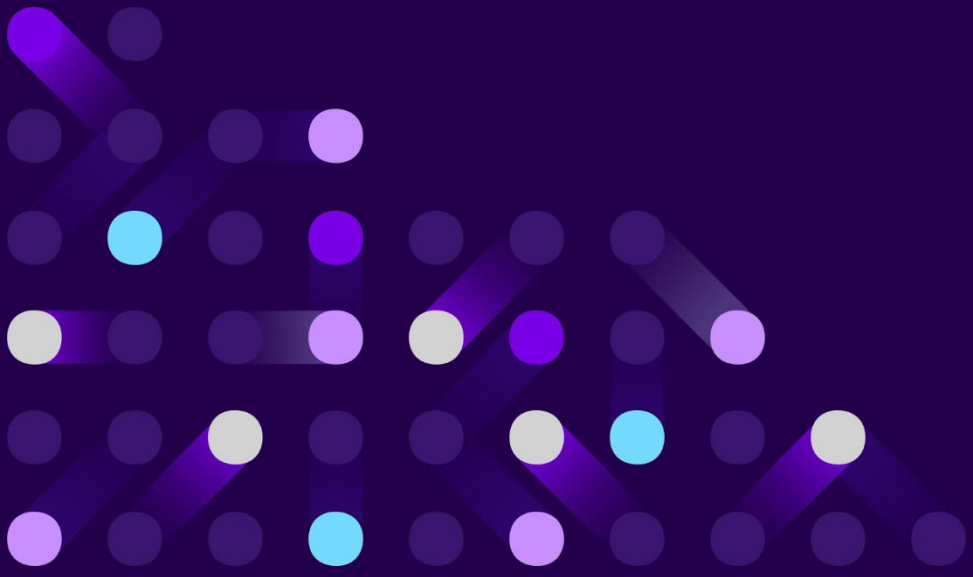
Sanofi’s Nature-related Financial Disclosures

Following TNFD recommendations



April 2026

Disclaimer

This document presents Sanofi's nature-related financial disclosures following the Taskforce on Nature-related Financial Disclosures (TNFD) recommendations. This represents Sanofi's first comprehensive LEAP assessment, completed in 2025, and reflects the current state of available data, methodologies, and internal traceability systems. Certain elements of the assessment—including supplier-level impact evaluations, commodity sourcing geolocation, and quantitative metrics—remain under development and will be progressively enhanced in future reporting cycles. The financial effect assessments are based on scenario modeling and contain inherent uncertainties related to ecosystem complexity, climate variability, and evolving regulatory landscapes. This disclosure should be read in conjunction with Sanofi's broader ESG reporting framework and does not constitute financial advice or forward-looking guidance for investment purposes.

Executive Summary

The pharmaceutical industry maintains critical links with nature, relying on natural resources for the sourcing of raw materials, active ingredients, and biological inputs, while also being exposed to the impacts of ecosystem degradation and biodiversity loss. As these pressures intensify, nature-related risks and opportunities are becoming increasingly material for the sector. Sanofi recognizes the strategic importance of these challenges and the need to better understand and manage its interactions with nature across its value chain.

In this context, and in alignment with TNFD recommendations, Sanofi conducted in 2025 a LEAP (*Locate, Evaluate, Assess, Prepare*) assessment to evaluate its nature-related dependencies, impacts, risks and opportunities across its value chain.

The *Locate* and *Evaluate* phases allowed Sanofi to develop an impact and dependency heatmap, while identifying sites with critical interfaces with nature-sensitive areas. Those of own operations are prioritized for the implementation of Biodiversity Management Plans. Also, the company qualitatively assessed its contribution to the 5 IPBES biodiversity pressures, more specifically commodities' pressures on nature at the sourcing location.

For the *Assess* part, Sanofi evaluated its nature-related risks and opportunities, drawing on three nature scenarios. The main risks retained for the study are the risks arising from dependencies to critical nature commodities and associated derivatives: horseshoe crab, palm oil, cattle, pig. Sanofi assessed the share of revenue dependent on these commodities and their derivatives, as well as variations in procurement costs by 2035 and 2050 under each nature scenario. The analysis suggests that, across these scenarios, the projected increases in procurement costs are financially immaterial for Sanofi. However, the company remains structurally exposed due to its reliance on certain natural-origin inputs that are essential to its product portfolio. In response, Sanofi is exploring and implementing adaptation measures, such as transitioning from horseshoe crab blood-derived reagents (LAL/TAL) to synthetic alternatives, to reduce its dependence on nature and strengthen its long-term resilience.

Table of contents

1.Governance

1.1 Board oversight of nature-related matters

The Board is informed of all material sustainability impacts, risks and opportunities, including nature and biodiversity-related IROs, and directly engages with the committees in charge of implementing the relevant policies and action plans, monitoring their effectiveness as well as Sanofi's progress towards meeting its targets.

The Appointments, Governance and CSR Committee of the Board addresses sustainability-related topics and reports to the Board. On sustainability matters, the Committee:

- examines and monitors the Company's commitments and policy orientations in terms of social, environmental and societal responsibility and the extent to which they meet stakeholder expectations and, more generally, encourages internal stakeholders to consider sustainability issues when developing and implementing corporate strategy;
- ensures that on climate and nature-related issues the Company's strategy includes precise targets for different time frames, and reviews annually the results achieved. The Committee may review the presentation to the shareholders' meeting of the climate and nature strategy;
- examines draft reports by the Company on governance (including the sections dealing with the diversity policy applied to members of the Board) and CSR matters (especially the sustainability information), and more generally ensure that all information required by applicable legislation on such matters is prepared;
- ensures that regular exchanges take place with shareholders on corporate governance and sustainability issues and determine how such exchanges take place, while making sure that the principles of equal treatment of all shareholders and the collegiate nature of the Board are not undermined;
- identifies and discusses emerging trends in governance and sustainability, and seeks to coordinate the Company's preparation for dealing with those trends in light of issues specific to its operations and objectives; and
- where applicable, and in conjunction with the Compensation Committee, participates in the determination of the extra-financial criteria included in the Company's remuneration policies.

Since 2024, the Audit Committee has a formal oversight role on sustainability reporting. It can challenge the adequacy of such reporting, especially on the materiality assessment and the information to be provided with respect to material impacts, risks and opportunities identified in accordance with the CSRD and related methodology established by the EC, EFRAG and other guidance (refer to the Sustainability Statement Disclaimer and Explanatory Note).

1.2 Management's role in assessing and managing nature-related matters

Responsibilities of the CEO, the Executive Committee and other relevant operational governance bodies

The Executive Committee regularly monitors Sanofi's impacts, risks and opportunities, as well as the work carried out by the subcommittees described hereafter. Some members of the Executive Committee are also appointed as owners or sponsors of a given CSR topic within the broader CSR strategy outlined previously.

The Planet Care Impact Steering Committee oversees the Planet Care pillar of Sanofi's sustainability strategy and monitors its efforts towards its environmental transition. The Committee chaired by the Head of Manufacturing & Supply (also an Executive Committee member) includes senior executives from Environment, CSR, Procurement and R&D functions along with senior representatives from Sanofi's GBUs and other activities. It submits strategic orientations and the company's commitments, including targets, to managing its environmental (climate, pollution, biodiversity and waste) impacts, risks and opportunities to the Executive Committee, which reviews these proposals with respect to their operational implementation.

The Taskforce for Resilience to Environmental Evolutions (TREE) is an evolution of our previous Climate Risks and Opportunities Committee (CROC) and oversees both Sanofi's climate change and nature adaptation efforts. It works closely with the Planet Care Impact Steering Committee to ensure that international climate and nature related risk management recommendations are applied at all levels of organization and that systems are in place to manage climate-and nature-related risks and opportunities. This group, which meets monthly, includes senior executives from CSR, HSE, Environment, Risk Management and Insurance, along with senior representatives from Strategy, Finance, Legal, CSR, Procurement, Supply Chain and HSE.

1.3 Human rights policies and engagements

We are committed to respecting human rights in relation to protecting the environment and local communities. This is reflected in our environmental policies, our compliance with conventions on the protection of biodiversity and the fight against biopiracy, and respect of the intellectual property rights of indigenous peoples. To ensure our compliance with international standards we implement due diligence processes and investigations — for example, the use of a new product from natural sources for the purposes of R&D.

Sanofi is committed to the fair and equitable sharing of the benefits arising from the utilization of genetic resources through our commitment to the Nagoya Protocol and to the Convention for Biological Diversity (CBD). Collaboration contracts set out conditions for sharing the benefits arising from the use of these resources.

2.Strategy and Risk Management

2.1 Assessing nature dependencies, impacts, risks, opportunities

2.1.1 Introduction

Following TNFD recommendations, Sanofi conducted in 2025 a LEAP approach focusing on nature dependencies (mainly to nature-based commodities), risks and opportunities.
The LEAP approach is structured around four key pillars:

- **Locate**, which aims to qualitatively identify the company's material nature pressures and dependencies, as well as interfaces with nature-sensitive areas.
- **Evaluate**, which focuses on assessing Sanofi's dependencies and impacts on nature, both qualitatively and quantitatively, at site and location level.
- **Assess**, which analyzes the related nature risks and opportunities.
- **Prepare**, which supports the definition of mitigation and adaptation actions, as well as future disclosures.

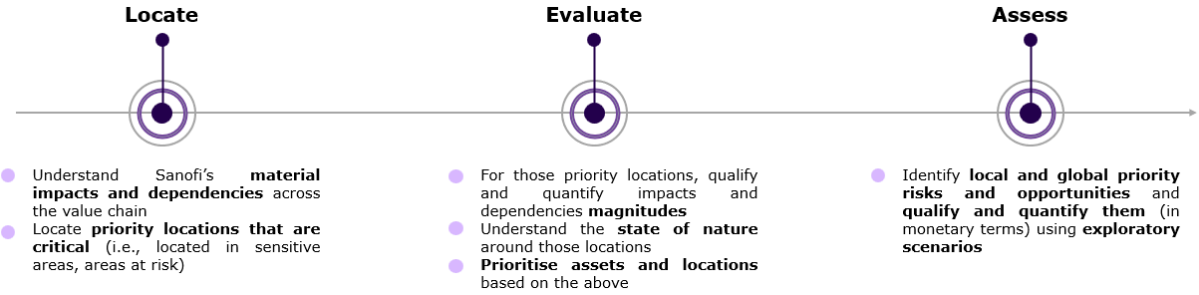


Figure 1: LEAP process

To operationalize the LEAP framework, Sanofi has segmented the work along its value chain, focusing on three entry points:

- **Own operations**
- **Tier 1 suppliers and CMOs (Contract Manufacturing Organization)**
- **Commodities** used directly or through derivatives in Sanofi's products. The analysis focused on assessing Sanofi's dependence to specific nature-based commodities.

This segmentation enables a progressive and pragmatic understanding of nature-related issues across different layers of the business.

This LEAP approach faces several limitations:

- The intrinsic complexity of ecosystems and the local variability of nature conditions make it challenging to evaluate risks and dependencies with precision.
- In parallel, Sanofi is actively working to improve internal traceability of nature-related commodities used in its products. Future iterations will broaden both the scope and precision of this analysis as traceability data and methodological standards continue to develop.

2.1.2 Assessment scope

Own operations
For the part of the analysis concerning direct operations, all Sanofi sites under its financial and operational control as of December 31, 2024, were included.

Suppliers
Sanofi relies on a variety of suppliers, making it impractical to conduct a LEAP assessment for all of them. A prioritization process was hence put in place to determine the tier 1 suppliers and the commodities to scope as part of the LEAP assessment.

The scope of suppliers is limited to those of tier 1 (direct) and CMOs (Contract Manufacturing Organizations) identified as strategic.

The selection of these tier 1 strategic suppliers and CMOs is based on the work of the procurement department, which provided a detailed list based on several criteria, including economic importance and dependency on these suppliers. Through this identification, **80 suppliers and 40 CMO sites** have been selected for the LEAP assessment.

The LEAP assessment on suppliers and CMOs is limited to assessing their interface with nature-sensitive area (*Locate* step).

Commodities

Commodities part of the LEAP assessment were selected through a multi-criteria analysis, considering the following factors (not cumulative):

Criteria for commodities scoping	Description	Input
Based on strategic products	Commodities present directly or through derivatives in Sanofi's strategic products	*Sanofi*
Based on impact on nature	Commodities with a material impact on nature, using the SBTN High-Impact Commodity List (HICL)	*SBTN HICL*
Based on top procured raw materials	Commodities present directly or through derivatives in Sanofi's most procured raw materials from tier 1 suppliers.	*Sanofi*

Table 1: List of criteria retained for commodities scoping

Based on those criteria, 8 commodities were selected for the LEAP assessment. **Future updates of the assessment will provide Sanofi with the opportunity to broaden the scope of analysis to include additional commodities.**

Selected commodities
Palm oil
Chicken Eggs
Wood
Maize
Cattle derivatives
Pig derivatives
Phosphorus
Horseshoe crab

Table 2: Commodities selected as part of the LEAP assessment

2.1.3 Sanofi's interfaces with nature, impact and dependency heatmap (Locate)

The first step of the LEAP assessment is the Locate phase, which aims to provide Sanofi with an understanding of its material nature pressures and dependencies, as well as interfaces with nature-sensitive areas. The outcomes are the following:

- **A heatmap** of Sanofi's impacts and dependencies across its value chain.
- For those value chain steps with material impacts and dependencies, **a mapping** of the associated assets and their locations with nature-sensitive areas.

Impact and dependency heatmap

The Locate phase begins with the development of an impact and dependency heatmap, providing Sanofi with a high-level view of its most significant nature-related challenges across the value chain. This step helps identify which activities should be prioritized based on their impacts and dependencies on nature.

To build the heatmap, **Sanofi started by mapping its value chain** the following way:

- **Value-chain step**: The stage of the supply chain where the activity occurs – upstream, downstream, own operations, and logistics.
- **Activity – level 1 & 2**: by value chain step, list of activities contributing to the step.
- **Activity – level 3**: offers a finer level of categorization, in which the ISIC sector is allocated.

Figure 2: Example of value-chain activity breakdown

The relative importance of identified sectors within Sanofi's supply chain varies. To account for these differences, weights were assigned to each ISIC sector and value chain activity based on their volume-related significance in Sanofi's operations.

These weights are then combined with the materiality scores of each impact and dependency associated with the ISIC sector activities, as provided by the ENCORE database. This approach allows Sanofi to determine the materiality of impacts and dependencies across ISIC sectors, value chain activities, and value chain steps, for each impact and dependency category. ENCORE is a widely recognized reference for assessing nature-related impacts and dependencies. It provides consolidated data for multiple ISIC sectors, offering dependency scores for a wide range of ecosystem services and impact scores across multiple ecological dimensions, with ratings ranging from *Very Low* to *Very High*.

Summary of heatmap results
The heatmap allows to capture those activities with material nature pressures and dependencies. The 2025 LEAP assessment prioritized activities directly contributing to the final product, while others – such as equipment, downstream medical activities, and waste management – were excluded due to Sanofi's limited control over these activities. Hence, the focus was placed on own operations, direct suppliers and commodity sourcing.

Mapping the interfaces between nature and Sanofi's value chain & own operations

To assess Sanofi's value chain & own operations interface with nature, the following data was leveraged:
- Own operation and suppliers' sites GPS coordinates
- IBAT (Integrated Biodiversity Assessment Tool), to obtain a mapping of nature-sensitive areas.

Were considered nature-sensitive areas:

- World Database of Key Biodiversity Area: It hosts data on global and regional Key Biodiversity Areas (KBAs), including Important Bird and Biodiversity Areas identified by the BirdLife International Partnership, Alliance for Zero Extinction sites, KBAs identified through hotspot ecosystem profiles supported by the Critical Ecosystem Partnership Fund, and a small number of other KBAs.

- World Database on Protected Area: It is the most comprehensive global database on terrestrial and marine protected areas. The data is collected from international convention secretariats, governments and collaborating NGOs. The database uses the IUCN's definition of a protected area as the main criteria for entries to be included in the database.

- Red List of Threatened Species: It contains global assessments for just over 169 400 species, of which more than 87% have spatial data. It shows where and what actions need to be taken to save the building blocks of nature from extinction. It provides a straightforward way to factor biodiversity needs into decision-making processes by providing a wealth of useful information on species.

Own operations
Following an IBAT analysis, 10 sites with critical interfaces were identified as priorities for the implementation of Biodiversity Management Plans (BMPs), which are currently being deployed. In addition, 11 other sites were recognized as important and are planned to be covered by BMPs by 2030.

Tier 1 suppliers & CMOs
Following the same approach as for own operations, 5 supplier and 3 CMO sites were identified to have a critical interface with nature.

Commodities
Sanofi is continuously enhancing its traceability to strengthen its understanding of the value chain and the sourcing locations of its nature-based commodities.

2.1.4 Sanofi's nature pressures and impacts (Evaluate)

IPBES has defined the five main pressures that human activities put on biodiversity and ecosystem services:

- Destruction of habitats
- Direct exploitation of natural resources
- Climate change
- Pollution
- Invasive alien species

Sanofi assessed qualitatively its contribution to the five pressures.

Pressures and impacts – Own operations

For its own operations, Sanofi's biodiversity program focuses on direct exploitation of natural resources with the nature-based ingredients used in the products and packaging, as well as on destruction of natural habitats induced by urbanization for the industrial facilities.

Pressures and impacts – Suppliers & CMOs

At this stage, although the LEAP assessment included Suppliers and CMOs (see 2.1.2 Assessment scope and 2.1.3 Sanofi's interfaces with nature, impact and dependency heatmap (Locate)), it did not cover the nature-related pressures and impacts associated with suppliers and CMOs, primarily due to current data limitations and insufficient granularity. Priority was therefore given to Sanofi's own operations, where data availability and operational control allow for a more robust and actionable analysis. As part of a continuous improvement approach, Sanofi aims to progressively enhance data collection and engagement with upstream partners.

Pressures and impacts – Commodities

The commodities' pressure assessment was carried out **qualitatively**, utilizing various public sources, sector-specific life cycle analyses, and specialized databases. This study shed light on the environmental pressures caused by the cultivation or extraction of each commodity. As a result, it helps understanding the potential risks that Sanofi may face.

The table below presents the pressures of commodities used by Sanofi, directly or through derivatives, on nature.

Commodities	Material Pressures on Nature
Palm Oil	• **Land-use**: The production of palm oil generates deforestation leading to the destruction of wildlife animals' habitats as well as boglands to plant palm oil trees. • **Climate change**: The production of palm oil requires to remove the boglands originally covering the land leading to lower CO2 capture levels as well as the release of the CO2 previously captured. • **Pollution of water & soil**: The massive use of chemical pesticides and fertilizers in palm oil fields can cause pollution of water, air and soil. • **Pollution of air**: The burning of boglands to replace them with palm oil trees causes important air pollution.
Phosphorus	• **Climate change**: Mining operations and phosphate rock processing are energy-intensive activities that significantly contribute to greenhouse gas (GHG) emissions. • **Land use**: Phosphate mining typically occurs in open-pit (surface) mines, which profoundly impact the surface environment. These activities disrupt local ecosystems, threatening species and their habitats. • **Water use**: Phosphate production requires large quantities of water, especially for processing the phosphate ore. • **Pollution**: Breaches in infrastructure can result in the contamination of surrounding soil and nearby water sources with pollutants and radioactive waste. • **Resource use**: Phosphorus is a nonrenewable resource, and the regions where it is available are limited.
Horseshoe Crab	Harvesting horseshoe crab blood has not been demonstrated to significantly affect climate, water quality, pollution levels, natural resources, or the prevalence of invasive species. Sanofi considered nature pressures not material.
Maize/Corn	• **Climate Change**: Maize cultivation and transportation are responsible for greenhouse gas emissions.

	• **Land-use**: Monoculture could degrade natural habitats and reduce the diversity of plant and animal species. • **Pollution**: The massive use of chemical pesticides and fertilizers in maize fields can cause pollution of water, air and soil. • **Resource exploitation**: Intensive maize cultivation, often practiced with conventional tillage techniques, can exacerbate soil erosion, reducing soil fertility.
Wood	• **Land-use**: Timber harvesting creates deforestation leading to the destruction of wildlife animals' habitats as well as complex vegetation structures to plant trees. • **Climate change:** The absence of trees or newly planted trees can lead to severe effects due to the lack of water retention and increase run-off resulting in flooding, erosion and drought. • **Water Pollution**: Trees help regulate the water cycle and release water through their roots. Their absence or very young trees will lead to deregulation. • **Resource exploitation:** The illegal exploitation of wood causes damages to the environment and participates in the deforestation of highly important forests.
Eggs/Poultry	• **Land-use**: The space needed to raise hens, as well as the area required to grow their feed, can lead to deforestation and loss of natural habitats. • **Water Pollution**: Chicken manure can contaminate water sources with nitrates and phosphates, causing eutrophication of rivers and lakes. • **Soil Pollution**: The crops intended for chicken feed may require the use of chemical pesticides and fertilizers, resulting in negative impacts on soils and biodiversity.
Pigs and derivatives	• **Climate change**: The production of pig feed generates CO2 emissions due to the energy used for field operations, transportation, and processing of crops, as well as the manufacturing of fertilizers, representing 27% of the emissions from global pig supply chains. • **Land use**: The rising demand for feed crops leads to land-use changes, accounting for 13% of global pig emissions, which can result in deforestation and loss of natural habitats. • **Pollution**: Effluent management contributes to 27% of emissions from global pig supply chains, and N2O emissions from synthetic and organic fertilizers in feed crop production accounts for 17%. These two phenomena can lead to water eutrophication and soil and air acidification.
Cattle and derivatives	• **Climate change**: Bovine enteric fermentation generates methane, a greenhouse gas with a warming potential 28 times greater than that of CO2, although it remains in the atmosphere for only about ten years. • **Land use**: The space needed to raise cattle, as well as the area required to grow their feed, can lead to deforestation and loss of natural habitats. • **Pollution**: The management of cattle effluents and nitrogen inputs to the soil used to produce their feed can lead to water eutrophication and soil and air acidification. The use of pesticides and chemical fertilizers also negatively impacts soil and biodiversity.

Table 3: List of the pressures on nature of each commodity used by Sanofi, directly or through derivatives

2.1.5 Sanofi's nature dependencies (Evaluate)

Dependencies on ecosystem services have not been assessed at the site level. However, dependencies on provisioning services, specifically nature-based commodities, have been evaluated from a risk perspective using a product-based rather than a site-based approach, focusing on the portfolio's overall dependence on these commodities rather than individual site dependencies – see next section.

2.1.6 Sanofi's nature risks and opportunities (Assess)

Context

The nature-related risk and opportunity assessment builds on the work carried out during the Locate and Evaluate phase and serves several key objectives:

- **Short-list material nature-related risks & opportunities** relevant to Sanofi's operations and value chain

- **Quantify in financial terms** (anticipated financial effects) those risks and opportunities using nature scenarios.

This assessment serves as an input for future nature adaptation actions initiated and monitored by the TREE (*see Governance section*).

Process to obtain a short-list of nature risks and opportunities

Two families of risks were considered:

- **Physical risks**[1]: These are risks that arise from the direct physical impacts of nature degradation or loss. They can be **acute** (sudden events e.g., floods, droughts, fires, invasive species outbreaks) or **chronic** (longer-term shifts e.g., soil degradation, reduced water availability, biodiversity loss)

- **Transition risks**: These are risks linked to the societal and economic shift toward nature-positive practices. They arise from **policy**, **regulation**, **legal**, **market**, or **reputational**.

Risks & opportunities were analyzed independently for own operations, suppliers, commodities, and those stemming from Sanofi's overall business model and sector of activity. They were short-listed for financial effect assessment, as presented below.

Short-list of dependencies, risks and opportunities

Following a series of internal engagements with the relevant functions, **4 risks arising from commodity dependency have been considered as a priority and have been assessed financially**.

Short-list of risks & opportunities retained for financial effect assessment	Description
Palm oil derivatives dependency *Risk*	Risk arising from Sanofi's dependency to palm oil derivatives, mainly caused by the following drivers: • **Climate**: climate hazards impact on palm oil productivity, sourcing, and disease outbreaks • **Regulatory**: higher sourcing costs due to stringent traceability regulations (EUDR)
Horseshoe crab dependency *Risk*	Risk arising from Sanofi's dependency to horseshoe crab, mainly caused by the following drivers: • **Climate**: climate-hazards causing horseshoe crab habitat loss • **Market**: overexploitation • **Regulatory**: barrier to synthetic alternatives for some pharmacopoeias
Pig derivatives dependency *Risk*	Risk arising from Sanofi's dependency to pig derivatives, mainly caused by the following drivers: • **Disease**: African swine fevers and other diseases
Cattle derivatives dependency *Risk*	Risk arising from Sanofi's dependency to cattle derivatives, mainly caused by the following drivers: • **Disease**: epizootic hemorrhagic disease and other diseases • **Market**: beef consumption decrease • **Regulatory**: higher sourcing costs due to stringent traceability regulations (EUDR)

Table 4: Short-list of risks & opportunities retained for financial effect assessment

Scenario-based assessment for risk quantification

Scenario analysis is used to assess the magnitude of shortlisted risks by exploring several plausible future pathways. These scenarios are built on consistent assumptions about key drivers of change and critical uncertainties, such as potential responses from governments, markets, and society.

Rather than predicting the future, this approach helps Sanofi understand the potential consequences of these

[1] Water stress risk evaluated under the climate risk assessment – see Sanofi ESG Index

developments on its activities and the impact of risks should they materialize. It also supports testing strategic resilience and integrating nature-related considerations into strategic and financial planning, in line with TNFD recommendations.

For Sanofi's nature-related analysis, three scenarios were developed, with underlying qualitative and quantitative assumptions depending on the risk assessed:

- **Scenario 1 – Preserving nature & climate**: This scenario represents an optimistic pathway aimed at curbing global nature loss and mitigating climate change.
- **Scenario 2 – Intermediary**: This scenario describes a middle-of-the-road pathway where some measures are implemented to protect nature and address climate change, but they remain partial or insufficient.
- **Scenario 3 – Worst case for nature & climate**: This scenario depicts a deteriorating pathway marked by continued ecosystem degradation and insufficient action to address climate change, leading to severe impacts on biodiversity, natural resources, and global resilience.

	Preserving nature & climate	Intermediary	Worst case for nature & climate
State of climate	**RCP 2.6** Global warming is limited to +1.5 °C by 2100. Climate events intensify slightly but remain manageable. Agriculture adapts, and the climate stays relatively stable and predictable.	**RCP 4.5** Some climate action is taken, but not enough. Warming reaches +2.5 °C by 2100. Heatwaves, droughts, and floods intensify, disrupting agriculture and putting growing pressure on natural systems.	**RCP 8.5** Warming exceeds +4 °C by 2100, causing severe climate disruption. Extreme heat, droughts, and floods become widespread. Ecosystems degrade, yields collapse, and the climate turns increasingly hostile to human activity.
State of nature (incl. commodities availability)	**Stable supply, managed ecosystems** Nature-based commodities remain largely available. Ecosystems are under pressure but functional, supported by reforestation, land-use planning, and sustainable practices. Supply disruptions are limited and mostly local.	**Strained supply, rising volatility** Commodity supply becomes less reliable. Climate stress and degraded ecosystems lead to yield fluctuations and regional shortages.	**Scarcity and systemic disruption** Nature-based commodities face widespread scarcity. Heat, drought, and ecosystem collapse disrupt production zones. Supplies become volatile, expensive, and structurally constrained in many regions.
State of nature & climate regulations	**Stringent regulations to limit nature loss and climate change** - Nature recovers with strong conservation. Climate and nature regulations are strict and well enforced, supporting stable resources and resilient supply chains. - States regulate access to land, **significantly increasing protected areas**. This is done at a global level. **- Carbon pricing** is generalised, and price is high.	**Partial and uneven regulation** - Nature is under pressure with moderate loss. Regulations exist but are uneven, increasing costs and supply risks amid uncertainty. - States regulate access to land, **increasing protected areas**. This is done for few regions. **- Carbon pricing** is limited to few regions, specifically EU, and price is high.	**Weak regulatory landscape** Nature degrades severely with weak or failing regulations. States progressively deregulate, authorize access to sensitive areas, and significantly limit carbon pricing.
Market dynamics	**Major shift in consumption habits** Consumers increasingly move away from carbon-intensive and nature-impactful products and commodities, reflecting a global trend.	**Moderate shift in consumption habits** Consumers increasingly move away from carbon-intensive and nature-impactful products and commodities – however trend limited to Western countries, mainly EU and US.	**Limited shift in consumption habits** Consumers do not move away from carbon-intensive and nature-impactful products and commodities.

Table 5: Nature & Climate scenarios for risks' financial effect assessment

These scenarios were subsequently applied to all the risks and opportunities presented in Table and translated into quantitative and qualitive hypothesis. This allowed the calculation of anticipated financial effects presented below.

Anticipated financial effects of nature-related risks and opportunities

1. Palm oil, cattle, pig derivatives dependency risk

The analysis of financial effects highlights two main exposure areas for Sanofi:

- **Exposure to commodity price increases**: modelling of annual procurement costs under three nature and climate scenarios (2030 and 2050 horizons) shows that projected price increases remain non-

material for Sanofi across all scenarios. These variations could be absorbed without significant financial impact.

- **High dependency of net sales on nature-based commodities**: several of Sanofi's strategic products rely on palm oil, pig and cattle derivatives, exposing the company to potential supply chain disruptions in case of environmental, sanitary, or regulatory shocks.

In summary, while the financial impact of commodity price volatility appears limited, the company remains structurally dependent on a set of nature-based inputs critical to its product portfolio.

It should be noted that this analysis does not account for potential short-term yet severe supply chain disruptions, which could temporarily drive substantial price spikes and put part of the exposed net sales at risk.

2. Horseshoe crab dependency risk

Sanofi relies on LAL (Limulus Amebocyte Lysate) and TAL (Tachypleus Amebocyte Lysate) testing for pharmaceutical waters and products, making the company dependent on an endangered species.

The assessment of Sanofi's dependency on horseshoe crabs and the associated financial implications reveals two main areas of exposure related to the use of LAL/TAL testing:

- **Exposure to rising LAL/TAL procurement costs**: modelling of reagent procurement costs across all nature and climate scenarios indicates that the financial impact of cost increases remains non-material for Sanofi in both the medium- and long-term horizons.

- **High dependency on LAL/TAL testing**: this dependency exposes Sanofi to potential supply constraints and regulatory or market pressures over time.

One key adaptation measure to mitigate this risk is the transition to synthetic testing alternatives, which would help reduce dependency on nature-based reagents and secure long-term testing resilience.

2.2 Managing nature-related dependencies, impacts, risks & opportunities

2.2.1 Adaptation measures (Prepare)

The Taskforce for Resilience to Environmental Evolutions (TREE) is responsible for overseeing Sanofi's efforts to adapt to climate change and nature-related challenges. As part of its mandate, the TREE is currently developing adaptation measures to ensure the company's resilience in the face of evolving environmental risks.

In relation to the nature risks outlined above, the TREE is monitoring Sanofi's transition from LAL/TAL to synthetic testing to reduce its dependence to horseshoe crab. Regarding the other commodities, the TREE is proactively following Sanofi's efforts to reduce its dependence and enhance traceability capabilities.

2.2.2 Mitigation measures (Prepare)

Biodiversity is one of the focus areas for limiting our impact on nature and championing sustainable use of natural resources within Sanofi's Planet Care program. Sanofi contributes to the protection of biodiversity through the protection of natural areas and ecosystems, ensuring the preservation of biodiversity surrounding Sanofi sites, particularly in proximity to sensitive or protected areas.

Our key ambitions for biodiversity:

- **Since 2025**: All our priority sites with highest potential impacts are implementing specific biodiversity management plans,
- **By 2030**: All sites located near sensitive areas will also implement specific biodiversity management plans,
- Our ambitions also include the deforestation-free sourcing of priority nature-based ingredients (key raw materials derived from wood, cattle and palm oil).

Protecting biodiversity at Sanofi sites

Our industrial sites strive to implement best practices for local management of biodiversity. Our approach relies on:

- A company standard on biodiversity management. This document defines minimum rules applicable to all our sites across the world to limit their pressure on local biodiversity and ecosystems,
- The comprehensive assessment of our potential impacts on local biodiversity,
- The preparation of a detailed action plan.

Ensuring the sustainable sourcing of raw materials

Sanofi has established global rules for managing the quality and safety of materials used for manufacturing activities. These include the collection of information from our Suppliers to appreciate the animal, mineral or vegetal origin of materials sourced and to ensure their traceability.
Sanofi is committed to the deforestation-free sourcing of wood derivatives, prioritized as they are used in packaging for all finished goods.

For additional details, please refer to Sanofi's ESG Index.

3.Metrics & targets

3.1 Nature risk, opportunity, and dependence metrics

To monitor its nature risks, Sanofi is currently tracking the following metrics. In a continuous improvement approach, Sanofi may develop additional metrics relevant to its nature challenges.

	Nature risk metrics
Horseshoe crab dependency *Risk*	Percentage of Sanofi sites that have implemented rFC testing
	Share of phase 1 & 2 new candidates including rFC testing in their submission package
	Share of legacy products using rFC testing

Table 6: Nature risk metrics

3.2 Nature impact metrics

To monitor its impacts on nature, Sanofi is tracking metrics on climate change, pollution, water and resource use, detailed in ***Sanofi's 2025 Sustainability Statement*** *(Chapter 3 of 2025 document d'enregistrement universel).*

Regarding biodiversity and ecosystem, Sanofi is progressively implementing its Biodiversity Management Plan (BMP) across its sites to mitigate its impacts. Sanofi tracks progress over its implementation, with dedicated targets – see next section.

3.3 Nature targets

As part of our nature ambitions, we have **defined the following targets:**

	Target category	Description	Target date
Mitigating impacts	Managing biodiversity around operations	Implement a specific Biodiversity Management Plan on all our **priority sites** with highest potential impacts	**Achieved**
		Implement at least one local initiative for biodiversity on all other Sanofi's locations	**Achieved**
		Implement a specific Biodiversity Management Plan on all other sites located near sensitive areas	2030
Reducing risks	Horseshoe crab transition	70% of endotoxin tests performed without limulus reagent in all Sanofi QC labs.	2027
		All new product launches at stage I/II submitted with rFC method.	2027

Table 7: Nature targets

Appendix – TNFD reference table

TNFD recommended disclosures		Reference in this document
Governance	Describe the board's oversight of nature-related dependencies, impacts, risks & opportunities	Board oversight of nature-related matters
	Describe management's role in assessing and managing nature-related dependencies, impacts, risks and opportunities	Management's role in assessing and managing nature-related matters
	Describe the organisation's human rights policies and engagement activities, and oversight by the board and management, with respect to Indigenous Peoples, Local Communities, affected and other stakeholders, in the organisation's assessment of, and response to, nature-related dependencies, impacts, risks and opportunities	Human rights policies and engagements
Strategy	Describe the nature-related dependencies, impacts, risks and opportunities the organisation has identified over the short, medium and long term	Impacts and dependencies: LEAP Evaluate – Sanofi's nature impacts and dependencies Risks and opportunities: LEAP Assess – Sanofi's nature risks and opportunities
	Describe the effect nature-related dependencies, impacts, risks and opportunities have had on the organisation's business model, value chain, strategy and financial planning, as well as any transition plans or analysis in place	Impacts and dependencies: LEAP Evaluate – Sanofi's nature impacts and dependencies Risks and opportunities: LEAP Assess – Sanofi's nature risks and opportunities
	Describe the resilience of the organisation's strategy to nature-related risks and opportunities, taking into consideration different scenarios	Impacts and dependencies: LEAP Evaluate – Sanofi's nature impacts and dependencies Risks and opportunities: LEAP Assess – Sanofi's nature risks and opportunities Managing nature-related dependencies, impacts, risks & opportunities
	Disclose the locations of assets and/or activities in the organisation's direct operations and, where possible, upstream and downstream value chain(s) the meet the criteria for priority locations	LEAP Locate – Sanofi's interfaces with nature, impact and dependency heatmap
Risk & impact management	Describe the organisation's processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its direct operations	Assessing nature-related dependencies, impacts, risks & opportunities
	Describe the organisation's processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its upstream and downstream value chain	Assessing nature-related dependencies, impacts, risks & opportunities
	Describe the organisation's processes for managing nature-related dependencies, impacts, risks and opportunities	Managing nature-related dependencies, impacts, risks & opportunities
	Describe how processes for identifying, assessing, prioritising and monitoring nature-related risks are integrated into and inform the organisation's overall risk management processes	2025 Sustainability Statement (Chapter 3 of 2025 document d'enregistrement universel)
Metrics & targets	Disclose the metrics used by the organisation to assess and manage material nature-related risks and opportunities in line with its strategy and risk management process	Nature risk, opportunity, and dependence metrics
	Disclose the metrics used by the organisation to assess and manage dependencies and impacts on nature	Nature impact metrics
	Describe the targets and goals used by the organisation to manage nature-related dependencies, impacts, risks and opportunities and its performance against these	Nature targets

Glossary

AC : Audit Committee
AGC : Appointments, Governance and CSR Committee
BMP : Biodiversity Management Plan
CBD : Convention for Biological Diversity
CEO : Chief Executive Officer
CMO : Contract Manufacturing Organization
CSRD : Corporate Sustainability Reporting Directive
CSR : Corporate Social Responsibility
EC : European Commission
ECC : Executive Compliance Committee
EFRAG : European Financial Reporting Advisory Group
ENCORE : Exploring Natural Capital Opportunities, Risks and Exposure
ESG : Environmental, Social and Governance
EUDR : European Union Deforestation Regulation
GBU : Global Business Unit
GFs : Global Functions
GHG : Greenhouse Gas
HICL : High-Impact Commodity List
HSC : Horseshoe Crab
HSE : Health, Safety and Environment
IBAT : Integrated Biodiversity Assessment Tool
IPBES : Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services
ISIC : International Standard Industrial Classification (of All Economic Activities)
IUCN : International Union for Conservation of Nature
KBA : Key Biodiversity Area
LAL : Limulus Amebocyte Lysate
LCA : Life Cycle Assessment
LEAP : Locate, Evaluate, Assess, Prepare
RCP : Representative Concentration Pathway
SBTN : Science Based Targets Network
TAL : Tachypleus Amebocyte Lysate
TNFD : Taskforce on Nature-related Financial Disclosures
TREE : Taskforce for Resilience to Environmental Evolutions