in April 2023 in respect of the agreements on Beyfortus (nirsevimab) (see Note C.2.);*
- *an upfront payment of $500 million relating to the rights acquired under the agreement with Teva Pharmaceuticals on the co-development and co-commercialization of TEV'574;and*
- *an upfront payment of $175 million for the rights acquired under the agreement with Janssen Pharmaceuticals, Inc. relating to a vaccine against extra-intestinal pathogenic strains of E-Coli.*

In 2024:

- *an upfront payment of $500 million for the rights acquired under the agreement with Novavax relating to the co-exclusive license agreement for the co-commercialization of a COVID-19 vaccine and the development of a combined flu-COVID-19 vaccine; and*
- *an upfront payment of $300 million for the rights acquired under an agreement with Corxel Pharmaceuticals for the development and commercialization rights to aficamten in China.*

"Products, trademarks and other rights" mainly comprise:

- "marketed products", with a carrying amount of €12.7 billion as of December 31, 2024 (versus €16.6 billion as of December 31, 2023 and €12.7 billion as of December 31, 2022) and a weighted average amortization period of approximately 10 years; and
- "technology platforms", with a carrying amount of €1.1 billion as of December 31, 2024 (versus €1.2 billion as of December 31, 2023 and €2.2 billion as of December 31, 2022) and a weighted average amortization period of approximately 18 years.

The table below provides information about the principal "marketed products", which were recognized in connection with major acquisitions made by Sanofi and represented 95% of the carrying amount of that item as of December 31, 2024:

(€ million)	Gross value	Accumulated amortization & impairment	December 31, 2024	Amortization period (years)[a]	Residual amortization period (years)[b]	Carrying amount at December 31, 2023	Carrying amount at December 31, 2022
Genzyme[c]	10,600	(10,541)	59	10	2	208	621
Boehringer Ingelheim [c]	3,520	(1,756)	1,764	17	10	1,806	2,037
Aventis[c]	34,175	(34,136)	39	9	10	43	58
Chattem[c]	1,406	(924)	482	23	10	501	574
Protein Sciences[c]	886	(505)	381	13	6	420	498
Ablynx[c]	1,966	(883)	1,083	14	8	1,220	1,357
Bioverativ[c]	8,375	(4,026)	4,349	13	8	5,152	4,836
Rezurock	2,033	(520)	1,513	12	9	1,580	1,702
Tzield	2,714	(375)	2,339	12	11	2,405	—
Beyfortus	2,288	(201)	2,087	17	16	1,870	180
Qunol	790	(91)	699	10	8	722	—
Total: principal marketed products incl. Opella products presented in "Assets held for sale"	**68,753**	**(53,958)**	**14,795**			**15,927**	**11,863**
Total: principal marketed products excl. Opella products presented in "Assets held for sale"	**60,214**	**(48,212)**	**12,002**			**13,055**	**9,429**

(a) Weighted averages. The amortization periods for these products vary between 1 and 25 years.

(b) Weighted averages.

(c) Commercialized products derived from the acquisition of these companies. In the case of Bioverativ, the product Enjaymo was sold to Recordati in 2024 (see Note D.1.).

During 2023, some of the acquired research and development came into commercial use, and started being amortized from the date of marketing approval; the main item involved was ALTUVIIIO (efanesoctocog alfa) which extends protection from bleeds and treats acute hemorrhages in people with hemophilia A.

The main asset brought into service during 2022 was Enjaymo (sutimlimab-jome), a treatment for cold agglutinin disease.

Amortization of other intangible assets is recognized in the income statement within the line item ***Amortization of intangible assets***, except for amortization of software and other rights of an industrial or operational nature which is recognized in the relevant classification of expense by function. An analysis of amortization of software is shown in the table below:

(€ million)	2024	2023[a]	2022[a]
Cost of sales	16	14	9
Research and development expenses	1	3	1
Selling and general expenses	87	100	82
Other operating expenses	1	2	4
Net income from discontinued operations	1	1	1
Total	**106**	**120**	**97**

(a) Figures for comparative periods (2023 and 2022) have been re-presented on a consistent basis to reflect the classification of Opella as a discontinued operation.

D.5. Impairment of intangible assets and property, plant and equipment

Goodwill

When testing goodwill annually for impairment, the recoverable amount is determined for the Biopharma segment on the basis of value in use, as derived from discounted estimates of the future cash flows in accordance with the policies described in Note B.6.1.

The value in use of the Biopharma segment was determined by applying an after-tax discount rate to estimated future after-tax cash flows; the rate used for impairment testing of the Biopharma segment in 2024 was 7.25%.

The pre-tax discount rate applied to estimated pre-tax cash flows is calculated by iteration from the previously-determined value in use; the rate used for the Biopharma segment was 9.8%.

The assumptions used in testing goodwill for impairment are reviewed annually. Apart from the discount rate, the principal assumptions used in 2024 were as follows:

- the perpetual growth rate applied to future cash flows for the Biopharma segment was zero; and
- Sanofi also applies assumptions on the probability of success of current research and development projects, and more generally on its ability to renew the product portfolio in the longer term.

Value in use (determined as described above) is compared with the carrying amount, and this comparison is then subject to sensitivity analyses by reference to key parameters including:

- changes in the discount rate;
- changes in the perpetual growth rate; and
- fluctuations in operating margin.

No impairment of the goodwill would need to be recognized in the event of a reasonably possible change in the assumptions used in 2024.

No impairment losses were recognized against goodwill in the years ended December 31, 2024, 2023 or 2022.

Other intangible assets

When there is evidence that an asset may have become impaired, the asset's value in use is calculated by applying an after-tax discount rate to the estimated future after-tax cash flows from that asset. For the purposes of impairment testing, the tax cash flows relating to the asset are determined using a notional tax rate incorporating the notional tax benefit that would result from amortizing the asset if its value in use were regarded as its depreciable amount for tax purposes. Applying after-tax discount rates to after-tax cash flows gives the same values in use as would be obtained by applying pre-tax discount rates to pre-tax cash flows.

The after-tax discount rates used in 2024 for impairment testing of other intangible assets were obtained by adjusting Sanofi's weighted average cost of capital to reflect specific country and business risks, giving after-tax discount rates in a range from 7.25% to 8.25%.

In most instances, there are no market data that would enable fair value less costs to sell to be determined other than by means of developing a similar estimate based on future cash flows. Consequently, recoverable amount is in substance equal to value in use. The estimates used to determine value in use are sensitive to assumptions specific to the nature of the asset and to Sanofi's activities. Apart from the discount rate, the principal assumptions used in 2024 were as follows:

- mid-term and long-term forecasts;
- perpetual growth or attrition rates, when applicable; and
- probability of success of current research and development projects.

The assumptions used in testing intangible assets for impairment are reviewed at least annually.

In 2024, 2023 and 2022, impairment testing of other intangible assets (excluding software) resulted in the recognition of net impairment losses as shown below (the table presents all net impairments of the Group including Opella, over all periods):

(€ million)	2024	2023	2022
Impairment of other intangible assets, net of reversals (excluding software)	**265**	**932**	**(454)**
Marketed products	(167)	—	(1,561)
Biopharma[(a)]	*(167)*	—	*(1,526)*
Opella	—	—	*(35)*
Research and development projects and technology platforms [(b)(c)(d)]	415	896	1,107
Others	17	36	—

(a) For 2024, this comprises a reversal of €167 million in connection with the disposal of Enjaymo.
For 2022, this amount mainly comprises a reversal of €2,154 millionof impairment losses taken against Eloctate and BIVV001 (assets belonging to the Eloctate franchise), consisting of €1,554 million for marketed products and €600 million for research and development projects respectively. In 2019, the launch of competing products for Eloctate led Sanofi to update its sales forecasts for products belonging to the franchise, as a result of which impairment losses of €2.8 billion were recognized against the assets in question. The reversal reflects the approval by the FDA on February 22, 2023 of ALTUVIIIO (the commercial name of efanesoctocog alpha, corresponding to the BIVV001 project), which was submitted in 2022.

(b) For 2024, the monitoring of impairment indicators for other intangible assets led to the recognition of net impairment losses of €415 million, comprising (i) impairment losses of €640 million against various research and development projects - including a €239 million loss resulting from the decision taken in February 2025 to discontinue a phase 3 clinical study investigating of a vaccine candidate to prevent invasive E.coli disease - and (ii) an impairment reversal of €225 million recognized in connection with the disposal of the ProXTen technology platform.

(c) For 2023, this amount mainly comprises an impairment loss of €833 million, reflecting the impact of the strategic decision to de-prioritize certain R&D programs, in particular those related to the NK Cell and ProXTen technology platforms.

(d) For 2022, this amount mainly comprises:
- *an impairment loss of €1,586 million taken against the development project for SAR444245 (non-alpha interleukin-2), recognized following revised cash flow projections reflecting unfavorable developments in the launch schedule;*
- *the €600 million reversal relating to the BIVV001 project (see above).*

As required by IFRS 5, the other intangible assets of Opella were measured in accordance with IAS 36 immediately before their reclassification as assets held for sale; this assessment did not result in any impairment of their carrying amount being recognized.

Property, plant and equipment

Impairment losses taken against property, plant and equipment are disclosed in Note D.3.

Risks and opportunities related to climate change

Sanofi has identified specific plausible scenarios to assess climate risks and opportunities liable to impact its activities in the medium and longer term.

These include:

- an Aggressive Mitigation scenario, based on global collaboration to start reducing emissions immediately to meet Paris Agreement goals (limit temperature increase to 1.5°C above pre-industrial levels), generating risks related to transitioning to a lower carbon economy and entailing extensive policy, legal, technology, and market changes to address mitigation and adaptation requirements;
- a No Climate Action scenario (leading to global warming of 4°C above pre-industrial levels by 2100), with event-driven physical risks resulting from climate change or longer term shifts in climate patterns leading to potential financial implications such as direct damage to assets and indirect impacts from supply chain disruption; changes in water availability, and in the sourcing or quality of resources; food security; and extreme temperature changes affecting premises, operations, supply chain, transport needs, and employee safety; and
- a Most Likely scenario, encompassing fragmented regional efforts to start reducing emissions but not at a sufficient level to meet Paris Agreement goals (emissions continue to increase but at a slowed rate, leading to a 2.8°C temperature increase).

The importance and likelihood of such risks have been assessed and have not led Sanofi to identify any material impact that could generate a risk of impairment of the assets of Sanofi's CGUs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

D.6. Investments accounted for using the equity method

Investments accounted for using the equity method comprise associates and joint ventures (see Note B.1.), and are set forth below.

(€ million)	% interest	2024	2023	2022
EUROAPI[(a)]	29.6	82	162	392
Infraserv GmbH & Co. Höchst KG[(b)]	31.2	102	90	97
MSP Vaccine Company[(c)]	50.0	81	96	104
Other investments	—	51	76	84
Total		**316**	**424**	**677**

(a) The investment in EUROAPI includes an impairment loss determined by reference to the quoted market price (€2.88 as of December 31, 2024, and €5.73 as of December 31, 2023).
(b) Joint venture.
(c) Joint venture. MSP Vaccine Company owns 100% of MCM Vaccine BV.

The table below shows Sanofi's overall share of (i) profit or loss and (ii) other comprehensive income from investments accounted for using the equity method, showing the split between associates and joint ventures in accordance with IFRS 12 (the amounts for each individual associate or joint venture are not material):

	2024		2023		2022	
(€ million)	Joint ventures	Associates	Joint ventures	Associates	Joint ventures	Associates
Share of profit/(loss) from investments accounted for using the equity method[(a)]	134	(74)	101	(237)	73	(18)
Share of other comprehensive income from investments accounted for using the equity method	3	(5)	(7)	7	(3)	(1)
Total	**137**	**(79)**	**94**	**(230)**	**70**	**(19)**

(a) The investment in EUROAPI includes an impairment loss determined by reference to the quoted market price (€2.88 as of December 31, 2024, and €5.73 as of December 31, 2023).

The financial statements include arm's length transactions between Sanofi and some equity-accounted investments that are classified as related parties. The principal transactions and balances with related parties are summarized below:

(€ million)	2024	2023	2022(a)
Sales[(d)]	103	157	131
Royalties and other income[(d)]	71	14	21
Accounts receivable and other receivables[(b)]	184	249	330
Other assets[(c)]	189	—	—
Purchases and other expenses (including research expenses)[(d)]	600	573	472
Accounts payable and other liabilities	160	190	258

(a) In 2022, these items include Sanofi's transactions with EUROAPI from May 10, 2022 (see Note D.1.).
(b) Includes loans to joint ventures and associates.
(c) In October 2024, Sanofi raised its investment in EUROAPI by €200 million in the form of a perpetual subordinated hybrid bond. The fair value of this investment as of December 31, 2024 is €189 million.
(d) Figures for comparative periods (2023 and 2022) have been re-presented on a consistent basis to reflect the classification of Opella as a discontinued operation.

There were no funding commitments to associates and joint ventures as of December 31, 2024, December 31, 2023 or December 31, 2022.

For off balance sheet commitments of an operational nature involving joint ventures, see Note D.21.1.

D.7. Other non-current assets

Other non-current assets comprise:

(€ million)	2024	2023	2022
Equity instruments at fair value through other comprehensive income (D.7.1.)	1,559	1,088	936
Debt instruments at fair value through other comprehensive income (D.7.2.)	357	346	329
Other financial assets at fair value through profit or loss (D.7.3.)	1,027	808	823
Pre-funded pension obligations (Note D.19.1.)	156	271	269
Long-term prepaid expenses	152	114	286
Long-term loans and advances and other non-current receivables[(a)]	502	591	452
Derivative financial instruments (Note D.20.)	—	—	—
Total	**3,753**	**3,218**	**3,095**

(a) As of December 31, 2024, this line includes:
- *Loan of €149 million to the BioAtrium joint venture which matures on December 1, 2031, of which €156 million was recognized in "Other current assets" as of December 31, 2022;*
- *a receivable under a sub-lease amounting to €116 million (€181 million before discounting), versus €132 million (or €195 million before discounting) as of December 31, 2023.*

D.7.1. Equity instruments at fair value through other comprehensive income

Quoted equity instruments

The line "Equity instruments at fair value through other comprehensive income" includes equity investments quoted in an active market with a carrying amount of €467 million as of December 31, 2024, €470 million as of December 31, 2023 and €387 million as of December 31, 2022.

The movement in quoted equity investments included in the "Equity instruments at fair value through other comprehensive income" category in the year ended December 31, 2024 was mainly due to Sanofi taking a non-controlling equity interest in Novavax in May 2024.

The main changes during previous years in quoted equity investments included in the "Equity instruments at fair value through other comprehensive income" category are described below:

- In 2023: there were no material movements in quoted equity investments during the year ended December 31, 2023.
- In 2022:
  - the sale in June 2022 of the residual equity interest in Regeneron (see Note C.1.) for $174 million, the entire loss on which was recorded within ***Other comprehensive income***, and
  - the acquisition of an equity interest in Innovent Biologics, in connection with a strategic collaboration agreement to intensify development in oncology medicines signed in August 2022, which had a fair value of €250 million as of that date and €228 million as of December 31, 2022.

A 10% decline in stock prices of the quoted equity investments included within "Equity instruments at fair value through other comprehensive income" would have had a pre-tax impact of €47 million on ***Other comprehensive income*** as of December 31, 2024.

Unquoted equity instruments

The line item "Equity instruments at fair value through other comprehensive income" also includes equity investments not quoted in an active market with a carrying amount of €1,092 million as of December 31, 2024, €618 million as of December 31, 2023 and €549 million as of December 31, 2022.

The change in unquoted equity investments included in the "Equity instruments at fair value through other comprehensive income" category during the year ended December 31, 2024 was mainly due to an investment in EUROAPI in the form of a perpetual subordinated hybrid bond of which the value at inception date was €200 million and the value as of December 31, 2024 is €189 million, and various equity stakes acquired through the Sanofi Ventures fund.

In addition, commitments relating to equity investments classified in this asset category amounted to €360 million as of December 31, 2024 (versus €65 million as of December 31, 2023). The figure as of December 31, 2024 includes €300 million relating to an equity interest of approximately 16% in Orano Med, a new entity valued at €1.9 billion focused on the discovery, design, and clinical development of next-generation radioligand therapies (RLTs) based on lead-212 (212Pb) alpha-emitting isotopes.

D.7.2. Debt instruments at fair value through other comprehensive income

The "Debt instruments at fair value through other comprehensive income" category includes quoted euro-denominated senior bonds amounting to €357 million as of December 31, 2024, including €110 million of securities obtained in exchange for financial assets held to meet obligations to employees under post-employment benefit plans.

Sanofi held €346 million of quoted senior bonds as of December 31, 2023 and €329 million as of December 31, 2022.

As regards debt instruments held to meet obligations to employees under post-employment benefit plans, an increase of 10 basis points in market interest rates as of December 31, 2024 would have had a pre-tax impact of €1 million on ***Other comprehensive income***.

As regards other quoted debt instruments, an increase of 10 basis points in market interest rates as of December 31, 2024 would have had a pre-tax impact of €1 million on ***Other comprehensive income***.

Other comprehensive income recognized in respect of "Equity instruments at fair value through other comprehensive income" and "Debt instruments at fair value through other comprehensive income" represented unrealized after-tax gains of €342 million for the year ended December 31, 2024, versus unrealized after-tax gains of €349 million for the year ended December 31, 2023 and of €256 million for the year ended December 31, 2022.

An analysis of the change in gains and losses recognized in ***Other comprehensive income***, and of items reclassified to profit or loss, is presented in Note D.15.7.

D.7.3. Other financial assets at fair value through profit or loss

The "Other financial assets at fair value through profit or loss" category mainly includes:

- a portfolio of financial investments (amounting to €688 million as of December 31, 2024) held to fund a deferred compensation plan provided to certain employees (versus €572 million as of December 31, 2023 and €512 million as of December 31, 2022);
- unquoted securities not meeting the definition of equity instruments amounting to €165 million as of December 31, 2024 (versus €132 million as of December 31, 2023 and €115 million as of December 31, 2022). In addition, commitments relating to unquoted securities classified in this asset category amount to €168 million as of December 31, 2024 (compared to €159 million as of December 31, 2023).
- contingent consideration receivable by Sanofi following the sale of Enjaymo (see note D.1) based on the probability of achieving certain levels of future sales, and discounted. If the discount rate were to increase by one percentage point, the fair value of the contingent consideration would decrease by approximately 7%. Changes in the fair value of this contingent consideration are recognized within the income statement line item ***Fair value remeasurement of contingent consideration*** (see note B.18.). As of December 31, 2024, the contingent consideration amounted to €104 million, recorded entirely as a non-current asset; and
- up to December 31, 2023, contingent consideration receivable by Sanofi following the dissolution of the Sanofi Pasteur MSD (SPMSD) joint venture, based on a percentage of MSD's future sales during the 2017-2024 period of specified products previously distributed by SPMSD (see Note D.12.).

  Changes in the fair value of this contingent consideration are recognized in the income statement within the line item ***Fair value remeasurement of contingent consideration*** (see Note B.18.). As of December 31, 2024, the contingent consideration asset amounted to €113 million (entirely recognized as a current asset), versus €214 million (non-current portion: €104 million) as of December 31, 2023 and €303 million (non current portion: €196 million) as of December 31, 2022.

D.8. Assets held for sale and liabilities related to assets held for sale

Assets held for sale, and liabilities related to assets held for sale, comprise:

(€ million)	December 31, 2024	December 31, 2023	December 31, 2022
Opella (D.36.)	13,489	—	—
Other	—	15	85
Assets held for sale	**13,489**	**15**	**85**
Opella (D.36.)	2,131	—	—
Other	—	13	10
Liabilities related to assets held for sale	**2,131**	**13**	**10**

D.9. Inventories

Inventories comprise the following:

	2024			2023			2022		
(€ million)	Gross value	Allowances	Carrying amount	Gross value	Allowances	Carrying amount	Gross value	Allowances	Carrying amount
Raw materials	1,588	(135)	1,453	1,676	(126)	1,550	1,613	(139)	1,474
Work in process	5,777	(481)	5,296	5,869	(553)	5,316	5,663	(678)	4,985
Finished goods	2,899	(217)	2,682	3,045	(245)	2,800	2,748	(247)	2,501
Total	**10,264**	**(833)**	**9,431**	**10,590**	**(924)**	**9,666**	**10,024**	**(1,064)**	**8,960**

Allowances include write-downs of products on hand pending marketing approval, except in specific circumstances where it is possible to estimate that recovery of the value of inventories as of the end of the reporting period is highly probable.

No inventories were pledged as security for liabilities as of December 31, 2024 (versus zero as of December 31, 2023 and €3 million as of December 31, 2022).

D.10. Accounts receivable

Accounts receivable break down as follows:

(€ million)	December 31, 2024	December 31, 2023	December 31, 2022
Gross value	7,777	8,528	8,537
Allowances	(100)	(95)	(113)
Carrying amount	**7,677**	**8,433**	**8,424**

The impact of allowances against accounts receivable in 2024 was a net expense of €19 million (versus a net expense of €8 million in 2023 and a net amount of less than €1 million in 2022).

The gross value of overdue receivables was €650 million as of December 31, 2024, versus €689 million as of December 31, 2023 and €452 million as of December 31, 2022.

(€ million)	Overdue accounts gross value	Overdue by <1 month	Overdue by 1 to 3 months	Overdue by 3 to 6 months	Overdue by 6 to 12 months	Overdue by >12 months
December 31, 2024	**650**	**316**	**194**	**87**	**9**	**44**
December 31, 2023	689	269	154	123	62	81
December 31, 2022	452	118	161	87	35	51

Amounts overdue by more than one month relate mainly to public-sector customers.

Some Sanofi subsidiaries have assigned receivables to factoring companies or banks without recourse. The amount of receivables derecognized was €14 million as of December 31, 2024 (€761 million as of December 31, 2023 and €131 million as of December 31, 2022). The residual guarantees relating to such transfers were immaterial as of December 31, 2024.

D.11. Other current assets

An analysis of ***Other current assets*** is set forth below:

(€ million)	2024	2023	2022
Tax receivables, other than corporate income taxes	782	768	660
Prepaid expenses	895	768	714
Other receivables[(a)]	1,446	1,448	1,289
Currency derivatives measured at fair value (see Note D.20.)	217	201	206
Other financial assets at fair value through profit or loss	115	112	146
Other current financial assets[(b)]	371	158	517
Total	**3,826**	**3,455**	**3,532**

(a) This line mainly comprises advance payments to suppliers, and receivables relating to Sanofi's activities as agent under a transitional services agreement.
(b) This item mainly comprises bank loans and receivables maturing in less than one year with high-grade counterparties.

D.12. Financial assets and liabilities measured at fair value

Under IFRS 7 (Financial Instruments: Disclosures), fair value measurements must be classified using a fair value hierarchy with the following levels:

- level 1: quoted prices in active markets for identical assets or liabilities (without modification or repackaging);
- level 2: quoted prices in active markets for similar assets and liabilities, or valuation techniques in which all important inputs are derived from observable market data; and
- level 3: valuation techniques in which not all important inputs are derived from observable market data.

The valuation techniques used are described in Note B.8.5.

The table below shows the balance sheet amounts of assets and liabilities measured at fair value.

		2024			2023			2022		
		Level in the fair value hierarchy			Level in the fair value hierarchy			Level in the fair value hierarchy		
(€ million)	Note	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets measured at fair value										
Quoted equity investments	D.7.1.	467	—	—	470	—	—	387	—	—
Unquoted equity investments	D.7.1.	—	—	1,092	—	—	618	—	—	549
Quoted debt securities	D.7.2.	357	—	—	346	—	—	329	—	—
Unquoted debt securities not meeting the definition of equity instruments	D.7.3.	—	—	339	—	—	132	—	—	115
Contingent consideration relating to divestments	D.7.3. & D.11.	—	—	286	—	—	214	—	—	303
Financial assets held to meet obligations under deferred compensation plans	D.7.3. & D.11.	688	—	—	572	—	—	512	—	—
Non-current derivatives	D.7.	—	—	—	—	—	—	—	—	—
Current derivatives	D.11.	—	217	—	—	201	—	—	206	—
Mutual fund investments	D.13.	4,161	—	—	5,349	—	—	9,537	—	—
Total financial assets measured at fair value		**5,673**	**217**	**1,717**	**6,737**	**201**	**964**	**10,765**	**206**	**967**
Financial liabilities measured at fair value										
Bayer contingent purchase consideration arising from the acquisition of Genzyme	D.18.	—	—	—	—	—	—	—	—	26
MSD contingent consideration (European vaccines business)	D.18.	—	—	72	—	—	127	—	—	204
Shire contingent consideration arising from the acquisition of Translate Bio	D.18.	—	—	568	—	—	441	—	—	380
Contingent consideration arising from acquisition of Amunix	D.18.	—	—	—	—	—	137	—	—	165
Other contingent consideration arising from business combinations and acquisitions	D.18.	—	—	1	—	—	4	—	—	4
Non-current derivatives	D.20.	—	121	—	—	164	—	—	232	—
Current derivatives	D.19.5	—	337	—	—	127	—	—	94	—
Total financial liabilities measured at fair value		**—**	**458**	**641**	**—**	**291**	**709**	**—**	**326**	**779**

No transfers between the different levels of the fair value hierarchy occurred during 2024.

D.13. Cash and cash equivalents

(€ million)	2024	2023	2022
Cash	1,270	1,461	1,385
Cash equivalents[(a)]	6,171	7,249	11,351
Cash and cash equivalents	**7,441**	**8,710**	**12,736**

(a) As of December 31, 2024, cash equivalents mainly comprised the following: (i) €4,161 million invested in euro and US dollar denominated money-market mutual funds (December 31, 2023: €5,349 million; December 31, 2022: €9,537 million); (ii) €1,293 million of term deposits (December 31, 2023: €1,191 million; December 31, 2022: €1,167 million) and (iii) zero commercial paper (December 31, 2023: zero; December 31, 2022: zero). Cash equivalents also include €446 million held by captive insurance and reinsurance companies in accordance with insurance regulations (December 31, 2023: €476 million; December 31, 2022: €439 million).

D.14. Net deferred tax position

An analysis of the net deferred tax position is set forth below:

(€ million)	2024	2023	2022
Deferred taxes on:			
Consolidation adjustments (intragroup margin in inventory)	1,927	1,525	1,388
Provision for pensions and other employee benefits	787	853	850
Remeasurement of other acquired intangible assets	(2,079) [a]	(2,795)	(3,269)
Recognition of acquired property, plant and equipment at fair value	(10)	(21)	(24)
Equity interests in subsidiaries and investments in other entities[b]	(1,044)	(1,023)	(617)
Tax losses available for carry-forward	971	1,526	1,506
Stock options and other share-based payments	103	84	92
Accrued expenses and provisions deductible at the time of payment[c]	2,277	1,994	1,859
Other[d]	2,869	2,427	1,755
Net deferred tax asset/(liability)	**5,801**	**4,570**	**3,540**

(a) As of December 31, 2024, includes remeasurements of the acquired intangible assets of Bioverativ (€987 million), Principia (€648 million), Ablynx (€178 million) and Genzyme (€15 million).

(b) In some countries, Sanofi is liable for withholding taxes and other tax charges when dividends are distributed. Consequently, Sanofi recognizes a deferred tax liability on the reserves of French and foreign subsidiaries (approximately €64.9 billion) which it regards as likely to be distributed in the foreseeable future. In determining the amount of the deferred tax liability as of December 31, 2024, Sanofi took into account changes in the ownership structure of certain subsidiaries, and the effects of changes in the taxation of dividends in France, following the ruling of the Court of Justice of the European Union in the Steria case and the resulting amendments to the 2015 Finance Act. As of December 31, 2023, this line includes a deferred tax liability arising from temporary differences on investments in subsidiaries which Sanofi expects will reverse in connection with the proposed separation of the Opella business, as announced in October 2023 (see Note D.30.).

(c) Includes deferred tax assets related to restructuring provisions, amounting to €319 million as of December 31, 2024, €286 million as of December 31, 2023, and €256 million as of December 31, 2022.

(d) Includes deferred taxes arising on the spread tax deduction of R&D expenses, amounting to €2,053 million as of December 31, 2024, €1,331 million as of December 31, 2023, and €742 million as of December 31, 2022.

The reserves of Sanofi subsidiaries that would be taxable if distributed but for which no distribution is planned, and for which no deferred tax liability has therefore been recognized, totaled €10.5 billion as of December 31, 2024, compared with €10.0 billion as of December 31, 2023 and €10.6 billion as of December 31, 2022.

Most of Sanofi's tax loss carry-forwards are available indefinitely. For a description of policies on the recognition of deferred tax assets, refer to Note B.22. For each tax consolidation, the recognition of deferred tax assets is determined on the basis of profit forecasts that are consistent with Sanofi's medium-term strategic plan, and taking into consideration the tax consequences of the strategic opportunities available to Sanofi within the period of availability of tax loss carry-forwards and the specific circumstances of each tax consolidation. Deferred tax assets relating to tax loss carry-forwards as of December 31, 2024 amounted to €3,010 million, of which €2,039 million were not recognized (primarily composed of prior period tax liabilities following progress of reviews with tax authorities and capital losses). This compares with €2,729 million as of December 31, 2023 (of which €1,203 million were not recognized) and €2,650 million as of December 31, 2022 (of which €1,144 million were not recognized).

The table below shows when tax losses available for carry-forward are due to expire:

(€ million)	Tax losses available for carry-forward[a]
2025	1
2026	17
2027	12
2028	30
2029	187
2030 and later	9,565
Total as of December 31, 2024	**9,812**
Total as of December 31, 2023	**8,933**
Total as of December 31, 2022	**8,503**

(a) Excluding tax loss carry-forwards on asset disposals. Such carry-forwards amounted to €40 million as of December 31, 2024, €5 million as of December 31, 2023 and €5 million as of December 31, 2022.

Use of tax loss carry-forwards is limited to the entity in which they arose. In jurisdictions where tax consolidations are in place, tax losses can be netted against taxable income generated by entities in the same tax consolidation.

Deferred tax assets not recognized because their future recovery was not regarded as probable given the expected results of the entities in question and unagreed tax positions amounted to €2,117 million in 2024, €1,261 million in 2023 and €1,197 million in 2022.

D.15. Consolidated shareholders' equity

D.15.1. Share capital

As of December 31, 2024, the share capital was €2,526,245,442, consisting of 1,263,122,721 shares with a par value of €2. Treasury shares held by Sanofi are as follows:

	Number of shares *(million)*	% of share capital for the period
December 31, 2024	**9.53**	**0.755%**
December 31, 2023	13.45	1.063%
December 31, 2022	8.20	0.650%
January 1, 2022	11.02	0.872%

Treasury shares are deducted from shareholders' equity. Gains and losses on disposals of treasury shares are recorded directly in equity and are not recognized in net income for the period.

Movements in the share capital of the Sanofi parent company over the last three years are set forth below:

Date	Transaction	Number of shares
December 31, 2021		**1,263,560,695**
During 2022	Capital increase by exercise of stock subscription options[a]	490,373
During 2022	Capital increase by issuance of restricted shares[b]	1,499,987
Board meeting of July 27, 2022	Capital increase reserved for employees	2,027,057
Board meeting of December 14, 2022	Reduction in share capital by cancellation of treasury shares	(6,742,380)
December 31, 2022		**1,260,835,732**
During 2023	Capital increase by exercise of stock subscription options[a]	504,956
During 2023	Capital increase by issuance of restricted shares[b]	1,330,558
Board meeting of July 27, 2023	Capital increase reserved for employees	2,128,723
December 31, 2023		**1,264,799,969**
During 2024	Capital increase by exercise of stock subscription options[a]	398,569
During 2024	Capital increase by issuance of restricted shares[b]	1,479,787
Board meeting of July 24, 2024	Capital increase reserved for employees	2,244,396
Board meeting of December 4, 2024	Reduction in share capital by cancellation of treasury shares	(5,800,000)
December 31, 2024		**1,263,122,721**

(a) Shares issued on exercise of Sanofi stock subscription options.

(b) Shares vesting under restricted share plans and issued in the period.

For the disclosures about the management of capital required under IFRS 7, refer to Note D.2.

D.15.2. Restricted share plans

Restricted share plans are accounted for in accordance with the policies described in Note B.24.3. The principal characteristics of those plans are as follows:

	2024		2023		2022	
Type of plan	**Performance share plans**	**Performance share plans**	**Performance share plans**	**Performance share plans**	**Performance share plans**	**Performance share plans**
Date of Board meeting approving the plan	April 30, 2024	December 4, 2024	May 25, 2023	December 13, 2023	May 3, 2022	December 14, 2022
Service period	3 years	3 years	3 years	3 years	3 years	3 years
Total number of shares awarded [(a)]	4,505,145	97,100	3,838,434	65,129	3,344,432	109,981
Of which with no market condition	2,888,502	6,649	2,425,047	944	2,000,627	10,335
Fair value per share awarded[(b)]	€81.84	€79.51	€87.69	€77.42	€91.19	€79.17
Of which with market condition	1,616,643	90,451	1,413,387	64,185	1,343,805	99,646
Fair value per share awarded other than to the Chief Executive Officer[(c)]	€72.79	€75.11	€83.74	€74.50	€86.65	€69.60
Fair value per share awarded other than to the Chief Executive Officer - additional shares[(d)]	€13.50	€32.09	€43.60	€34.90	€49.00	€54.70
Fair value per share awarded to the Chief Executive Officer[(c)]	€72.38	—	€82.17	—	€84.46	—
Fair value of plan at the date of grant (€ million)	**346**	**7**	**326**	**5**	**294**	**8**

(a) Includes shares awarded in an additional tranche subject to a higher level of market conditions: 139,665 additional shares awarded in April 2024 and 8,229 awarded in December 2024 (versus 121,097 awarded in May 2023 and 5,838 awarded in December 2023).

(b) Market price of Sanofi shares at the date of grant, adjusted for dividends expected during the vesting period.

(c) Weighting between (i) fair value determined using the Monte Carlo model and (ii) market price of Sanofi shares at the date of grant, adjusted for dividends expected during the vesting period.

(d) Additional tranche subject to a higher level of market conditions: 139,665 additional shares awarded in April 2024 and 8,229 awarded in December 2024 (versus 121,097 awarded in May 2023, 5,838 awarded in December 2023, 114,874 awarded in May 2022 and 9,066 awarded in December 2022).

The total expense recognized for all restricted share plans, and the number of restricted shares not yet fully vested, are shown in the table below:

	2024(a)	2023(a)	2022(a)
Total expense for restricted share plans (€ million)	260	231	206
Number of shares not yet fully vested as of December 31	10,914,134	9,773,084	9,245,513
Under 2024 plans	*4,454,299*	—	—
Under 2023 plans	*3,501,088*	*3,780,513*	—
Under 2022 plans	*2,958,747*	*3,099,158*	*3,330,801*
Under 2021 plans	—	*2,893,413*	*3,097,531*
Under 2020 plans	—	—	*2,817,181*

(a) Includes shares awarded in an additional tranche subject to a higher level of market conditions: 147,894 additional shares awarded in 2024, versus 126,935 awarded in 2023 and 123,940 awarded in 2022.

D.15.3. Capital increases

The characteristics of the employee share ownership plans awarded in the form of a capital increase reserved for employees in 2024, 2023 and 2022 are summarized in the table below:

	2024	2023	2022
Date of Board meeting approving the plan	January 31, 2024	February 2, 2023	February 3, 2022
Subscription price (€)[(a)]	72.87	79.58	80.21
Subscription period	June 4-24, 2024	June 5-23, 2023	June 9-29, 2022
Number of shares subscribed	2,124,445	2,009,306	1,909,008
Number of shares issued immediately as employer's contribution	119,951	119,417	118,049

(a) Subscription price representing 80% of the average of the opening quoted market prices of Sanofi shares during the 20 trading days preceding May 30, 2024, May 31, 2023 and June 6, 2022, respectively.

The table below sets forth the expense recognized for each plan:

(€ million)	2024	2023	2022
Expense recognized	45	52	39
of which employer's contribution	*11*	*12*	*11*

D.15.4. Repurchase of Sanofi shares

The Annual General Meetings of Sanofi shareholders held on April 30, 2024, May 25, 2023 and May 3, 2022 each authorized a share repurchase program for a period of 18 months. The following repurchases have been made under those programs:

(in number of shares and € million)	2024		2023		2022	
Year of authorization	**Number of shares**	**Value**	**Number of shares**	**Value**	**Number of shares**	**Value**
2024 program	—	—	—	—	—	—
2023 program	3,215,460	302	2,584,540	230	—	—
2022 program	—	—	4,000,204	363	1,510,000	137
2021 program	—	—	—	—	3,976,992	360

D.15.5. Reductions in share capital

Reductions in share capital for the accounting periods presented are described in the table included at Note D.15.1. above.

Those reductions have no impact on shareholders' equity.

D.15.6. Currency translation differences

Currency translation differences comprise the following:

(€ million)	2024	2023	2022
Attributable to equity holders of Sanofi	2,408	(31)	1,499
Attributable to non-controlling interests	(17)	(37)	(37)
Total	**2,391**	**(68)**	**1,462**

The balance as of December 31, 2024 includes an after-tax amount of €(679) million relating to hedges of net investments in foreign operations (refer to Note B.8.3. for a description of the relevant accounting policy), compared with €(574) million as of December 31, 2023 and €(580) million as of December 31, 2022.

This balance also includes an amount of €(300) million relating to translation differences of Opella, the assets and liabilities of which are presented in ***Assets held for sale*** and ***Liabilities related to assets held for sale*** as of December 31, 2024.

The movement in ***Currency translation differences*** is mainly attributable to the US dollar.

D.15.7. Other comprehensive income

Movements within other comprehensive income are shown below:

(€ million)	2024	2023	2022
Actuarial gains/(losses):			
• Actuarial gains/(losses) excluding investments accounted for using the equity method (see Note D.19.1.)	13	(171)	650
• Actuarial gains/(losses) of investments accounted for using the equity method, net of taxes	(2)	—	4
• Tax effects	(27)	18	(212)
Equity instruments included in financial assets and financial liabilities:			
• Change in fair value (excluding investments accounted for using the equity method)	(21)	97	(4)
• Change in fair value (investments accounted for using the equity method, net of taxes)	—	—	—
• Equity risk hedging instruments designated as fair value hedges	—	—	17
• Tax effects	9	(21)	(4)
Items not subsequently reclassifiable to profit or loss [a]	**(28)**	**(77)**	**451**
Debt instruments included in financial assets:			
• Change in fair value (excluding investments accounted for using the equity method)[(b)]	5	21	(77)
• Tax effects	—	(4)	15
Cash flow and fair value hedges:			
• Change in fair value (excluding investments accounted for using the equity method)[(c)]	(3)	1	5
• Change in fair value (investments accounted for using the equity method, net of taxes)	(3)	(2)	2
• Tax effects	2	—	(1)
Change in currency translation differences:			
• Currency translation differences on foreign subsidiaries (excluding investments accounted for using the equity method)[(d)]	2,560	(1,551)	2,643
• Currency translation differences (investments accounted for using the equity method)[(d)]	3	3	(11)
• Hedges of net investments in foreign operations[(d)]	(121)	8	(354)
• Tax effects	17	(2)	91
Items subsequently reclassifiable to profit or loss[(e)]	**2,460**	**(1,526)**	**2,313**

(a) Items not subsequently reclassifiable to profit or loss and attributable to Opella: €(1) million in 2024, immaterial amount in 2023 and €20 million in 2022.
(b) Amounts reclassified to profit or loss were immaterial in 2024, 2023 and 2022.
(c) Amounts reclassified to profit or loss: €1 million in 2024, €1 million in 2023 and €2 million in 2022.
(d) Amounts reclassified to profit or loss: €5 million in 2024, €(56) million in 2023 and €(40) million in 2022 (including €(35) million relating to the deconsolidation of EUROAPI). Currency translation differences arise from the translation into euros of the financial statements of foreign subsidiaries, and are mainly due to the appreciation of the dollar against the euro.
(e) Items subsequently reclassifiable to profit or loss and attributable to Opella (currency translation differences): €(28) million in 2024, €(78) million in 2023, €(54) million in 2022.

D.15.8. Stock options

Stock option plans awarded and measurement of stock option plans

No stock options were awarded during 2024, 2023 or 2022.

Stock subscription option plans

Details of the terms of exercise of stock subscription options granted under the various plans are presented below in Sanofi share equivalents. These plans were awarded to certain corporate officers and employees of Sanofi companies.

The table shows all Sanofi stock subscription option plans still outstanding or under which options were exercised in the year ended December 31, 2024:

Source	Date of grant	Number of options granted	Start date of exercise period	Expiry date	Exercise price *(€)*	Number of options outstanding as of 12/31/2024
Sanofi	03/05/2014	1,009,250	03/06/2018	03/05/2024	73.48	—
Sanofi	06/24/2015	435,000	06/25/2019	06/24/2025	89.38	159,250
Sanofi	05/04/2016	402,750	05/05/2020	05/04/2026	75.90	136,000
Sanofi	05/10/2017	378,040	05/11/2021	05/10/2027	88.97	257,010
Sanofi	05/02/2018	220,000	05/03/2022	05/02/2028	65.84	168,784
Sanofi	04/30/2019	220,000	05/01/2023	04/30/2029	76.71	213,400
Total						**934,444**

The exercise of all outstanding stock subscription options would increase shareholders' equity by approximately €75 million. The exercise of each option results in the issuance of one share.

Summary of stock option plans

A summary of stock options outstanding at each balance sheet date, and of movements during the relevant periods, is presented below:

	Number of options	Weighted average exercise price per share *(€)*	Total *(€ million)*
Options outstanding at January 1, 2022	**2,337,968**	**77.13**	**180**
Options exercisable	*1,949,184*	*78.15*	*152*
Options exercised	(490,373)	71.39	(35)
Options cancelled[(a)]	(9,626)	80.56	(1)
Options outstanding at December 31, 2022	**1,837,969**	**78.64**	**144**
Options exercisable	*1,624,569*	*78.89*	*128*
Options exercised	(504,956)	73.65	(37)
Options outstanding at December 31, 2023	**1,333,013**	**80.53**	**107**
Options exercisable	*1,333,013*	*80.53*	*107*
Options exercised	(398,569)	81.38	(32)
Options outstanding at December 31, 2024	**934,444**	**80.16**	**75**
Options exercisable	*934,444*	*80.16*	*75*

(a) Mainly due to the grantees leaving Sanofi.

The table below provides summary information about options outstanding and exercisable as of December 31, 2024:

	Outstanding			Exercisable	
Range of exercise prices per share	Number of options	Weighted average residual life *(years)*	Weighted average exercise price per share *(€)*	Number of options	Weighted average exercise price per share *(€)*
From €60.00 to €70.00 per share	168,784	3.34	65.84	168,784	65.84
From €70.00 to €80.00 per share	349,400	3.17	76.39	349,400	76.39
From €80.00 to €90.00 per share	416,260	1.64	89.13	416,260	89.13
Total	**934,444**			**934,444**	

D.15.9. Number of shares used to compute diluted earnings per share

Diluted earnings per share is computed using the number of shares outstanding plus stock options with dilutive effect and restricted shares.

(million)	2024	2023	2022
Average number of shares outstanding	1,251.4	1,251.7	1,251.9
Adjustment for stock options with dilutive effect	0.1	0.2	0.3
Adjustment for restricted shares	4.6	4.5	4.7
Average number of shares used to compute diluted earnings per share	**1,256.1**	**1,256.4**	**1,256.9**

In 2024, 2023 and 2022, all stock options were taken into account in computing diluted earnings per share because they all had a dilutive effect.

D.16. Non-controlling interests

Non-controlling interests did not represent a material component of Sanofi's consolidated financial statements in the years ended December 31, 2024, 2023 and 2022.

D.17. Debt, cash and cash equivalents and lease liabilities

D.17.1. Debt, cash and cash equivalents

Changes in Sanofi's financial position during the period were as follows:

(€ million)	2024	2023	2022
Long-term debt	11,791	14,347	14,857
Short-term debt and current portion of long-term debt	4,209	2,045	4,174
Interest rate and currency derivatives used to manage debt	137	139	187
Total debt	**16,137**	**16,531**	**19,218**
Cash and cash equivalents	(7,441)	(8,710)	(12,736)
Interest rate and currency derivatives used to manage cash and cash equivalents	76	(28)	(45)
Net debt[a]	**8,772**	**7,793**	**6,437**

(a) Net debt does not include lease liabilities, which amounted to €1,906 million as of December 31, 2024, €2,030 million as of December 31, 2023, and €2,181 million as of December 31, 2022 (see the maturity analysis at Note D.17.2.).

"Net debt" is a non-IFRS financial measure used by management and investors to measure Sanofi's overall net indebtedness.

Reconciliation of carrying amount to value on redemption

				Value on redemption		
(€ million)	Carrying amount at December 31, 2024	Amortized cost	Adjustment to debt measured at fair value	December 31, 2024	December 31, 2023	December 31, 2022
Long-term debt	11,791	30	119	11,940	14,546	15,143
Short-term debt and current portion of long-term debt	4,209	4	5	4,218	2,045	4,178
Interest rate and currency derivatives used to manage debt	137		(124)	13	(18)	(48)
Total debt	**16,137**	**34**	**—**	**16,171**	**16,573**	**19,273**
Cash and cash equivalents	(7,441)			(7,441)	(8,710)	(12,736)
Interest rate and currency derivatives used to manage cash and cash equivalents	76			76	(28)	(45)
Net debt	**8,772**	**34**	**—**	**8,806**	**7,835**	**6,492**

a) Principal financing transactions during the year

The table below shows the movement in total debt during the period:

		Cash flows from financing activities			Non-cash items			
(€ million)	December 31, 2023	Repayments	New borrowings	Other cash flows[a]	Currency translation differences[b]	Reclassification from non-current to current	Other items[c]	December 31, 2024
Long-term debt	14,347	(67)	—	—	63	(2,599)	47	11,791
Short-term debt and current portion of long-term debt	2,045	(605)	—	242	9	2,599	(81)	4,209
Interest rate and currency derivatives used to manage debt	139	—	—	(132)	146	—	(16)	137
Total debt	**16,531**	**(672)**	**—**	**110**	**218**	**—**	**(50)**	**16,137**

(a) These amounts mainly comprise €262 million related to the US commercial paper program.
(b) These amounts include gains and losses, and the impact of foreign currency translation of the financial statements of subsidiaries outside the Euro zone.
(c) These amounts mainly comprise changes in accrued interest balances, and fair value adjustments.

Sanofi did not carry out any bond issues in 2024.

One bond issue was redeemed in 2024: the €600 million issue from April 2016, which was redeemed at maturity on April 5, 2024.

Sanofi exercised an extension option on one of its two syndicated credit facilities linked to social and environmental indicators, thereby extending the maturity of that €4 billion facility (put in place in March 2023) to March 6, 2030.

Consequently, as of December 31, 2024, Sanofi had two syndicated credit facilities to provide liquidity for the purposes of current operations, each of them linked to environmental and social indicators:

- a €4 billion facility maturing December 6, 2027, with no further extension option available; and
- a €4 billion facility maturing March 6, 2030, with no further extension option available.

In line with Sanofi's commitment to embed sustainable development in the "Play to Win" strategy, those two revolving credit facilities build in an adjustment mechanism that links the credit spread to the attainment of two sustainable development performance indicators:

- for the facility maturing in December 2027: (i) Sanofi's contribution to polio eradication, and (ii) the reduction in Sanofi's carbon footprint; and
- for the facility maturing in March 2030: (i) Sanofi's contribution to improving access to essential medicines in low-income and intermediate-income countries via its Sanofi Global Health non-profit unit, and (ii) the reduction in Sanofi's carbon footprint.

The table below shows the movement in total debt during prior periods:

		Cash flows from financing activities			Non-cash items			
(€ million)	December 31, 2022	Repayments	New borrowings	Other cash flows[a]	Currency translation differences[b]	Reclassification from non-current to current	Other items[c]	December 31, 2023
Long-term debt	14,857	(12)	48	—	(30)	(604)	88	14,347
Short-term debt and current portion of long-term debt	4,174	(3,672)	—	903	(21)	604	57	2,045
Interest rate and currency derivatives used to manage debt	187	—	—	(8)	29	—	(69)	139
Total debt	**19,218**	**(3,684)**	**48**	**895**	**(22)**	**—**	**76**	**16,531**

(a) These amounts mainly comprise €946 million related to the US commercial paper program.
(b) These amounts include gains and losses, and the impact of foreign currency translation of the financial statements of subsidiaries outside the Euro zone.
(c) These amounts mainly comprise changes in accrued interest balances, and fair value adjustments.

(€ million)	December 31, 2021	Cash flows from financing activities: Repayments	Cash flows from financing activities: New borrowings	Cash flows from financing activities: Other cash flows	Non-cash items: Currency translation differences [a]	Non-cash items: Reclassification from non-current to current	Non-cash items: Other items [b]	December 31, 2022
Long-term debt	17,123	(11)	1,549	—	56	(3,632)	(228)	14,857
Short-term debt and current portion of long-term debt	3,183	(2,707)	—	43	20	3,632	3	4,174
Interest rate and currency derivatives used to manage debt	(56)	—	—	(373)	366	7	243	187
Total debt	**20,250**	**(2,718)**	**1,549**	**(330)**	**442**	**7**	**18**	**19,218**

(a) These amounts include gains and losses, and the impact of foreign currency translation of the financial statements of subsidiaries outside the Euro zone.
(b) These amounts include changes in accrued interest balances and fair value adjustments.

b) Net debt by type, at value on redemption

(€ million)	2024 Non-current	2024 Current	2024 Total	2023 Non-current	2023 Current	2023 Total	2022 Non-current	2022 Current	2022 Total
Bond issues	11,876	2,716	14,592	14,416	718	15,134	15,044	3,817	18,861
Other bank borrowings	64	1,290	1,354	130	1,118	1,248	99	187	286
Other borrowings	—	3	3	—	6	6	—	6	6
Bank credit balances	—	209	209	—	203	203	—	168	168
Interest rate and currency derivatives used to manage debt	—	13	13	—	(18)	(18)	—	(48)	(48)
Total debt	**11,940**	**4,231**	**16,171**	**14,546**	**2,027**	**16,573**	**15,143**	**4,130**	**19,273**
Cash and cash equivalents	—	(7,441)	(7,441)	—	(8,710)	(8,710)	—	(12,736)	(12,736)
Interest rate and currency derivatives used to manage cash and cash equivalents	—	76	76	—	(28)	(28)	—	(45)	(45)
Net debt[a]	**11,940**	**(3,134)**	**8,806**	**14,546**	**(6,711)**	**7,835**	**15,143**	**(8,651)**	**6,492**

(a) Net debt does not include lease liabilities (see the maturity schedule in Note D.17.2.)

Bond issues denominated in euros carried out by Sanofi are as follows:

Issuer	ISIN code	Issue date	Maturity	Annual interest rate	Amount (€ million)	Type
Sanofi	FR0013505104	March 2020	April 2025	1.000%	1,000	EMTN program
Sanofi	FR0014009KS6	April 2022	April 2025	0.875%	850	Standalone Prospectus
Sanofi	FR0012969038	September 2015	September 2025	1.500%	750	EMTN program
Sanofi	FR0013324340	March 2018	March 2026	1.000%	1,500	EMTN program
Sanofi	FR0012146801	September 2014	September 2026	1.750%	1,510	EMTN program
Sanofi	FR0013201639	September 2016	January 2027	0.500%	1,150	EMTN program
Sanofi	FR0013144003	April 2016	April 2028	1.125%	700	EMTN program
Sanofi	FR0013409844	March 2019	March 2029	0.875%	650	EMTN program
Sanofi	FR0014009KQ0	April 2022	April 2029	1.250%	650	Standalone Prospectus
Sanofi	FR0013324357	March 2018	March 2030	1.375%	2,000	EMTN program
Sanofi	FR0013505112	March 2020	April 2030	1.500%	1,000	EMTN program
Sanofi	FR0013409851	March 2019	March 2034	1.250%	500	EMTN program
Sanofi	FR0013324373	March 2018	March 2038	1.875%	1,250	EMTN program

Bond issues denominated in US dollars carried out by Sanofi under the public bond issue program (shelf registration statement) registered with the US Securities and Exchange Commission (SEC) comprise:

Issuer	ISIN code	Issue date	Maturity	Annual interest rate	Amount ($ million)	Type
Sanofi	US801060AD60	June 2018	June 2028	3.625%	1,000	SEC registered

The "Other borrowings" line mainly comprises participating shares issued between 1983 and 1987, of which 57,844 remain outstanding, with a nominal amount of €9 million.

In order to manage its liquidity needs for current operations, as of December 31, 2024 Sanofi had:

- a syndicated credit facility of €4 billion, drawable in euros and in US dollars, maturing December 6, 2027; and
- a syndicated credit facility of €4 billion, drawable in euros and in US dollars, maturing March 6, 2030.

Sanofi also has two commercial paper programs:

- a €6 billion Negotiable European Commercial Paper program in France, with an average drawdown of €0.1 billion and a maximum drawdown of €0.4 billion during 2024. As of December 31, 2024, this program was not being utilized; and
- a $10 billion Commercial Paper program in the United States, with an average drawdown of $5.8 billion and a maximum drawdown of $8.9 billion during 2024, and an amount of $1.3 billion drawn down as of December 31, 2024.

The financing in place as of December 31, 2024 at the level of the holding company (which manages most of Sanofi's financing needs centrally) is not subject to any financial covenants, and contains no clauses linking spreads or fees to the credit rating.

c) Debt by maturity, at value on redemption

December 31, 2024 (€ million)	Total	Current 2025	Non-current 2026	2027	2028	2029	2030 and later
Bond issues	14,592	2,716	3,010	1,150	1,666	1,300	4,750
Other bank borrowings	1,354	1,290	32	1	1	1	29
Other borrowings	3	3	—	—	—	—	—
Bank credit balances	209	209	—	—	—	—	—
Interest rate and currency derivatives used to manage debt	13	13	—	—	—	—	—
Total debt	**16,171**	**4,231**	**3,042**	**1,151**	**1,667**	**1,301**	**4,779**
Cash and cash equivalents	(7,441)	(7,441)	—	—	—	—	—
Interest rate and currency derivatives used to manage cash and cash equivalents	76	76	—	—	—	—	—
Net debt[a]	**8,806**	**(3,134)**	**3,042**	**1,151**	**1,667**	**1,301**	**4,779**

(a) Net debt does not include lease liabilities, which amounted to €1,906 million as of December 31, 2024; €2,030 million as of December 31, 2023; and €2,181 million as of December 31, 2022 (see the maturity analysis at Note D.17.2.).

As of December 31, 2024, the main undrawn confirmed general-purpose credit facilities at holding company level amounted to €8 billion, half of which expired in 2027 and the other half of which expires in 2030.

As of December 31, 2024, no single counterparty represented more than 6% of Sanofi's undrawn confirmed credit facilities.

December 31, 2023 (€ million)	Total	Current 2024	Non-current 2025	2026	2027	2028	2029 and later
Bond issues	15,134	718	2,600	3,010	1,150	1,606	6,050
Other bank borrowings	1,248	1,118	98	1	1	1	29
Other borrowings	6	6	—	—	—	—	—
Bank credit balances	203	203	—	—	—	—	—
Interest rate and currency derivatives used to manage debt	(18)	(18)	—	—	—	—	—
Total debt	**16,573**	**2,027**	**2,698**	**3,011**	**1,151**	**1,607**	**6,079**
Cash and cash equivalents	(8,710)	(8,710)	—	—	—	—	—
Interest rate and currency derivatives used to manage cash and cash equivalents	(28)	(28)	—	—	—	—	—
Net debt	**7,835**	**(6,711)**	**2,698**	**3,011**	**1,151**	**1,607**	**6,079**

December 31, 2022		Current	Non-current				
(€ million)	**Total**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028 and later**
Bond issues	18,861	3,817	600	2,600	4,160	—	7,684
Other bank borrowings	286	187	61	—	—	—	38
Other borrowings	6	6	—	—	—	—	—
Bank credit balances	168	168	—	—	—	—	—
Interest rate and currency derivatives used to manage debt	(48)	(48)	—	—	—	—	—
Total debt	**19,273**	**4,130**	**661**	**2,600**	**4,160**	**—**	**7,722**
Cash and cash equivalents	(12,736)	(12,736)	—	—	—	—	—
Interest rate and currency derivatives used to manage cash and cash equivalents	(45)	(45)	—	—	—	—	—
Net debt	**6,492**	**(8,651)**	**661**	**2,600**	**4,160**	**—**	**7,722**

d) Debt by interest rate, at value on redemption

The table below splits net debt between fixed and floating rate, and by maturity, as of December 31, 2024. The figures shown are values on redemption, before the effects of derivative instruments:

(€ million)	**Total**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030 and later**
Fixed-rate debt	14,592	2,716	3,010	1,150	1,666	1,300	4,750
of which euro	*13,626*						
of which US dollar	*966*						
% fixed-rate	**90%**						
Floating-rate debt	1,566	1,502	32	1	1	1	29
of which euro	—						
of which US dollar	*1,221*						
% floating-rate	**10%**						
Debt	**16,158**	**4,218**	**3,042**	**1,151**	**1,667**	**1,301**	**4,779**
Cash and cash equivalents	(7,441)	(7,441)	—	—	—	—	—
of which euro	*(2,945)*						
of which US dollar	*(4,204)*						
% floating-rate	**100%**						
Net debt	**8,717**	**(3,223)**	**3,042**	**1,151**	**1,667**	**1,301**	**4,779**

Sanofi issues debt in two currencies, the euro and the US dollar, and also invests its cash and cash equivalents in those currencies. Sanofi also operates cash pooling arrangements to manage the surplus cash and short-term liquidity needs of foreign subsidiaries located outside the euro zone.

To optimize the cost of debt or reduce the volatility of debt and manage its exposure to financial foreign exchange risk, Sanofi uses derivative instruments (interest rate swaps, currency swaps, foreign exchange swaps and forward contracts) that alter the fixed/floating rate split and the currency split of its net debt:

(€ million)	**Total**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030 and later**
Fixed-rate debt	11,098	(778)	3,010	1,150	1,666	1,300	4,750
of which euro	*11,098*						
of which US dollar	—						
% fixed-rate	**69%**						
Floating-rate debt	5,074	5,010	32	1	1	1	29
of which euro	*174*						
of which US dollar	*3,507*						
% floating-rate	**31%**						
Debt	**16,171**	**4,231**	**3,042**	**1,151**	**1,667**	**1,301**	**4,779**
Cash and cash equivalents	(7,365)	(7,365)	—	—	—	—	—
of which euro	*(3,987)*						
of which US dollar	*(1,005)*						
of which Singapore dollar	*(822)*						
% floating-rate	**100%**						
Net debt	**8,806**	**(3,134)**	**3,042**	**1,151**	**1,667**	**1,301**	**4,779**

The table below shows the fixed/floating rate split of net debt at value on redemption after taking account of derivative instruments as of December 31, 2023 and December 31, 2022:

(€ million)	**2023**	**%**	**2022**	**%**
Fixed-rate debt	11,382	69%	16,386	85%
Floating-rate debt	5,191	31%	2,886	15%
Debt	**16,573**	**100%**	**19,273**	**100%**
Cash and cash equivalents	(8,738)		(12,781)	
Net debt	**7,835**		**6,492**	

The weighted average interest rate on debt as of December 31, 2024 was 1.7% before derivative instruments and 2.1% after derivative instruments. Cash and cash equivalents were invested as of December 31, 2024 at an average rate of 4.2% before derivative instruments and 4.1% after derivative instruments.

The projected full-year sensitivity of net debt to interest rate fluctuations for 2025 is as follows:

Change in short-term interest rates	**Impact on pre-tax net income** *(€ million)*	**Impact on pre-tax income/(expense) recognized directly in equity** *(€ million)*
+100 bp	34	—
+25 bp	8	—
-25 bp	(8)	—
-100 bp	(34)	—

e) Debt by currency, at value on redemption

The table below shows net debt by currency at December 31, 2024, before and after derivative instruments contracted to convert the foreign-currency net debt of exposed entities into their functional currency:

(€ million)	**Before derivative instruments**	**After derivative instruments**
Euro	10,681	7,285
US dollar	(2,017)	2,502
Singapore dollar	(3)	(822)
Hungarian forint	—	(641)
Chinese yuan renminbi	(10)	226
Other currencies	65	256
Net debt	**8,717**	**8,806**

The table below shows net debt by currency at December 31, 2023 and 2022, after derivative instruments contracted to convert the foreign currency net debt of exposed entities into their functional currency:

(€ million)	2023	2022
Euro	6,852	10,489
US dollar	1,169	(2,404)
Other currencies	(186)	(1,593)
Net debt	**7,835**	**6,492**

f) Market value of net debt

The market value of Sanofi's debt, net of cash and cash equivalents and derivatives and excluding accrued interest, is as follows:

(€ million)	2024	2023	2022
Market value	8,165	7,086	5,227
Value on redemption	8,806	7,835	6,492

The fair value of net debt is determined by reference to quoted market prices at the balance sheet date in the case of quoted instruments (level 1 in the IFRS 7 hierarchy, see Note D.12.), and by reference to the fair value of interest rate and currency derivatives used to manage net debt (level 2 in the IFRS 7 hierarchy, see Note D.12.).

g) Future contractual cash flows relating to debt and related derivatives

The table below shows the amount of future undiscounted contractual cash flows (principal and interest) relating to debt and to derivative instruments designated as hedges of debt:

December 31, 2024		**Payments due by period**					
(€ million)	**Total**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030 and later**
Debt	**17,077**	**4,328**	**3,226**	**1,288**	**1,780**	**1,388**	**5,067**
Principal	16,049	4,105	3,047	1,151	1,667	1,300	4,779
Interest[a]	1,028	223	179	137	113	88	288
Net cash flows related to derivative instruments	**161**	**71**	**34**	**34**	**21**	**1**	**—**
Total	**17,238**	**4,399**	**3,260**	**1,322**	**1,801**	**1,389**	**5,067**

(a) Interest flows are estimated on the basis of forward interest rates applicable as of December 31, 2024.

Future contractual cash flows are shown on the basis of the carrying amount in the balance sheet at the reporting date, without reference to any subsequent management decision that might materially alter the structure of Sanofi's debt or its hedging policy.

The tables below show the amount of future undiscounted contractual cash flows (principal and interest) relating to debt and to derivative instruments designated as hedges of debt as of December 31, 2023 and 2022:

December 31, 2023		**Payments due by period**					
(€ million)	**Total**	**2024**	**2025**	**2026**	**2026**	**2028**	**2029 and later**
Debt	**17,710**	**2,153**	**2,912**	**3,187**	**1,285**	**1,719**	**6,454**
Principal	16,468	1,917	2,703	3,011	1,151	1,607	6,079
Interest[a]	1,242	236	209	176	134	112	375
Net cash flows related to derivative instruments	**143**	**47**	**32**	**23**	**24**	**16**	**1**
Total	**17,853**	**2,200**	**2,944**	**3,210**	**1,309**	**1,735**	**6,455**

(a) Interest flows are estimated on the basis of forward interest rates applicable as of December 31, 2023.

December 31, 2022		**Payments due by period**					
(€ million)	**Total**	**2023**	**2024**	**2025**	**2026**	**2026**	**2028 and later**
Debt	**20,408**	**4,206**	**868**	**2,803**	**3,184**	**1,283**	**8,064**
Principal	18,932	3,928	661	2,601	3,011	1,151	7,580
Interest[a]	1,476	278	207	202	173	132	484
Net cash flows related to derivative instruments	**209**	**24**	**60**	**38**	**31**	**31**	**25**
Total	**20,617**	**4,230**	**928**	**2,841**	**3,215**	**1,314**	**8,089**

(a) Interest flows are estimated on the basis of forward interest rates applicable as of December 31, 2022.

D.17.2. Lease liabilities

A maturity analysis of lease liabilities as of December 31, 2024, 2023 and 2022 is set forth below:

		Undiscounted future minimum lease payments				
(€ million)	**Total**	**Less than 1 year**	**From 1 to 3 years**	**From 3 to 5 years**	**More than 5 years**	**Discounting effect**
Total lease liabilities as of December 31, 2024[a]	**1,906**	**377**	**498**	**386**	**819**	**(174)**
Total lease liabilities as of December 31, 2023	**2,030**	**291**	**448**	**360**	**989**	**(58)**
Total lease liabilities as of December 31, 2022	**2,181**	**320**	**515**	**436**	**1,129**	**(219)**

(a) 2024 amounts exclude Opella discontinued operations, while 2023 and 2022 include them.

Lease liabilities include leases relating to real estate assets located at Cambridge, MA (United States), which have a lease term of 15 years.

D.18. Liabilities related to business combinations and to non-controlling interests

For a description of the nature of the liabilities reported in the line item ***Liabilities related to business combinations and to non-controlling interests***, refer to Note B.8.5. The principal acquisitions are described in Notes D.1. and D.2.

The liabilities related to business combinations and to non-controlling interests shown in the table below are level 3 instruments under the IFRS 7 fair value hierarchy (see Note D.12.).

Movements in liabilities related to business combinations and to non-controlling interests are shown below:

(€ million)	**Bayer contingent consideration arising from the acquisition of Genzyme**	**MSD contingent consideration (European Vaccines business)**	**Shire contingent consideration arising from the acquisition of Translate Bio**	**Contingent consideration arising from acquisition of Amunix**	**Other**	**Total[a]**
Balance at January 1, 2022	**59**	**269**	**354**	**—**	**32**	**714**
New transactions	—	—	—	156	—	156
Payments made	(29)	(79)	—	—	(28)	(136)
Fair value remeasurements through profit or loss: (gain)/loss (including unwinding of discount)[b]	(9)	14	2	(2)	—	5
Other movements	—	—	—	—	—	—
Currency translation differences	5	—	24	11	—	40
Balance at December 31, 2022	**26**	**204**	**380**	**165**	**4**	**779**
New transactions	—	—	—	—	—	—
Payments made	(21)	(77)	—	(69)	—	(167)
Fair value remeasurements through profit or loss: (gain)/loss (including unwinding of discount)[b]	(5)	—	74	45	—	114
Other movements	—	—	—	—	—	—
Currency translation differences	—	—	(13)	(4)	—	(17)
Balance at December 31, 2023	**—**	**127**	**441**	**137**	**4**	**709**
New transactions	—	—	—	—	—	—
Payments made	—	(70)	—	—	(1)	(71)
Fair value remeasurements through profit or loss: (gain)/loss (including unwinding of discount)[b]	—	16	94	—	1	109
Other movements	—	—	—	(137)	(3)	(139)
Currency translation differences	—	(1)	33	—	—	33
Balance at December 31, 2024	**—**	**72**	**568**	**—**	**1**	**641**

(a) Portion due after more than one year: €569 million as of December 31, 2024 (€501 million as of December 31, 2023 and €674 million as of December 31, 2022); portion due within less than one year: €72 million as of December 31, 2024 (€208 million as of December 31, 2023 and €105 million as of December 31, 2022).

*(b) Amounts reported within the income statement line item **Fair value remeasurement of contingent consideration**, and mainly comprising unrealized gains and losses.*

As of December 31, 2024, ***Liabilities related to business combinations and to non-controlling interests*** mainly comprised:

- the MSD contingent consideration liability arising from the 2016 acquisition of the Sanofi Pasteur activities carried on within the former Sanofi Pasteur MSD joint venture, which amounted to €72 million as of December 31, 2024, €127 million as of December 31, 2023 and €204 million as of December 31, 2022 (see Note D.12.). The fair value of this contingent consideration is determined by applying the royalty percentage stipulated in the contract to discounted sales projections;

- a contingent consideration liability towards Shire Human Genetic Therapies Inc. (Shire) arising from Sanofi's acquisition of Translate Bio in September 2021. In a business combination carried out in December 2016 and predating the acquisition of control by Sanofi, Translate Bio (then called Rana Therapeutics, Inc.) acquired from Shire the intellectual property rights relating to the latter's Messenger RNA Therapeutics (MRT) program. As of December 31, 2024, Shire was entitled to receive the following potential payments:
  - milestone payments contingent on the launch of products based on MRT technology, and on the attainment of a specified level of sales of those products, and
  - a percentage of sales of those products.

  The fair value of the Shire liability was measured at €568 million as of December 31, 2024, compared with €441 million as of December 31, 2023 and €380 million as of December 31, 2022; it was determined by applying the contractual terms to development and sales projections which were weighted to reflect the probability of success, and discounted. If the discount rate were to fall by one percentage point, the fair value of the Shire liability would increase by approximately 13%;
- Following the exclusive licensing agreement on the ProXTen technology platform entered into with Vir Biotechnology in September 2024 , Inc., Sanofi no longer has any contingent consideration liability arising from the acquisition of Amunix in 2022 . The fair value of that contingent consideration liability was €137 million as of December 31, 2023 and €165 million as of December 31, 2022.
- The Bayer contingent consideration liability arising from Sanofi's acquisition of Genzyme in 2011 was extinguished during 2023 in accordance with the contractual terms.

The table below sets forth the maximum amount of contingent consideration payable in respect of already-marketed products:

December 31, 2024		Payments due by period			
(€ million)	Total	Less than 1 year	From 1 to 3 years	From 3 to 5 years	More than 5 years
Commitments relating to contingent consideration in connection with business combinations	72	72	—	—	—

The nominal amount of contingent consideration was €133 million as of December 31, 2023 and €604 million as of December 31, 2022.

D.19. Provisions, income tax liabilities and other liabilities

The line item ***Non current provisions and other non-current liabilities*** comprises the following:

(€ million)	2024	2023	2022
Provisions	5,762	5,262	5,822
Other non-current liabilities[a]	2,334	2,340	519
Total	**8,096**	**7,602**	**6,341**

(a) Includes derivative financial instruments: €121 million as of December 31, 2024, €164 million as of December 31, 2023, €232 million as of December 31, 2022.
The figure as of December 31, 2024 includes €2,007 million for the liability in respect of royalties payable to Sobi on net sales of Beyfortus (nirsevimab) in the United States (see Note C.2.). Given the method used to calculate royalties payable, an increase or decrease in sales forecasts would lead to a proportionate change in the amount of the liability. The nominal value of payments estimated to be due within more than one year but less than five years is €1,140 million; the nominal value of payments estimated to be due after more than five years is €2,792 million.

Non-current income tax liabilities are described in Note D.19.4., and other current liabilities in Note D.19.5.

The table below sets forth movements in non-current provisions for the reporting periods presented:

(€ million)	Provisions for pensions and other post-employment benefits (D.19.1.)	Provisions for other long-term benefits	Restructuring provisions (D.19.2.)	Other provisions (D.19.3.)	Total
Balance at January 1, 2022	**2,947**	**935**	**524**	**2,024**	**6,430**
Changes in scope of consolidation	(96)	(28)	—	(76)	(200)
Increases in provisions	193 [a]	40	521	531	1,285
Provisions utilized	(275) [a]	(119)	(12)	(122)	(528)
Reversals of unutilized provisions	(66) [a]	(20)	(11)	(191)	(288)
Transfers	10	4	(265)	(23)	(274)
Net interest related to employee benefits, and unwinding of discount	43	4	5	12	64
Currency translation differences	63	28	(1)	23	113
Actuarial gains and losses on defined-benefit plans	(780)	—	—	—	(780)
Balance at December 31, 2022	**2,039**	**844**	**761**	**2,178**	**5,822**
Increases in provisions	141 [a]	185	315	311	952
Provisions utilized	(162) [a]	(107)	(25)	(114)	(408)
Reversals of unutilized provisions	(21) [a]	(190)	(159)	(388)	(758)
Transfers	(1)	—	(361)	(210)	(572)
Net interest related to employee benefits, and unwinding of discount	70	3	23	24	120
Currency translation differences	(23)	(17)	—	(25)	(65)
Actuarial gains and losses on defined-benefit plans	171	—	—	—	171
Balance at December 31, 2023	**2,214**	**718**	**554**	**1,776**	**5,262**
Changes in scope of consolidation	—	—	—	11	11
Increases in provisions	145 [a]	199	548	730	1,622
Provisions utilized	(173) [a]	(118)	(20)	(135)	(446)
Reversals of unutilized provisions	(108) [a]	—	(8)	(126)	(242)
Transfers	(89)	—	(270)	(157)	(516)
Net interest related to employee benefits, and unwinding of discount	65	2	19	36	122
Currency translation differences	43	34	(3)	42	116
Actuarial gains and losses on defined-benefit plans	(13)	—	—	—	(13)
Opella reclassification [b]	(92)	(14)	(21)	(27)	(154)
Balance at December 31, 2024	**1,992**	**821**	**799**	**2,150**	**5,762**

(a) In the case of "Provisions for pensions and other post-employment benefits", the "Increases in provisions" line corresponds to rights vesting in employees during the period, and past service cost; the "Provisions utilized" line corresponds to contributions paid into pension funds and to beneficiaries; and the "Reversals of unutilized provisions" line corresponds to plan curtailments, settlements and amendments.
(b) The liabilities of Opella, which in 2022 and 2023 were presented in the relevant balance sheet line item for each class of liability, were reclassified in 2024 to ***Liabilities related to assets held for sale*** *in accordance with IFRS 5 (see Note D.1.).*

D.19.1. Provisions for pensions and other post-employment benefits

Sanofi offers its employees pension plans and other post-employment benefit plans. The specific features of the plans (benefit formulas, fund investment policy and fund assets held) vary depending on the applicable laws and regulations in each country where the employees work. These employee benefits are accounted for in accordance with IAS 19 (see Note B.23.).

Sanofi's pension obligations in four major countries represented approximately 88% of the total value of the defined-benefit obligation and approximately 87% of the total value of plan assets as of December 31, 2024. The features of the principal defined-benefit plans in each of those four countries are described below.

France

Lump-sum retirement benefit plans

All employees working for Sanofi in France are entitled on retirement to a lump-sum payment, the amount of which depends both on their length of service and on the rights guaranteed by collective and internal agreements. The employee's final salary is used in calculating the amount of these lump-sum retirement benefits. These plans represent approximately 38% of Sanofi's total obligation in France.

Defined-benefit pension plans

These plans provide benefits from the date of retirement. Employees must fulfil a number of criteria to be eligible for these benefits. All of these plans are now closed. These plans represent approximately 62% of Sanofi's total obligation in France.

Germany

Top-up defined-benefit pension plan

The benefits offered under this pension plan are wholly funded by the employer (there are no employee contributions) via a Contractual Trust Agreement (CTA), under which benefits are estimated on the basis of a career average salary. Employees are entitled to receive an annuity under this plan if their salary exceeds the social security ceiling. The amount of the pension is calculated by reference to a range of vesting rates corresponding to salary bands. The plan also includes disability and death benefits. This plan represents approximately 61% of Sanofi's total obligation in Germany.

Sanofi-Aventis plus (SAV plus)

A top-up pension plan (SAV plus) replaced a previous top-up defined-benefit plan. New entrants joining the plan after April 1, 2015 contribute to a defined-contribution plan that is partially funded via the company's CTA.

All employees whose salary exceeds the social security ceiling are automatically covered by the plan. The employer's contribution is 14% of the amount by which the employee's salary exceeds the social security ceiling.

Multi-employer plan *(Pensionskasse)*

This is a defined-benefit plan treated as a defined-contribution plan, in accordance with the accounting policies described in Note B.23. Currently, contributions cover the level of annuities. Only the portion relating to the future revaluation of the annuities is included in the defined-benefit pension obligation. The obligation relating to this revaluation amounted to €682 million as of December 31, 2024, versus €744 million as of December 31, 2023 and €652 million as of December 31, 2022. This plan represents approximately 26% of Sanofi's total defined-benefit obligation in Germany.

United States

Defined-benefit pension plans

In the United States, there are two types of defined-benefit plan:

- "qualified" plans within the meaning of the Employee Retirement Income Security Act of 1974 (ERISA), which provide guaranteed benefits to eligible employees during retirement, and in the event of death or disability. Employees can elect to receive a reduced annuity, in exchange for an annuity to be paid in the event of their death to a person designated by them. An annuity is also granted under the plan if the employee dies before retirement age. Eligible employees do not pay any contributions. These plans are closed to new entrants, and the vesting of rights for future service periods is partially frozen. These plans represent approximately 57% of Sanofi's total obligation in the United States;
- "non-qualified" plans within the meaning of ERISA provide top-up retirement benefits to some eligible employees depending on the employee's level of responsibility and subject to a salary cap. These plans represent approximately 16% of Sanofi's total obligation in the United States.

Healthcare cover and life insurance

Sanofi companies provide some eligible employees with healthcare cover and life insurance during the retirement period (the company's contributions are capped at a specified level). These plans represent approximately 27% (or €381 million) of Sanofi's total obligation and 3% (or €20 million) of total plan assets in the United States.

United Kingdom

Defined-benefit pension plans

Sanofi operates a number of pension plans in the United Kingdom that reflect past acquisitions. The most significant arrangements are defined-benefit plans that have been closed since October 1, 2015. With effect from that date, employees can no longer pay into these plans.

Under these defined-benefit plans, an annuity is paid from the retirement date. This annuity is calculated on the basis of the employee's length of service as of September 30, 2015, and of the employee's final salary (or salary on the date he or she leaves Sanofi).

The rates used for the vesting of rights vary from member to member. For most members, rights vest at the rate of 1.25% or 1.50% of final salary for each qualifying year of service giving entitlement. The notional retirement age varies according to the category to which the member belongs, but in most cases retirement is at age 65. Members may choose to retire before or after the notional retirement age (60 years), in which case the amount of the annual pension is adjusted to reflect the revised estimate of the length of the retirement phase. Pensions are usually indexed to the Retail Price Index (RPI). Members paid a fixed-percentage contribution into their pension plan (the percentage varied according to the employee category), and the employer topped up the contribution to the required amount. These plans represent approximately 100% of Sanofi's total obligation in the United Kingdom.

In November 2024, a bulk annuity purchase transaction, commonly known as a "buy-in", was executed for the main defined benefit pension scheme in the United Kingdom covering the majority of uninsured pension liabilities. Through this transaction, and in conjunction with the previous pensioner buy-in executed in 2021, the main defined benefit pension plan in the United Kingdom is largely insured against investment, longevity, interest rate and inflation risks. Pension obligations will be funded by the insurer's annuity payments and the buy-in policies are held as an asset of the pension scheme. The pension scheme retains full legal responsibility to pay the benefits to plan participants using insurance payments. The insurance contract is deemed to be the present value of the matched obligations. The variation of €(204) million of the fair value of assets held by the pension scheme generated by the purchase of the qualifying insurance policy is booked in the other comprehensive income. After the end of the reporting period, Sanofi completed a further buy-in covering the remaining uninsured liabilities meaning all members of the scheme are now fully insured by the transaction, except those arising from guaranteed minimum pensions equalization.

For service periods subsequent to October 1, 2015, employees belong to a new defined-contribution plan.

Actuarial assumptions used to measure Sanofi's obligations

Actuarial valuations of Sanofi's benefit obligations were computed by management with assistance from external actuaries as of December 31, 2024, 2023 and 2022.

Those calculations were based on the following financial and demographic assumptions:

	2024				2023				2022			
	France	Germany	US	UK	France	Germany	US	UK	France	Germany	US	UK
Discount rate[a][b]	2.95% to 3.40%	2.95% to 3.40%	5.45%	5.50%	2.95% to 3.15%	2.95% to 3.15%	4.75%	4.50%	3.55% to 3.75%	3.55% to 3.75%	4.90%	4.75%
General inflation rate[c]	2.10%	2.10%	—	3.20%	2.20%	2.20%	—	3.05%	2.50%	2.50%	—	3.25%
Pension benefit indexation	2.10%	2.10%	—	3.00%	2.20%	2.20%	—	2.90%	2.50%	2.50%	—	3.00%
Healthcare cost inflation rate[d]	—	—	4.00% to 5.93%	—	—	—	4.00% to 9.75%	—	—	—	3.29% to 6.56%	—
Retirement age	62 to 67	63	55 to 70	60 to 65	62 to 67	63	55 to 70	60 to 65	62 to 67	63	55 to 70	60 to 65
Mortality table	TGH/TGF 05	Heubeck RT 2018 G	RP2012 Proj. MP2021 White Collar	SAPS S3	TGH/TGF 05	Heubeck RT 2018 G	RP2012 Proj. MP2021 White Collar	SAPS S3	TGH/TGF 05	Heubeck RT 2018 G	RP2012 Proj. MP2021 White Collar	SAPS S3

(a) The discount rates used were based on market rates for high quality corporate bonds with a duration close to that of the expected benefit payments under the plans. The benchmarks used to determine discount rates were the same for all periods presented.
(b) The rate depends on the duration of the plan (0 to 7 years, 7 to 10 years, or more than 10 years).
(c) Inflation for the euro zone is determined using a multi-criterion method.
(d) No post-employment healthcare benefits are provided in France since 2020, Germany and UK.

Weighted average duration of obligation for pensions and other long-term benefits in principal countries

The table below shows the duration of Sanofi's obligations in the principal countries:

	2024				2023				2022			
(years)	France	Germany	US	UK	France	Germany	US	UK	France	Germany	US	UK
Weighted average duration	11	12	10	11	10	12	11	13	10	12	11	13

Sensitivity analysis

The table below shows the sensitivity of Sanofi's obligations for pensions and other post-employment benefits to changes in key actuarial assumptions:

(€ million)		Pensions and other post-employment benefits, by principal country			
Measurement of defined-benefit obligation	Change in assumption	France	Germany	US	UK
Discount rate	-0.50%	+90	+190	+103	+161
General inflation rate	+0.50%	+56	+267	—	+95
Pension benefit indexation	+0.50%	+57	+264	—	+93
Healthcare cost inflation rate	+0.50%	—	—	+41	+43
Mortality table	+1 year	+56	+86	+59	+118

The table below reconciles the net obligation in respect of Sanofi's pension and other post-employment benefit plans with the amounts recognized in the consolidated financial statements:

	Pensions and other post-employment benefits		
(€ million)	**2024**	**2023**	**2022**
Measurement of the obligation:			
Beginning of period	8,930	8,651	12,175
Current service cost	138	140	193
Interest cost	335	346	206
Actuarial losses/(gains) due to changes in demographic assumptions	(45)	(34)	(219)
Actuarial losses/(gains) due to changes in financial assumptions	(380)	157	(3,006)
Actuarial losses/(gains) due to experience adjustments	(4)	256	177
Plan amendments, curtailments or settlements not specified in the terms of the plan[(b)]	(181)	(36)	(229)
Plan settlements specified in the terms of the plan	(59)	(40)	(84)
Benefits paid	(502)	(483)	(463)
Changes in scope of consolidation and transfers	4	(14)	(114)
Currency translation differences	181	(13)	15
Opella reclassification	(188)	—	—
Obligation at end of period	**8,229**	**8,930**	**8,651**
Fair value of plan assets:			
Beginning of period	6,993	6,899	9,651
Interest income on plan assets	271	276	163
Difference between actual return and interest income on plan assets[(c)]	(416)	197	(2,398)
Administration costs	(13)	(7)	(6)
Plan settlements specified in the terms of the plan	(58)	(40)	(84)
Plan settlements not specified in the terms of the plan	(71)	(17)	(161)
Contributions from plan members	5	6	6
Employer's contributions	127	122	238
Benefits paid	(456)	(446)	(426)
Changes in scope of consolidation and transfers	(20)	(8)	(32)
Currency translation differences	132	11	(52)
Opella reclassification	(97)	—	—
Fair value of plan assets at end of period	**6,397**	**6,993**	**6,899**
Net amount shown in the balance sheet:			
Net obligation	1,832	1,937	1,752
Effect of asset ceiling	4	6	18
Net amount shown in the balance sheet at end of period	**1,836**	**1,943**	**1,770**
Amounts recognized in the balance sheet:			
Pre-funded obligations (see Note D.7.)[(a)]	(156)	(271)	(269)
Obligations provided for	1,992	2,214	2,039
Net amount recognized at end of period	**1,836**	**1,943**	**1,770**
Benefit cost for the period:[(d)]			
Current service cost	138	140	193
(Gains)/losses related to plan amendments, curtailments or settlements not specified in the terms of the plan	(110)	(22)	(68)
Net interest (income)/cost	64	71	43
Contributions from plan members	(5)	(6)	(6)
Administration costs and taxes paid during the period	13	7	6
Expense recognized directly in profit or loss	**100**	**190**	**168**
Remeasurement of net defined-benefit (asset)/liability (actuarial gains and losses)[(b)]	(13)	171	(650)
Expense/(gain) for the period	**87**	**361**	**(482)**

(a) For 2023, this line includes €66 million of assets in the United Kingdom (versus €99 million for 2022); those amounts are not subject to any asset ceiling, in accordance with IFRIC 14.
*(b) Amounts recognized in **Other comprehensive income** (see Note D.15.7.).*
(c) In 2024, this line includes the effects of the partial buy-in in the United Kingdom for €(204) million.
(d) Benefit cost for the total Group including Opella on all the periods.

The tables below show Sanofi's net liability in respect of pension plans and other post-employment benefits by geographical region:

(€ million)	Pensions and other post-employment benefits by geographical region					
December 31, 2024	**France**	**Germany**	**US**	**UK**	**Other**	**Total**
Measurement of obligation	1,228	2,651	1,427	1,994	929	8,229
Fair value of plan assets	667	2,239	744	1,891	856	6,397
Effect of asset ceiling	—	—	—	—	(4)	(4)
Net amount shown in the balance sheet at end of period	**561**	**412**	**683**	**103**	**77**	**1,836**

(€ million)	Pensions and other post-employment benefits by geographical region					
December 31, 2023	**France**	**Germany**	**US**	**UK**	**Other**	**Total**
Measurement of obligation	1,322	2,911	1,528	2,174	995	8,930
Fair value of plan assets	675	2,401	825	2,235	857	6,993
Effect of asset ceiling	—	—	—	—	(6)	(6)
Net amount shown in the balance sheet at end of period	**647**	**510**	**703**	**(61)**	**144**	**1,943**

(€ million)	Pensions and other post-employment benefits by geographical region					
December 31, 2022	**France**	**Germany**	**US**	**UK**	**Other**	**Total**
Measurement of obligation	1,324	2,730	1,546	2,080	971	8,651
Fair value of plan assets	697	2,317	860	2,175	850	6,899
Effect of asset ceiling	—	—	—	—	(18)	(18)
Net amount shown in the balance sheet at end of period	**627**	**413**	**686**	**(95)**	**139**	**1,770**

The adoption in April 2023 of pension reforms in France (including the raising of the retirement age from 62 to 64 years) qualifies as a plan amendment within the meaning of IAS 19, and resulted in the recognition of an immaterial amount in the income statement and the balance sheet for the year ended December 31, 2023.

The table below shows the fair value of plan assets relating to Sanofi's pension and other post-employment plans, split by asset category:

	2024	**2023**	**2022**
Securities quoted in an active market	**63.1%**	**84.9%**	**84.4%**
Cash and cash equivalents	0.8%	0.8%	0.7%
Equity instruments	19.3%	22.3%	21.7%
Bonds and similar instruments	35.8%	54.3%	52.4%
Real estate	2.9%	3.4%	4.0%
Derivatives	(0.2%)	—%	0.1%
Commodities	1.1%	0.9%	0.9%
Other	3.4%	3.2%	4.6%
Other securities	**36.9%**	**15.1%**	**15.6%**
Hedge funds	—%	—%	—%
Insurance policies	36.9%	15.1%	15.6%
Total	**100.0%**	**100.0%**	**100.0%**

Sanofi has a long-term objective of maintaining or increasing the extent to which its pension obligations are covered by assets. To this end, Sanofi uses an asset-liability management strategy, matching plan assets to its pension obligations. This policy aims to ensure the best fit between the assets held on the one hand, and the associated liabilities and expected future payments to plan members on the other. To meet this aim, Sanofi operates a risk monitoring and management strategy (mainly focused on interest rate risk and inflation risk), while investing a growing proportion of assets in high-quality bonds with comparable maturities to those of the underlying obligations and in contracts entered into with leading insurance companies to fund certain post-employment benefit obligations.

The tables below show the service cost for Sanofi's pension and other post-employment benefit plans, by geographical region:

(€ million)	Pensions and other post-employment benefits by geographical region					
Service cost for 2024	**France**	**Germany**	**US**	**UK**	**Other**	**Total**
Current service cost	48	30	22	—	38	138
(Gains)/losses related to plan amendments, curtailments or settlements not specified in the terms of the plan	(82)	—	(20)	—	(8)	(110)
Net interest cost/(income) including administration costs and taxes paid during the period	13	20	36	(1)	9	77
Contributions from plan members	—	—	—	—	(5)	(5)
Expense/(gain) recognized directly in profit or loss	**(21)**	**50**	**38**	**(1)**	**34**	**100**
Remeasurement of net defined-benefit (asset)/ liability (actuarial gains and losses)	(31)	(134)	(46)	212	(14)	(13)
Expense/(gain) for the period	**(52)**	**(84)**	**(8)**	**211**	**20**	**87**

(€ million)	Pensions and other post-employment benefits by geographical region					
Service cost for 2023	**France**	**Germany**	**US**	**UK**	**Other**	**Total**
Current service cost	50	30	20	—	40	140
(Gains)/losses related to plan amendments, curtailments or settlements not specified in the terms of the plan	(20)	—	1	—	(3)	(22)
Net interest cost/(income) including administration costs and taxes paid during the period	22	15	35	(5)	11	78
Contributions from plan members	—	—	—	—	(6)	(6)
Expense/(gain) recognized directly in profit or loss	**52**	**45**	**56**	**(5)**	**42**	**190**
Remeasurement of net defined-benefit (asset)/ liability (actuarial gains and losses)	3	98	26	44	—	171
Expense/(gain) for the period	**55**	**143**	**82**	**39**	**42**	**361**

(€ million)	Pensions and other post-employment benefits by geographical region					
Service cost for 2022	**France**	**Germany**	**US**	**UK**	**Other**	**Total**
Current service cost	61	44	50	—	38	193
(Gains)/losses related to plan amendments, curtailments or settlements not specified in the terms of the plan	(60)	2	1	(6)	(5)	(68)
Net interest cost/(income) including administration costs and taxes paid during the period	10	7	30	(7)	9	49
Contributions from plan members	—	—	—	—	(6)	(6)
Expense/(gain) recognized directly in profit or loss	**11**	**53**	**81**	**(13)**	**36**	**168**
Remeasurement of net defined-benefit (asset)/liability (actuarial gains and losses)	(156)	(204)	(382)	130	(38)	(650)
Expense/(gain) for the period	**(145)**	**(151)**	**(301)**	**117**	**(2)**	**(482)**

An analysis of the "Remeasurement of net defined-benefit (asset)/liability (actuarial gains and losses)" line in the preceding tables is set forth below:

	2024				2023				2022			
(€ million)	**France**	**Germany**	**US**	**UK**	**France**	**Germany**	**US**	**UK**	**France**	**Germany**	**US**	**UK**
Actuarial gains/(losses) arising during the period	29	135	47	(212)	(3)	(98)	(25)	(44)	156	205	382	(131)
Comprising:												
Gains/(losses) on experience adjustments[(a)]	18	46	(42)	(472)	16	(54)	(7)	(12)	(120)	(620)	(287)	(1,328)
Gains/(losses) on demographic assumptions	—	—	11	50	—	—	18	11	—	—	129	54
Gains/(losses) on financial assumptions	11	89	78	210	(19)	(44)	(36)	(43)	276	825	540	1,143

(a) Experience adjustments are mainly due to the effect on plan assets of trends in the financial markets.

The net pre-tax actuarial loss (excluding investments accounted for using the equity method) recognized directly in equity is presented below:

(€ million)	**2024**	**2023**	**2022**
Net pre-tax actuarial loss	(2,258)	(2,259)	(2,090)

The present value of Sanofi's obligations in respect of pension and other post-employment benefit plans at the end of each reporting period is shown below:

(€ million)	**2024**	**2023**	**2022**
Present value of wholly or partially funded obligations in respect of pension and other post-employment benefit plans	7,192	7,693	7,463
Present value of unfunded obligations	1,037	1,237	1,188
Total	**8,229**	**8,930**	**8,651**

The total expense for pensions and other post-employment benefits (€100 million in 2024) is allocated between income statement line items as follows:

(€ million)	**2024**	**2023**	**2022**
Cost of sales	32	33	53
Research and development expenses	17	28	51
Selling and general expenses	42	57	78
Other operating (income)/expenses, net	4	5	(2)
Restructuring costs	(64)	(9)	(59)
Financial expenses	60	67	42
Net income from discontinued operations	9	9	5
Total	**100**	**190**	**168**

The estimated amounts of employer's contributions to plan assets in 2025 are as follows:

(€ million)	**France**	**Germany**	**US**	**UK**	**Other**	**Total**
Employer's contributions in 2024 (estimate):						
2025	—	—	2	48	27	77

The table below shows the expected timing of benefit payments under pension and other post-employment benefit plans for future years:

(€ million)	**France**	**Germany**	**US**	**UK**	**Other**	**Total**
Estimated future benefit payments						
2025	94	210	97	126	38	565
2026	59	210	98	130	41	538
2027	71	208	100	134	40	553
2028	75	207	103	139	42	566
2029	81	209	107	143	44	584
2030 to 2034	497	893	543	785	241	2,959

The table below shows estimates as of December 31, 2024 for the timing of future payments in respect of unfunded pension and other post-employment benefit plans:

		Payments due by period			
(€ million)	**Total**	**Less than 1 year**	**1 to 3 years**	**3 to 5 years**	**More than 5 years**
Estimated payments	1,035	67	122	131	715

D.19.2. Restructuring provisions

The table below shows movements in restructuring provisions classified in non-current and current liabilities:

(€ million)	2024	2023	2022
Balance, beginning of period	**1,132**	**1,233**	**1,118**
Of which:			
• Classified in non-current liabilities	554	761	524
• Classified in current liabilities	578	472	594
Change in provisions recognized in profit or loss for the period	999	435	636
Provisions utilized[(a)]	(582)	(561)	(522)
Transfers	(33)	3	—
Unwinding of discount	19	31	5
Currency translation differences	1	(9)	(4)
Opella reclassification[(b)]	(84)	—	—
Balance, end of period	**1,452**	**1,132**	**1,233**
Of which:			
• Classified in non-current liabilities	799	554	761
• Classified in current liabilities	653	578	472

(a) Provisions utilized mainly correspond to payments related to employees affected by separation programs.

*(b) This line comprises the restructuring provisions of Opella, reclassified to **Liabilities related to assets held for sale** as of December 31, 2024 (see Note D.1.).*

Provisions for employee termination benefits as of December 31, 2024 amounted to €1,318 million (compared with €968 million as of December 31, 2023 and €1,039 million as of December 31, 2022).

The provisions apply mainly to France, and relate to various voluntary redundancy programs:

- agreement under the Job Management and Career Paths (GEPP) scheme affecting several French legal entities, signed on February 28, 2022 and announced in April 2022 as part of the "Play to Win" strategy. The agreement provides internal transfer and outplacement opportunities for employees whose jobs are undergoing transformation, and also includes an end-of-career paid leave program and an external retraining program. The plan began to be implemented in 2022. The provisions charged in 2023 reflect adjustments to the job profiles deemed to be "sensitive"; the reversals recognized during 2023 are due mainly to the Borne Law, which raises the retirement age to 64 and hence disqualifies some participants eligible under previous legislation (in light of the maximum period for portage workers). In 2024, the agreement was renewed to cover the years 2024 to 2026, and the new provisions charged in 2024 relate mainly to scope extensions in the job profiles affected by transformations;
- a voluntary redundancy program announced in 2024 in connection with the reorganization of R&D operations to make Sanofi a leader in immunology, including an end-of-career paid leave plan and an end-of-career transition plan; and
- collectively-agreed separation programs involving a number of legal entities announced at the end of June 2020 as part of the rollout of the "Play to Win" strategy; these include an end-of-career paid leave plan and an external retraining program, and were still ongoing during 2024. The same applies to Sanofi-Aventis Recherche & Développement, which announced a voluntary redundancy program associated with R&D reorganization in 2020, and implemented that program in 2021.

The provision includes the present values of:

- gross annuities for self-funded plans;
- employer's social security charges on early retirement annuities for all plans (outsourced and self-funded); and
- the levy charged on those annuities under the "Fillon" law (only for plans with termination of employment contracts).

The average residual portage periods under these plans were 2.18 years, 2.22 years and 2.60 years as of December 31, 2024, 2023 and 2022, respectively.

The main other countries covered by restructuring provisions are Germany, Japan and the United States.

The timing of future termination benefit payments is as follows:

December 31, 2024		**Benefit payments by period**			
(€ million)	**Total**	**Less than 1 year**	**1 to 3 years**	**3 to 5 years**	**More than 5 years**
Employee termination benefits					
• France	862	312	416	126	8
• Other countries	456	304	144	7	1
Total	**1,318**	**616**	**560**	**133**	**9**

December 31, 2023		**Benefit payments by period**			
(€ million)	**Total**	**Less than 1 year**	**1 to 3 years**	**3 to 5 years**	**More than 5 years**
Employee termination benefits					
• France	611	215	315	79	2
• Other countries	357	302	47	7	1
Total	**968**	**517**	**362**	**86**	**3**

December 31, 2022		**Benefit payments by period**			
(€ million)	**Total**	**Less than 1 year**	**1 to 3 years**	**3 to 5 years**	**More than 5 years**
Employee termination benefits					
• France	804	185	412	207	—
• Other countries	235	189	36	8	2
Total	**1,039**	**374**	**448**	**215**	**2**

D.19.3. Other provisions

Other provisions include provisions for risks and litigation relating to environmental, tax, commercial and product liability matters.

(€ million)	2024	2023	2022
Environmental risks	474	493	526
Product liability risks, litigation and other	1,676	1,283	1,652
Total	**2,150**	**1,776**	**2,178**

Provisions for environmental risks relate primarily to contingencies arising from business divestitures, and include remediation costs relating to such environmental risks.

Identified environmental risks are covered by provisions estimated on the basis of the costs Sanofi believes it will be obliged to meet over a period not exceeding (other than in exceptional cases) 30 years. Sanofi expects that €67 million of those provisions will be utilized in 2025, and €203 million over the period from 2026 through 2029.

As regards greenhouse gas emission quotas, which relate to Sanofi production facilities in France and Ireland, in the absence of specific IFRS pronouncements Sanofi has adopted the "net liability approach". That involves recognizing a liability at the balance sheet date if actual emissions exceed the quotas held, in accordance with IAS 37 and French GAAP (*Plan Comptable Général,* Article 615-1s). Quotas are managed as a production cost, and as such are recognized in inventory at a zero value (if received free of charge) and at acquisition cost (if bought on the market). As of December 31, 2024, a provision of €1 million has been recognized.

"Product liability risks, litigation and other" mainly comprises provisions for risks relating to product liability (including IBNR provisions as described in Note B.12.), government investigations, regulatory or antitrust law claims, contingencies arising from business divestitures (other than environmental risks), and remediation costs related to leases.

The main pending legal and arbitral proceedings and government investigations are described in Note D.22.

A full risk and litigation assessment is performed with the assistance of Sanofi's legal advisers, and provisions are recorded as required by circumstances in accordance with the principles described in Note B.12.

D.19.4. Non-current income tax liabilities

Non-current income tax liabilities amounted to €1,512 million as of December 31, 2024 (versus €1,842 million as of December 31, 2023 and €1,979 million as of December 31, 2022). These amounts include uncertainties over income tax treatment totalling €1,512 million as of December 31, 2024, versus €1,595 million as of December 31, 2023 and €1,520 million as of December 31, 2022.

Until December 31, 2023, this line item includes the residual liability due after more than one year arising from the estimated tax charge on deemed repatriation attributable to the accumulated earnings of non-US operations (€247 million as of December 31, 2023 and €459 million as of December 31, 2022). The expense was initially recognized in 2018 at an amount of $1,092 million, and payment is being made over eight years through 2025. As of December 31, 2024, the residual liability is included in the line item ***Current income tax liabilities***.

A US legal restructuring resulted in a capital loss of €3 billion recognized in the 2020 final tax filing. One-third of the capital loss has been used against 2020 capital gains and the remaining balance will be eligible to carry back for three years. Due to management's judgement about potential alternative interpretations of the prevailing tax law, no tax benefit has been recognized on this transaction in accordance with IFRIC 23.

D.19.5. Current provisions and other current liabilities

Current provisions and other current liabilities comprise the following:

(€ million)	2024	2023	2022
Taxes payable, other than corporate income taxes	437	395	420
Employee-related liabilities	1,929	2,106	2,158
Restructuring provisions (see Note D.19.2.)	653	578	472
Interest rate derivatives (see Note D.20.)	7	1	—
Currency derivatives (see Note D.20.)	330	126	94
Equity derivatives (see Note D.20.)	—	—	—
Amounts payable for acquisitions of non-current assets	878	945	714
Customer contract liabilities[(a)]	—	—	269
Other current liabilities[(b)(c)]	10,007	9,590	7,894
Total	**14,241**	**13,741**	**12,021**

(a) See Note A.5., "Agreements relating to the recombinant COVID-19 vaccine candidate developed by Sanofi in collaboration with GSK". The year-on-year change in this item between 2023 and 2022 includes revenue of €269 million recognized in profit or loss during 2023 (previously included in "Customer contract liabilities" as of December 31, 2022).

(b) "Other current liabilities" mainly comprises provisions and liabilities for customer rebates and returns; provisions for discounts and rebates granted to healthcare authorities and governmental programs (see Note D.23.); and the liability payable at each reporting date under the Monoclonal Antibody Alliance with Regeneron.

(c) As of December 31, 2024 includes €273 million (nominal value: €290 million) for the current liability relating to royalties payable to Sobi on net sales of Beyfortus (nirsevimab) in the United States (see Note C.2.).

D.20. Derivative financial instruments and market risks

The table below shows the fair value of derivative instruments as of December 31, 2024, 2023 and 2022:

(€ million)	Non-current assets	Current assets	Total assets	Non-current liabilities	Current liabilities	Total liabilities	Market value at December 31, 2024 (net)	Market value at December 31, 2023 (net)	Market value at December 31, 2022 (net)
Currency derivatives	—	217	217	—	(330)	(330)	(113)	75	112
operating	—	81	81	—	(111)	(111)	(30)	22	22
financial	—	136	136	—	(219)	(219)	(83)	53	90
Interest rate derivatives	—	—	—	(121)	(7)	(128)	(128)	(165)	(232)
Equity derivatives	—	—	—	—		—	—	—	—
Total	**—**	**217**	**217**	**(121)**	**(337)**	**(458)**	**(241)**	**(90)**	**(120)**

Objectives of the use of derivative financial instruments

Sanofi uses derivative instruments to manage operating exposure to movements in exchange rates, and financial exposure to movements in interest rates and exchange rates (where the debt or receivable is not contracted in the functional currency of the borrower or lender entity). On occasion, Sanofi uses equity derivatives in connection with the management of its portfolio of equity investments.

Sanofi performs periodic reviews of its transactions and contractual agreements in order to identify any embedded derivatives, which are accounted for separately from the host contract in accordance with IFRS 9. Sanofi had no material embedded derivatives as of December 31, 2024, 2023 or 2022.

Counterparty risk

For a description of counterparty risk, refer to "Item 11. — Quantitative and Qualitative Disclosures about Market Risk".

a) Currency derivatives used to manage operating risk exposures

For a description of Sanofi's objectives, policies and procedures for the management of operating foreign exchange risk, refer to "Item 11. — Quantitative and Qualitative Disclosures about Market Risk".

The table below shows operating currency hedging instruments in place as of December 31, 2024, with the notional amount translated into euros at the relevant closing exchange rate:

December 31, 2024			Of which derivatives designated as cash flow hedges			Of which derivatives not eligible for hedge accounting	
(€ million)	Notional amount	Fair value	Notional amount	Fair value	Of which recognized in equity	Notional amount	Fair value
Forward currency sales	**7,521**	**(67)**	**—**	**—**	**—**	**7,521**	**(67)**
of which US dollar	*3,974*	*(59)*	—	—	—	*3,974*	*(59)*
of which Chinese yuan renminbi	*703*	*(5)*	—	—	—	*703*	*(5)*
of which Pound sterling	*368*	*(1)*	—	—	—	*368*	*(1)*
of which Japanese yen	*241*	*2*	—	—	—	*241*	*2*
of which Turkish lira	*216*	*(23)*	—	—	—	*216*	*(23)*
Forward currency purchases	**4,796**	**37**	**—**	**—**	**—**	**4,796**	**37**
of which US dollar	*2,660*	*24*	—	—	—	*2,660*	*24*
of which Singapore dollar	*484*	*3*	—	—	—	*484*	*3*
of which Chinese yuan renminbi	*451*	*2*	—	—	—	*451*	*2*
of which Turkish lira	*203*	*19*	—	—	—	*203*	*19*
of which Canadian dollar	*126*	—	—	—	—	*126*	—
Total	**12,317**	**(30)**	**—**	**—**	**—**	**12,317**	**(30)**

The table below shows operating currency hedging instruments in place as of December 31, 2023, with the notional amount translated into euros at the relevant closing exchange rate:

December 31, 2023			Of which derivatives designated as cash flow hedges			Of which derivatives not eligible for hedge accounting	
(€ million)	Notional amount	Fair value	Notional amount	Fair value	Of which recognized in equity	Notional amount	Fair value
Forward currency sales	**6,112**	**30**	**—**	**—**	**—**	**6,112**	**30**
of which US dollar	*2,981*	*35*	—	—	—	*2,981*	*35*
of which Chinese yuan renminbi	*788*	*7*	—	—	—	*788*	*7*
of which Singapore dollar	*419*	*(1)*	—	—	—	*419*	*(1)*
of which Japanese yen	*339*	*(6)*	—	—	—	*339*	*(6)*
of which Korean won	*192*	*(4)*	—	—	—	*192*	*(4)*
Forward currency purchases	**4,246**	**(8)**	**—**	**—**	**—**	**4,246**	**(8)**
of which US dollar	*2,022*	*(12)*	—	—	—	*2,022*	*(12)*
of which Singapore dollar	*876*	—	—	—	—	*876*	—
of which Chinese yuan renminbi	*364*	*(1)*	—	—	—	*364*	*(1)*
of which Korean won	*137*	*2*	—	—	—	*137*	*2*
of which Japanese yen	*123*	*1*	—	—	—	*123*	*1*
Total	**10,358**	**22**	**—**	**—**	**—**	**10,358**	**22**

The table below shows operating currency hedging instruments in place as of December 31, 2022, with the notional amount translated into euros at the relevant closing exchange rate:

December 31, 2022			Of which derivatives designated as cash flow hedges			Of which derivatives not eligible for hedge accounting	
(€ million)	Notional amount	Fair value	Notional amount	Fair value	Of which recognized in equity	Notional amount	Fair value
Forward currency sales	**5,403**	**49**	**—**	**—**	**—**	**5,403**	**49**
of which US dollar	*2,732*	*56*	*—*	*—*	*—*	*2,732*	*56*
of which Chinese yuan renminbi	*576*	*2*	*—*	*—*	*—*	*576*	*2*
of which Japanese yen	*240*	*(5)*	*—*	*—*	*—*	*240*	*(5)*
of which Singapore dollar	*180*	*1*	*—*	*—*	*—*	*180*	*1*
of which Korean won	*179*	*(14)*	*—*	*—*	*—*	*179*	*(14)*
Forward currency purchases	**3,459**	**(27)**	**—**	**—**	**—**	**3,459**	**(27)**
of which US dollar	*2,047*	*(21)*	*—*	*—*	*—*	*2,047*	*(21)*
of which Singapore dollar	*375*	*(7)*	*—*	*—*	*—*	*375*	*(7)*
of which Chinese yuan renminbi	*142*	*—*	*—*	*—*	*—*	*142*	*—*
of which Korean won	*130*	*4*	*—*	*—*	*—*	*130*	*4*
of which Taiwan dollar	*84*	*—*	*—*	*—*	*—*	*84*	*—*
Total	**8,862**	**22**	**—**	**—**	**—**	**8,862**	**22**

b) Currency and interest rate derivatives used to manage financial exposure

For a description of Sanofi's objectives, policies and procedures for the management of financial foreign exchange risk and interest rate risk, refer to "Item 11. — Quantitative and Qualitative Disclosures about Market Risk".

The table below shows financial currency hedging instruments in place, with the notional amount translated into euros at the relevant closing exchange rate:

	2024			2023			2022		
(€ million)	Notional amount	Fair value	Expiry	Notional amount	Fair value	Expiry	Notional amount	Fair value	Expiry
Forward currency sales	**10,377**	**(195)**		**10,279**	**111**		**7,559**	**66**	
of which US dollar	*8,923* (a)	*(176)*	*2025*	*6,628*	*101*	*2024*	*6,114*	*59*	*2023*
of which Japanese yen	*371*	*4*	*2025*	*157*	*(1)*	*2024*	*111*	*—*	*2023*
of which Chinese yuan renminbi	*235*	*(1)*	*2025*	*513*	*4*	*2024*	*203*	*2*	*2023*
Forward currency purchases	**6,884**	**112**		**7,055**	**(58)**		**4,997**	**24**	
of which US dollar	*4,397* (b)	*123*	*2025*	*3,073*	*(52)*	*2024*	*2,011*	*(4)*	*2023*
of which Singapore dollar	*819*	*2*	*2025*	*2,696*	*(10)*	*2024*	*2,154*	*22*	*2023*
of which Hungarian forint	*641*	*(9)*	*2025*	*99*	*1*	*2024*	*59*	*1*	*2023*
Total	**17,261**	**(83)**		**17,334**	**53**		**12,556**	**90**	

(a) Includes forward sales with a notional amount of $3,615 million expiring in 2025, designated as a hedge of Sanofi's net investment in Bioverativ. As of December 31, 2024, the fair value of these forward contracts represented a liability of €88 million; the opposite entry was recognized in "Other comprehensive income", with the impact on financial income and expense being immaterial.

(b) Includes forward purchases with a notional amount of $1,000 million expiring in 2025, designated as a fair value hedge of the exposure of $1,000 million of bond issues to fluctuations in the EUR/USD spot rate. As of December 31, 2024, the fair value of the contracts was an asset of €75 million, the opposite entry for €0.2 million of which was debited to "Other comprehensive income" under the cost of hedging accounting treatment.

The table below shows interest rate hedging instruments in place as of December 31, 2024:

	Notional amounts by expiry date as of December 31, 2024								Of which designated as fair value hedges		Of which designated as cash flow hedges		
(€ million)	2025	2026	2027	2028	2029	2030 and later	Total	Fair value	Notional amount	Fair value	Notional amount	Fair value	Of which recognized in equity
Interest rate swaps													
pay capitalized SOFR USD/ receive 1.03%	—	—	—	483	—	—	483	(47)	483	(47)	—	—	—
pay capitalized SOFR USD/ receive 1.32%	—	—	—	483	—	—	483	(43)	483	(43)	—	—	—
pay capitalized Ester/receive 0.69%	850	—	—	—	—	—	850	(7)	850	(7)	—	—	—
pay capitalized Ester/receive 0.92%	—	—	—	—	650		650	(31)	650	(31)	—	—	—
Total	**850**	**—**	**—**	**966**	**650**	**—**	**2,466**	**(128)**	**2,466**	**(128)**	**—**	**—**	**—**

The table below shows interest rate hedging instruments in place as of December 31, 2023:

	Notional amounts by expiry date as of December 31, 2023								Of which designated as fair value hedges		Of which designated as cash flow hedges		
(€ million)	2024	2025	2026	2027	2028	2029 and later	Total	Fair value	Notional amount	Fair value	Notional amount	Fair value	Of which recognized in equity
Interest rate swaps													
pay capitalized SOFR USD/ receive 1.03%	—	—	—	—	453	—	453	(49)	453	(49)	—	—	—
pay capitalized SOFR USD/ receive 1.32%	—	—	—	—	453	—	453	(43)	453	(43)	—	—	—
pay capitalized Ester/receive 0.69%	—	850	—	—	—	—	850	(28)	850	(28)	—	—	—
pay capitalized Ester/receive 0.92%	—	—	—	—	—	650	650	(44)	650	(44)	—	—	—
pay capitalized Ester/receive 3.43%	999	—	—	—	—	—	999	(1)	999	(1)	—	—	—
Total	**999**	**850**	**—**	**—**	**906**	**650**	**3,405**	**(165)**	**3,405**	**(165)**	**—**	**—**	**—**

The table below shows interest rate hedging instruments in place as of December 31, 2022:

	Notional amounts by expiry date as of December 31, 2022								Of which designated as fair value hedges		Of which designated as cash flow hedges		
(€ million)	2023	2024	2025	2026	2027	2028 and later	Total	Fair value	Notional amount	Fair value	Notional amount	Fair value	Of which recognized in equity
Interest rate swaps													
pay capitalized SOFR USD/ receive 1.03%	—	—	—	—	—	467	467	(62)	467	(62)	—	—	—
pay capitalized SOFR USD/ receive 1.32%	—	—	—	—	—	467	467	(56)	467	(56)	—	—	—
pay capitalized Ester/ receive 0.69%	—	—	850	—	—	—	850	(43)	850	(43)	—	—	—
pay capitalized Ester/ receive 0.92%	—	—	—	—	—	650	650	(71)	650	(71)	—	—	—
Total	**—**	**—**	**850**	**—**	**—**	**1,584**	**2,434**	**(232)**	**2,434**	**(232)**	**—**	**—**	**—**

c) Actual or potential effects of netting arrangements

The table below is prepared in accordance with the accounting policies described in Note B.8.3.:

	2024		2023		2022	
(€ million)	Derivative financial assets	Derivative financial liabilities	Derivative financial assets	Derivative financial liabilities	Derivative financial assets	Derivative financial liabilities
Gross carrying amounts before offset (a)	217	(458)	201	(291)	206	(326)
Gross amounts offset (in accordance with IAS 32) (b)	—	—	—	—	—	—
Net amounts as reported in the balance sheet (a) - (b) = (c)	**217**	**(458)**	**201**	**(291)**	**206**	**(326)**
Effects of other netting arrangements (not fulfilling the IAS 32 criteria for offsetting) (d)						
Financial instruments	(201)	201	(171)	171	(160)	160
Fair value of financial collateral	N/A	N/A	N/A	N/A	N/A	N/A
Net exposure (c) + (d)	**16**	**(257)**	**30**	**(120)**	**46**	**(166)**

D.21. Off balance sheet commitments

The off balance sheet commitments presented below are shown at their nominal value.

D.21.1. Off balance sheet commitments relating to operating activities

Off balance sheet commitments relating to Sanofi's operating activities, not including as of December 31, 2024 the commitments of the Opella held-for-sale operation, comprise the following:

December 31, 2024		**Payments due by period**			
(€ million)	**Total**	**Less than 1 year**	**1 to 3 years**	**3 to 5 years**	**More than 5 years**
Leases with a term of less than 12 months, low value asset leases and lease contracts committed but not yet commenced[(a)]	554	28	34	41	451
Irrevocable purchase commitments[(b)]					
• given[(c)]	3,683	1,152	1,195	442	894
• received	(391)	(288)	(96)	(7)	—
Research and development license agreements - commitments given					
• commitments related to R&D and other commitments[(d)]	84	42	29	6	7
• contingent milestone payments in connection with development programs in progress[(e)]	4,230	941	635	470	2,184
Total - net commitments given	**8,160**	**1,875**	**1,797**	**952**	**3,536**

(a) Includes the variable portion of future lease payments not recognized as lease liabilities as of December 31, 2024; the equivalent amount of these commitments as of December 31, 2023 was €221 million.
During 2023, Sanofi signed a 15-year lease which will take effect in 2025 and to which Sanofi is committed for a minimum period of 12 years, corresponding to a commitment of $0.2 billion. The lease includes two extension options of five years each.
During 2024, Sanofi signed a 12-year lease in France which will take effect in 2027, representing a commitment of €0.2 billion.

(b) These comprise irrevocable commitments to suppliers of (i) property, plant and equipment, net of down-payments (see Note D.3.) and (ii) goods and services. As of December 31, 2023, irrevocable commitments amounted to €6,141 million given (including €754 million related to Opella) and €550 million received (zero related to Opella).

(c) Irrevocable purchase commitments given as of December 31, 2024 include €749 million of commitments to joint ventures. This line also includes (i) the commitment to EUROAPI as described in Note D.1. and amounting to €535 million as of December 31, 2024, and (ii) commitments related to long-term renewable energy purchase contracts lasting between 15 and 20 years giving rise to the physical supply of electricity mainly in France for an estimated total annual volume of 329 GWh.

(d) Commitments related to research and development, and other commitments, amounted to €381 million as of December 31, 2023.

(e) This line only includes contingent milestone payments on development projects in progress. The equivalent amount as of December 31, 2023 was €4,886 million.

In pursuance of its strategy, Sanofi may acquire technologies and rights to products. Such acquisitions may be made in various contractual forms: acquisitions of shares, loans, license agreements, joint development, and co-marketing. These arrangements generally involve upfront payments on signature of the agreement, development milestone payments, and royalties. Some of these complex agreements include undertakings to fund research programs in future years and payments contingent upon achieving specified development milestones, the granting of approvals or licenses, or the attainment of sales targets once a product is commercialized.

The "Research and development license agreements" line comprises future service commitments to fund research and development or technology, and contingent milestone payments regarded as reasonably achievable (i.e. all potential milestone payments relating to projects in the development phase, for which the future financial consequences are known or probable and for which there is a sufficiently reliable estimate). This line excludes:

- commitments given relating to (i) projects in the research phase, amounting to €14.4 billion as of December 31, 2024 and €16.8 billion as of December 31, 2023 and (ii) payments contingent upon the attainment of sales targets once a product is commercialized, amounting to €15.2 billion as of December 31, 2024 and €17.9 billion as of December 31, 2023);
- commitments received amounting to €13.0 billion as of December 31, 2024 (€10.0 billion as of December 31, 2023), mainly comprising research, development and commercialization agreements with partners further to the acquisitions of (i) Ablynx (€0.7 billion as of December 31, 2024, versus €0.9 billion as of December 31, 2023); (ii) Kymab (€0.3 billion as of December 31, 2024, versus €0.2 billion as of December 31, 2023) and (iii) Provention Bio (€0.4 billion as of December 31, 2024, versus €0.3 billion as of December 31, 2023), plus contingent consideration receivable based on attainment of regulatory and sales milestones for commercialized products under the terms of licenses or rights assignment agreements amounting to €11.2 billion as of December 31, 2024 (€8.5 billion as of December 31, 2023).

The major agreements entered into by Sanofi in 2024 are described below:

- On May 10, 2024, Sanofi entered into a co-exclusive licensing agreement with Novavax. The terms of the agreement include (i) a co-exclusive license to co-commercialize Novavax's current stand-alone adjuvanted COVID-19 vaccine worldwide (except in countries with existing Advance Purchase Agreements and in India, Japan, and South Korea, where Novavax has existing partnership agreements); (ii) a sole license to Novavax's adjuvanted COVID-19 vaccine for use in combination with Sanofi's flu vaccines; and (iii) a non-exclusive license to use the Matrix-M adjuvant in vaccine products. Novavax received an upfront payment of $500 million and could receive up to $700 million contingent on attainment of development, regulatory and commercialization milestones, representing up to $1.2 billion in total. Starting in 2025, Sanofi will recognize sales of Novavax's adjuvanted COVID-19 vaccine and will bear certain R&D, regulatory and commercialization expenses. Novavax will receive double-digit tiered royalties on Sanofi sales of COVID-19 vaccines and combined influenza/COVID-19 vaccines. Novavax is also entitled to additional launch and sales milestone payments of up to $200 million, plus single-digit royalties for each additional Sanofi vaccine product developed under a non-exclusive license using Novavax's Matrix-M adjuvant technology. In addition, Sanofi took a minority equity interest of less than 5% in Novavax. Outside of the collaboration, each party may develop and commercialize their own flu and COVID-19 vaccines and their own adjuvanted products at their own cost.
- On September 12, 2024, Sanofi entered into an exclusive licensing agreement with RadioMedix, Inc. and Orano Med for AlphaMedix (SAR447873), a late-stage project currently being evaluated for the treatment of adult patients with unresectable or metastatic progressive somatostatin-receptor expressing neuroendocrine tumors (NETs), a rare cancer. Under the licensing agreement, Sanofi will be responsible for the global commercialization of AlphaMedix, while Orano Med will be responsible for the manufacturing of AlphaMedix through its global industrial platform currently under development. Under the terms of the agreement, RadioMedix and Orano Med received an upfront payment of €100 million and could receive up to €220 million based on sales milestones, as well as being eligible for tiered sales-based royalties.
- On December 20, 2024, Sanofi entered into an exclusive licensing agreement with Corxel Pharmaceuticals (CORXEL) to develop and commercialize aficamten in China, Hong Kong, Macao and Taiwan for the treatment of patients with obstructive and non-obstructive hypertrophic cardiomyopathy (HCM). Aficamten is an investigational, next-in-class selective small molecule cardiac myosin inhibitor discovered and developed globally by Cytokinetics. Sanofi will now acquire CORXEL's rights relating to aficamten in China, Hong Kong, Macao and Taiwan for an undisclosed amount. Cytokinetics remains eligible to receive up to $150 million in development and commercial milestone payments from Sanofi as well as royalties in the low-to-high teens on future sales of aficamten in China, Hong Kong, Macao and Taiwan. Cytokinetics is now also eligible to receive additional undisclosed payments in connection with the execution of the agreement between Sanofi and CORXEL.

The amount reported for commitments as of December 31, 2024 also includes commitments under agreements entered into by Sanofi in prior years. The main such agreements are described below; for a full description of each agreement, refer to the Annual Report on Form 20-F for the year in which the agreement was entered into.

The major agreements entered into by Sanofi in 2023 are described below:

- expanded collaboration with Scribe Therapeutics signed in September 2022, and an exclusive license agreement on CasX-Editor(XE) genome editing technology associated with guide RNAs for multiple targets including sickle cell disease and other genomic diseases;
- agreement with Janssen Pharmaceuticals, Inc. (Janssen) to develop and commercialize a vaccine candidate against extra intestinal pathogenic strains of E. coli developed by Janssen. In February 2025, a scheduled review of the E.mbrace phase 3 study conducted by independent data monitoring committee (IDMC) determined that the vaccine candidate was not sufficiently effective at preventing invasive E. coli disease (IED) compared to placebo. As a result of the IDMC's determination, the E.mbrace study is being discontinued (see Note D.5.);
- collaboration agreement with Teva Pharmaceuticals to co-develop and co-commercialize TEV'574 (duvakitug), for which positive Phase 2b clinical study results in patients with ulcerative colitis and Crohn's disease were announced on December 17, 2024.

In addition, by acquiring all of the outstanding shares of Provention Bio, Inc. on April 27, 2023 (see Note D.1.), Sanofi assumed commitments amounting to €946 million made by that company to various partners under collaboration agreements previously entered into.

The principal agreements entered into by Sanofi in earlier years are listed below:

- Exscientia (2022): an innovative license agreement and research collaboration to develop up to 15 novel small molecule candidates across oncology and immunology, leveraging Exscientia's end-to-end AI-driven platform utilizing actual patient samples;
- ABL Bio (2022): a licensing and collaboration agreement for the development of ABL301, a bispecific antibody intended as a treatment for alpha-synucleinopathies;
- Adagene Inc., a company specializing in the discovery and development of antibody-based therapies (2022): collaboration and exclusive license agreement;
- Blackstone (2022): a strategic risk-sharing collaboration under which funds managed by Blackstone Life Sciences (BXLS) will contribute up to €300 million to accelerate the global pivotal studies and clinical development program for the subcutaneous formulation and delivery of the anti-CD38 antibody Sarclisa, to treat patients with multiple myeloma. That amount will be paid to Sanofi on the basis of development expenses incurred. In addition, Sanofi may pay royalties on future sales of this solution;
- IGM Biosciences Inc. (2022): an exclusive collaboration agreement to create, develop, manufacture and commercialize IgM antibody agonists against three oncology targets and three immunology/inflammation targets;
- Atomwise (2022): a collaboration agreement that will leverage Atomwise's ATOMNET platform to identify and synthesize up to five drug targets;
- Scribe Therapeutics (2022): a research collaboration to leverage Scribe's CRISPR by Design platform and to obtain a non-exclusive license to CasX-Editor(XE) genome editing technology for multiple oncology targets;
- Insilico Medicine (2022): a strategic research collaboration to leverage Insilico Medicine's AI platform, Pharma.AI, to advance drug development candidates for up to six new therapeutic targets;
- Innate Pharma SA (2022): an expanded collaboration, with Sanofi licensing a natural killer (NK) cell engager program targeting B7-H3 from Innate's ANKET (Antibody-based NK Cell Engager Therapeutics) platform;
- Kymera (2020): agreement to develop and commercialize protein degrader therapies targeting IRAK4 in patients with immune-inflammatory diseases;
- Nurix Therapeutics (2020): collaboration to develop novel targeted protein degradation therapies; and
- Denali Therapeutics Inc. (2018): collaboration agreement on the development of multiple molecules with the potential to treat a range of systemic inflammatory diseases such as ulcerative colitis.

Sanofi did not discontinue any collaboration agreement that would have resulted in a significant reduction in commitments as of December 31, 2024.

In addition, under the collaboration agreement with Regeneron on monoclonal antibodies (see Note C.1.), Sanofi is entitled to receive an additional share of quarterly profits (capped at 10% of Regeneron's share of quarterly profits until March 31, 2022, and thereafter at 20%), until Regeneron has paid 50% of the cumulative development costs incurred by the parties to the alliance. As of December 31, 2024 this represented total commitments received of €1.6 billion (versus €2.1 billion as of December 31, 2023), against cumulative development costs of €9.7 billion.

Sanofi entered into an agreement with Royalty Pharma in December 2014 relating to development programs, under which Royalty Pharma bore a portion of the remaining development costs of the project on a quarterly basis in return for royalties on future sales. The products in development under that agreement have been launched in territories including the United States and Europe, marking the end of the joint development programs.

On February 27, 2017, Sanofi and Lonza announced a strategic partnership in the form of a joint venture (BioAtrium AG) to build and operate a large-scale mammalian cell culture facility for monoclonal antibody production in Visp, Switzerland. An initial investment of approximately €0.3 billion to finance construction of the facility, split 50/50 between the two partners, has now been made in full. In addition, Sanofi could pay BioAtrium AG in the region of €0.6 billion over the 2025-2031 period as its share of operating expenses and the cost of producing future batches.

In February 2014, pursuant to the "Pandemic Influenza Preparedness Framework for the sharing of influenza viruses and access to vaccines and other benefits" (still effective as of December 31, 2024), Sanofi Pasteur and the World Health Organization (WHO) signed a bilateral "Standard Material Transfer Agreement" (SMTA 2). This agreement stipulates that Sanofi Pasteur will, during declared pandemic periods, (i) donate 7.5% of its real-time production of pandemic vaccines against any strain with potential to cause a pandemic, and (ii) reserve a further 7.5% of such production on affordable terms. The agreement cancels and replaces all preceding commitments to donate pandemic vaccines to the WHO.

Sanofi has also entered into power purchase agreements in furtherance of its sustainability strategy.

The characteristics of the principal power purchase agreements in place as of December 31, 2024 are summarized below:

Country	Type of Energy	Annual Volume	Start Date	Term	Type of Contract	Accounting Treatment
France	Solar	8 GWh	2025	20 years	PPA[a]	Own use procurement contract[b]
	Wind	46 GWh	2025	20 years		
	Wind	29 GWh	2025	20 years		
	Wind	21 GWh	2025	20 years		
	Wind	32 GWh	2025	20 years		
	Wind	22 GWh	2025	20 years		
	Solar	6 GWh	2025	20 years		
	Solar	6 GWh	2025	20 years		
	Solar	7 GWh	2025	20 years		
	Wind	21 GWh	2025	15 years		
	Wind	40 GWh	2025	15 years		
Germany	Wind	70 GWh	2025	18 years		
Belgium	Wind	20 GWh	2026	15 years		

(a) PPA (Power Purchase Agreement): long-term renewable energy contract resulting in physical supply of electricity at a predetermined fixed price for the entire duration of the contract.

(b) At the current stage of analysis with reference to IFRS 10 (Consolidated Financial Statements), IFRS 16 (Leases) and IFRS 9 (Financial Instruments), Sanofi has concluded that it can apply the own use exception as permitted by paragraph 2.4 of IFRS 9.

These contracts help secure the objective of 100% electricity from renewable sources supply across all Sanofi operations by 2030.

D.21.2. Off balance sheet commitments relating to financing activities

Credit facilities

Undrawn credit facilities are as follows:

December 31, 2024		Expiry			
(€ million)	Total	Less than 1 year	1 to 3 years	3 to 5 years	More than 5 years
General-purpose credit facilities	8,000	—	4,000	—	4,000

As of December 31, 2024, total credit facilities amounted to €8,000 million (versus €8,000 million as of December 31, 2023 and €8,000 million as of December 31, 2022).

Guarantees

The table below shows the amount of guarantees given and received:

(€ million)	2024	2023	2022
Guarantees given:	**4,298**	**3,936**	**3,815**
• Guarantees provided to banks in connection with credit facilities	1,130	1,067	1,007
• Other guarantees given	3,168	2,869	2,808
Guarantees received	**(1,288)**	**(1,272)**	**(1,229)**

D.21.3. Off balance sheet commitments relating to asset acquisitions and divestments, and to changes in the scope of consolidation

As of December 31, 2024, Sanofi had received commitments amounting in aggregate to €0.5 billion in respect of (i) divestments of assets relating to transactions not yet finalized as of that date and (ii) contingent consideration arising under past agreements.

Off balance sheet commitments of a financing nature with associates and joint ventures are disclosed in Note D.6.

Off-balance sheet commitments relating to securities classified in the categories Equity instruments at fair value through other comprehensive income and Unquoted debt securities not meeting the definition of equity instruments are respectively disclosed in Notes D .7.1. and D.7.3..

The maximum amount of contingent consideration relating to business combinations is disclosed in Note D.18.

D.22. Legal and arbitral proceedings

Sanofi and its affiliates are involved in litigation, arbitration and other legal proceedings. These proceedings typically are related to product liability claims, intellectual property rights (particularly claims against generic companies seeking to limit the patent protection of Sanofi products), competition law and trade practices, commercial claims, employment and wrongful discharge claims, tax assessment claims, waste disposal and pollution claims, and claims under warranties or indemnification arrangements relating to business divestitures. Provisions related to legal and arbitral proceedings are recorded in accordance with the principles described in Note B.12.

Most of the issues raised by these claims are highly complex and subject to substantial uncertainties; therefore, the probability of loss and an estimation of damages are difficult to ascertain. Contingent liabilities are cases for which either we are unable to make a reasonable estimate of the expected financial effect that will result from ultimate resolution of the proceeding, or a cash outflow is not probable. In either case, a brief description of the nature of the contingent liability is disclosed and, where practicable, an estimate of its financial effect, an indication of the uncertainties relating to the amount and timing of any outflow, and the possibility of any reimbursement are provided in application of paragraph 86 of IAS 37.

In the cases that have been settled or adjudicated, or where quantifiable fines and penalties have been assessed, we have indicated our losses or the amount of provision accrued that is the estimate of the probable loss.

In a limited number of ongoing cases, while we are able to make a reasonable estimate of the expected loss or range of the possible loss and have accrued a provision for such loss, we believe that publication of this information on a case-by-case basis or by class would seriously prejudice the Company's position in the ongoing legal proceedings or in any related settlement discussions. Accordingly, in those cases, we have disclosed information with respect to the nature of the contingency but have not disclosed our estimate of the range of potential loss, in accordance with paragraph 92 of IAS 37.

These assessments can involve a series of complex judgments about future events and can rely heavily on estimates and assumptions. Our assessments are based on estimates and assumptions that have been deemed reasonable by management. We believe that the aggregate provisions recorded for the above matters are adequate based upon currently available information. However, given the inherent uncertainties related to these cases and involved in estimating contingent liabilities, we could in the future incur judgments that could have a material adverse effect on our net income in any particular period.

Long term provisions are disclosed in Note D.19. They include:

- provisions for product liability risks, litigation and other amount to €1,676 million in 2024. These provisions are mainly related to product liabilities, government investigations, competition law, regulatory claims, warranties in connection with certain contingent liabilities arising from business divestitures other than environmental matters and other claims;
- provisions for environmental risks and remediation amount to €474 million in 2024, the majority of which are related to contingencies that have arisen from business divestitures.

a) Products

Sanofi Pasteur Hepatitis B Vaccine Product Litigation

Since 1996, more than 180 lawsuits have been filed in various French civil courts against Sanofi Pasteur (a French subsidiary of Sanofi) and/or Sanofi Pasteur MSD SNC (a joint venture company with Merck & Co., Inc. now terminated), for which past ongoing litigation is now managed by the originating party. In such lawsuits, the plaintiffs allege that they suffer from a variety of neurological disorders and autoimmune diseases, including multiple sclerosis and Guillain-Barré syndrome, as a result of receiving the hepatitis B vaccine.

In January 2018, the Appeal Court of Bordeaux found a causal link between hepatitis B vaccine and multiple sclerosis. In July 2019, the French Supreme Court *(Cour de cassation)* cancelled the judgment of the Appeal Court of Bordeaux and referred the case back to the Appeal Court of Toulouse. On March 30, 2022, the Appeal Court of Toulouse dismissed all the plaintiffs' claims.

As of December 31, 2024, there were four ongoing lawsuits related to Sanofi Pasteur hepatitis B vaccine.

Taxotere Product Litigation in the US

A number of lawsuits have been filed against affiliates of Sanofi under US state law for personal injuries allegedly sustained in connection with the use of Taxotere. The actions are held in several jurisdictions around the country. In 2021, there were two bellwether trials as part of a federal multi-district litigation in the Eastern District of Louisiana both resulting in jury verdicts in Sanofi's favor. Throughout 2024, Sanofi entered into a number of settlement agreements or agreements in principle with many plaintiffs' firms encompassing nearly all the remaining cases. These agreements, still a work in progress, require the consent of the individual plaintiffs and will take some time to conclude, in order to ensure that certain threshold participation requirements are met. At the end of the settlement process, Sanofi expects approximately 100 plaintiffs to opt out of the settlement and litigation will continue.

It is not possible, at this stage, to assess with certainty the outcome of these lawsuits.

Zantac Litigation in the US

In September 2019, the US Food and Drug Administration (FDA) announced it was investigating the claims of an online pharmacy's Citizen Petition that the medication Zantac (the brand name for ranitidine) used for stomach heartburn contains or can generate the chemical N-Nitrosodimethylamine (NDMA), an alleged human carcinogen. As a precautionary measure, Sanofi initiated a voluntary recall of branded over-the-counter Zantac in October 2019. Concurrent with the FDA investigation, multiple personal injury lawsuits and class actions alleging that Zantac causes various cancers and seeking damages for either alleged personal injuries or alleged economic injuries were filed. Federal court cases were coordinated into a Multi-Districts Litigation (MDL) in the Southern District of Florida in February 2020.

On December 6, 2022, the MDL Court granted Sanofi and other defendants' *Daubert* and summary judgment motions. As a result, the Court entered final judgment in all cases involving plaintiffs' five designated cancers and dismissed the class action cases. Based on the preliminary estimates, more than 12,000 plaintiffs have filed notices to appeal the *Daubert* ruling in the Eleventh Circuit. The MDL Court subsequently dismissed all pending cases alleging a non-designated cancer for failure to serve expert reports.

Other cases are pending in various state courts. The majority of the state court plaintiffs have cases pending in Delaware, where a hearing on defendants' *Daubert* motions to exclude plaintiffs' experts took place in January 2024. In May 2024, the State of Delaware court decided not to exclude plaintiffs' experts from the cases. Sanofi has appealed this decision to the Delaware Supreme Court which has granted review, and a decision is expected in June 2025. To date, there have been five trials against other defendants, but none against Sanofi as yet.

In March 2024, Sanofi reached agreement in principle with a number of plaintiffs' lawyers to resolve Zantac personal injury cases pending against it in all US state courts outside of Delaware. This agreement would resolve approximately 75% of nearly 4,400 cases. The agreement requires the consent of individual plaintiffs and will take some time to conclude.

Overall, as of December 31, 2024, there were around 1,623 product liability "complaints" filed. These complaints encompass 24,922 individual product liability "plaintiffs" who have all filed against Sanofi. The vast majority of these plaintiffs participated in the MDL Court's census registry program, allege cancers that the plaintiffs' leadership decided not to designate and pursue in the MDL, and have since filed their complaints in state courts. Additional cases may be filed.

In addition, in November 2019, Sanofi received a Civil Investigative Demand (CID) related to this issue from the Arizona Attorney General. Sanofi provided responses in December 2019 and July 2020 and has not received any follow-up requests.

In June 2020, the New Mexico Attorney General filed a complaint against Sanofi, the previous marketing authorization holders for branded Zantac, a dozen generic manufacturers, and several retailers. The complaint brings claims for alleged violations of the New Mexico Unfair Practices Act, violations of the New Mexico False Advertising Act, violations of the New Mexico Public Nuisance Statute, common law public nuisance, and negligence. Trial in the case is scheduled for September 2025.

In June 2020, Sanofi received a notice from the US Department of Justice Civil Division and US Attorney's Office for the Eastern District of Pennsylvania of an investigation into allegations that pharmaceutical manufacturers violated the False Claims Act, 31 U.S.C. § 3729, in relation to the drug Zantac and ranitidine hydrochloride through alleged failure to disclose to the federal government information about the potential presence of NDMA. In response to the notice, Sanofi provided information and documents including applications and communications with FDA, in August 2020. Sanofi has not received any subsequent requests from the federal government.

In November 2020, the Mayor and City Council of Baltimore filed a complaint against Sanofi, the previous marketing authorization holders for branded Zantac, generic manufacturers, and several retailers. The complaint alleges violations of the Maryland Consumer Protection statute, public nuisance, and negligence. Trial in the case is scheduled for September 2026.

In January 2021, Sanofi had been served with the Center for Environmental Health's Second Amended Complaint alleging Proposition 65 violations. The case which was pending in California Superior Court in Alameda County was settled in 2024 and is now concluded.

It is not possible, at this stage, to assess with certainty the outcome of these lawsuits.

Zantac Litigation in Canada

Between 2019 and 2022, seven proposed class actions naming some or all of Sanofi Consumer Health Inc., Sanofi-Aventis Canada Inc., Chattem (Canada) Inc., Sanofi and Sanofi Pasteur Limited as Defendants, relating to ranitidine were filed in courts in various Canadian provinces. The cases allege that proposed class members suffered personal injury from the ingestion of ranitidine, and seek damages in unspecified amounts, disgorgement of profits, restitution in the amount of the purchase price of Zantac and subrogated damages on behalf of provincial health insurers for health care costs related to ranitidine use.

Between 2021-2024, a total of 122 individual claims naming Sanofi Consumer Health Inc., Sanofi-Aventis Canada Inc., Sanofi Pasteur Limited and Chattem (Canada) Inc. were filed in Ontario and British Columbia.

In May 2023, in the proceedings pending before the Supreme Court of British Columbia, the court dismissed the action, ruling that there is no scientific support for the plaintiffs' claims. The Superior Court of Quebec has stayed the corresponding proposed Zantac class proceedings in Quebec until the result of the US Multi-District Litigation (MDL) appeal is announced or October 15, 2025 (whichever comes first).

It is not possible, at this stage, to assess with certainty the outcome of the remaining lawsuits.

Talc Product Litigation in the US

Over the last few years, Sanofi affiliates have been named in product liability actions in the United States regarding the alleged presence of asbestos in talc products originating from past acquisitions. A certain number of these claims were also dismissed during that time. As of December 31, 2024, there were approximately 700 ongoing product liability actions. To date, no cases have proceeded to trial.

It is not possible, at this stage, to assess with certainty the outcome of these lawsuits.

Depakine Product Litigation in France

Civil proceedings

As of December 31, 2024, 79 families had brought a civil claim involving 133 people exposed in utero to sodium valproate against a French affiliate of Sanofi seeking indemnification under French law for personal injuries allegedly suffered by children in connection with the use of sodium valproate (Depakine) by their mothers during pregnancy to treat their epilepsy. These actions are being held in several jurisdictions in France.

Forty lawsuits are in progress on the merits, the most advanced of which was tried at the level of the French Supreme Court, which in November 2019 issued a ruling sending the case before the Paris Appeal Court to rule on Sanofi's argument on the compliance of the product with mandatory regulations, as well as on the question of defectiveness of the product and the assessment of damages. In January 2023, the Paris Appeal Court ordered a stay in the proceedings until the submission of the second expert opinion report as part of the criminal investigation (see below).

Seven first instance rulings on the merits were handed down in 2022 by the Judicial Tribunal of Nanterre. In three cases, the Court declared the judicial expert report null and void and the Court dismissed one claim in another case.

Concerning three other cases relating to births that occurred between 2005 and 2009, the Court held, on the basis of a non-fault liability, that Sanofi was liable in light of the wording of the patient information leaflet. Provisional compensation amounts were set in the range of €0.1 million to €0.5 million. To date, four first instance cases have ruled in favour of plaintiffs and two first instance rulings excluded Sanofi's liability.

All the judgments have been appealed and are still pending.

In the class action lawsuit filed in May 2017 by the APESAC *(Association des Parents d'Enfants souffrant du Syndrome de l'Anti-Convulsivant)* against the French affiliate, the Judicial Tribunal of Paris ruled on January 5, 2022 that a class is admissible, retaining Sanofi's liability between 1984 and January 2006 for malformations and between 2001 and January 2006 for neuro-developmental disorders (NDD). This decision is based on the conclusions of a criminal expert report within the frame of ongoing criminal proceedings, for which the *Chambre de l'Instruction* of the Appeal Court of Paris had ordered a counter-expertise (see below). The APESAC, Sanofi and its insurers appealed the Judicial Tribunal of Paris' ruling related to the class action.

On July 21, 2021, the Judicial Tribunal of Créteil (France) dismissed a claim for damages brought against Sanofi regarding a child born in 1995. The Judicial Tribunal considered that the risk of occurrence of NDD in children born to a mother exposed to sodium valproate during pregnancy was not demonstrated by the state of scientific knowledge at the time of her pregnancy. This decision was appealed and the proceeding is now pending before the Appeal Court of Paris, which had ordered a stay in the proceeding until the end of the criminal investigation.

Several questions on the Product Liability Directive have been referred to the Court of Justice of the European Union (CJEU), which will have an impact on the pending Depakine cases. A ruling from the CJEU is expected between September and December 2025.

Since July 2020, a collective redress has been filed against the French affiliate representing as of December 2024 approximately 76 families (with 288 claimants including 111 people exposed in utero), seeking indemnification for a prejudice of anxiety. In August 2024, the court denied Sanofi's request related to the stay of proceeding pending the CJEU ruling and rejected Sanofi's statute of limitation arguments. In September 2024, Sanofi filed an appeal.

Criminal investigation

A criminal investigation was initiated in May 2015 before the Paris Civil Court. In January 2020, the French affiliate of Sanofi was indicted for aggravated deception and involuntary injuries and in July 2020 for involuntary manslaughter. In July 2020, a judicial supervision of the affiliate was ordered, together with the implementation of financial guarantees. In November 2020, the Health Authority (ANSM) was similarly indicted for involuntary injuries and involuntary manslaughters.

On March 9, 2022, the *Chambre de l'Instruction* of the Appeal Court of Paris *(Cour d'appel)* ruled that certain complaints for involuntary manslaughter and several others for aggravated deception and involuntary injuries were time-barred. The Public Prosecutor, as well as the civil parties, have brought the matter before the *Chambre Criminelle* of the Supreme Court *(Cour de cassation)*. In September 2022, the investigating judges appointed two experts for a counter-expertise following the *Chambre de l'Instruction's* ruling handed down end of 2021. Since 2022, several individual medical assessments have been ordered by the investigating judge.

In June 2023, the *Chambre Criminelle* of the French Supreme Court *(Cour de cassation)* confirmed the Paris Court of Appeal's decision *(Chambre de l'Instruction)* dated March 2022 which had ruled that certain complaints for involuntary manslaughter and several others for aggravated deception and involuntary injuries were time-barred. In August 2023, Sanofi received the counter expertise report and sent its comments in November 2023.

Public compensation scheme

In 2017, the French government set up a public compensation scheme to indemnify patients for damages suffered in connection with the prescription of sodium valproate and its derivatives. The scheme was further amended through the 2020 Finance Law, with notably the introduction of presumptions of failure to inform the mother since 1982 for malformations and since 1984 for NDD. The scheme was amended again through the 2021 Finance Law in order to increase the maximum premium applicable in the event of refusal to make an offer (or making an insufficient offer) where this would be deemed unjustified by a court ruling.

The committee of the compensation scheme has issued several final opinions holding the French affiliate liable for damages either in full or in part along with the French State, and, in some cases, healthcare practitioners. The French affiliate disagreed with the committee's conclusions and has accordingly not offered indemnification to the claimants who have received compensation from the ONIAM *(Office National d'Indemnisation des Accidents Médicaux)*. The ONIAM is now seeking reimbursement from Sanofi, which has filed legal actions to oppose ONIAM's payment orders.

Administrative Actions

In July 2020, March and June 2021, the Montreuil Administrative Court held the French State liable in five administrative proceedings initiated by families against the State. In March 2021, the Administrative Court did not find any failure to inform the mother regarding the risk of neurodevelopmental disorders for births in 1999 and in 2002, based on the state of scientific knowledge at the time. However, regarding the risk of malformations, liabilities were retained against the State, the healthcare professionals and Sanofi, notably for discrepancy between the SmPC (Summary of the Product Characteristics) and the patient leaflet. In other cases involving births in 2005-2008, the State was held liable both for malformations and neurodevelopmental disorders but partially exonerated, taking into account the roles of healthcare practitioners and Sanofi. Given that the French affiliate was not a party to these administrative proceedings, its arguments (including several requests from the French affiliate to the Health Authorities to reinforce warnings to healthcare professionals and patients in relation to Depakine) were not considered. All rulings were appealed by the claimants. Sanofi has filed requests for voluntary intervention in these proceedings to present its arguments before the Administrative Court of Appeal, which has been granted for some of them. In one proceeding, the claimants decided to withdraw their claims. In January 2025, the Paris Administrative Court of Appeal handed down five rulings. In cases concerning births in 2006 onwards, the Court retained the State's liability and no fault from Sanofi due to the reiterated variation requests of the medicine's information documents. In a case concerning births in 1999 and 2002, the Court retained the State's liability with a 50% liability retained for Sanofi.

It is not possible, at this stage, to make a reliable assessment of the outcome of these cases.

Depakine Product Litigation in other EU countries, in the UK and Switzerland

In Switzerland, eleven families have filed a civil claim for damages concerning seventeen people exposed in utero. Some of them also involve the claimants' physicians. In November 2022, one action was declared time-barred by the judge. The claimant appealed this court decision on the merit. In November 2024, the court confirmed the first instance judgment. The claimant appealed against this court decision to the Federal Tribunal (last Instance).

In Spain, there are seven ongoing actions relating to fifteen children. In March 2022, in one trial, the Court ordered Sanofi to indemnify four patients. Sanofi appealed this decision. In January 2023, in another trial filed by one patient, the Appeal Court confirmed the first instance's decision and dismissed the claim. As of December 2024, two actions are pending in front of the Supreme Court and five are at the first instance stage.

In Belgium, there are two civil proceedings (currently on hold) and a criminal complaint against X and against Sanofi. In the criminal complaint, the court ruled in September 2024 that the action was time-barred. Claimants have appealed.

In Ireland, there are two cases in Pre-Action stage and two civil claims ongoing.

In the United Kingdom, there is one case in the Pre-Action stage in Great Britain and one civil claim ongoing in Northern Ireland.

It is not possible, at this stage, to assess reliably the outcome of these cases.

Dengvaxia (Philippines)

From early 2018 up to present date, several claims have been filed in the Philippines by parents of deceased children whose deaths were allegedly due to vaccination with Dengvaxia. In early March 2019 and in 2020 and 2022, the Philippine Department of Justice (DOJ) prosecution panel announced it had found probable cause to indict several Sanofi employees/former employees and former Government officials for "reckless imprudence" resulting in homicides. Since then, several criminal actions have been filed in court as a result of this finding and are pending at various stages of the legal procedure. Petitions for Review to the DOJ Secretary have been filed and the said petitions remain pending. Meanwhile, the majority of the respondents have challenged the jurisdiction of the lower court where the first eight cases had been assigned and this issue was filed with the Supreme Court. There are several claims that have not yet been filed in any court despite resolutions by the DOJ that there is probable cause.

In July 2024, the Court dismissed the first eight criminal cases, ruling the prosecution failed to establish the elements of "reckless imprudence" resulting in homicide. Remaining cases are still pending at various stages.

b) Patents

Ramipril Canada Patent Litigation

Sanofi was involved in a number of legal proceedings involving companies which market generic Altace (ramipril) in Canada. In 2004, Sanofi unsuccessfully brought Notice of Compliance proceedings (NOC proceedings) at the end of which eight manufacturers obtained marketing authorizations from the Canadian Minister of Health for generic versions of ramipril in Canada. Sanofi filed unsuccessful patent infringement actions against all those companies and ultimately Sanofi was liable for damages under Section 8. Sanofi made payment in complete satisfaction of those awards.

In June 2011, Apotex commenced an action in the Ontario Superior Court of Justice asserting damages under the Ontario Statute of Monopolies, the UK Statute of Monopolies, and the Trade-marks Act (the "Ontario Action").

At the request of the parties, in June 2021 the Court ordered that the action be stayed in view of the lower court's decision in March in the Apotex vs. Lilly case. In the Lilly case, the Court dismissed Apotex's Statute of Monopolies claim by way of summary judgment. In April 2023, the Canadian Supreme Court denied Apotex's application for leave to appeal in the Lilly case and based on the Supreme Court decision, Apotex's claim no longer has any basis. On February 6, 2025, Apotex formally discontinued the case against Sanofi. Sanofi continues to pursue recovery of appropriate costs.

Praluent (alirocumab)-related Amgen Patent Litigation in the US

In 2014, Amgen filed four separate complaints against Sanofi and Regeneron in the US District Court for the District of Delaware ("District Court") asserting patent infringement relating to Sanofi and Regeneron's Praluent product. Together these complaints alleged that Praluent infringed seven patents for antibodies targeting PCSK9 and sought injunctive relief and unspecified damages.

In February 2021, the Federal Circuit affirmed the District Court's ruling invalidating the Amgen asserted patent claims. In November 2021, Amgen filed a petition with the US Supreme Court, asking it to overturn the Federal Circuit decision.

On November 4, 2022, the US Supreme Court granted Amgen's petition for review. In May 2023, the Supreme Court issued a unanimous decision in favor of Sanofi and Regeneron regarding the patent infringement actions filed in 2014 by Amgen relating to Sanofi and Regeneron's Praluent product. Sanofi is in the process of seeking certain legal costs from Amgen, which is pending before the District of Delaware Court.

Praluent (alirocumab)-related Amgen Patent Litigation in Europe

In June 2023, Amgen filed an action for infringement of EP 3 666 797 against Sanofi and Regeneron concerning Praluent in the Munich Local Division of the Unified Patent Court. Amgen seeks a permanent injunction and unspecified damages and compensation from March 1, 2023. In June 2023, Sanofi filed a revocation action attacking the validity of EP 3 666 797 in the Munich Central Division of the Unified Patent Court. In this action, a decision on the Amgen patent's validity was issued in July 2024, revoking Amgen's patent, hence supporting Sanofi's position. Amgen has appealed this decision, and the appeal is underway. Amgen's action for infringement in the Munich Local Division of the Unified Patent Court is suspended pending this appeal.

Sanofi and Regeneron have also attacked the validity of the same EP 3 666 797 patent at the European Patent Office. These proceedings are ongoing and a first instance oral hearing at the Opposition Division of the European Patent Office is scheduled in March-April 2025.

Plavix Litigation (Commonwealth) in Australia

In August 2007, GenRX (a subsidiary of Apotex) obtained registration of a generic clopidogrel bisulfate product on the Australian Register of Therapeutic Goods. At the same time, GenRX filed a patent invalidation action with the Federal Court of Australia, seeking revocation of Sanofi's Australian enantiomer patent claiming clopidogrel salts (a "nullity action"). In September 2007, Sanofi obtained a preliminary injunction from the Federal Court preventing commercial launch of this generic clopidogrel bisulfate product until judgment on the substantive issues of patent validity and infringement.

In August 2008, the Australian Federal Court confirmed that the claim in Sanofi's Australian enantiomer patent directed to clopidogrel bisulfate (the salt form in Plavix) was valid and the patent infringed. On appeal, the Full Federal Court of Australia held in September 2009 that all claims in the patent are invalid. Sanofi's appeal to the Australia High Court was denied in March 2010. On conclusion of the proceedings in 2010, the Sanofi patent was invalidated.

In April 2013, the Australian Department of Health and Ageing ("Commonwealth") filed an application before the Federal Court of Australia seeking payment of damages from Sanofi related to the Apotex preliminary injunction.

Sanofi and BMS settled the patent litigation with Apotex in November 2014. In April 2020, the Commonwealth's claim was dismissed. In May 2020, the Commonwealth filed a Notice of Appeal to the Full Court of the Federal Court. On appeal, the Commonwealth reduced its claim to a range of AUD223.3 million (€137.8 million) to AUD280.2 million (€172.9 million) which, inclusive of interest to December 31, 2023, ranges from AUD360.5 million (€218.0 million) to AUD487.5 million (€294.3 million). In June 2023, the Full Court of the Federal Court of Australia unanimously dismissed the Commonwealth's appeal following its application seeking payment of damages from Sanofi/BMS related to the preliminary injunction. On July 24, 2023, the Commonwealth filed an application for special leave to appeal to the High Court of Australia, which was granted on December 18, 2023. On December 11, 2024, the High Court of Australia dismissed the appeal from the June 2023 decision of the Full Court of the Federal Court of Australia. The only outstanding issue in this matter is the enforcement of the costs order.

c) Other litigation

Plavix (clopidogrel) – Attorney General Action in Hawaii

In March 2014, the Hawaii Attorney General (AG) filed a complaint that sets forth allegations related to the sale and marketing of and variability of response to Plavix. The Hawaii AG specifically alleged that Plavix had a diminished effect in patients of certain genetic backgrounds and that Sanofi and BMS had failed to make an earlier disclosure of this information.

In February 2021, the Court issued its decision, imposing penalties in the total amount of $834 million against both Sanofi and Bristol Myers Squibb (BMS), with $417 million being apportioned to each company. In June 2021, Sanofi and BMS appealed this judgment. The appeal was transferred directly to the Hawaii Supreme Court. In March 2023, the Hawaii Supreme Court vacated the judgment and ordered a new trial. A second trial was concluded in October 2023 and in 2024 a judgment was rendered against the defendants for $916 million ($458 million against Sanofi). Sanofi and BMS have appealed this decision to the Hawaii Supreme Court.

Plavix (clopidogrel)-related litigation in France

In France, in the claim concerning allegations that Sanofi's communication and promotional practices inhibited the entry on the market of generics of clopidogrel (the active ingredient of Plavix), the French Antitrust Authority issued its decision on May 14, 2013, imposing on Sanofi a fine of €40.6 million. This decision was confirmed by the Supreme Court *(Cour de cassation)* in 2016. As a consequence of the May 2013 ruling, claims were filed by Sandoz and by Teva in 2014 before the Commercial Court of Paris for compensation of their alleged damages: loss of margin and other ancillary damages. In June and November 2016 respectively, settlement agreements were entered into with Sandoz and Teva. Consequently, they subsequently withdrew their civil claims, jointly and severally. In September 2017, Sanofi and its French affiliate received a summons before the Paris Commercial Court from the French *Caisse Nationale d'Assurance Maladie* – CNAM (French Social Security) claiming €115.8 million for their alleged damages. On October 1, 2019, the Paris Commercial Court dismissed the CNAM's action as time barred. On February 9, 2022, the Paris Court of Appeals overturned the Paris Commercial Court's ruling, finding the CNAM's action as not time-barred and designated an expert to determine the amount of damages. The expert report was issued in March 2024. A judgment is expected in 2025.

340B Drug Pricing Program in the United States

Sanofi is currently involved in several matters relating to the 340B program in the US (a federal program that requires drug manufacturers to supply certain products to certain "covered entities" at reduced prices). In 2021, Sanofi filed a lawsuit against the Department of Health and Human Services (HHS), the Health Resources and Services Administration (HRSA), and certain of their administrators in the US District Court for the District of New Jersey challenging (i) HHS's December 2020 Advisory Opinion (AO) stating that drug manufacturers are legally obligated to deliver discounts under the 340B program to an unlimited number of contract pharmacies; (ii) HHS's December 2020 Administrative Dispute Resolution (ADR) Rule; and (iii) HRSA's May 2021 letter to Sanofi concluding that Sanofi's 340B integrity initiative (under which Sanofi collects limited, de-identified, claims data on 340B-priced drugs dispensed by contract pharmacies) violates section 340B and that Sanofi has therefore "overcharged" certain covered entities. The court issued its opinion in November 2021, upholding HRSA's conclusion in the May 2021 letter, but did not impose any fines, penalties or refund obligations against Sanofi for any "overcharges". The court also rejected Sanofi's challenge to the ADR Rule and dismissed its challenge to the AO as moot. Sanofi appealed the court's decision to the Third Circuit Court of Appeals (Third Circuit) and the government filed a cross-appeal.

In January 2023, the Third Circuit held that Sanofi's restrictions on delivery to contract pharmacies do not violate Section 340B. It also enjoined HHS from enforcing against Sanofi its reading of Section 340B in the AO and the May 2021 violation letter. As to Sanofi's challenge to the 340B ADR rule, the Third Circuit held that HHS did not violate the Administrative Procedure Act in promulgating the ADR Rule (HHS revised and finalized a new ADR rule in April 2024). The Third Circuit remanded the case back to the US District Court for the District of New Jersey (District Court) and on May 24, 2023, the District Court issued an injunction and declaratory judgment consistent with the Third Circuit's opinion. This ruling concluded the case as to Sanofi. On May 21, 2024, the District Court Circuit, in cases brought by Novartis and United Therapeutics, issued an opinion holding that Section 340B does not categorically prohibit manufacturers from imposing conditions on the distribution of covered drugs to covered entities. The Court further held that the conditions at issue in the case did not violate section 340B on their face and that the lower court had correctly set aside enforcement letters to Novartis and United Therapeutics. On September 17, 2024, based on the District Court Circuit's decision, the United States District Court for the District of Columbia entered stipulated final judgments upholding contract pharmacy restrictions that Amgen, Boehringer Ingelheim, Merck and UCB each placed in 2021. The rulings vacated letters that HRSA sent each drugmaker in 2021 or 2022 that declared their contract pharmacy restrictions illegal. A similar case, brought by Eli Lilly, remains pending in the Seventh Circuit.

On May 31, 2024, Sanofi filed a lawsuit in the United States District Court for the District of Columbia against HHS and HRSA under the Freedom of Information Act (FOIA) seeking an order declaring that Sanofi is entitled to covered entities' pharmacy contracts, requiring HRSA to produce the contracts and enjoining HRSA from withholding pharmacy contracts from Sanofi pursuant to its FOIA request. The government has produced certain documents since the filing of the lawsuit. The government responded to Sanofi's complaint on August 2, 2024 and the parties completed summary judgment briefing on December 9, 2024.

In an effort to further mitigate 340B program fraud and abuse, in November 2024, Sanofi announced its intention to implement a 340B Credit Model, where Sanofi will provide credits to covered entities for the difference between the 340B price and the price initially paid by the covered entity to reflect the 340B discount. On December 16, 2024, Sanofi filed a lawsuit against HHS, HRSA and their respective administrators, seeking a court order: (i) declaring that HHS's letter informing Sanofi that its Credit Model violates 340B is unlawful and setting it aside; (ii) declaring that Sanofi's Credit Model complies with Section 340B; and

(iii) enjoining defendants from taking enforcement action against Sanofi relating to its Credit Model. In January 2025, the court entered a scheduling order. Several manufacturers (including Johnson & Johnson, Eli Lilly, Bristol Myers Squibb, and Novartis) as well as information technology company Kalderos have filed similar lawsuits in the District Court for the District of Columbia.

ADR Proceedings

In January 2021, the National Association of Community Health Centers (NACHC) filed an ADR proceeding before HRSA on behalf of a number of covered entities, seeking to require Sanofi and AstraZeneca to supply contract pharmacies with 340B discounts without conditions. On August 10, 2022, the ADR panel granted the motions to dismiss filed both by Sanofi and AstraZeneca, holding that the Delaware district court's decision granting AstraZeneca's motion for summary judgment precluded NACHC's ADR claims against both AstraZeneca and Sanofi.

In September 2023, the University of Washington Medical Center and Harborview Medical Center filed a petition for monetary and equitable relief against Sanofi before the ADR Panel. The petition alleges that Sanofi has violated Section 340B, by imposing data reporting requirements on "Covered Entities" that are authorized under that statute to receive discounts on certain prescription drugs and that in June 2023, Sanofi further restricted access to 340B discounted drugs. On August 14, 2024, HRSA informed petitioner that the petition was complete. Sanofi's response was submitted on December 11, 2024.

Enforcement Proceedings and Investigations

In September 2021, HRSA referred Sanofi (as well as other manufacturers) to the HHS Office of the Inspector General (OIG) in accordance with the 340B Program Ceiling Price and Civil Monetary Penalties Final Rule. The Third Circuit's decision and the District Court's injunction and declaratory judgment (described above) would preclude action against Sanofi based on the particular program at issue in the Third Circuit case.

In February 2021, the Vermont Attorney General issued a Civil Investigative Subpoena seeking certain information about Sanofi's participation in the 340B program. Sanofi cooperated with this investigation, including producing documents to the Vermont Attorney General's office.

State Litigation

PhRMA and certain manufacturers have filed lawsuits challenging laws passed in certain states purporting to force manufacturers to provide 340B-pricing to contract pharmacies in their respective states. Those cases are in various stages of litigation. The most advanced of those cases, was brought by PhRMA challenging an Arkansas 340B law. In that case, the Eighth Circuit held on March 12, 2024, that the Arkansas statute was not preempted by the federal 340B statute. On December 9, 2024, the Supreme Court denied PhRMA's petition for certiorari.

On July 23, 2024, Sanofi filed its own lawsuit challenging the Arkansas law. Sanofi seeks a declaratory judgment that the Arkansas law is preempted to the extent it requires Sanofi to deliver 340B-priced drugs to contract pharmacies that obtain title to those drugs in violation of federal law and to enjoin enforcement against Sanofi for its updated integrity initiative. This case is stayed pending resolution of a case filed by AstraZeneca challenging the Arkansas law. In the interim, Arkansas has agreed not to pursue enforcement action against Sanofi in connection with its updated integrity initiative.

In lawsuits filed by PhRMA and certain other manufacturers challenging a law passed by the State of West Virginia, the court granted plaintiffs a preliminary injunction enjoining the State from enforcing its contract pharmacy law and denying defendants' motion to dismiss the PhRMA action. The State of West Virginia has appealed that decision to the Fourth Circuit.

Mosaic Health

In July 2021, Mosaic Health Inc. and Central Virginia Health Services (covered entities) filed a nationwide antitrust class action complaint against Sanofi and three other manufacturers in the United States District Court for the Western District of New York. Plaintiffs allege that Sanofi and the other defendants conspired to eliminate favorable 340B pricing, particularly with respect to diabetes therapies. On September 2, 2022, the court granted Defendants' motion to dismiss the complaint. On October 3, 2022, plaintiffs filed a motion for leave to file a second amended complaint, which the court denied on February 1, 2024. Plaintiffs filed an appeal.

Adventist Health System/West

In June 2023, Adventist Health System/West sued several drug manufacturing companies, including Sanofi-Aventis US LLC, Sanofi US Services Inc. and Genzyme Corporation, alleging that the companies violated state and federal False Claims Acts through overcharging for 340B Program drugs in violation of federal "penny pricing" policy. The manufacturers jointly moved to dismiss, which was granted by the court in March 2024. Plaintiffs filed an appeal.

Preliminary investigation by the Parquet National Financier (PNF) in France

In November 2023, Sanofi learnt through the press of an ongoing preliminary investigation by the French financial prosecutor (*Parquet National Financier* – PNF) started in March 2023 relating to allegations regarding Sanofi's financial communication on the launch of Dupixent at the end of 2017. Sanofi considers these allegations as groundless and cooperated with the PNF to respond to the potential questions relating to the investigation. In 2024, the PNF decided to close the case with no further action.

d) Contingencies arising from certain mergers & acquisitions transactions

As a result of divestitures, Sanofi is subject to a number of ongoing contractual and legal obligations regarding the state of the sold businesses, their assets, and their liabilities, some of which may be subject to dispute.

Aventis CropScience Retained Liabilities

The sale by Aventis Agriculture SA and Hoechst GmbH (both legacy companies of Sanofi) of their aggregate 76% participation in Aventis CropScience Holding (ACS) to Bayer and Bayer CropScience AG (BCS), the wholly owned subsidiary of Bayer which holds the ACS shares, was effective on June 3, 2002. The Stock Purchase Agreement (SPA) dated October 2, 2001, contained customary representations and warranties with respect to the sold business, as well as a number of indemnifications subject to limitation periods and caps, in particular with respect to environmental liabilities for which some outstanding claims from Bayer remain unresolved.

Infraserv Hoechst Retained Liabilities

By the Asset Contribution Agreement dated December 19/20, 1996, as amended in 1997, Hoechst contributed all land, buildings, and related assets of the Hoechst site at Frankfurt Hoechst to Infraserv GmbH & Co. Hoechst KG. Infraserv Hoechst undertook to indemnify Hoechst against environmental liabilities at the Hoechst site and with respect to certain landfills. As consideration for the indemnification undertaking, Hoechst transferred to Infraserv Hoechst approximately €57 million to fund reserves. In 1997, Hoechst also agreed it would reimburse current and future Infraserv Hoechst environmental expenses up to €143 million. As a former operator of the land and as a former user of the landfills, Hoechst may ultimately be liable for costs of remedial action in excess of this amount.

D.23. Provisions for discounts, rebates and sales returns

Adjustments between gross sales and net sales, as described in Note B.13., are recognized either as provisions or as reductions in accounts receivable, depending on their nature.

The table below shows movements in these items:

(€ million)		Government and State programs[a]	Managed care and GPO programs[b]	Chargeback incentives	Rebates and discounts	Sales returns	Other deductions	Total
Balance at January 1, 2022		**2,596**	**931**	**303**	**1,425**	**610**	**34**	**5,899**
Provision related to current period sales		6,744	3,246	4,147	7,244	578	182	22,141
Net change in provision related to prior period sales		(120)	(47)	(21)	(138)	(8)	19	(315)
Payments made		(6,824)	(3,208)	(4,093)	(6,809)	(599)	(166)	(21,699)
Currency translation differences		207	99	26	83	48	1	464
Balance at December 31, 2022	[c]	**2,603**	**1,021**	**362**	**1,805**	**629**	**70**	**6,490**
Changes in scope of consolidation		2	—	(1)	(6)	(2)	4	(3)
Provision related to current period sales		7,758	3,590	3,861	8,177	654	256	24,296
Net change in provision related to prior period sales		(74)	(12)	(9)	(58)	(25)	23	(155)
Payments made		(7,251)	(3,446)	(3,564)	(7,603)	(511)	(278)	(22,653)
Currency translation differences		(76)	(34)	(12)	(46)	(30)	(15)	(213)
Balance at December 31, 2023	[c]	**2,962**	**1,119**	**637**	**2,269**	**715**	**60**	**7,762**
Provision related to current period sales		5,401	3,961	3,093	9,758	595	482	23,290
Net change in provision related to prior period sales		(177)	(5)	(26)	(34)	(54)	14	(282)
Payments made		(5,599)	(3,882)	(3,336)	(9,678)	(491)	(496)	(23,482)
Currency translation differences		143	77	36	8	41	(2)	303
Opella reclassification[d]	[d]	(24)	—	(6)	(201)	(30)	(3)	(264)
Balance at December 31, 2024	[c]	**2,706**	**1,270**	**398**	**2,122**	**776**	**56**	**7,328**

(a) Primarily US government programs: Medicaid (€1,193 million in 2024, €1,421 million in 2023, €1,307 million in 2022) and Medicare (€722 million in 2024, €1,099 million in 2023 and €775 million in 2022).

(b) Mainly rebates and other price reductions granted to healthcare authorities in the United States (including Managed Care: €1,097 million in 2024, €1,028 million in 2023 and €934 million in 2022).

(c) Provisions related to US net sales amounted to €4,823 million as of December 31, 2024, €5,124 million as of December 31, 2023 and €4,270 million as of December 31, 2022.

*(d) This line comprises provisions for discounts, rebates and sales returns related to Opella, reclassified as of December 31 ,2024 within **Liabilities for assets held for sale** in accordance with IFRS 5 (see Note D.1.).*

D.24. Personnel costs

Total personnel costs (other than termination benefits, presented in Note D.27.) include the following items:

(€ million)	2024	2023	2022
Salaries	7,236	7,183	7,145
Social security charges (including defined-contribution pension plans)	2,189	2,100	2,098
Other employee benefits[(a)]	766	531	748
Total[(b)]	**10,191**	**9,814**	**9,991**

(a) Includes expenses related to share-based payments and defined-benefit plans.
(b) Includes personnel costs related to Opella of €886 million for 2024, €826 million for 2023, and €794 million for 2022.

The total number of registered employees was 84,587 as of December 31, 2024, compared with 87,994 as of December 31, 2023 and 91,573 as of December 31, 2022.

D.25. Other operating income

Other operating income totaled €1,089 million in 2024, versus €979 million in 2023 and €1,814 million in 2022.

Other operating income includes (i) gains from asset divestments, amounting to €539 million in 2024 (versus €484 million in 2023 and €481 million in 2022); and (ii) income from Sanofi's pharmaceutical partners, amounting to €221 million in 2024 (including €166 million from Regeneron, see Note D.26. below and Note C.1.), compared with €285 million in 2023 (including €227 million from Regeneron), and €1,179 million in 2022.

Figures for comparative periods (2023 and 2022) have been re-presented on a consistent basis to reflect the classification of Opella as a discontinued operation.

D.26. Other operating expenses

Other operating expenses totaled €4,382 million in 2024, compared with €3,443 million in 2023 and €2,523 million in 2022.

Figures for comparative periods (2023 and 2022) have been re-presented on a consistent basis to reflect the classification of Opella as a discontinued operation.

For 2024, this line item includes €3,955 million of expenses related to Regeneron (see Note C.1.), compared with €3,206 million for 2023 and €2,378 million for 2022 (as shown in the table below):

(€ million)	2024	2023	2022
Income & expense related to sharing of (profits)/losses under the Monoclonal Antibody Alliance	(4,143)	(3,321)	(2,325)
Additional share of profit paid by Regeneron towards development costs[(a)]	833	668	434
Reimbursement to Regeneron of selling expenses incurred	(637)	(543)	(476)
Total - Monoclonal Antibody Alliance	**(3,947)**	**(3,196)**	**(2,367)**
Immuno-Oncology Alliance	**—**	**—**	**16**
Other (mainly Zaltrap and Libtayo)	**158**	**217**	**1,120**
Other operating income/(expenses), net related to Regeneron	**(3,789)**	**(2,979)**	**(1,231)**
of which amount presented in Other operating income (Note D.25.)	*166*	*227*	*1,147*

(a) As of December 31, 2024, the commitment received by Sanofi in respect of the additional profit share payable by Regeneron towards development costs amounted to €1.6 billion, compared with €2.1 billion as of December 31, 2023 (see Note D.21.).

Charges to provisions for litigation and environmental risks are also recorded within this line item.

D.27. Restructuring costs and similar items

Restructuring costs and similar items amounted to €1,396 million in 2024, €1,030 million in 2023 and €1,077 million in 2022, and were comprised of the following items:

(€ million)	2024	2023 [(a)]	2022 [(a)]
Employee-related expenses	963	404	471
Charges, gains or losses on assets[(b)]	4	273	261
Costs related to transformation programs	285	330	325
Other	144	23	20
Total	**1,396**	**1,030**	**1,077**

(a) Figures for comparative periods (2023 and 2022) have been re-presented on a consistent basis to reflect the classification of Opella as a discontinued operation.
(b) This line consists of impairment losses and accelerated depreciation charges related to site closures (including leased sites), and gains or losses on divestments of assets arising from reorganization decisions made by Sanofi.

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Restructuring costs and similar items were €366 million higher in 2024 than 2023. For 2024, they mainly comprise costs relating to severance plans announced by Sanofi. For 2023, they included the impact of pension reform in France on future annuities under the rules of each severance plan. ***Restructuring costs and similar items*** also include the effects of Sanofi's ongoing transformation projects.

D.28. Other gains and losses, and litigation

Other gains and losses, and litigation for 2024 represent a charge of €470 million, mainly comprising a provision recognized in respect of the litigation related to Plavix (clopidogrel) in the US state of Hawaii (see Note D.22.)

For 2023, this line item represented a charge of €196 million related to major litigation.
For 2022, this line item represented a charge of €143 million, comprising the pre-tax loss arising on the deconsolidation of EUROAPI (see Note D.1.3.) and costs related to major litigation.

Figures for comparative periods (2023 and 2022) have been re-presented on a consistent basis to reflect the classification of Opella as a discontinued operation.

D.29. Financial expenses and income

An analysis of ***Financial expenses*** and ***Financial income*** is set forth below:

(€ million)	2024	2023 [(a)]	2022 [(a)]
Cost of debt[(b)]	(599)	(552)	(362)
Interest income[(c)]	413	527	239
Cost of net debt	**(186)**	**(25)**	**(123)**
Non-operating foreign exchange gains/(losses)	6	(2)	(3)
Unwinding of discounting of provisions[(d)]	(44)	(51)	(17)
Net interest cost related to employee benefits	(64)	(70)	(46)
Gains/(losses) on disposals of financial assets	—	(1)	1
Net interest expense on lease liabilities	(42)	(37)	(40)
Other[(e)]	(224)	(523)	3
Net financial income/(expenses)	**(554)**	**(709)**	**(225)**
comprising: Financial expenses	**(1,073)**	**(1,293)**	**(430)**
Financial income	**519**	**584**	**205**

(a) Figures for comparative periods (2023 and 2022) have been re-presented on a consistent basis to reflect the classification of Opella as a discontinued operation.
(b) Includes net gains/(losses) on interest rate and currency derivatives used to manage debt: €(45) million in 2024, €(67) million in 2023, €(11) million in 2022.
(c) Includes net gains on interest rate and currency derivatives used to manage cash and cash equivalents: €(25) million in 2024, €(13) million in 2023, €68 million in 2022.
(d) Primarily on provisions for environmental risks, restructuring provisions, and provisions for product-related risks (see Note D.19.).
(e) Includes a financial expense of €291 million for the remeasurement of the liability recognized in the balance sheet for estimated future royalties on Beyfortus sales in the US. In 2023, that expense amounted to €541 million, reflecting the successful launch of Beyfortus (see Note C.2.).

The impact of the ineffective portion of hedging relationships was immaterial in 2024, 2023 and 2022.

D.30. Income tax expense

Sanofi has elected for tax consolidations in a number of countries, principally France, Germany, the United Kingdom and the United States.

The table below shows the allocation of income tax expense between current and deferred taxes:

(€ million)	2024	2023 [(a)]	2022 [(a)]
Current taxes	(2,152)	(2,251)	(2,631)
Deferred taxes	948	1,234	722
Total	**(1,204)**	**(1,017)**	**(1,909)**
Income before tax and investments accounted for using the equity method	**6,698**	**6,251**	**9,937**

(a) Figures for comparative periods (2023 and 2022) have been re-presented on a consistent basis to reflect the classification of Opella as a discontinued operation.

The difference between the effective tax rate and the standard corporate income tax rate applicable in France is explained as follows:

(%)	2024	2023 [a]	2022 [a]
Standard tax rate applicable in France	25.8	25.8	25.8
Difference between the standard French tax rate and the rates applicable to Sanofi[b]	(13.3)	(15.3)	(6.9)
Revisions to tax exposures and settlements of tax disputes	2.8	3.1	(0.8)
Fair value remeasurement of contingent consideration		0.1	(0.2)
Other items[c]	2.7	2.6	1.3
Effective tax rate	**18.0**	**16.3**	**19.2**

(a) Figures for comparative periods (2023 and 2022) have been re-presented on a consistent basis to reflect the classification of Opella as a discontinued operation.

(b) The difference between the French tax rate and tax rates applicable to foreign subsidiaries reflects the fact that Sanofi has operations in many countries, most of which have lower tax rates than France. For the year ended December 31, 2024, this line includes a tax expense of €58 million, representing the estimated impact of Pillar Two based on Sanofi's current understanding of Pillar Two rules.

(c) In determining the amount of the deferred tax liability for 2024, 2023 and 2022, Sanofi took into account changes in the ownership structure of certain subsidiaries.

For the periods presented, the amount of deferred tax assets recognized in profit or loss that were initially subject to impairment losses at the time of a business combination is immaterial.

D.31. Share of profit/loss from investments accounted for using the equity method

The line item ***Share of profit/(loss) from investments accounted for using the equity method*** showed net income of €60 million in 2024 (after charging an impairment loss of €77 million on the equity-accounted investment in EUROAPI – see Note D.6.), compared with a net loss of €136 million for 2023 and a net gain of €55 million for 2022.

Figures for comparative periods (2023 and 2022) have been re-presented on a consistent basis to reflect the classification of Opella as a discontinued operation.

D.32. Net income attributable to non-controlling interests

The table below shows ***Net income attributable to non-controlling interests*** for the reporting periods presented:

(€ million)	2024	2023	2022
Share of net income attributable to non-controlling interests	58	36	113
Total	**58**	**36**	**113**

D.33. Related party transactions

The principal related parties are companies over which Sanofi has control or significant influence, joint ventures, key management personnel, and principal shareholders.

Sanofi has not entered into any material transactions with any key management personnel. Financial relations with Sanofi's principal shareholders fall within the ordinary course of business and were immaterial in the years ended December 31, 2024, 2023 and 2022.

Note F.1. lists the principal companies controlled by Sanofi; those companies are fully consolidated, as described in Note B.1. Transactions between those companies, and between the parent company and its subsidiaries, are eliminated when preparing the consolidated financial statements.

Transactions with companies over which Sanofi has significant influence, and with joint ventures, are presented in Note D.6.

Key management personnel include corporate officers and the members of the Executive Committee (an average of 13 members in 2024, 10 in 2023 and 11 in 2022).

The table below shows, by type, the compensation paid to key management personnel:

(€ million)	2024	2023	2022
Short-term benefits[a]	37	36	31
Post-employment benefits	2	2	2
Share-based payment	21	8	19
Total recognized in profit or loss	**60**	**46**	**52**

(a) Compensation, employer's social security contributions, directors' compensation, and any termination benefits (net of reversals of termination benefit obligations).

The table below shows the aggregate obligation as of December 31 for each period presented for individuals who hold or have held executive positions within Sanofi during that period.

(€ million)	2024	2023	2022
Aggregate top-up pension obligation in favor of certain corporate officers and of Executive Committee members	9	10	10
Aggregate termination benefits and lump-sum retirement benefits in favor of key management personnel	7	6	5

D.34. Revenue from contracts with customers

D.34.1. Analysis of net sales

The table below sets forth Sanofi's net sales for the years ended December 31, 2024, 2023 and 2022:

(€ million)		Europe	United States	Other countries	2024	Europe	United States	Other countries	2023[a]	Europe	United States	Other countries	2022[a]
Total Group		**9,027**	**19,986**	**12,068**	**41,081**	**8,816**	**17,262**	**11,739**	**37,817**	**8,490**	**16,986**	**12,175**	**37,651**
Immunology													
of which	Dupixent	**1,618**	**9,544**	**1,910**	**13,072**	**1,224**	**8,145**	**1,346**	**10,715**	**940**	**6,346**	**1,006**	**8,292**
Rare diseases													
of which	ALTUVIIIO	—	617	65	682	—	155	4	159	—	—	—	—
	Nexviazyme	201	361	105	667	100	272	53	425	17	158	21	196
	Cablivi	93	136	20	249	98	112	17	227	94	110	7	211
	Xenpozyme	46	81	24	151	31	52	8	91	15	5	1	21
	Enjaymo	17	58	30	105	6	42	24	72	—	17	5	22
Neurology													
of which	Aubagio	152	187	40	379	437	460	58	955	511	1,420	98	2,029
Oncology													
of which	Sarclisa	134	200	137	471	111	165	105	381	88	127	79	294
Other medicines													
of which	Rezurock	28	425	17	470	5	303	2	310	1	206	—	207
	Tzield	1	52	1	54	—	25	—	25	—	—	—	—
Industrial sales		**520**	**1**	**2**	**523**	**528**	**4**	**19**	**551**	**580**	**17**	**11**	**608**
Vaccines													
of which	Influenza Vaccines	640	1,433	482	2,555	694	1,406	569	2,669	681	1,737	559	2,977
	Polio/Pertussis/ Hib Vaccines	497	679	1,565	2,741	477	721	1,568	2,766	479	787	1,594	2,860
	RSV vaccines (Beyfortus)	440	1,068	178	1,686	140	407	—	547	—	—	—	—
	Meningitis, travel and endemics vaccines	204	736	376	1,316	157	730	379	1,266	112	767	430	1,309
Of which total launches		**960**	**2,998**	**577**	**4,535**	**491**	**1,533**	**213**	**2,237**	**215**	**623**	**113**	**951**

(a) Figures for comparative periods (2023 and 2022) have been re-presented on a consistent basis to reflect the classification of Opella as a discontinued operation.

D.34.2. Other revenues

(€ million)	2024	2023[a]	2022[a]
VaxServe sales of non-Sanofi products	1,959	2,167	1,567
COVID-19 vaccine related revenues	—	509	257
Intragroup sales from continuing to discontinued operations [b]	163	188	208
Royalties	121	107	103
Other[c]	623	534	399
Total Biopharma Other revenues	**2,866**	**3,505**	**2,534**
Sales / Revenues from Opella products[d]	339	296	376
Total Other revenues	**3,205**	**3,801**	**2,910**

(a) Figures for comparative periods (2023 and 2022) have been re-presented on a consistent basis to reflect the classification of Opella as a discontinued operation.

(b) Revenues generated by legal entities within the scope of continuing operations from the manufacture of Opella products on behalf of legal entities within the scope of discontinued operations.

(c) This line mainly includes revenues received under agreements for Sanofi to provide manufacturing services to third parties.

(d) Consumer Healthcare activities that will not be transferred on the effective date of loss of control of Opella. These are primarily (i) hospital sales of Opella products in China, the transfer of which will be finalized no earlier than 2028 after a transitional period required to complete the transfer plan agreed with Sanofi in the context of public tendering arrangements ; (ii) sales made by the dedicated entity Opella Russie, the equity interests in which will be retained by Sanofi. Sanofi will continue to distribute Opella products in Russian territory under the distribution agreement signed in connection with the separation, the parties reserving the right to discuss the transfer of this retained interest during the distribution agreement term ; and (iii) sales of the Gold Bond product range, which are continuing in the United States through the retained subsidiary Gold Bond LLC (holder of the associated worldwide property rights).

D.35. Segment information

Sanofi reports segment information for the Biopharma operating segment, further to the opening of exclusive negotiations between Sanofi and Clayton, Dubilier & Rice (CD&R) on October 21, 2024 with a view to selling an equity interest in Opella, which would lead to loss of control over Opella on the effective closing date, scheduled for the second quarter of 2025 at the earliest.

Prior to the opening of those exclusive negotiations, Opella (formerly Consumer Healthcare) was an operating segment of Sanofi. As a result of the announcement of the Proposed Opella Transaction (as defined in Note D.1.1.2. Project to divest a controlling interest in Opella), as of the fourth quarter of 2024 Opella meets the criteria for a discontinued operation under IFRS 5 (see Note B.7.), and the net income from this business is now presented separately within the line item ***Net income from discontinued operations*** in the consolidated income statement. This presentation in a separate line item in the income statement applies to results of operations for the current period, and for the comparative periods presented. With effect from that date, Sanofi became a dedicated Biopharma company of which the performance, based on internal management reporting, is subject to regular review by the Chief Executive Officer, Sanofi's chief operating decision-maker.

The Biopharma operating segment comprises commercial operations and research, development and production activities relating to the Specialty Care, General Medicines and Vaccines franchises plus support and corporate functions, for all geographical territories. It also includes revenues generated by legal entities within the Biopharma segment (and included in the scope of continuing operations) from the manufacture of Consumer Healthcare products on behalf of legal entities within Opella; those revenues are presented within ***Other Revenues*** in the income statement. The Biopharma operating segment also includes the the purchase price of Biopharma products manufactured by legal entities within the Opella scope.

The "Other" category comprises primarily, but not exclusively, Consumer Healthcare activities that will not be transferred on the effective date of loss of control of Opella. These are primarily (i) hospital sales of Opella products in China, the transfer of which will be finalized no earlier than 2028 after a transitional period required to complete the transfer plan agreed with Sanofi in the context of public tendering arrangements ; (ii) sales made by the dedicated entity Opella Russie, the equity interests in which will be retained by Sanofi. Sanofi will continue to distribute Opella products in Russian territory under the distribution agreement signed in connection with the separation, the parties reserving the right to discuss the transfer of this retained interest during the distribution agreement term ; and (iii) sales of the Gold Bond product range, which are continuing in the United States through the retained subsidiary Gold Bond LLC (holder of the associated worldwide property rights).

Figures for comparative periods (2023 and 2022) have been re-presented on a consistent basis to reflect the classification of Opella as a discontinued operation.

D.35.1. Segment results

Sanofi reports segment results on the basis of "Business operating income". This indicator is used internally by Sanofi's chief operating decision maker to measure the performance of the operating segment and to allocate resources.

"Business operating income" is derived from ***Operating income***, adjusted as follows:

- amortization and impairment losses charged against intangible assets (other than software and other rights of an industrial or operational nature), are eliminated;
- fair value remeasurements of contingent consideration relating to business combinations (IFRS 3) or business divestments, and presented within the line item ***Fair value remeasurement of contingent consideration***, are eliminated;
- expenses arising from the remeasurement of inventories following business combinations (IFRS 3) or acquisitions of groups of assets that do not constitute a business within the meaning of paragraph 2b of IFRS 3, are eliminated;
- amounts reported within the line items ***Restructuring costs and similar items*** are eliminated;
- other gains and losses including gains and losses on major divestments, presented within the line item ***Other gains and losses, and litigation***, are eliminated;
- other costs and provisions related to litigation, presented within the line item ***Other gains and losses, and litigation***, are eliminated;
- the share of profits/losses from investments accounted for using the equity method is added, to the extent that this relates to joint ventures and associates with which Sanofi has a strategic alliance; and
- the portion of business operating income net of tax attributable to non-controlling interests is deducted; and
- net income attributable to non-controlling interests related to continuing operations and excluding the effects of the above reconciliation items, is deducted.

The table below shows Sanofi's segment results for the years ended December 31, 2024, December 31, 2023 and December 31, 2022:

	2024								
(€ million)	Biopharma			Other			Total		
	2024	*Change vs. 2023 on a reported basis (IFRS)*	*Change vs. 2023 at constant exchange rates (non-IFRS)*	2024	*Change vs. 2023 on a reported basis (IFRS)*	*Change vs. 2023 at constant exchange rates (non-IFRS)*	2024	*Change vs. 2023 on a reported basis (IFRS)*	*Change vs. 2023 at constant exchange rates (non-IFRS)*
Net sales	**41,081**	***8.6%***	***11.3%***	**—**			**41,081**	***8.6%***	***11.3%***
Other revenues	2,866	*(18.2%)*	*(16.3%)*	339	*14.5%*	*23.3%*	3,205	*(15.7%)*	*(13.3%)*
Cost of sales	(12,973)	*4.5%*	*5.7%*	(222)	*8.8%*	*20.1%*	(13,195)	*4.6%*	*6.0%*
Research and development expenses	(7,393)	*13.7%*	*14.6%*	(1)	*(50.0%)*	*(50.0%)*	(7,394)	*13.6%*	*14.6%*
Selling and general expenses	(9,113)	*2.9%*	*4.6%*	(70)	*(11.4%)*	*(3.8%)*	(9,183)	*2.8%*	*4.5%*
Other operating income and expenses	(3,305)			12			(3,293)		
Share of profit/(loss) from investments accounted for using the equity method	136			—			136		
Net income attributable to non-controlling interests	(14)			—			(14)		
Business operating income	**11,285**	**1.2%**	**7.3%**	**58**	**152.2%**	**160.9%**	**11,343**	**1.5%**	**7.6%**
As % of net sales	27.5%						27.6%		

	2023[a]		
(€ million)	Biopharma	Other	Total
Net sales	**37,817**	**—**	**37,817**
Other revenues	3,505	296	3,801
Cost of sales	(12,415)	(204)	(12,619)
Research and development expenses	(6,505)	(2)	(6,507)
Selling and general expenses	(8,854)	(79)	(8,933)
Other operating income and expenses	(2,476)	12	(2,464)
Share of profit/(loss) from investments accounted for using the equity method	101	—	101
Net income attributable to non-controlling interests	(18)	—	(18)
Business operating income	**11,155**	**23**	**11,178**

(a) Figures for the comparative period (2023) have been re-presented on a consistent basis to reflect the classification of Opella as a discontinued operation.

	2022[a][b]		
(€ million)	**Biopharma**	**Other**	**Total**
Net sales	**37,651**	**—**	**37,651**
Other revenues	2,534	376	2,910
Cost of sales	(11,682)	(197)	(11,879)
Research and development expenses	(6,499)	(2)	(6,501)
Selling and general expenses	(8,536)	(203)	(8,739)
Other operating income and expenses	(764)	55	(709)
Share of profit/(loss) from investments accounted for using the equity method	76	—	76
Net income attributable to non-controlling interests	(16)	—	(16)
Business operating income	**12,764**	**29**	**12,793**

(a) Figures for the comparative period (2022) have been re-presented on a consistent basis to reflect the classification of Opella as a discontinued operation.
(b) 2022 business operating income has been recast from the amount previously reported to include the one-time income of €952 million from the Libtayo transaction (€706 million net of tax).

The table below, presented in compliance with IFRS 8, shows a reconciliation between aggregated "Business operating income" for the segment and ***Income before tax and investments accounted for using the equity method***:

(€ million)	**2024**	**2023[a]**	**2022[a][h]**
Business operating income	**11,343**	**11,178**	**12,793**
Share of profit/(loss) from investments accounted for using the equity method[b]	(136)	(101)	(76)
Net income attributable to non-controlling interests[c]	14	18	16
Amortization and impairment of intangible assets[d]	(1,997)	(2,807)	(1,375)
Fair value remeasurement of contingent consideration	(96)	(93)	27
Expenses arising from the impact of acquisitions on inventories[e]	(10)	(9)	(3)
Restructuring costs and similar items[f]	(1,396)	(1,030)	(1,077)
Other gains and losses, and litigation[g]	(470)	(196)	(143)
Operating income	**7,252**	**6,960**	**10,162**
Financial expenses	(1,073)	(1,293)	(430)
Financial income	519	584	205
Income before tax and investments accounted for using the equity method	**6,698**	**6,251**	**9,937**

(a) Figures for comparative periods (2023 and 2022) have been re-presented on a consistent basis to reflect the classification of Opella as a discontinued operation.
(b) Joint ventures and associates with which Sanofi has entered into a strategic alliance.
(c) Excludes (i) restructuring costs and (ii) other adjustments attributable to non-controlling interests.
(d) For 2024, this line includes a net impairment charge of €248 million mainly due to a recognition of impairment losses of €640 million against on various research and development projects – including a €239 million loss resulting from the decision taken in February 2025 to discontinue a phase 3 clinical study investigating of a vaccine candidate to prevent invasive E.coli disease - partially offset by impairment losses reversals, recognized in connection with the disposals of the ProXTen platform and Enjaymo, for €225 million and €167 million respectively. For 2023, this amount mainly comprises an impairment loss of €833 million, reflecting the impact of the strategic decision to de-prioritize certain R&D programs, in particular those related to the NK Cell and ProXTen technology platforms. For 2022, this line includes a reversal of €2,154 million on Eloctate franchise products following FDA approval of ALTUVIIIO on February 22, 2023, partially offset by an impairment loss of €1,586 million on intangible assets relating to SAR444245 (non-alpha interleukin-2).
(e) This line records the impact of the workdown of acquired inventories remeasured at fair value at the acquisition date.
(f) See note D.27.
(g) See note D.28.
(h) 2022 business operating income has been recast from the amount previously reported to include the one-time income of €952 million from the Libtayo transaction (€706 million net of tax).

D.35.2. Other segment information

Figures for comparative periods (2023 and 2022) have been re-presented on a consistent basis to reflect the classification of Opella as a discontinued operation.

The tables below show the split by operating segment of (i) the carrying amount of investments accounted for using the equity method with which Sanofi has entered into a strategic alliance, (ii) acquisitions of property, plant and equipment, and (iii) acquisitions of intangible assets.

The principal investments accounted for using the equity method in the Biopharma segment are the interests in MSP Vaccine Company, and Infraserv GmbH & Co. Höchst KG (see Note D.6.).

Acquisitions of intangible assets and property, plant and equipment correspond to acquisitions paid for during the period.

	Biopharma		
(€ million)	**2024**	**2023**	**2022**
Investments accounted for using the equity method [a]	234	234	248
Acquisitions of property, plant and equipment	1,733	1,619	1,529
Acquisitions of other intangible assets	1,462	1,287	574

(a) Carrying amount at the end of the reporting period.

D.35.3. Information by geographical region

The geographical information on net sales provided below is based on the geographical location of the customer. In accordance with IFRS 8, the non-current assets reported below exclude right-of-use assets relating to leases as determined under IFRS 16, investments accounted for using the equity method, other non-current assets, non-current income tax assets, and deferred tax assets.

	2024				
(€ million)	**Total**	**Europe**	**of which France**	**United States**	**Other countries**
Net sales	**41,081**	**9,027**	**1,814**	**19,986**	**12,068**
Non-current assets:					
• property, plant and equipment owned	10,091	5,550	3,112	2,411	2,130
• goodwill	43,384	—	—	—	—
• other intangible assets	22,629	3,307	—	18,711	611

	2023				
(€ million)	**Total**	**Europe**	**of which France**	**United States**	**Other countries**
Net sales[a]	**37,817**	**8,816**	**1,910**	**17,262**	**11,739**
Non-current assets:					
• property, plant and equipment owned	10,160	5,659	3,085	2,322	2,179
• goodwill	49,404	—	—	—	—
• other intangible assets	24,319	5,566	—	17,850	903

(a) Figures for 2023 have been re-presented on a consistent basis to reflect the classification of Opella as a discontinued operation.

	2022				
(€ million)	**Total**	**Europe**	**of which France**	**United States**	**Other countries**
Net sales[a]	**37,651**	**8,490**	**1,830**	**16,986**	**12,175**
Non-current assets:					
• property, plant and equipment owned	9,869	5,365	2,875	2,457	2,047
• goodwill	49,892	—	—	—	—
• other intangible assets	21,640	6,257	—	14,174	1,209

(a) Figures for 2022 have been re-presented on a consistent basis to reflect the classification of Opella as a discontinued operation.

As stated in Note D.5., goodwill is not allocated by geographical region.

D.35.4. Disclosures about major customers

Sales generated by Sanofi with its biggest customers, in particular certain wholesalers in the United States, represented 34% of net sales in 2024. The three largest customers respectively accounted for approximately 15%, 11% and 8% of Sanofi's net sales in 2024 (13%, 10% and 8% in 2023; 13%, 9% and 8% in 2022).

D.36. Information related to Opella

In accordance with IFRS 5 (see Notes B.7. and D.1.), all assets of Opella and all liabilities directly related to those assets are classified as of December 31, 2024 within the line items ***Assets held for sale*** and ***Liabilities related to assets held for sale***, respectively, in the consolidated balance sheet as of that date (see Note D.8.). An analysis of those line items is provided below:

(€ million)	2024
Assets	
Property, plant and equipment owned	760
Right-of-use assets	116
Goodwill	7,255
Other intangible assets	2,928
Inventories	600
Accounts receivable	989
Other assets	841
Total assets held for sale	**13,489**
Liabilities	
Llease liabilities	112
Non-current provisions and other non-current liabilities	204
Accounts payable	797
Current provisions and other current liabilities	570
Other liabilities	448
Total liabilities related to assets held for sale	**2,131**

In accordance with IFRS 5, the Opella held for sale asset group, and the related liabilities, have been measured at the lower of carrying amount and fair value less costs to sell. This valuation did not result in the recognition of any impairment.

The table below details the main items presented within ***Net income from discontinued operations***:

(€ million)	2024	2023	2022
Net sales	**5,031**	**4,884**	**4,781**
Operating income	305	915	494
Income before tax and investments accounted for using the equity method	288	902	485
Income tax expense	(240)	(585)	(97)
Net income from discontinued operations (Opella)	**64**	**338**	**401**

Net income from the Opella discontinued operation was €274 million lower in 2024 than in 2023. This year-on-year change reflects in particular the acceleration in 2024 of the transformational project to create the standalone Opella entity - transaction costs incurred in 2024 in respect of the proposed Opella transfer - and changes in gains from asset divestments within the Opella scope between the two periods.

In addition, net income from the Opella discontinued operation for the year ended December 31, 2024 includes a net tax expense of €122 million relating to the tax cost of the legal restructuring of the Opella scope. For the year ended December 31, 2023, net income from the Opella discontinued operation includes a €365 million deferred tax liability recognized in respect of investments in consolidated entities in light of the proposed separation of the Opella business.

The table below presents basic and diluted earnings per share from discontinued operations (Opella, in accordance with IAS 33 (Earnings per Share):

(€ million)	2024	2023	2022
Net income from discontinued operations (Opella)	**64**	**338**	401
Average number of shares outstanding (million)	1,251.4	1,251.7	1,251.9
Average number of shares after dilution (million)	1,256.1	1,256.4	1,256.9
Basic earnings per share (in euros)	0.04	0.25	0.31
Diluted earnings per share (in euros)	0.04	0.25	0.31

Off balance sheet commitments relating to Opella operating activities break down as follows:

December 31, 2024		Payments due by period			
(€ million)	**Total**	**Less than 1 year**	**1 to 3 years**	**3 to 5 years**	**More than 5 years**
Irrevocable purchase commitments	704	159	225	204	116
• given	705	160	225	204	116
• received	(1)	(1)			
Research and development license agreements - commitments given	676	6	560	77	33
Total	**1,380**	**165**	**785**	**281**	**149**

E/ Principal accountants' fees and services

PricewaterhouseCoopers Audit and Forvis Mazars SA served as independent auditors of Sanofi for the year ended December 31, 2024, and PricewaterhouseCoopers Audit and Ernst & Young in 2023. The table below shows fees charged by those firms and member firms of their networks to Sanofi and consolidated subsidiaries in the years ended December 31, 2024 and 2023.

	Forvis Mazars		**PricewaterhouseCoopers**		**Ernst & Young**			
	2024		**2024**		**2023**		**2023**	
(€ million)	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
Statutory audit of separate and consolidated financial statements[(a)]	11.5	93%	19.7	73%	14.7	72%	15.1	74%
Limited review of sustainability statement[(b)]	0.6	5%	1.0	4%	—	—%	—	—%
Services other than statutory audit[(c)]	0.2	2%	6.4	23%	5.8	28%	5.4	26%
Audit-related services[(d)(e)]	0.2		6.4		5.8		5.3	
Tax	0.0		0.0		—		—	
Other	—		—		—		0.1	
Total	**12.3**	**100%**	**27.1**	**100%**	**20.5**	**100%**	**20.5**	**100%**

(a) Includes services provided by the independent auditors of the parent company and French subsidiaries: Forvis Mazars €4.8 million in 2024; PricewaterhouseCoopers Audit €12.5 million in 2024, €8.3 million in 2023 and Ernst & Young €7.9 million in 2023.

(b) For SEC purposes, these Services are classified as Other.

(c) Services other than statutory audit provided by Forvis Mazars during 2024 comprised:
- assurance engagements, agreed-upon procedures, tax compliance work and technical consultancy.
Services other than statutory audit provided by PricewaterhouseCoopers during 2024 comprised:
- contractual audits, including on the combined financial statements of the Opella business;
- additional procedures to enable reports previously signed by the firm to be incorporated by reference; and
- assurance engagements, agreed-upon procedures, tax compliance work and technical consultancy.

(d) Includes services provided by the independent auditors of the parent company and French subsidiaries: Forvis Mazars: €0.1 million in 2024,; PricewaterhouseCoopers Audit €3.5 million in 2024,€3.6 million in 2023 and Ernst & Young €5.2 million in 2023.

(e) Includes €0.5 million for services that can only be provided by the statutory auditors, such as comfort letters, attestation services required by regulation (which qualify as audit fees under SEC rules).

F/ List of principal companies included in the scope of consolidation during 2024

F.1. Principal fully consolidated companies

The table below shows Sanofi's principal subsidiaries and their country of incorporation:

Europe		Financial interest (%) as of December 31, 2024
Hoechst GmbH *	Germany	100.0
Sanofi-Aventis Deutschland GmbH	Germany	100.0
A. Nattermann & Cie GmbH	Germany	100.0
Sanofi-Aventis GmbH	Austria	100.0
Sanofi Belgium	Belgium	100.0
Ablynx NV	Belgium	100.0
Genzyme Flanders BV	Belgium	100.0
Sanofi A/S	Denmark	100.0
Sanofi-Aventis SA	Spain	100.0
Opella Healthcare Spain, SL	Spain	100.0
Sanofi Oy	Finland	100.0
Sanofi	France	100.0
Sanofi Winthrop Industrie *	France	100.0
Sanofi-Aventis Recherche & Développement	France	100.0
Sanofi-Aventis Groupe	France	100.0
Sanofi-Aventis Participations *	France	100.0
Sanofi Pasteur	France	100.0
Aventis Pharma SA	France	100.0
Aventis Agriculture	France	100.0
Sanofi Biotechnology *	France	100.0
Sanofi Pasteur NVL	France	100.0
Sanofi Pasteur Europe	France	100.0
Opella Healthcare	France	100.0
Sanofi Pasteur Merieux SAS	France	100.0
Opella Healthcare International SAS	France	100.0
Opella Healthcare France SAS	France	100.0
Opella Healthcare Group SAS	France	100.0
Genzyme Polyclonals SAS	France	100.0
Sanofi-Aventis AEBE	Greece	100.0
Sanofi-Aventis Private Co Ltd	Hungary	99.6
Chinoin Private Co Ltd	Hungary	99.6
Opella Healthcare Hungary Commercial KFT	Hungary	100.0
Opella Healthcare Hungary KFT	Hungary	100.0
Carraig Insurance DAC	Ireland	100.0
Genzyme Ireland Limited	Ireland	100.0
Sanofi-Aventis Ireland Ltd	Ireland	100.0
Sanofi-aventis Holdings (Ireland) Ltd	Ireland	100.0
Sanofi SRL	Italy	100.0
Opella Healthcare Italy SRL	Italy	100.0
Genzyme Global Sarl	Luxembourg	100.0
Genzyme Luxembourg Sarl	Luxembourg	100.0
Le Rock Re	Luxembourg	100.0
Sanofi-aventis Norge AS	Norway	100.0
Sanofi BV *	Netherlands	100.0
Sanofi Foreign Participations BV *	Netherlands	100.0
Opella Healthcare Participation BV	Netherlands	100.0
Sanofi-Aventis Sp zoo	Poland	100.0
Opella Healthcare Poland sp.ZOO	Poland	100.0
Sanofi Produtos Farmaceuticos Lda	Portugal	100.0
Sanofi sro	Czech Republic	100.0
Sanofi Romania SRL	Romania	100.0
Opella Healthcare Romania SRL	Romania	100.0
Sanofi-Aventis UK Holdings Limited	United Kingdom	100.0
Aventis Pharma Limited	United Kingdom	100.0
Sanofi-Synthelabo UK Ltd	United Kingdom	100.0
Aventis Pharma Holdings Ltd	United Kingdom	100.0
Opella Healthcare UK Limited	United Kingdom	100.0
AO Sanofi Russia	Russia	100.0
Opella Healthcare LLC	Russia	100.0
Sanofi AB	Sweden	100.0
Sanofi-Aventis (Suisse) SA	Switzerland	100.0
Genzyme Global Sarl Baar Intellectual Property Branch	Switzerland	100.0
Sanofi Ilac Sanayi ve Ticaret AS	Turkey	100.0
Sanofi Pasteur Asi Ticaret AS	Turkey	100.0
Opella Healthcare Tüketici Sağlığı Anonim Şirketi	Turkey	100.0
Sanofi Saglik Urunleri Limited Sirketi	Turkey	100.0

United States		Financial interest (%) as of December 31, 2024
Genzyme Therapeutic Products Limited Partnership	United States	100.0
Aventis Inc *	United States	100.0
Sanofi US Services Inc	United States	100.0
Sanofi-Aventis U.S. LLC	United States	100.0
Chattem, Inc	United States	100.0
Aventisub LLC	United States	100.0
Genzyme Corporation *	United States	100.0
Sanofi Pasteur Inc *	United States	100.0
VaxServe, Inc	United States	100.0
Bioverativ Inc	United States	100.0
Bioverativ U.S.LLC	United States	100.0
Bioverativ USA Inc	United States	100.0
Bioverativ Therapeutics Inc	United States	100.0
Principia Biopharma Inc	United States	100.0
Sanofi Ventures LLC	United States	100.0
Sanofi Bioverativ Holdings LLC	United States	100.0
RPR US Ltd	United States	100.0
Kadmon Pharmaceuticals LLC	United States	100.0
Kadmon Corporation, LLC	United States	100.0
Synthorx, Inc	United States	100.0
Provention Bio	United States	100.0
QRIB Intermediate Holding	United States	100.0
QRI	United States	100.0
Gold Bond Co LLC	United States	100.0
Chattem (GB) Holding	United States	100.0
Sanofi AATD, Inc	United States	100.0
Translate Bio, Inc	United States	100.0

Other Countries		Financial interest (%) as of December 31, 2024
Sanofi-Aventis South Africa (Pty) Ltd	South Africa	100.0
Sanofi-Aventis Algérie	Algeria	100.0
Sanofi Arabia Trading Company Limited	Saudi Arabia	100.0
Sanofi-Aventis Argentina SA	Argentina	100.0
Opella Healthcare Argentina SAU	Argentina	100.0
Genzyme de Argentina SA	Argentina	100.0
Sanofi-Aventis Healthcare Pty Ltd	Australia	100.0
Sanofi-Aventis Australia Pty Ltd	Australia	100.0
Sanofi Medley Farmaceutica Ltda	Brazil	100.0
Opella Healthcare Brazil Ltda	Brazil	100.0
Sanofi-Aventis Canada Inc	Canada	100.0
Sanofi Pasteur Limited	Canada	100.0
Merieux Canada Holdings ULC (Canada)	Canada	100.0
Sanofi Vaccines Chile SA	Chile	100.0
Sanofi (Hangzhou) Pharmaceuticals Co Ltd	China	100.0
Opella Healthcare Shanghai LTD	China	100.0
Sanofi (China) Investment Co Ltd	China	100.0
Sanofi (Beijing) Pharmaceuticals Co Ltd	China	100.0
Sanofi (Jiangsu) Biologics Co Ltd	China	100.0
Shenzhen Sanofi pasteur Biological Products Co Ltd	China	100.0
Shanghai Rongheng Pharmaceutical Co Ltd	China	100.0
Opella Healthcare Colombia SAS	Colombia	100.0
Sanofi-Aventis de Colombia SA	Colombia	100.0
Sanofi-Aventis Korea Co Ltd	South Korea	100.0
Sanofi-Aventis Gulf FZE	United Arab Emirates	100.0
Sanofi Egypt	Egypt	99.8
Sanofi Hong-Kong Limited	Hong Kong	100.0
Sanofi India Limited	India	60.4
Sanofi Healthcare India Private Limited	India	99.9
Sanofi-Aventis Israël Ltd	Israel	100.0
Sanofi KK	Japan	100.0
SSP Co Ltd	Japan	100.0
Sanofi-Aventis (Malaysia) SDN BHD	Malaysia	100.0
Sanofi-Aventis Maroc	Morocco	100.0
Sanofi-Aventis de Mexico SA de CV	Mexico	100.0
Sanofi Pasteur SA de CV	Mexico	100.0
Azteca Vacunas SA de CV	Mexico	100.0
Sanofi-Aventis de Panama SA	Panama	100.0
Opella Healthcare Panama SA	Panama	100.0
sanofi-aventis Puerto Rico Inc	Puerto Rico	100.0
Sanofi-Aventis Philippines Inc	Philippines	100.0
Opella Healthcare Philippines Inc	Philippines	100.0
Sanofi-Aventis Singapore Pte Ltd *	Singapore	100.0
Aventis Pharma (Manufacturing) Pte Ltd	Singapore	100.0
Sanofi Manufacturing Pte Ltd	Singapore	100.0
Sanofi Taiwan Co Ltd	Taiwan	100.0
Sanofi-Aventis (Thailand) Ltd	Thailand	100.0
Sanofi-Aventis de Venezuela SA	Venezuela	100.0
Sanofi-aventis Vietnam Company Limited	Vietnam	100.0
Sanofi Vietnam Shareholding Company Limited	Vietnam	85.0

** Main significant subsidiaries as of December 31, 2024.*

F.2. Principal investments accounted for using the equity method

		Financial interest (%) as of December 31, 2024
Haleon US, LP	United States	11.7
Infraserv GmbH & Co. Höchst KG	Germany	31.2
Maphar	Morocco	48.3
MCM Vaccine BV	Netherlands	50.0
MSP Vaccine Company (formerly MCM company)	United States	50.0
EUROAPI	France	29.6

G/ Event subsequent to December 31, 2024

During the meeting of the Board of Directors on January 29, 2025, the Board authorized Sanofi to repurchase the Company's shares, for an amount not exceeding €5 billion, under the terms and conditions set by the General Meeting of April 30, 2024 in its 19th resolution.

As part of this authorization, Sanofi entered into a share buyback agreement with its historical shareholder L'Oréal on February 2, 2025 for the acquisition of 2.34% of its share capital, or the equivalent of 29,556,650 shares, for a total amount of approximately €3 billion, representing a price of €101.50 per share. The conclusion of this agreement was approved by the Board of Directors on the same day prior to the signing of said agreement and in accordance with the procedure of Articles L. 225-38 et seq. of the French Commercial Code. In addition, on February 6, 2025, Sanofi entered into a mandate with an investment services provider to repurchase its own shares for a maximum amount of €2 billion, between February 7, 2025 and December 31, 2025 at the latest.

Notes

Notes

Notes

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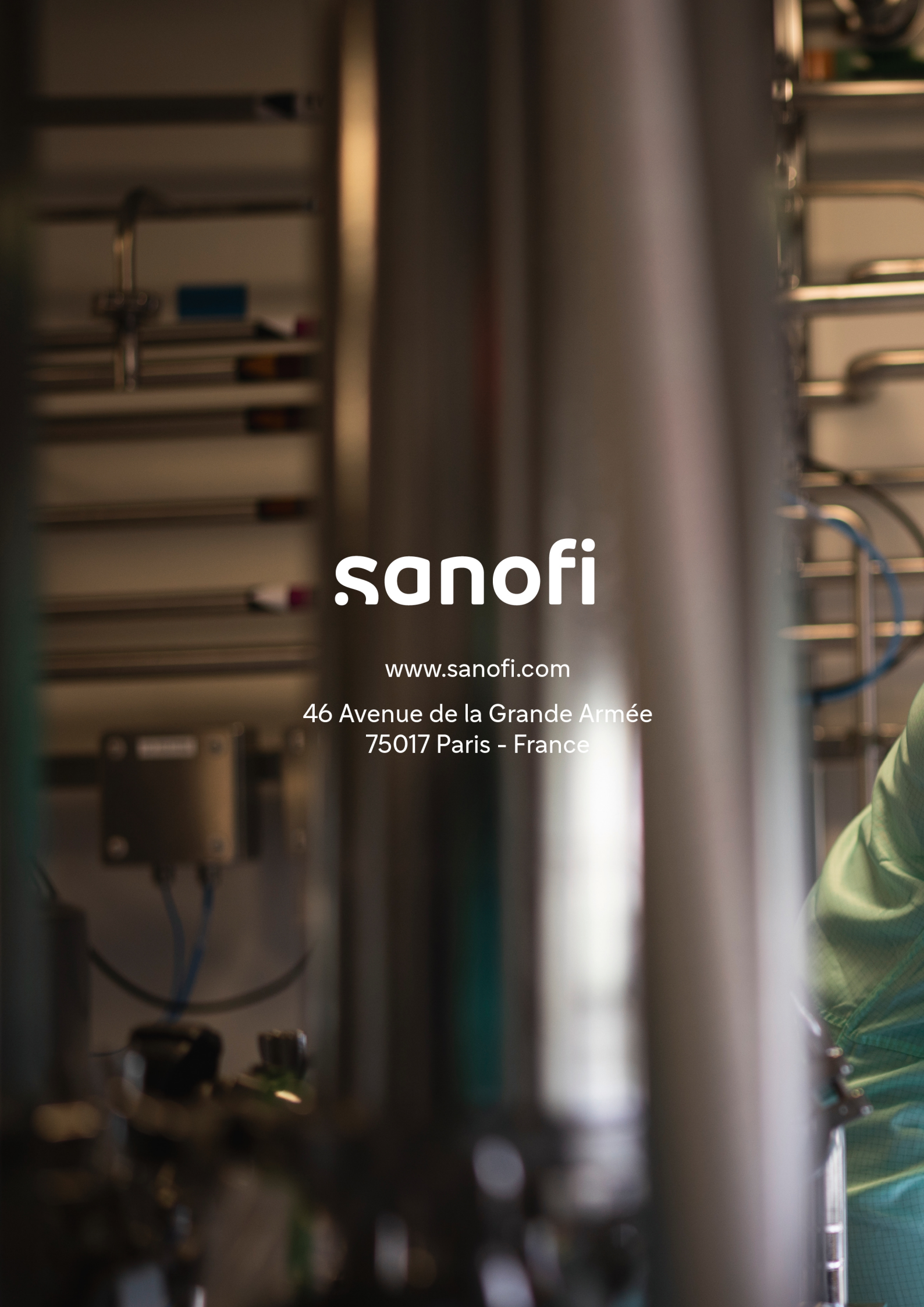

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