



COMPENSATION OF THE CHAIRMAN AND THE CEO

In accordance with the recommendations of the AFEP-MEDEF corporate governance code, Sanofi is publishing below details of the compensation arrangements for its Chairman and its Chief Executive Officer as approved by the Board of Directors at its meeting of February 22, 2024, acting on recommendation from the Compensation Committee.

I – Compensation arrangements for Serge Weinberg, Chairman of the Board of Directors from January 1 to May 25, 2023

Serge Weinberg held the office of Chairman of the Board of Directors from May 17, 2010, to May 25, 2023.

The Board of Directors of February 22, 2023, had decided to maintain Serge Weinberg's annual fixed compensation at €800,000 gross. For the 2023 financial year, over the period from January 1 to May 25, 2023 Serge Weinberg's compensation amounted to €324,964 gross.

In line with the compensation policy approved by the shareholders at the Annual General Meeting of May 25, 2023, he did not receive any variable compensation and was not awarded any stock options or performance shares. Nor did he receive any attendance fees in his capacity as a Director. The amount reported for benefits in kind relates mainly to a company car with a driver. Serge Weinberg is not covered by the Sanofi top-up defined-benefit pension plan.

II – Compensation arrangements for Frédéric Oudéa, Chairman of the Board of Directors from May 25, 2023

A. Compensation in respect of 2023

Frédéric Oudéa was appointed Chairman of the Board of Directors on May 25, 2023.

The Board of Directors of February 22, 2023, had decided to set the annual fixed compensation of Frédéric Oudéa at €880,000 gross. For the 2023 financial year, over the period from May 25, 2023, to December 31, 2023, Frédéric Oudéa's compensation amounted to €528,505 gross.

In line with the compensation policy approved by the shareholders at the Annual General Meeting of May 25, 2023, he did not receive any variable compensation and was not awarded any stock options or performance shares. Nor did he receive any attendance fees in his capacity as a Director. The amount reported for benefits in kind relates mainly to a company car with a driver. Frédéric Oudéa is not covered by the Sanofi top-up defined-benefit pension plan.

B. Compensation in respect of 2024

On February 22, 2024, acting on recommendation from the Compensation Committee, the Board of Directors maintained his annual fixed compensation at €880,000 gross.

Frédéric Oudéa will not receive any variable compensation, stock options or performance shares. Nor will he receive any attendance fees. He does not receive any attendance fees in his capacity as a Director, nor does he receive any compensation from a company included in Sanofi's scope of consolidation within the meaning of Article L. 233-16 of the French Commercial Code.

III – Compensation arrangements for the Chief Executive Officer

A. Compensation in respect of 2023

Fixed and variable compensation

In line with our compensation policy for the Chief Executive Officer, as approved by our shareholders at the Annual General Meeting of May 25, 2023, Paul Hudson's annual compensation for 2023 comprised (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. These objectives were 50% based on financial indicators, and 50% based on specific individual objectives (see the table below).

Acting on a recommendation from the Compensation Committee, the Board of Directors meeting of February 22, 2024, reviewed the attainment of each criterion and sub-criterion and set Paul Hudson's variable compensation for 2024 at €2,379,300 gross, equivalent to 169.9% of his fixed compensation. Payment of his variable compensation 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.

The Board's conclusions are summarized in the table below:

Criterion	Type	Weight	Target/Maximum (as % of fixed compensation)	Attainment level	Comments	Payout (as % of fixed compensation)
Financial objectives						
Sales growth	Quantitative	10%	15% / 25%	112.90%	Confidential target, Performance above budget	16.93%
Business net income ^(a)	Quantitative	10%	15% / 25%	112.43%	Confidential target, Performance above budget	16.86%
Free cash flow	Quantitative	10%	15% / 25%	105.61%	Confidential target, Performance above budget	15.84%
Business operating income margin	Quantitative	10%	15% / 25%	104.00%	Confidential target, Performance above budget	15.60%
Growth in new key assets	Quantitative	10%	15% / 25%	157.79%	DUPIXENT and vaccines performance significantly over budget	23.66%

Criterion	Type	Weight	Target/Maximum (as % of fixed compensation)	Attainment level	Comments	Payout (as % of fixed compensation)
Individual objectives						
					Vaccines:	
					<ul style="list-style-type: none"> ① mRNA: On track for First Visit of First Subject for a new lipid ① R&D: 2 successful POCC achieved, 2 First-in-Human objectives achieved out of a target of 3 ① Nirsevimab: US license for BEYFORTUS granted on time and file submission in Japan completed on time. Obtained unanimous Positive ACIP recommendation & VFC inclusion in August 2023 	
Business Transformation	Quantitative / Qualitative	15.0%	22.5% / 32,5%	101.83%	General Medicines: <ul style="list-style-type: none"> ① Accelerated core assets growth almost at budget impacted by price challenges ① Continued portfolio simplification, exceeding the 2023 divestments and product family reduction targets ① SOLIQUA launch and acceleration of TOUJEO in China Specialty Care: <ul style="list-style-type: none"> ① DUPIXENT sales: performance above target ① Launch of ALTUVIIIIO in the US: sales above consensus ① Amlitelimab data presented at the European Academy of Dermatology and Venerology (EADV) 2023 congress 	22.91%

Criterion	Type	Weight	Target/Maximum (as % of fixed compensation)	Attainment level	Comments	Payout (as % of fixed)
					<p>CHC:</p> <ul style="list-style-type: none"> ⑩ Acceleration on digital and e-commerce sales ⑩ Carve-out scope finalized ⑩ Progress made despite delays on CIALIS and TAMIFLU switches <hr/> <p>Manufacturing and Supply:</p> <ul style="list-style-type: none"> ⑩ Significant acceleration in 2023 for the M&S Transformation, with key performance outcomes improved across Safety, Quality, Supply and Cost, and improved industrial performance delivered vs. 2022 ⑩ Excellent performance of service level for Specialty Care <hr/> <p>Digital:</p> <ul style="list-style-type: none"> ⑩ Contribution to BOI above budget target due to value creation ⑩ Acceleration of the commercial transformation with a Digital-first, AI-first approach to Health Care Providers and Sales Reps: on target, adjustments made to include priority products in the US launch ⑩ Digital and data-driven mindset development program for senior executives: exceeded target, with 93% of this population having completed the program by Feb 2024 	
People & Culture	Quantitative/ Qualitative	7.5%	11.25% / 18.75%	105.00%	<ul style="list-style-type: none"> ⑩ Reduction of voluntary turnover of women in senior roles ⑩ The succession pipeline for Key Value Driving Roles has been strengthened ⑩ Progress on Sanofi culture shift (engagement score increased) ⑩ Individual Development Plans in place for senior high potentials: exceeds target ⑩ Delivery of simplification projects above the original goal 	11.81%
CSR	<p>Further reinforce and expand on the CSR agenda (7.5%)</p> <hr/> <p>Image and Reputation & Compliance (7.5%)</p> <hr/> <p>Compliance / Ethics & Business Integrity</p>	15%	22.5% / 37.5%	105.00%	<ul style="list-style-type: none"> ⑩ Year on year Scope 1 and 2 CO₂ emissions reduced by 12% ⑩ Global Access Plans developed for products in Vaccines, Specialty Care and General Medicines ⑩ 5 countries enrolled in the A Million Conversations program (quantitative) ⑩ 260K patients with non-communicable diseases (NCDs) reached by the Global Health Unit (GHU) Impact fund, ahead of target ⑩ Several investments made under the GHU ⑩ Built and grew strong corporate brand equity, establishing solid brand governance, built strong connections of Sanofians with the brand, purpose, and ambition within 18 months post-launch ⑩ Partnership with Paris 2024 Olympic Games ⑩ Fully digital and modernized digital Code of Conduct with supporting training rolled out to all employees ⑩ Deployed a unified Sanofi thoughtful decision-making framework for all employees with practical experimentation and progress measured 	23.63%

Criterion	Type	Weight	Target/Maximum (as % of fixed compensation)	Attainment level	Comments	Payout (as % of fixed)
Development pipeline	Quantitative	12.5%	18.75% / 31.25%	120.82%	<ul style="list-style-type: none"> ① R&D has achieved above execution focused KPI : 15 entries into M1, 15 development candidates into M2, 9 assets have entered the clinical phase (FIH), 12 submissions (including 3 accelerated), 4 Phase 3 studies initiated ② Total of 11 approvals (including 2 accelerated approvals of DUPIXENT in asthma and PN in China) vs 14 in 2022 and one NME (ALTUVIIIIO in hemophilia) ③ Reinforcement of the pipeline through Business Development or Acquisitions: 16 pharma and 4 vaccines partnerships signed. Acquisition and full integration of Provention Bio (Pharma) ④ R&D and PLai.gra have made significant progress in delivering AI powered decision intelligence 	22.65%
Total		100%	150% / 250%	113.30%		169.89%

(a) For a definition, see "Item 5. Operating and Financial Review and Prospects – A. Operating results — 1.5. Business net income" in Sanofi's 2023 Annual Report on Form 20-F.

Equity-based compensation

Performance shares awarded to Paul Hudson which became available in 2023

Paul Hudson was awarded 75,000 performance shares on April 28, 2020. The Board of Directors meeting of February 22, 2023, having acknowledged the level of achievement of the performance conditions applicable to this plan (86.94%), Paul Hudson was definitively allotted 65,205 shares on May 2, 2023.

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 any gain arising on the vesting of performance shares calculated on the date of delivery of the shares, net of taxes and social security/health insurance contributions that would apply in the event of a sale on such date (i.e. on May 2, 2023, the delivery date), at the highest applicable marginal rate. Pursuant to that rule, Paul Hudson must retain 10,589 shares under the plan dated April 28, 2020.

Performance shares awarded to Paul Hudson in 2023

In line with our compensation policy for the Chief Executive Officer, the Board of Directors meeting of May 25, 2023, decided to award Paul Hudson 82,500 performance shares in respect of 2023. The valuation of that award as of May 25, 2023, determined in accordance with IFRS and incorporating a market-related condition, was €6,779,025, equivalent to 4.84 times his fixed compensation.

To align equity-based compensation on our medium-term performance, a three-year period (2023-2025) is used to measure performance.

In compliance with the AFEP-MEDEF Code, the entire amount of these awards is contingent upon both internal criteria based upon business net income (BNI) and free cash flow (FCF), and an external criterion based on total shareholder return (TSR) relative to a benchmark panel of twelve of the leading global pharmaceutical companies. The main characteristics of the plan are set out on pages 118 and following of the 2023 Annual Report on Form 20-F.

Pension arrangements

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 2023 variable compensation. The Board of Directors, at its meeting of February 22, 2024, ascertained whether that performance condition had been met, noting that the attainment level for the

variable portion of Paul Hudson's compensation for the 2023 financial year was 2,379,300 €, i.e. 169.9% of his fixed compensation.

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 2023 is €472,412.50; 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 with respect to 2023 was set by the Board of Directors at its meeting of February 22, 2024, at €472,412.50.

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

Benefits in kind

The benefits in kind received by Paul Hudson in 2023 were valued at €13,497 and correspond to a company car with a driver.

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.

B. Compensation in respect of 2024

Annual fixed and variable compensation

In line with the compensation policy of the Chief Executive Officer, Paul Hudson's annual fixed compensation is fixed at €1,400,000 gross for the 2024 financial year.

Acting on a recommendation from the Compensation Committee, and to take account of actual market practices and comments from investors who wished to see the weighting of financial objectives increased, the Board of Directors has decided to amend the structure of annual variable remuneration. Consequently, with effect from the 2024 financial year, the objectives are based 60% (versus 50% previously) on financial indicators (sales growth, free cash flow (FCF) and business earnings per share (business EPS)), each accounting for 20%.

These individual objectives comprise:

- Business transformation (15%)
(Reallocation of pipeline resources, Centralization, hub strategy, Smart spending), Asset Portfolio, Digital Transformation);
- Development pipeline (15%)
M1 (Lead selection), M2 (Candidate selection) First in Human, Pivotal Studies, Submissions, Approvals); and
- CSR (10%)
People & Culture, Environment, Governance (reinforcement of the strategic dialogue with the Board of Directors and functioning of the new Executive Committee)

Equity-based compensation

Acting on recommendation from the Compensation Committee, the Board of Directors meeting of February 22, 2024 decided to award Paul Hudson 82,500 performance shares in respect of the 2024 financial year. In compliance with the AFEP-MEDEF Code, the entire amount of these awards is contingent upon both internal criteria (based upon business earnings per share (business EPS), free cash flow, R&D pipeline and CSR criteria), and an external criterion (based on improvement in 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.).

The CSR criteria, both of which are quantitative, and which count for 10% of the award, are (i) affordable access: providing essential medicines to non-communicable disease patients through Sanofi Global Health and (ii) planet care: Carbon Footprint Reduction, scopes 1 & 2 (reduction in CO2 emissions vs 2019).

Details of the performance objectives applicable to the Chief Executive Officer's equity-based compensation plan for 2024, 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 to be held on April 30, 2024.

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.

* * *

For more details on the compensation of our directors and corporate officers, refer to our 2023 Annual Report on Form 20-F, a copy of which is available on our corporate website at www.sanofi.com.

* * *