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Water Stewardship

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GRI Standards:

303-1, 303-2, 303-3: Water

306-1: Effluents and Waste

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1. Our commitments to Water Stewardship

Water stewardship is an important goal for Sanofi.

The management of water resources concerns key aspects of our business, such as our license to operate our facilities, ensuring our business continuity to guarantee availability of our products, and our relations with several stakeholders in a regional context.

As part of Sanofi’s Planet Care program, our strategy for water stewardship is based on:

- Sustain our water withdrawals at 15% less than 2019 (baseline year)
- For each industrial site, the implementation of a water efficiency management system supplemented by context-based targets,
- A focus on priority sites, presenting higher water-related risks, such as increased water scarcity, and for which Sanofi implements specific actions for mitigation,
- The continuous assessment of water-related risks, and
- A better knowledge of the water footprint of our products.



In January 2023, Sanofi joined **the Alliance for Water Stewardship** (A4WS), a global network of public, private and civil society organizations actively engaged into effective water stewardship initiatives.

We consider our membership to the A4WS as an opportunity to align with the world’s best practices on water stewardship, to identify new opportunities for collective action at watershed level, and to share knowledge and experience within the global water stewardship community.



Water purification systems in our Production site of Val de Reuil, France

2. Performance

2.1. THE DIFFERENT USES OF WATER

Water is one of the major commodities used by the pharmaceutical industry. At Sanofi, there are two major usages for water:

- **Domestic uses** – water used for irrigation, bathrooms, cafeterias, drinking water, etc.; and
- **Industrial applications**, that can be summarized as:
 - > heat transfer systems to control temperature of fabrication processes, essentially cooling water applications. Chemical (salinity) and physical (temperature) properties of water discharged may be impacted after usage,
 - > water that is directly used in the synthesis of ingredients or in the manufacturing processes of pharmaceuticals: high grades of water are required, and water quality is closely monitored at all stages of production and use, and
 - > water that is used for cleaning equipment and vessels: high quality of water is considered as well, to ensure efficiency of the cleaning process. After usage, the effluents are collected and transferred to dedicated facilities for treatment (internal or external).

Compendial waters are pharmaceutical waters complying specific pharmacopoeias requirements. Water for Injection (WFI) is the highest grade of pharmaceutical water, usually obtained after distillation of purified water (PW). The source water supplying the PW treatment system must meet adequate drinking-water standards and is closely monitored as per company quality procedures.

2.2. SOURCES OF FRESHWATER

Sanofi exclusively uses freshwater for all applications and has no reference of seawater withdrawals. Sources of freshwater vary from one plant to another depending on many factors. Sanofi has three main sources of freshwater supply:

- **municipal and third-party supply** is our main source of freshwater, accounting for 75% of our total withdrawals in 2025;
- **surface water** (lakes, rivers) now represents 9% of our withdrawals; and
- **ground water** (water directly abstracted from water tables) accounts for 16% of withdrawals.

Regardless of the source, each site must identify potential threats on their source and report issues and events to Corporate HSE.

2.3. WATER RECYCLING/REUSE

We encourage our sites to recycle water in local applications.


Several methods exist to recycle/reuse water: harvesting rainwater, optimizing cooling water systems with multiple loops, implementing quaternary treatments in our wastewater treatment plants so the reclaimed water can be used as make-up for cooling towers or boilers, etc.

17¹ of our sites report practices of water recycling/reuse for all applications, of which 2 production sites located in Belgium and Italy currently engaged in programs for wastewater recycling (the IDRA project – refer to 4.4).

We have estimated that implementing our sustainable water management program will enable us to keep our annual water withdrawal below the 2019 baseline with a reduction of at least -15% vs the baseline, despite continuous industrial capacity growth.

¹ Number of sites has been restated following the change in scope in 2025 (divestment of Opella)

2.4. THE SITUATION IN 2025



water stewardship




Our objectives

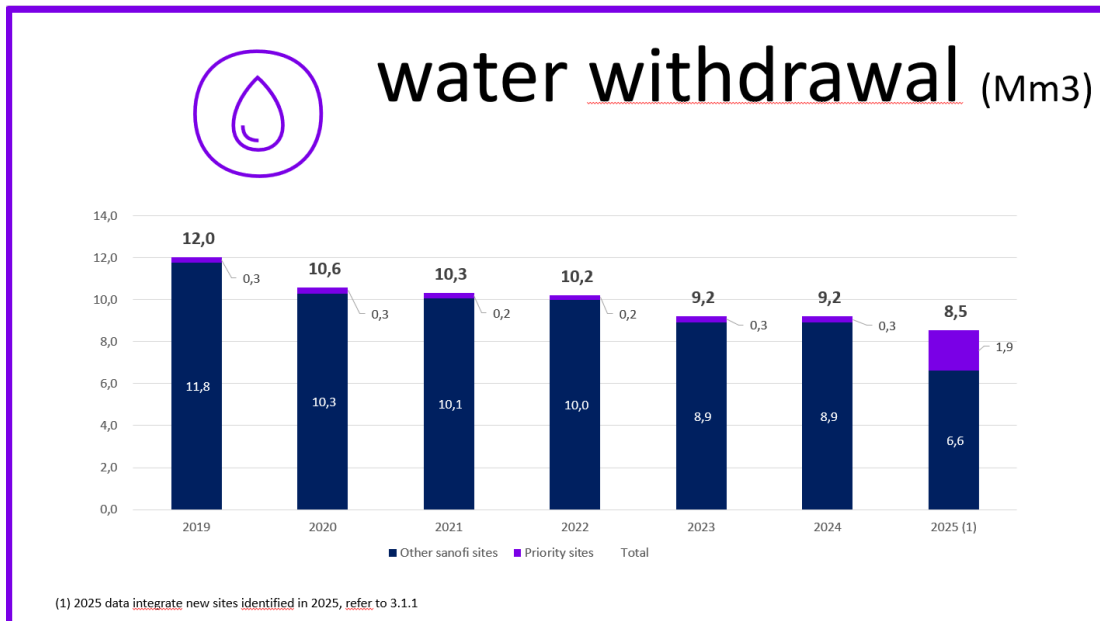
- Sustain our *water withdrawals* at 15% less than 2019
- Implement *water stewardship and water efficiency plans* for 100% of our manufacturing sites by 2030

Global Performance 2025

29% reduction of our global water withdrawals (vs. 2019 baseline)

100% water-stressed priority sites have implemented their *water stewardship and water efficiency plans*



3. Actions

3.1. MANAGEMENT OF WATER-RELATED RISKS

3.1.1. Identification of priority sites

Our objective is to define appropriate responses for sites facing water stress risks.

In 2015, Sanofi defined its first list of priority sites. In 2020, our Company implemented a new program, WRAP (**Water Risks Assessment Program**). The objective is to have a relevant analysis of the water risk at our sites. We have created a specific tool with the support of external experts. We asked each site to evaluate through a survey how they address water risks considering three categories: Physical, Regulatory and Reputational risks. The ensuing vulnerability scores were compared to results from the World Resources Institute (WRI) and World Wildlife Fund (WWF) databases.

Our list of priority sites was composed of 5 industrial facilities located in Algeria, Mexico, India and China.

In 2025, Sanofi completed a comprehensive WRAP refresh, incorporating updated water stress projections to reassess risk situation across all sites and identify emerging water challenges requiring targeted action plans.

- Between 2020 and 2025, the number of priority sites identified increased from 5 to 8 revised sites. This evolution reflects a methodological change: while the 2020 campaign relied on a global water risk indicator, the 2024 campaign shifted its focus to water stress as the primary basin-level indicator, based on the World Resources Institute (WRI) AQUEDUCT database.
- As a result, priority sites are identified in Algeria, Mexico, China, Belgium, Canada, Egypt, Italy

3.1.2. Environmental risk assessments

Every site must manage a program to identify, evaluate, prioritize and control the impacts of its past and present activities on the environment. Some specific risks on water may be directly reported by sites during these assessments: these risks will then be incorporated into a broader environmental risk matrix.

This assessment is updated regularly. An annual action plan is established and implemented to improve and control the prioritized actions identified. Beyond the annual plan, long-term opportunities to optimize resources and expenditures dedicated to better protecting the environment are, when appropriate, identified in the local capital expenditure action plan.

Depending on the conclusions of the environmental risk assessment and regulatory requirements, the action plan may include:

- Internal or external audits on water use, comprised of a detailed water balance and the characterization of all effluents produced by the site,
- Water withdrawal and water consumption reduction plans, based on the modernization of some equipment, of water treatment facilities or on the change in operational procedures, and
- The installation of additional in-line analyzers and instruments to increase monitoring, and track efficiency.

3.1.3. Due diligence processes

During site purchasing due diligence, water intake and discharge are taken into consideration as one aspect of overall Health, Safety and Environment (HSE) actions.

Our key water concerns are related to regulatory compliance for water usage and discharge and assessment of local sensitivity.

3.1.4. Health, Safety and Environment (HSE) audits

HSE internal audits of all Sanofi facilities are led by a team of Experienced Auditors and supported by the Sanofi HSE Expertise Community.

These audits are performed over a rolling three-year program covering all HSE internal requirements and related standards – of which two are dedicated to water management and wastewater management.

3.1.5. Suppliers

We acknowledge that our environmental responsibility is extended all along the value chain of our products, and with this purpose Sanofi is engaged with its suppliers and subcontractors.

Sanofi is actively working on different initiatives to increase water security in its value chain:

- **Water Stress Risks Assessment** of our key API (Active Pharmaceutical Ingredient) suppliers are intended to anticipate and/or mitigate the immediate and long-term adverse consequences on the availability of some of our key products, including life-saving medicines. Impacts of climate change on our direct operations and in our value chain are continuously assessed by a dedicated Taskforce within the Company;
- **Onboarding** of Suppliers and Contract Manufacturing Organizations (CMOs) on good practices in water management:
 - > As a Pharmaceutical Supply Chain Initiative (PSCI) active member, Sanofi invites its key API suppliers to seminars focusing on water-related issues, including the release of pharmaceuticals in the environment and wastewater treatment technologies.
- **HSE Audits** (internal & external) of suppliers include questions on water and wastewater management. The risks identified are communicated to business leadership for decision-making.

3.2. WATER STEWARDSHIP IN OUR DIRECT OPERATIONS

3.2.1. Water efficiency management plans

Since 2021, Sanofi is rolling out Water Efficiency Management Plans (WEMPs) across its manufacturing sites to map water usage and to identify opportunities to reduce withdrawals, power, and chemical consumptions specific to each site. The methodology will be deployed on all our industrial sites by 2030, which has been already implemented for our highest priority site.

We started this program in the manufacturing site of Ploërmel (France) The toolbox was inspired by the ISO 46001:2019 standard and includes tools, templates, and guidelines for water efficiency management.

In 2025, Sanofi launched a pilot program to implement **ISO 46001:2019 – Water Efficiency Management Systems** across selected manufacturing sites. This initiative builds on the foundation of ISO 50001 (Energy Management Systems) already in place at many of our facilities, leveraging synergies between both standards to optimize resource management. The pilot targets the certification of 6 sites between 2026 and 2028, collectively representing nearly 25% of Sanofi's total water withdrawals.

3.2.2. Context based targets

We acknowledge that water challenges are specific to each watershed and need to be addressed at local level. Context-based targets are defined after thorough review of water usage and related risks in the water basin, aligned with the conclusions of the Sanofi WRAP study.

Our goal is that context-based targets enrich action plans of each WEMP with solutions contributing to improve local water resources condition.

In 2021, we worked with the Water Council, a non-profit organization, to prepare a reference document that provides guidance for all Sanofi sites to better grasp the water issues at local scale. We explored further

alignment of our key documents from our management system with the Alliance for Water Stewardship standard.

Our priority sites, located in Mexico, China, Algeria and India, implemented the methodology. Sites developed their water roadmap to address their local challenges. The new priority sites identified in the 2025 WRAP exercise are expected to follow the same methodology approach used by previous priority sites to develop their water roadmap and address their local challenges.

3.2.3. Our community of practice on water



SWAN is the acronym for the **Sanofi Water Advocates Network**, the community of practice on water.

The SWAN project has the objective to contribute to reduce Sanofi water impacts by raising awareness on water risks and using collective intelligence to address our company's key water-related challenges.

In 2023, we opened our own discussion platform so Sanofians from all over the world could engage about water challenges.

2025 edition brings 12 sites representatives on Marcy l'Etoile site. Local and global experts shared their best practices on: Water-energy nexus, Water efficiency, Micropollutant treatment, Stormwater management, Wastewater recycling and

Stewardship initiatives in water-stressed areas.

3.3. MANAGEMENT OF WASTEWATER

3.3.1. Key principles

We strive to reduce the impact of our emissions on water bodies by implementing efficient and reliable strategies to limit the presence of substances in effluents generated by our manufacturing activities.

Each site implements a specific wastewater management program based on an environmental impact assessment and applicable regulatory framework. These programs include:

- The **quantification and characterization of substances**, and
- The **implementation of specific solutions and technologies** to limit adverse effects on aquatic ecosystems.

We dedicate ourselves to a continuous improvement of the efficiency of our wastewater treatment installations. This program is supported by performance monitoring and periodic process reviews of our facilities, by lab-scale testing of existing new solutions and the upgrade of existing facilities.

3.3.2. Monitoring wastewater quality

Sanofi sites are also monitoring effluents discharged to sewers or water bodies in order to ensure regulatory compliance and the absence of negative environmental impacts. Chemical Oxygen Demand (COD) is a key parameter to assess the quality of wastewater discharge, as an indicator of organic content (biodegradable and non-biodegradable) in effluents.

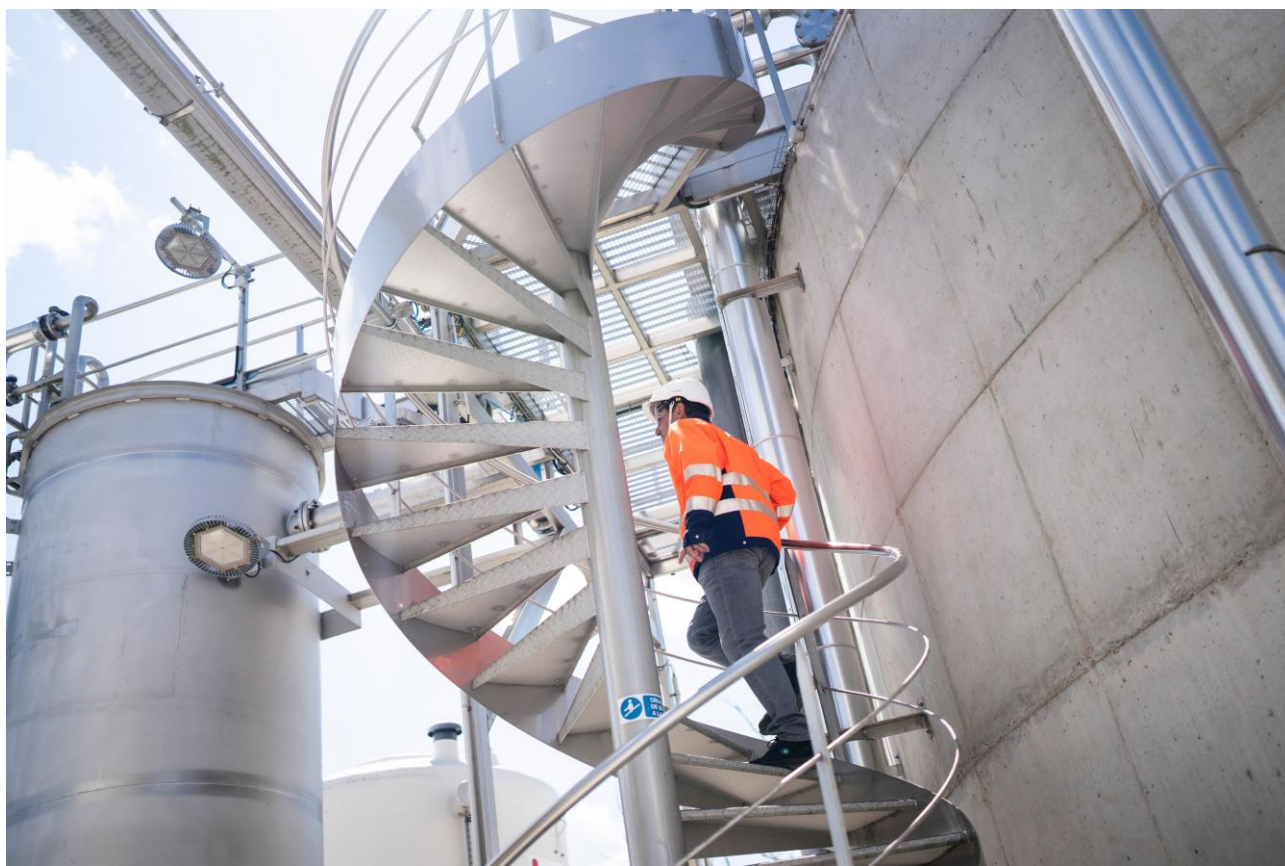
Most of our industrial facilities have dedicated wastewater treatment plants, whether the wastewater is discharged directly to the natural environment or not. If discharge is to a public or private sewerage system, then treatment is handled by a third party who complies with locally applicable regulations. Consequently, the overall quantity of COD calculated within our site boundaries (rather than at the point of discharge into the natural environment, as reported in previous years) would appear to be a more reliable and relevant indicator of our efforts to reduce the environmental impacts of our operations on aquatic ecosystems.

In 2025, the residual amounts of COD released by our sites decreased by approximately 16% (baseline 2019). The many programs under way to upgrade our onsite treatment plants, and the embedding of new environmental criteria into the design of our facilities, suggest that levels will stabilize/decrease in the years ahead despite the ongoing expansion of our industrial capacities.

3.3.3. Pharmaceuticals in the environment

Sanofi focuses particular attention on the challenge of preventing pharmaceuticals from entering the aquatic environment. Sanofi is committed to minimize the potential environmental impacts of its medicines in line with the Planet Care Program. It is materialized through a strategic approach that covers the entire lifecycle of our medicines, from production to their use by patients. It involves all our stakeholders and encompasses several initiatives or programs described in a dedicated factsheet.

For more information, see our Document Center: Pharmaceuticals in the Environment Factsheet.



Wastewater Treatment Plant in our Production site of Le Trait, France

4. Highlights

4.1. COMMISSIONING OF OUR MOST ADVANCED WATER TREATMENT FACILITY IN CANADA: THE B99 PROJECT

The B99 project was successfully delivered in 2024, consisting in the construction, commissioning and startup of a large wastewater treatment plant dedicated to manage all effluents from our production plant in Toronto (Canada).



The Unit is equipped with **state-of-the-art technologies** to remove nutrients from effluents and to recycle water that is locally used for our utility systems, thus significantly reducing the site's demand for freshwater.

The Design Team attached great importance to integrating the facility to its immediate environment, with a dedicated building housing all tanks and all equipment to limit disturbances to a maximum extent, which has earned Sanofi Toronto the recognition as the 2025 ISPE Facility of the Year Awards (FOYA)

Category Winner for Social Impact Sustainability.

4.2. RAINWATER RECYCLING PROJECTS



The Planet Care Challenge is an ambitious environmental program with an annual budget of 3 million euros, to promote employee engagement and collective intelligence. Mid-2022, many sites across the world (Vietnam, Mexico, Hungary, Brazil) were granted funds to implement rainwater recycling projects.

Recycled water will be used for many applications, as cooling tower make-up, irrigation of gardens, and toilet flush. These projects are now engaged in different phases, from feasibility studies to successful delivery (as in Hungary).

Overall, these initiatives will enable us to keep our annual water withdrawal below the 2019 baseline with a reduction of at least -15% vs the

baseline.

4.3. ADDRESSING WATER RISKS IN COMMUNITIES: OUR SUPPORT TO THE EMERGENCES FESTIVAL

In September 2002, Areas to the west of Avignon (France) were severely impacted by heavy rain fall and



flooding of the Rhone and rivers that surround it, claiming the life of 22 people and causing 800 million euros in damages. Despite our nearby site of Aramon not being directly impacted, Sanofi engaged their local resources to bring assistance to local communities with shelters, water supply, cleaning operations.

In memory of the events, **the Emergences festival** was created in 2022 to raise awareness on water challenges through workshops, conferences, live performances, art exhibits and music.

Sanofi provided financial resources to the 2025 edition in alignment with our goal to demonstrate water stewardship. It is also a way to remember that water risks are shared by all stakeholders at basin level.

4.4. ADDRESSING WATER SCARCITY WITH WATER RECYCLING

Sanofi invested in high-performance specialist filtration technologies to treat wastewater to a very high standard, enabling **water recycling** in utility applications such as cooling. 2 production sites located in Belgium and Italy implemented this program for wastewater recycling.

This approach reduces costs and alleviates pressure on local water supplies during the dry season.



IDRA Wastewater filtration technology