sanofi

2025 Pricing Principles Report

Advancing Responsible Leadership

At Sanofi, we work passionately to help prevent, treat, and cure illness and disease, understand and solve healthcare needs of people across the world, and transform the practice of medicine.

We have a longstanding commitment to promoting healthcare systems that make our treatments accessible and affordable to those in need. In May 2017, Sanofi reinforced this commitment with the introduction of our Pricing Principles, which details how we price our medicines and advocates for policy solutions to make the system work better for patients.

Our goal—then and now—is to foster a culture of transparency that helps our stakeholders better understand our pricing decisions and facilitates a more informed discussion related to the pricing of medicines across the U.S. healthcare system.

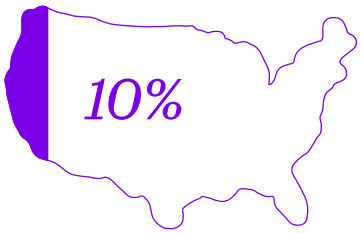
This report outlines our principles, 2024 pricing decisions, and our perspectives on advancing solutions to improve patient outcomes and affordability in the United States.

Our Pricing Principles *& Perspectives*

We share concerns about patients' affordability of medicines while recognizing that we are only one of many stakeholders involved in healthcare delivery.

At Sanofi, we price our medicines according to their value while advancing broader solutions that improve patient outcomes and support affordability within the U.S. healthcare system. Our pricing strategy underscores our commitment to patient access while minimizing our contribution to overall healthcare system spending. We remain transparent in how we price our prescription medicines and limit price increases in the United States.

As of September 2024, prescription medicines accounted for only



of U.S. healthcare spending, marking a reduction of approximately 4% compared to the previous year.[1]

The pricing principles we put forth focus on three pillars:

- **Clear Rationale for Pricing** at the time of launch of a new medicine
- **Reporting of U.S. Pricing Actions** on our medicines over time
- **Continued Transparency in the U.S.** around our pricing decisions

[1] Altarum. Health Sector Economic Indicators. November 2024.

Clear Rationale for Pricing

When we set the price of a new medicine, we follow a rigorous process that includes consultation with external stakeholders and consideration of the following factors:

A holistic value assessment using various internal and external methodologies to define or quantify value, incorporating patient perspectives and priorities. This includes:

- Clinical value and outcomes: the benefit the medicine delivers to patients and its effectiveness compared to the standard of care
- Economic value: how the medicine reduces the need for – and costs of – other healthcare interventions
- Social value: how the medicine contributes to quality of life and productivity

Similar current or future treatment options at launch to understand the landscape within the disease areas where our medicines or vaccines may be used.

System-wide affordability, including steps we must take to promote patient access and contribute to a more sustainable system for payors and healthcare systems.

Unique launch factors specific to a medicine or vaccine at its launch. For example, we may need to support ongoing clinical trials, implement regulatory commitments, or develop sophisticated patient support tools.

Reporting of U.S. Pricing Actions

We acknowledge our role in preserving the sustainability of our healthcare system and limiting our contribution to U.S. healthcare spending growth.

Our approach to pricing actions for existing medicines balances our ambition to chase the miracles of science, patients' access to the medicines they need, government policies, and evolving marketplace trends.

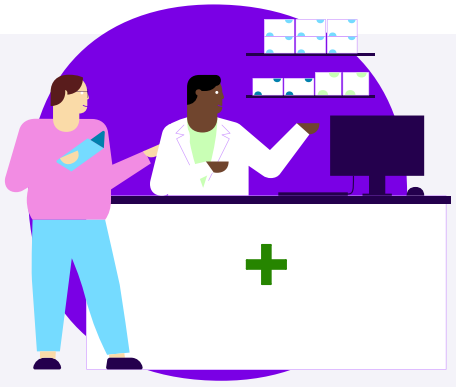
The guiding principle for any list price actions taken during the fiscal year 2024 was to adhere to a level consistent with our approach to responsible pricing.

Sanofi will annually disclose additional background if price actions trigger a prescription drug mandatory supplemental rebate under the Inflation Reduction Act (IRA) of 2022.

Continued Transparency in the U.S.

To maintain an open dialogue and recognize calls for continued transparency in our pricing actions, **we annually disclose our average aggregate U.S. list and net price changes from the prior calendar year**. We believe this information contributes to better-informed discussions to improve patient access and affordability.

It is important to note that patient cost-sharing and coverage decisions are made by public and private payors and employers, not manufacturers. It is most often the case that patients' out-of-pocket costs ultimately depend on how their health plan structures insurance coverage and to what extent it passes through negotiated discounts.



Although list prices often garner the most attention, they often do not represent the price patients pay.

Learn more about misaligned incentives in the drug supply chain impacting patient affordability.

Learn more →

A Look Back
2024 Pricing Actions

Our Pricing Principles reflect our unwavering dedication to providing patients with innovative and life-changing treatments while limiting costs and minimizing our contribution to healthcare spending growth.

Clear Rationale for Pricing

In 2024, Sanofi ushered in scientific breakthroughs by expanding the indications for five of our existing medicines, widening their FDA-authorized labels to treat additional conditions. This achievement was based on extensive and continued research and data, offering new treatment options to different patient populations with unmet needs.

Although post-approval research is less heralded than the investigation and launch of new medicines, continuing research into a medicine's potential to treat multiple different diseases can help unlock its full economic and societal value, allowing more people to benefit from treatments that may improve their conditions.

Specifically, post-approval research is critical for medicines targeting immune system disorders, an area with significant unmet need and severe symptoms, in which the body's immune system mistakenly attacks healthy cells or fails to respond to harmful invaders, causing inflammation and pain.

Our R&D approach, rooted in immunoscience, investigates the underlying causes of inflammation in the body and leverages our deep understanding of biological pathways, often linking seemingly unrelated conditions and broadening the populations of patients that can benefit from our medicines.

These "unsung heroes" of science highlight how fostering an innovative ecosystem that values post-approval research expands these medicines' value to patients and society – an ecosystem at risk due to new government price-setting policies.

Sanofi supports policy solutions that preserve drug discovery while ensuring affordable patient access to life-changing medicines.

Learn more about health care reforms we support.

Learn more →

Unlocking New Potential for Existing Medicines

Our 2024 Milestones in Pediatric, COPD, and Multiple Myeloma Treatments

January 2024

Dupixent® (dupilumab) was approved for pediatric patients aged 1 year and older weighing at least 15 kg with eosinophilic esophagitis, the first and only U.S.-approved medicine indicated for as young as 1 year old. The label was also updated to include efficacy and safety data for patients aged 12 and older with uncontrolled moderate to severe atopic dermatitis affecting the hands and/or feet.

May 2024

Altuviiio's® [Antihemophilic Factor (Recombinant), Fc-VWF-XTEN Fusion Protein-ehtl] label was updated with Phase 3 pediatric study results, showing effective bleed protection in children with hemophilia A with once-weekly dosing.

June 2024

Kevzara® (sarilumab) was approved for treating active polyarticular juvenile idiopathic arthritis in patients weighing 63 kg or more.

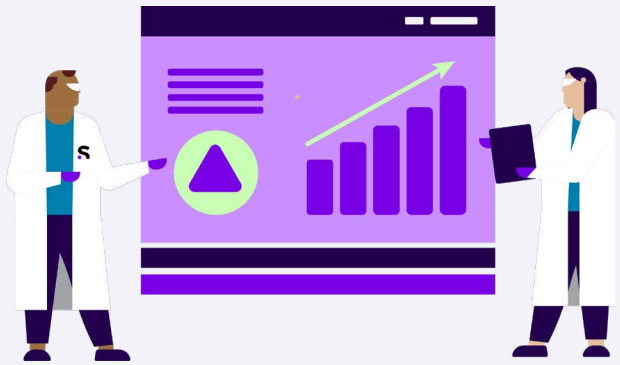
September 2024

Sarclisa® (isatuximab-irfc) was approved in combination with standard-of-care treatment for adults with newly diagnosed multiple myeloma who are not eligible for autologous stem cell transplant.

Dupixent was approved as an add-on maintenance treatment for adults with inadequately controlled COPD and an eosinophilic phenotype, making it the first-ever biologic for these patients in the U.S. Dupixent is not indicated for the relief of acute bronchospasm in this COPD population. It is also approved as the first and only add-on maintenance treatment for patients as young as 12 years of age with inadequately controlled chronic rhinosinusitis with nasal polyps, expanding on the 2019 approval for adults.

October 2024

The label of Flublok® (Influenza Vaccine) was updated with data from a safety study involving over 48,000 pregnant individuals aged 18 and older.



We keep delivering for patients with the continued momentum of Dupixent, our leading biologic medicine

Approved in

7

indications, driven in part by type 2 inflammation

Treating more than

1 million

patients worldwide[2]

[2]This worldwide number is largely comprised from 10 countries (Canada, China, France, Germany, Italy, Japan, the Netherlands, Spain, the UK, and the US), with the rest of the world comprising ≈10% of this number. This number is comprised of the following US approved indications: AD, asthma, CRSwNP, PN, and EoE. Data through August 2024.

Reporting of U.S. Pricing Actions

In 2024, Sanofi increased the price of *40* of its *80* prescription medicines in line with our Pricing Principles.

Effective January 1, 2024, Sanofi significantly reduced the list price for two insulin products in the U.S.

- The list price of Lantus® (insulin glargine injection) 100 Units/mL, our most prescribed insulin, was reduced by ▼*78%*
- Similarly, the list price of our short-acting insulin, Apidra® (insulin glulisine injection) 100 Units/mL, was lowered by ▼*70%*

Continued Transparency in the U.S.

U.S. Portfolio Annual Aggregate Price Change from Prior Year[3]

Year	Average Aggregate List Price	Average Aggregate Net Price
2016	4.0% Increase	2.1% Decrease
2017	1.6% Increase	8.4% Decrease
2018	4.6% Increase	8.0% Decrease
2019	2.9% Increase	11.1% Decrease
2020	0.2% Increase	7.8% Decrease
2021	1.5% Increase	1.3% Decrease
2022	2.6% Increase	0.4% Decrease
2023	4.3% Increase	15.7% Decrease
2024[4]	1.1% Increase	7.4% Increase

[4]Excluding the unique dynamics of the insulin market, Sanofi saw a 4.5% increase in aggregated gross price and a 3% decrease in net price. This demonstrates the increased demand for rebates and its overwhelming impact on the flow of revenue through the drug supply chain without directly impacting patients' out-of-pocket costs.

[3]As of December 31, 2024

Gross Sales Sanofi Paid as Rebates in 2024

36%
of our gross sales to payors as rebates

$4.3 billion
in mandatory rebates to government payors as required by federal law

$7.4 billion
in rebates negotiated with health plans and pharmacy benefit managers (PBMs) and their related fees

Sanofi's annual net price change is influenced by a number of factors, including the level of discounts, rebates, and fees paid to ensure access to our medicines; the makeup of our product portfolio; the type of health plan or program through which the medicine is dispensed (especially those with both negotiated and government-mandated rebates and discounts); and the extent of patient assistance we provide to improve the affordability of our medications.

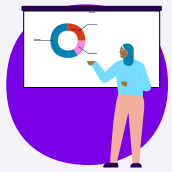
We experienced a 7.4% increase in 2024 in our average aggregated net price across our portfolio, the first increase reported since we began disclosing aggregate data. This increase was influenced by several factors, including dynamics within our insulin portfolio and the broader U.S. insulin market.

In 2024, Sanofi took a significant price reduction for Lantus, our most-prescribed insulin product. As a result of this price reduction within existing regulatory contracts, we saw an increase in net prices due to lower rebates across several channels. The portfolio impact of this net price increase was amplified by an increase in Sanofi market share for Lantus in 2024, which was due in part to a competitor product exiting the insulin market.

It is worth noting that the vast majority of Sanofi medicines still face heightened demand for rebates and fees from health plans and PBMs – which continue to assert control over drug pricing and patient out-of-pocket costs.

Living Out *Our Commitments*

Learn about our perspectives on significant policy issues impacting patient access and affordability and see how we are actively working to lower the out-of-pocket costs of prescription medications for all patients.



The Disconnect Between List Prices & Patient Costs

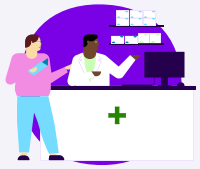
Learn more →

Prioritizing Patient Affordability: Our Patient Support Programs

Learn more →

A Closer Look at 340B

Learn more →



Action Driving Insulin Affordability

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Navigating the Complexities of Accessing Specialty Medicine

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Health Policy Solutions Protecting Innovation

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