

# SANOFI CONSUMER HEALTHCARE'S

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# FOR THE WORLD

REPORT

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## LETTER FROM THE GLOBAL HEAD OF CONSUMER HEALTHCARE

Sanofi Consumer Healthcare has achieved some major milestones over the last 12 months. Starting in 2021, we embarked on our journey to become a standalone Global Business Unit (GBU) within Sanofi, enabling us to adapt our business to the evolving needs of the Consumer Healthcare sector and scale up our ambitions in critical areas, including sustainability. I am therefore proud to share with you our very first Non-Financial Report, which comes at an auspicious moment as we celebrate International Self-Care Day (July 24th). We are also incredibly proud to share that we recently became the first large consumer healthcare business to become a Certified B Corp, having achieved this accreditation in North America.

We are currently facing several global challenges which we urgently need to tackle. Health inequality remains prevalent even after the COVID-19 pandemic, a watershed moment in public health history that has accelerated the practice of self-care and shifted people's behaviors toward becoming more active agents of their health. The adverse effects of climate change are already being felt around the globe, from wildfires to droughts and extreme temperatures. As a leading global fast-moving consumer healthcare (FMCH) company, we recognize our responsibility in taking action to address these global challenges we all face for the health and well-being of our people, our communities, and the planet. On our sustainability journey, we have embraced a bold ambition: to be the best FMCH company in, and for, the world. We believe we can contribute toward a healthier future by championing better self-care. By helping people play an active role in their own health, we will make a positive difference to communities and contribute to alleviating pressures across our healthcare systems.

Our Sustainable Care Pledge outlines the key areas where we believe we can have the most impact. We are using the power of our purpose-led brands to contribute to a healthier society by championing better self-care, making a positive impact to communities by providing broader access to basic healthcare while instilling a culture of inclusion, sustainability, safety, and well-being across our entire business. These areas are underpinned by our efforts to work towards a healthier planet. We are reducing waste and embracing circularity, taking steps to minimize our impact on natural ecosystems and biodiversity, and aiming to reach net zero by 2045.

A hugely significant moment in this journey is our achievement of becoming a Certified B Corp in North America. By becoming a Certified B Corp, we join a global community of businesses that share our values and demonstrate their commitment to people and planet. I am immensely thankful to our team for the huge efforts to accomplish this, which has required us to delve into every aspect of our business operations. The B Corp assessment now forms an integral part of our business transformation roadmap.

Our journey doesn't stop here, and we are committed to ensuring continuous improvement. It's critical that we work together to find solutions to the challenges we face, and we aim to collaborate with other players across the sector and ramp up our efforts. That's why we recently joined the Bottle Collective, a global consortium which aims to accelerate innovations in packaging and help tackle the global plastic waste issue. Our brands also work with a number of NGOs and charitable foundations, notably a global partnership with Save the Children, to support communities around the world.

We are also working on communicating transparently the ingredients we use in our products and where they are sourced from to build greater trust with consumers and stakeholders and empower consumers to make informed purchasing decisions. We're aiming to disclose the active and non-active ingredients present for all our products by 2030. We are committed to reducing waste from across our business and products, and by 2025 we aim to have all our sites landfill free. Lastly, we are also working toward achieving our goal of using 100% renewable electricity across our Consumer Healthcare business by 2025.

We believe that embarking on, and embracing, this journey of continuous improvement is the only way ahead that will allow us to fulfill our mission and serve our consumers. This is why we are committed to embedding sustainability across all facets of our business. It acts as a guiding light for our business decisions and our relationships with all stakeholders. This includes publishing our first non-financial report, showing stakeholders where we are taking action, where we are on this journey, and our commitment for the future.

At Sanofi Consumer Healthcare, we are committed to using business as a force for good and positively impacting society and the environment. The health of our society, and of our planet, is in our hands.

Julie Van Ongevalle  
Executive Vice President, Consumer Healthcare  
Sanofi

## INTRODUCING SANOFI CONSUMER HEALTHCARE

### 1.1 About us

This year Sanofi Consumer Healthcare (Sanofi CHC) celebrates 50 years since its establishment in 1973. Sanofi Consumer Healthcare is a leading fast-moving consumer healthcare company with a presence in 150 countries and over 9,000 employees. Our sizable global footprint brings considerable responsibility toward our people, communities, and planet. At Sanofi Consumer Healthcare, we are constantly evolving to ensure our efforts are equal to the formidable undertaking ahead of us and embrace our shared responsibility in the creation of a healthier society and planet for all.

Sanofi Consumer Healthcare is one of the four global business units of Sanofi Group, which also includes Specialty Care, Vaccines, and General Medicines. 2022 was a milestone year when Sanofi Consumer Healthcare became a standalone Global Business Unit (GBU). This carve-in operation allows us to allocate dedicated resources to the GBU, such as research & development, manufacturing, information technology as well as sustainability. Sanofi Consumer Healthcare as a GBU affords us the unique opportunity to swiftly adapt our business model to the specific needs of the Consumer Healthcare sector and respond to the evolving business paradigms to include key topics such as sustainability and digitalization.

### 1.2 Our mission: Health in your hands

At Sanofi Consumer Healthcare, we are building a healthier future by helping people, help themselves. We empower people to champion better self-care for themselves, their communities and our planet, through our consumer-inspired, science-based products and solutions. Through our brands, we elevate creativity and make health as simple as it should be, helping people play an active role in their own health.

This mission plays an integral part in the acceleration toward our vision of becoming the best Fast Moving Consumer Healthcare (FMCH) in - and for - the world.

We all have our part to play. Health, it's in our hands.

### 1.3 Our global reach

Sanofi Consumer Healthcare completed the carve-in operation from the Sanofi Group in 2022. Today it has more than 40 dedicated legal entities worldwide, including 12 manufacturing sites. 48% of employees are in Europe, with our headquarters in France.

Sanofi Consumer Healthcare operates in five key regions.

Region	Markets	% Revenues <sup>1</sup>	% Employees <sup>2</sup>
<b>Europe-Eurasia</b>	<i>France, Italy, Germany, UK, Austria, Belgium, Switzerland, Greece, Portugal, Spain, Czech Republic, Slovakia, Romania, Ukraine, Poland, Hungary, Russia</i>	38%	48%
<b>North America</b>	<i>United States, Canada</i>	25%	10%
<b>AMEA</b>	<i>Japan, Australia, Hong Kong, South Korea, Vietnam, Philippines, Indonesia, Thailand, Singapore, Tunisia, South Africa, Turkey, Egypt, United Arab Emirates, Saudi Arabia</i>	21%	25%
<b>Latin America</b>	<i>Brazil, Mexico, Colombia, Argentina, Ecuador, Panama, Peru</i>	14%	16%
<b>China</b>	<i>The People's Republic of China</i>	2%	1%

#### 1.4 Brand Portfolio: A mix of global powerhouses and locally relevant brands

Sanofi Consumer Healthcare operates in five main categories: Cough, Cold & Flu, Allergy, Digestive Wellness, Physical & Mental Wellness, and Pain Care. Each brand under these categories integrates our Sanofi Consumer Healthcare mission along with the six transversal pillars of our Sustainable Care Pledge (SCP) to influence change in the parts of the world where they operate. In parallel, each brand has its own roadmap to strengthen its positive impact on society and the planet, driven by its unique brand purpose.

Our diverse and broad brand portfolio has varying degrees of market share in different regions of the world. In Asia, the Middle East, and Africa (AMEA Region), the pain relief medication, EVE<sup>3</sup>, has a large footprint, while DOLIPRANE<sup>4</sup>, part of the pain care category, has a large footprint in France. BUSCAPINA<sup>5</sup>, a multi-symptom pain reliever, is predominantly in Latin America. DULCOLAX<sup>6</sup>, which relieves constipation, has a large

<sup>1</sup> Revenues based on 2022 data.

<sup>2</sup> Employees based on 2021 data.

<sup>3</sup> Please see International Nonproprietary (INN) name for these brands in Annex B.

<sup>4</sup> Please see International Nonproprietary (INN) name for these brands in Annex B.

<sup>5</sup> Please see International Nonproprietary (INN) name for these brands in Annex B.

<sup>6</sup> Please see International Nonproprietary (INN) name for these brands in Annex B.

footprint in North America. The brands ENTEROGERMINA, ESSENTIALE, and ALLEGRA<sup>3</sup> span a number of regions, with ALLEGRA having a sizeable share in North America.

Category	Net Sales 2022 (€m)	% Net Sales
<b>Digestive Wellness</b>	1,270,548	26%
<b>Pain Care</b>	1,179,660	24%
<b>Allergy</b>	675,646	14%
<b>Physical and Mental Wellness</b>	538,362	11%
<b>Personal Care</b>	530,010	11%
<b>Cough, Cold &amp; Flu</b>	468,339	10%
<b>Other</b>	188,030	4%

### Cough, Cold and Flu

Colds are one of the most common illnesses experienced by both adults and children<sup>7</sup>. Our portfolio in the cough and cold category addresses the full range of symptoms that can affect our customers during the lifecycle of a cold, so they aren't prevented from going about their daily lives. Our brands are present worldwide, with some, like BISOLVON<sup>8</sup> in the market for over 50 years.

### Allergy

The symptoms of allergies, such as itchy eyes, sneezing, and a runny nose, can put a strain on accomplishing everyday tasks. In the EU, the total estimated cost of absenteeism and presenteeism associated with allergies ranges from €55 to €151 billion annually<sup>9</sup>. To help a number of innovative products that respond to each person's allergy needs. One

<sup>7</sup> The Common Cold - Diane E. Pappas

<sup>8</sup> Please see International Nonproprietary (INN) name for these brands in Annex B.

<sup>9</sup> Zuberbier T, Lotvall J.; et al., Economic burden of inadequate management of allergic diseases in the European Union, *Allergy*, 2014.



product in this category is ALLEGRA (Fexofenadine), discovered by Dr. Raymond Woosley, which came into medical use in 1996<sup>10</sup>.

### Digestive Wellness

Worldwide, 40% of people suffer from digestive symptoms such as constipation, indigestion, or diarrhea, affecting their quality of life and health<sup>11</sup>. We offer a broad range of digestive solutions that relieve heartburn or indigestion, improve liver performance, and manage diarrhea and constipation. Two brands in the digestive wellness sector are Dulcolax and ENTEROGERMINA. These two Sanofi Consumer Healthcare brands facilitate the ability of society to manage gastrointestinal disorders.

### Physical and Mental Wellness

Across the world, 77% of people have used nutritional supplements in the last 12 months to maintain their general health, provide immune system support, or supplement vitamin deficiencies<sup>12</sup>. We are committed to providing world-class products and services that help manage energy, stress, sleep, and anxiety. With brands like PHARMATON<sup>13</sup>.

### Pain care

Millions of people worldwide suffer from pain each year, whether short-term, like a headache or stomachache, or chronic pain, such as back pain<sup>14</sup>. Low Back Pain (LBP) continues to be the leading reason for "Years Lost to Disability" (YLT) in every region of the world, affecting around 1 in 10 people<sup>15</sup>. As a health journey partner, we aim to empower consumers to live healthier and fuller lives through a full range of holistic pain management solutions. DOLIPRANE, launched in 1964<sup>16</sup>, is directly contributing to Sanofi Consumer Healthcare's pledge, DOLIPRANE launched a direct-to-consumer purpose campaign highlighting alternative forms of self-care to alleviate pain and discomfort.

## 1.5 Sanofi Group and Sanofi Consumer Healthcare: a shared journey

Sanofi Group, being a global pharmaceutical company, has a comprehensive sustainability strategy based on four key pillars. These pillars encompass various aspects:

- Affordable Access;
- Research and Development (R&D) for unmet needs;
- Planet Care;
- Diversity, Equity, and Inclusion (DE&I) in and beyond the workplace.

Sanofi Consumer Healthcare's sustainability strategy is coherent and aligned with the one of Sanofi Group. In their pursuit of a healthier planet, both entities set and share the same clear objectives and key performance indicators (KPIs) and mobilize employees and partners to take action for the planet. In particular, Sanofi Group embarked on the road

<sup>10</sup> Georgetown University, Allegra, <https://rb.gy/jjz8h>

<sup>11</sup> Sperber AD, Bangdiwala SI, Drossman DA, et al., Worldwide prevalence and burden of functional gastrointestinal disorders, results of Rome Foundation Global Study, *Gastroenterology*, 2021, <https://europepmc.org/article/MED/32294476>

<sup>12</sup> Council for Responsible Nutrition, *Dietary Supplement Use reaches All Time High*, 2019.

<sup>13</sup> Please see International Nonproprietary (INN) name for these brands in Annex B.

<sup>14</sup> Pain as a global public health priority: Daniel S Goldberg and Summer J McGee

<sup>15</sup> Hoy D, Bain C, Williams G, et al., A systematic review of the global prevalence of low back pain. *Arthritis and Rheumatism* 64:2028-2037; DOI: 10.1002/art.34347, 2012, <https://europepmc.org/article/MED/22231424>

<sup>16</sup> QuestFrance, *Lisieux, capitale mondiale ...du Doliprane*, 2017, <https://shorturl.at/mpDXY>

toward carbon neutrality by 2030 and toward net zero emissions by 2045, having committed to the UN Race to Zero initiative.

Given the nature of the two businesses, some differences exist in the sustainability strategy of the two entities. Sanofi Consumer Healthcare, being a standalone business unit of Sanofi Group, crafted a sustainability strategy aligned with the group's overarching goals while tailoring the sustainability strategy based on the results of its own materiality assessment, which was more focused on addressing consumers' views and needs.

## SANOFI CONSUMER HEALTHCARE’S SUSTAINABLE CARE PLEDGE

### 2.1 What is our Sustainable Care Pledge (SCP)?

At Sanofi Consumer Healthcare, we have always been about answering a need. Yet our world is changing, and we need to do more. Health is no longer a set of symptoms, each one treated in isolation – our health is inextricably linked to the world around us.

The health of our planet affects us all. We see and feel its symptoms as if they were our own. In the water we drink, the air we breathe, the warmth of our sun, and the social injustices that shake us to our core.

So, our approach to care must change. Evolving from simply serving, to now, working together. Helping people help themselves... Where self-care is a shared responsibility – For ourselves. Our communities. And our planet.

Our SCP allows us to answer this calling. It relies upon two key pillars: building a healthier society and building a healthier planet. Three key areas of action support each pillar. Below is a summary table of the areas of action for our SCP and their corresponding targets:

#### Healthier Society

<i>Empower <b>self-care behavior change</b></i>	<i><b>Make an impact</b> to communities through <b>purpose-led brands</b> and access</i>	<i>Instill a culture of <b>inclusion, sustainability</b> and <b>employee safety and well-being</b></i>
<b>TARGET</b>	<b>TARGET</b>	<b>TARGETS</b>
<i>Reach 100 million people every year with messages on prevention, awareness &amp; diagnosis of conditions, and responsible use of medicines</i>	<i>Reaching 5 million people by 2030 with on-the-ground programs and partnering with NGOs</i>	<i>Diversity &amp; Inclusion in front &amp; behind the camera in all marketing campaigns</i> <i>50/50 gender parity by 2025 in senior leader’s positions</i> <i>Care for employee safety and well-being</i>

#### Healthier Planet

<i>Climate action toward <b>net zero</b> across our <b>business and supply chain</b></i>	<i><b>Reduce waste</b> from our products and value chain, <b>and embrace circularity</b></i>	<i>Protect <b>natural ecosystems</b></i>
<b>TARGETS</b>	<b>TARGETS</b>	<b>TARGETS</b>
<i>100% renewable electricity by 2025</i>	<i>Have all our sites landfill free by 2025</i>	<i>20% reduction in water withdrawal by 2030</i>

-70% CO2e emissions (scope 1&2) by 2025	80% reduction in our printed materials by 2025	Action plans engaged to reduce pharmaceuticals in the environment (PIE) on all relevant sites by 2025
Carbon neutral (scope 1, 2, & 3) by 2030	All our POSM made from minimum 80% recycled material and 100% recyclable by 2025	Sustainable sourcing of materials & ingredients
Net zero emissions by 2045	Reduce plastics and develop plastic free solutions	

The baseline year for environmental metrics is 2019 and, in the case of the metrics regarding POSMs, 2021.

Below are further details on each area of action:

- **Empower self-care behavior change**

Sanofi Consumer Healthcare encourages people to take better care of their own health by providing various tools, including digital, to support appropriate self-diagnosis and preventing the misuse of medicines. Every year, we are investing heavily to empower 100 million people (media reach) worldwide to take better care of their own health.

Through our brands, we strive to educate people and improve health behavior in areas including prevention, diagnosis, and appropriate use of medicine.

- **Make an impact to communities through purpose-led brands and access**

We aim to improve the health and well-being of communities through our brand activity and by providing better access to healthcare. Our goal is to reach 5m people by 2030 with on-the-ground programs and partnerships with NGOs.

- **Instill a culture of inclusion, sustainability, and employee safety and well-being**

We want to foster a culture of inclusion, employee safety, and well-being across our organization, as well as greater awareness of the part we can all play in improving the environmental sustainability of our operations.

- **Climate action toward net zero across our business and supply chain**

We are taking action to minimize our impact on the environment and reduce our carbon footprint. Across our business and supply chain, we are on the road to carbon neutrality by 2030 and net zero by 2045.

- **Reduce waste from our products and value chain, and embrace circularity**

We are working to minimize the impact of our activities and medicines on the environment by improving the circularity of our products and materials, alongside the minimization of waste across our value chain.

- **Protect natural ecosystems**

Biodiversity is vital to maintaining the balance of life on our planet, but our natural ecosystems are deteriorating at an unprecedented rate. Sanofi Consumer Healthcare is acting to minimize our impact on the environment and preserve our planet's natural resources.

The key performance indicators (KPIs) in this report set our baseline to track and guide our impact management. Sanofi Consumer Healthcare is on a journey to further improve its governance model, data collection processes, and ownership structure at global and local level.

## 2.2 Addressing consumer healthcare’s most material topics through our Sustainable Care Pledge

The redesign of Sanofi Consumer Healthcare’s sustainability strategy reflects our internal and external stakeholders' expectations and needs. Sanofi Consumer Healthcare develops and activates its sustainability roadmaps around methodically identified and prioritized social and environmental material issues based on our materiality assessment.

From the materiality assessment, with results delivered in 2022, we set ten priority material issues for Sanofi Consumer Healthcare.

The methodology involved engaging approximately six hundred external and internal stakeholders to respond to surveys and interviews about the importance of twenty-eight pre-defined material issues. These predefined categories were identified using the following three sources:

1. List of twenty-six issues presented by the Sustainability Accounting Standards Board (SASB) “Materiality Map,”<sup>17</sup>;
2. Sanofi Group materiality matrix.
3. Materiality matrices presented by other players in the consumer and pharmaceutical sectors.

Following the surveys, material issues were positioned on a matrix based on their global average scores, with the results being interpreted based on qualitative feedback shared by respondents. This approach allowed us to identify the final list of ten material topics reflected in our SCP. They are also the basis of the KPIs underpinning each of the SCP’s action areas and represent a valuable guide to map KPIs against reporting standards going forward.

The below table summarizes Sanofi Consumer Healthcare’s material topics, categorized into three macro clusters:

Society	Planet	Responsible Business
Access to healthcare	Climate change & energy use	Product quality & safety
Respect of human rights	Waste management & recycling	Business ethics & integrity

<sup>17</sup> SASB standards is now part of the IFRS Foundation and the ISSB has committed to building upon SASB Standards, and encourages businesses and investors to keep using them, reference available at: <https://sasb.org/issb-updates-to-sasb-standards/>

Health education

Make an impact to  
communities

Product eco-design

Responsible marketing,  
advertising & communication

### 2.3 Governance and people care to enhance our sustainability pathway

In 2021, Sanofi Consumer Healthcare became a standalone business unit of Sanofi Group through a carve-in operation. As an independent GBU within the Sanofi Group, which is globally led by Paul Hudson, we are guided by our Chief Executive Officer (CEO), Julie Van Ongevalle.

Considering our diversified portfolio and global footprint, a solid and transparent corporate governance structure with global oversight is critical to embedding sustainability in all facets of our business. Three key teams are tasked to translate our sustainability strategy into concrete business actions: the HSE group coordinated by the Global Head of HSE, the Product & Packaging Group coordinated by the Global Head of Design, Product Sustainability and Packaging Innovation and, the Growth Hub Group, which is led by the Chief Sustainability Officer. As part of our end-to-end governance structure aimed at embedding sustainability principles at every level within the organization, we have three different layers of governance working together to put our sustainability strategy into action:

1. The Sustainability Steering Committee (SteerCo) ensuring strategic oversight on progress on the sustainability strategy and providing guidance and strategic advice on how to address opportunities and challenges.
2. The Sustainability Team, which is coordinated by the Sustainability Leadership Team, unites the Heads of the three groups described above (HSE, Product & Packaging, and Growth Hub), including a cross functional team of experts in different areas (e.g., HR, Procurement, Public Affairs, and many others). This Team ensures the development and execution of the strategy, sharing progress and identifying key opportunities and challenges for its development.
3. Sustainability Regional Representatives representing the key points of contact for sustainability at the regional level, sharing local actions, challenges, and opportunities.

Our sustainability governance structure constantly evolves and will continue to be fine-tuned in 2023 to secure control, ownership, agility, expertise, and continuous tracking of the impact we aim to achieve through the SCP.

The implementation of the SCP at a global level is the responsibility of each head of department, enabling the involvement of all available expertise in the organization. Each department has ownership of the material topics relevant to its own field. As such, we ensure that sustainability-linked decisions are implemented throughout the organization and integrated into all business decisions. This structure is instrumental in our journey of delivering our ambitious sustainability commitments.

These include:

- Product design and packaging;

- Health, safety, and environment;
- Procurement;
- Marketing;
- Employee well-being and safety;
- Public Affairs.

Sanofi Consumer Healthcare champions an all-embracing diversity culture drawing on a valuable depth of experience and range of perspectives. The percentage of female senior leaders positions is 45.6%. This structure was reinforced in 2022 by introducing sustainability-linked objectives for all team members independent of the level of seniority or department.

As of today, Sanofi Consumer Healthcare has around 9,000 employees working worldwide in more than 100 countries, with head offices in Paris and Frankfurt. This team delivers day in and day out on creating an environment of respect and inclusivity where each individual has the conditions they need to reach their fullest potential and best self. Employee well-being, safety, and inclusion are nurtured through motivational training, workshops, initiatives, and development opportunities, which form the backbone of how Sanofi Consumer Healthcare advances its culture of growth and accountability. As we continue to grow, this awareness, agility, and willingness to adapt to our evolving workforce are crucial in developing our culture of openness, transparency, and motivation at all levels of the Company.

## 2.4 Sustainable Procurement as an enabler of the Sustainable Care Pledge

### Sustainable procurement

MATERIAL ISSUE	TARGET	2022 RESULT
<i>Responsible Procurement- Basic Compliance</i>	<b>95%</b> of suppliers aligned to Sanofi Code of Conduct by 2025	<b>81%</b> of suppliers aligned to Code of Conduct
<i>Responsible Procurement- ESG Risk and Mitigation</i>	<b>80%</b> of suppliers spend covered with EcoVadis by 2025	<b>66%</b> of suppliers spend assessed with Eco Vadis and remediation in place in case of low score )

Successful implementation of our Sustainable Care Pledge is only possible when we engage with our most significant business partners, namely the suppliers in our supply chain. It relies on all actors in the end-to-end value chain to make the necessary adjustments in their business model to create maximum impact. Sanofi Consumer Healthcare, our vendors, suppliers, and partners co-evolve through mutually beneficial agreements. Sustainable procurement is activated throughout all companies interconnected with the Consumer Healthcare sector at a number of levels, including Responsible sourcing, Risk management, Environmental commitments, and Circularity of products.

### Responsible Sourcing

In procurement, we develop the Environmental, Social, and Governance (ESG) competencies of our lead buyers. Our lead buyers use principles developed through training to support their procurement decisions, drive culture change through the selection of sustainability-aware suppliers and, most importantly, focus on areas beyond price point. The selection and maintenance of our partnerships are closely linked to our partners' ESG principles, sustainability roadmap, and proactive actions. We prioritize and monitor our vendors' sustainability engagements through the lifecycle of our relationship with them, from selection to partnership maintenance. Sanofi Consumer Healthcare aims to establish stable and long-term business relationships with best-in-class suppliers to minimize and mitigate risk end-to-end.

### **Risk Management**

Transparency and collaboration are central to Sanofi Consumer Healthcare and our partners co-delivering our SCP. We have a multi-layered approach to minimizing and mitigating risk in our value chain. Our partners are expected to be aligned with our Code of Conduct, compliant with the latest Safe and Clean regulations, respond promptly to our internal or external audit processes, and implement corrective action plans in low-performance areas. As we continue the journey with our partners, we promote the use of the EcoVadis tool. EcoVadis is a framework that assesses corporate social responsibility and sustainable procurement. It is a beneficial tool for ensuring trust and transparency between all companies in the Sanofi Consumer Healthcare value chain and, ultimately, our customers. As of 2022, the percentage of our spend covered with EcoVadis is 66%, with an objective to have 80% of our spend covered by 2025.

As of January 2022, our suppliers sign up to our 'code of conduct for suppliers,' which focuses on changing mindsets and embedding sustainability in the culture of suppliers. With suppliers adhering to and reporting on their code of conduct, Sanofi Consumer Healthcare's risk with suppliers is calculated and managed, creating a transformation path toward systemic sustainability procurement. The redesign of our relationship with suppliers is off to a strong start, with 2022 seeing 81% of our suppliers accountable to the Sanofi Consumer Healthcare Code of Conduct.

### **Environmental commitments**

We design robust plans to reduce our carbon footprint by engaging our value chain in towards carbon neutrality journey, and in assessing and minimizing water and waste environmental footprints. Additionally, we protect natural ecosystems through traceability of our value chain. Our partners are expected to engage in Carbon Disclosure Project (CDP) reporting (a voluntary reporting framework companies use to disclose environmental information to their stakeholders) on climate and water efficiency programs used to control and reduce withdrawals.

### **Circularity in products**

Sanofi Consumer Healthcare invests time and resources in our "brand sustainability by design" approach, and we engage with our suppliers to consider and act on their environmental impact in areas that include raw material extraction, transformation, manufacturing, distribution to the end consumer, and product end-of-life. Our partners are expected to follow green chemistry and eco-design principles, support our requirement



for primary data to understand our products' environmental profile, and be a proactive force on reduce-reuse-recycle approach for materials supplied to us.

## 2.5 A global ambition of excellence for the world: Road to B Corp

Sanofi Consumer Healthcare is thrilled to share the incredible journey it has embarked upon, culminating in the recent achievement of its first important milestone: that of becoming a Certified B Corp in North America! It reinforces our commitment to using business as a force for good and positively impacting society and the environment. We are exceptionally grateful to all the people and cross-functional teams involved within the Company as well as to our external partner, NATIVA.

The transformation into a B Corp didn't happen overnight. It began in the summer of 2020 with a deep sense of responsibility and a shared vision among our team to build a company that goes beyond traditional business goals. We recognize that success should not be measured solely by financial metrics but also by our impact on people, society, and the planet.

The journey for North America started in November 2021 when we conducted a comprehensive assessment of the social and environmental impact of the company using the Benefit Impact Assessment (BIA). We delved into every aspect of our organization, from supply chain management to employee welfare, from environmental sustainability to community engagement, and beyond. This assessment highlighted areas where we excelled and identified opportunities for improvement, serving as waypoints on our transformational roadmap.

To achieve the certification, we undertook several initiatives aligned with B Corp principles and our global sustainability strategy to improve our overall impact:

- Empowering our employees to contribute to our sustainability goals. To that end, we integrated sustainability objectives into the annual objectives of 100% of our workforce.
- Fostering a culture of continuous improvement through implementing the Play to Win 360° Participants strategy, which allows individuals to self-evaluate and gather feedback from managers, direct and indirect reports, peers, and internal clients.
- Committing to environmental stewardship through partnerships with companies like TerraCycle in the US for a takeback scheme, enabling the responsible disposal and recycling of personal care packaging. We have also made significant strides in adopting renewable energy sources, reducing water consumption, and setting ambitious targets for making all our sites landfill-free.
- Reducing our environmental footprint through Eco-design initiatives, such as the removal of plastic from secondary packaging.

- Prioritization of the well-being of our employees through our clear and transparent health and safety practices and fostering of diversity and inclusion within our organization.
- Purpose-led brands that positively impact the community, for instance, our partnership with the Shaquille O'Neal Foundation through our ICY HOT brand which exemplifies our dedication to community support and engagement.
- The conversion of our legal entity in the United States to a Benefit Corporation and updating our articles of association in Canada to solidify our commitment legally. These legal changes demonstrate our intention to prioritize the interests of all stakeholders and ensure our teams focus on delivering our purpose.

After months of hard work and dedication, Sanofi Consumer Healthcare North America successfully completed the B Impact Assessment - the rigorous audit process to become a Certified B Corp with a score of 85 points. In alignment with our commitment to build a healthier future by helping people help themselves by ensuring better self-care and consumer-inspired, science-based products and solutions, we have earned 10.7 points thanks to our specific customer *Impact Business Model*. The B Impact Assessment has recognized the value Sanofi Consumer Healthcare brings through its business model which is intentionally built around developing and selling products that contribute to the curing and prevention of illnesses. The audit included an onsite audit of the Chattanooga and Bridgewater manufacturing sites, where B Lab analysts (certifying body) visited our facilities and gained firsthand insights into our company's culture, processes, and environmental initiatives. Employee interviews were conducted with several randomly chosen employees, allowing them to express their thoughts on our company's impact, values, and practices. In addition, review calls with different departments were organized, which provided us with a platform to showcase the positive changes we had implemented and enabled us to address any questions or concerns raised by the auditors.

As a B Corp, we join a global community of businesses that share our values and strive to redefine success in the corporate world. Our journey doesn't end here. We will continue to challenge ourselves to inspire others in our industry and beyond. We know that businesses can be profitable while playing an integral part in protecting society and the planet.

## EMPOWER SELF-CARE BEHAVIOR CHANGE

### Empower self-care behavior change

MATERIAL ISSUE	2025 TARGET	2022 RESULT
Health education, responsible marketing	Reach <b>100 million people every year</b> with messages on prevention, awareness & diagnosis of conditions, and responsible use of medicines	<b>47.5 million</b> people reached
Product transparency	Proactive <b>ingredient transparency</b> for our <b>top brands</b>	<b>Ingredient transparency</b> project launched <b>on 4 brands</b> to be fully disclosed by the end of 2023

The full list of KPIs for this area of activity can be found in the methodological notes.

The four brands that will achieve full ingredient transparency by 2023 are ALLEGRA, ENTEROGERMINA, MUCOSOLVAN/BISOLVON and DOLIPRANE<sup>18</sup>.

### 3.1 ESSENTIALE: A Brand Activation case study

The liver is the powerhouse of the body as it performs more than 500 vital functions<sup>19</sup>. Data shows that one in four adults has a fatty liver, with non-alcoholic fatty liver disease (NAFLD) being the most common liver disease worldwide<sup>20</sup>. The silent nature of the disease (having no or non-specific symptoms) makes it hard to recognize. If left untreated, this condition can lead to serious life-threatening and irreversible diseases like cirrhosis and cancer. On the other hand, 9 out of 10 cases, if identified and managed in time, is reversible.

The ESSENTIALE case in Poland represents a clear example of our purpose activation. Sanofi Consumer Healthcare Poland utilized a scientifically-backed online self-test to assess the risk of NAFLD to support purpose activation as a leader in the liver care category in Poland.

NAFLD is especially prevalent in Polish males between 40 and 60 years old, representing around 5 million people. There is a large disparity between the prevalence of the disease and its diagnosis, with 80% of those with NAFLD unaware of it<sup>21</sup>.

In 2022, to reach its demographic target, Sanofi Consumer Healthcare Poland through ESSENTIALE developed the 'Drive Healthy' campaign that is rooted in a strong local insight that men care more for their cars than for their health<sup>22</sup>. The educational brand activation campaign, therefore, aims to inspire 5 million men to take care of their liver the way they take care of their cars through three key steps:

1. **Awareness**, aimed at the function of the liver and the need to take care of it. TV and digital platforms carried campaigns utilizing the faces and voices of top rally drivers,

<sup>18</sup> Please see International Nonproprietary (INN) name for these brands in Annex B.

<sup>19</sup> Johns Hopkins University, Liver: Anatomy and functions

<sup>20</sup> Polyzos SA, Obesity and nonalcoholic fatty liver disease: From pathophysiology to therapeutics, 2019

<sup>21</sup> Global Web Index, Personal interests cars, Poland, 2022 & IPSOS, Poles vs non-alcoholic fatty liver disease, 2023

<sup>22</sup> Global Web Index, Personal interests cars, Poland, 2022 & IPSOS, Poles vs non-alcoholic fatty liver disease, 2023

with brand ambassadors like Jakub 'Kuba' Przygoński, and Mikołaj "Miko" Marczyk to drive Polish men to an informational digital platform;

2. **Consideration**, during which each person connecting with the digital platform is directed to use the quick online self-test, answering 6 questions. Depending on the test results, the participants are given a 'call to action'; they are encouraged to take steps to prevent harmful behaviors, improve the health of their liver, go for further physical testing, and, if necessary, seek medical counsel. Partners and families are influential in encouraging men to take action, and through Tik Tok campaigns, the awareness campaign increased its reach to a larger co-invested audience;
3. **Testing**, during which ESSENTIALE offered the possibility of diagnosing NAFLD to the population by activating two 'Drive Healthy' buses equipped with liver testing apparatus for the diagnosis of NAFLD, visiting 16 cities.

Brand purpose ambassadors, sociologists, and dieticians involved at each stage of the campaign increased the effectiveness of the brand purpose activation. As a result of the **Drive Healthy campaign, in 2022, Sanofi Consumer Healthcare reached 29 million people through ESSENTIALE campaign in Poland**, and it is a concrete example of how Sanofi Consumer Healthcare plans to deliver on its worldwide commitment of reaching 100 million people every year, encouraging prevention, awareness, diagnosis, and responsible use of medicines. Now, 1 in 5 men in Poland is aware of the 'Drive Healthy' activation, with 123,000 people taking the online self-risk assessment and 5,300 people having a physical liver screening.

While the online self-test for NAFLD is available worldwide, each country or region develops a purpose that reflects its specific needs, as demonstrated in Poland, Romania, Slovakia, and the Philippines.

Through the 4LIVER Roadshow 2022, Romania activated its digital purpose through influencers and videos, **driving 115,000 visits to its website leading to more than 24,000 online liver assessments being completed**. On-site activation delivered testing to 9 cities in 9 days offering free ultrasounds, educational materials, and fatty liver risk tests. 810 patients did a liver check-up, with 64% of those having hepatic steatosis (fatty livers).

In the Philippines, 3 out of 10 are at risk of liver issues<sup>23</sup>, and the lack of knowledge on this leads Filipinos to de-prioritize having their livers checked. As 2.5 million Filipinos work in the Information Technology (IT) - Business Processing Outsourcing (BPO) sector; they are most susceptible to "lifestyle diseases," including lack of sleep, constant stress, and unhealthy food indulgences. ESSENTIALE brand purpose campaign in Philippines educated these workers in person and at booths, on proactive liver care through free Serum Glutamic Pyruvic Transaminase (SGPT) testing. This blood test checks for any liver damage or disease prevalence. In 2023, 4 more BPO partners will run the same activation campaign.

Lastly, Slovakia has the highest incidence of patients who have cirrhosis globally<sup>24</sup>. ESSENTIALE brand purpose Slovakia sponsors Project SIRIUS, an initiative of the Slovak

<sup>23</sup> Philippine News Agency. 18M Filipinos suffering from, at risk of fatty liver disease. Hepatology Society of the Philippines (Fatty Liver Facts: What You Need to Know About This Silent Epidemic); accessed at <https://www.pna.gov.ph/articles/1177263>

<sup>24</sup> Sepanlou S, Saeid S, et al., The global, regional, and national burden of cirrhosis by cause in 195 countries and territories, 1990–2017: a systematic analysis for the Global Burden of Disease Study 2017, *The Lancet Gastroenterology & Hepatology* 5(3):245-266, 2020

Society of Hepatology where events are organized to raise awareness of liver conditions including steatosis (fatty liver).

**Giving the liver a voice through condition awareness and promoting healthy aging through education and awareness is Sanofi Consumer Healthcare ESSENTIALE's purpose activation.** Continuing to unlock local truths by scaling up and targeted campaigns is vital to creating effective educational campaigns that connect with potentially concerned individuals in different countries and regions that lead to self-care behavior change.

## LIMIT THE IMPACT OF BUSINESS ON THE ENVIRONMENT

### 4.1 Building the road toward Net Zero

At Sanofi Consumer Healthcare we understand that climate change is an issue we urgently need to face<sup>25</sup>. The need for action is more urgent than ever, so **Sanofi Consumer Healthcare has committed to climate action toward net zero**. Through local initiatives and global action plans, we are adjusting our business model to drastically reduce our emissions in scopes 1 and 2 and working closely with our partners to reduce emissions in scope 3.

#### Climate action toward net zero across our business and supply chain

MATERIAL ISSUE	TARGET	2022 RESULTS
	<i>100% renewable electricity sourcing by 2025</i>	<b>78%</b> renewable electricity sourced from the grid
Climate Change & Energy Use	-70% CO2e emissions (scope 1&2) vs 2019 by 2025	<b>-37%</b> scope 1 & 2 CO2e emissions reduction vs 2019
	Toward Carbon neutral (scope 1, 2, & 3) by 2030	<b>64%</b> of top emitters from 2022 list engaged to Supplier Climate Action Plan (SCAP)
	<i>Net zero emissions by 2045</i>	

The full list of KPIs for these areas of activities can be found in the methodological notes.

#### Scope 1 and 2: on the road to controlling emissions

Our first step to acting on Greenhouse Gas (GHG) emissions was to set up rigorous data accounting to better understand where our emissions come from. We require local manufacturing sites to report their environmental data to the regional team, which aggregates the data and reports it at the corporate level every three months. Since 2004, Sanofi Group has also involved external auditors who choose a random sample of sites globally every year and verify the veracity and precision of our data.

While scope 1 and scope 2 are not the source of the majority of our GHG emissions, they are directly related to our operations and an essential part of our comprehensive plan to cut overall emissions. First, we aim to increase energy efficiency across our manufacturing sites. To do so, in 2022, we stopped our Combined Heat & Power plant in Köln (Germany) and switched to 100% renewable electricity. **By 2025, we intend to source 100% of our electricity from renewable sources.** In 2022, Sanofi Consumer Healthcare made substantial headway in achieving this goal, with 78% of our global and 100% of Europe, US, and Latin America electricity purchased from grids supplied by renewable sources. Projects to reduce Sanofi Consumer Healthcare’s use of fossil fuels include a Virginia, Australia, solar panel project that went live at the start of 2023, saving 720 tons of GHG

<sup>25</sup> IPCC, Synthesis Report of the 6th Assessment Report, 2023

emissions. **Furthermore, by 2025, we intend to have reduced the GHG emissions by 70% versus the 2019 baseline across Scopes 1 and 2.** By the end of 2022, Sanofi Consumer Healthcare had reduced its emissions by 37% versus our 2019 baseline. Designing new factories with a low carbon footprint, reducing, and optimizing energy consumption, and engaging our employees in local actions are all fundamental to accomplishing this pledge.

**Scope 3: the Supplier Climate Action Plan**

A high proportion of our GHG emissions, greater than 90%, are generated through indirect emissions in our value chain. Upstream emissions, such as from purchased goods and services and capital goods (greater than 70% of our GHG emissions), and downstream emissions, such as transportation and distribution of products, can only be tackled jointly with our value chain partners.

We have set a goal to reduce the GHG emissions across our value chain by 30% (scope 3) by 2030 vs 2019. To accomplish this, direct collaboration with suppliers to support the development of pathways to carbon neutrality has been identified as the most impactful way to improve supplier sustainability. There are two dimensions. One is to increase suppliers’ maturity level on climate change, and the other is to decrease the suppliers’ carbon footprint. **Working closely with suppliers, we have co-developed the Supplier Climate Action Plan (SCAP), which encompasses actions from both dimensions.**

We train suppliers to assess their maturity level. This assessment covers, but is not limited the suppliers' awareness, training, footprint calculation, understanding, and management of scope 1, 2, and 3 emissions. We then consult them to structure improvement actions in areas of ‘improving processes,’ ‘using green resources,’ and ‘increasing renewable energy.’

**In 2022, 64% of top emitters were engaged in our SCAP.** Improved maturity levels and more carbon-neutral processes and resources from our suppliers mean a mutually beneficial co-evolution of our interconnected value chain toward carbon neutrality.

4.2 Reducing waste and embracing circularity

**Reduce waste from our products and value chain, and embrace circularity**

<b>MATERIAL ISSUE</b>	<b>TARGET</b>	<b>2022 RESULTS</b>
<i>Waste Management &amp; recycling</i>	<i>Have all our sites landfill-free by 2025</i>	<b>7.7%</b> waste going to landfill
<i>Product Eco-design</i>	<i>Baseline assessment and action plan for top 20 brands by 2025</i>	<b>3 brands</b> with formal life cycle assessment performed with external experts  <b>10 brands</b> completed the internal baseline assessment

**8 brands created an action plan based on the internal baseline assessment**

<p><i>Responsible consumption and production</i></p>	<p><i>100% of displays to be ordered from the approved sustainable Point of sale material (POSM) regional catalog by 2025</i></p>	<p><i>% of displays ordered from catalogs for POSM</i> <b>Europe 84%, AMEA 75%, LATAM 36%, North America N/A*</b></p>
<p><i>Responsible consumption and production</i></p>	<p><i>80% reduction in our printed materials by 2025</i></p>	<p><b>26% reduction in volume of printed materials (31.1 tons absolute reduction)</b></p>

The full list of KPIs for these areas of activities can be found in the methodological notes.

\*In North American markets the choice of POSM is market driven. Retailers require specific designs for their stores, hence Sanofi Consumer Healthcare has not put in place a standardized catalog.

**The road to landfill-free sites**

At Sanofi Consumer Healthcare, we are acutely aware of the resource depletion and potential damage derived from sending waste to landfill. Besides precious raw materials going to waste, landfills produce excessive amounts of methane, a greenhouse gas 84 times more potent at absorbing the sun’s heat than carbon dioxide and a huge contributor to climate change<sup>26</sup>. Along with potential climate change contributors and smog, landfills typically destroy wildlife habitats and carry risks of plastic/clay leakage, which have the potential to contaminate water systems nearby and further damage the ecosystems on land and in the oceans<sup>27</sup>.

For this reason, at Sanofi Consumer Healthcare we are committed to reducing our waste to minimum and avoid waste to landfill in all areas under our control. **Currently, 7.7% of our waste is sent to landfill, vs 13% in 2019. In 2022, 7 of our 13 sites have achieved the status of landfill-free. By 2025 we aim to have 90% of our waste reused, recycled, or recovered at our manufacturing sites.**

Our approach to waste reduction is twofold. First and foremost, we follow the European waste hierarchy included in Article 4 of the Waste Framework Directive<sup>28</sup>. We understand that the most preferable option is always to prevent waste from source materials, production processes, and distribution going to landfill. Sending waste to landfill should be the last resort when reduce, reuse, recycle, and recovery options have been fully explored and utilized.

**US | The recycling challenge and our take-back programs**

As much as we try to reduce at source our product and packaging waste at the design

<sup>26</sup> Environmental Defense Fund, Methane: A crucial opportunity in the climate fight, 2023.

<sup>27</sup> University of Colorado Boulder, The Hidden Damage of Landfills, 2021.

<sup>28</sup> European Commission, Waste Framework Directive, 2023.



and production stage, there is always going to be a part of waste produced at the use and end-of-life stages. Our commitment is to combat waste at every stage, including salvaging waste produced beyond the scope of our direct operations.

Recovering and recycling post-consumer waste can be particularly challenging as different countries have vastly different recycling rates, not to mention that even different municipalities and regions within the same country can sometimes have divergent approaches to waste management.

To better face this challenge, in the US, we have partnered with TerraCycle, a private recycling initiative, to allow consumers to recycle empty Gold Bond, Cortizone-10, and Selsun Blue packaging. Consumers can participate in the program by signing up online on TerraCycle's web site. The program's pages provide instructions on how to get a shipping label and ship empty aerosol containers as well as plastic tubes, cartons, tubs, sticks, dark plastic bottles, pumps, and caps to TerraCycle for recycling. Upon collection of up to 3,000 pieces, the waste is cleaned and melted into hard plastic. Later, the hard plastic is remolded to make new recycled products such as park benches, picnic tables, and flower bed borders.

Consumers earn points for every shipment of waste sent to TerraCycle. The points can be redeemed for a donation to your school or a charity of your choice with many donation options listed on the TerraCycle web site.

### **Point of Sales Materials reduction program**

Sanofi Consumer Healthcare Point of Sales Materials (POSMs) provide our customers worldwide with a clear access point to our products, making them recognizable and easily identifiable on the shelves.

In order to reduce the impact of our POSMs globally, we have three key commitments:

- Ensuring that all POSMs are made from 80% recyclable materials and 100% recyclable by 2025;
- Achieving an 80% reduction in printed materials (leaflets, brochures, leave behinds, etc.) made available at our point of sales;
- Reaching a 30% reduction in material used for displays.

We are committed to achieving all these goals by 2025, considering 2021 as a baseline year. To fulfill this commitment, we have activated two key activity streams:

1. An inward looking stream of work which has led us to focus on three key actions: 1) digitalization, 2) standardization and 3) reduction & recycling;
2. An outward looking stream of work aimed at engaging retailers to encourage them to recycle so our supply chain reaches higher sustainability standards.

In particular, as regards the first activity stream, we focused on internal digitalization, standardization by developing a catalog of regionally relevant POSM solutions and reducing the amount of material used for displays while at the same time encouraging recycling, hence contributing to the reengineering of our POSMs.

The benefits of these changes are tracked at regional and local level and countries have recognized the benefits of bringing their POSM procurement in line with our activity streams. A strong result can be demonstrated in Europe which significantly increased the percentage of displays ordered from the approved sustainable POSM regional catalog from 20% in 2021 to 80% in 2022. Other countries, such as Spain, have moved most of their product communication to digital channels, reducing their paper footprint.

Engaging a global, tech-enabled creative production and procurement partner such as HH Global helps us produce more sustainable POSMs. Through this partnership, Sanofi Consumer Healthcare measures its impact across a wide range of KPIs and monitors its progress toward its objectives. To reach our waste reduction goals, we continue to work with HH Global and listen to our customers to meet their ever-changing regional requirements. The streamlined standard practice and standardization of POSMs across Sanofi Consumer Healthcare enable us to reduce procurement and production costs while at the same time reducing environmental impact. Overall, the standardized catalogs, print reduction, and materials reduction facilitated the reduction in costs by around 6% last year, demonstrating that sustainability can also be financially viable.

### **Environmental sustainable design of products**

To maximize our positive impact on the environment, we recognize that each brand is essential in contributing to the success of our strategy. As each brand has distinct challenges, environmental footprints, and varying operating locations, we developed a robust and flexible tool that assesses a brand's sustainability profile.

In this context, in 2021, Sanofi Consumer Healthcare collaborated with external eco-design experts, to put 'sustainability by design' at the heart of brand development. The outcome is a sustainability assessment tool measuring the sustainability brand maturity level and serves as a baseline to develop actionable roadmaps for designing increasingly environmentally friendly products and brands.

The sustainability assessment tool assesses a brand's performance in eight categories, including but not limited to raw materials, packaging, and manufacturing. Each category is then scored and weighted based on its contribution to the brand's environmental and social impact. Once the assessment is concluded with the use of the tool, the next steps are 'design,' 'implement,' and 'communicate.'

1. **Design:** In the design phase, concrete action plans are developed to guide brands toward tangible and material improvements. Action points are selected based on feasibility and degree of impact.
2. **Implement & Communicate:** Brand leads have ownership to review and communicate progress every six weeks with cross-functional teams comprising experts, professionals, and scientists, guaranteeing that the brand is on track to achieve its set objectives.

**Ten of our "loved brands" representing more than 35% of our net sales, including ENTEROGERMINA, ALLEGRA, and MUCOSOLVAN have assessed their sustainability profile with the support of this tool, of which eight now have an action roadmap to improve their impact year on year.**

One of our brands that has undergone a complete evaluation and roadmap design is DOLIPRANE in France.

Sanofi Consumer Healthcare is expanding the number of brands using this tool. **By the end of 2023, our main brands will have tailored action plans, contributing concretely to our overall SCP targets.**

We have also integrated Sustainability in our innovation process following a lifecycle mindset. We assess and minimize the environmental impacts of our products during their entire lifecycle. Together with external eco-design experts, we have conducted Life Cycle Assessments (LCA) on three key products (DOLIPRANE, ENTEROGERMINA, and ALLEGRA). Our LCAs are conducted in line with the EU Product Environmental Footprint Methodology (PEF 3.0), which is a standardized methodology proposed by the European Commission. Through these LCAs, we identified the environmental impact hotspots within the life cycle stages of the products and identified targeted intervention measures. Eco-design brings many benefits in alignment with Sanofi Consumer Healthcare’s sustainability strategy by:

- Assisting in the quantitative identification of the environmental hotspots in terms of the negative environmental impact of the products.
- Helping evaluate potential improvement options for a product supporting the implementation of the choices that have the lower environmental impact.

The analysis results will also be leveraged for the external communication to consumers. At the same time, the LCA analysis will ensure the adoption of a common approach to define a brand’s impact based on global frameworks.

For instance, the LCA on the ALLEGRA product shows that the environmental footprint of the product is driven by the production of raw materials, e.g., API, excipients, and packaging. Other lifecycle stages contribute significantly less. Thanks to these in-depth studies, ecodesign principles were adopted to reduce the environmental footprint of the product, such as optimizing the ingredients and packaging formats.

### 4.3 Protecting Natural Ecosystems

#### Protect natural ecosystems

MATERIAL ISSUE	TARGET	2022 RESULTS
<i>Water Management</i>	<i>20% reduction in water withdrawals by 2030 vs 2019</i>	<b>+0.4%</b> increase in water withdrawals <sup>i</sup>
<i>Protection of biodiversity</i>	<i>Action plans engaged to reduce pharmaceuticals in the environment (PIE) on all relevant sites by 2025</i>	<b>12/12</b> sites assessed pharmaceutical in the environment risk
	<i>100% of priority sites with highest potential impacts on local biodiversity w/ specific biodiversity management plans by 2025</i>	<b>100%</b> of the sites assessed their biodiversity significance <b>0/3</b> of priority sites with biodiversity management plans <sup>ii</sup>

The full list of KPIs for these areas of activities can be found in the methodological notes.

<sup>i</sup> This increase in water withdrawal is due to production volume increase since year 2020. By number of units, water withdrawal decreased by 13% from 2020 to 2022.

<sup>ii</sup> In 2022, we assessed the biodiversity significance of our sites according to the methodology "BIODIVERSITY INDICATORS FOR SITE-BASED IMPACTS" developed by UNEP-WCMC\*, Conservation International and Fauna & Flora International. From this assessment, we identified three priority sites with highest potential impacts on local biodiversity that will implement management plans by 2025 and 7 other sites located near biodiversity sensitive areas that will introduce a management plan by 2030.

## Water Use, Pharmaceuticals in the Environment & Biodiversity

The pharmaceutical and biotechnology industries depend heavily on water for processing. The health of water bodies is thus of primary importance to our business. Just as we ensure that our products are safe and effective for our end users, we are equally committed to taking care of our natural ecosystems while doing it.

We approach our water footprint from both the viewpoint of minimizing fresh water consumption and that of wastewater discharge. **We have set a goal of achieving a 20% reduction in overall water withdrawal by 2030 compared to the baseline of 2019.** We intend to accomplish this vital task by installing better monitoring mechanisms in our manufacturing sites around the globe to help local plant management understand their water footprints better. By pinpointing where water usage is the most intensive, we devise targeted measures to intervene effectively and efficiently to reduce and recycle. In addition, we acknowledge that water challenges are specific to each watershed and need to be addressed at local level. Based on this, when sites are in water-related risk areas characterized, for example, by water scarcity, we work on implementing specific actions and setting context-based targets with local communities to improve overall watershed management.

Additionally, we ensure that all wastewater is treated before being released into the environment to comply with local regulations and minimize the impact on the environment of industrial sites, in particular the aquatic environment. Pharmaceutical manufacturing processes carry the risk of chemical contamination and the release of active components into the ecosystem via waterways. To manage this risk, we have implemented an environmental risk management program targeting pharmaceuticals in wastewaters. This program includes the following elements: quantification of pharmaceuticals in wastewaters and receiving water bodies; setting of substance-specific safe discharge targets based on available data and standard methods; characterization of risks for aquatic ecosystems and other environmental compartments where relevant; implementation of case-by-base risk mitigation measures from source reduction measures to end-of-pipe treatment solutions. For instance, in Compiègne, France, an advanced water treatment was implemented to minimize emissions of pharmaceuticals in wastewaters.

To limit its environmental impact, Sanofi Consumer Healthcare considers local management of biodiversity and has set dedicated commitments to manage biodiversity at its sites. The first step was completed in 2022 for all our 12 manufacturing sites which carried out a biodiversity risk assessment based on exposure and vulnerability evaluation. A list of priority sites was defined to mobilize appropriate resources at the right place and in the right time. All priority sites with highest potential impacts on local biodiversity will implement specific biodiversity management plans by 2025.

## Packaging materials and ingredients

At Sanofi Consumer Healthcare, we are increasingly investing in the overall sustainable design of our products and brands, making this one of the core pillars of our sustainability

strategy. We have set global goals for the sustainable sourcing of materials and ingredients that drive both our strategic choices and our engagement with our suppliers. It is in our hands to not only deliver innovative products that create business value and meet consumer needs but also to significantly reduce the potential environmental impacts of our business and help consumers to make more sustainable choices.

For example, with inputs from our Life Cycle Assessments (LCAs) and adopting the hierarchy of waste management framework, we have developed a set of **guidelines for the design stage of packaging aimed at the minimization of waste** which are now being rolled out:

1. **Remove:** Avoid using hazardous materials and unnecessary components in packaging;
2. **Reduce:** Minimize the use of virgin plastic and decrease packaging weight per functional unit;
3. **Reuse:** Emphasize packaging reuse, such as through refilling, and reconsider single-use packaging;
4. **Recover:** Ensure packaging is recoverable by including post-consumer recycling options and incorporating bio-based or certified paper materials;
5. **Recycle:** Design packaging to be easily recyclable and labelled clearly with recycling information. Ensure that the packaging meets regulatory requirements for recyclability and consider using recycled materials in packaging to further promote a circular economy;
6. **E-commerce:** Enable packaging that meets requirements on Compact by Design, Climate Pledge Friendly certification, and Ready to Ship.

Further integrating these guidelines on the minimization of packaging waste, Sanofi Consumer Healthcare has set the following key objectives for sustainable packaging, which include:

- **100% FSC certification for paper-based materials by 2025;**
- **Removal of paper leaflets from our food supplement packaging except when there are regulatory constraints by 2024.**

We are currently working toward achieving these goals to make the design of our packaging less impactful and to shift toward more sustainable materials.

Lastly, to increase transparency on ingredients, we aim to disclose the active and inactive ingredients present in our products, which consumers will be able to access from a QR code on dedicated brand pages by 2030. Our approach to increasing brand transparency is driven by the willingness to increasingly build trust, educate, and engage consumers. Our approach to transparency includes four key steps: 1) completing a clean ingredients assessment, 2) disclosing active and non-active ingredients and their function on brand websites, 3) enabling 3<sup>rd</sup> parties certification schemes, and 4) using QR codes and landing pages within brand websites. Benefits of ingredient transparency include improved brand reputation and loyalty, empowerment of consumers to make informed purchasing decisions, and external transparency with all stakeholders.

## MAKE AN IMPACT TO COMMUNITIES

### Make an impact to communities through purpose-led brands and access

MATERIAL ISSUE	TARGET	2022 RESULTS
Make an impact to communities	Reaching 5 million people by 2030 with on-the-ground programs and partnering with NGOs	<b>394,800 beneficiaries</b> reached in the communities we help for ENTEROGERMINA (270k), ICY HOT (95k), OSTELIN (25k), PHARMATON (4.8k), NATURE'S OWN (10k trees planted)

The full list of KPIs for this area of activity can be found in the methodological notes.

#### 5.1 Brands activating purpose: ENTEROGERMINA and ICY HOT

Sanofi Consumer Healthcare’s target of improving health and well-being of communities by reaching 5 million people by 2030 will be delivered through each brand activating a specific purpose linked to the UN Sustainable Development Goals (SDGs) and connecting with local communities.

The role of our brands is to put into action their dedicated purpose while following the guiding principles of our corporate sustainability strategy.

In 2022 a number of brands activated their purpose through donations to specific NGOs delivering actions in communities that align and reflect Sanofi Consumer Healthcare’s brand commitments to making a substantial positive impact on communities. Brands that have activated their purpose through donations in 2022 are ENTEROGERMINA (€469,000) ICY HOT (€280,000), PHARMATON (€143,475), OSTELIN (€67,000), and NATURE’S OWN (€200,000)<sup>29</sup>. ICY HOT partners with the Shaquille O’Neal Foundation to give marginalized youth in the United States access to sports. PHARMATON partners with Papalote Museo del Niño and Save the Children (STC) to improve children’s physical and mental development. Sanofi Consumer Healthcare, through the OSTELIN campaign, donates to ‘100 Women’ to facilitate the health and economic freedom of women and girls<sup>30</sup>. Sanofi Consumer Healthcare with ENTEROGERMINA partners with Save the Children, UNICEF, and other local NGOs to eradicate preventable child mortality.

Sanofi Consumer Healthcare actively supports the development of our portfolio of brands to bring their purpose to life and measure their impact. Our brands go beyond donations to drive community impact, for example by engaging in activities such as volunteering and education.

<sup>29</sup> Please see International Nonproprietary (INN) name for these brands in Annex B.

<sup>30</sup> OSTELIN, Introducing 100 Women’s 2022 grant recipients, 2022, <https://shorturl.at/zBJKO>

**ENTEROGERMINA brand purpose: Contributing to UNICEF's WASH Program<sup>31</sup> through Save the Children to eradicate preventable child mortality caused by diarrhea**

According to UNICEF, diarrhea is a leading killer of children, accounting for approximately 9 percent of all deaths worldwide among children under age 5 in 2019<sup>32</sup>. This translates to over 1,300 young children dying each day, or about 484,000 children a year, despite the availability of simple preventive & treatment solutions. There is no more important cause to support for Sanofi Consumer Healthcare through ENTEROGERMINA's brand purpose than eradicating preventable child mortality by helping to improve hygiene habits in Latin America (LATAM) to reduce diarrhea-associated illnesses and deaths in children.

ENTEROGERMINA brand in Colombia started partnering with NGOs in 2019 to make an impact in communities. The resulting strong impact from ENTEROGERMINA's purpose activation of championing people's natural resilience galvanized other countries in LATAM to follow their lead. Each country partners with the most relevant NGOs based in their country. Example brands are ENTEROGERMINA in Mexico which collaborates with Save the Children (STC), and ENTEROGERMINA in Brazil, which partners with Agua Segura and up until last year with UNICEF. Community evaluation and NGO due diligence are carried out to ensure their work alongside communities generates permanent change in habits.

Sanofi Consumer Healthcare selects NGOs that visit communities multiple times a year and follow up on their visits. The initial visit is to understand a community's needs and evaluate the community's level of hygiene awareness.

From the NGOs' initial evaluation, they prepared an appropriate educational plan incorporating the ENTEROGERMINA developed toolkit. The toolkit has child-friendly material and workshops to aid 'learning through play'. With the action plan and toolkits, NGOs revisit the community to educate the local population. A further follow-up visit is done to evaluate the success of the workshops and materials. These toolkits are available globally, creating a homogenous narrative and standard execution delivered uniformly with differing NGOs. This standardization has allowed for the scaling up of brand activations into a global phenomenon.

Strategies vary based on the specific needs of the country or community. ENTEROGERMINA brand campaign in Vietnam and Philippines combine hygiene education with the construction of toilets, handwashing stations, and kitchens. ENTEROGERMINA brand initiative in Colombia coupled their hygiene education with the delivery of water filters and the ongoing monitoring of and training on the maintenance of the filters.

Data on the total number of direct and indirect beneficiaries from ENTEROGERMINA's purpose activation is difficult to quantify due to various initiatives taking place in the same communities. We know, however, that ENTEROGERMINA through campaigns in more than ten countries, reached 270,000 people through on the ground projects in 2022. These partnerships are relatively recent, but through ENTEROGERMINA brand purpose we are committed to building on this success to reach our ambition of improving the health and well-being of communities by reaching 5 million people by 2030.

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<sup>31</sup> <https://www.unicef.org/wash>

<sup>32</sup> UNICEF, *Diarrhoea remains a leading killer of young children, despite the availability of a simple treatment solution, 2022*

**MEXICO | Creating educational programs to contribute to mortality reduction of children linked to diarrhea**

ENTEROGERMINA brand purpose in Mexico leads a strong and ever-growing movement in the country with the goal of eradicating diarrhea, one of the 5 top causes of death among children in Mexico<sup>33</sup> With this goal in mind, ENTEROGERMINA brand purpose in Mexico partners with Save the Children to create educational programs nationwide to increase awareness about the impacts and prevention methods of diarrhea among children.

According to data from the International Monetary Fund, 43.9 % of Mexicans live below the national poverty line, with many lacking access to clean water and sanitation<sup>34</sup>. Our goal is to create awareness in communities in need in Mexico around self-care practices and healthy habits that can help prevent diarrhea in children. Diarrhea-related linked deaths can be prevented with simple behaviors, such as handwashing and hygiene habits. By bringing educational programs on these topics to schools and community centers of targeted neighborhoods, we aim to involve families, teachers, and children to increase awareness.

Our journey with Save the Children in Mexico began in 2019, and the partnership has now transformed into the "Restoring Life Movement". This ever-growing movement is increasing impact and expanding its reach each year. Our multi-year partnership with Save the Children and the different activities carried out each year have produced meaningful change.

For now, the impact of the campaign is measured in terms of reach and financial donations to the cause. We want to go further and measure our impact on communities beyond donation and reach in the years to come. To evaluate the reach of a campaign, the number of people from the towns and villages that are involved in workshops on diarrhea prevention are counted. ENTEROGERMINA brand purpose in Mexico is involved in the educational program on healthy habits to prevent diarrhea in children. The true reach of our campaigns is conservative as it does not count the number of people reached by our communication campaigns on TV and social media channels.

**2019:** The movement begins. Sanofi Consumer Healthcare Mexico launches different educational programs in Mexico, reaching 15,000 people and donating €12,000 to the cause;

**2020:** Sanofi Consumer Healthcare Mexico creates its first communication campaign involving journalists and other key public figures, to increase reach beyond the schools and community centers where our educational programs take place. 48,000 people are reached, and €26,000 is dedicated to the cause;

**2021:** The campaign is extended to social media channels, such as Instagram, Facebook, and YouTube. Reach is almost doubled, with 82,000 people reached by the end of the year;

**2022:** The Restoring Life Movement grows into an ecosystem action. Consumers are involved in the cause by donating a % of each product sold to Save the Children.

<sup>33</sup> World Health Organisation (2017). <https://www.who.int/news-room/fact-sheets/detail/diarrhoeal-disease>

<sup>34</sup> International Monetary Fund, Swarnali Ahmed Hannan, *Fostering Inclusion in Mexico*, 2022



Pharmacies showcase ENTEROGERMINA in their point of sales. Impact is amplified, with €175,000 donated to the cause, with 192,000 people reached to date.

**2023:** The educational campaign and communication campaign continue, and the donation amount for the cause is increased to 204,300 euros.

The Mexican team is incredibly proud of the results produced and does not want to stop here. We want to scale our impact by expanding the reach of our educational programs over the next few years and creating programs to supply clean water to communities in need. With our efforts we want to make a difference to the health of children in Mexico and worldwide and contribute to a healthier society where youth can thrive.

### **Icy Hot partnership: Encouraging and helping people to get back to sports**

Icy Hot's brand<sup>35</sup> cause is to give access to sport to marginalized youth in the United States. For many in the United States, the pandemic took away the possibility of playing sports altogether, even for people in good physical condition. By engaging people in local communities, Sanofi Consumer Healthcare realized that schools and communities lacked the financial support for building and maintaining sports facilities and infrastructures, as well as acquiring any other sports equipment. Covid left many experiencing economic distress or health issues, with sports becoming deprioritized by individuals and communities alike.

Sensing this need within our local communities encouraged ICY HOT to partner with the Shaquille O'Neal Foundation to take action<sup>36</sup>. The Shaquille O'Neal Foundation creates pathways for underserved youth, helping them achieve their full potential. The foundation works to instill hope and bring about change in communities, collectively shaping a brighter future for our children. Sport is important for the well-being and integration of children<sup>37</sup>. Community spaces provide an area for children to practice sports which is fundamental for children's development. Icy Hot's alignment with the Shaquille O'Neal Foundation's cause led us to partner with them to widen access to sports facilities for children in underserved communities.

We provide grants for schools and local communities to buy sports equipment and build new sports playgrounds. The activation allowed us to build four sports fields, one in New Jersey, one in Miami, one in Las Vegas and one in Atlanta. We assess our impact by considering the donations of our campaign and estimating the number of people in the local communities that benefit from access to these sports facilities.

## **5.2 Sanofi Consumer Healthcare and Save the Children global partnership**

On February 22, 2023, a significant partnership was formed between Sanofi Consumer Health Care and Save the Children, an international non-governmental organization (NGO) that is dedicated to improving the lives of children around the world. This collaboration marks the beginning of a three-year global agreement, with Save the Children UK serving as their global headquarters.

<sup>35</sup> Please see International Nonproprietary (INN) name for these brands in Annex B.

<sup>36</sup> Icy Hot, Help Kids Get back in the game with Icy Hot, <https://shorturl.at/bdeoM>

<sup>37</sup> UNICEF, Sport for Development, <https://www.unicef.org/belarus/en/sport-development>

The partnership aims to create a pivotal global initiative that enables Sanofi Consumer Healthcare to facilitate and accelerate the activation of its cause across various geographies, consistently and at scale. This alliance symbolizes a long-term commitment by both organizations to work together toward improving the lives of children worldwide. As a pharmaceutical company, health is at the heart of our business. Save The Children's mission is to ensure that every child has the opportunity to grow up healthy, educated, and safe. By leveraging their respective strengths, resources and expertise, Sanofi Consumer Healthcare and Save the Children aim to make a profound and lasting impact on the well-being and future prospects of children in need.

**OUR PEOPLE: SAFETY, WELL-BEING, EQUITY, DIVERSITY & INCLUSION**

**Instill a culture of inclusion, sustainability and employee safety and well-being**

<b>MATERIAL ISSUE</b>	<b>TARGET</b>	<b>2022 RESULT</b>
<i>Diversity &amp; Inclusion at work</i>	<i>50/50 gender parity by 2025 in senior leadership positions</i>	<b>45.6%</b> women in management positions
<i>Quality of Life at work</i>	<i>Care for Employee safety and well-being</i>	<b>77%</b> employees satisfied/engaged (eNPS) of which: <b>46%</b> promoters <b>31%</b> passive
<i>Talent attraction and Retention</i>	<i>Care for Employee safety and well-being</i>	<b>15.1%</b> attrition rate in the last 12 months
<i>Health &amp; Safety at Work</i>	<i>Care for Employee safety and well-being</i>	<b>1.5</b> total injury frequency rate*

The full list of KPIs for this area of activity can be found in the methodological notes.

See section 6.3 for description of the eNPS methodology.

\*The injury frequency rate is calculated accounting for the number of lost-time accidents of one day or more per million hours worked over a 12-month period. The scope of this KPI includes Sanofi CHC employees, contingent workers and contractors.

**6.1 At the heart of Purpose Day**

Purpose Day is a worldwide Sanofi Consumer Healthcare initiative which provides employees with paid work time to dedicate to highly impactful volunteering activities. Purpose Day activities are focused on a few global brands and are aimed at activating these brands’ purpose. Where these global brands are not present, activities are connected to the purpose of major local brands. Purpose Day is vital to creating a strong positive impact on the causes Sanofi Consumer Healthcare supports with a direct contribution to communities. It is also crucial for fostering employee engagement and creating a sense of togetherness. It also contributes to improving employees’ well-being and their feeling of pride which is related to their positive impact on communities. Hence, our Purpose Days are really at the heart of the Healthier Society pillar of the Sustainable Care Pledge and have become an integral part of Sanofi Consumer Healthcare’s sustainability strategy.

An example worth sharing is the experience of Purpose Day in Mexico and the involvement of manufacturing sites. Involving these sites in volunteering activities is particularly challenging as they have to ensure the continuity of the production line. However, we believe in the importance of involving a greater part of the employee population in the initiative to foster engagement and increase impact. Mexico was also successful in closely tying its brand identity to the Purpose Day, helping increase its reach. For their Purpose

Day in 2022, **families were engaged in consultations on health, weight, food, and vaccines, and also providing educational kits to the community.**

The global scale of Purpose Day is massive, with **53% of the Sanofi Consumer Healthcare population involved:**

- **3,200 employees** worldwide<sup>38</sup>;
- **Highest participation rates registered in China and AMEA with 66% and 65%** of local Sanofi Consumer Healthcare population from commercial sites taking part in the activities respectively;
- **More than 20,000** direct beneficiaries<sup>39</sup>.

We will not stop here. The challenge to scale up this initiative is balancing locally relevant initiatives with the requirement for high-impact activities. This depends on the number of countries, brands, and employees involved. To expand the activities of Purpose Day, we want to include all employees beyond commercial sites, involving employees from manufacturing and supply sites. Finally, as the scale of the program grows, we aim to quantify the impact of the Purpose Day on the well-being of employees and local communities as a whole to create a robust KPI.

## 6.2 Seeking greater diversity and inclusion in marketing campaigns and activities

As part of one of Sanofi Consumer Healthcare's pillars there is the promotion of diversity, equity, and inclusion in various aspects of our action in the world: we foster it "in front and behind the camera" meaning, in our product development, across our production units, and in our 9,000 staff members which are made up of diverse origins, ages, genders, and backgrounds. **By 2025, we aim to increase gender equality by having women make up 50% of Sanofi Consumer Healthcare's senior leaders and 40% of our executives.**

We strive to ensure that age, race, ethnicity, faith, disability, and the LGBTQ+ community are equally represented in our leadership and teams. We are setting key ambitions that are locally relevant in each country based on their diversity needs.

We borrow the idea of the importance of diversity and inclusion directly from Nature, whose laws teach us that both elements are paramount in supporting, enhancing, and promoting life on the planet. We aim to transfer this concept to our marketing campaigns and activity. To this end, Sanofi Consumer Healthcare conducted a test with Models Trust to survey our talent and production crew at our recent productions in Spain and in Ecuador. The specific goal was to increase and moderate inclusion and diversity in our content production and to understand whether we are reflecting the communities we serve in front and behind the camera and whether those working on set felt safe and supported.

A survey was carried out to evaluate these areas. The survey consisted of 18 multiple-choice questions and one free-text question about the participants' demographic details and experience at work. Respondents completed the confidential and anonymous survey online.

The results showed an impressive rate of over 86% declaring themselves satisfied with the overall Sanofi Consumer Healthcare workplace experience. The satisfaction was the

<sup>38</sup> Estimate based on the numbers reported for participation in Purpose Day 2022 by local teams.

<sup>39</sup> Estimate based on the numbers reported for beneficiaries of Purpose Day 2022 by local teams.

same regardless of the gender, sexual orientation, ethnicity, or provenance of the respondent, demonstrating our treatment of all respondents with dignity, respect, and professionalism and creating a harassment and bullying-free workspace for all. Our endeavor for perfection is well known, and in 2023 we commit to reaching increasingly higher standards of outcome, surveying more productions to evaluate whether the same outcomes are experienced.

### 6.3 Putting employees first through the “All Well” program

Progress relies on people bringing their best selves, as this is how we grow, learn, and collectively conquer our limits. This is why we have adopted the All Well program to create, enhance and infuse a culture of well-being for all our employees. This program launched in 2022 unites all the activities we have at Sanofi Consumer Healthcare level to promote healthier behaviors of our employees and create an environment for our people to feel safe and cared for.

The program relies upon four key pillars:

1. Healthy minds;
2. Healthy bodies;
3. Healthy financials;
4. Healthy working culture.

Countries run local initiatives beyond what is being done at the global level, which prioritizes action related to spreading a common healthy working culture and supporting the pillar of healthy minds. In 2022 there were **410 local initiatives, of which 370 were non global, local, and non-standardized initiatives:**

- 48% were focused on healthy bodies with initiatives aimed at promoting positive eating and living habits, including opportunities to follow yoga classes, use the gym, and access to onsite vaccinations;
- 22% were dedicated to healthy minds including relaxation that can bring relief from work-related stress and mitigate psychosocial risks;
- 18% were targeted at creating a shared working culture through volunteering days and other events; and
- The remaining 12% were aimed at providing employees with strong support in managing their finances.

Other key achievements of the program in 2022 were the scaling of important initiatives at a global level, such as:

- The employees' assistance program ensuring that all employees can ask for support at any moment for any issue they may have in their lives;
- Global parental leave ensuring that there is a global target for parental leave despite the different legislations existing in each country, providing our employees with more generous policies than the ones existing at country level with some positive examples demonstrated by the US and Australia;
- The Speak Up and Global Healthy Minds programs enable employees to improve their public speaking skills and cater to supporting their mental health.

As we believe work-life balance is key to a healthy society, we place great importance on flexible parental leave. **Weeks of parental leave can be taken at the same time or split up over the year according to the needs of parents.** No distinction is made between the primary and secondary caregiver, thus allowing each caregiver to dedicate their time both to their careers and families, with 14 paid weeks of parental leave made available to all Sanofi Consumer Healthcare employees worldwide. This number is in many cases higher than the amount of time granted by law. Our employees have shared very positive experiences of the parental leave program at Sanofi Consumer Healthcare:

**Sanofi is greatly exceeding expectations for a working mom**

*"I have been with Sanofi Consumer Healthcare for just a year, but the company is going above and beyond on every journey that I have as a working mother.*

*I learned that I am expecting my third baby right after I went through the interviews for the job. So, I informed my manager in the first few weeks and he and the entire team were sincerely happy for me and truly supportive throughout my pregnancy. My team organized the best baby shower I could only imagine. It was also great to learn that Sanofi Consumer Healthcare has a generous maternity leave package, as well as mothers' rooms in the office.*

*Lastly, just a week after I came back from maternity leave, I was going on a business trip with a broader team. As a nursing mother, some special accommodations were made for me, and I was touched by how much help I received from people around me. From jumping on a call to be told about a special program that ships milk back home (by the way, fully covered by the company) to buying a small freezer specifically for my needs and putting it in my hotel room.*

*Sanofi Consumer Healthcare is the best place to work first of all because of great people who are always sincerely trying to help and lift each other up and secondly because of people oriented policies and programs."*

*Anastasia Akhmedova  
Brand lead, ACT & Selsun Blue*

The program has been a success. The general wellness of employees, which is measured through the YourVoice survey, produced very positive results, with 77% declaring themselves as promoters or passive in the employee Net Promoter Score survey<sup>40</sup>. Sanofi Consumer Healthcare also benchmarks the results of the survey against results from other companies in the pharma sector and monitors for progress year to year. The All Well program is also part of the Sanofi Group's strategy, and while we take key pillars from this program into account, at Sanofi Consumer Healthcare level, the Well-being Committee is working to ensure that we specifically address the needs and priorities of our population to create an environment where employees and managers feel continuously supported, included, valued, and engaged.

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<sup>40</sup> The employee Net Promoter Score calculates the score based on answers to these two questions: How likely is it that you would recommend Sanofi as a place to work? How likely is it that you would stay with Sanofi if you were offered the same job at another organization? Promoters are those who score 9-10 in the question and passive those who score 7-8.

**CONCLUSION: LOOKING AHEAD**

This report has highlighted several opportunities and challenges for Sanofi Consumer Healthcare as to how we can embed sustainability principles in our core business strategy.

Acknowledging that this report represents a first edition of periodic reporting and a first step toward full transparency, it highlighted for us the need for better structured data collection and governance processes, increasing transparency in ingredient sourcing, and the deepening of collaboration with other stakeholders, our ecosystem, and the regulatory actors. In the report, we emphasize the potential of digital solutions to enhance transparency and communication with consumers while reducing waste and embracing circularity.

Looking ahead, we understand the importance and priority we should give to continuously integrating sustainability into our core business strategy, rather than treating it as an auxiliary concern. For this purpose, we commit to forging stronger partnerships with regulators, governmental bodies, NGOs, and industry stakeholders to collectively address sustainability challenges and foster meaningful change. It is worth noting that, at Sanofi Consumer Healthcare, we have already demonstrated our commitment to sustainability by embedding it at the center of our operations, avoiding tokenism, and recognizing that doing good and doing well can go hand in hand. Furthermore, this report underscores the vital connection between people's health and overall societal well-being.

By prioritizing and promoting health as a valuable asset, we can contribute to the wealth, productivity and prosperity of individuals and societies. This indirect impact on economies through improved health outcomes should not be overlooked. In fact, it is only by embracing sustainability as a core business principle, working closely with various stakeholders, and recognizing the intrinsic value of people's health that we can continue forging a path toward a more sustainable and impactful future.

**APPENDIX A: METHODOLOGICAL NOTE**

This non-financial report is published for the first year by Sanofi Consumer Healthcare, the business unit of Sanofi Group dedicated to its consumer healthcare business. The data refers, unless otherwise indicated, to the period from January 1, 2022, to December 31, 2022. The scope of economic and social information includes the 46 legal entities of Sanofi Consumer Healthcare listed below. This report and data included in it have not been audited.

<b>Region</b>	<b>Countries</b>
<b>Europe-Eurasia</b>	France (2 manufacturing), Italy (manufacturing), Germany (manufacturing), UK, Austria, Belgium, Switzerland, Greece, Portugal, Spain, Czech Republic, Slovakia, Romania, Ukraine, Poland (manufacturing), Hungary (manufacturing), Russia
<b>North America</b>	United States (manufacturing), Canada
<b>AMEA</b>	Japan (manufacturing), Australia (manufacturing), Hong Kong, South Korea, Vietnam (manufacturing), Philippines, Indonesia, Thailand, Singapore, Tunisia (manufacturing), South Africa, Turkey, Egypt, United Arab Emirates, Saudi Arabia
<b>Latin America</b>	Brazil, Mexico (manufacturing), Colombia, Argentina, Ecuador, Panama, Peru
<b>China</b>	People’s Republic of China

Environmental data has been gathered using the centralized Sanofi Group Sherpa database, which includes data for the 12 Sanofi Consumer Healthcare owned manufacturing sites and distribution centers worldwide, representing 100% of our manufacturing sites. As regards to commercial sites, environmental data is not being monitored at a global level. However, this is not significant in terms of global Sanofi Consumer Healthcare environmental impact. For the methodology, detail and definition of environmental indicators, you can refer to the Corporate Social Responsibility Report 2022 of Sanofi Group, from page 78 onwards<sup>41</sup>. Moreover, Sanofi Group objectives have been validated by the Science Based Target initiative (SBTi), which provides a scientific seal of approval for our objectives as part of the planet-wide efforts needed to limit global warming to 1.5°C. In January 2023, SBTi signed off the group’s new ambitions following a revised submission made in 2022.

In terms of the social KPIs included in this report, we joined in 2022 the Business for Social Impact (B4SI)<sup>42</sup> Network to improve and better structure the way we conduct social impact

<sup>41</sup> Sanofi Group, Corporate Social Responsibility Report Chapter 4 of 2022, <https://www.sanofi.com/assets/dotcom/content-app/publications/esg-reports/2022-01-01-declaration-of-extra-financial-performance-en.pdf>

<sup>42</sup> Business for Social Impact (B4SI), <https://b4si.net/>



measurement. In particular, we are committed to strengthening the data gathering, management and governance for our Healthier Society pillars indicators. This will be done in accordance with the B4SI standard which provides a set of social frameworks to communicate social impact, practical management tools for impact measurement and a global benchmark for social impact measurement.

The structure of the report is based on Sanofi Consumer Healthcare 2022 material assessment and the subsequently defined SCP. The report focuses on all the material issues significant to Sanofi Consumer Healthcare, which means those relevant to the group and its internal and external stakeholders. The process leading to the identification of material topics included a context analysis based on international standards, peer analysis, surveys, and relevant regulations. The material topics identified have been mapped against the six key areas of activity of the SCP and have been associated with specific targets and KPIs of the Sanofi Consumer Healthcare sustainability strategy.

Sanofi Consumer Healthcare also internally mapped these KPIs with regards to GRI standards to establish a level of matching between its existing KPIs and GRI Disclosures. In the writing of the report, we have also selected key KPIs to report on using the B Impact Assessment (BIA), an internationally recognized tool to measure a company's social, governance, and environmental impact, which is one of the most widely used tools globally to assess companies' sustainability performance. The BIA is created and managed by B Lab, an international non-governmental organization which created the standard and constantly updates it (v.6).

SCP AREA OF ACTIVITY	MATERIAL ISSUE	TARGET	KPI	2022 RESULTS
<b>Empower self-care behavior change</b>	Health education, responsible marketing	Reach 100 million people every year with messages on prevention, awareness & diagnosis of conditions, and responsible use of medicines	# people reached every year with messages on prevention, awareness & diagnosis of conditions, and responsible use of medicines	47,500,000 people
	Product Transparency	Proactive ingredient transparency for our top brands by 2025	#top brands with ingredients transparency	Ingredient transparency project launched on 4 brands to be fully disclosed by the end of 2023  ALLEGRA, ENTEROGERMINA, MUCOSOLVAN/BISO LVON and DOLIPRANE

SCP AREA OF ACTIVITY	MATERIAL ISSUE	TARGET	KPI	2022 RESULTS
<b><i>Make an impact to communities through purpose-led brands and access</i></b>	Responsible Marketing, Advertising & Communication	No specific target	#Brands activating purpose	5
	Make an impact to communities	No specific target	Amount of Revenues Donated for ENTEROGERMIN A, Icy Hot, PHARMATON, OSTELIN & NATURE'S OWN	€1,160,000 ENTEROGERMINA (€469K) ICY HOT (€280K) PHARMATON (€143k) OSTELIN (€67k) Nature's Own (€200k)
	Make an impact to communities	Reaching 5 million people by 2030 with on-the-ground programs and partnering with NGOs	# of total beneficiaries reached in the communities we help for ENTEROGERMIN A, Icy Hot, PHARMATON, OSTELIN & NATURE'S OWN brand causes	394,800 beneficiaries ENTEROGERMINA (270k), ICY HOT (95k), OSTELIN (25k), PHARMATON (4.8k), NATURE'S OWN (10k trees planted)

SCP AREA OF ACTIVITY	MATERIAL ISSUE	TARGET	KPI	2022 RESULTS
<b><i>Instill a culture of inclusion, sustainability and employee safety and well-being</i></b>	Diversity & Inclusion at Work	50/50 gender parity by 2025 in senior leader's positions	% Female Management → Gender Balance for leadership positions (F/M - LE 1&2 & L5+)	45.6% women in management positions
	Quality of Life at Work	Care for Employee safety and well-being	Employee Participation at Purpose Day	3,216
	Quality of Life at Work	Care for Employee safety and well-being	% Employees satisfied/engaged	77% employees satisfied/engaged of which: 46% promoters 31% passive eNPS score
	Health & Safety at Work	Care for Employee safety and well-being	Injury Frequency Rate	1.5 total injury frequency rate
	Talent Attraction and Retention	Care for Employee safety and well-being	Attrition rate in the last 12 months	15.1% attrition rate in the last 12 months

SCP AREA OF ACTIVITY	MATERIAL ISSUE	TARGET	KPI	2022 RESULTS
<b>Climate action toward net zero across our business and supply chain</b>	Climate change & energy use	No specific target	Total Energy Use	1,187,330 GJ
	Climate change & energy use	No specific target	Total Renewable Energy Use	355,518 GJ
	Climate change & energy use	100% renewable electricity sourcing by 2025	% Renewable electricity sourced from the grid	78% renewable electricity sourced from the grid
	Climate change & energy use	No specific target	% Renewable Energy	30%
	Climate change & energy use	No specific target	% Low Impact Renewable Energy	8%
	Climate change & energy use	-70% CO2e emissions (scope 1&2) vs 2019 by 2025	Scope 1&2 CO2e Emissions Reductions	-37% scope 1 & 2 CO2e emissions reduction vs 2019
	Climate change & energy use	No specific target	% Energy Use Reduction	-3.3%
	Climate change & energy use	Toward Carbon neutral (scope 1, 2, & 3) by 2030 & Net zero emissions by 2045	% of top emitters from 2022 list engaged to Supplier Climate Action Plan (SCAP)	64% of top emitters from 2022 list engaged to Supplier Climate Action Plan (SCAP)
	Responsible Procurement- Basic Compliance	95% of suppliers aligned to Code of Conduct by 2025	% of Suppliers aligned to Code of Conduct	81%
	Responsible Procurement- ESG Risk and Mitigation	80% of suppliers spend covered with EcoVadis by 2025	% of Suppliers spend assessed with EcoVadis and remediation in place in case of low score	66%

SCP AREA OF ACTIVITY	MATERIAL ISSUE	TARGET	KPI	2022 RESULTS
<b>Reduce waste from our products and value chain, and embrace circularity</b>	Product eco-design	No specific target	# of brands with formal life cycle assessment performed with external experts	3 ENTEROGERMIN A DOLIPRANE ALLEGRA
	Product eco-design	Baseline assessment & action plan for top 20 brands by 2025	#of brands that completed the internal baseline assessment	10 CIALIS, MAGNE, DOLIPRANE, DORFLEX, MUCOSOLVAN, ALLEGRA, ENTEROGERMIN A GOLDBOND, EVE <sup>43</sup>
	Product eco-design	Baseline assessment & action plan for top 20 brands by 2025	#of brands that created an action plan based on the internal baseline assessment	8 MAGNE, DOLIPRANE, DORFLEX, MUCOSOLVAN, ALLEGRA, ENTEROGERMINA, GOLDBOND, EVE
	Responsible Consumption & production	80% reduction in our printed materials by 2025 (baseline 2021)	Absolute reduction in weight tons	31.1 tons 26% reduction in volume of printed materials
	Waste Management & recycling	100% of displays to be ordered from the approved sustainable Point of sale material (POSM) regional catalog by 2025 (baseline 2021)	% of display ordered from catalogs for POSM	Europe 84%, AMEA 75%, LATAM 36%, North America N/A

<sup>43</sup> Please see International Nonproprietary (INN) name for these brands in Annex B.

	Waste Management & recycling	No specific target	Non-hazardous waste generated	13,166 tons
<b>Reduce waste from our products and value chain, and embrace circularity</b>	Waste Management & recycling	Have all our sites landfill free by 2025	% Waste going to landfill	7.7% waste going to landfill
	Waste Management & recycling	No specific target	Total Waste recycled	7,294 tons
	Waste Management & recycling	No specific target	Total Hazardous Waste Produced (Manufacturing)	1,673 tons

SCP AREA OF ACTIVITY	MATERIAL ISSUE	TARGET	KPI	2022 RESULTS
	Water Management	20% reduction in water withdrawals by 2030 vs 2019	% reduction in water withdrawal	+0.4% increase in water withdrawal
	Protection of Biodiversity	Action plans engaged to reduce pharmaceuticals in the environment (PIE) on all relevant sites by 2025	# of sites with pharmaceutical in the environment risk assessment	12/12 sites assessed pharmaceutical in the environment risk
<b>Protect natural ecosystems</b>	Protection of Biodiversity	100% of priority sites with highest potential impacts on local biodiversity w/ specific biodiversity management plans by 2025	# of priority sites with biodiversity management plans	0/3 of priority sites with biodiversity management plans
	Protection of Biodiversity	100% of priority sites with highest potential impacts on local biodiversity w/ specific biodiversity management plans by 2025	% of the sites assesses their biodiversity significance	100% of the sites assesses their biodiversity significance

Where not indicated otherwise, the baseline year for the data provided is 2019.

The information collection in this report involved a cross-functional team comprising the Global Sustainability Team of Sanofi Consumer Healthcare, the Chief Sustainability Officer, and the Chief Executive Officer. The coordination and supervision of the project was assigned to the Sustainability Governance and Communications Lead and the company that supported Sanofi Consumer Healthcare in the realization of the report is NATIVA.



## APPENDIX B: BRANDS' INTERNATIONAL NON-PROPRIETARY NAMES

<b>Brands</b>	<b>International Non-proprietary Names</b>
ALLEGRA	Fexofenadine
BISOLVON	Bromhexine HCl, Dextromethorphan HBr, Marshmallow Root
BUSCAPINA	Hyoscine Butylbromide
CIALIS	Tadalafil
DOLIPRANE	Paracetamol
DORFLEX	Orphenadrine Citrate, Metamizole, Caffeine
DULCOLAX	Bisacodyl
ENTEROGERMINA	Bacillus Clausii, Bacillus Subtilis
ESSENTIALE	Phosphatidyl Choline
EVE	Ibuprofen
GOLDBOND	e.g. Menthol
ICY HOT	e.g. Menthol
MAGNE	Mg Lactate, Pyridoxine HCl (VIT B6)
MUCOSOLVAN	Ambroxol HCl
NATURE'S OWN	Multivitamins
OSTELIN	Multivitamins, Minerals
PHARMATON	Multivitamins, Minerals, Ginseng

## APPENDIX C: SANOFI CONSUMER HEALTHCARE NORTH AMERICA BIA

In July 2023, Sanofi Consumer Healthcare North America became a Certified B Corp with a total score of 85 points out of 200 available points. This significant milestone reinforces our commitment to using business as a force for good and positively impacting society and the environment. The transformation of our North America business did not happen overnight, and it began with a deep sense of responsibility and a shared vision among our dedicated team to build a company that could go beyond traditional business goals. We recognized that success should not be measured solely by financial metrics but also by our impact on people and the planet.

The journey for North America started in November 2021, when we conducted a comprehensive assessment of their social and environmental impact through the use of the B Impact Assessment. We delved into every aspect of our organization, including but not limited to supply chain management, employee welfare, environmental sustainability, community engagement. This evaluation highlighted areas where we excelled and identified opportunities for improvement, serving as a roadmap for our transformation.

Below we summarize some of the key results we obtained in the five impact areas of the B Impact Assessment:

**Overall score: 85 out of 200<sup>44</sup>**

**Governance: score 11.8 out of 20**

To solidify our commitment legally, we have converted our operations in the United States to a Benefit Corporation and updated our articles of association in Canada. These legal changes demonstrate our intention to prioritize the interests of all stakeholders and hold ourselves accountable to social and environmental objectives.

**Workers: score 27.3 out of 40**

We firmly believe in empowering our employees to contribute to our sustainability goals. To that end, we integrated sustainability objectives into the annual objectives of 100% of our workforce. Additionally, we ensured that all employees in North America receive an individual living wage, fostering a culture of fairness and dignity. To foster a culture of continuous improvement, we implemented the Play to Win 360° Participants strategy, which allows individuals to self-evaluate and gather feedback from managers, direct and indirect reports, peers, and internal clients.

**Community: score 16.8 out of 40**

We are committed to Diversity, Equity, and Inclusion and pursue objectives in this area by maintaining a high number of workers and executives that are female and from underrepresented communities. At the same time, we aim to give back to the communities and territories we serve through our Corporate Citizenship program inclusive of donations, volunteering opportunities, and impact partnerships. For example, At the heart of our purpose-driven approach is the development of purpose-led brands that create a positive impact in the community. Our partnership with the Shaquille O'Neal Foundation through our ICY HOT brand exemplifies our dedication to community engagement and support.

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<sup>44</sup> The sum of the scores presented below does not reflect the overall score of 85 points as the final score is adjusted by B Lab during its analysis.

**Environment: score 14.3 out of 45**

Our commitment to environmental stewardship is evident through our partnership with TerraCycle for a take-back scheme, enabling the responsible disposal and recycling of personal care products. We have also made significant strides in adopting renewable energy sources, reducing water withdrawals, and setting ambitious on having all our sites landfill-free.

Eco-design initiatives, such as identifying environmental improvement levers across the entire value chain and removing plastics from packaging, showcase our dedication to reducing our environmental footprint. Furthermore, our robust health and safety practices prioritize the well-being of our employees, and we continuously strive to foster diversity and inclusion within our organization.

**Customers: score 14.6 out of 35**

In alignment with our commitment to build a healthier future by helping people help themselves by ensuring better self-care and consumer-inspired, science-based products and solutions, we have earned 10.7 points thanks to our specific customer *Impact Business Model*. The B Impact Assessment has recognized the value Sanofi Consumer Healthcare brings through its business model which is intentionally built around development and selling products that contribute to the curing and prevention of illnesses. The B Impact Assessment has also valued the care we put in building our relationship with customers as well as the role of stewards for people and planet we strive to increasingly have.

As a B Corp, we join a global community of businesses that share our values and strive to redefine success in the corporate world. Our journey does not end here; it is just the beginning. We will continue challenging ourselves, continually setting higher social and environmental performance benchmarks.

**sanofi**

[www.sanoficonsumerhealthcare.com](http://www.sanoficonsumerhealthcare.com)  
Sanofi Consumer Healthcare  
157 Av. Charles de Gaulle, 92200  
Neuilly-sur-Seine