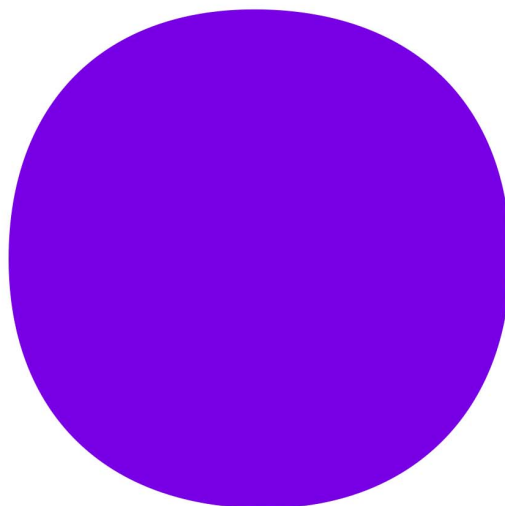
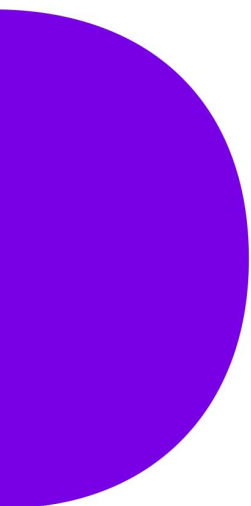


# *Notice* of Meeting

Combined General Meeting

# 2022



**sanofi**

## Combined General Meeting

Tuesday *May 3, 2022* at 2:30 P.M.

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Société anonyme with share capital of 2 527 121 390€  
Registered Office: 54, rue La Boétie – 75008 Paris – France  
Registered No. 395 030 844 R.C.S. Paris

More information on

[www.sanofi.com](http://www.sanofi.com)

# Message from *the Chairman* *of the Board of Directors*



**Dear shareholder,**

Our Annual General Meeting is a special opportunity to inform you about how our business is progressing, and about our Company's results for the past year.

The Annual General Meeting is to be held **at 2.30 p.m. CET on Tuesday May 3, 2022 at Paris Expo, Porte de Versailles, 1 Place de la Porte de Versailles, Hall 5.1 – 75015 Paris.**

After two years in which the world has faced an unprecedented health crisis, forcing us to hold our Annual General Meetings without you being physically present, it will be a great pleasure to see you again, and to meet and talk with you face to face. Of course, you will as usual be able to follow the meeting remotely via the live webcast on [www.sanofi.com](http://www.sanofi.com) (via Investors/Financial results and events/Annual General Meetings).

The meeting is the time for you to exercise your right to vote. This year, you are being asked to vote on seventeen ordinary resolutions and one extraordinary resolution, which are presented in the Board of Directors' report on page 9 below. This notice of meeting contains all the practical information and guidance needed for you to participate in the meeting.

On behalf of the Board of Directors, I would like to thank you for the confidence you have shown in Sanofi, and trust that you will give careful consideration to the resolutions submitted for your approval.

**Serge WEINBERG**

Chairman of the Board of Directors

# How to participate in the meeting

Full information about the meeting on May 3, 2022 is available on our website [www.sanofi.com/AG2022](http://www.sanofi.com/AG2022)

## 2022 Annual General Meeting

The Annual General Meeting of Sanofi will be held on **Tuesday May 3, 2022 at 2:30 p.m. (CET) at Paris Expo Porte de Versailles - 1, Place de la Porte de Versailles, Hall 5.1 - 75015 Paris**, in order to deliberate on the agenda and resolutions contained in the present notice of meeting.

## Pre-conditions for participating in the meeting

In accordance with Article R. 225-85 of the French Commercial Code all shareholders will be admitted to the meeting regardless of the number of shares they own, provided that their credentials can be established by their shares being registered in their name, or in the name of the intermediary registered to act on their behalf, at midnight (CET) on the second business day before the meeting, i.e. **at 00 a.m. (CET) on Friday April 29, 2022:**

- **Registered shares:**

Must be registered in the registered share accounts kept by BNP Paribas Securities Services.

- **Bearer shares:**

Must be registered in the securities account kept by your accredited banking or financial intermediary.

Registration of bearer shares in the account kept by your accredited banking or financial intermediary must be evidenced by a shareholding certificate (*attestation de participation*) issued by the intermediary and attached to:

- your postal voting form;
- your proxy form; or
- a request for an admission card, prepared in your own name as a shareholder or on your behalf if your accredited intermediary is acting for you.

## How to participate in the meeting

You can request an admission card, vote by post, or go online to give a proxy vote to the Chairman or to any physical person or legal entity of your choice in advance of the Annual General Meeting.

You can vote online in advance of the meeting using the secure dedicated VOTACCESS platform.

- This platform will be accessible via Planetshares or via your accredited intermediary's website. The site will be open from **Wednesday April 13, 2022** until 3 p.m. (CET) on **Monday May 2, 2022**. However, to avoid overloading VOTACCESS we recommend that you do not wait until the last minute before voting.
- **If you decide to vote online, do not fill in or send back the paper voting form.**

## I. To attend the meeting in person

1. Request an admission card using the paper form:

- **If you hold registered shares or units in a dedicated employee share ownership fund (FCPE):** request an admission card by sending the voting form (which is attached to this notice) to BNP Paribas Securities Services – CTO Assemblées – Les Grands Moulins de Pantin – 9, rue du Débarcadère – 93761 Pantin Cedex – France.
- **If you hold bearer shares:** ask the financial intermediary managing your account to arrange for an admission card to be sent to you.  
Do NOT send your request for an admission card directly to Sanofi.

2. Request an admission card online:

- **If you hold registered shares:** request your admission card on VOTACCESS via the Planetshares site at <https://planetshares.bnpparibas.com>:
  - for **fully registered shares:** with your usual access codes;
  - for **administered registered shares:** with the login shown in the top right hand corner of the paper voting form attached to your notice of meeting.
- **If you hold units in an FCPE:** using the login number shown in the top right hand corner of your paper voting form and your identification information as shown on your Amundi account statements.

**Once logged on, follow the on-screen instructions to access VOTACCESS and request your admission card.**

- If you hold **units in an FCPE** and **registered shares:** log on to Planetshares using your usual access codes. This enables you to vote your units in the FCPE and your registered shares, in each case using the number shown in the top right-hand corner of your paper voting form. Once logged on, you can access VOTACCESS click on “*Take part to the General Meeting*”.

You will then be redirected to VOTACCESS, where you can follow the on-screen instructions to vote, or to appoint or revoke a proxy.

**If you have lost or forgotten your login and/or password, call the dedicated hotline on 00 33 1 40 14 80 40.**

- **If you hold bearer shares:** ask your accredited intermediary whether they are connected to VOTACCESS and if so, whether that access is subject to specific conditions of use.

If your accredited intermediary is connected to VOTACCESS, log on to your intermediary’s website with your usual access codes. Then click on the icon that appears on the line showing your Sanofi shares and follow the on-screen instructions to access VOTACCESS and request your admission card.

## II. To vote online

- **If you hold registered shares or units in an FCPE:** access VOTACCESS via the Planetshares site at: <https://planetshares.bnpparibas.com>.
  - For fully registered shares: with your usual access codes.
  - For administered registered shares: with the login shown in the top right-hand corner of the paper voting form attached to your notice of meeting.
  - For units in an FCPE: the login shown in the top right-hand corner of the paper voting form attached to your notice of meeting, and the identification information as shown on your Amundi account statements.

**Once logged on, access VOTACCESS by clicking on “Take part to the General Meeting”.**

- **If you hold units in an FCPE and registered shares:** log on to Planetshares using your usual access codes. This enables you to vote your units in the FCPE and your registered shares, in each case using the number shown in the top right-hand corner of your paper voting form. Once logged on, you can access VOTACCESS: click on “Take part to the General Meeting”.

**You will then be redirected to VOTACCESS, where you can follow the on-screen instructions to vote, or to appoint or revoke a proxy.**

- **If you hold bearer shares:** ask your accredited intermediary whether they are connected to VOTACCESS and if so, whether that access is subject to specific conditions of use.

**If your accredited intermediary is connected to VOTACCESS, log on to your intermediary’s website with your usual access codes. Then click on the icon that appears on the line showing your Sanofi shares and follow the on-screen instructions to access VOTACCESS and vote, or to appoint or revoke a proxy.**

## III. To vote with the paper form

- **If you hold registered shares or units in an FCPE:** send the voting form (which is attached to this notice) to BNP Paribas Securities Services, CTO Assemblées – Les Grands Moulins de Pantin – 9, rue du Débarcadère – 93761 Pantin Cedex – France.
- **If you hold bearer shares:** ask your accredited intermediary to send you the voting form, on or after the date the notice of meeting is issued. Once completed and signed, your intermediary will have to send the form, accompanied by the shareholding certificate, to BNP Paribas Securities Services.

**Your signed and completed voting form, or your proxy appointment or revocation, must be received by BNP Paribas Securities Services at least three calendar days before the meeting, i.e. by Saturday April 30, 2022, or they will not count.**

**Do NOT send your voting form directly to Sanofi.**

#### **IV. Appointment or revocation of a proxy**

For your proxy appointment or revocation to a person other than the Chairman of the meeting to be taken into account, your confirmation must be received by BNP Paribas Securities Services by **Saturday April 30, 2022** at the latest, by one of the following means:

- either by **post** to BNP Paribas Securities Services, Services Assemblées Générales – CTO Assemblées Générales – Les Grands Moulins de Pantin – 9, rue du Débarcadère– 93761 Pantin Cedex;
- or by **e-mail** to *paris.bp2s.france.cts.mandats@bnpparibas.com*. Your e-mail must contain the following information: the name of the company (Sanofi); your surname and first name; your address and bank account details; and the surname, first name and (if possible) address of the proxy you wish to appoint. If you hold bearer shares, you must ask your accredited intermediary to send written confirmation of your request to BNP Paribas Securities Services – CTO Assemblées – Les Grands Moulins de Pantin – 9, rue du Débarcadère – 93761 Pantin Cedex– France.

Moreover, the proxy holder shall send his/her voting instructions for the exercise of his/her proxies to BNP Paribas Securities Services by **Saturday April 30, 2022, at midnight** (Paris time), by e-mail to *paris.bp2s.france.cts.mandats@bnpparibas.com*, using the remote voting form available in the section dedicated to the 2022 shareholders' meeting on the Company's website: *www.sanofi.com*. The voting instructions must be accompanied by a copy of the proxy holder's ID card and, if he/she acts on behalf of a legal entity, a copy of the power appointing him/her as a duly authorized representative.

Only use this e-mail address to appoint or revoke a proxy. Any other requests or notifications on any other subject sent to this e-mail address will be ignored.

# How to complete your voting form

Please return this form using the enclosed pre-paid envelope which must be received no later than 3 days before the date of the Annual General Meeting, i.e. by **Saturday April 30, 2022**.

**Important : Avant d'exercer votre choix, veuillez prendre connaissance des instructions situées au verso - Important : Before selecting please refer to instructions on reverse side**  
**Quelle que soit l'option choisie, noircir comme ceci ■ la ou les cases correspondantes, dater et signer au bas du formulaire - Whichever option is used, shade box(es) like this ■, date and sign at the bottom of the form**

JE DÉSIRE ASSISTER À CETTE ASSEMBLÉE et demande une carte d'admission : dater et signer au bas du formulaire / I WISH TO ATTEND THE SHAREHOLDER'S MEETING and request an admission card: date and sign at the bottom of the form

**A**

**SANOFI**  
 S.A. au capital de 2 527 121 390 €  
 Siège social : 54 rue La Boétie 75008 PARIS  
 395 030 844 R.C.S. PARIS

**ASSEMBLÉE GÉNÉRALE MIXTE**  
 convoquée pour le 3 Mai 2022 à 14h30  
 Parc des Expositions - Porte de Versailles - Hall 5.1  
 1 Place de la Porte de Versailles, 75015 Paris

**COMBINED GENERAL MEETING**  
 to be held on May 3, 2022 at 2:30 p.m.  
 Parc des Expositions - Porte de Versailles - Hall 5.1  
 1 Place de la Porte de Versailles - 75015 Paris

**CADRE RÉSERVÉ À LA SOCIÉTÉ - FOR COMPANY'S USE ONLY**

Identifiant - Account

Nombre d'actions / Number of shares

Nominatif / Registered

Porteur / Bearer

Vote simple / Single vote

Vote double / Double vote

Nombre de droits de vote / Number of voting rights

**B**

**JE VOTE PAR CORRESPONDANCE // I VOTE BY POST**  
 Cf. au verso (2) - See reverse (2)

Je vote **OUI** à tous les projets de résolutions présentés ou agréés par le Conseil d'Administration ou le Directoire ou la Gérance, à l'EXCEPTION de ceux que je signale en noircissant comme ceci ■ l'une des cases "Non" ou "Abstention". // I vote **YES** all the draft resolutions approved by the Board of Directors, EXCEPT those indicated by a shaded box, like this ■, for which I vote No or I abstain.

1	2	3	4	5	6	7	8	9	10	A	B
Non / No	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Oui / Yes	<input type="checkbox"/>
Abs.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Non / No	<input type="checkbox"/>
										Abs.	<input type="checkbox"/>
										C	D
11	12	13	14	15	16	17	18	19	20	Oui / Yes	<input type="checkbox"/>
Non / No	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Non / No	<input type="checkbox"/>
Abs.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Abs.	<input type="checkbox"/>
										E	F
21	22	23	24	25	26	27	28	29	30	Oui / Yes	<input type="checkbox"/>
Non / No	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Non / No	<input type="checkbox"/>
Abs.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Abs.	<input type="checkbox"/>
										G	H
31	32	33	34	35	36	37	38	39	40	Oui / Yes	<input type="checkbox"/>
Non / No	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Non / No	<input type="checkbox"/>
Abs.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Abs.	<input type="checkbox"/>
										I	K
41	42	43	44	45	46	47	48	49	50	Oui / Yes	<input type="checkbox"/>
Non / No	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Non / No	<input type="checkbox"/>
Abs.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Abs.	<input type="checkbox"/>

Si des amendements ou des résolutions nouvelles étaient présentés en assemblée, je vote **NON** sauf s'ils indiquent un autre choix ou noircissent la case correspondante.  
 In case amendments or new resolutions are proposed during the meeting, I vote **NO** unless I indicate another choice by shading the corresponding box.

- Je donne pouvoir au Président de l'Assemblée Générale // I appoint the Chairman of the general meeting

- Je m'abstiens // I abstain from voting

- Je donne procuration [cf. au verso renvoi (4)] à M., Mme ou Mlle, Raison Sociale pour voter en mon nom // I appoint [see reverse (4)] Mr, Mrs or Miss, Corporate Name to vote on my behalf

Pour être pris en considération, tout formulaire doit parvenir au plus tard :  
 To be considered, this completed form must be returned no later than:

sur 1<sup>ère</sup> convocation / on 1<sup>st</sup> notification  sur 2<sup>ème</sup> convocation / on 2<sup>nd</sup> notification

à la banque / to the bank  30 avril 2022 / April 30th, 2022

à la société / to the company

**D**

**JE DONNE POUVOIR AU PRÉSIDENT DE L'ASSEMBLÉE GÉNÉRALE**  
 Cf. au verso (3)

**I HEREBY GIVE MY PROXY TO THE CHAIRMAN OF THE GENERAL MEETING**  
 See reverse (3)

**JE DONNE POUVOIR À :** Cf. au verso (4)  
**I HEREBY APPOINT:** See reverse (4)  
 M. Mme ou Mlle, Raison Sociale / Mr, Mrs or Miss, Corporate Name

Adresse / Address

**ATTENTION :** Pour les titres au porteur, les présentes instructions doivent être transmises à votre banque.  
**CAUTION:** As for bearer shares, the present instructions will be valid only if they are directly returned to your bank.

Nom, prénom, adresse de l'actionnaire (les modifications de ces informations doivent être adressées à l'établissement concerné et ne peuvent être effectuées à l'aide de ce formulaire) Cf. au verso (1)  
 Surname, first name, address of the shareholder (Changes regarding this information have to be notified to relevant institution, no changes can be made using this proxy form) See reverse (1)

**D<sup>i</sup>**  **Date & signature**

**D<sup>ii</sup>**

**Z**  **Quel que soit votre choix, DATEZ ET SIGNEZ ICI.**

« Si le formulaire est renvoyé daté et signé mais qu'aucun choix n'est coché (carte d'admission / vote par correspondance / pouvoir au président / pouvoir à mandataire), cela vaut automatiquement pouvoir au Président de l'Assemblée Générale »  
 « If the form is returned dated and signed but no choice is checked (admission card / postal vote / power of attorney to the President / power of attorney to a representative), this automatically applies as a proxy to the Chairman of the General Meeting »



**A** If you want to attend the meeting in person:

- shade box **A**;
- date and sign box **Z** at the bottom of the form.

**B** If you cannot attend the meeting in person and want to vote by post or by proxy:

- shade box **B**;
- choose one (and only one) of the three options;
- date and sign box **Z** at the bottom of the form.

**C** If you want to give your proxy to the Chairman of the Meeting:

- shade box **B**;
- shade box **C** "I hereby give my proxy to the Chairman of the General Meeting";
- date and sign box **Z** at the bottom of the form.

**D** If you want to vote by post:

- shade box **A** "I vote by post":
  - the numbered boxes correspond to the numbered resolutions as proposed or approved by the Board and reproduced in this Notice of meeting,
  - to vote **YES** to the resolutions, **leave the corresponding boxes blank**,
  - to vote **NO** or abstain (which counts as a "no" vote) on any of the resolutions, shade the corresponding box,
- date and sign box **Z** at the bottom of the form.

**D'** This box is used only to vote on resolutions submitted by shareholders and not approved by the Board:

- to vote, shade the relevant box ("Yes", "No" or "Abs").

**D''** This box is used for amendments or new resolutions submitted during the meeting.

- to vote, shade the box for whichever option you choose.

**E** If you want to appoint a physical person or legal entity of your choice to act as your proxy:

- shade box **B**;
- shade box **E** "I hereby appoint";
- indicate in box **E** the name and first name (or corporate name) and address of your proxy;
- date and sign box **Z** at the bottom of the form.

**F** Give your surname, first name and address:

- if this information is pre-printed on your form, please check it and correct it if necessary,
- if the person signing the form is not the shareholder, he/she must give his/her surname, first name and address, and indicate the capacity in which he/she is signing (e.g. trustee, guardian, etc.).

**Z** All shareholders must date and sign this box.

# Agenda

## *Ordinary business*

1. Approval of the individual company financial statements for the year ended December 31, 2021
2. Approval of the consolidated financial statements for the year ended December 31, 2021
3. Appropriation of profits for the year ended December 31, 2021 and declaration of dividend
4. Reappointment of Paul Hudson as Director
5. Reappointment of Christophe Babule as Director
6. Reappointment of Patrick Kron as Director
7. Reappointment of Gilles Schnepf as Director
8. Appointment of Carole Ferrand as Director
9. Appointment of Emile Voest as Director
10. Appointment of Antoine Yver as Director
11. Approval of the report on the compensation of corporate officers issued in accordance with Article L. 22-10-9 of the French Commercial Code
12. Approval of the components of the compensation paid or awarded in respect of the year ended December 31, 2021 to Serge Weinberg, Chairman of the Board
13. Approval of the components of the compensation paid or awarded in respect of the year ended December 31, 2021 to Paul Hudson, Chief Executive Officer
14. Approval of the compensation policy for directors
15. Approval of the compensation policy for the Chairman of the Board of Directors
16. Approval of the compensation policy for the Chief Executive Officer
17. Authorization to the Board of Directors to carry out transactions in the Company's shares (usable outside the period of a public tender offer)

## *Extraordinary business*

18. Amendment to Article 25 of the Company's Articles of Association – Dividends

## *Ordinary and extraordinary business*

19. Powers for formalities

# Report of the Board of Directors on resolutions submitted to the Combined General Meeting

This text is a free translation from the French language and is supplied solely for information purposes. Only the original version in the French language has legal force. This report describes the proposed resolutions that are being submitted to the meeting by the Board of Directors of your Company, and is intended to draw your attention to the important points in the resolutions, in accordance with the relevant laws and regulations and with best practice in corporate governance as recommended for companies listed in Paris. It is essential that you read the proposed resolutions carefully before exercising your vote.

## Ordinary business

The first three resolutions concern the approval of the Company's annual financial statements and consolidated financial statements, and the appropriation of profits and declaration of the dividend.

### Approval of the financial statements

#### *(First and second resolutions)*

Acting on the recommendation of the Audit Committee, the Board of Directors proposes that you approve the individual company financial statements (showing a profit of €3,548,957,768.46) and the consolidated financial statements, for the year ended December 31, 2021.

Detailed financial statements, including the income statement for the year ended December 31, 2021, are provided in the 2021 annual report on Form 20F published by the Company.

### Appropriation of profits, declaration of dividend

#### *(Third resolution)*

Given that retained earnings brought forward of €26,379,935,510.53 plus the profit for the year gives distributable profits of €29,928,893,278.99, the Board of Directors – acting on the recommendation of the Audit Committee – proposes that you resolve to pay a cash dividend of €3.33 per share, representing a payout ratio of 50.8% of business net income.

That dividend will be drawn from the profit for the year.

In addition, and subject to adoption of the 18th resolution submitted to you under extraordinary business, the Board of Directors also proposes (as announced in a press release dated March 18, 2022) that you resolve to distribute an additional dividend in kind through the distribution of EUROAPI shares (the "Distribution in Kind"). The EUROAPI shares thus distributed will represent approximately 58% of the share capital and voting rights of EUROAPI and will, prior to the distribution, be listed on the Euronext regulated market. Through the Distribution in Kind, Sanofi is offering its shareholders the opportunity to have a stake in the success of a leading player in the active pharmaceutical ingredients (API) sector, with ambitions to become a global champion in this dynamic growth market.

The Distribution in Kind will benefit all Sanofi shareholders whose shares are recorded in accounts in their name at the end of the accounting day preceding the ex-date, i.e. on May 5, 2022 (in other words, after taking into account orders executed during the day of May 5, 2022, even if settlement/delivery of such orders does not occur until after the ex-date). Own shares held in treasury by Sanofi as of the ex-date of the Distribution in Kind, as well as shares resulting from the exercise of stock options after December 31, 2022, will not be entitled to the Distribution in Kind.

The number of EUROAPI shares to be distributed, and the distribution ratio (i.e. the number of Sanofi shares giving entitlement to one EUROAPI share) will not be known until the date of publication of the listing prospectus for EUROAPI shares. The final text of the proposed resolution containing the distribution ratio will be published in the *avis de convocation* (notice of meeting) that will appear in the *Bulletin des Annonces Légales et Obligatoires* and the *Petites Affiches* on April 11, 2022, and will be attached to the present meeting brochure as an addendum.

Fractional rights will be neither negotiable nor transferable. Consequently, if the allocation to which a shareholder is entitled under the distribution ratio used is not a whole number of EUROAPI shares, that shareholder will receive the next lowest whole number of EUROAPI shares, plus a cash balance computed on the basis of the price at which the EUROAPI shares corresponding to the fractional rights are sold.

The amount of the Distribution in Kind, i.e. the number of EUROAPI shares distributed (whether delivered to Sanofi shareholders, or sold due to fractional rights) multiplied by the opening quoted market price on May 6, 2022, will be drawn in the first instance from the profit for the last financial year, with the balance to be drawn from retained earnings brought forward.

All of the technical arrangements for the Distribution in Kind, including its tax impacts, will be described in detail in a special report to be published in the “General Meetings” section of the Sanofi corporate website on April 12, 2022.

For the three preceding years, the dividend per share was:

2018	2019	2020
€3.07	€3.15	€3.20

If the General Meeting approves this proposal, the ex-dividend date will be May 6, 2022 and the dividend will be paid on May 10, 2022.

## **Composition of the Board of Directors**

### *(Fourth to tenth resolutions)*

As of February 22, 2022 the Board of Directors had fifteen members, including nine who were deemed independent and two directors representing employees.

Each year, the Board of Directors conducts a review to ensure that there is an appropriate balance in its composition and in the composition of its Committees. In particular, the Board seeks to ensure gender balance and broad diversity in terms of competencies, experience, nationality and age, reflecting our status as a diversified global business. The Board investigates and evaluates not only potential candidates, but also whether existing directors should seek reappointment. Above all, the Board seeks directors who show independence of mind and are competent, dedicated and committed, with compatible and complementary personalities.

The Appointments, Governance and CSR Committee has a remit to organize a procedure for selecting future independent directors. Once the desired profile and skillset for a new director has been defined, external consultants are retained to search for potential candidates.

Once a shortlist has been established, the Committee interviews two or three candidates. After completing the interviews, the Committee makes a recommendation to the Board on the candidate with the best fit for the profile, supporting that recommendation with an explanation of how the interviews were conducted and giving reasons why the various candidates were selected.

Directorships at your Company are for a term of four years, which the Board believes is an appropriate length of commitment to request of a person aspiring to be a director. In line with the recommendations of the AFEP-MEDEF Code and the Company's Articles of Association, the Board reserves the right occasionally to propose shorter terms for one or more directors to ensure that there are not too many reappointments in any one year.

### **1. Reappointment of four directors**

#### *(Fourth to seventh resolutions)*

The terms of office of Paul Hudson, Christophe Babule, Patrick Kron and Gilles Schnepf expire at the end of this General Meeting.

Acting on the recommendation of the Appointments, Governance and CSR Committee, the Board of Directors proposes that you reappoint Paul Hudson, Christophe Babule, Patrick Kron and Gilles Schnepf as directors for a four-year term (i.e. until the end of the Ordinary General Meeting called in 2026 to approve the financial statements for the year ended December 31, 2025).

Before submitting these reappointments for your approval, the Board of Directors has made sure that the nominees will be committed, and available to fulfill their duties. None of them holds an excessive number of directorships, and their individual attendance rates at Board and Committee meetings are high:

	Attendance at Board meetings in 2021	Attendance at Committee meetings in 2021	Attendance at Board meetings during entire term of office	Attendance at Committee meetings during entire term of office
Paul Hudson	100%	100%	100%	100%
Christophe Babule	100%	100%	95%	100%
Patrick Kron	100%	100%	98%	100%
Gilles Schnepf	100%	100%	100%	84%

The Board also assessed their respective contributions to the work of the Board and of the Committees to which they belong, and decided that keeping them as directors was in the interests of the Company and consistent with the target composition of the Board as identified in the process described above.

The competencies brought to the Board by each of those directors are summarized below:

- Paul Hudson: healthcare/pharmaceutical industry experience, senior executive role in international group, international experience (operational role within an international group), mergers & acquisitions;
- Christophe Babule: senior executive role in international group, international experience (operational role within an international group), mergers & acquisitions, finance/accounting;
- Patrick Kron: senior executive role in international group, board membership in international group, international experience (operational role within an international group), mergers & acquisitions; and
- Gilles Schnepf: senior executive role in international group, board membership in international group, international experience (operational role within an international group), mergers & acquisitions, finance/accounting.

## **2.Appointment of three independent directors**

### *(Eighth to tenth resolutions)*

Bernard Charlès, whose term of office expired at the end of the 2021 Annual General Meeting, was not replaced at that meeting. It is proposed that you replace him at this meeting.

In addition, Carole Piwnica and Melanie Lee will leave the Board of Directors before the general meeting.

Consequently, it is proposed - acting on the recommendation of the Appointments, Governance and CSR Committee - that you appoint three independent directors to replace them for a three-year term (i.e. until the end of the Ordinary General Meeting called in 2025 to approve the financial statements for the year ended December 31, 2024). The appointment of these directors for a three-year term makes it possible to stagger director reappointments, in order to avoid the need to reappoint a large number of directors en bloc at the 2026 Annual General Meeting. Such an arrangement is permitted under Article 11 of our Articles of Association and is recommended by the AFEP-MEDEF Code.

#### **• Carole Ferrand (eighth resolution)**

As a director, Carole Ferrand would bring to the Board her expertise in finance and as a director of international groups. Carole Ferrand is currently Chief Financial Officer of the Capgemini Group and a director of Fnac Darty. She began her career in 1992 at PricewaterhouseCoopers, where she worked first in audit and then in financial consultancy. After ten years at Sony France, first as Chief Financial Officer (2000-2002) and then as General Secretary, she was appointed Chief Financial Officer of the Europacorp Group in 2011. In 2013, she was appointed Finance Director of the Artémis Group. She then served on the Board of Directors of Capgemini for two years (2016-2018) before being appointed to her current position as Group CFO.

Carole Ferrand is a graduate of École des Hautes Études Commerciales (HEC Paris).

#### **• Emile Voest (ninth resolution)**

As a director, Emile Voest would bring to the Board his scientific expertise. Emile Voest is currently director of Cancer Core Europe, a collaboration of seven top comprehensive cancer centers in Europe, and was Executive Medical Director of the Netherlands Cancer Institute (NKI) until 2021. He has been Professor of Medical Oncology at the University of Utrecht (UMC) since 1999 and leads his research group at the NKI and Oncode Institute. He has founded and leads several innovative precision medicine initiatives in oncology. He is co-founder and non-executive board member of the Hartwig Medical Foundation (large scale DNA analyses), is a board member of the Center for Personalized Cancer Treatment, and leads several innovative precision oncology clinical trials. Over recent years, he also played several leadership roles in medical societies such as ESMO (European Society for Medical Oncology) and ASCO (American Society of Clinical Oncology).

Emile Voest obtained a PhD in medicine from the University of Utrecht.

#### **• Antoine Yver (tenth resolution)**

As a director, Antoine Yver would bring to the Board his healthcare sector experience, international experience, and scientific expertise. Antoine Yver took over in 2021 as Chief Medical Officer of Centessa Pharmaceuticals, Inc. He began his oncology development career at Rhône Poulenc Rorer Inc. in 1990. In 1999, he joined the Aventis Group as Senior Director, Oncology Global Clinical Development. In 2005, he was appointed Senior Director of Oncology at Johnson & Johnson and in 2006, Executive Director of Oncology at Schering-Plough. From 2009 to 2016, he led global oncology development at AstraZeneca, delivering Tagrisso<sup>®</sup> and Lynparza<sup>®</sup>, including Senior Vice President, GMD Head of Oncology and Lead, China GMD (2013-2016). Subsequently, he was Executive Vice President, Global Head of Oncology Research and Development at Daiichi Sankyo and developed Enhertu<sup>®</sup>.

Antoine Yver, AIHP ACCA Paris, graduated in medicine and pediatrics from the University of Paris-Saclay. He also obtained a Master's degree in Immunology from the University of Paris.

Full career resumes of the nominees for appointment and reappointment as directors can be found on pages 28 and following of the present document.

At the close of the present General Meeting, subject to adoption of the fourth, fifth, sixth, seventh, eighth, ninth and tenth resolutions, the composition of the Board of Directors will be as follows (expiry of term of office in parentheses):

- Serge Weinberg, Chairman of the Board (2023);
- Paul Hudson, Chief Executive Officer (2026);
- Christophe Babule (2026);
- Barbara Lavernos (2025);
- Rachel Duan (2024), independent director;
- Carole Ferrand (2025), independent director;
- Lise Kingo (2024), independent director;
- Patrick Kron (2026), independent director;
- Fabienne Lecorvaisier (2025), independent director;
- Gilles Schnepp (2026), independent director;
- Diane Souza (2024), independent director;
- Thomas Südhof (2024), independent director;
- Emile Voest (2025), independent director;
- Antoine Yver (2025), independent director;
- Wolfgang Laux (2025), director representing employees; and
- Yann Tran (2025), director representing employees.

In compliance with the AFEP-MEDEF Code and acting on the recommendations of the Appointments, Governance and CSR Committee, the Board of Directors performed a review of director independence at its meeting of February 22, 2022. Based on that review and subject to the adoption of the fourth, fifth, sixth, seventh, eighth, ninth and tenth resolutions, at the close of the Annual General Meeting the number of directors would increase from fifteen to sixteen; the proportion of independent directors would increase from 69% to 71%; the proportion of female directors would decrease from 54% to 43%; and the proportion of non-French directors would decrease from 53% to 43%.

## **Approval of the components of the compensation and benefits of all kinds paid during 2021 or awarded in respect of 2021 to corporate officers (ex-post vote)**

### *(Eleventh to thirteenth resolutions)*

The proposed resolutions presented below constitute the ex-post vote on the compensation of corporate officers, in accordance with the terms stipulated in Article L. 22-10-34 of the French Commercial Code.

It is therefore proposed that you approve:

- the report on the compensation of corporate officers, presented in the report on the corporate governance of the Company referred to in Article L. 225-37 of the French Commercial Code and containing all the information mentioned in point I of Article L. 22-10-9 of that Code: compensation paid during the year just ended or awarded in respect of that year to each corporate officer (Eleven resolution);
- the components of the compensation and benefits of all kinds paid during or awarded in respect of the year ended December 31, 2021 to each corporate officer, which for Sanofi means:
  - Serge Weinberg, Chairman of the Board of Directors (twelfth resolution), and
  - Paul Hudson, Chief Executive Officer (thirteenth resolution).

## **1 Approval of the report on the compensation of corporate officers issued pursuant to Article L. 22-10-9 I of the French Commercial Code**

### *(Eleventh resolution)*

In the eleventh resolution, you are asked to approve all the information relating to the compensation of corporate officers presented in the report on corporate governance pursuant to Article L. 22-10-9 I of the French Commercial Code ("Report on the compensation of corporate officers").

That information relates to all components of the compensation and benefits of all kinds paid during the year ended December 31, 2021 or awarded in respect of that year to each corporate officer of Sanofi. It also includes pay ratios comparing the level of compensation of Sanofi's executive officers with that of Sanofi employees, and information about trends in the compensation of Sanofi's executive officers and employees relative to the performance of the Company.

The report on the compensation of corporate officers consists of the information provided on pages 51 to 63 of the French-language *Document d'enregistrement universel* of Sanofi for 2021, in Chapter "1. *Présentation de Sanofi* — 1.2. *Gouvernement d'entreprise* — sub-section 5. *Rémunérations* — 5.A. *Rémunérations et engagements pris au bénéfice des mandataires sociaux* — 5.A.B. *Éléments de rémunération et avantages de toute nature versés au cours ou attribués au titre de 2021 aux mandataires sociaux*". The equivalent English-language text is contained in Item 6.B. of Sanofi's annual report on Form 20-F for 2021, in the section entitled "Compensation and benefits of all kinds paid during 2021 or awarded in respect of 2021 to corporate officers"; that document is available in the "Reports and Publications" section of the Investors page of the Sanofi corporate website ([www.sanofi.com](http://www.sanofi.com)).

## **2. Approval of the components of the compensation paid during or awarded in respect of the year ended December 31, 2021 to executive officers**

### *(Twelfth and thirteenth resolutions)*

In these resolutions, you are asked to approve the fixed, variable and exceptional components constituting the total compensation and benefits of any kind of Serge Weinberg, Chairman of the Board of Directors, and Paul Hudson, Chief Executive Officer.

#### **a. Serge Weinberg, Chairman of the Board of Directors**

##### *(Twelfth resolution)*

Serge Weinberg has held the office of Chairman of the Board of Directors since May 17, 2010. He has never had, and does not currently have, a contract of employment with Sanofi.

The Chairman of the Board chairs the Strategy Committee. He is also a member of the Appointments, Governance and CSR Committee and the Scientific Committee.

The roles and powers of the Chairman are specified in our Board Charter (*règlement intérieur*), an English-language version of which is available in the "Standards and Rules" pages of the Corporate Governance section of our corporate website [www.sanofi.com](http://www.sanofi.com).

During the course of 2021, the Chairman's activities included:

- chairing all the meetings of the Board of Directors (eight in 2021) and of the Committees of which he is a member (four meetings of the Appointments, Governance and CSR Committee, five meetings of the Strategy Committee and three meetings of the Scientific Committee), and participating in Committee meetings to which he was invited (Audit Committee and Compensation Committee);
- close monitoring of the proper implementation of the decisions taken by the Board;
- meetings with directors, including (i) on the appointment of Barbara Lavernos and the arrival on the Board of two new directors representing employees, to explain to them how the Board operates and answer their questions, (ii) in connection with the evaluation of the Board's operating procedures, and (iii) on matters relating to the projects presented to the Board;
- regular meetings with the members of the Executive Committee;
- meetings with Sanofi employees;
- meetings with biotechs and medtechs;
- organizing two strategy seminars, in March and October 2021;
- representing Sanofi at events or official meetings (in France and abroad) with representatives of the public authorities and other stakeholders, in line with his remit as defined by the Board Charter; and
- participating in the preparation and implementation of Future4Care.

The Chairman also has a role in explaining positions taken by the Board within its sphere of competence, especially in terms of strategy, governance and executive compensation. In furtherance of this role, Serge Weinberg drew on his experience of corporate communication in:

- answering letters from investors and shareholders;
- holding meetings with certain shareholders and proxy advisors; and
- attending a meeting of the Individual Shareholders Committee at Sanofi headquarters in March 2021, discussing what Sanofi had achieved in 2020 and answering questions about the Company's latest news, future prospects and dividend policy.

**Components of compensation paid during or awarded in respect of the year ended December 31, 2021 to Serge Weinberg, Chairman of the Board of Directors, and submitted to a shareholder vote**

The table below shows the components of the compensation and benefits of all kinds paid or awarded to Serge Weinberg for serving as Chairman of the Board in respect of the year ended December 31, 2021, and submitted to you for a vote pursuant to Article L. 22-10-34-II of the French Commercial Code.

<b>Components of compensation submitted to a shareholder vote</b>	<b>Amounts paid during the year ended December 31, 2021</b>	<b>Amounts awarded in respect of the last financial year or accounting valuation (€)</b>	<b>Comments</b>
Fixed compensation	800,000	N/A	For the 2021 financial year, Serge Weinberg's annual fixed compensation was €800,000.
Annual variable compensation	N/A	N/A	None
Awards of stock options and/or performance shares	N/A	N/A	None
Termination benefit	N/A	N/A	None
Exceptional compensation	N/A	N/A	None
Non-compete indemnity	N/A	N/A	None
Top-up pension plan	N/A	N/A	None
Health, death & disability cover	N/A	N/A	None
Multi-year variable compensation	N/A	N/A	None
Benefits in kind	7,740.00	N/A	The amount reported for benefits in kind relates to a company car with a driver.
Compensation for serving as a director	N/A	N/A	None



b. Paul Hudson – Chief Executive Officer

*(Thirteenth resolution)*

Paul Hudson was appointed Chief Executive Officer by the Board of Directors effective September 1, 2019, for an indefinite term of office. Paul Hudson does not have a contract of employment with Sanofi.

**Components of compensation paid or awarded in respect of the year ended December 31, 2021 to Paul Hudson, Chief Executive Officer, and submitted to a shareholder vote**

Paul Hudson's compensation for 2021 was determined by the Board of Directors on February 22, 2022, acting on a recommendation from the Compensation Committee and in compliance with the compensation policy for the Chief Executive Officer.

The table below shows the components of the compensation and benefits of all kinds paid or awarded to Paul Hudson for serving as Chief Executive Officer in respect of the year ended December 31, 2021, and submitted to you for a vote pursuant to Article L. 22-10-34 II of the French Commercial Code.

Components of compensation submitted to a shareholder vote	Amounts paid during the last financial year (€)	Amounts awarded in respect of the last financial year or accounting valuation (€)	Comments
Annual fixed compensation	1,300,000	N/A	Paul Hudson's annual fixed compensation has been set at €1,300,000 gross (unchanged since his arrival in 2019).
Annual variable compensation	2,213,250 <sup>(1)</sup>	2,308,800 <sup>(2)</sup>	<p><b>(1) Annual variable compensation in respect of 2020, paid in 2021</b> Amount of annual variable compensation due to Paul Hudson in respect of the year ended December 31, 2020, payment of which has already been approved by the tenth resolution of the Annual General Meeting of April 30, 2021 (ex-post vote).</p> <p><b>(2) Annual variable compensation in respect of 2020</b> The gross variable compensation of Paul Hudson is in a potential range between 0% and 250% of his gross annual fixed compensation, with a target of 150%. His variable compensation for 2021 was established on the basis of quantitative and qualitative criteria. Those objectives were 50% based on financial indicators (sales growth, business net income, free cash flow, business operating income margin and growth of new assets, each accounting for a fifth), and 50% based on specific individual objectives. For 2021, the criteria were:</p> <ul style="list-style-type: none"> <li>• growth of key new assets (10%) – quantitative objective;</li> <li>• business transformation (7.5%) – qualitative objective;</li> <li>• organization and people (12.5%) – qualitative objective;</li> <li>• pipeline (10%) – quantitative objective; and</li> <li>• CSR (15%) – quantitative and qualitative objective.</li> </ul> <p>Acting on a recommendation from the Compensation Committee, the Board meeting of February 22, 2022 reviewed the attainment level for each criterion and sub-criterion. The Board's conclusions are summarized in the table presented on page 18.</p> <p>The Board of Directors set Paul Hudson's variable compensation for 2021 at €2,308,800, equivalent to 177.6% of his annual fixed compensation.</p> <p>Payment of his variable compensation in respect of 2021 is contingent on approval of the components of the Chief Executive Officer's compensation by the present General Meeting under the present resolution.</p>

*Report of the Board of Directors on resolutions submitted to the Combined General Meeting*

Components of compensation submitted to a shareholder vote	Amounts paid during the last financial year (€)	Amounts awarded in respect of the last financial year or accounting valuation (€)	Comments
Compensation for taking up office (sign-on bonus)	2,011,750.00	2,017,672*	<p><b>Phantom Stock Units</b></p> <p>Having waived all equity-based compensation not yet vested on leaving his previous employer, Paul Hudson was awarded on joining Sanofi a medium-term incentive plan under which he can be paid a cash bonus subject to continuous presence and performance conditions. Under the terms of the plan, which compensates for around 50% of the incentive plans that Paul Hudson has waived, he is awarded Phantom Stock Units, vesting of which is contingent on continuous presence and performance conditions, with the attainment level of the performance conditions to be determined for half of the award as of March 30, 2021 and for the other half as of March 31, 2022.</p> <p>On expiry of the vesting periods mentioned above, the Phantom Stock Units will vest, entitling Paul Hudson to a cash bonus equal to the value of Sanofi shares, computed as the average of the opening quoted market prices of Sanofi shares on Euronext Paris for the 20 trading days preceding each vesting date.</p> <p>The performance conditions applicable to the Phantom Stock Units, and the reference periods for assessing fulfillment of those conditions, are set forth on pages 56-57 of Sanofi's 2021 <i>Document d'enregistrement universel</i> (an English-language version is included at page 113 of Sanofi's 2021 annual report on Form 20-F).</p> <p>* Final valuation of the 25,000 Phantom Stock Units awarded in respect of 2020.</p> <p>** The Board meeting of February 22, 2022 formally noted the attainment level of the performance conditions, and the overall allocation rate. Paul Hudson was awarded 21,775 Phantom Stock Units in respect of 2021. The amount mentioned in this table is provided by way of indication with reference to the average opening price of the Sanofi share on Euronext Paris during the 20 trading days immediately preceding February 22, 2022, the date of the Board meeting which determined the components of the Chief Executive Officer's compensation. The final valuation of the 21,775 Phantom Stock Units will be determined as of March 31, 2022 (the vesting date of the First Tranche). It will be equal to the total number of Phantom Stock Units multiplied by the value of the Sanofi share with reference to the average opening price of the Sanofi share on Euronext Paris during the 20 trading days immediately preceding the vesting date, and will be communicated on the Sanofi corporate website.</p> <p>Payment of that amount is contingent on Paul Hudson remaining in post as of March 31, 2022, and is subject to approval of the components of the Chief Executive Officer's compensation by the present General Meeting under the present resolution.</p>
Multi-year variable compensation	N/A	N/A	None
Performance shares	N/A	5,347,500	<p>In accordance with the compensation policy for the Chief Executive Officer as approved by the shareholders at the Annual General Meeting of April 30, 2021, and acting on the recommendations of the Compensation Committee, the Board meeting of April 30, 2021 decided to award 75,000 performance shares to Paul Hudson in respect of 2021.</p> <p>Each performance share awarded on April 30, 2021, was valued at €71.30, valuing the total benefit at €5,347,500. Performance shares are valued at the date of grant. The valuation of that award as of April 30, 2021, determined in accordance with IFRS and incorporating a market-related condition, was €5,347,500, equivalent to 4.11 times his fixed compensation.</p> <p>The number of performance shares awarded to Paul Hudson in 2021 represents 0.39% of the total limit approved by the Annual General Meeting on April 30, 2021 and 0.005% of the share capital at the date of grant.</p> <p>His award is contingent upon performance conditions assessed over three financial years (2021-2023), comprising both internal criteria based upon business net income (BNI) and free cash flow (FCF), and an external criterion based upon total shareholder return (TSR) relative to a benchmark panel of twelve of the leading global pharmaceutical companies. The panel comprises: Amgen, AstraZeneca plc, Bayer AG, Bristol-Myers Squibb Inc., Eli Lilly and Company Inc., GlaxoSmithKline plc, Johnson &amp; Johnson Inc., Merck Inc., Novartis AG, Novo Nordisk, Pfizer Inc., and Roche Holding Ltd.</p>
Exceptional compensation	N/A	N/A	None.
Termination benefit	No payment made	No payment made	<p>Paul Hudson is entitled to a termination benefit that only becomes payable if his departure is forced (i.e. in the event of removal from office linked to a change in strategy or control of the Company) and is subject to a performance condition.</p> <p>The terms and conditions for payment of the termination benefit, in particular those related to attainment of a performance condition, are described in the section on the compensation policy for the Chief Executive Officer (starting on page 21 of the present document).</p>
Non-compete indemnity	No payment made	No payment made	<p>In the event of his departure from the Company, Paul Hudson undertakes not to join a competitor of the Company as an employee or corporate officer, or to provide services to or cooperate with such a competitor, during a 12-month period following his departure.</p> <p>The terms and conditions for payment of the non-compete indemnity are described in the section on the compensation policy for the Chief Executive Officer (starting on page 21 of the present document).</p>

**Report of the Board of Directors on resolutions submitted to the Combined General Meeting**

<b>Components of compensation submitted to a shareholder vote</b>	<b>Amounts paid during the last financial year (€)</b>	<b>Amounts awarded in respect of the last financial year or accounting valuation (€)</b>	<b>Comments</b>
Top-up pension plan	439,156.25	451,000	<p>In accordance with the compensation policy for the Chief Executive Officer, Paul Hudson is entitled to benefits under the top-up defined-contribution pension plan introduced within Sanofi on January 1, 2020.</p> <p>This is a collective plan falling within the scope of Article 82 of the French General Tax Code. It is also offered to members of our Executive Committee and all senior executives whose position is classified within the Sanofi grade scale as "Executive Level 1 or 2". The Chief Executive Officer's entitlement under this plan may be withdrawn by a decision of the Board of Directors, but not retroactively.</p> <p>Under the terms of the plan, Paul Hudson receives an annual contribution the amount of which (subject to attainment of a performance condition) may be up to 25% of his reference compensation (annual fixed and variable cash-based compensation only; all other compensation is excluded).</p> <p>The performance condition is linked to the attainment level for his variable compensation, as described in the section on the compensation policy for the Chief Executive Officer (starting on page 21 of the present document).</p> <p>The gross annual contribution is paid as follows:</p> <ul style="list-style-type: none"> <li>• 50% as a gross insurance premium to the fund manager; the amount due to the fund manager with respect to 2021 is €451,000; and</li> <li>• 50% to Paul Hudson, to indemnify him for the social security and tax charges for which he will become immediately liable. The amount due to Paul Hudson in respect of 2021 was determined by the Board of Directors on February 22, 2022 and amounts to €451,000.</li> </ul> <p>The terms and conditions for payment of the contribution, in particular those related to attainment of a performance condition, are described in the section on the compensation policy for the Chief Executive Officer (starting on page 21 of the present document).</p> <p>Payment of those amounts is contingent on approval of the components of the Chief Executive Officer's compensation by the present General Meeting under the present resolution.</p>
Benefits in kind	8,998	N/A	The benefits in kind received by Paul Hudson in 2021 were valued at €8,998, and correspond to a company car with a driver.
Compensation for serving as a director	N/A	N/A	None

## Report of the Board of Directors on resolutions submitted to the Combined General Meeting

Annual variable compensation in respect of 2021 – Attainment level for each criterion

Acting on a recommendation from the Compensation Committee, the Board of Directors meeting of February 22, 2022 reviewed the attainment of each criterion and sub-criterion. The Board's conclusions are summarized in the table below.

Criterion	Type	Weight	Target/ Maximum (as % of fixed compensation)	Attainment level	Comments	Payout (as % of fixed compensation)
<b>Financial objectives</b>						
Sales growth	Quantitative	10%	15% / 25%	126.0%	Confidential target, Performance above budget	18.91%
Business net income	Quantitative	10%	15% / 25%	126.5%	Confidential target, Performance above budget	18.98%
Free Cash Flow	Quantitative	10%	15% / 25%	117.1%	Confidential target, Performance above budget	17.57%
BOI margin	Quantitative	10%	15% / 25%	102.7%	Confidential target, Performance on budget	15.40%
Growth in new key assets	Quantitative	10%	15% / 25%	97.6%	Dupixent® and China new assets above budget, vaccines below (US flu, China)	14.64%
<b>Individual objectives</b>						
Business Transformation	Quantitative / Qualitative	15%	22.5% / 37.5%	121.0%	Significant progress in the transformation of CHC (digitization, OTC switches, e-commerce, carve in), Industrial Affairs (EUROAPI, digitization, cost of sales), Digital (increase in healthcare professional and patient engagement in General Medicines, governance in place), Vaccines (mRNA center of excellence).	27.23%
Organization and People	Quantitative / Qualitative	7.5%	11.25% / 18.75%	130.0%	Increase in number of women recruited to Grade 5 posts and higher grades. Progress in culture shift, in succession planning of Executive Committee members, and in diversity of succession pipeline.	14.63%
CSR	Reshape of CSR organization and governance	15%	22.5% / 37.5%	115.0%	CSR organization and governance redefined: Head of CSR in place, country network in place, regular reporting to Executive Committee and Board in place	25.88%
	Enhancement of Sanofi's commitments in CSR				<ul style="list-style-type: none"> <li>• Clear objectives set: 4 pillars / 13 priorities</li> <li>• 58% renewable energy (ahead of target)</li> <li>• Global Health unit officially launched and first core projects ongoing</li> <li>• Definition and launch of the new company ambition, purpose and branding in line with the Play to Win strategy</li> <li>• Reinforced Diversity &amp; Inclusion policy (i.e. 14 weeks of parental leave for all employees)</li> </ul>	
	Reinforcement of the monitoring of compliance roadmap / objectives				<ul style="list-style-type: none"> <li>• Global Compliance Officer, Head of Ethics &amp; Business Integrity hired</li> <li>• Digitization of Ethics &amp; Business Integrity accelerated to strengthen the 360° Integrity and Ethics approach</li> </ul>	
Pipeline	Quantitative	12.5%	18.75% / 31.25%	130.0%	Pipeline progression ahead of forecasts: entries into clinical development for 10 First in Class or Best in Class, 8 entries into M2 (Candidate selection), 9 submissions and 10 approvals. Productivity gains ahead of objectives.	24.38%
<b>Total</b>		<b>100%</b>	<b>150% / 250%</b>	<b>118.4%</b>		<b>177.6%</b>

## Compensation policy for corporate officers (ex-ante vote)

### (Fourteenth to sixteenth resolutions)

The compensation policy for corporate officers, as determined by the Board of Directors at its meeting of February 22, 2022 pursuant to Article L. 22-10-8 of the French Commercial Code, is described (in French) in the "Report on corporate governance", which was prepared by the Board of Directors pursuant to Article L. 225-37 of the French Commercial Code and included within Sanofi's 2021 *Document d'enregistrement universel*. The equivalent information is provided in "Item 6.B. Compensation", of Sanofi's 2021 annual report on Form 20-F, available in the "Reports and Publications" section of the Investors page of the Sanofi corporate website ([www.sanofi.com](http://www.sanofi.com)).

The policy describes all the components of compensation awarded to corporate officers of Sanofi as consideration for holding office, and explains the process by which it is determined, reviewed and implemented.

The compensation policy for the corporate officers of Sanofi has three distinct elements: (i) the compensation policy for directors; (ii) the compensation policy for the Chairman of the Board of Directors; and (iii) the compensation policy for the Chief Executive Officer.

Each of those policies is submitted for your approval, in accordance with Article L. 22-10-8 II of the French Commercial Code. Subject to adoption of the fourteenth to sixteenth resolutions, the compensation policy will apply to any person holding corporate office during 2022. When a corporate officer is appointed between two Annual General Meetings, their compensation is determined by applying the terms of the compensation policy approved by the most recent Annual General Meeting of shareholders.

## Process for determining the compensation policy for corporate officers

The compensation policy for corporate officers is established by the Board of Directors, acting on the recommendation of the Compensation Committee. The Board of Directors applies the AFEP-MEDEF Code when determining the compensation and benefits awarded to our non-executive and executive officers.

All members of the Compensation Committee are independent, and were chosen for their technical competencies and their good understanding of current standards, emerging trends and Sanofi's practices.

To fulfill their remit, the Committee regularly invites the Chief People Officer and the Head of Reward and Performance of the Group to attend their meetings, although the latter absent themselves when the Committee deliberates. Committee members also work with the Chairman and the Secretary to the Board, who have contacts with our principal institutional shareholders ahead of the Annual General Meeting.

In addition, the Chairman of the Committee:

- discusses the financial, accounting and tax impacts of the proposed compensation policy with the Chairman of the Audit Committee; and
- plays an active role at meetings of the Appointments, Governance and CSR Committee and the Strategy Committee (to both of which he belongs), thereby gaining assurance that the proposed performance criteria are consistent and appropriate in light of Sanofi's strategic ambitions.

The compensation policy is not subject to annual review, although some arrangements for implementing the policy – such as the performance criteria applicable to the Chief Executive Officer's annual variable compensation, for example – are defined by the Board of Directors on an annual basis.

After consulting the Compensation Committee and as the case may be the other Board Committees, the Board of Directors may, under the second paragraph of item III of Article L. 225-37-2 of the French Commercial Code, temporarily derogate from the approved compensation policy for the Chief Executive Officer in exceptional circumstances and to the extent that the changes are aligned on the corporate interest and necessary to safeguard the continuity or viability of Sanofi. Derogations from the approved policy are possible in respect of the performance conditions applied to the Chief Executive Officer's compensation, and may result in either an increase or a decrease in compensation. The circumstances in which it is possible to apply such a derogation are (i) a change in the structure of the Sanofi group or (ii) major events affecting the markets. Such derogation may only be temporary and must be properly substantiated. Moreover, it will remain subject to approval by the next General Meeting of Sanofi shareholders.

## General principles and objectives

Sanofi's compensation policy is based on the following general principles:

- the policy must be simple;
- the policy must prioritize long-term performance;
- the level of compensation must be competitive, so that the Company can attract and retain talent; and
- there must be a fair balance between the corporate interest, the challenges of delivering on our strategy, and the expectations of our stakeholders.

The Compensation Committee must ensure that trends in the compensation of corporate officers over the medium term are not uncorrelated with trends in the compensation of all our employees. In terms of annual variable compensation and equity-based compensation, the Compensation Committee aims to achieve convergence between the performance criteria applied to our Senior Leaders and those applied to the Chief Executive Officer.

Our equity-based compensation policy, which aims to align employee and shareholder interests and reinforce loyalty to Sanofi, is a critical tool for our worldwide attractiveness as an employer.

With effect from June 2019, grantees of equity based compensation plans (including our Chief Executive Officer) can only be awarded performance shares. Awarding performance shares reduces the dilutive effect of equity based compensation plans while maintaining the same level of motivation for grantees.

Acting on the recommendation of the Compensation Committee, the Board of Directors determines the performance conditions attached to equity-based compensation for all beneficiaries at Sanofi and its subsidiaries worldwide, thereby furthering the attainment of our objectives. Our equity-based compensation plan rules are made available to our shareholders on the governance page of our website ([www.sanofi.com](http://www.sanofi.com)) in the same form as that distributed to our employees.

The Board of Directors makes any grant of performance shares contingent on multiple, exacting multi-year performance criteria in order to ensure that our equity-based compensation plans incentivize overall performance. Failure to achieve those criteria over the entire performance measurement period results in a reduction or loss of the initial grant.

In order to align equity-based compensation with our long-term performance, performance is measured over three financial years (the "vesting period"). Awards of performance shares are also contingent on continued employment in the Sanofi group during the vesting period, followed by stringent lock-up obligations in the case of the Chief Executive Officer (see below).

The terms of prior awards cannot be reset subsequently, for instance with less exacting performance conditions.

## 1. Compensation policy for directors

### *(Fourteenth resolution)*

Directors hold office for a four-year term, as specified in our Articles of Association.

The maximum annual amount of overall compensation that can be allocated to the directors has been set at €2,000,000 since 2020.

The arrangements for allocating the overall annual amount set by the Annual General Meeting between the directors are determined by the Board of Directors, acting on a recommendation from the Compensation Committee. Directors' compensation comprises (i) an annual fixed amount of €30,000, apportioned on a time basis for directors who assumed or left office during the year, and (ii) a variable amount, allocated by the Board according to actual attendance at Board and Committee meetings. As required by the AFEP-MEDEF Code, directors' compensation is allocated predominantly on a variable basis.

The table below shows how the variable amount payable to directors for attendance at Board and Committee meetings is determined; the allocation was last changed in 2020.

	Compensation per meeting			Chairman/Chairwoman
	Directors resident in France	Directors resident outside France but within Europe	Directors resident outside Europe	
Board of Directors	€5,500	€8,250	€11,000	N/A
Audit Committee	€8,250	€8,250	€8,250	€11,000
Compensation Committee	€5,500	€8,250	€11,000	€8,250
Appointments, Governance and CSR Committee	€5,500	€8,250	€8,250	€8,250
Strategy Committee	€5,500	€8,250	€11,000	Determined by reference to place of residence
Scientific Committee	€5,500	€8,250	€11,000	Determined by reference to place of residence

On March 3, 2021, the Board of Directors decided that in light of public health protection measures, the deployment of appropriate technical solutions, and practices adopted by other issuers, directors who take part via videoconference would from 2021 onwards receive compensation equivalent to that paid to a director resident in France and attending in person. Committee Chairs will continue to receive the usual compensation in respect of the Committee they chair.

In any event, the Board continues to encourage directors to attend Board and Committee meetings in person, subject to strict compliance with public health protection measures.

As an exception, in certain cases two meetings held on the same day give entitlement to a single payment:

- if on the day of a shareholders' General Meeting, the Board of Directors meets both before and after the meeting, only one payment is made for the two Board meetings;
- if on the same day a director participates in a meeting of the Compensation Committee and a meeting of the Appointments, Governance and CSR Committee, only the higher of the two payments is made to cover both meetings.

The introduction of a separate compensation scale depending on whether or not the director is a European resident is intended to take into account the significantly longer travel time required to attend meetings in person.

Directors do not receive any exceptional compensation or equity-based compensation and have no entitlement to a top-up pension plan.

Neither the Chairman of the Board nor the Chief Executive Officer receives any compensation for serving as a director.

If the Annual General Meeting decides not to vote in favor of the fourteenth resolution, the arrangements for allocating the total amount of compensation would be the same as those applicable in 2021. Those arrangements are described in the French-language *Document d'enregistrement universel* of Sanofi for 2021, in Chapter "1. Présentation de Sanofi — 1.2. Gouvernement d'entreprise — sub-section 5. Rémunérations — 5.A.B. Éléments de rémunération et avantages de toute nature versés au cours ou attribués au titre de 2021 aux mandataires sociaux — Item 1. Éléments de rémunération et avantages de toute nature versés au cours ou attribués au titre de 2021 aux administrateurs". The equivalent English-language text is contained in Item 6.B. of Sanofi's annual report on Form 20-F for 2021, in the section entitled "Compensation elements and benefits of all kinds paid during 2021 or awarded in respect of 2021 to directors"; that document is available in the "Reports and Publications" section of the Investors page of the Sanofi corporate website ([www.sanofi.com](http://www.sanofi.com)).

## **2. Compensation policy for the Chairman of the Board of Directors**

### *(Fifteenth resolution)*

The term of office of the Chairman of the Board is the same as that of the other directors (four years), and the Chairman's term is aligned with his term of office as a director.

The compensation policy for the Chairman of the Board is discussed by the Compensation Committee, which then makes a recommendation to the Board of Directors. The Chairman of the Board is not a member of the Committee, and does not attend meetings where his compensation is discussed.

The compensation of the Chairman of the Board of Directors (where the office of Chairman is separate from that of Chief Executive Officer, as is currently the case) consists solely of fixed compensation and benefits in kind and excludes any variable or exceptional compensation, any awards of stock options or performance shares, and any compensation for serving as a director. The Board meeting of February 22, 2022 set the annual fixed compensation awarded to the Chairman of the Board at €800,000 gross, unchanged from 2021.

Where the office of Chairman is separate from that of Chief Executive Officer, the Chairman of the Board is not entitled to the Sanofi top-up defined-contribution pension plan.

Nor is he entitled to a termination benefit or a non-compete indemnity.

The Chairman of the Board does not receive compensation for acting as Chairman of the Board, as a member of the Appointments, Governance and CSR Committee, or as chair of the Strategy Committee.

## **3. Compensation policy for the Chief Executive Officer**

### *(Sixteenth resolution)*

#### **General principles**

Our Chief Executive Officer is not appointed for a fixed term of office.

The compensation policy for the Chief Executive Officer is established by the Board of Directors, acting on the recommendation of the Compensation Committee. The compensation structure is not subject to annual review and is applicable for as long as it remains unchanged. The arrangements for implementing the policy may vary from year to year; a table showing the changes made to those arrangements in 2022 and 2021 is provided at the end of the present section.

The compensation of the Chief Executive Officer is determined with reference to compensation awarded to the chief executive officers of the following 12 leading global pharmaceutical companies: Amgen, AstraZeneca plc, Bayer AG, Bristol-Myers Squibb Inc., Eli Lilly and Company Inc., GlaxoSmithKline plc, Johnson & Johnson Inc., Merck Inc., Novartis AG, Novo Nordisk, Pfizer Inc., and Roche Holding Ltd. This panel comprises companies that are comparable to Sanofi, with no limitation as to geographical region given that Sanofi operates in a particularly competitive international environment. The panel has been expanded so that pharmaceutical companies operating in the biotechnology field are better represented. Consistency with market practice is fundamental in order to attract and retain the talents necessary to our success. In 2021, on the basis of the information published as of the date of the present document, median fixed compensation of the chief executive officers of the aforementioned twelve leading global pharmaceutical companies was in the region of €1,513,000; the median of the annual variable compensation awarded was in the region of €2,297,000; and the median of the long-term compensation awarded (whether equity-based or in cash) represented around 767% of fixed compensation. Within this peer group, Paul Hudson's global compensation (fixed, variable and equity-based compensation) lies within the first quartile. The practices of the main CAC 40 companies are also taken into consideration.

In light of Sanofi's performance in the period from 2019 through 2021, during which the "Play to Win" strategy was developed and rolled out, the Board meeting of February 22, 2022 considered it appropriate to review the overall amount of compensation awarded to the Chief Executive Officer relative to that awarded to the Chief Executive Officers of the companies in the above-mentioned panel. In this critical key period for the ongoing execution of the "Play to Win" strategy, the Board decided to increase the Chief Executive Officer's annual fixed compensation and to determine the amount of his equity-based compensation in respect of 2022 such that his overall compensation would increase, while remaining within the limits set by our compensation policy (see below). The other components of his compensation would remain unchanged, and the total compensation of the Chief Executive Officer after those changes would remain within the first quartile of the compensation paid by the panel of companies.

## **On taking up office**

When the Chief Executive Officer is an outside appointment, the Board of Directors may decide, acting on a recommendation from the Compensation Committee, to compensate the appointee for some or all of the benefits he may have forfeited on leaving his previous employer. In such a case, the terms on which the Chief Executive Officer is hired aim to replicate the diversity of what was forfeited, with a comparable level of risk (variable portion, medium-term equity-based or cash compensation).

## **During the term of office**

### *Compensation structure*

Sanofi's policy aims at achieving and maintaining a balance in the compensation structure between fixed compensation, benefits in kind, short-term variable cash compensation, and medium-term variable equity-based compensation.

The compensation policy for the Chief Executive Officer is designed to motivate and reward performance by ensuring that a significant portion of compensation is contingent on the attainment of financial, operational and extra-financial criteria that reflect Sanofi's objectives, and is aligned with the corporate interest and with the creation of shareholder value. Variable cash compensation and equity-based compensation are the two principal levers for action, and are intended to align the interests of the Chief Executive Officer with those of our shareholders and stakeholders.

During the meeting that follows the Board meeting held to close off the financial statements for the previous year, the Compensation Committee examines the levels of attainment of variable compensation for that year. In advance of that meeting, the Chief Executive Officer presents the Committee with a report containing narrative and quantitative information necessary to measure attainment of the objectives. The members of the Compensation Committee then discuss the information provided and report to the Board on those discussions, giving an evaluation of the Chief Executive Officer's performance against each of the criteria (determining the level of attainment for quantitative objectives, and evaluating the level of attainment for qualitative objectives).

### *Annual fixed compensation*

The annual fixed compensation of the Chief Executive Officer was set at €1,300,000 gross upon his appointment in 2019, and has not changed since then.

The amount of fixed compensation is not subject to annual review. It may however be changed, provided that such change is not material:

- on the appointment of a new Chief Executive Officer so as to reflect the new appointee's competencies and/or then current market practice;
- in exceptional circumstances, to take account of changes in (i) the role or responsibilities of the Chief Executive Officer, for example in terms of market conditions or the size of the Sanofi group or (ii) the performance level of Sanofi over a given period.

The Board meeting of February 22, 2022 decided to increase the annual fixed compensation of the Chief Executive Officer to €1,400,000 gross with effect from 2022 (refer to the explanation under "General Principles" above).

### *Annual variable compensation*

Annual variable compensation is in a range between 0% and 250% of fixed compensation, with a target of 150%. It is subject to a range of varied and exacting performance criteria, both quantitative and qualitative. The criteria are reviewed annually in light of the strategic objectives determined by Sanofi. The Board of Directors sets the criteria for each year at the start of that year on the recommendation of the Compensation Committee. For 2022, the criteria are:

- 50% based on financial indicators published by the Company: sales growth, business net income, free cash flow, business operating income (BOI) margin and growth in new assets, each accounting for 10%. Free cash flow and BOI margin were chosen because they are in line with the Company's strategic roadmap; and
- 50% based on specific individual objectives (1/3 being quantitative objectives), including one linked to corporate social responsibility criteria for Sanofi (partly quantifiable) underlining the Board's commitment to long-term value creation. The individual objectives set for variable compensation for 2022 are described in Sanofi's French-language *Document d'enregistrement universel* (5.A.C. *Éléments de rémunération et avantages de toute nature attribués aux mandataires sociaux au titre de 2022*), within Chapter "1. Présentation de Sanofi — 1.2. Gouvernement d'entreprise — sub-section 5. Rémunérations". The English-language equivalent is provided in the section entitled "Compensation and benefits of all kinds awarded to corporate officers in respect of 2022", within Item 6.B. of Sanofi's annual report on Form 20-F.

The percentage of variable compensation linked to the attainment of quantitative criteria may be scaled down regardless of actual performance, in order to give greater weight to the attainment of qualitative criteria. This flexibility can only operate to reduce the amount of variable compensation, and cannot compensate for underperformance on quantitative criteria.

The policy does not allow for the possibility of clawing back any annual variable compensation.

Payment of annual variable compensation in a given year in respect of the previous year is contingent on a favorable shareholder vote at the Annual General Meeting.



### *Equity-based compensation*

The Chief Executive Officer's equity-based compensation, which since June 2019 can only be in the form of performance shares, may not exceed 250% of his target short-term compensation (fixed plus variable).

The Chief Executive Officer's equity-based compensation is contingent upon attainment of exacting performance conditions measured over a three-year-period. Those awards are contingent upon:

- internal criteria, based on business net income (BNI) and free cash flow (FCF); and
- an external criterion based upon total shareholder return (TSR) relative to a benchmark panel of twelve of the leading global pharmaceutical companies: Amgen, AstraZeneca plc, Bayer AG, Bristol-Myers Squibb Inc., Eli Lilly and Company Inc., GlaxoSmithKline plc, Johnson & Johnson Inc., Merck Inc., Novartis AG, Novo Nordisk, Pfizer Inc., and Roche Holding Ltd. The panel was expanded from 2020 onwards so that pharmaceutical companies operating in the biotechnology field are better represented.

The valuation of performance shares is calculated at the date of grant, weighted between (i) fair value determined using the Monte Carlo model and (ii) the market price of Sanofi shares at the date of grant, adjusted for dividends expected during the vesting period.

Each award to our Chief Executive Officer takes into account previous awards and his overall compensation. In any event, the maximum number of shares to be delivered may not be more than the number of performance shares initially awarded.

The award proposed by the Board of Directors in respect of 2022 is described in Sanofi's French-language *Document d'enregistrement universel* (5.A.C. *Éléments de rémunération et avantages de toute nature attribués aux mandataires sociaux au titre de 2022*), within Chapter "1. Présentation de Sanofi — 1.2. Gouvernement d'entreprise — sub-section 5. Rémunérations". The English-language equivalent is provided in the section entitled "Compensation and benefits of all kinds awarded to corporate officers in respect of 2022", within Item 6.B. of Sanofi's annual report on Form 20-F.

### **Share ownership and lock-up obligation of the Chief Executive Officer**

The Chief Executive Officer is bound by the same obligations regarding share ownership specified in our Articles of Association and Board Charter as our other corporate officers.

In addition, until he ceases to hold office the Chief Executive Officer is required to retain a quantity of Sanofi shares equivalent to 50% of any gain (net of taxes and social contributions) arising on the vesting of performance shares, calculated as of the date on which those shares vest. Those shares must be retained in registered form until he ceases to hold office.

In compliance with the AFEP-MEDEF Code and our Board Charter, the Chief Executive Officer must undertake to refrain from entering into speculative or hedging transactions.

### *Multi-year variable compensation*

The Chief Executive Officer does not receive multi-year variable compensation.

### *Compensation for serving as a director*

Executive officers of Sanofi do not receive any compensation for serving as directors. Consequently, the Chief Executive Officer does not receive compensation in his capacity as a director or as a member of the Strategy Committee.

### *Exceptional compensation*

No exceptional compensation can be awarded to the Chief Executive Officer.

## **On leaving office**

The Chief Executive Officer is entitled to a top-up defined-contribution pension plan, a termination benefit, and a non-compete indemnity.

Such arrangements are part of the overall compensation package generally awarded to executive officers; in line with recommendations of the AFEP-MEDEF Code, there are very strict rules about how they are implemented. The termination benefit and non-compete indemnity are intended to compensate for the fact that the Chief Executive Officer may be dismissed at any time.

Each of those benefits is taken into account by the Board of Directors when fixing the overall compensation of the Chief Executive Officer.

### *Pension arrangements*

The Chief Executive Officer is entitled to benefits under the top-up defined-contribution pension plan introduced within Sanofi on January 1, 2020. This is a collective plan falling within the scope of Article 82 of the French General Tax Code. It is also offered to members of our Executive Committee and all senior executives whose position is classified within the Sanofi grade scale as "Executive Level 1 or 2". The Chief Executive Officer's entitlement under this plan may be withdrawn by a decision of the Board of Directors, but not retroactively.

Under the terms of the plan, the Chief Executive Officer receives an annual contribution the amount of which (subject to attainment of a performance condition) may be up to 25% of his reference compensation (annual fixed and variable cash-based compensation only; all other compensation is excluded). The rights accruing under the plan are those that are generated by the capitalization contract taken out with the insurer, and vest even if the Chief Executive Officer does not remain with Sanofi until retirement. The Chief Executive Officer may elect for the rights to be transferable as a survivor's pension.

The performance condition is as follows:

- if the level of attainment for variable compensation is equal to or greater than the target (i.e. 150% of fixed compensation), 100% of the contribution is paid;
- if the level of attainment for variable compensation is less than 100% of fixed compensation, no contribution is paid; and
- between those two limits, the contribution is calculated on a prorata basis.

Because this performance condition is linked to the attainment of the performance criteria for annual variable compensation (which itself is determined with reference to the strategic objectives of Sanofi), it ensures that no pension contributions could be made in the event that the Chief Executive Officer fails to deliver.

The plan is wholly funded by Sanofi, which pays the full amount of the gross contributions. Because it is treated as equivalent to compensation, the contribution is subject to payroll taxes and employer's social security charges, and to income tax in the hands of the Chief Executive Officer; all of the above are charged on the basis of the bands, rates and other conditions applicable to compensation, paid and declared on his payslips for the contribution period.

Subject to (i) formal confirmation by the Board of Directors that the performance condition for the previous year has been met and (ii) approval of the Chief Executive Officer's compensation package for that year by the Annual General Meeting of our shareholders, the annual gross contribution is paid as follows:

- 50% as a gross insurance premium to the fund manager; and
- 50% to the Chief Executive Officer, to indemnify him for the social security and tax charges for which he will become immediately liable.

In accordance with Article 39.5 bis of the French General Tax Code, deferred compensation as defined in section 4 of Article L. 22-10-9 of the French Commercial Code can be offset against corporate profits as a taxable expense up to a limit set at three times the annual social security ceiling per beneficiary.

The pension entitlement is not cumulative with (i) any termination benefit paid in the event of forced departure or (ii) any non-compete indemnity.

### *Termination arrangements*

The termination benefit only becomes payable if the departure of the Chief Executive Officer is forced, i.e. in the event of removal from office or resignation linked to a change in strategy or control of the Company. Compensation for non-renewal of the term of office is irrelevant in the case of the Chief Executive Officer, because this office is held for an indefinite term.

In addition, no termination benefit is payable and the arrangement is deemed to have been rescinded in the following circumstances:

- in the event of removal from office for gross or serious misconduct (*faute grave ou lourde*);
- if the Chief Executive Officer elects to leave Sanofi to take up another position;
- if the Chief Executive Officer is assigned to another position within Sanofi;
- if the Chief Executive Officer takes his pension.

Payment of the termination benefit is contingent upon fulfillment of a performance condition, which is deemed to have been met if the attainment rate for the individual variable compensation objectives exceeded 90% of the target; that condition is assessed over the three financial years preceding the Chief Executive Officer leaving office.

The amount of the termination benefit is capped at 24 months of his most recent total compensation on the basis of (i) the fixed compensation effective on the date of leaving office and (ii) the last variable compensation received prior to that date, subject to fulfillment of the performance condition.

The amount of the termination benefit is reduced by any amount received as consideration for the non-compete undertaking, such that the aggregate amount of those two benefits may never exceed two years of total fixed and variable compensation.

### *Non-compete undertaking*

In the event of his departure from the Company, the Chief Executive Officer undertakes, during the 12-month period following his departure, not to join a competitor of Sanofi as an employee or corporate officer, or to provide services to or cooperate with such a competitor.

In return for this undertaking, he receives an indemnity corresponding to one year's total compensation, based on his fixed compensation effective on the day he leaves office and on the last individual variable compensation he received prior to that date. This indemnity is payable in 12 monthly installments.

However, the Board of Directors reserves the right to release the Chief Executive Officer from that undertaking for some or all of that 12-month period. In such cases, the non-compete indemnity would not be due for the period of time waived by the Company.

### Consequences of the Chief Executive Officer's departure for equity-based compensation

If the Chief Executive Officer leaves Sanofi for reasons other than resignation or removal from office for gross or serious misconduct (in which case any award of equity-based compensation is forfeited in full), the overall allocation percentage is prorated to reflect the amount of time the Chief Executive Officer remained with Sanofi during the vesting period.

If at any time prior to the expiration of the vesting period of his performance shares the Chief Executive Officer joins a competitor of Sanofi as an employee or corporate officer, or provides services to or cooperates with such a competitor, he irrevocably loses those performance shares regardless of any full or partial discharge by the Board of Directors of the non-compete undertaking relating to his office as Chief Executive Officer.

Since 2021, if the Chief Executive Officer retires at statutory retirement age prior to the expiration of the vesting period of his performance shares, the overall allocation rate will be apportioned on a prorata basis to reflect the amount of time for which the Chief Executive Officer remains in the employment of Sanofi during the vesting period.

### Summary of benefits awarded to the Chief Executive Officer on leaving office

The table below presents a summary of the benefits (as described above) that could be claimed by the Chief Executive Officer on leaving office, depending on the terms of his departure. The information provided in this summary is without prejudice to any decisions that may be made by the Board of Directors.

	Voluntary departure/Removal from office for gross or serious misconduct	Forced departure	Retirement
Termination benefit <sup>(a)</sup>	/	24 months of fixed compensation as of the date of leaving office + 24 months of most recent individual variable compensation received <sup>(d)</sup> – Amounts received as non-compete indemnity	/
Non-compete indemnity <sup>(b)</sup>	12 months of fixed compensation as of the date of leaving office + 12 months of most recent individual variable compensation received prior to leaving office	12 months of fixed compensation as of date of leaving office + 12 months of most recent individual variable compensation received prior to leaving office <sup>(e)</sup>	/
Top-up pension <sup>(c)</sup>	/	/	Annual contribution of up to 25% of reference compensation
Performance share plans not yet vested	Forfeited in full	Rights retained prorata to period of employment within Sanofi <sup>(f)</sup>	Rights retained prorata to period of employment within Sanofi <sup>(f)</sup>

(a) The amount of the termination benefit is reduced by any indemnity received as consideration for the non-compete undertaking, such that the aggregate amount of those two benefits may never exceed two years of total fixed and variable compensation.

(b) The Board of Directors may decide to release the Chief Executive Officer from the non-compete undertaking for some or all of the 12-month period. In that case, the non-compete indemnity would not be due, or would be scaled down proportionately.

(c) Defined-contribution pension plan, within the scope of Article 82 of the French General Tax Code. Subject to fulfillment of the performance condition, assessed each year.

(d) Subject to fulfillment of the performance condition assessed over the three financial years preceding the departure from office, as described above.

(e) Subject to the Board of Directors enforcing the non-compete undertaking, the amount of the termination benefit is reduced by any indemnity received as consideration for the non-compete undertaking, such that the aggregate amount of those two benefits may never exceed two years of total fixed and variable compensation.

(f) In this case, the Chief Executive Officer remains subject to the terms of the plans, including the performance conditions and the non-compete clause.

The table below summarizes adjustments made to how the compensation policy for the Chief Executive Officer is implemented. They have been thoroughly discussed with our shareholders.

2022	2021
<ul style="list-style-type: none"> <li>• annual fixed compensation:                             <ul style="list-style-type: none"> <li>– annual fixed compensation is increased to €1,400,000 gross with effect from 2022;</li> </ul> </li> <li>• annual variable compensation:                             <ul style="list-style-type: none"> <li>– Sanofi now publishes the content of the individual CSR performance objective (sub-criteria)</li> </ul> </li> <li>• variable equity-based compensation:                             <ul style="list-style-type: none"> <li>– the external criterion based on Total Shareholder Return (TSR) will no longer be measured in absolute value (ranking) but in relative terms (variation from the previous ranking), except that for the Chief Executive Officer any TSR-linked payment will remain contingent on Sanofi achieving a rank greater than or equal to the median of the TSR panel.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• annual variable compensation:                             <ul style="list-style-type: none"> <li>– the quantitative component of the objectives (financial and non-financial) has been changed from 60% to 67% (minimum),</li> <li>– Sanofi will now publish the level of attainment of non-financial objectives, on an ex post basis;</li> </ul> </li> <li>• equity-based compensation:                             <ul style="list-style-type: none"> <li>– if the Chief Executive Officer takes retirement at the statutory retirement age before the end of the vesting period, the overall allocation rate is apportioned on a prorata basis to reflect the amount of time for which he remained in the employment of Sanofi during the vesting period.</li> </ul> </li> </ul>

## **Share repurchase program**

### *(Seventeenth resolution)*

The Board of Directors proposes, in accordance with Articles L. 225-209 et seq of the French Commercial Code, that you renew the authorization to repurchase the Company's own shares granted to the Board of Directors at the Annual General Meeting of April 30, 2021.

In 2021, the Company used those authorizations to repurchase its own shares directly on the market, acquiring 4,523,957 shares at a weighted average price of €84.27 per share, i.e. a total cost of €381 million. Brokerage fees, financial transactions tax and AMF contributions (net of corporate income taxes) amounted to €0.89 million. The Company did not use derivatives to repurchase its own shares.

The Company did not cancel any of its own shares in 2021.

The Company did not make use of liquidity contracts in 2021.

The Company did not have any shares allocated to stock option plans outstanding at December 31, 2021.

In 2021, in addition to the 8,280,347 shares allocated to performance share plans outstanding at December 31, 2020, Sanofi:

- purchased 1,758,569 of its shares at an average weighted price of €79.61 for a total amount of €139,999,948;
- transferred 1,786,343 of its shares to beneficiaries of performance shares at an average weighted price of €83.09 for a total amount of €148,430,715.

As of December 31, 2021, the 8,252,573 treasury shares held under our share repurchase program were allocated to covering performance share plans.

The 838 shares created under the Action 2020 employee share ownership plan not allocated to employees were sold in 2021.

In 2021, Sanofi purchased 2,765,388 shares at an average weighted price of €87.24 for a total amount of €241,246,756, which were allocated to a cancellation objective.

In addition, no shares were held to cover stock option plans or for liquidity purposes.

As of December 31, 2021, the Company directly owned 11,017,961 Sanofi shares with a par value of €2 representing around 0.87% of our share capital and with an estimated value of €927 million, based on the share price at the time of purchase.

Under the new resolution submitted for your approval, the Company could repurchase its own shares up to the statutory limit of 10% of its share capital at the date of repurchase (i.e. 126,356,069 shares as of December 31, 2021), and the maximum number of treasury shares held after any repurchases could not under any circumstances exceed 10% of the Company's share capital.

The maximum price for repurchases (excluding acquisition-related costs) would be €150 per share, and the total amount allocated to the share repurchase program could not exceed €18,953,410,350 (excluding acquisition-related costs).

It would not be possible to use this authorization in the event of a public tender offer for Sanofi's shares, and its validity would be limited to a period of 18 months. The objectives of the repurchase program that would be implemented pursuant to this authorization are limited by law, and are described in detail in the resolution. Sanofi would be able to repurchase shares itself or through an intermediary. Information about share repurchases is disclosed regularly on our corporate website ([www.sanofi.com](http://www.sanofi.com)).

## *Extraordinary business*

### **Amendment to Article 25 of the By-laws**

#### *(Eighteenth resolution)*

In order (inter alia) to allow for the distribution of the dividend in kind described above (third resolution), the Board of Directors proposes that you amend Article 25 of the Articles of Association (relating to dividends) to admit the possibility of:

- (i) carrying out distributions of assets of the Company, including financial securities, by offset against dividends, interim dividends, reserves or additional paid-in capital; and
- (ii) deciding that fractional rights will be neither negotiable nor transferable, and hence that in cases where the proportion of the distribution to which a shareholder is entitled does not correspond to a whole number of the unit of measurement used for the distribution, that shareholder will receive the next lowest whole number of that unit of measurement plus a cash payment for the balance.

# Information about Directors

## Current composition of the Board of Directors



**Serge Weinberg,**  
Chairman of the Board of Directors



**Paul Hudson**  
Chief Executive Officer Director



**Christophe Babule**  
Director



**Rachel Duan**  
Independent director



**Lise Kingo**  
Independent director



**Patrick Kron**  
Independent director



**Wolfgang Laux**  
Director representing employees



**Barbara Lavernis**  
Director



**Fabienne Lecorvaisier**  
Independent director



**Melanie Lee\***  
Independent director



**Caroline Piwnica\***  
Independent director



**Gilles Schnepf**  
Independent director



**Diane Souza**  
Independent director



**Thomas Südhof**  
Independent director



**Yan Tran**  
Director representing employees

\* As announced in the press release of February 22, 2022, Melanie Lee and Carole Piwnica will leave the Board of Directors ahead of the general meeting

# Information about directors

whose reappointment is proposed to the General Meeting

## Paul Hudson



Date of birth: October 14, 1967 (aged 54)  
Nationality: British  
First appointed: September 2019  
Term expires: 2022  
Business address: Sanofi - 54, rue La Boétie - 75008 Paris - France  
Number of shares held: 5,600 shares

### Current directorships and appointments

#### WITHIN THE SANOFI GROUP

##### Chief Executive Officer

- Chairman of the Executive Committee
- Director
- Member of the Strategy Committee

#### OUTSIDE THE SANOFI GROUP

##### In French companies

- None

##### In foreign companies

- None

### Past directorships expiring within the last five years

#### WITHIN THE SANOFI GROUP

- None

#### OUTSIDE THE SANOFI GROUP

##### In French companies

- None

##### In foreign companies

- None

### Education and professional experience

- Degree in economics from Manchester Metropolitan University, UK
- Diploma in marketing from the Chartered Institute of Marketing, UK
- Honorary Doctorate in Business Administration, Manchester Metropolitan University, UK

**From September 1, 2019** Chief Executive Officer of Sanofi\*

2016-2019 CEO of Novartis Pharmaceuticals, member of Executive Committee

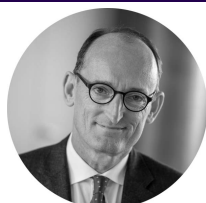
2006-2016 Various operational and managerial positions at AstraZeneca (including President, AstraZeneca US; Executive Vice President, North America; Representative Director & President, AstraZeneca KK, Japan; President of AstraZeneca Spain; and Vice-President and head of Primary Care United Kingdom)

Before 2006 Various operational and managerial positions at Schering-Plough, including Head of Global Marketing for biologicals. Various sales and marketing positions at GlaxoSmithKline UK and Sanofi-Synthélabo UK

### Competencies

Healthcare/pharmaceutical industry experience, Senior executive role in international group, International experience, Mergers & acquisitions

## Christophe Babule



Date of birth: September 20, 1965 (aged 56)  
 Nationality: French  
 First appointed: February 2019  
 Term expires: 2022  
 Business address: Sanofi - 54, rue La Boétie - 75008 Paris, France  
 Number of shares held: 1,000 shares

### Current directorships and appointments

#### WITHIN THE SANOFI GROUP

##### Director

- Member of the Audit Committee

#### OUTSIDE THE SANOFI GROUP

##### In French companies

Director of the "L'Oréal Fund for Women" charitable endowment fund

##### In foreign companies

- None

### Past directorships expiring within the last five years

#### WITHIN THE SANOFI GROUP

- None

#### OUTSIDE THE SANOFI GROUP

##### In French companies

- None

##### In foreign companies

##### L'Oréal\* Group:

- Director of L'Oréal USA Inc. (United States)

### Education and professional experience

- Education and professional experience

#### Since February 2019 Chief Financial Officer at L'Oréal\*

Since 1988

Various positions within the L'Oréal\* Group, including as Director of Administration & Finance for China, then Mexico; Director of Internal Audit; and Administration & Financial Director for the Asia Pacific Zone

### Competencies

Senior executive role in international group, International experience, Mergers & acquisitions, Finance/Accounting

## Patrick Kron



Date of birth: September 26, 1953 (aged 68)  
 Nationality: French  
 First appointed: May 2014  
 Last reappointment: May 2018  
 Term expires: 2022  
 Business address: Sanofi - 54, rue La Boétie - 75008 Paris - France  
**Number of shares held: 1,000 shares**

### Current directorships and appointments

#### WITHIN THE SANOFI GROUP

##### Independent director

- Chairman of the Compensation Committee
- Member of the Appointments, Governance and CSR Committee
- Member of the Strategy Committee

#### OUTSIDE THE SANOFI GROUP

##### In French companies

Chairman of Imerys\*  
 Chairman of Truffle Capital SAS  
 Chairman of PKC&I SAS:  
 • Permanent representative of PKC&I on the Supervisory Board of Segula Technologies

##### In foreign companies

Director of Holcim\* (Switzerland)  
 Director of Viohalco\* (Belgium)

### Past directorships expiring within the last five years

#### WITHIN THE SANOFI GROUP

- None

#### OUTSIDE THE SANOFI GROUP

##### In French companies

Interim Chief executive Officer of Imerys\*  
 Director of Bouygues\*

##### In foreign companies

ElvalHalcor\* (Greece)

### Education and professional experience

- Degree from *École Polytechnique* and *École Nationale Supérieure des Mines de Paris*

Since 2019	<b>Chairman of Imerys*</b> (and Interim Chief Executive Officer from October 2019 to February 2020)
Since 2016	Chairman of Truffle Capital SAS
Since 2016	Chairman of PKC&I SAS
2003-2016	Chief Executive Officer, then Chairman and Chief Executive Officer, of Alstom*
1998-2002	Chairman of the Managing Board of Imerys
1995-1997	Manager of the Food and Health Care Packaging Sector at Pechiney, and Chief Operating Officer of American National Can Company in Chicago (United States)
1993-1997	Chairman and Chief Executive Officer of Carbone Lorraine
1993	Member of the Executive Committee of the Pechiney Group
1988-1993	Various senior operational and financial positions within the Pechiney Group
1984-1988	Operational responsibilities in one of the Pechiney Group's biggest factories in Greece, then manager of the Greek subsidiary of Pechiney
1979-1984	Various positions at the French Ministry of Industry, including as project officer at the <i>Direction régionale de l'Industrie, de la Recherche et de l'Environnement (DRIRE)</i> and in the Ministry's general directorate

### Competencies

Senior executive role in international group, Board membership in international group, International experience, Mergers & acquisitions



## Gilles Schnepf



Date of birth: October 16, 1958 (aged 63)  
 Nationality: French  
 First appointed: May 2020  
 Term expires: 2022  
 Business address: Sanofi - 54, rue La Boétie - 75008 Paris - France  
**Number of shares held: 1,000 shares**

### Current directorships and appointments

#### WITHIN THE SANOFI GROUP

##### Independent director

- Chairman of the Appointments, Governance and CSR Committee
- Member of the Strategy Committee

#### OUTSIDE THE SANOFI GROUP

##### In French companies

Member of the Board of Directors of Legrand\*  
 Member of the Board of Directors of Saint Gobain\*  
 Chairman of the Board of Directors of Danone\*

##### In foreign companies

- None

### Past directorships expiring within the last five years

#### WITHIN THE SANOFI GROUP

- None

#### OUTSIDE THE SANOFI GROUP

##### In French companies

Vice-Chairman of the Supervisory Board of PSA\*

##### In foreign companies

- None

### Education and professional experience

- Graduate of HEC business school

<b>Since 2021</b>	<b>Chairman of Danone*</b>
Since 2020	Member of the Board of Directors of Legrand
Since 2009	Member of the Board of Directors of Saint Gobain
2019-2021	Vice-Chairman of the Supervisory Board of PSA
2006-2018	Chairman & CEO of Legrand
2004-2006	CEO of Legrand
2001-2004	Deputy CEO of Legrand
1989-2001	Various positions within the Legrand group
1983	Merrill Lynch

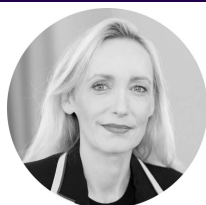
### Competencies

Senior executive role in international group, Board membership in international group, International experience, Mergers & acquisitions, Finance/Accounting

# Information about directors

whose appointment is submitted to the General Meeting

## Carole Ferrand



Date of birth: April 2, 1970 (aged 51)  
Nationality: French  
First appointed: May 2022  
Term expires: 2025  
Business address: Sanofi – 54, rue La Boétie – 75008 Paris

### Current directorships and appointments

#### WITHIN THE SANOFI GROUP

Independent director of Sanofi\*

#### OUTSIDE THE SANOFI GROUP

In French companies

- Independent director of Fnac Darty \*

In foreign companies

- None

### Past directorships expiring within the last five years

#### WITHIN THE SANOFI GROUP

None

#### OUTSIDE THE SANOFI GROUP

In French companies

- Member of the Board of Directors of Capgemini \*

In foreign companies

- None

### Education and professional experience

- Graduate of HEC business school

Since 2018	Financial director of Capgemini *
2013-2018	Director of financing of Groupe Artémis
2011-2012	Financial director of EuropaCorp *
2000-2011	Financial director and then general secretary of Sony France
1992-2000	Auditor and then financial consultancy at PricewaterhouseCoopers

### Competencies

Board membership in international group, Finance/Accounting

**Emile Voest**

Date of birth: August 20, 1959 (aged 60)  
 Nationality: Dutch  
 First appointed: May 2022  
 Term expires: 2025  
 Business address: Sanofi – 54, rue La Boétie – 75008 Paris

**Current directorships and appointments****WITHIN THE SANOFI GROUP**

Independent director of Sanofi\*

**OUTSIDE THE SANOFI GROUP**

In French companies

- None

In foreign companies

- None

**Past directorships expiring within the last five years****WITHIN THE SANOFI GROUP**

- None

**OUTSIDE THE SANOFI GROUP**

In French companies

- None

In foreign companies

- None

**Education and professional experience**

- PhD in Medecine from the University of Utrecht (Netherlands)
- *Doctor of Medecine* (MD) from the University of Utrecht (Netherlands)

**Since 2019****Director of Cancer Core Europe**

Since 2019

Senior Groupleader at the Oncode Institute

Since 2015

Co-founder and non-executive board member of the Hartwig Medical Foundation

Since 2014

Medical Oncologist and member of the Board of Directors of the Netherlands Cancer Institute (NKI)

Since 2010

Board member of the Center for Personalized Cancer Treatment (CPCT)

Since 1999

Professor of Medical Oncology at the University of Utrecht (UMC)

2016-2020

Chairman of the Publications Committee of the European Society of Medical Oncology

2014-2020

Executive Medical Director of the Netherlands Cancer Institute (NKI)

1994-1995

Postdoctoral fellow at the *KWF Kankerbestrijding Nederland*

**Competencies**

Scientific training

## Antoine Yver



Date of birth: January 31, 1958 (aged 63)  
 Nationality: French, American, Swiss  
 First appointed: May 2022  
 Term expires: 2025  
 Business address: Sanofi – 54, rue La Boétie – 75008 Paris

### Current directorships and appointments

#### WITHIN THE SANOFI GROUP

Independent director of Sanofi\*

#### OUTSIDE THE SANOFI GROUP

In French companies

- None

In foreign companies

- None

### Past directorships expiring within the last five years

#### WITHIN THE SANOFI GROUP

- None

#### OUTSIDE THE SANOFI GROUP

In French companies

- None

In foreign companies

- None

### Education and professional experience

- Master's degree in immunology from the Paris American University
- *Doctor of Medecine* (MD) of the University of Paris-Sud 11
- Master's degree in pediatrics from the University of Paris-Sud 11

#### Since 2021

**Chief Medical Officer of Centessa Pharmaceuticals, Inc. \* (United States)**

2016-2021

Executive Vice President, Global Head of Oncology Research and Development at Daiichi Sankyo \*(Japan)

2009-2016

Various positions in the AstraZeneca group \*, including those of Vice President, Clinical Oncology and Infection (2009-2011), Vice President, Clinical Oncology and New Opportunities (2011-2012), Vice President, Head Oncology Global Medicines Development and Lead China GMD (2012-2013), then Senior Vice President, GMD Head of Oncology and Lead, China GMD (2013-2016)

2006-2009

Executive Director of Oncology at Schering-Plough (United States)

2005-2006

Senior Director of Oncology at Johnson & Johnson \* (United States)

1999-2005

Senior Director, Oncology Global Clinical Development of the Aventis group

1990-1999

Various positions in the Rhône-Poulenc Rorer Inc. group, including those of Associate Director/Head, Clinical Research, Chugai-RP (1990-1993), Senior Pharmaceutical Physician (1994), then Director, Global Clinical Research Gene Therapy / Director, Global Clinical Research, Ex Vivo Therapies Inc. (1995-1999)

1988-1990

Assistant Professor, Pediatrics, Pediatric Oncology and Hematology at the Clinique des Universités de l'Institut de Recherches Cognitives de Paris

1981-1988

AIHP ACCA at Tenon Hospital (AP-HP)

### Competencies

Scientific training, Healthcare/pharmaceutical industry experience, International experience

# Proposed resolutions

## Ordinary business

### 1. Approval of the individual company financial statements for the year ended December 31, 2021

The General Meeting, voting on the quorum and majority conditions for Ordinary General Meetings, having reviewed the reports of the Board of Directors and of the statutory auditors, approves as presented the individual company financial statements for the year ended December 31, 2021 comprising the balance sheet, the income statement and the notes thereto, as well as the transactions reflected in those financial statements and summarized in those reports, showing a profit of €3,548,957,768.46.

Pursuant to Article 223 quater of the French General Tax Code, the General Meeting approves those expenses and charges that are non-deductible for tax purposes under Article 39.4 of said Code and which amount to €33,233.74 for the year ended December 31, 2021, as well as the tax incurred on the basis of those expenses and charges, which amounts to €9,441.71.

### 2. Approval of the consolidated financial statements for the year ended December 31, 2021

The General Meeting, voting on the quorum and majority conditions for Ordinary Meetings, having reviewed the reports of the Board of Directors and of the statutory auditors, approves as presented the consolidated financial statements for the year ended December 31, 2021 comprising the balance sheet, the income statement and the notes thereto, as well as the transactions reflected in those financial statements and summarized in those reports.

### 3. Appropriation of profits for the year ended December 31, 2021 and declaration of dividend

The General Meeting, voting on the quorum and majority conditions for Ordinary General Meetings, having reviewed the reports of the Board of Directors and of the statutory auditors, notes that the financial statements for the year ended December 31, 2021 as approved by this meeting show a profit for the year ended December 31, 2021 of €3,548,957,768.46 and that, after retained earnings brought forward of €26,379,935,510.53, distributable profits amount to €29,928,893,278.99.

The General Meeting, acting on a proposal from the Board of Directors, resolves to appropriate the distributable profit for the year ended December 31, 2021 as follows:

Profit for the 2021 financial year		€3,548,957,768.46
Retained earnings brought forward	(+)	€26,379,935,510.53
Appropriation to the legal reserve		€ <sup>(a)</sup>
<b>Distributable profits</b>	(=)	€29,928,893,278.99
To be appropriated as follows:		
To the payment of dividends		€4,070,763,885.50 <sup>(b)</sup>
Subject to adoption of the 18th resolution submitted to the Meeting, to the payment of an additional dividend in kind in the form of an allocation of EUROAPI shares, at a ratio of <input type="checkbox"/> EUROAPI shares per <input type="checkbox"/> <sup>(1)</sup> Sanofi share(s) carrying dividend rights. That allocation will not exceed <input type="checkbox"/> <sup>(1)</sup> EUROAPI shares. For the purposes of the appropriation of profits, the shares thereby allocated or sold will be valued at the opening quoted market price of EUROAPI shares on the dividend ex-date, i.e. May 6, 2022.		
A sum equal to (i) the number of EUROAPI shares actually distributed (whether delivered to shareholders or sold as fractional shares) multiplied by (ii) the opening quoted market price of EUROAPI shares on May 6, 2022, the amount of which will be formally recorded by the Chief Executive Officer.		
To be carried forward as retained earnings		The balance, the amount of which will be formally recorded by the Chief Executive Officer.

(a) The amount of the legal reserve having reached 10% of the share capital, no appropriation to that reserve is proposed.

(b) The total amount of the dividend distribution shown above is calculated on the basis of the number of shares carrying dividend rights as of December 31, 2021, i.e. 1,252,542,734, and may change if the number of shares carrying dividend rights changes between January 1, 2022 and the dividend ex-date, in particular as a result of changes in the number of treasury shares, the vesting of consideration-free shares and the exercise of stock options (if the beneficiary is entitled to dividends under the rules of the relevant plan).

Consequently, the General Meeting resolves to pay:

- as an ordinary cash dividend, an amount of €3.33 per share, representing a total amount of €4,070,763,885.50; and
- as an additional dividend in kind, on the terms specified above, no more than  EUROAPI shares at a ratio of <sup>(1)</sup> EUROAPI shares per <sup>(1)</sup> Sanofi share(s).

The number of EUROAPI shares to be allocated is determined on the basis of the number of shares carrying dividend rights as of May 5, 2022.

<sup>(1)</sup> The number of shares to be distributed, and the distribution ratio, will not be known until the date of publication of the listing prospectus for EUROAPI shares. The final text of the proposed resolution will be published in the "avis de convocation" (notice of meeting) which will appear in the "Bulletin des Annonces Légales et Obligatoires" and the "Petites Affiches" on April 11, 2022.

## Proposed resolutions

The General Meeting resolves that the dividend, including both the dividend in kind and the cash dividend, will have an ex date of May 6, 2022 and a single payment or settlement date of May 10, 2022.

The General Meeting resolves that entitlement to allocation of EUROAPI shares will be limited to shareholders of the Company (other than the Company itself and holders of shares issued after May 5, 2022) whose shares have been recorded in accounts in their name at the end of the accounting day preceding the ex-date, i.e. at close of business on May 5, 2022 (i.e. after taking into account orders executed during the day of May 5, 2022 even if settlement/delivery of such orders does not occur until after the ex-date).

The General Meeting formally notes that if the number of Sanofi shares actually entitled to the cash dividend and the dividend in kind is in fact less than [ ], the corresponding sums will be kept within retained earnings, and the number of EUROAPI shares actually allocated will be reduced accordingly (taking account of the distribution ratio used).

The General Meeting resolves that fractional rights will be neither negotiable nor transferable. Consequently, if the allocation to which a shareholder is entitled under the distribution ratio used is not a whole number of EUROAPI shares (i.e. a holding of Sanofi shares that is less than [ ]<sup>(2)</sup> or that does not correspond to a multiple of [ ]<sup>(2)</sup>, that shareholder will receive the next lowest whole number of EUROAPI shares plus a cash balance arising from the price at which the EUROAPI shares corresponding to the fractional shares will have been sold.

The General Meeting notes, pursuant to Article 243 bis of the French General Tax Code, that the combined cash and in-kind dividend payable to the shareholders will be treated as a distribution for tax purposes and, when paid to individual shareholders who are resident in France for tax purposes, will be eligible for the 40% tax relief mentioned in Article 158.3.2 of that Code.

The General Meeting notes, pursuant to Article 243 bis of the French General Tax Code, that the dividends paid out in respect of the past three financial years and those eligible for the 40% tax relief mentioned in Article 158.3.2 of that Code are as follows:

Financial year	Number of shares carrying dividend rights	Dividend per share	Revenues distributed	
			Eligible for the 40% tax relief mentioned in Article 158.3.2 of the General Tax Code	
2018	1,248,983,087	3.07 <sup>(a)</sup>		3.07 <sup>(a)</sup>
2019	1,249,844,636	3.15 <sup>(a)</sup>		3.15 <sup>(a)</sup>
2020	1,252,470,579	3.20 <sup>(a)</sup>		3.20 <sup>(a)</sup>

(a) The full amount of the proposed dividend is eligible for the tax relief specified in Article 158-3-2 of the French General Tax Code, to which natural persons resident in France for tax purposes are entitled on condition that they have elected the global option for taxation on the progressive income tax scale specified in paragraph 2 of Article 200A of that Code.

The General Meeting confers full powers on the Board of Directors, with the option of sub-delegating to the Chief Executive Officer, to take all necessary measures for the application and execution of the present resolution, and more generally to do all that may be useful or necessary.

## 4. Reappointment of Paul Hudson as a director

The General Meeting, voting on the quorum and majority conditions for Ordinary General Meetings, having reviewed the Board of Directors' report, notes that the term of office of Paul Hudson as a director expires this day and resolves to reappoint him as a director for a four-year term of office as stipulated in the Articles of Association, to expire at the close of the Ordinary General Meeting called in 2026 to approve the financial statements for the year ending December 31, 2025.

## 5. Reappointment of Christophe Babule as a director

The General Meeting, voting on the quorum and majority conditions for Ordinary General Meetings, having reviewed the Board of Directors' report, notes that the term of office of Christophe Babule as a director expires this day and resolves to reappoint him as a director for a four-year term of office as stipulated in the Articles of Association, to expire at the close of the Ordinary General Meeting called in 2026 to approve the financial statements for the year ending December 31, 2025.

## 6. Reappointment of Patrick Kron as a director

The General Meeting, voting on the quorum and majority conditions for Ordinary General Meetings, having reviewed the Board of Directors' report, notes that the term of office of Patrick Kron as a director expires this day and resolves to reappoint him as a director for a four-year term of office as stipulated in the Articles of Association, to expire at the close of the Ordinary General Meeting called in 2026 to approve the financial statements for the year ending December 31, 2025.

<sup>(2)</sup> The number of shares to be distributed, and the distribution ratio, will not be known until the date of publication of the listing prospectus for EUROAPI shares. The final text of the proposed resolution will be published in the "avis de convocation" (notice of meeting) which will appear in the "Bulletin des Annonces Légales et Obligatoires" and the "Petites Affiches" on April 11, 2022..

## 7. Reappointment of Gilles Schnepf as a director

The General Meeting, voting on the quorum and majority conditions for Ordinary General Meetings, having reviewed the Board of Directors' report, notes that the term of office of Gilles Schnepf as a director expires this day and resolves to reappoint him as a director for a four-year term of office as stipulated in the Articles of Association, to expire at the close of the Ordinary General Meeting called in 2026 to approve the financial statements for the year ending December 31, 2025.

## 8. Appointment of Carole Ferrand as a director

The General Meeting, voting on the quorum and majority conditions for Ordinary General Meetings, after having reviewed the Board of Directors' report, appoints Carole Ferrand as a director for a three-year term of office as stipulated in the Articles of Association, to expire at the close of the Ordinary General Meeting called in 2025 to approve the financial statements for the year ending December 31, 2024.

## 9. Appointment of Emile Voest as a director

The General Meeting, voting on the quorum and majority conditions for Ordinary General Meetings, after having reviewed the Board of Directors' report, appoints Emile Voest as a director for a three-year term of office as stipulated in the Articles of Association, to expire at the close of the Ordinary General Meeting called in 2025 to approve the financial statements for the year ending December 31, 2024.

## 10. Appointment of Antoine Yver as a director

The General Meeting, voting on the quorum and majority conditions for Ordinary General Meetings, after having reviewed the Board of Directors' report, appoints Antoine Yver as a director for a three-year term of office as stipulated in the Articles of Association, to expire at the close of the Ordinary General Meeting called in 2025 to approve the financial statements for the year ending December 31, 2024.

## 11. Approval of the report on the compensation of corporate officers issued in accordance with Article L. 22-10-9 of the French Commercial Code

The General Meeting, voting on the quorum and majority conditions for Ordinary General Meetings, in accordance with Article L. 22-10-34 II of the French Commercial Code, approves the report on the compensation of corporate officers containing the information specified in Article L. 22-10-9 I as presented in the report on corporate governance of the Board of Directors referred to in Article L. 225-37 of that Code (in the 2021 *Document d'enregistrement universel*, Chapter 1., Section "1.2. *Gouvernement d'entreprise* — 5. *Rémunérations* — 5.A. *Rémunérations et engagements pris au bénéfice des mandataires sociaux* — 5.A.B. *Éléments de rémunération et avantages de toute nature versés au cours ou attribués au titre de 2021 aux mandataires sociaux*")<sup>(3)</sup>.

## 12. Approval of the components of the compensation paid or awarded in respect of the year ended December 31, 2021 to Serge Weinberg, Chairman of the Board

The General Meeting, voting on the quorum and majority conditions for Ordinary General Meetings, in accordance with Article L. 22-10-34 II of the French Commercial Code, approves the fixed, variable and exceptional components of the total compensation and benefits of whatever kind paid in respect of the previous financial year or awarded in respect of that year to Serge Weinberg in his capacity as Chairman of the Board of Directors, as presented in the report on corporate governance of the Board of Directors referred to in Article L. 225-37 of that Code (in the 2021 *Document d'enregistrement universel*, Chapter 1., Section "1.2. *Gouvernement d'entreprise* — 5. *Rémunérations* — 5.A. *Rémunérations et engagements pris au bénéfice des mandataires sociaux* — 5.A.B. *Éléments de rémunération et avantages de toute nature versés au cours ou attribués au titre de 2021 aux mandataires sociaux*")<sup>(4)</sup>.

<sup>(3)</sup> Available in French only. The English-language equivalent of this report is contained in "Item 6.B – Compensation" of Sanofi's 2021 Annual Report on Form 20-F (refer to section entitled "Compensation and benefits of all kinds paid during 2021 or awarded in respect of 2021 to corporate officers").

<sup>(4)</sup> Available in French only. The English-language equivalent of this report is contained in "Item 6.B – Compensation" of Sanofi's 2021 Annual Report on Form 20-F (refer to section entitled "Compensation and benefits of all kinds paid during 2021 or awarded in respect of 2021 to corporate officers").

### **13. Approval of the components of the compensation paid or awarded in respect of the year ended December 31, 2021 to Paul Hudson, Chief Executive Officer**

The General Meeting, voting on the quorum and majority conditions for Ordinary General Meetings, in accordance with Article L. 22-10-34 II of the French Commercial Code, approves the fixed, variable and exceptional components comprising the total compensation and benefits of whatever kind paid in respect of the previous financial year or awarded in respect of that year to Paul Hudson in his capacity as Chief Executive Officer, as presented in the report on the corporate governance of the Board of Directors referred to in Article L. 225-37 of that Code (in the 2021 *Document d'enregistrement universel*, Chapter 1., Section "1.2. *Gouvernement d'entreprise* — 5. *Rémunérations* — 5.A. *Rémunérations et engagements pris au bénéfice des mandataires sociaux* — 5.A.B. *Éléments de rémunération et avantages de toute nature versés au cours ou attribués au titre de 2021 aux mandataires sociaux*")<sup>(5)</sup> and the addendum to the notice of meeting which is posted on the Company's website.

### **14. Approval of the compensation policy for directors**

The General Meeting, voting on the quorum and majority conditions for Ordinary General Meetings, having reviewed the report on corporate governance of the Board of Directors referred to in Article L. 225-37 of the French Commercial Code, approves in accordance with Article L. 22-10-8 of that Code the compensation policy for directors, as presented in that report (in the 2021 *Document d'enregistrement universel*, Chapter 1., Section "1.2. *Gouvernement d'entreprise* — 5. *Rémunérations* — 5.A. *Rémunérations et engagements pris au bénéfice des mandataires sociaux* — 5.A.A. *Politique de rémunération des mandataires sociaux. Politique de rémunération des administrateurs*")<sup>(6)</sup>.

### **15. Approval of the compensation policy for the Chairman of the Board of Directors**

The General Meeting, voting on the quorum and majority conditions for Ordinary General Meetings, having reviewed the report on corporate governance of the Board of Directors referred to in Article L. 225-37 of the French Commercial Code, approves in accordance with Article L. 22-10-8 of that Code the compensation policy for the Chairman of the Board of Directors, as presented in that report (in the 2021 *Document d'enregistrement universel*, Chapter 1., Section "1.2. *Gouvernement d'entreprise* — 5. *Rémunérations* — 5.A. *Rémunérations et engagements pris au bénéfice des mandataires sociaux* — 5.A.A. *Politique de rémunération des mandataires sociaux* — 2. *Politique de rémunération du Président du Conseil d'administration*")<sup>(7)</sup>.

### **16. Approval of the compensation policy for the Chief Executive Officer**

The General Meeting, voting on the quorum and majority conditions for Ordinary General Meetings, having reviewed the report on corporate governance of the Board of Directors referred to in Article L. 225-37 of the French Commercial Code, approves in accordance with Article L. 22-10-8 of that Code the compensation policy for the Chief Executive Officer, as presented in that report (in the 2021 *Document d'enregistrement universel*, Chapter 1., Section "1.2. *Gouvernement d'entreprise* — 5. *Rémunérations* — 5.A. *Rémunérations et engagements pris au bénéfice des mandataires sociaux* — 5.A.A. *Politique de rémunération des mandataires sociaux* — 3. *Politique de rémunération du Directeur Général*")<sup>(8)</sup>.

### **17. Authorization to the Board of Directors to carry out transactions in the Company's shares (usable outside the period of a public tender offer)**

The General Meeting, voting on the quorum and majority conditions for Ordinary Meetings, having reviewed the Board of Directors' report and the information contained in the description of the program prepared in accordance with Articles 241-1 et seq of the General Regulation of the *Autorité des marchés financiers*, authorizes the Board of Directors, with powers to subdelegate within the law, in accordance with (i) Articles L. 255-177 et seq of the French Commercial Code, (ii) European Regulation (EU) no. 596/2014 of April 16, 2014 on market abuse and (iii) the General Regulation of the *Autorité des marchés financiers*, to purchase, arrange for the purchase of, or sell shares in the Company, with a view to:

- the implementation of any Company stock option plan under the terms of Articles L. 255-177 et seq of the French Commercial Code or any similar plan; or
- the allotment or sale of shares to employees under the French statutory profit-sharing scheme or the implementation of any entity or group (or similar) savings plan on the conditions stipulated by law, in particular Articles L. 3332-1 et seq of the French Labor Code,

<sup>(5)</sup> Available in French only. The English-language equivalent of this report is contained in "Item 6.B – Compensation" of Sanofi's 2021 Annual Report on Form 20-F (refer to section entitled "Compensation and benefits of all kinds paid during 2021 or awarded in respect of 2021 to corporate officers").

<sup>(6)</sup> Available in French only. The English-language equivalent of this report is contained in "Item 6.B – Compensation" of Sanofi's 2021 Annual Report on Form 20-F (refer to section entitled "Compensation policy for directors").

<sup>(7)</sup> Available in French only. The English-language equivalent of this report is contained in "Item 6.B – Compensation" of Sanofi's 2021 Annual Report on Form 20-F (refer to section entitled "Compensation policy for the Chairman of the Board of Directors").

<sup>(8)</sup> Available in French only. The English-language equivalent of this report is contained in "Item 6.B – Compensation" of Sanofi's 2021 Annual Report on Form 20-F (refer to section entitled "Compensation policy for the Chief Executive Officer").



including via a consideration-free allotment of such shares by way of top-up employer's contribution and/or in substitution for discount, in accordance with the relevant laws and regulations; or

- the consideration-free allotment of shares under the terms of Articles L. 225-197 et seq of the French Commercial Code; or
- generally, the honoring of obligations relating to stock option programs or other share allotments to employees or corporate officers of the Company or of an associated entity; or
- the delivery of shares on the exercise of rights attached to securities giving access to the share capital by redemption, conversion, exchange, presentation of a warrant or any other means; or
- the cancellation of some or all of the shares purchased; or
- the delivery of shares (in exchange, as payment, or otherwise) in connection with acquisitions, mergers, demergers or asset-for-share exchanges; or
- market-making in the secondary market or maintenance of the liquidity of Sanofi shares by an investment services provider under a liquidity contract that complies with the ethical code recognized by the *Autorité des marchés financiers*.

This program is also intended to allow the Company to trade in its own shares on or off market in connection with any other objective authorized by applicable regulations or any other market practice that is accepted or may be authorized at the date of the transaction in question. In such cases, the Company will inform its shareholders by means of a press release.

Purchases of the Company's own shares may be made such that:

- the number of shares acquired by the Company during the repurchase program may not exceed 10% of the shares which constitute the then share capital of the Company, such percentage being applied to a share capital figure adjusted to reflect transactions affecting the share capital subsequent to the present General Meeting (as an indication, 126,356,069 shares as at December 31, 2021), it being stipulated that (i) the number of shares acquired with a view to their retention and future delivery in connection with a merger, demerger or asset-for-share exchange may not exceed 5% of the Company's share capital; and (ii) where the shares are repurchased to improve the liquidity of Sanofi shares on the conditions specified by the *Autorité des Marchés Financiers*, the number of shares taken into account in calculating the 10% limit mentioned above will be the number of shares purchased minus the number of shares resold during the period of the authorization;
- the number of own shares held by the Company at any time may not exceed 10% of the shares which constitute the share capital of the Company on the date in question.

Acquisitions, sales, exchanges and transfers of shares may be made at any time, other than during the period of a public tender offer for the Company's shares, subject to the limits authorized by the laws and regulations in force, on one or more occasions and by any means, on regulated markets or via a multilateral trading facility or a systematic internalizer or over the counter, including by block purchases or sales (with no limit on the portion of the share repurchase program that can be carried out by this means), by public cash offer or public exchange offer or by the use of options or other derivative forward financial instruments or by the implementation of option-based strategies or by delivery of shares arising from the issuance of securities giving access to the Company's share capital by conversion, exchange, redemption, presentation of a warrant or any other means, either directly or indirectly through a third party acting on the Company's behalf under the conditions specified in Article L. 225-206 of the French Commercial Code.

The maximum purchase price of shares under the present resolution will be €150 per share, excluding acquisition-related costs (or the equivalent value of this amount as at the same date in any other currency or currency unit established by reference to more than one currency).

The General Meeting delegates to the Board of Directors powers to adjust the aforementioned maximum purchase price in the event of a change in the par value of the share, increase in share capital by incorporation of reserves, consideration-free allotment of shares, stock split or reverse stock split, distribution of reserves or of any other assets, redemption of share capital, or any other transaction affecting shareholders' equity, so as to take account of the impact of such transactions on the value of the shares.

The total amount allocated to the share repurchase program authorized above may not exceed €18,953,410,350, excluding acquisition-related costs (or the equivalent value of this amount as at the same date in any other currency or currency unit established by reference to more than one currency).

Shares repurchased and retained by the Company will be stripped of voting rights and will not be entitled to receive dividend.

The General Meeting confers full powers on the Board of Directors, with powers to subdelegate within the law, to decide on and implement the present authorization and if necessary to specify the conditions and determine the terms thereof, to implement the share repurchase program, and in particular to place stock market orders, enter into agreements, allocate or reallocate acquired shares to desired objectives subject to the applicable legal and regulatory conditions, set any terms and conditions that may be necessary to preserve the rights of holders of securities or options in accordance with legal, regulatory or contractual stipulations, make declarations to the *Autorité des Marchés Financiers* or any other competent authority, accomplish all other formalities and generally do all that is necessary.

This authorization deprives of effect from this day any unused portion of any previous authorization to the Board of Directors for the same purpose, i.e. any authorization to carry out transactions in the Company's shares. It is granted for a period of eighteen (18) months from this day.

## Extraordinary business

### **18. Amendment to Article 25 of the Company's Articles of Association – Dividends**

The General Meeting, voting on the quorum and majority conditions for Extraordinary General Meetings, having reviewed the Board of Directors' Report, resolves to amend Article 25 of the Company's Articles of Association as follows:

*"Article 25 – Dividends*

*The Shareholders' General Meeting that votes on the financial statements for the financial year may allow each shareholder the option, for all or some of the dividend or interim dividend distributed, to receive payment of the dividend or interim dividend either in cash or in shares.*

*In addition, the Shareholders' General Meeting may decide, for all or some of the dividends, interim dividends, reserves or additional paid-in capital distributed, that the distribution of such dividends, interim dividends, reserves or additional paid-in capital will be made in kind by the delivery of assets of the Company, including financial securities.*

*The Shareholders' General Meeting may decide that fractional rights will be neither negotiable nor transferable, notwithstanding the provisions of Article 9.2 of the Articles of Association. The Shareholders' General Meeting may in particular decide that, when the proportion of the distribution to which a shareholder is entitled does not correspond to a whole number of the unit of measurement used for the distribution, that shareholder will receive the next lowest whole number of that unit of measurement plus a cash payment for the balance."*

## Ordinary and extraordinary business

### **19. Powers for formalities**

The General Meeting, voting on the quorum and majority conditions for Extraordinary Meetings, confers full powers on the bearer of an original, copy or extract of the minutes of its deliberations to carry out any filings (including filings with the competent registry) and formalities required by law.

# Overview of Sanofi 2021

## 1. Business Overview

### 1.1. 2021 significant events

During 2021, Sanofi continued to implement its “**Play to Win**” strategy, involving major decisions and positive actions that will support and rebuild the competitive margins necessary for Sanofi to continue to deliver on its mission. The strategy is based on four major priorities: focus on growth, lead with innovation, accelerate efficiency, and reinvent how we work. For further information about our strategy, refer to “— Item 4. — B.1. Strategy” of our 2021 annual report on Form 20-F. Other significant events of the year are described below.

On January 11, 2021, Sanofi and **Kymab**, a clinical-stage biopharmaceutical company developing fully human monoclonal antibodies with a focus on immune-mediated diseases and immuno-oncology therapeutics, announced that they had entered into an agreement under which Sanofi would acquire Kymab for an upfront payment of approximately \$1.1 billion and up to \$350 million contingent upon attainment of certain development milestones. On April 9, 2021, Sanofi announced that it had successfully completed this acquisition, thereby retaining full global rights to KY1005, a fully human monoclonal antibody that targets the key immune system regulator OX40L and has the potential to treat a wide variety of immune-mediated diseases and inflammatory disorders.

On January 12, 2021, Sanofi unveiled **EUROAPI** as the name of the future industry-leading European company dedicated to the development, production and marketing of active pharmaceutical ingredients (API). Sanofi also announced the appointment of Karl Rotthier as the Chief Executive Officer of EUROAPI effective January 18, 2021. An IPO on Euronext Paris is envisaged in the first half of 2022, subject to market conditions and obtaining required market authority approvals.

On February 12, 2021, Sanofi announced an all-cash offer to all holders of **Kiadis** shares, to acquire their shares at an offer price of €5.45 (cum dividend). Completion of the acquisition was announced on April 16, 2021. Kiadis is a clinical-stage biopharmaceutical company developing natural killer (NK) cell therapies for patients with potentially life-threatening diseases. NK cells seek and identify malignant cancer cells and have broad application across various tumor types. Kiadis’s NK cell-based medicines will be developed alone and in combination with Sanofi’s existing pipeline and platforms.

On March 31, 2021, Sanofi announced an investment of over €600 million to construct a **new vaccine manufacturing facility** at its existing site in Toronto, Canada. The new facility will provide additional antigen and filling capacity for Sanofi’s Fluzone<sup>®</sup> High-Dose quadrivalent influenza vaccine, helping to increase supply availability in Canada, the United States and Europe. Sanofi expects this new facility to be operational in 2026, following design, construction, testing and qualification of the facility and equipment. Fluzone<sup>®</sup> High-Dose quadrivalent influenza vaccine is currently manufactured exclusively by Sanofi Pasteur, Sanofi’s vaccines global business unit, at its Swiftwater, Pennsylvania site in the United States. Sanofi Pasteur has an ongoing investment program expanding its manufacturing capabilities for influenza vaccines. Two new facilities, in Swiftwater and in Val-de-Reuil (France), will start to operate in the coming years.

On April 7, 2021, Sanofi’s Chief Executive Officer Paul Hudson outlined several key projects that the company will implement to increase the impact of its **Corporate Social Responsibility** (CSR) strategy. Embedded in Sanofi’s long-term strategy, the company’s commitment is based on four pillars in which Sanofi is well positioned to make a difference: access to medicines, support for vulnerable communities, preservation of the environment, and inclusion and diversity of its employees.

On April 9, 2021, Sanofi acquired **Tidal Therapeutics**, a privately owned, pre-clinical stage biotech company with a novel mRNA-based approach for in vivo reprogramming of immune cells. The new technology platform will expand Sanofi’s research capabilities in immunology and inflammatory diseases, and may have applicability to other disease areas as well. Sanofi acquired Tidal Therapeutics for an upfront payment of \$160 million and up to \$310 million contingent upon attainment of certain development milestones.

On April 12, 2021, Sanofi announced a €400 million investment over five years to create a one-of-a-kind **vaccine production center** in Singapore, pushing the boundaries of operations through cutting edge digital manufacturing technologies. In partnership with the Singapore Economic Development Board (EDB), the new site will mainly supply the Asian region and complement existing Sanofi manufacturing capacities in Europe and North America.

On May 6, 2021, Sanofi entered into a three-year research collaboration with **Stanford University School of Medicine**. Together, we will work to advance the understanding of immunology and inflammation through open scientific exchange. Additionally, Sanofi will provide funding and scientific inputs into projects of mutual interest, crossing multiple therapeutic areas including autoimmune diseases and inflammatory conditions.

On June 29, 2021, Sanofi announced that it will invest approximately €400 million annually in a first-of-its-kind **mRNA vaccines** Center of Excellence. The Center will work to accelerate the development and delivery of next-generation vaccines by bringing together approximately 400 dedicated employees and integrating end-to-end mRNA vaccine capabilities with dedicated R&D, digital, and Chemistry, Manufacturing and Controls (CMC) teams across sites at Cambridge, MA (US) and Marcy-l'Étoile, Lyon (France).

On July 13, 2021, Sanofi announced becoming a Premium Partner of Paris 2024 for the **Olympic and Paralympic Games being held in Paris in 2024**. For Sanofi, whose headquarters are based in Paris, this commitment to Paris 2024 is a unique opportunity to engage its 100,000 employees in one of the largest sporting events in the world. Sanofi's commitment to Paris 2024 also highlights the company's societal impact strategy and affirms its support of the values of inclusion, diversity and openness to the world. The company welcomes the objectives of Paris 2024 to foster the values of the Olympic and Paralympic Games to increase their accessibility to the public and make them more sustainable and Sanofi intends to contribute by highlighting the benefits of physical activity on health.

On August 3, 2021, as part of Sanofi's endeavor to accelerate the application of messenger RNA (mRNA) to develop therapeutics and vaccines, the company entered into a definitive agreement with **Translate Bio**, a clinical-stage mRNA therapeutics company, under which Sanofi will acquire all outstanding shares of Translate Bio for \$38.00 per share in cash, which represents a total equity value of approximately \$3.2 billion (on a fully diluted basis). The acquisition was finalized on September 14, 2021.

On September 8, 2021, Sanofi entered into a definitive merger agreement with **Kadmon Holdings, Inc.** a biopharmaceutical company that discovers, develops, and markets transformative therapies for disease areas of significant unmet medical needs. The acquisition supports Sanofi's strategy of continuing to grow its General Medicines core assets, and will immediately add Rezurock™ (belumosudil) to its transplant portfolio. Rezurock™ is a recently FDA-approved, first-in-class treatment for chronic graft-versus-host disease (cGVHD) for adult and pediatric patients 12 years and older who have failed at least two prior lines of systemic therapy. Shareholders of Kadmon common stock will receive \$9.50 per share in cash, which represents a total equity value of approximately \$1.9 billion (on a fully diluted basis). The acquisition of Kadmon by Sanofi was completed on November 9, 2021.

On September 28, 2021, Sanofi announced that despite positive interim results from Phase I/II trials of its **mRNA COVID-19 vaccine** candidate, the company had decided not to pursue development of that candidate. Sanofi will instead focus on completing the final development steps of its COVID-19 recombinant vaccine, developed in partnership with GSK.

On November 18, 2021, Sanofi announced an equity investment of €155 million in **Owkin**, along with a new strategic collaboration around discovery and development programs in four types of cancer involving an exclusivity fee up to €90 million spread over three years plus additional milestone-based payments. Owkin, an artificial intelligence (AI) and precision medicine company, builds best-in-class predictive biomedical AI models and robust data sets. With the ambition to optimize clinical trial design and detect predictive biomarkers for diseases and treatment outcomes, this collaboration will support Sanofi's growing oncology portfolio in three core areas: lung cancer, breast cancer and multiple myeloma. To intensify medical research with AI in a privacy-preserving way, Owkin has assembled a global research network powered by federated learning, which allows data scientists to securely connect to decentralized, multi-party data sets and train AI models without having to pool data. This approach will complement Sanofi's emerging strengths in oncology, as the company's scientists apply cutting-edge technology platforms to develop potentially life-transforming medicines for cancer patients worldwide.

On December 1, 2021, Sanofi entered into an agreement to acquire **Origimm Biotechnology GmbH**, a privately owned Austrian biotechnology company specializing in the discovery of virulent skin microbiome components and antigens from bacteria that cause skin disease, such as acne. This acquisition is a further step in executing Sanofi's global "Play to Win" strategy, seeking out growth opportunities, and building an industry-leading vaccines pipeline. The deal will add ORI-001 to Sanofi's early-stage pipeline. ORI-001 is a therapeutic acne vaccine candidate based on recombinant proteins, and entered preliminary clinical studies in the third quarter of 2021. In parallel, Sanofi is working to develop additional antigen versions and expects to leverage its next-generation mRNA platform in a Phase I/II trial to start in 2023. The acquisition closed in December 2021.

On December 21, 2021, Sanofi announced that it had entered into an agreement to acquire **Amunix Pharmaceuticals, Inc.**, an immunology company leveraging its proprietary, clinically validated XTEN® and its innovative universal protease-releasable masking technology platform (Pro-XTEN™), to discover and develop transformative T-cell engagers (TCE) and cytokine therapies for patients with cancer. Amunix's pipeline, which includes lead candidate AMX-818, a masked HER2-directed TCE, offers a strong strategic fit with Sanofi's focus on developing potentially transformative cancer therapies in immuno-oncology. Under the terms of the agreement, Sanofi will acquire Amunix for an upfront payment of approximately \$1 billion and up to \$225 million upon achievement of certain future development milestones. The acquisition was completed on February 8, 2022.

Highlights of Sanofi's research and development efforts in 2021 in the Pharmaceuticals segment included the launch of a Phase III trial (XTEND-Kids) evaluating **efanesoctocog alfa** (BIVV001) in pediatric hemophilia A patients, and of a second pivotal trial (AERIFY-2) evaluating **itepekimab** in chronic obstructive pulmonary disease (COPD). In the Vaccines segment, Sanofi and GSK announced the launch of their Phase III clinical study to assess the safety, efficacy, and immunogenicity of their adjuvanted recombinant-protein COVID-19 vaccine candidate. Positive booster data show that neutralizing antibodies increased across all primary vaccines received (mRNA or adenovirus) in a 9- to 43-fold range and for all age groups tested, with a good safety and tolerability profile. The Phase III trial is ongoing in order to generate the increased number of events needed for analysis, given that populations around the world are increasingly exposed to COVID-19 variants. On December 8, 2021, the New England Journal of Medicine (NEJM) published positive results from a pivotal clinical trial of **Dupixent®** (dupilumab) in children aged 6 to 11 years with uncontrolled moderate-to-severe asthma. Regulatory reviews are ongoing in the European Union. On December 13, 2021, Sanofi announced positive Phase III results showing that adding **Dupixent®** (dupilumab) to standard-of-care topical corticosteroids (TCS) significantly improved skin clearance and reduced overall disease severity and itch in infants and children aged 6 months to 5 years with uncontrolled moderate-to-severe atopic dermatitis. Data from two Phase III studies demonstrating that **fitusiran** significantly reduced bleeds in people with hemophilia A or B, with or without inhibitors, were presented at the American Society of Hematology (ASH) congress.

In 2021, Sanofi obtained regulatory marketing approval for a number of products. In the United States, the PD-1 inhibitor **Libtayo**<sup>®</sup> (cemiplimab-rwlc) received full approval for locally advanced basal cell carcinoma (BCC) and accelerated approval in metastatic BCC, following a priority review by the US Food and Drug Administration (FDA). Libtayo<sup>®</sup> is now approved for the two most common advanced skin cancers in the United States. The European Commission also approved Libtayo<sup>®</sup> for the treatment of metastatic or locally advanced BCC in adults. The FDA and the European Commission approved Libtayo<sup>®</sup> for the first-line treatment of patients with advanced non-small cell lung cancer (NSCLC) whose tumors have high PD-L1 expression. The FDA and the European Commission approved **Sarclisa**<sup>®</sup> (isatuximab-irfc), in combination with carfilzomib and dexamethasone, for adult patients with relapsed and refractory multiple myeloma who have received one to three prior therapies. The European Commission approved **Aubagio**<sup>®</sup> (teriflunomide) for the treatment of pediatric patients aged 10 to 17 years with relapsing-remitting multiple sclerosis (MS). The approval confirms Aubagio<sup>®</sup> as the first oral therapy for first-line treatment of children and adolescents with MS in the European Union. The FDA approved **Nexvazyme**<sup>®</sup> (avalglucosidase alfa-ngpt) for the treatment of patients one year of age and older with late-onset Pompe disease, a progressive and debilitating muscle disorder that impairs a person's ability to move and breathe. The FDA also approved **Dupixent**<sup>®</sup> (dupilumab) as an add-on maintenance treatment of patients aged 6 to 11 years with moderate-to-severe asthma characterized by an eosinophilic phenotype or with oral corticosteroid-dependent asthma. In China, **Dupixent**<sup>®</sup> was approved for the treatment of atopic dermatitis in adolescents aged 12 to 17 years.

For further information about the pharmaceutical products and vaccines we sell, and about our research and development portfolio, refer to “— Item 4.B. — Business Overview” of our 2021 annual report on Form 20-F.

Our net sales for 2021 amounted to €37,761 million, an increase of 4.8% from 2020. At constant exchange rates (CER<sup>(1)</sup>), net sales rose by 7.1%, due mainly to growth in sales for our Specialty Care global business unit (driven by a solid performance from Dupixent<sup>®</sup>), our Vaccines business, and our Consumer Healthcare global business unit. Those positive effects more than offset a decrease in sales for our General Medicines global business unit, in line with the streamlining of our non-core product portfolio and lower sales of Lantus<sup>®</sup> and Aprovei<sup>®</sup>.

**Net income attributable to equity holders of Sanofi** amounted to €6,223 million for 2021, compared with €12,294 million in 2020. This €6,071 million decrease mainly reflected the €7,382 million gain recognized in 2020 on the divestment of Regeneron shares following the transaction of May 29, 2020. Earnings per share was €4.97 in 2021, compared with €9.81 in 2020. Business net income<sup>(1)</sup> was €8,213 million, up 11.8% on 2020, while business earnings per share (business EPS<sup>(1)</sup>) was 11.9% higher than in 2020 at €6.56.

Our net debt<sup>(2)</sup> increased from €8,790 million as of December 31, 2020 to €9,983 million as of December 31, 2021, due in particular to cash outflows related to investing activities during the year, and more specifically to our acquisitions of Kadmon, Translate Bio and Kymab. At the Annual General Meeting on May 3, 2022, we will ask our shareholders to approve a dividend of €3.33 per share for the 2021 financial year, representing a payout of 50.8% of our Business net income.

## 1.2. Significant events subsequent to December 31, 2021

On January 7, 2022, Sanofi and Exscientia announced a research collaboration and license agreement to develop up to 15 novel small molecule candidates across oncology and immunology, leveraging Exscientia's end-to-end AI-driven platform utilizing actual patient samples. The companies have been working together since 2016 and in 2019, Sanofi in-licensed Exscientia's novel bispecific small molecule candidate capable of targeting two distinct targets in inflammation and immunology. Under the terms of the agreement, Exscientia will receive an upfront cash payment of \$100 million from Sanofi and will be eligible to receive future research, translational, clinical development, regulatory and commercial milestone payments of up to approximately \$5.2 billion in aggregate, if all milestones for all programs are achieved. In the event that Sanofi commercializes a therapeutic product from the collaboration, Exscientia will also be eligible to receive tiered royalties on product sales ranging from high-single-digits to mid-teens and an option for clinical co-investment to increase the royalty rate up to 21% on net sales of co-funded products.

On January 11, 2022, Sanofi entered into a licensing agreement with ABL Bio for the development of ABL301, a potential first-in-class bispecific antibody targeting alpha-synuclein and containing a proprietary brain shuttle, for alpha-synucleinopathies, including Parkinson's disease. ABL Bio will receive \$75 million upfront and up to \$985 million in potential milestone payments for an exclusive global license to ABL301.

<sup>(1)</sup> Non-GAAP financial measure; see “Definitions” section below

<sup>(2)</sup> Non-GAAP financial measure; see section “Consolidated Balance Sheet and Debt” below

On January 19, 2022, a second Phase III trial evaluating Dupixent® (dupilumab) in adults with uncontrolled prurigo nodularis, a chronic type 2 inflammatory skin disease, met its primary and key secondary endpoints, showing it significantly reduced itch and skin lesions compared to placebo at 24 weeks in this investigational setting. The data confirm the positive results that were previously reported from the Phase III PRIME2 trial and will be submitted to regulatory authorities around the world starting in the first half of this year.

On January 31, 2022, the European Medicines Agency's Committee for Medicinal Products for Human Use (CHMP) adopted a positive opinion recommending extension of the approval of Dupixent® (dupilumab) in the European Union (EU) to include add-on maintenance treatment for children aged 6 to 11 years with severe asthma with type 2 inflammation characterized by raised blood eosinophils and/or raised fractional exhaled nitric oxide (FeNO) who are inadequately controlled on two maintenance therapies. The European Commission is expected to announce a final decision on the Dupixent® application in the coming months after the date of this annual report.

On February 3, 2022, Sanofi unveiled a new corporate branding to support the modernization of the Company launched in December 2019.

On February 4, 2022, the US Food and Drug Administration (FDA) approved Enjaymo™ (sutimlimab-jome) to decrease the need for red blood cell transfusion due to hemolysis in adults with cold agglutinin disease (CAD). Enjaymo™ is the first and only approved treatment for people with CAD and works by inhibiting the destruction of red blood cells (hemolysis).

On February 8, 2022, Sanofi announced the completion of its acquisition of Amunix Pharmaceuticals, Inc, adding a promising pipeline of T-cell engagers and cytokine therapies. The acquisition also provides access to Amunix Pro-XTEN™, XPAT, and XPAC technology to deliver next generation Conditionally Activated Biologics. The technology platform is highly complementary to Sanofi's existing R&D platforms and supports Sanofi's efforts to accelerate and expand its contributions to innovative medicines for oncology patients, with approximately 20 molecules currently in development.

On February 10, 2022, the US Food and Drug Administration (FDA) accepted for Priority Review the supplemental Biologics License Application (sBLA) for Dupixent® (dupilumab) as an add-on maintenance treatment for children aged 6 months to 5 years with moderate-to-severe atopic dermatitis whose disease is not adequately controlled with topical prescription therapies or when those therapies are not advisable. The target action date for the FDA decision on this investigational use is June 9, 2022. Dupixent® remains the only biologic medicine approved for patients 6 years of age and older for this indication.

On February 18, 2022, Sanofi announced that a Phase 3 trial (CUPID STUDY B) evaluating Dupixent® (dupilumab) in patients with chronic spontaneous urticaria (CSU), who were refractory to omalizumab, will stop due to futility based on a pre-specified interim analysis. Although positive numerical trends in reducing itch and hives were observed, the results from the interim analysis did not demonstrate statistical significance for the primary endpoints. The analysis was conducted by an independent interim analysis review committee. In the trial, patients who were refractory to omalizumab treatment and uncontrolled on antihistamines received Dupixent® plus standard of care compared to standard of care alone for 24 weeks. The safety data were generally consistent with the known safety profile of Dupixent® in its approved indications. The LIBERTY-CUPID pivotal program was initiated in 2020 with an accelerated direct-to-Phase 3 strategy. The previously reported Phase 3 trial, which evaluated a different group of patients who were biologic-naïve, met its primary and all key secondary endpoints at 24 weeks showing that adding Dupixent® to standard-of-care antihistamines significantly reduced itch and hives compared to antihistamines alone. The companies remain committed to advancing Dupixent® for patients with CSU uncontrolled on antihistamines and are evaluating next steps.

On February 23, 2022, Sanofi and GSK announced that they intend to submit data from both their booster and Phase 3 efficacy trials as the basis for regulatory applications for a COVID-19 vaccine.

The public health relevance of the refrigerator temperature-stable adjuvanted protein-based Sanofi-GSK vaccine is strongly supported by the induction of robust immune responses and a favorable safety profile in multiple settings. In participants who had received a primary series of an already authorized mRNA or adenovirus vaccine, the Sanofi-GSK booster vaccine induced a significant increase in neutralizing antibodies of 18- to 30-fold across vaccine platforms and age groups. When the Sanofi-GSK vaccine was used as a two-dose primary series followed by a booster dose, neutralizing antibodies increased 84- to 153-fold compared to pre-boost levels.

- Final analysis of the global VAT02 booster trial confirms universal ability to boost neutralizing antibodies 18- to 30-fold across vaccine platforms (mRNA, adenovirus)
- In the VAT08 Phase 3 primary series trial, two doses of the Sanofi-GSK vaccine in seronegative populations demonstrated:
  - 100% efficacy against severe COVID-19 disease and hospitalizations
  - 75% efficacy against moderate or severe COVID-19 disease
  - 57.9% efficacy against any symptomatic COVID-19 disease, in line with expected vaccine effectiveness in today's environment dominated by variants of concern
- Favorable safety profile following both primary series and booster vaccinations

## 2. Operating and financial review

### 2.1. Net sales

Consolidated net sales for the year ended December 31, 2021 amounted to €37,761 million, 4.8% higher than in 2020. Exchange rate fluctuations had a negative effect of 2.3 percentage points overall, due mainly to adverse trends in the euro exchange rate against the US dollar, Japanese yen, Turkish lira, Brazilian real and Argentinean peso. At constant exchange rates (CER, see definition below), net sales rose by 7.1%, mainly reflecting strong growth for our Specialty Care global business unit (driven by a solid performance from Dupixent<sup>®</sup>), and increased sales for our Vaccines business and our Consumer Healthcare global business unit. Those positive effects more than offset a decrease in sales for our General Medicines global business unit, in line with the streamlining of our non-core product portfolio and lower sales of Lantus<sup>®</sup> and Aprovel<sup>®</sup>.

Reconciliation of net sales to net sales at constant exchange rates

(€ million)	2020	2019	Change
<b>Net sales</b>	<b>37,761</b>	<b>36,041</b>	<b>+4.8%</b>
Effect of exchange rates	850		
<b>Net sales at constant exchange rates</b>	<b>38,611</b>	<b>36,041</b>	<b>+7.1%</b>

### 2.2. Net sales by operating segment and Global Business unit

Our net sales comprise the net sales generated by our Pharmaceuticals, Vaccines and Consumer Healthcare segments.

The table below also presents an analysis of our net sales by Global Business Unit (GBU).

(€ million)	2021	2020	Change on a reported basis	Change at constant exchange rates
Specialty Care GBU	12,752	10,954	+16.4%	+19.7%
General Medicines GBU	14,218	14,720	-3.4%	-1.4%
<b>Pharmaceuticals segment</b>	<b>26,970</b>	<b>25,674</b>	<b>+5.0%</b>	<b>+7.6%</b>
<b>Vaccines GBU/segment</b>	<b>6,323</b>	<b>5,973</b>	<b>+5.9%</b>	<b>+6.8%</b>
<b>Consumer Healthcare GBU/segment</b>	<b>4,468</b>	<b>4,394</b>	<b>+1.7%</b>	<b>+4.6%</b>
<b>Total net sales</b>	<b>37,761</b>	<b>36,041</b>	<b>+4.8%</b>	<b>+7.1%</b>

### 2.3. Net sales by franchise and geographical region

(€ million)	Net sales	Change (CER)	Change (reported)	United States	Change (CER)	Europe	Change (CER)	Rest of the world	Change (CER)
Dupixent <sup>®</sup>	5,249	+52.7%	+48.5%	3,971	+46.2%	649	+67.4%	629	+90.0%
Total Multiple Sclerosis, Neurology, Other Inflammatory Diseases & Immunology	2,324	-0.3%	-2.9%	1,482	-5.5%	638	+10.0%	204	+13.0%
Total Rare Diseases	3,126	+7.0%	+3.8%	1,142	+5.4%	1,069	+5.6%	915	+10.5%
Total Oncology	912	+16.9%	+14.3%	410	+15.2%	327	+8.7%	175	+40.5%
Total Rare Blood Disorders	1,141	-3.0%	-6.2%	842	+4.5%	81	+95.1%	218	-33.6%
Specialty Care GBU	12,752	+19.7%	+16.4%	7,847	+20.1%	2,764	+19.0%	2,141	+19.3%
Total Diabetes	4,535	-0.8%	-3.3%	1,418	-1.8%	1,154	-4.2%	1,963	+2.0%
Total Cardiovascular & Established Prescription Products	8,875	-1.8%	-3.7%	1,178	-6.7%	2,560	-3.2%	5,137	+0.1%
General Medicines GBU	14,218	-1.4%	-3.4%	2,637	-4.8%	4,437	-1.4%	7,144	—%
<b>Total Pharmaceuticals</b>	<b>26,970</b>	<b>+7.6%</b>	<b>+5.0%</b>	<b>10,484</b>	<b>+12.7%</b>	<b>7,201</b>	<b>+5.5%</b>	<b>9,285</b>	<b>+3.9%</b>
<b>Total Vaccines</b>	<b>6,323</b>	<b>+6.8%</b>	<b>+5.9%</b>	<b>2,762</b>	<b>+1.6%</b>	<b>1,225</b>	<b>+25.6%</b>	<b>2,336</b>	<b>+5.0%</b>
<b>Total Consumer Healthcare</b>	<b>4,468</b>	<b>+4.6%</b>	<b>+1.7%</b>	<b>1,139</b>	<b>+10.6%</b>	<b>1,333</b>	<b>-1.8%</b>	<b>1,996</b>	<b>+5.7%</b>
<b>Total Sanofi</b>	<b>37,761</b>	<b>+7.1%</b>	<b>+4.8%</b>	<b>14,385</b>	<b>+10.3%</b>	<b>9,759</b>	<b>+6.6%</b>	<b>13,617</b>	<b>+4.4%</b>

### 2.3.1. Net sales – Pharmaceuticals segment

In 2021, net sales for the Pharmaceuticals segment amounted to €26,970 million, up 5.0% on a reported basis and 7.6% at constant exchange rates (CER). The year-on-year reported-basis increase of €1,296 million reflects adverse exchange rate effects of €666 million, and the following principal effects at constant exchange rates:

- solid performances from Dupixent® (+€1,862 million), the Oncology (+€135 million) and Rare Diseases (+€210 million) franchises, and industrial sales (+€4 million); and
- lower sales for the Cardiovascular & Established Prescription Products (-€166 million), Diabetes (-€38 million), Rare Blood Disorders (-€37 million) and Neurology & Immunology (-€8 million) franchises.

#### Specialty care GBU

##### Dupixent®

Dupixent® (developed in collaboration with Regeneron) generated net sales of €5,249 million in 2021, up 48.5% on a reported basis and 52.7% at constant exchange rates. In the United States, sales of Dupixent® reached €3,971 million in 2021, boosted by continuing strong demand in the treatment of atopic dermatitis in adults, adolescents and children aged 6 to 11 years (approved in May 2020), plus ongoing adoption of the product for the treatment of asthma and nasal polyps. In Europe, the product posted 2021 net sales of €649 million, up 67.4% CER, driven by continuing growth in atopic dermatitis in key markets and by new launches in asthma. In the Rest of the World region, Dupixent® posted net sales of €629 million (+90.0% CER), including €291 million in Japan (+61.5% CER). In China, where Dupixent® was approved in June 2020 for moderate to severe atopic dermatitis in adults and was added to the NRDL (National Reimbursement Drug List) in March 2021, the product generated net sales of €74 million (+483.3% CER).

##### Neurology and immunology

In 2021, the **Neurology and Immunology** franchise generated net sales of €2,324 million, down 2.9% on a reported basis and 0.3% CER, with growth in sales of Kevzara® more than offset by lower sales of Lemtrada® and Aubagio®.

##### Rare diseases

In 2021, net sales for the **Rare Diseases** franchise totaled €3,126 million, up 3.8% on a reported basis and 7.0% at constant exchange rates (CER). In Europe, net sales for the franchise rose by 5.6% CER to €1,069 million. In the United States, net sales advanced by 5.4% CER to €1,142 million. In the Rest of the World region, net sales were up 10.5% CER at €915 million.

##### Oncology

In 2021, net sales for the **Oncology** franchise amounted to €912 million, up 14.3% on a reported basis and 16.9% CER, driven by the launches of Sarclisa® and Libtayo®, which more than offset the impact of generics of Jevtana® in Europe.

##### Rare blood disorders

In 2021, the **Rare Blood Disorders** franchise generated net sales of €1,141 million, down 6.2% on a reported basis and 3.0% at constant exchange rates, mainly as a result of lower industrial sales to Sobi following amendments to the supply agreement in 2020. When excluding that effect, net sales rose by 8.0% CER.

#### General medicines GBU

##### Diabetes

In 2021, net sales for the **Diabetes** franchise were €4,535 million, down 3.3% on a reported basis and 0.8% at constant exchange rates. This mainly reflects a decrease in sales for the franchise in the United States (-1.8% CER at €1,418 million) and Europe (-4.2% CER at €1,154 million) on lower sales of Lantus®, and a decrease in sales of Amaryl® in China.

##### Cardiovascular & Established Prescription Products

In 2021, net sales for the **Cardiovascular & Established Prescription Products** amounted to €8,875 million, down 3.7% on a reported basis and 1.8% at constant exchange rates. A positive performance from core products such as Lovenox®, Plavix®, Thymoglobulin® and Mozobil® was more than offset by lower sales of Praluent®, Aprove®/Avapro® and generics, and by the impact of divestments of non-core products.



### 2.3.2 Net sales – Vaccines segment/GBU

In 2021, the Vaccines segment posted net sales of €6,323 million, up 5.9% on a reported basis and 6.8% CER, reflecting growth across all franchises; the main drivers were influenza vaccines (+5.9% CER at €2,628 million), Polio/Pertussis/Hib vaccines (+4.2% CER at €2,159 million), and a recovery of sales of meningitis vaccines (+21.1% CER at €658 million).

### 2.3.3 Net sales – Consumer Healthcare segment/GBU

In 2021, net sales for the **Consumer Healthcare** (CHC) segment increased by 1.7% on a reported basis and 4.6% at constant exchange rates to €4,468 million. Stronger sales in the Digestive Wellness, Pain, and Mental Wellness categories more than offset the effects of low incidence of coughs and colds during the winter season and of divestments of non-core products.

## 2.4. Net sales by geographical region

In 2021, net sales in the **United States** reached €14,385 million, up 6.8% on a reported basis and 10.3% at constant exchange rates. Strong performances from Dupixent<sup>®</sup> (+46.2% CER at €3,971 million) and meningitis vaccines (+28.8% CER at €487 million) more than offset lower sales of influenza vaccines (-13.6% CER at €1,366 million), of Praluent<sup>®</sup> (-94.3% CER at €5 million, following the restructuring of Sanofi's collaboration agreements with Regeneron; see Note C.1. "Alliance arrangements with Regeneron Pharmaceuticals Inc. (Regeneron)" to our consolidated financial statements, included at Item 18. of our 2021 Annual Report on Form 20-F), and from our Neurology & Immunology franchise (-5.5% CER at €1,482 million).

In **Europe**, net sales advanced by 6.6% on a reported basis and 6.6% at constant exchange rates in 2021 to €9,759 million. A substantial rise in sales of influenza vaccines (+64.4% CER at €729 million), plus strong performances by Dupixent<sup>®</sup> (+67.4% CER at €649 million), Libtayo<sup>®</sup> (+72.1% CER at €105 million) and Sarclisa<sup>®</sup> (+600.0% CER at €64 million), more than offset lower sales for the Diabetes franchise (-4.2% CER at €1,154 million) and the Cardiovascular & Established Prescription Products franchise (-3.2% CER at €2,560 million).

In the **Rest of the World** region, net sales for 2021 increased by 1.4% on a reported basis and 4.4% at constant exchange rates, to €13,617 million. Under-performances by the Rare Blood Disorders franchise (mainly due to lower industrial sales to Sobi further to the amendments to the supply agreement in 2020) and by Aprovel<sup>®</sup> were outweighed by good performances from Dupixent<sup>®</sup>, Lovenox<sup>®</sup>, influenza vaccines and the Rare Diseases franchise. China led the way in terms of growth, with net sales up 7.9% CER at €2,720 million, driven by an acceleration in sales for the Cardiovascular & Established Prescription Products franchise and Dupixent<sup>®</sup>.

## 2.5. Net income attributable to equity holders of Sanofi

Net income attributable to equity holders of Sanofi amounted to €6,223 million in 2021, compared with €12,294 million in 2020.

Basic earnings per share for 2021 was €4.97 versus €9.81 for 2020, based on an average number of shares outstanding of 1,252.5 million in 2021 and 1,253.6 million in 2020. Diluted earnings per share for 2021 was €4.95 versus €9.76 for 2020, based on an average number of shares after dilution of 1,257.9 million in 2021 and 1,260.1 million in 2020.

## 2.6. Business net income

We believe that understanding of our operational performance by our management and our investors is enhanced by reporting "Business net income". This non-GAAP financial measure represents "Business operating income", less net financial expenses and the relevant income tax effects.

"Business net income" for 2021 was €8,213 million, 11.8% up on 2020 (€7,346 million), and represented 21.7% of net sales (compared with 20.4% in 2020).

We also report "Business earnings per share" ("Business EPS"), a non-GAAP financial measure we define as "Business net income" divided by the weighted average number of shares outstanding. "Business EPS" was €6.56 for 2021, 11.9% higher than the 2020 figure of €5.86, based on an average number of shares outstanding of 1,252.5 million for 2021 and 1,253.6 million for 2020.

Our **Net income attributable to equity holders of Sanofi** amounted to €6,223 million for 2021, compared with €12,294 million in 2020.

## 2.7. Consolidated statement of cash flows

**Net cash provided by/used in operating activities** represented a net cash inflow of €10,522 million in 2021, compared with €7,418 million in 2020. This increase mainly resulted from an improvement in operating cash flow before changes in working capital (which amounted to €9,113 million in 2021, versus €7,743 million in 2020) and a net reduction of €1,409 million in the working capital requirement in 2021, versus a net increase of €325 million in 2020.

**Net cash provided by/used in investing activities** represented a net cash outflow of €7,298 million in 2021, compared with a net inflow of €3,619 million in 2020. The net cash outflow in 2021 was attributable mainly to the acquisitions of Translate Bio (€2,333 million), Kadmon (€1,575 million), Kymab (€932 million), Kiadis (326 million), Tidal (€135 million) and Origimm (€50 million). The net cash inflow in 2020 was mainly due to the sale of Renegeron shares on May 29, 2020 for cash proceeds of €10,370 million, partly offset by cash outflows related to the acquisitions of Synthorx (€2,245 million) and Principia (€2,972 million).

Acquisitions of property, plant and equipment and intangible assets amounted to €2,043 million, versus €2,083 million in 2020. There were €1,479 million of acquisitions of property, plant and equipment (versus €1,254 million in 2020), most of which (€1,024 million) related to the Pharmaceuticals segment, primarily in industrial facilities. The Vaccines segment accounted for €382 million of acquisitions of property, plant and equipment during 2021. Acquisitions of intangible assets (€564 million, versus €829 million in 2020) mainly comprised contractual payments for intangible rights under license and collaboration agreements.

After-tax proceeds from disposals amounted to €718 million in 2021, and included the divestments of (i) two activities related to some of our established prescription products for a selling price before taxes of €187 million and (ii) some of our Consumer Healthcare products for a selling price before taxes of €109 million. In 2020, after-tax proceeds from disposals amounted to €918 million, the main items being (i) the sale to Baxter of the Septrafilm® activity for a selling price before taxes of €311 million; (ii) the divestment of some of our established prescription products for €97 million before taxes; and (iii) €167 million before taxes of contingent consideration received in connection with a past divestment.

**Net cash provided by/used in financing activities** represented a net cash outflow of €7,056 million in 2021, compared with a net cash outflow of €6,485 million in 2020. The 2021 figure includes a net outflow of €2,804 million for debt repayments (including lease liabilities), primarily (i) the redemption at maturity on March 29, 2021 of the \$2 billion bond issue from March 2011 and (ii) the early redemption on June 22, 2021 of the €500 million bond issue from September 2015; that compares with a net outflow of €1,885 million for debt repayments in 2020). It also includes the dividend payout to our shareholders of €4,008 million (versus €3,937 million in 2020), and the effect of changes in our share capital (repurchases of our own shares, net of capital increases), representing a net cash outflow of €196 million in 2021 and a net cash inflow of €619 million in 2020.

The **net change in cash and cash equivalents** in 2021 was an increase of €3,817 million, versus an increase of €4,488 million in 2020.

**“Free cash flow”<sup>(1)</sup>** for the year ended December 31, 2021 was €8,096 million, an increase on the 2020 figure of €6,982 million. This reflects our operational performance (including the effect of cost containment measures), and asset divestments made during the period.

## 2.8. Consolidated balance sheet and debt

Total assets were €120,242 million as of December 31, 2021, compared with €114,413 million as of December 31, 2020, an increase of €5,829 million.

**Net debt** was €9,983 million as of December 31, 2021, versus €8,790 million as of December 31, 2020. The increase was due largely to cash outflows of €5,594 million on acquisitions of consolidated entities and to the €4,008 million dividend payout to our shareholders, partly offset by the €8,096 million of free cash flow generated in the year.

“Net debt” is a non-GAAP financial measure which is reviewed by our management, and which we believe provides useful information to measure our overall liquidity and capital resources. We define “net debt” as (i) the sum total of short term debt, long term debt, and interest rate derivatives and currency derivatives used to manage debt, minus (ii) the sum total of cash and cash equivalents and interest rate derivatives and currency derivatives used to manage cash and cash equivalents.

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<sup>(1)</sup> Non-GAAP financial measure; see “Definitions” section below

To assess our financing risk, we use the “gearing ratio”, a non-GAAP financial measure. This ratio (which we define as the ratio of net debt to total equity) increased from 13.9% as of December 31, 2020 to 14.5% as of December 31, 2021. Analyses of debt as of December 31, 2021 and December 31, 2020, by type, maturity, interest rate and currency, are provided in Note D.17.1. to our consolidated financial statements of our 2021 annual report on Form 20-F.

We expect that the future cash flows generated by our operating activities will be sufficient to repay our debt. The financing arrangements in place as of December 31, 2021 at the Sanofi parent company level are not subject to covenants regarding financial ratios and do not contain any clauses linking fees to Sanofi's credit rating.

Other key movements in the balance sheet are described below.

Total **equity** was €69,031 million as of December 31, 2021, versus €63,252 million as of December 31, 2020. The year-on-year change reflects the following principal factors:

- increases: our net income for 2021 (€6,279 million); and positive currency translation differences (€2,459 million); and
- decreases: the dividend paid to our shareholders in respect of the 2020 financial year (€4,008 million), and repurchases of our own shares (€382 million).

As of December 31, 2021, we held 11.02 million of our own shares, recorded as a deduction from equity and representing 0.872% of our share capital.

**Goodwill and Other intangible assets** (€69,463 million in total) increased by €6,758 million year-on-year, the main factors being:

- increases: movements associated with the acquisitions of Translate Bio (€2,179 million of provisional goodwill, €396 million of other intangible assets), Kymab (€965 million of other intangible assets), and Kadmon (€1,739 million of other intangible assets), and currency translation differences (€2,398 million); and
- decreases: amortization and impairment charged in the period (€1,932 million).

**Investments accounted for using the equity method** (€250 million) increased by €49 million due to the remeasurement of our interest in the MSP Vaccine Company joint venture.

**Other non-current assets** amounted to €3,127 million, a year-on-year increase of €393 million. This mainly reflects the \$180 million equity investment in Owkin, and the recognition as of December 31, 2021 of overfundings of defined-benefit pension schemes (especially in the United Kingdom).

**Net deferred tax assets** amounted to €2,981 million as of December 31, 2021, versus €2,406 million as of December 31, 2020, a year-on-year rise of €575 million. This mainly reflects deferred taxes arising on consolidation adjustments for intragroup margin in inventory, and an increase in tax loss carry-forwards.

**Non-current provisions and other non-current liabilities** (€6,721 million) showed a decrease of €594 million, mainly related to actuarial losses on defined-benefit plans (recognized in Other comprehensive income).

**Liabilities related to business combinations and to non-controlling interests** (€714 million) were €109 million higher year-on-year. The main movements in this line item during 2021 were the recognition of \$382 million of contingent consideration payable to Shire Human Genetic Therapies Inc. (Shire) as a result of our acquisition of Translate Bio in September 2021, partly offset by the settlement during the first half of 2021 of the contingent consideration liability due to True North Therapeutics as a result of our acquisition of Bioverativ.

## 3. Outlook

### 3.1. Impact of competition from generics and biosimilars

Some of our flagship products continued to suffer sales erosion in 2021 under the impact of competition from generics and biosimilars. We do not believe it is possible to state with certainty what level of net sales would have been achieved in the absence of generic competition. A comparison of our consolidated net sales for the years ended December 31, 2021 and 2020 (see “— A.2. Results of Operations — Year Ended December 31, 2021 Compared with Year Ended December 31, 2020” of our 2021 annual report on Form 20-F) for the main products affected by generic and biosimilar competition shows a loss of €231 million of net sales on a reported basis. Other parameters may have contributed to the loss of sales, such as a fall in the average selling price of certain products.

We expect the erosion caused by generic competition to continue in 2022, with a negative impact on our net income. The products likely to be impacted in 2022 include those that already faced generic competition in 2021, but whose sales can reasonably be expected to be subject to further sales erosion in 2022. In 2022, we may be facing generic competition in some EU countries for Mozobil<sup>®</sup> following expiry of orphan exclusivity in August 2021 (although a secondary patent and supplementary protection certificate remain in force in the EU).

In 2021, the aggregate consolidated net sales of those products in Europe, the United States and Japan were €2,487 million; this comprised €890 million in the United States (including €861 million in net sales of Lantus<sup>®</sup>); €1,491 million in Europe; and €106 million in Japan. The negative impact on our 2022 net sales is likely to represent a substantial portion of those sales, but the actual impact will depend on a number of factors such as the number of generics available, the prices at which the products are sold, and overall market trends, and potential litigation outcomes.

In China, the authorities have implemented a range of healthcare cost containment measures, including a Volume Based Procurement (VBP) program for insulins (see also “Item 4. — B.6.4. Pricing & Reimbursement” of our 2021 annual report on Form 20-F). A large number of molecules were selected to submit tenders under successive waves of the VBP program, with the successful bidders being awarded a high level of market share in return for offering lower prices. In 2021, Sanofi successfully tendered for amisulpride and oxaliplatin 50mg, as well as for our insulins Toujeo<sup>®</sup> and Lantus. As a consequence, Sanofi expects that its glargine sales (Toujeo<sup>®</sup>/Lantus<sup>®</sup>) to decrease by around 30% in 2022 in China. Toujeo<sup>®</sup>/Lantus<sup>®</sup> net sales in China in 2021 were €459 million.

### 3.2. 2022 outlook

For 2022, Sanofi expects low double-digit growth in business EPS<sup>(2)</sup> at constant exchange rates (CER), barring unforeseen major adverse events. The positive impact of exchange rates on our 2022 business EPS is estimated to be in the region of +2% to +3%, based on average exchange rates for January 2022.

In 2021, Sanofi generated business net income<sup>(1)</sup> of €8,213 million, or €6.56 per share.

This guidance was prepared on a basis comparable with that used to prepare our historical financial information, and in accordance with Sanofi accounting policies. It was also prepared on the basis of assumptions established by Sanofi and its subsidiaries, including but not limited to:

- growth in the national markets where Sanofi has operations;
- the level of reimbursement of healthcare costs, reforms to pricing regulations, and other governmental measures relating to the pharmaceutical industry;
- trends in the competitive environment, in terms of innovative products and launches of generics;
- respect for our intellectual property rights;
- progress on our research and development programs;
- the impact of, and progress on, our operating cost containment policy;
- trends in exchange rates and interest rates;
- integration of the contribution from acquisitions; and
- the average number of shares outstanding.

Some of the above information, estimates and assumptions are derived from or rely on, in full or in part, judgments and decisions made by Sanofi management which may change or be amended in future.

In addition, Sanofi is still forecasting growth in business operating income (BOI) margin<sup>(1)</sup>, which we expect to reach 30% in 2022 and exceed 32% in 2025. We have also announced the rollout of a number of cost rationalization initiatives, which we expect will generate €2.5 billion of savings by the end of 2022. Those savings will enable us to invest in our key growth drivers, accelerate development on our priority projects, and generate a higher level of BOI margin. Finally, we have set ourselves an objective of increasing our free cash flow<sup>(1)</sup> by approximately 50% by the end of 2022, versus an adjusted baseline of €4.1 billion in 2018.

<sup>(2)</sup> Non-GAAP financial measure; see “Definitions” section below.

## 4. Definitions

### 4.1. Net sales at constant exchange rates and constant structure basis

When we refer to changes in our net sales at constant exchange rates (CER), that means that we have excluded the effect of exchange rates by recalculating net sales for the relevant period using the exchange rates that were used for the previous period.

When we refer to changes in our net sales on a constant structure (CS) basis, that means that we eliminate the effect of changes in structure by restating the net sales for the previous period as follows:

- by including sales generated by entities or product rights acquired in the current period for a portion of the previous period equal to the portion of the current period during which we owned them, based on historical sales information we receive from the party from whom we make the acquisition;
- similarly, by excluding sales for a portion of the previous period when we have sold an entity or rights to a product in the current period; and
- for a change in consolidation method, by recalculating the previous period on the basis of the method used for the current period.

To facilitate analysis and comparisons with prior periods, some figures are given at constant exchange rates and on a constant structure basis (CER/CS).

### 4.2. Segment information and results

In accordance with IFRS 8 (Operating Segments), the segment information reported by Sanofi is prepared on the basis of internal management data provided to the Chief Executive Officer, who is the chief operating decision maker. The performance of those segments is monitored individually using internal reports and common indicators. The operating segment disclosures required under IFRS 8 are provided in Notes B.26. and D.35. ("Segment Information") to our consolidated financial statements, included at Item 18. of our 2021 annual report on Form 20-F.

Sanofi has three operating segments: Pharmaceuticals, Vaccines, and Consumer Healthcare.

The Pharmaceuticals segment comprises, for all geographical territories, the commercial operations of the following global franchises: Specialty Care (Dupixent<sup>®</sup>, Neurology & Immunology, Rare Diseases, Oncology, and Rare Blood Disorders) and General Medicines (Diabetes, Cardiovascular and Established Prescription Products), together with research, development and production activities dedicated to the Pharmaceuticals segment. This segment also includes associates whose activities are related to pharmaceuticals. Following the transaction of May 29, 2020, Regeneron is no longer an associate of Sanofi (see Note D.1. to our consolidated financial statements for the year ended December 31, 2020 of our 2021 annual report on Form 20-F). Consequently, the Pharmaceuticals segment no longer includes Sanofi's equity-accounted share of Regeneron's profits for all the periods presented in the Annual Report on Form 20-F.

The Vaccines segment comprises, for all geographical territories, the commercial operations of Sanofi Pasteur, together with research, development and production activities dedicated to vaccines.

The Consumer Healthcare segment comprises, for all geographical territories, the commercial operations for Sanofi's Consumer Healthcare products, together with research, development and production activities dedicated to those products.

Inter-segment transactions are not material.

The costs of Sanofi's global support functions (External Affairs, Finance, Human Resources, Legal Affairs, Information Solutions & Technologies, Sanofi Business Services, etc.) are mainly managed centrally at group-wide level. The costs of those functions are presented within the "Other" category. That category also includes other reconciling items such as retained commitments in respect of divested activities.

Following the Capital Markets Day held in February 2021, Sanofi changed the presentation of net sales for certain products in the Pharmaceuticals segment (within the General Medicines GBU) and the Consumer Healthcare segment, and also reallocated certain expenses. In particular, IT costs relating to our new digital organization – previously allocated to the Pharmaceutical, Vaccines, and Consumer Healthcare segments – are now included within the "Other" segment. The 2020 segmental results have been amended for comparative purposes in order to reflect those adjustments.

### 4.3. Business operating income

We report segment results on the basis of “Business operating income”. This indicator is used internally by Sanofi’s chief operating decision maker to measure the performance of each operating segment and to allocate resources. For a definition of “Business operating income”, and a reconciliation between that indicator and **Income before tax and investments accounted for using the equity method**, refer to Note D.35. to our consolidated financial statements of our 2021 annual report on Form 20-F.

Our “Business operating income” for 2021 amounted to €10,714 million, versus €9,759 million in 2020, while our “Business operating income margin” was 28.4%, versus 27.1% in 2020. “Business operating income margin” is a non-GAAP financial measure, which we define as the ratio of our “Business operating income” to **Net sales**.

Our **Income before tax and investments accounted for using the equity method** for 2021 amounted to €7,798 million, versus €13,778 million in 2020.

Because our “Business operating income” and “Business operating income margin” are not standardized measures, they may not be directly comparable with the non-GAAP financial measures of other companies using the same or similar non-GAAP financial measures. Although management uses those non-GAAP measures to set goals and measure performance, they have no standardized meaning prescribed by IFRS. These non-GAAP measures are presented solely to permit investors to more fully understand how Sanofi’s management assesses underlying performance. These non-GAAP measures are not, and should not be viewed as, a substitute for IFRS measures, and should be viewed in conjunction with our IFRS financials and performance measures. As a result, such measures have limits in their usefulness to investors.

### 4.4. Business net income

We define “Business net income” as **Net income attributable to equity holders of Sanofi** determined under IFRS, excluding the following items:

- amortization and impairment losses charged against intangible assets (other than software and other rights of an industrial or operational nature);
- fair value remeasurements of contingent consideration relating to business combinations or divestments or acquisition of intangible assets;
- other impacts associated with acquisitions (including impacts relating to investments accounted for using the equity method);
- restructuring costs and similar items (presented within the line item **Restructuring costs and similar items**);
- other gains and losses, including gains and losses on major disposals of non-current assets (presented within the line item **Other gains and losses, and litigation**);
- for 2020, the gain on the divestment of Regeneron shares on May 29, 2020 (see Note D.2. to our consolidated financial statements for the year ended December 31, 2020 of our 2021 annual report on Form 20-F);
- other costs and provisions related to litigation (presented within the line item **Other gains and losses, and litigation**);
- the tax effects of the items listed above, and the effects of major tax disputes;
- for 2020, the effects of the discontinuation of accounting by the equity method for the investment in Regeneron (see Note D.2. to our consolidated financial statements for the year ended December 31, 2020 of our 2021 annual report on Form 20-F); and
- the portion attributable to non-controlling interests of the items listed above.

The table below reconciles our "Business net income" to **Net income attributable to equity holders of Sanofi**:

(€ million)	2021	2020 <sup>(a)</sup>
<b>Net income attributable to equity holders of Sanofi</b>	<b>6,223</b>	<b>12,294</b>
Amortization of intangible assets <sup>(b)</sup>	1,580	1,681
Impairment of intangible assets <sup>(c)</sup>	192	330
Fair value remeasurement of contingent consideration	4	(124)
Expenses arising from the impact of acquisitions on inventories	4	53
Restructuring costs and similar items	820	1,089
Other gains and losses, and litigation <sup>(d)</sup>	5	(136)
Gain on divestment of Regeneron shares on May 29, 2020 <sup>(e)</sup>	—	(7,225)
Tax effects of the items listed above:	(614)	(270)
• amortization and impairment of intangible assets	(415)	(541)
• fair value remeasurement of contingent consideration	(2)	39
• expenses arising from the impact of acquisitions on inventories	—	(8)
• restructuring costs and similar items	(200)	(299)
• gain on divestment of Regeneron shares on May 29, 2020	—	477
• other tax effects	3	62
Share of items listed above attributable to non-controlling interests	(1)	(3)
Investments accounted for using the equity method: restructuring costs and expenses arising from the impact of acquisitions	—	(30)
Effect of discontinuation of equity method for investment in Regeneron <sup>(f)</sup>	—	(313)
<b>Business net income</b>	<b>8,213</b>	<b>7,346</b>
Average number of shares outstanding (million)	1,252.5	1,253.6
Basic earnings per share (€)	4.97	9.81
Reconciling items per share (€)	1.59	(3.95)
Business earnings per share (€)	6.56	5.86

(a) Includes the impacts of the IFRIC final agenda decisions of March 2021 on the costs of configuring or customising application software used in a Software as a Service (SaaS) arrangement and of April 2021 on the attribution of benefits to periods of service, as described in Note A.2.1. to the consolidated financial statements presented at Item 18 of our 2021 annual report on Form 20-F.

(b) Includes amortization expense related to accounting for business combinations: €1,463 million in 2021 and €1,592 million in 2020.

(c) For 2021, this line relates to the discontinuation of the development of sutimlimab in the treatment of Immune Thrombocytopenic Purpura (ITP), and to the termination of various research projects in Vaccines. For 2020, this line mainly comprises impairment losses taken against R&D programs within the Specialty Care GBU, and the discontinuation of certain R&D programs and collaboration agreements in Diabetes.

(d) For 2020, this line mainly comprises the gain on the sale of the Septrafilm<sup>®</sup> activity to Baxter.

(e) This line includes, for 2020, the gain on the sale of (i) 13 million shares of Regeneron common stock in the registered public offering and (ii) the 9.8 million shares repurchased by Regeneron, but does not include the gain arising from the remeasurement of the 400,000 retained shares at market value as of May 29, 2020.

(f) "Business net income" no longer includes Sanofi's share of profits from its equity investment in Regeneron (see Note D.1. to our consolidated financial statements for the year ended December 31, 2020 of our 2021 annual report on Form 20-F).

The most significant reconciling items between "Business net income" and **Net income attributable to equity holders of Sanofi** relate to (i) the purchase accounting effects of our acquisitions and business combinations, particularly the amortization and impairment of intangible assets (other than software and other rights of an industrial or operational nature) and (ii) the impacts of restructurings or transactions regarded as non-recurring, where the amounts involved are particularly significant. We believe that excluding those impacts enhances an investor's understanding of our underlying economic performance, because it gives a better representation of our recurring operating performance.

We believe that eliminating charges related to the purchase accounting effect of our acquisitions and business combinations (particularly amortization and impairment of some intangible assets) enhances comparability of our ongoing operating performance relative to our peers. Those intangible assets (principally rights relating to research, development and commercialization of products) are accounted for in accordance with IFRS 3 (Business Combinations) and hence may be subject to remeasurement. Such remeasurements are not made other than in a business combination.

We also believe that eliminating the other effects of business combinations (such as the incremental cost of sales arising from the workdown of acquired inventories remeasured at fair value in business combinations) gives a better understanding of our recurring operating performance.

Eliminating restructuring costs and similar items enhances comparability with our peers because those costs are incurred in connection with reorganization and transformation processes intended to optimize our operations.

Finally, we believe that eliminating the effects of transactions that we regard as non-recurring and that involve particularly significant amounts (such as major gains and losses on disposals, and costs and provisions associated with major litigation and other major non-recurring items) improves comparability from one period to the next.

We remind investors, however, that “Business net income” should not be considered in isolation from, or as a substitute for, **Net income attributable to equity holders of Sanofi** reported in accordance with IFRS. In addition, we strongly encourage investors and potential investors not to rely on any single financial measure but to review our financial statements, including the notes thereto, carefully and in their entirety in our 2021 annual report on Form 20-F.

We compensate for the material limitations described above by using “Business net income” only to supplement our IFRS financial reporting and by ensuring that our disclosures provide sufficient information for a full understanding of all adjustments included in “Business net income”.

Because our “Business net income” and “Business EPS” are not standardized measures, they may not be directly comparable with the non-GAAP financial measures of other companies using the same or similar non-GAAP financial measures.

## 4.5. Free cash flow

“Free cash flow” is a non-GAAP financial indicator which is reviewed by our management, and which we believe provides useful information to measure the net cash generated from our operations that is available for strategic investments<sup>(1)</sup> (net of divestments<sup>(1)</sup>), for debt repayment, and for payments to shareholders. “Free cash flow” is determined from our “Business net income”<sup>(2)</sup> after adding back (in the case of expenses and losses) or deducting (in the case of income and gains) the following items: depreciation, amortization and impairment, share of undistributed earnings from investments accounted for using the equity method, gains & losses on disposals, net change in provisions including pensions and other post-employment benefits, deferred taxes, share-based payment expense and other non-cash items. It also includes net changes in working capital, capital expenditures and other asset acquisitions<sup>(3)</sup> net of disposal proceeds<sup>(3)</sup>, and payments related to restructuring and similar items. “Free cash flow” is not defined by IFRS, and is not a substitute for **Net cash provided by operating activities** as reported under IFRS. Management recognizes that the term “Free cash flow” may be interpreted differently by other companies and under different circumstances.

The table below sets forth a reconciliation between **Net cash provided by operating activities** and “Free cash flow”:

(€ million)	2021	2020 <sup>(a)</sup>
<b>Net cash provided by operating activities</b>	<b>10,522</b>	<b>7,418</b>
Acquisitions of property, plant and equipment and software	(1,400)	(1,329)
Acquisitions of intangible assets, equity interests and other non-current financial assets <sup>(b)</sup>	(1,488)	(562)
Proceeds from disposals of property, plant and equipment, intangible assets and other non-current assets, net of tax <sup>(b)</sup>	667	930
Repayments of lease liabilities <sup>(c)</sup>	(149)	(234)
Other items <sup>(d)</sup>	(56)	759
<b>Free cash flow</b>	<b>8,096</b>	<b>6,982</b>

(a) Includes the impacts of the IFRIC final agenda decision of April 2021 on the attribution of benefits to periods of service, as described in Note A.2.1. to the consolidated financial statements presented at Item 18 of our 2021 annual report on Form 20-F.

(b) Free cash flow includes investments and divestments not exceeding a cap of €500 million per transaction.

(c) Cash outflows relating to repayments of the principal portion of lease liabilities (IFRS 16) are included in free cash flow.

(d) This line mainly comprises in 2020 the reclassification of net foreign exchange gains and losses arising on financial monetary items, and on the related hedging instruments, to Net cash provided by/(used in) financing activities.

<sup>(1)</sup> Above a cap of €500 million per transaction

<sup>(2)</sup> Non-GAAP financial measure; see “Definitions” section above

<sup>(3)</sup> Not exceeding a cap of €500 million per transaction.



# Consolidated income statements

(€ million)	2021	as % of net sales	2020 <sup>(a)</sup>	as % of net sales
<b>Net sales</b>	<b>37,761</b>	<b>100.0%</b>	<b>36,041</b>	<b>100.0%</b>
Other revenues	1,414	3.7%	1,328	3.7%
Cost of sales	(12,255)	(32.5%)	(12,159)	(33.7%)
<b>Gross profit</b>	<b>26,920</b>	<b>71.3%</b>	<b>25,210</b>	<b>69.9%</b>
Research and development expenses	(5,692)	(15.1%)	(5,530)	(15.3%)
Selling and general expenses	(9,555)	(25.3%)	(9,391)	(26.1%)
Other operating income	859		697	
Other operating expenses	(1,805)		(1,415)	
Amortization of intangible assets	(1,580)		(1,681)	
Impairment of intangible assets	(192)		(330)	
Fair value remeasurement of contingent consideration	(4)		124	
Restructuring costs and similar items	(820)		(1,089)	
Other gains and losses, and litigation	(5)		136	
Gain on Regeneron investment arising from transaction of May 29, 2020	—		7,382	
<b>Operating income</b>	<b>8,126</b>	<b>21.5%</b>	<b>14,113</b>	<b>39.2%</b>
Financial expenses	(368)		(388)	
Financial income	40		53	
<b>Income before tax and investments accounted for using the equity method</b>	<b>7,798</b>	<b>20.7%</b>	<b>13,778</b>	<b>38.2%</b>
Income tax expense	(1,558)		(1,807)	
Share of profit/(loss) from investments accounted for using the equity method	39		359	
<b>Net income</b>	<b>6,279</b>	<b>16.6%</b>	<b>12,330</b>	<b>34.2%</b>
Net income attributable to non-controlling interests	56		36	
<b>Net income attributable to equity holders of Sanofi</b>	<b>6,223</b>	<b>16.5%</b>	<b>12,294</b>	<b>34.1%</b>
Average number of shares outstanding (million)	1,252.5		1,253.6	
Average number of shares after dilution (million)	1,257.9		1,260.1	
• Basic earnings per share (€)	4.97		9.81	
• Diluted earnings per share (€)	4.95		9.76	

(a) Includes the impacts of the IFRIC final agenda decisions of March 2021 on the costs of configuring or customising application software used in a Software as a Service (SaaS) arrangement and of April 2021 on the attribution of benefits to periods of service, as described in Note A.2.1. to the consolidated financial statements presented at Item 18. of our 2021 annual report on Form 20-F.

# Non-consolidated financial data of Sanofi (parent company) for the last five years

(€ million)	2021	2020	2019	2018	2017
<b>Capital at period-end</b>					
Share capital	2,527	2,518	2,508	2,495	2 508
Number of shares in issue	1,263,560,695	1,258,971,738	1,253,846,111	1 247 395 472	1 254 019 904
<b>Income statement data</b>					
Net sales	321	477	450	472	517
Net income before tax and non-cash charges (depreciation, amortization and provisions)	3,160	8,796	(2,282)	4 900	3 701
Income tax	3	8	(8)	(47)	(387)
Employee profit-sharing	—	—	—	—	—
Net income after tax and non-cash charges (depreciation, amortization and provisions)	3,549	8,200	(4,511)	12 843	4 288
Dividends paid		4,008	3,937	3,834	3,773
<b>Per share data (€)</b>					
Net income after tax but before non-cash charges (depreciation, amortization and provisions)	2.50	6.99	(1.83)	3.89	3.26
Net income after tax and non-cash charges (depreciation, amortization and provisions)	2.81	6.51	(3.60)	10.30	3.42
Dividend per share (net)		3.20	3.15	3.07	3.03
<b>Employee data</b>					
Number of employees at period-end	11	11	11	12	13
Payroll cost for the year	32	16	15	21	25
Employee benefits for the year (social security and other welfare benefits)	22	10	11	10	12

# Request for additional documents and information



## COMBINED GENERAL MEETING OF MAY 3, 2022

These documents are available on our corporate website:  
([www.sanofi.com/AG2022](http://www.sanofi.com/AG2022))

I, the undersigned  
Surname or corporate name.....  
First name.....  
Address .....  
Town/City .....  
Zip Code .....  
Country .....  
Owner of ..... registered shares of Sanofi,  
Owner of ..... bearer shares of Sanofi (attach a copy of the shareholding certificate issued by your accredited intermediary),  
hereby request to be sent the documents and information relating to the Combined General Meeting of May 3, 2022, as specified in Article R. 225-83 of the French Commercial Code.

Place of signature ....., Date of signature..... 2022  
Signature

**Please send this form to BNP Paribas Securities Services  
CTO assemblées – Les Grands Moulins de Pantin – 9 rue du Débarcadère  
93761 Pantin CEDEX – France  
or to your accredited intermediary.**

**NOTICE:** In accordance with Article R. 225-88 of the French Commercial Code, owners of shares may request the Company to send them the documents and information specified in Articles R. 225-81 and R. 225-83 of the French Commercial Code in advance of all subsequent General Meetings. If you would like to choose this option, please indicate on this request form that you wish to do so.

*Notes*

A series of horizontal dotted lines for taking notes.





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