

GENERAL MEETING OF APRIL 30, 2019

WRITTEN QUESTION

Written questions may be submitted to the Company, pursuant to the rules established by law, with respect to any General Meeting. In conformity with the legislation in force, an answer is deemed to have been given to a written question provided it has been displayed on the Company's website.

On April 23, 2019 the Board received a letter from the association Initiative Pour un Actionnariat Citoyen (IPAC):

“The tax rate reflected in the income tax expense booked by Sanofi is chronically low. The Document de Référence succinctly explains this fact by Sanofi's presence in numerous countries where the tax rate is lower than the French rate. However, this divergence between the normal French tax rate and the tax rates applicable to Sanofi remains very high.

In order to eliminate any shadow of doubt, could you, at the very least, publish a breakdown of net sales and of taxes imposed by country. If the disclosure of this type of information is not a legal obligation, it is a practice adopted by certain non-financial companies who see it as an opportunity to gain the confidence of socially responsible investors.”

Response to the written question:

“Sanofi conducts its business in over 100 countries and has more than 100,000 employees representing 145 nationalities. As a multinational company, Sanofi applies the laws and regulations in force in the countries where it conducts its business and pays such countries the appropriate amount of tax due on such business.

Given its global scale Sanofi is required to pay numerous taxes and duties, including, but not limited to: company tax, property taxes, customs duties, other taxes or duties related to its business such as pharmaceutical taxes and contributions, taxes related to the hiring of its employees such as social charges. In addition, the conduct of its business results in the assessment of numerous taxes on the basis of its sales or value added that Sanofi is responsible for collecting. Sanofi as a global group produces and publishes consolidated financial statements that include the results of all of its subsidiaries. Nevertheless, Sanofi also discloses certain aggregated business and tax data for geographical areas (see the CSR integrated report available on the group website).

As to the question of the group's effective tax rate of 21.6% on its operating income for 2018: this reflects the tax expense related to the taxes imposed upon the operating income achieved on a worldwide basis by the group and all of its subsidiaries. The French company tax rate of 34.43% is still one of the highest in the world while in the USA, which represents 30% of the group's net sales, the tax rate is 21%, China has a rate of 25% and finally in Europe the average company tax rate is less than 22%. Sanofi with an effective tax rate which is in excess of 20% of operating income pays one of the highest rates in comparison to its competitors. Finally, whenever it is possible the group takes advantage of the available tax breaks with respect to innovation and R&D, such as for example the research tax credit. This necessarily results in an effective tax rate that is lower than the normal tax rate in France. If the group conducts a significant part of its R&D and its manufacturing operations in France and maintains its headquarter there, it is also in this country that the investments in R&D occur with respect to future products and treatments and where the intellectual property as to these future products is thus held."

* * *