

Diversity, Equity & Inclusion

GRI Standards:

405-1: Diversity and equal opportunity

EXECUTIVE SUMMARY

Diversity, Equity and inclusion (DE&I) are at the heart of how Sanofi works and has been embedded in our “Play to Win” strategy, helping us reinvent how we work and driving our cultural transformation. In this new strategic context, the timing was right to evolve to a more global, far-reaching approach to diversity, equity and inclusion.

Our strategy is about stepping up to the challenge and putting in the hard work.

By 2025, we will achieve better results in three key areas:

- building representative leadership;
- creating a working environment where we can bring our whole selves; and
- engaging with our diverse communities.

Each of our three pillars have three areas of outcome, which give us nine KPIs. This is how we will measure success by the end of 2025.

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1. Our actions in 2021

In 2021, the main focus was on establishing the strategy and governance arrangements, which include:

- a dedicated global team of DE&I professionals and a regional/functional DE&I network of 25 leaders;
- a new Global Employee Resources Group (ERG) framework tasked with defining its vision, roles, and goals and representing each of our five diversity strands, with Executive Committee sponsors for each diversity strand (the new global ERG framework will go live in 2022); and
- a Diversity, Equity & Inclusion Board, including Executive Committee members, our CEO, three external thought leaders and a global ERG leader, chaired by the Chief Diversity, Culture and Experience Officer.

Examples of actions already delivered include:

- concrete DE&I action plans in our Top 10 markets (France, United States, United Kingdom, Brazil, Italy, Germany, Spain, China, Japan, Russia);
- a dedicated knowledge-sharing intranet accessible to all employees for communicating strategy, tools, dashboards, ERG, connections, learning modules, events, etc.; and
- a comprehensive “All In” D&I learning experience, with many initiatives geared toward employees and managers, starting with an overview of the D&I eLearning module for all Sanofi employees.

Examples include:

- > “Challenge Your Bias”: completed by 3,120 employees in 2021, this highly interactive, instructor-led workshop helps employees develop further awareness of their own unconscious bias and learn strategies for mitigating behaviors that are not aligned with our Inclusive work culture;
- > a curated collection of eLearning, videos, articles, guides, and assessment tools from a variety of internal and external sources to provide a foundational understating of D&I, addressing self-awareness of D&I fundamentals and how to behave more inclusively; and
- > an instructor-led, thought-provoking workshop on Inclusive Leadership targeted at all Sanofi people managers, where participants will share experiences, insights, and best practices with management peers.

2. Diversity, Equity & Inclusion vision

We want to reflect the diversity of our communities, unleashing our best selves every day to transform the practice of medicine.

We want to make an impact in the world through who we are, what we do, and the way we do it. And we recognize that the only way to really do this, is to do it together and by being all in. This is why we believe that our leaders and teams must reflect the vibrant diversity of the communities we serve so that we are able to act for our patients and customers in a way that makes a difference through our diversity of thought. We want to create a safe and inclusive space where everyone feels they can bring their whole selves so that we unleash the full creative potential of individuals and teams. And we think our impact should go beyond our four walls and extend to the communities in which we live and operate.

Diversity, Equity & Inclusion (DE&I) is part of our larger “Play to Win” strategy, helping us reinvent how we work and driving our cultural transformation. In this new strategic context, the timing was right to develop a more global, far-reaching approach to D&I. And to do this with people from all over the Sanofi world: co-created and co-owned so that it can be co-led. Our approach to D&I is fully integrated with our people strategy and our commitment to society because we are putting our people at the center. We want them to thrive in an inclusive culture where they can have the best employee experience, boosting their sense of pride and belonging. Also, our social impact strategy will be integrated into our leaders' career development worldwide, ensuring a mindset that fosters diversity and inclusion throughout the Company. This is how we will attract and retain the best talents and build our competitive edge, our diversity edge. The business and societal advantages that come from a diverse workforce and inclusive environment are well established: diverse teams make better decisions, are more creative, and deliver better outcomes with a better bottom line. A diverse, equitable and inclusive culture also impacts how we engage with the communities we serve.

3. Our Diversity, Equity & Inclusion strategy

Diversity, Equity & Inclusion (DE&I) is part of our larger “Play to Win” strategy and our Corporate Social Responsibility strategy, helping us reinvent how we work and enabling our cultural transformation. In this new strategic context, we co-created and launched a new global D&I strategy in June 2021 called “All In”, focused on delivering strong outcomes across three key pillars by 2025:

- building representative leadership (which is our workforce);
- creating a work environment where we can all bring our whole selves (which is our workplace); and
- engaging with our diverse communities (which is our marketplace).

We know that the best way to deliver impact is by doing it together as an organization with our people, our suppliers, our stakeholders, and society. Together we will deepen our understanding by having constant conversations and putting in place more deliberate actions to drive greater equity across five key strands of diversity: Gender, Race/Ethnicity/Faith, Disability, Age and LGBTQIA+ ⁽¹⁾. We will also ensure that anti-racism is a systemic part of our organization and is reflected in everything we do, making sure we maintain local relevance.

3.1. REFLECT: BUILDING REPRESENTATIVE LEADERSHIP

Sanofi demonstrates an intentional focus on diversity, equity and inclusion in:

- talent acquisition, through inclusive recruitment processes and diversification of talent sourcing;
- talent development, ensuring equal learning and development opportunities for all; and
- talent retention, with specific attention to diversity in our succession plans.



Our hiring managers are being trained in effective and inclusive recruitment including an inclusive Job posting templates, and we are equipping our eight search firms with our D&I strategy and expectations.

Wherever possible, relevant country targets and ambitions have been put in place, with a few examples below:

- US: 37% people of color representation by 2025;
- UK: 25% representation of people from a minority and/or ethnic background at final interview stage for senior positions; and

⁽¹⁾ LGBTQIA+ (lesbian, gay, bisexual, transgender, queer, intersex, asexual and others) communities.

- France and other countries: targets set to increase representation of people with a disability (organizational relationship with Valuable 500 initiated).

For Gender Balance

We have committed to achieving gender parity of 50% in senior leadership, and 40% of women in our executive teams by 2025. To achieve this commitment, we are combining several actions covering Talent Management, Talent Acquisition, and Talent Development. We are embedding gender balance in our hiring and succession planning processes and are monitoring progress through several meaningful indicators to ensure we meet our global 2025 ambition.

In 2021 specifically:

- gender KPIs are included in the performance objectives for the annual variable compensation of our Executive Committee and all our executive teams;
- we have identified 140 female talents who have initiated in February 2022 a **“Career Development Journey for Women”** which will help them to progress towards more demanding, executive roles, through a 12-month development journey, including HOGAN 360 assessment, development plan, coaching, networking session, learning programs. We have been mindful of the geographic diversity of these talents;
- ensuring we have gender-balanced shortlists and diverse interview panel for all senior leader positions; and
- making sure our successor plans are gender balanced.

Our 2021 data show that we are on track.

Gender balance ^(a)		2021
Our ambition is to achieve gender balance in Sanofi Senior Leaders ^(a) (approximately 2,340 positions) by 2025.	40.1%	women
Our ambition is to achieve 40% women in our Executive population (approximately 500 positions) by 2025.	34.2%	women

Overall, our workforce is composed of 47.7% women.

Ensuring pay equity with a strong plan measuring impact

At Sanofi we believe that all employees irrespective of their gender should be paid equitably for similar work. This does not necessarily mean that everyone doing the same job has identical pay. Any difference in pay should be explained with objective reasons, in line with Sanofi’s Reward and Performance policy and practice.

In 2021, we launched a Global Pay Equity Action Plan to track and reinforce practices to ensure and promote pay equity. This action plan includes three core global commitments:

- making dashboards available that allow countries to monitor gender pay gaps by job level on a regular basis and to develop action plans to remediate any unjustified pay gaps;
- raising Pay Equity Awareness by strengthening managers’ skills in identifying and addressing factors that may impact pay gaps at critical pay steps (hiring, pay reviews etc.); and
- implementing reviews of base salary for employees returning from parental/family leave.

For LGBTQIA+ talents, we have partnered with MyGwork to attract more diverse profiles beyond gender balance (building a safe and rewarding space for employees with diverse sexual orientations and gender identities), as well as supporting and connecting with the community (through networking and career events).

For Generations+: we have partnered with OneYoungWorld to identify and develop Young Talents of Sanofi to advocate change and lead on the Sustainable Development Goals. Five talents have been nominated to participate in the next Summit in Manchester.

3.2. UNLEASH: CREATING A WORK ENVIRONMENT WHERE WE CAN BRING OUR WHOLE SELVES

Icon	Category	Metric
	DIFFERENT WAYS OF WORKING	100% of employees have access to flexible working arrangements (subject to job activity)
	INCLUSIVE CULTURE	80% score in our internal diversity & inclusion index
	WORKPLACE EVOLUTION	100% of PWD* have workplace accessibility *People with disabilities

3.2.1. Establishing a global wellbeing program

Sanofi has implemented a global approach to wellbeing for all employees worldwide. As a company with high performance ambitions, we need to support our colleagues to thrive and be successful by energizing them and creating a collaborative working environment where they feel optimistic, hopeful about the future, and passionate about what they do.

Sanofi's Global Wellbeing Program is based upon four pillars, providing tools and resources to help in and outside of work with:

- **Healthy Minds:** supporting emotional and mental wellbeing;
- **Healthy Bodies:** supporting good physical health, focusing on prevention and on quality healthcare;
- **Healthy Working Culture:** building a "Play to Win" culture that is respectful, supportive, and inclusive at all levels; and
- **Healthy Finances:** helping people feel comfortable, confident, and in control managing their finances.

Concretely, the Global Wellbeing Program includes:

- an externally hosted, global employee assistance program called "Be Well Guidance Resources", which offers confidential, free support for all employees and their direct dependents. Be Well Guidance Resources offers a free, multilingual 24/7 hotline that colleagues can contact to ask for advice and support on a wide range of topics, from psychological support to financial and legal guidance. Be Well Guidance Resources are due to go live from January 2022;
- a broad multilingual Learning & Development offering, which is already in place to help with Healthy Minds and Healthy Working Culture; and
- a way to build support and transparency into our culture so that employees all feel comfortable to speak up if they observe or are faced with behaviors not in line with our "Play to Win" behaviors. We call this "Speak Up!" It relies on clear and confidential processes and channels to seek advice on things employees observe that are not acceptable.

3.2.2. A global framework for flexible work

Our “Play to Win” priorities (Growth, Innovation, and Efficiencies) can only be successful with the fourth priority: Reinvent How We Work. Only by changing how we work can we transform the practice of medicine and create a place where everyone can bring their whole selves to work. Working flexibly is an important part of this: it builds inclusion, helps all of us unleash our full creative potential, and fosters our new culture by helping us live the “Play to Win” behaviors.

A well-balanced, flexible workplace helps everyone feel more included because it shows that Sanofi acknowledges and caters to individual needs and working styles.

As part of the new DE&I strategy, Sanofi’s “Global Flexible Work guidelines” have been updated based on a consistent global framework launched in May 2021. The global guidelines are applied locally through country-wide policies defined and implemented by Sanofi’s local country teams in full compliance with local labor law and practices.

By 2025, Sanofi is committed to offering access to flexible working arrangements to 100% of employees, subject to their job profile.

3.2.3. At the forefront of societal change: our global gender-neutral paid parental leave policy

Since January 2022, Sanofi grants 14 weeks paid parental leave to any Sanofi employee welcoming a new child through childbirth or adoption, no matter which country they are working in and irrespective of gender or sexual orientation, as long as the employee is recognized as the child’s parent as per local legislation or practice. A step forward for driving equality in the workplace and greater choices beyond.

3.2.4. Attention to disability

Locally, Sanofi subsidiaries define specific programs.

For example, Sanofi in France is continuing to demonstrate commitment with the fifth renewal of its Group Agreement on disability for the period 2021-2023, built on five pillars:

- priority monitoring of employees with disabilities to ensure they can remain in their job;
- ongoing integration of employees with disabilities, whatever the nature of the disability;
- strengthening communication and information through awareness initiatives;
- constantly improving the accessibility of workstations and information (for example, making Tadeo – a computer-assisted solution which facilitates communication with deaf or hard of hearing people – available to all employees); and
- maintaining strong, ongoing relationships with organizations such as the protected and adapted work sector.

A network of 32 disability delegates in the workplace provides local focus and attention.

Sanofi is committed to achieving a direct employment rate of 6% for disabled workers by the end of the agreement in 2023. In France, Sanofi had 1,498 employees with disabilities in 2021.

As another illustration, Spain has implemented the “Aflora” plan. Since 2018, “*Talento sin Etiquetas*”/“Talent with no tags” has helped inclusion for disabled people, creating a culture of normalizing and raising awareness around disability. Employees with a disability, or who have a child with a disability, are given a monthly allowance. In 2021, 29 employees benefited from these allowances.

3.3. TRANSFORM: ENGAGING WITH OUR DIVERSE COMMUNITIES

We want to have a positive social impact that goes beyond health and strengthens economic engagement with the communities we serve:

- in procurement, we are strengthening communities' economic engagement with our suppliers through a Solidarity Sourcing program that ensures our large corporate supplier base reflects our behaviors. Our goal is to engage 450 suppliers by 2025 representing over €6 billion (40% of our global expenditure);
- we have a Global Supplier Diversity program in place to increase the inclusion of historically disadvantaged or under-represented groups in our sourcing processes;
- we have a partnership with WeConnect International to increase our collaboration and engagement with women-owned businesses, and support women's economic empowerment. On International Women's Day in March 2022, we made a public commitment to:
 - > double our woman-owned business spend by 2025, and
 - > spend over €1.5 billion with small and diverse businesses by 2025,
- as part of our social impact strategy, we are supporting projects driven by senior leaders that will have a positive local impact and foster our people to volunteer; and
- in clinical trials, we are working to better represent our patients' diversity:
 - > by engaging patient advocacy groups, healthcare professionals, medical societies and industry partners, and we are improving our understanding of challenges and barriers in enrolment of diverse patients in clinical trials. We are also translating this understanding into a more inclusive trial design,
 - > by better understanding the disease demographics (through input from patient groups, literature reviews and Real-World Evidence data), we will set diversity enrolment targets in 100% of our clinical trials in the US as from January 2022,
 - > by allocating dedicated resources to lead Diversity in Clinical Trials in the US and globally to ensure we increase the number of our clinical trials achieving their diversity targets. We are reducing the burden on patients by leveraging innovative solutions to reduce the time and transport needs of patients through the use of decentralized clinical trial capabilities,
 - > to measure our progress, we have implemented a real-time view of D&I enrolment data in our Clinical Trials in the US through the dashboard DIMO (Diversity & Inclusion Metrics Overview), and
 - > we are also providing our Clinical project teams with a D&I toolkit to enhance the selection, and training, of trial sites to include more diverse communities and to involve more diverse investigators with the goal of further increasing diverse participation in our trials.



Transform
ENGAGING WITH
OUR DIVERSE
COMMUNITIES

IN PLACE BY 2025



CLINICAL TRIALS DIVERSITY
YOY % increase of clinical trials achieving diversity targets



COMMITMENT TO SOCIETY
100% of Senior Leaders are active in CSR programs



ECONOMIC DEVELOPMENT
450 suppliers signed up to our solidarity sourcing program (~6B€ spending)

4. How will we deliver this strategy?

As each country matures at its own pace given its history, specificities, and priorities — we recognize and absolutely respect that — we take a global-local approach and are defining and framing the strategic priorities and our across-the-board goals. Then, local teams will adapt the strategy to ensure it is relevant and personalized to their specific realities by being able to dial up or down on what they need to focus on first. We want to make sure countries will be able to lean into the global strategy, as well as make good use of our global partnerships. We will also be looking for successful local programs that we can leverage on a global level and across different geographies, whenever it makes sense. We will involve our leaders in each country to make this a reality and leverage our many Employee Resource Groups worldwide to help drive this change. DE&I is a global issue, but many of the solutions will be local.

5. How will we measure success?

We are driven by impact – for our workforce, our workplace and our marketplace.

Each of our three pillars have three areas of outcome, which give us nine KPIs. This is how we will measure success by the end of 2025:

2025 SCORECARD



YOY % INCREASE IN LOCAL WORKFORCE DIVERSITY REPRESENTATION IN HIRING AND CAREER PROGRESSION



GENDER BALANCE SENIOR LEADERS: 50:50 EXECUTIVES: 60 men:40 women



RECOGNIZED EXTERNALLY AS A TOP 10 EMPLOYER FOR DIFFERENT STRANDS OF DIVERSITY



100% OF EMPLOYEES HAVE ACCESS TO FLEXIBLE WORKING ARRANGEMENTS (SUBJECT TO JOB ACTIVITY)



80% (8.0) SCORE IN OUR INTERNAL DIVERSITY & INCLUSION INDEX



100% OF PWD* HAVE WORKPLACE ACCESSIBILITY



YOY % INCREASE OF CLINICAL TRIALS ACHIEVING DIVERSITY TARGETS



100% OF SENIOR LEADERS ARE ACTIVE IN CSR PROGRAMS



450 SUPPLIERS SIGNED UP TO OUR SOLIDARITY SOURCING PROGRAM (-6B€ SPENDING)

*People with disabilities