



Sanofi

(incorporated with limited liability in France)

€650,000,000 1.250 per cent. Sustainability-Linked Notes due 6 April 2029

Issue Price: 99.654 per cent.

The €650,000,000 1.250 per cent. Sustainability-Linked Notes due 6 April 2029 (the "**Notes**") will be issued by Sanofi (the "**Issuer**" or "**Sanofi**") on 6 April 2022 (the "**Issue Date**").

Interest on the Notes will accrue at the rate of 1.250 per cent. *per annum* (the "**Original Rate of Interest**"), adjusted pursuant to Condition 3 (*Interest*), where relevant, from the Issue Date to (but excluding) 6 April 2029 (the "**Maturity Date**") and will be payable in Euro annually in arrear on 6 April in each year, commencing on 6 April 2023.

Each date for payment of interest in respect of the Notes shall be referred to as an "**Interest Payment Date**" and the period beginning on (and including) the Issue Date to (but excluding) the first Interest Payment Date and thereafter each period beginning on (and including) an Interest Payment Date to (but excluding) the next succeeding Interest Payment Date shall be referred to as an "**Interest Period**".

If, in connection with, and pursuant to, Condition 3 (*Interest*) of the Notes, a Trigger Event occurs (as defined in Condition 3 of the Notes), the rate of interest in respect of the Notes shall be equal to the Original Rate of Interest plus a margin of 0.25 per cent. (the "**Adjusted Rate of Interest**"), applying to and as from the Interest Period following the Interest Period in which the Target Observation Date falls.

The rate of interest applicable to the Notes from time to time shall be referred to as the "**Rate of Interest**".

Unless previously redeemed or purchased and cancelled, the Notes may not be redeemed prior to their Maturity Date.

The Issuer may, and in certain circumstances shall, redeem the Notes, in whole but not in part, at their principal amount together with accrued interest to, but excluding, the date set for redemption in the event of certain tax changes in accordance with Condition 4(b) (*Redemption for Taxation Reasons*) of the terms and conditions (the "**Terms and Conditions**") of the Notes. In addition, the Issuer may, at its option, (i) on any date from and including the date falling three (3) months prior to the Maturity Date to, but excluding, the Maturity Date, redeem, in whole but not in part, the Notes, at their principal amount plus accrued interest up to, but excluding, the date set for redemption, in accordance with Condition 4(c)(i) (*Residual Maturity Call Option*) of the Terms and Conditions of the Notes, (ii) redeem, in whole but not in part, the Notes, in the event that twenty-five (25) per cent. or less of the aggregate principal amount of the Notes remains outstanding, at their principal amount together with any interest accrued to, but excluding, the date set for redemption, in accordance with and subject to Condition 4(c)(ii) (*Clean-up Call Option*) of the Terms and Conditions of the Notes, and (iii) on any date to, but excluding, the date falling three (3) months prior to the Maturity Date redeem, in whole or in part, the Notes at the Make-whole Redemption Amount (as defined in Condition 4(c)(iii) (*Make-whole Redemption Option*) of the Terms and Conditions of the Notes), together with any interest accrued to, but excluding, the date set for redemption.

This document (including the documents incorporated by reference) constitutes a prospectus (the "**Prospectus**") for the purposes of Article 6 of the Regulation (EU) No. 2017/1129 of the European Parliament and of the Council on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, as amended (the "**Prospectus Regulation**").

Application has been made to the *Autorité des marchés financiers* (the "**AMF**") in France in its capacity as competent authority under the Prospectus Regulation and pursuant to the French *Code monétaire et financier* for the approval of this Prospectus. The AMF only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or of the quality of the Notes that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes.

Application has been made for the admission of the Notes to trading on the regulated market of Euronext Paris ("**Euronext Paris**") with effect from the Issue Date. Euronext Paris is a regulated market within the meaning of the Directive 2014/65/EU of the European Parliament and of the Council dated 15 May 2014, as amended ("**MiFID II**"), appearing on the list of regulated markets issued by the European Securities and Markets Authority (the "**ESMA**").

This Prospectus will be valid until the date of admission of the Notes to trading on Euronext Paris expected to be on the Issue Date. The obligation to supplement the Prospectus in the event of significant new factors, material mistakes or material inaccuracies will not apply when the Prospectus is no longer valid.

The Notes will, upon issue on the Issue Date, be inscribed (*inscription en compte*) in the books of Euroclear France which shall credit the accounts of the Account Holders (as defined in "Terms and Conditions of the Notes—Form, Denomination and Title") including Euroclear Bank SA/NV ("**Euroclear**") and the depositary bank for Clearstream Banking, SA ("**Clearstream**").

The Notes will be in dematerialised bearer form (*au porteur*) and in the denomination of €100,000 each. The Notes will at all times be represented in book entry form (*inscription en compte*) in the books of the Account Holders in compliance with Article L.211-3 of the French *Code monétaire et financier*. No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Notes.

The Notes are expected to be rated A1 by Moody's France SAS ("**Moody's**"), AA by S&P Global Ratings Europe Limited ("**S&P**") and AA by Scope Ratings GmbH ("**Scope**"). The Issuer's long-term senior unsecured debt is rated A1 (stable outlook) by Moody's, AA (stable outlook) by S&P and AA (positive outlook) by Scope. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency. Each of Moody's, S&P and Scope is established in the EEA and is registered under Regulation (EU) No 1060/2009, on credit rating agencies (the "**EU CRA Regulation**"). Each of Moody's, S&P and Scope is included in the list of registered credit rating agencies on the ESMA website (<https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>). The rating that each of Moody's, S&P and Scope have given to the Notes is endorsed by Moody's Investors Service Ltd, S&P Global Ratings UK Limited and Scope Ratings UK Limited, respectively, which are established in the United Kingdom ("**UK**") and registered under Regulation (EU) No 1060/2009 on credit rating agencies as it forms part of domestic law of the UK by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**") as of the date of this Prospectus.

An investment in the Notes involves certain risks. Potential investors should review all the information contained or incorporated by reference in this Prospectus and, in particular, the information set out in the section entitled "Risk Factors" before making a decision to invest in the Notes.

Copies of this Prospectus and the documents incorporated by reference will be published on the website of the Issuer (www.sanofi.com). A copy of this Prospectus will also be published on the website of the AMF (www.amf-france.org).

Global Coordinators and Sustainability-Linked Structuring Advisors

Morgan Stanley

Natixis

Joint Lead Managers

Barclays

Morgan Stanley

MUFG

RBC Capital Markets

Natixis

This Prospectus constitutes a prospectus for the purposes of Article 6 of the Prospectus Regulation, and has been prepared for the purpose of giving the necessary information with regard to Sanofi (the "**Issuer**"), the Issuer and its Subsidiaries (as defined in the Terms and Conditions of the Notes) taken as a whole (the "**Group**") and the Notes which is material to an investor for making an informed assessment of the assets and liabilities, profits and losses, financial position and prospects of the Issuer, of the rights attached to the Notes, the reasons for the issuance and its impact on the Issuer.

This Prospectus must be read and construed together with all the documents which are incorporated herein by reference.

This Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Joint Lead Managers (as defined in "Subscription and Sale" below) to subscribe or purchase, any of the Notes. The distribution of this Prospectus and the offering of the Notes may be restricted by law in certain jurisdictions. Persons into whose possession this Prospectus comes are required by the Issuer and the Joint Lead Managers to inform themselves about and to observe any such restrictions. The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"). Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**")). For a description of certain restrictions on offers and sales of Notes and on distribution of this Prospectus, see "Subscription and Sale".

The Joint Lead Managers have not separately verified the information or representations contained or incorporated by reference in this Prospectus in connection with the Issuer. Accordingly, none of the Joint Lead Managers makes any representation, warranty or undertaking, express or implied, or accepts any responsibility or liability as to the accuracy or completeness of the information contained in this Prospectus or any responsibility for the acts or omissions of the Issuer or any other person in connection with the issue and offering of the Notes or any other information provided by the Issuer in connection with the Notes or their distribution.

No person is or has been authorised to give any information or to make any representation not contained in or not consistent with this Prospectus or any other document entered into in relation to the Notes or any other information supplied by the Issuer in connection with the Notes, and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Issuer or the Joint Lead Managers.

Neither this Prospectus nor any other information supplied in connection with the Notes is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer and the Joint Lead Managers that any recipient of this Prospectus or any other financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. Potential investors should, in particular, read carefully the section entitled "Risk Factors" of this Prospectus before making a decision to invest in the Notes. None of the Joint Lead Managers has reviewed or undertakes to review the financial condition or affairs of the Issuer prior or during the life of the arrangements contemplated by this Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Joint Lead Managers.

Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer and/or the Group since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer and/or the Group since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that the information contained in it or any other information supplied in connection with the Notes is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or both) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**EU MiFID II**"); or (ii) a

customer within the meaning of Directive (EU) 2016/97 (as amended, the "**EU Insurance Distribution Directive**") , where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**EU PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or both) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended ("**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

MiFID II product governance / Professional investors and eligible counterparties only target market – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes, taking into account the five (5) categories referred to in item 18 of the Guidelines published by the European Securities and Market Authority ("**ESMA**") on 5 February 2018, has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

Any website included in this Prospectus is for information purposes only and all the information on such websites does not form part of this Prospectus and has not been scrutinised or approved by the AMF.

In this Prospectus, unless otherwise specified, references to a "**Member State**" are references to a Member State of the European Economic Area and references to "**EUR**" or "**euro**" or "**€**" are to the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended.

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RISK FACTORS

Risks related to the Issuer

Sanofi presents below and under the section "*Cautionary statement regarding forward-looking statements*" on page (ii) of the 2021 Annual Report on Form 20-F, the significant risk factors to which Sanofi believes it is exposed as at the date of this Prospectus. The risk factors considered to be the most important, based on the probability of their occurrence and the expected magnitude of their negative impact and after consideration of the effects of the measures implemented by Sanofi in order to manage these risk factors, are mentioned first in their respective category and followed by an asterisk. Investors are invited to read carefully the information provided in the risk factors before investing in Sanofi's securities. Investors' attention is drawn to the fact that other risks, not identified as at the date of this Prospectus or whose realization is not considered likely to have, as at this same date, a significant negative impact on Sanofi's business, financial situation and results, its perspectives, its development and/or on Sanofi's securities, may exist or occur.

A. Risks Relating to Legal and regulatory matters

Product liability claims could adversely affect Sanofi's business, results of operations and financial condition*

Product liability is a significant risk for any pharmaceutical company and the Group's product liability exposure could increase, given that liability claims relating to its businesses may differ with regard to their nature, scope and level, from the types of product liability claims that Sanofi has handled in the past. Substantial damages have been awarded by some jurisdictions and/or settlements agreed - notably in the United States and other common law jurisdictions - against pharmaceutical companies based on claims for injuries allegedly caused by the use of their products. Such claims can also lead to products recalls, withdrawals, or declining sales, and/or be accompanied by consumer fraud claims by customers, third-party payers seeking reimbursement of the cost of the product and/or other claims, including potential civil or criminal governmental actions.

Sanofi is currently defending a number of product liability claims (see Note D.22.a.) to the consolidated financial statements included at Item 18 of the 2021 Annual Report on Form 20-F) notably with respect to Taxotere[®], Zantac[®] and Depakine[®] and there can be no assurance that the Group will be successful in defending these claims, or that it will not face additional claims in the future.

Establishing the full side effect profile of a pharmaceutical drug goes beyond data derived from preapproval clinical studies which may only involve several hundred to several thousand patients. Routine review and analysis of the continually growing body of post-marketing safety data, and clinical trials provide additional information - for example, potential evidence of rare, population-specific or long-term adverse events or of drug interactions that were not observed in preapproval clinical studies. This causes product labeling to evolve over time, following interactions with regulatory authorities, which may include restrictions of therapeutic indications, new contraindications, warnings or precautions and occasionally even the suspension or withdrawal of a product marketing authorization. Following any of these events, pharmaceutical companies can face significant product liability claims (see Note D.22.a.) to the consolidated financial statements included at Item 18 of the 2021 Annual Report on Form 20-F).

Furthermore, Sanofi commercializes several devices (some of which use new technologies) which, if they malfunction, could cause unexpected damage and lead to product liability claims (see "*Breaches of data security, disruptions of information technology systems and cyber threats could result in financial, legal, business or reputational harm*" below).

Although Sanofi continues to insure a portion of its product liability with third-party carriers, product liability coverage is increasingly difficult and costly to obtain, particularly in the United States. In the future, it is possible that self-insurance may become the sole commercially reasonable means available for managing the financial risk associated with product liability in Sanofi's pharmaceuticals and vaccines businesses (see "*Item 4. Information on the Company – B. Business Overview – B.9. Insurance and Risk Coverage*" of the 2021 Annual Report on Form 20-F). In cases where Sanofi self-insures, the legal costs that Sanofi would bear for handling such claims and potential damage awards to be paid to claimants, could have a negative impact on its financial condition. Due to insurance conditions, even when the Group has insurance coverage, recoveries from insurers may not be totally successful due to market-driven insurance limitations and exclusions. Moreover, insolvency of an insurer could affect Sanofi's ability to recover claims on policies for which Sanofi has already paid a premium.

Product liability claims, regardless of their merits or the ultimate success of the Group's defense, are costly, divert management's attention, may harm Sanofi's reputation and can impact the demand for its products. Substantial product liability claims could materially adversely affect its business, results of operations and financial condition.

Claims and investigations relating to ethics and business integrity, competition law, marketing practices, pricing, human rights of workers, data protection and other legal matters could adversely affect the Group's business, results of operations and financial condition

Sanofi's industry is heavily regulated and legal requirements vary from country to country, and new requirements are imposed on Sanofi's industry from time to time. Governments and regulatory authorities around the world have been strengthening implementation and enforcement activities in recent years, including in relation to anti-bribery, anti-corruption and ethical requirements with respect to medical and scientific research, interactions with healthcare professionals and payers, respect of the human rights of workers and data protection legislation. Sanofi also operates in an environment that relies on the collection, processing, analysis and interpretation of large sets of patients' and other individuals' personal information, and the operation of its business requires data to flow freely across borders of numerous countries.

Sanofi has adopted a Code of Ethics that requires employees to comply with applicable laws and regulations, as well as the specific principles and rules of conduct set forth in the Code. Sanofi also has policies and procedures designed to help ensure that Sanofi, its officers, employees, agents, intermediaries and other third parties comply with applicable laws and regulations (including but not limited to the US Foreign Corrupt Practices Act ("**FCPA**"), the UK Bribery Act, the OECD Anti-Bribery Convention, the French Anti-Corruption measures law ("**Sapin II**") and the French duty of vigilance law and other anti-bribery laws and regulations).

Notwithstanding these efforts, failure to comply with laws and regulations (including as a result of a business partner's breach) may occur and could result in liabilities for Sanofi and/or its management.

With respect to data protection legislation, violations of the European General Data Protection Regulation ("**GDPR**"), which came into force in 2018, or other significant new privacy legislation, including in the United States the California Consumer Privacy Act ("**CCPA**") among others, could carry financial sanctions and may also harm Sanofi's reputation and those of its activities that rely on personal data processing. Violations of the GDPR carry financial risks due to penalties for data breach or improper processing of personal data (including a possible fine of up to 4% of total worldwide annual turnover for the preceding financial year for the most serious infringements). In addition, some uncertainty remains with respect to the legal and regulatory environment for these evolving privacy and data protection laws in the absence of clear guidance or case law.

Sanofi and certain of its subsidiaries could become the subject of investigations or proceedings by various government entities or could face audits and/or litigation, including allegations of corruption, claims related to employment matters, patent and intellectual property disputes, consumer law claims and tax audits. Sanofi is currently defending itself in a number of lawsuits relating to pricing and marketing practices (including, for example, "whistleblower" litigation in the United States). With respect to tax issues, the complexity of the fiscal environment, is such that the ultimate resolution of any tax matter may result in payments that are greater or less than the amounts Sanofi has accrued. See *"Item 8. Financial Information – A. Consolidated Financial Statements and Other Financial Information – Information on Legal or Arbitration Proceedings"* and Note D.22. to Sanofi's consolidated financial statements included at Item 18 of the 2021 Annual Report on Form 20-F. In addition, responding to such investigations is costly and may divert management's attention from its business.

Unfavorable outcomes in any of these matters, or in similar matters that may arise in the future, could preclude the commercialization of its products, harm its reputation, negatively affect the profitability of existing products and subject Sanofi to substantial fines, punitive damages, penalties and injunctive or administrative remedies, potentially leading to the imposition of additional regulatory controls, monitoring or self-reporting obligations, or exclusion from government reimbursement programs or markets, all of which could have a material adverse effect on its business, results of operations or financial condition.

The unpredictability of these proceedings could lead Sanofi, after consideration of all relevant factors, to enter into settlement agreements to settle certain claims. Such settlements may involve significant monetary payments and/or potential criminal penalties, and may include admissions of wrongdoing and may require entering into a Corporate Integrity Agreement ("**CIA**") or a Deferred Prosecution Agreement (in the United States), which is intended to regulate company behavior for a specified number of years. For example, on 28 February 2020, Sanofi US entered into a civil settlement with the United States Department of Justice and agreed to pay approximately \$11.85 million to resolve allegations regarding certain charitable donations Sanofi US made to an independent patient assistance foundation that assisted patients being treated for Multiple Sclerosis. In connection with this settlement, Sanofi US also entered into a CIA with the Office of the Inspector General for the United States Department of Health and Human Services effective the same day which will require the Company to meet and maintain certain compliance requirements in the United States.

Sanofi's activities (including its products and manufacturing activities) are subject to significant government regulations and regulatory approvals, which are often costly and could result in adverse consequences to its business if Sanofi fails to anticipate the regulations, comply with them, maintain the required approvals, and/or adapt to changes in applicable regulations

Obtaining a marketing authorization for a product is a long and highly regulated process requiring Sanofi to present extensive documentation and data to the relevant regulatory authorities either at the time of the filing of the application for a marketing authorization or later during its review. Each regulatory authority may impose its own requirements which can evolve over time. Each regulatory authority may also delay or refuse to grant approval even though a product has already been approved in another country. Regulatory authorities are increasingly strengthening their requirements on product safety and risk/benefit profile. All of these requirements, including post-marketing requirements, have increased the costs associated with maintaining marketing authorizations.

Moreover, to monitor Sanofi's compliance with applicable regulations, the FDA, EMA, WHO and comparable national agencies in other jurisdictions routinely conduct regulatory inspections of the Group facilities, distribution centers, commercial activities and development centers and may identify potential deficiencies. For example, in November 2020, the FDA issued a Complete Response Letter (CRL) regarding the Biologics License Application (BLA) for sutimlimab, an investigational monoclonal antibody being studied for the treatment of hemolysis in adults with cold agglutinin disease, referring to certain deficiencies identified by the agency during a pre-license inspection of a third-party facility responsible for manufacturing. More generally, if Sanofi fails to adequately respond to regulatory inspection observations identified during an inspection, or fails to comply with applicable regulatory requirements at all or within the targeted timeline, it could be subject to enforcement, remedial and/or punitive actions by the FDA (such as a Warning Letter, injunction or seizure cease and desist order), the EMA or other regulatory authorities.

In addition, Sanofi has an obligation to monitor and report adverse events and safety signals. In order to comply with its duty to report adverse events and safety signals, Sanofi must regularly train its employees and certain third parties (such as external sales forces and distributor employees) on regulatory matters, including on pharmacovigilance. If Sanofi fails to train these people, or fails to train them appropriately, or if they do not comply with contractual requirements, it may be exposed to the risk that safety events are not reported or not reported in a timely manner in breach of its reporting obligations.

In addition, all aspects of its business, including research and development, manufacturing, marketing, reimbursement, pricing and sales, are subject to extensive legislation and governmental regulation. Changes in applicable laws and the costs of compliance with such laws and regulations could have an adverse effect on its business.

For example, in response to the new European Union regulations for Medical Devices (EU MDR), the entry into force of which was postponed from May 2020 to May 2021, Sanofi created the EU MDR task force. This task force was commissioned to address the risk of potential delays in approvals (for new drug-device combination products, for substantial changes to the design or intended purpose of the device component of already approved drug-device combination products, and for Medical Devices) and of product discontinuation (for some legacy medical devices), as well as compliance risks for existing products due to increased requirements for post-marketing surveillance, clinical evaluations, traceability and transparency. A similar task force was set up in the first quarter of 2021 to examine risks related to the new regulations for In-Vitro Diagnostic Devices (IVDR) due to be implemented in May 2022.

For information about risks related to changes:

- in proprietary rights rules and regulations, see "*Sanofi relies on its patents and other proprietary rights to provide exclusive rights to market certain of its products. If such patents and other rights were limited, invalidated or circumvented, Sanofi's financial results could be adversely affected*" below; and
- in environmental rules and regulations, see "*Management of the historical contamination related to Sanofi's past industrial activities may have a significant adverse effect on its results of operations*" below.

Sanofi relies on its patents and other proprietary rights to provide exclusive rights to market certain of its products. If such patents and other rights were limited, invalidated or circumvented, Sanofi's financial results could be adversely affected

Through patent and other proprietary rights, such as data exclusivity or supplementary protection certificates in Europe, Sanofi holds exclusivity rights for a number of its research-based products. However, the protection that Sanofi is able to obtain varies in its duration and scope. Furthermore, patents and other proprietary rights do not always provide effective protection for its products.

For example, governmental authorities are increasingly looking to facilitate generic and biosimilar competition for existing products through new regulatory proposals intended to achieve, or resulting in, changes to the scope of patent or data exclusivity rights and through the use of accelerated regulatory pathways for generic and biosimilar drug approvals. Such regulatory proposals could make patent prosecution for new products more difficult and time consuming or could adversely affect the exclusivity period for Sanofi's products.

Moreover, manufacturers of generic products or biosimilars are increasingly seeking to challenge patent validity or coverage before the patents expire, and manufacturers of biosimilars or interchangeable versions of the products are seeking to have their version of the product approved before the exclusivity period ends. Furthermore, in an infringement suit against a third-party, Sanofi may not prevail and the decision rendered may not conclude that its patent or other proprietary rights are valid, enforceable or infringed. Its competitors may also successfully avoid its patents. Even in cases where Sanofi ultimately prevails in an infringement claim, legal remedies available for harm caused to Sanofi by infringing products may be inadequate to make Sanofi whole. Moreover, a successful result against a competing product for a given patent or in a specific country is not necessarily predictive of its future success against another competing product or in another country because of local variations in the patents and patent laws.

In addition, if Sanofi loses patent protection as a result of an adverse court decision or a settlement, it faces the risk that government and private third-party payers and purchasers of pharmaceutical products may claim damages alleging they have over-reimbursed or overpaid for a drug. For example, in Australia, Sanofi's patent on clopidogrel was ultimately held invalid. Following this decision, the Australian Government sought damages for its alleged over-reimbursement of clopidogrel drugs due to the preliminary injunction Sanofi had secured against the sale of generic clopidogrel during the course of the litigation. The Australian Government's claim was dismissed following a decision of the Federal Court of Australia on 28 April 2020. Sanofi is awaiting the judgment to be delivered by the Federal Court of Australia, following the appeal of the first instance decision by the Australian Government on 26 May 2020.

In certain cases, to terminate or avoid patent litigation, Sanofi or its collaboration partners may be required to obtain licenses from the holders of third-party intellectual property rights. Any payments under these licenses may reduce Sanofi's profits from such products and Sanofi may not be able to obtain these licenses on favorable terms or at all.

Third parties may also request a preliminary or permanent injunction in a country from a court of law to prevent Sanofi from marketing a product if they consider that Sanofi infringes their patent rights in that country. For example, Sanofi is or was party to patent infringement proceedings in several countries initiated against it and Regeneron by Amgen relating to Praluent® in which Amgen requested injunctive relief (see Note D.22.b) to the consolidated financial statements included at Item 18 of the 2021 Annual Report on Form 20-F for more information). If third parties obtain a preliminary or permanent injunction or if Sanofi fails to obtain a required license for a country where valid third-party intellectual property rights as confirmed by a court of law exist, or if Sanofi is unable to alter the design of its technology to fall outside the scope of third-party intellectual property rights, Sanofi may be unable to market some of its products in certain countries, which may limit its profitability.

Furthermore, some countries may consider granting a compulsory license to a third-party to use patents protecting an innovator's product, which limits the value of the patent protection granted to such products.

Sanofi has increased the proportion of biological therapeutics in its pipeline relative to traditional small molecule pharmaceutical products. Typically, the development, manufacture, sale and distribution of biological therapeutics is complicated by third-party intellectual property rights (otherwise known as freedom to operate (FTO) issues), to a greater extent than for the small molecule therapeutics, because of the types of patents allowed by national patent offices. Further, its ability to successfully challenge third-party patent rights is dependent on the legal interpretation and case law of national courts. In addition, Sanofi expects to face increasing competition from biosimilars in the future. With the accelerated regulatory pathways provided in the United States and Europe for biosimilar drug approval, biosimilars can be a threat to the exclusivity of any biological therapeutics Sanofi sells or may market in the future and can pose the same issues as the small molecule generic threat described above. If a biosimilar version of one of Sanofi's products were to be approved, it could reduce its sales and/or profitability of that product.

If Sanofi's patents and/or proprietary rights to its products were limited or circumvented, its financial results could be adversely affected.

B. Risks relating to Sanofi's business

The pricing and reimbursement of Sanofi's products is increasingly affected by cost containment pressures and decisions of governments and other third parties*

The commercial success of Sanofi's existing products and its product candidates depends in part on their pricing and the conditions under which they are reimbursed. At a time of intense scrutiny over drug prices, its products continue to be negatively affected by downward pressure due, inter alia, to:

- stricter price and access controls imposed by governments and other payers in most countries:
 - requirements for greater transparency around of drug pricing and drug development costs,
 - widespread use of international reference pricing and therapeutic reference pricing, among other pricing methodologies and caps,

- mandatory price cuts, renegotiations, industry payback and rebates,
- shifting of the payment burden to patients through higher copayments and co-pay accumulator programs,
- delisting from reimbursement and restrictions on the label population,
- access restrictions for high-priced innovative medicines,
- tighter formulary management (including stepped therapy, strict prior authorization criteria; formulary exclusions) mainly by insurers and pharmacy benefit managers ("PBMs") in the United States,
- prescribing guidelines and binding medicine utilization controls,
- greater use of tendering and centralized procurement (national/regional/class-wide level),
- cross-country cooperation in price negotiations, contracting or procurement, already occurring to some extent (for example COVAX initiative, the BeNeLuxA alliance in Europe; South America/PAHO arrangements),
- discriminatory and non-transparent pricing and procurement policies (e.g. government procurement restrictions, import bans) in favor of domestic pharmaceutical companies, and
- additional complexity in the access environment created by the COVID-19 pandemic, resulting in budget constraints;
- widespread use of health technology assessment ("HTA") to inform coverage and reimbursement decisions:
 - more stringent evidence and value requirements (e.g. comparative effectiveness, patient preferences, real-world evidence, health economic modelling) by payers and HTA authorities, raising the bar for market entry,
 - unreasonable thresholds for cost-effectiveness, and
 - increasingly restrictive HTA decisions with significant variation across markets;
- loss of exclusivity, and generic and biosimilar competition, accelerating price erosion:
 - increasing penetration of generics globally (e.g. nearly 90% of prescription drugs dispensed in the US in 2020),
 - next generation of biosimilars coming to the market across major therapeutic areas,
 - savings potential from increased biosimilar use (expected to be a cumulative \$285 billion globally through 2025 according to the IQVIA Institute), and
 - evolving regulatory landscapes to support interchangeability (e.g. US) and pharmacy substitution (e.g. EU Nordics, Germany).

In the United States, which accounted for 38.1% of Sanofi's net sales in 2021, the government's focus remains on handling the COVID-19 pandemic. There remains a significant risk that the US Congress could enact substantial policy reforms in 2022, or that the Administration could use its executive authority to pass drug pricing legislation, with a potentially detrimental impact on pharmaceutical innovation and pricing. Other risks include the increasing focus on price transparency, and the growing interest in "Buy American" procurement rules. Finally, there are persistent supply chain challenges due to high dependency on API imports from China and India. If Sanofi had to source API from the US where they are more expensive, the current cost containments would not allow Sanofi to reflect the corresponding increase on its prices which would impact the margins of its products.

In addition, the continued consolidation of the US pharmacy benefits management market exposes Sanofi to greater pricing pressure. With the largest three PBMs/Group Purchasing Organizations – OptumRx (Emisar), CVS/Caremark (Zinc), and Express Scripts (Ascent) now covering over 85% of the US prescription claims, consolidation has led to more aggressive formulary management of specialty medicines and larger rebates in return for access. The rise of drug formulary exclusions, in favor of lower-cost therapeutic alternatives, may result in a significant reduction in sales.

In China, Sanofi continues to face increasingly fierce local competition in a market that is highly fragmented and dominated by multiple stakeholders.

The National Healthcare Security Administration (NHSA) plays an increasing role in centralizing drug procurement and pursuing aggressive pricing policies, forcing Sanofi to drastically reduce prices to gain access to China's pharmaceutical market.

Sanofi expects competitive and pricing pressure to intensify across its portfolio as a growing number of its products are subject to national reimbursement drug list (NRDL) price negotiations and national volume-based procurement (VBP) tenders, with the lowest price prevailing.

Oncology products, in particular, are experiencing greater price cuts due to increased competition from domestic manufacturers in NRDL negotiations, especially in the PD-1 inhibitor space. In 2020, only Chinese PD-1 inhibitors were added to the NRDL (while imported drugs in the therapeutic class failed to pass the negotiation phase), signaling additional access challenges for innovative oncology therapies in China.

Further expansion of the VBP policy to biologics and biosimilars also poses a major and growing threat to Sanofi's key established products moving forward. Although there is still uncertainty around the mechanism for the inclusion of the insulin class in the sixth national VBP round, Sanofi expects its diabetes sales will be impacted in 2022.

Due to these competitive pressures on its prices, Sanofi's revenues and margins are, and could continue to be, negatively affected.

In Europe, in November 2020, the European Commission adopted a new Pharmaceutical Strategy for Europe that may result in higher constraints and lower innovation rewards, posing downside risks across Sanofi's pipeline portfolio.

The European Commission's most concerning proposals relate to revamping incentives in unmet need areas such as rare and pediatric diseases, allowing earlier market entry of generics and biosimilars, promoting greater transparency around pricing and drug development costs, and cross-border collaboration on pricing and procurement.

Sanofi's research and development efforts may not succeed in adequately renewing its product portfolio*

Discovering and developing a new product is a costly, lengthy and uncertain process. To be successful in the highly competitive pharmaceutical industry, Sanofi must commit substantial resources each year to research and development in order to develop new products to compensate for decreasing sales of products facing patent expiration and termination of regulatory data exclusivity, introduction of lower-priced generics, or competition from new products of competitors that are perceived as being superior or equivalent to Sanofi products. Sanofi must pursue both early-stage research and early and late development stages in order to propose a sustainable and well-balanced portfolio of products. In 2021, Sanofi spent €5,692 million on research and development, amounting to 15.1% of its net sales. Failure to invest in the right technology platforms, therapeutic areas, product classes, geographic markets and/or licensing opportunities could adversely impact the productivity of Sanofi's pipeline.

Sanofi prioritizes six potentially transformative therapies in areas of high unmet patient need: fitusiran and BIVV001/efanesoctocog alfa (hemophilia); amcenestrant (breast cancer); amlitelimab (atopic dermatitis); nirsevimab (respiratory syncytial virus) and tolebrutinib (multiple sclerosis). Sanofi also announced its decision to discontinue its research efforts in diabetes and cardiovascular diseases and refocus its R&D strategy on oncology, immunology and inflammation, multiple sclerosis and neurology and rare diseases and rare blood disorders. In 2021, Sanofi acquired Translate Bio to accelerate the deployment of mRNA technology for the development of new vaccines, including for seasonal influenza, and beyond vaccines, therapeutics where there is a strong unmet medical need. However, mRNA technology is still in its very early days and the ability of this technology to demonstrate strong results and safety still remains to be asserted. Sanofi may also fail to improve its development productivity sufficiently to sustain its pipeline (see also "*Sanofi may fail to successfully identify external business opportunities or realize the anticipated benefits from its strategic investments or divestments*" below).

In addition, the competitive landscape includes a high level of uncertainty as numerous companies are working on or may be evaluating similar targets and a product considered as promising at the beginning of its development may become less attractive if a competitor addressing the same unmet need reaches the market earlier. There can be no assurance that any of Sanofi's product candidates will be proven safe or effective (see "*Item 4. Information on the Company – B. Business Overview – B.5. Global Research & Development*" of the 2021 Annual Report on Form 20-F). Over these research and development cycles usually spanning several years, there is a substantial risk at each stage of development including pre-clinical activities and clinical trials - that Sanofi will not achieve its goals of safety and/or efficacy and that Sanofi will have to abandon a product in which it has invested substantial amounts of money and human resources. More and more trials are designed with clinical endpoints of superiority; failure to achieve those endpoints could damage the product's outlook and Sanofi's overall development program.

Decisions concerning the studies to be carried out can have a significant impact on the marketing strategy for a given product. Multiple in-depth studies can demonstrate that a product has additional benefits, facilitating the product's marketing, but such studies are expensive and time consuming and may delay the product's submission to regulatory authorities for approval.

In addition, following (or in some cases contemporaneously with) the marketing authorization, the dossier is also submitted to governmental agencies and/or national or regional third-party payers HTA bodies) for review. These HTA bodies evaluate evidence on the value of the new product, assess the medical need it serves and provide recommendations on the corresponding reimbursement. Such analyses may require additional studies, including comparative studies, which may effectively delay marketing, change the population which the new product treats, and add costs to its development. Sanofi's continuous investments in research and development for future products and for the launches of newly registered molecules could therefore result in increased costs without a proportionate increase in revenues, which would negatively affect Sanofi's operating results and profitability.

Lastly, there can be no assurance that all the products approved or launched will achieve commercial success.

Breaches of data security, disruptions of information technology systems and cyber threats could result in financial, legal, business or reputational harm*

Sanofi's business depends heavily on the use of interdependent information technology systems including internet-based systems and digital tools. Certain key areas such as research and development, production and sales are to a large extent dependent on Sanofi information systems (including cloud-based computing) or those of third-party providers (including for the storage and transfer of critical, confidential, sensitive or personal information regarding its patients, clinical trials, vendors, customers, employees, collaborators and others). Sanofi is therefore vulnerable to cybersecurity attacks and incidents and misuse or manipulation of any of these IT systems could result in exposure of confidential information or the modification of critical data.

Sanofi and its third-party service providers, suppliers, contract manufacturers, distributors or other contracting third parties use, to the best of its ability, secure information technology systems for the protection of data and threat detection. Like many companies, Sanofi may experience certain of the following events which pose a risk to the security and availability of these systems and networks, and the confidentiality, integrity, and availability of Sanofi's sensitive data: breakdown, outages, service disruption or impairment, data loss or deterioration in the event of a system malfunction, or increasing threat of data theft or corruption in the event of a cyber-attack, security breach, industrial espionage attacks, insider threat attacks, cybercrimes, including state-sponsored cybercrimes, malware, misplaced or lost data, programming or human errors or other similar events. The pandemic has both exacerbated attacks related to competitive intelligence by criminal organizations targeting information related to COVID-19 research, development, and production and increased the opportunity for such attacks as remote working has become more widely used, and sensitive data is accessed by employees working in less secure, home-based environments. Also, in the event of an attack, US and European legislation related to the financing of terrorism imposes increasing restrictions on payments of ransom. As a result, Sanofi's ability to recover the data might be limited. Therefore, its business continuity could be at risk if Sanofi is unable to recover data through back-ups and restorations.

Each of these events could negatively impact important processes, such as scientific research and clinical trials, the submission of outcomes to health authorities for marketing authorizations, the functioning of production processes and the supply chain, compliance with legal requirements, trade secrets, security strategies and other key activities, including Sanofi's employees' ability to communicate between themselves as well as with third parties (see also "*Product liability claims could adversely affect Sanofi's business, results of operations and financial condition*" above). This could result in material financial, legal, competitive, operational, business or reputational harm.

Although Sanofi maintains insurance coverage, this insurance may not be sufficiently available in the future to cover the financial, legal, business or reputational losses that may result from an interruption or breach of its systems. For example, certain types of cyber-attacks could be considered as an Act of War subject to insurance exclusion.

The manufacture of Sanofi's products is technically complex, and supply interruptions, product recalls or inventory losses caused by unforeseen events may reduce sales, adversely affect its operating results and financial condition, delay the launch of new products and negatively impact its image*

Many of Sanofi's products are manufactured using technically complex processes with production constraints, including the need for specialized facilities, trained and certified employees, and highly specific raw materials. Sanofi must ensure that all manufacturing processes comply with (i) current Good Manufacturing Practices (cGMP), (ii) other applicable regulations issued by governmental health authorities around the world, as well as (iii) Sanofi's own quality standards. Third parties supply Sanofi with a portion of its raw materials, active ingredients and medical devices, which exposes Sanofi to the risk of a supply shortage or interruption in the event that these suppliers are unable to manufacture its products in line with quality standards or if they experience financial difficulties. For example, in 2021 Genzyme sold a manufacturing facility located in Allston Landing in the United States to a third party, which is in particular involved in the production of Cerezyme®. Sanofi now relies on that third party for certain manufacturing and testing operations pursuant to the terms and conditions of relevant contractual agreements with such third party. The manufacturing and testing operations performed on Genzyme's behalf at the Allston Landing facility are subject to the terms of a consent decree requiring ongoing compliance therewith, which was entered into between Genzyme and the US government in 2010. Sanofi now relies on the third party that acquired the Allston Landing site to perform manufacturing and testing services on its behalf and to ensure compliance with the terms and conditions of the aforementioned consent decree. Sanofi could be subject to product supply risk if the third party is unable to supply product to it and to regulatory action if the third-party acquirer of the Allston Landing site fails to comply with applicable laws and regulations, including cGMP, when performing the relevant services.

Epidemics and other public health crises, such as the ongoing coronavirus pandemic, expose Sanofi to risks of a slowdown or temporary suspension in the production of its active pharmaceutical ingredients (API), raw materials and some of its products. Any prolonged restrictive measures put in place in order to control an outbreak of contagious disease or other adverse public health development, in any of its principal production sites, may have a material and adverse effect on its manufacturing operations. Any

of these factors could adversely affect Sanofi's business, operating results or financial condition (see "*Item 4. Information on the Company – B. Business Overview – B.8. Production and Raw Materials*" of the 2021 Annual Report on Form 20-F for a description of these outsourcing arrangements and "*The extent to which the COVID-19 pandemic and related developments, including measures implemented in response thereto, may impact Sanofi's business, operations and financial performance is highly uncertain and difficult to predict*" below).

Sanofi's business may require the transformation and adaptation of its plants in order to ensure the continuity of production of its products in sufficient quantities to satisfy demand. This may be necessary to meet the need for the production of new products, including biologics, or to ensure the scaling up production of products under development once approved. This need may also result from new regulatory requirements; for example, the fact that insulin is no longer regulated by the FDA as a drug but rather as a biologic requires significant transformation and adaptation of Sanofi's insulin manufacturing plant in Frankfurt, with no guarantee that Sanofi will manage to complete that plan within the expected time. Furthermore, Sanofi's biological products, in particular, are subject to the risk of manufacturing stoppages or the risk of loss of inventory because of the difficulties inherent in the processing of biological materials and the potential difficulties in accessing adequate amounts of raw materials meeting required standards. In addition, specific storage and distribution conditions are required for many biological products (for example, cold storage is required for certain vaccines, insulin-based products and some hemophilia products). These production difficulties may also be encountered during testing, which is a mandatory requirement prior to drug products being released. For example, in 2018 in China, Sanofi encountered supply constraints of Pentaxim[®] vaccine due to problems with the supplier of a raw material used in the formulation of this vaccine in China. As a result, Sanofi had to find an alternative raw material to meet Chinese requirements.

Some of Sanofi's production sites, and some of its suppliers' and/or contractors' sites are located in areas exposed to natural disasters such as floods, earthquakes and hurricanes. Such disasters could be exacerbated by climate change. In the event of a major disaster, Sanofi could experience severe destruction or interruption of its operations and production capacity at these sites. The complexity of these processes, as well as standards required for the manufacture of its products, subject Sanofi to risks because the investigation and remediation of any identified or suspected problems can cause production delays, substantial expense, product recalls or lost sales and inventories, and delay the launch of new products; this could adversely affect Sanofi's operating results and financial condition, and cause reputational damage and the risk of product liability (see – "*Product liability claims could adversely affect Sanofi's business, results of operations and financial condition*" above).

When manufacturing disruptions occur, Sanofi may not have alternate manufacturing capacity, particularly for certain biologics. In the event of manufacturing disruptions, Sanofi's ability to use backup facilities or set up new facilities is more limited because biologics are more complex to manufacture and generally require dedicated facilities. Even though Sanofi aims to have backup sources of supply whenever possible, including by manufacturing backup supplies of its principal active ingredients at additional facilities when practicable, Sanofi cannot be certain they will be sufficient if its principal sources become unavailable. Switching sources and manufacturing facilities requires significant time and prior approval by health authorities.

Supply shortages generate even greater negative reactions when they occur with respect to life saving medicines with limited or no viable therapeutic alternatives. Shortages of specific products can have a negative impact on the confidence of patients, customers and professional healthcare providers and the image of the Group and may lead to lower product revenues.

A substantial share of the revenue and income of Sanofi depends on the performance of certain flagship products*

As part of the presentation of its strategy in December 2019 Sanofi announced its intent to prioritize its activities on growth drivers including Dupixent[®] and its Vaccines operations, which have been identified as key growth drivers. Nevertheless market expansion and new launches of medicines and vaccines may not deliver the expected benefits.

Sanofi may also encounter failures or delays in its launch strategy (in terms of timing, pricing, market access, marketing efforts and dedicated sales forces), such that Sanofi's products that may not deliver the expected benefits. The competitive environment for a given product may also have changed by the time of the actual launch, modifying Sanofi's initial expectations. The need to prioritize the allocation of resources may also cause delays in or hamper the launch or expansion of some of Sanofi's products.

Also Sanofi currently generates a substantial share of its net sales from certain key products (see "*Item 5. Operating and Financial Review and Prospects – A.2. Results of Operations – Year ended 31 December 2021 compared with year ended 31 December 2020 – A.2.1.3/Net Sales – Pharmaceuticals segment*"). For example, Dupixent[®] generated net sales of €5,249 million in 2021 representing 13.9% of Sanofi's net sales for the year and is the Group's biggest product in terms of sale.

Among its flagship products, Lantus[®], Lovenox[®] and Plavix[®] already face generic competition on the market. Lantus[®] is particularly important; it was one of Sanofi's leading products in 2021 with net sales of €2,494 million. Aubagio[®], another leading product, is

expected to face generic competition in the US starting from March 2023, following a settlement agreement entered into in 2017. Jevtana® faces generic competition since September 2021 in the U.S. and the end of March 2021 in Europe.

More generally, an expiration of effective intellectual property protections for its products typically results in the market entry of one or more lower-priced generic competitors, often leading to a rapid and significant decline in revenues on those products (for information regarding ongoing patent litigation see Note D.22.b) to the consolidated financial statements included at Item 18 of the 2021 Annual Report on Form 20-F).

The introduction of a generic product results in adverse price and volume effects for the branded, or genericized products. For example, although Sanofi does 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 its consolidated net sales for 2021 and 2020 for the main products affected by generic and biosimilar competition shows a loss of €231 million of net sales on a reported basis (see "*Item 5. Operating and Financial Review and Prospects – A.1.2. Impacts of Competition from Generics and Biosimilars*" of the 2021 Annual Report on Form 20-F). However, other parameters may have contributed to the loss of sales, such as a fall in the average price of certain products (e.g. Lantus®).

Furthermore, in general, if one or more of its flagship products were to encounter problems (such as material product liability litigation, unexpected side effects, product recalls, non-approval by the health authorities of a new indication for a marketed product, pricing pressure and manufacturing or supply issues), the adverse impact on its business, results of operations and financial condition could be significant.

Sanofi relies on third parties for the discovery, manufacture, marketing and distribution of some of its products

Sanofi's industry is both highly collaborative and competitive, whether in the discovery and development of new products, licensing, the marketing and distribution of approved products, or manufacturing activities. Sanofi expects that it will continue to rely on third parties for key aspects of its business and Sanofi needs to ensure its attractiveness as a potential partner.

Sanofi conducts a number of significant research and development programs and market some of its products in collaboration with other biotechnology and pharmaceutical companies. For example, Sanofi currently has a global strategic collaboration with Regeneron on monoclonal antibodies for the development and commercialization of Dupixent®, Kevzara® (sarilumab) and SAR440340 (REGN3500- itepekimab). Further, in April 2020, Sanofi and Regeneron restructured their antibody collaboration related to Praluent® (alirocumab) (see "*Item 5. Financial Presentation of Alliances – A.1.7.1/ Alliance Arrangements with Regeneron Pharmaceuticals Inc*"). Sanofi relies upon Regeneron to successfully carry out their responsibilities with regard to the manufacture and supply of these collaboration antibodies. In immuno-oncology, Sanofi has a global collaboration with Regeneron for the joint development and commercialization of cemiplimab, a programmed cell death protein 1 (PD-1) inhibitor antibody (Libtayo®). (see "*Item 4. Information on the Company – B. Business Overview*" of the 2021 Annual Report on Form 20-F). Finally, Sanofi may also rely on partners to design and manufacture medical devices, notably for the administration of its products.

As regards products recently launched or under development for which Sanofi has a collaboration agreement with partners, the terms of the applicable alliance agreement may require Sanofi to share profits and losses arising from commercialization of such products with its partners. This differs from the treatment of revenue and costs generated by other products for which Sanofi has no alliance agreement, and such profit sharing may deliver a lower contribution to its financial results.

Sanofi could also be subject to the risk that it may not properly manage the decision-making process with its partners. Decisions may also be under the control of or subject to the approval of its collaboration partners, who may have views that differ from Sanofi's. Sanofi is also subject to the risk that its partners may not perform effectively, which could have a detrimental effect when our collaboration partners are responsible for the performance of certain key tasks or functions, for example related to manufacturing. Any such failures in the development process or differing priorities may adversely affect Sanofi's business including the activities conducted through the collaboration arrangements. Sanofi also cannot guarantee that third-party manufacturers will be able to meet its near-term or long-term manufacturing requirements. Subject to the completion of its initial public offering in the first half of 2022 including obtaining required market authority approvals, EUROAPI will also become a third-party manufacturer and will continue to manufacture a certain number of APIs for Sanofi. Sanofi is also subject to the risk that contract research organizations or other vendors (for instance regarding digital activities) retained by it or its collaboration partners may not perform effectively.

Sanofi could face conflicts or difficulties with its partners during the course of these agreements or at the time of their renewal or renegotiation. All of these events may affect the development, manufacturing, launch and/or marketing of certain of its products or product candidates and may cause a decline in its revenues or otherwise negatively affect its results of operations.

The extent to which the COVID-19 pandemic and related developments, including measures implemented in response thereto, may adversely impact Sanofi's business, operations and financial performance is highly uncertain and difficult to predict

Sanofi is unable to predict the extent to which the rapidly changing pandemic and related developments, including the duration and long-term magnitude of the disruption, may adversely impact its business, operations and financial performance, including lower sales and reduced patient demand and usage of certain of its products.

While economies around the world have sought or will begin to seek to fully reopen their economies, the degree to which COVID-19 adversely impacts Sanofi's results in the future is outside Sanofi's knowledge or control or will depend on future developments, including, but not limited to, the duration and spread of the outbreak, its mutation, its severity, the actions taken by government authorities to contain the virus or mitigate its impact, and how quickly and to what extent normal economic and operating conditions can resume. Any resurgence in COVID-19 infections could result in the imposition of new constraints and prolonged restrictive measures implemented in order to control the spread of the disease.

In an increasingly budget-constrained healthcare environment as economic disruption continues due to the pandemic, we expect to see a higher pressure on drug prices worldwide and, in the longer term, a reallocation of funding across therapeutic areas, driven in particular by evolving public health priorities, which could negatively impact our business operations (see "*The pricing and reimbursement of Sanofi's products is increasingly affected by cost reduction initiatives and decisions of governments and other third parties*" above). For example, the pandemic may reduce Sanofi's sales in targeted markets due to lower healthcare spending on other diseases and fewer promotional activities.

If the pandemic is further prolonged, Sanofi may face delays in its clinical trials due to restrictions imposed on clinical trial sites and/or delays in the initiation and enrollment of patients in its clinical trials and/or disruptions related to regulatory approvals and/or delays in label expansions for existing products. Sanofi may not be able to fully mitigate these delays, which could negatively impact the timing of Sanofi's pipeline development programs and may have a negative impact on its product development and launches and hence, on future product sales, business and results of operations.

The global COVID-19 pandemic also exposes Sanofi to a slowdown or temporary suspension in production of its active pharmaceutical ingredients (API), raw materials and some of its other products. Extension of the restrictive measures put in place in order to control the pandemic may lead to manufacturing delays or disruptions and supply chain interruptions (including to the extent those measures apply to its third-party suppliers) and may have an adverse effect on Sanofi's business (see "*The manufacture of Sanofi's products is technically complex, and supply interruptions, product recalls or inventory losses caused by unforeseen events may reduce sales, adversely affect its operating results and financial condition, delay the launch of new products and negatively impact its image*" above). Also, a sudden increase in demand for selected medicinal products could result in short-term unavailability or shortages of raw materials.

In addition, it is not certain that Sanofi will successfully develop its vaccine for COVID-19, nor that the vaccine candidate, if approved, would be commercially successful, nor that demand for such a vaccine or product would still exist. Post marketing clinical data and analysis of existing clinical data could also give rise to unexpected safety, quality or manufacturing issues.

In response to the COVID-19 pandemic, Sanofi has implemented proactive measures in order to protect its employees, including restricting employee travel and adopting a work-from-home policy. However, the pandemic could continue to pose risks to the health and safety of Sanofi's employees, especially when employees may elect to return to the office in jurisdictions where both local requirements and its own health and safety standards have been met. Meanwhile, remote work could affect the employees engagement vis-à-vis Sanofi.

Finally, Sanofi cannot predict or reasonably estimate the impact of any potential long-term changes to the healthcare and pharmaceutical industries from the COVID-19 pandemic, and the volatile global economic conditions stemming from the pandemic, could precipitate or amplify the other risk factors that Sanofi identifies in this "*Risk Factors*" section, which could adversely affect its business, operations and financial conditions and results. If the pandemic is further prolonged, Sanofi's operations could also be adversely impacted by the work-from-home, lockdown and other restrictions that have been adopted in response to the pandemic. Any of these risks could cause actual results to differ materially from those described elsewhere in this report (see "*Item 3.D. Risk Factors*" of the 2021 Annual Report on Form 20-F and "*Global economic conditions and an unfavorable financial environment could have negative consequences for Sanofi's business*" below).

Sanofi is subject to the risk of non-payment by its customers¹

Sanofi runs the risk of delayed payments or even non-payment by its customers, which consist principally of wholesalers, distributors, pharmacies, hospitals, clinics and government agencies. This risk is accentuated by recent concentrations among distributors and retailers, as well as by uncertainties around global credit and economic conditions, in particular in emerging markets. As a result, Sanofi may be affected by fluctuations in the buying patterns of such customers. The United States poses particular customer credit risk issues because of the concentrated distribution system: Sanofi's three main customers represented respectively 10%, 7% and 6% of its consolidated net sales in 2021. Sanofi is also exposed to large wholesalers in other markets, particularly in Europe. An inability of one or more of these wholesalers to honor their debts to Sanofi could adversely affect its financial condition (see Note D.34. to Sanofi's consolidated financial statements included at Item 18 of the 2021 Annual Report on Form 20-F).

In some countries, some customers are public or subsidized health systems. The economic and credit conditions in these countries may lead to an increase in the average length of time needed to collect on accounts receivable or the ability to collect 100% of receivables outstanding. Because of this context, Sanofi may need to reassess the recoverable amount of its debts in these countries during future financial years.

Global economic conditions and an unfavorable financial environment could have negative consequences for Sanofi's business²

Over the past several years, growth of the global pharmaceutical market has become increasingly tied to global economic growth. In this context, a substantial and lasting slowdown of the global economy, major national economies or emerging markets could negatively affect growth in the global pharmaceutical market and, as a result, adversely affect Sanofi's business. For example, unpredictable political conditions that currently exist in various parts of the world, including Eastern Europe, could have a material negative impact on its business. Collectively, such unstable conditions could, among other things, disturb the international flow of goods and increase the costs and difficulties of international transactions.

Unfavorable economic conditions have reduced the sources of funding for national social security systems, leading to austerity measures including heightened pressure on drug prices, increased substitution of generic drugs, and the exclusion of certain products from formularies among others (see "*The pricing and reimbursement of Sanofi's products is increasingly affected by cost containment pressures and decisions of governments and other third parties*" above).

Further, Sanofi's net sales may be negatively impacted by the continuing challenging global economic environment, as high unemployment, increases in cost-sharing, and lack of developed third-party payer systems in certain regions may lead some patients to switch to generic products, delay treatments, skip doses or use other treatments to reduce their costs. In the United States there has been a significant increase in the number of beneficiaries in the Medicaid program, under which sales of pharmaceuticals are subject to substantial rebates and, in many US states, to formulary restrictions limiting access to brand-name drugs, including Sanofi's. Also, employers may seek to transfer a greater portion of healthcare costs to their employees due to rising costs, which could lead to further downward price pressure and/or lower demand.

Sanofi's Consumer Healthcare business could also be adversely impacted by difficult economic conditions that limit the financial resources of its customers.

If economic conditions worsen, or in the event of default or failure of major players including wholesalers or public sector buyers financed by insolvent states, the financial situation of the Group, the profitability and results of its operations and the distribution channels of its products may be adversely affected. See also "*Sanofi is subject to the risk of non-payment by its customers*" above.

The increasing use of social media platforms and new technologies present risks and challenges for Sanofi's business and reputation

Sanofi increasingly relies on social media, new technologies and digital tools to communicate about its products and about diseases or to provide health services. The use of these media requires specific attention, monitoring programs and moderation of comments. Political and market pressures may be generated by social media because of rapid news cycles. This may result in commercial harm, overly restrictive regulatory actions and erratic share price performance. In addition, unauthorized communications, such as press releases or posts on social media, purported to be issued by Sanofi, may contain information that is false or otherwise damaging and

¹ The information in this section supplements the disclosures required under IFRS 7 as presented in Notes B.8.7., D.10. and D.34. to the consolidated financial statements, provided at Item 18 of the 2021 Annual Report on Form 20-F.

² The information in this section supplements the disclosures required under IFRS 7 as presented in Note B.8.7. to the consolidated financial statements, provided at Item 18 of the 2021 Annual Report on Form 20-F.

could have an adverse impact on its image and reputation and on its stock price. Negative or inaccurate posts or comments about Sanofi, its business, directors or officers on any social networking website could seriously damage its reputation. In addition, its employees and partners may use social media and mobile technologies inappropriately, which may give rise to liability for the Group, or which could lead to breaches of data security, loss of trade secrets or other intellectual property or public disclosure of sensitive information. Such uses of social media and mobile technologies could have an adverse effect on Sanofi's reputation, business, financial condition and results of operations.

C. Risks relating to Sanofi's structure and strategy

Sanofi may fail to successfully identify external business opportunities or realize the anticipated benefits from its strategic investments or divestments*

Sanofi pursues a strategy of selective acquisitions, in-licensing and collaborations in order to reinforce its pipeline and portfolio. Sanofi is also proceeding to selective divestments to focus on key business areas. The implementation of this strategy depends on the Group's ability to identify transaction opportunities, mobilize the appropriate resources in order to enter into agreements in a timely manner and execute these transactions on acceptable economic terms. Moreover, entering into in-licensing or collaboration agreements generally requires the payment of significant "milestones" well before the relevant products reach the market, without any assurance that such investments will ultimately become profitable in the long term (see Note D.21.1. to the consolidated financial statements included at Item 18 of the 2021 Annual Report on Form 20-F and "Sanofi relies on third parties for the discovery, manufacture, marketing and distribution of some of its products" above).

For newly acquired activities or businesses Sanofi's growth objectives could be delayed or ultimately not realized, and expected synergies could be adversely impacted if, for example:

- Sanofi is unable to quickly or efficiently integrate those activities or businesses;
- key employees leave; or
- Sanofi has higher than anticipated integration costs.

For instance, in 2019 Sanofi had to book a €2.8 billion impairment on Elocate[®] acquired through the Bioverativ acquisition completed in 2018 due to revisions of previous sales projections. As another example, the Translate Bio acquisition referred to above which was completed in 2021 may not generate the expected results in terms of developing new mRNA-based products to meet existing or future needs, and the potential of Translate Bio's mRNA platform may not be realized to its full extent or because of the difficulty of integrating the activity quickly and efficiently into the Group.

Sanofi may also miscalculate the risks associated with business development transactions at the time they are made or may lack the resources or ability to access all the relevant information to evaluate such risks properly, including with regard to the potential of research and development pipelines, manufacturing issues, tax or accounting issues, compliance issues, or the outcome of ongoing legal and other proceedings. It may also take a considerable amount of time and be difficult to implement a risk analysis and risk mitigation plan after the acquisition of an activity or business is completed due to lack of historical data. Acquired businesses may not always be in full compliance with legal, regulatory or Sanofi standards, including, for example, current Good Manufacturing Practices (cGMP), which can be costly and time consuming to remedy. As a result, risk management and coverage of such risks, particularly through insurance policies, may prove to be insufficient or ill-adapted.

With respect to divestments, their financial benefit could be impacted if Sanofi faces significant financial claims or significant post-closing price adjustments. Furthermore, the value of the assets to be divested may deteriorate while Sanofi is in the process of executing its divestment strategy, with the risk that Sanofi does not realize the anticipated benefits. For example, Sanofi announced in February 2020 a plan to create a future leading European company, now named EUROAPI, dedicated to the development, production and marketing of active pharmaceutical ingredients (API) to third parties as well as to Sanofi with a planned IPO on Euronext Paris in the first half of 2022, subject to market conditions and obtaining required market authority approvals. Given that market conditions can be volatile, Sanofi may not be able to realize the anticipated financial benefits of this transaction.

Because of the active competition among pharmaceutical groups for business development opportunities, there can be no assurance of the Group's success in completing these transactions when such opportunities are identified.

The globalization of the Group's business exposes it to increased risks in specific areas*

As part of the presentation of its strategy in December 2019, Sanofi identified its strong presence in China among its core drivers with a revenue amounting to 7.2% of its net sales in 2021.

Nevertheless, the difficulties in operating in emerging markets, a significant decline in the anticipated growth rate or an unfavorable movement of the exchange rates of currencies against the euro could impair Sanofi's ability to take advantage of growth opportunities and could adversely affect Sanofi's business, results of operations or financial condition. For instance, while it continues to be impossible as of the date of this report to predict the economic impact and the magnitude of the ongoing COVID-19 pandemic, if a long-lasting epidemic and prolonged or repeated restrictive measures to control the outbreak were to result in an economic slowdown in any of Sanofi's targeted markets, it would reduce its sales due to lower healthcare spending on other diseases and fewer promotional activities, and could significantly impact its business operations. Furthermore, it is not possible to predict if or how the current health crisis will impact any particular affected jurisdiction, or to what extent. (see also "*Global economic conditions and an unfavorable financial environment could have negative consequences for Sanofi's business*" and "*The extent to which the COVID-19 pandemic and related developments, including measures implemented in response thereto, may impact Sanofi's business, operations and financial performance is highly uncertain and difficult to predict*" above).

Emerging markets also expose Sanofi to more volatile economic conditions, political instability (including a backlash in certain areas against free trade), competition from multinational or locally based companies that are already well established in these markets, the inability to adequately respond to the unique characteristics of emerging markets (particularly with respect to their underdeveloped judicial systems and regulatory frameworks), difficulties in recruiting qualified personnel or maintaining the necessary internal control systems, potential exchange controls, weaker intellectual property protection, higher crime levels (particularly with respect to counterfeit products), and compliance issues including corruption and fraud (see particularly "*Claims and investigations relating to ethics and business integrity, competition law, marketing practices, pricing, human rights of workers, data protection and other legal matters could adversely affect the Group's business, results of operations and financial condition*" above).

Sanofi may fail to develop or take advantage of digitalization*

Sanofi has undertaken a number of digital initiatives (such as the opening in October 2019 of its Framingham digitally enabled manufacturing facility in the US, and its Darwin real-world data platform). Sanofi's success in these efforts will depend on many factors, including data quality, technology architecture, entering into successful partnerships and alliances with technology companies, a cultural change among its employees, attracting and retaining employees with appropriate skills and mindsets, and successfully innovating across a variety of technology fields. The COVID-19 pandemic has accelerated Sanofi's digital transformation, including in the ways it engages and interacts with its stakeholders. However there is no guarantee that Sanofi's efforts toward a digital transformation will succeed. More generally, Sanofi may fail to capture the benefits of digitalization at an appropriate cost and/or in a timely manner and/or enter into appropriate partnerships.

Competitors, including new entrants such as tech companies, may outpace Sanofi in this fast-moving area. If Sanofi fails to adequately integrate digitalization into its organization and business model, Sanofi could lose patients and market share. This could have an adverse impact on its business, prospects and results of operations.

Sanofi may fail to accelerate its operational efficiency*

As part of its strategy Sanofi has announced its intent to improve its operating efficiencies to fund growth and expand its business operating income margin. Sanofi has also announced savings initiatives to fund investment in its key growth drivers, to accelerate priority pipeline projects and to support the expansion of its BOI margin. Nevertheless there is no guarantee that Sanofi will be able to fully deliver these operating efficiencies within the targeted timeline or generate the expected benefits.

Unsuccessful management of environmental, social and governance matters could adversely affect Sanofi's reputation and Sanofi may experience difficulties to meet the expectations of its stakeholders.

Companies are increasingly expected to behave in a responsible manner on a variety of environmental, social and governance (ESG) matters, by governmental and regulatory authorities, counterparties such as vendors and suppliers, customers, investors, the public at large and others. This context, driven in part by a rapidly changing regulatory framework, is raising new challenges and influencing strategic decisions that companies must take if they wish to optimize their positive impact and mitigate their negative impact on ESG matters.

Sanofi has adopted an ESG strategy that aims at ensuring global access and affordability, addressing unmet needs with transformative therapies, and minimizing the impact of Sanofi's activities and products on the climate and the environment. The strategy includes leveraging its personnel's experience and making societal impact a key driver of Sanofi employees' engagement. However, despite Sanofi's strong commitment Sanofi could be unable to meet its ESG or other strategic objectives in an efficient and timely manner, or at all.

Sanofi may also be unable to meet the ever more demanding criteria used by rating agencies in their ESG assessments process, leading to a downgrading in Sanofi's rating. Financial investments in companies which perform well in the ESG assessments are increasingly popular, and major institutional investors have made known their interest in investing in such companies. Depending on the ESG assessments and on the rapidly changing views on acceptable levels of action across a range of ESG topics from investors, Sanofi may be unable to meet society's or investors' expectations, its reputation may be harmed, it may face increased compliance or other costs and demand for securities issued by Sanofi and Sanofi's ability to participate in the debt and equity markets may decrease.

Sanofi's success depends in part on its senior management team and other key employees and its ability to attract, integrate and retain key personnel and qualified individuals in the face of intense competition

Sanofi's success depends on the expertise of its senior management team and other key employees. In 2021, there were 2,346 "Senior Leaders" within Sanofi. In addition, Sanofi relies heavily on recruiting and retaining talented people to help it meet its strategic objectives. Sanofi faces intense competition for qualified individuals for senior management positions, or in specific geographic regions or in specialized fields such as clinical development, biosciences and devices, or digital and artificial intelligence.

Sanofi's ability to hire qualified personnel also depends in part on Sanofi's ability to reward performance, incentivize its employees and to pay competitive compensation. Laws and regulations on executive compensation may restrict Sanofi's ability to attract, motivate and retain the required level of talented people. The inability to attract, integrate and/or retain highly skilled personnel, in particular those in leadership positions, may weaken the Group's succession plans, may materially adversely affect the implementation of its strategy and its ability to meet its strategic objectives and could ultimately adversely impact its business or results of operations.

D. Environmental and safety risks of Sanofi's industrial activities

Risks from manufacturing activities and the handling of hazardous materials could adversely affect Sanofi's results of operations*

Manufacturing activities, such as the chemical manufacturing of the active ingredients in the Group's products and the related storage and transportation of raw materials, products and waste, expose the Group to the risks of industrial accidents that may lead to discharges or releases of toxic or pathogenic substances or other events that, can cause personal injury, property damage and environmental contamination, and may result in additional operational constraints, including the shutdown of affected facilities and/or the imposition of civil, administrative, criminal penalties and/or civil damages.

The occurrence of an industrial accident may significantly reduce the productivity and profitability of a particular manufacturing facility and adversely affect Sanofi's operating results and reputation. Although Sanofi maintains property damage, business interruption and casualty insurance that it believes is in accordance with customary industry practices, this insurance may not be adequate to fully cover all potential hazards incidental to Sanofi's business.

Management of the historical contamination related to Sanofi's past industrial activities may have a significant adverse effect on its results of operations

The environmental laws of various jurisdictions impose actual and potential obligations on Sanofi to manage and/or remediate contaminated sites. These obligations may relate to sites:

- that Sanofi currently owns or operates;
- that it formerly owned or operated; or
- where waste from its operations was disposed.

These environmental remediation obligations could reduce Sanofi's operating results. Sanofi accrues provisions for remediation when its management believes the need is probable and that it is reasonably possible to estimate the cost. See "Item 4. Information on the Company – B. Business Overview – B.10. Health, Safety and Environment" of the 2021 Annual Report on Form 20-F for additional information regarding its environmental policies. In particular, Sanofi's provisions for these obligations may be insufficient if the assumptions underlying these provisions prove incorrect or if Sanofi is held responsible for additional, currently undiscovered contamination. These judgments and estimates may later prove inaccurate, and any shortfalls could have an adverse effect on the Group's results of operations and financial condition. For more detailed information on environmental issues, see "Item 4. Information on the Company – B. Business Overview – B.10 Health, Safety and Environment" and Notes B.12 and D.19.3 to the consolidated financial statements of the 2021 Annual Report on Form 20-F.

Sanofi is or may become involved in claims, lawsuits and administrative proceedings relating to environmental matters. Some current and former Sanofi subsidiaries have been named as "potentially responsible parties" or the equivalent under the US Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (also known as "Superfund"), and similar statutes or obligations in France, Germany, Italy, Brazil and elsewhere. As a matter of statutory or contractual obligations, Sanofi and/or its subsidiaries may retain responsibility for environmental liabilities at some of the sites of its predecessor companies, or of subsidiaries that Sanofi demerged, divested or may divest. Sanofi has disputes outstanding regarding certain sites no longer owned or operated by the Group. An adverse outcome in such disputes might have an adverse effect on its operating results. See Note D.22.d) to the consolidated financial statements included at Item 18 of the 2021 Annual Report on Form 20-F and section "Item 8. Financial Information – A. Consolidated Financial Statements and Other Financial Information – Information on Legal or Arbitration Proceedings" of the 2021 Annual Report on Form 20-F).

Environmental regulations are evolving. For example, in Europe, new or evolving regulatory regimes include REACH, CLP/GHS, SEVESO, IPPC/IED, the Waste Framework Directive, the Emission Trading Scheme Directive, the Water Framework Directive, the Directive on Taxation of Energy Products and Electricity and several other regulations aimed at preventing climate change. Stricter environmental, safety and health laws and enforcement policies could result in substantial costs and liabilities to the Group and could subject its handling, manufacture, use, reuse or disposal of substances or pollutants, site restoration and compliance to more rigorous scrutiny than is currently the case. Consequently, compliance with these laws could result in capital expenditures as well as other costs and liabilities, thereby adversely affecting the Group's business, results of operations or financial condition.

E. Risks related to financial markets¹

Counterparty risk

Sanofi's financing and investing transactions, and our currency and interest rate hedges, are contracted with leading counterparties. Sanofi sets limits for investment and derivative transactions with individual financial institutions, depending on the rating of each institution. Compliance with these limits, which are based on the notional amounts of the investments and the fair value of the hedging instruments, is monitored on a daily basis.

The table below shows our total exposure as of 31 December 2021 by rating and in terms of Sanofi's percentage exposure to the dominant counterparty.

(€ million)	Cash and cash equivalents ^(a)	Notional amounts of ^(b)	Fair value of currency hedges	Notional amounts of ^(b)	Fair value of interest rate hedges	General corporate
AA	361	2,151	26	250	1	—
AA-	965	7,068	66	1,014	4	1,500
A+	853	7,341	84	1,102	3	4,000
A	1,282	4,593	39	1,125 ^(c)	(1)	1,500
A-	336	2,054	7	88	1	1,000
BBB+	88	—	—	—	—	—
Unallocated	156	—	—	—	—	—
Total	4,041	23,207	222	3,579	7	8,000
% / rating of dominant counterparty	17.0% / AA-	13.4% / AA-		13.3% / AA-		6% / A-

(a) Cash equivalents include mutual fund investments of €5,057 million.

(b) The notional amounts are translated into euros at the relevant closing exchange rate as of 31 December 2021.

(c) Includes interest rate swaps hedging fixed-rate bonds of €99 million held in a Professional Specialized Investment Fund dedicated to Sanofi, recognized in "Long-term loans, advances and other non-current receivables" (see Note D.7. to consolidated financial statements of the 2021 Annual Report on Form 20-F).

As of 31 December 2021, Sanofi held investments in euro and US dollar denominated money-market mutual funds. Those instruments have low volatility, low sensitivity to interest rate risk, and a very low probability of loss of principal. The depository banks of the mutual funds, and of Sanofi itself, have a long-term rating of at least A. Realization of counterparty risk could impact Sanofi's liquidity in certain circumstances.

¹ The information in this section supplements the disclosures required under IFRS 7 as presented in Note B.8.7. to the consolidated financial statements, provided at Item 18. of the 2021 Annual Report on Form 20-F.

Foreign exchange risk

Operating foreign exchange risk

A substantial portion of Sanofi's net sales is generated in countries where the euro, which is Sanofi's reporting currency, is not the functional currency. In 2021, for example, 38.1% of its net sales were generated in the United States; 25.8% in Europe; and 36.1% in the Rest of the World region (as defined in the 2021 Annual Report on Form 20-F), including countries that are, or may in the future become, subject to exchange controls, of which 7.2% was generated in China and 4.4% in Japan. Although Sanofi also incurs expenses in those countries, the impact of those expenses is not enough wholly to offset the impact of exchange rates on its net sales. Consequently, Sanofi's operating income may be materially affected by fluctuations in exchange rates between the euro and other currencies. Sanofi operates a foreign exchange risk hedging policy to reduce the exposure of operating income to exchange rate movements. That policy involves regular assessments of Sanofi's worldwide foreign currency exposure, based on foreign currency transactions carried out by the parent company and its subsidiaries. Those transactions mainly comprise sales, purchases, research costs, co-marketing and co-promotion expenses, and royalties. To reduce the exposure of those transactions to exchange rate movements, Sanofi contracts hedges using liquid derivative instruments, mainly forward currency purchases and sales, and also foreign exchange swaps.

The table below shows operating currency hedging instruments in place as of 31 December 2021, with the notional amount translated into euros at the relevant closing exchange rate (see Note D.20. to the consolidated financial statements included at Item 18 of the 2021 Annual Report on Form 20-F for the accounting classification of those instruments as of 31 December 2021).

Operating foreign exchange derivatives as of 31 December 2021

(€ million)	Notional amount	Fair value
Forward currency sales	3,912	4
<i>of which US dollar</i>	1,392	5
<i>of which Chinese yuan renminbi</i>	665	(2)
<i>of which Singapore dollar</i>	355	(1)
<i>of which Japanese yen</i>	199	3
<i>of which Mexican peso</i>	122	(1)
Forward currency purchases	2,374	6
<i>of which US dollar</i>	833	(2)
<i>of which Singapore dollar</i>	696	7
<i>of which Chinese yuan renminbi</i>	255	—
<i>of which Russian rouble</i>	77	—
<i>of which Japanese yen</i>	72	(1)
Total	6,286	10

The above positions mainly hedge future material foreign-currency cash flows arising after the end of the reporting period in relation to transactions carried out during the year ended 31 December 2021 and recognized in the balance sheet at that date. Gains and losses on hedging instruments (forward contracts) are calculated and recognized in parallel with the recognition of gains and losses on the hedged items. Due to this hedging relationship, the commercial foreign exchange profit or loss on these items (hedging instruments and hedged transactions) will be immaterial in 2022.

Financial foreign exchange risk

The cash pooling arrangements for foreign subsidiaries outside the euro zone, and some of Sanofi's financing activities, expose certain Sanofi entities to financial foreign exchange risk (i.e. the risk of changes in the value of borrowings and loans denominated in a currency other than the functional currency of the borrower or lender). That foreign exchange exposure is hedged using derivative instruments (foreign exchange swaps, forward contracts or currency swaps) that alter the currency split of Sanofi's net debt once those instruments are taken into account.

The table below shows financial currency hedging instruments in place as of 31 December 2021, with the notional amounts translated into euros at the relevant closing exchange rate (see also Note D.20. to the consolidated financial statements included at Item 18 of the 2021 Annual Report on Form 20-F for the accounting classification of these instruments as of December 31, 2021).

Financial foreign exchange derivatives as of 31 December 2021

(€ million)	Notional amount	Fair value	Expiry
Forward currency sales	7,655	15	
<i>of which US dollar</i>	5,384 (a)	23	2022
<i>of which Hungarian forint</i>	756 (b)	4	2022
<i>of which Brazilian real</i>	95 (c)	(3)	2022
Forward currency purchases	9,293	197	
<i>of which US dollar</i>	4,816 (d)	128	2022
<i>of which Singapore dollar</i>	2,910 (f)	75	2022
<i>of which Hungarian forint</i>	865	(5)	2022
Total	16,948	212	

(a) Includes forward sales with a notional amount of \$3,615 million expiring in 2022, designated as a hedge of Sanofi's net investment in Bioverativ. As of 31 December 2021, the fair value of these forward contracts represented an asset of €20 million; the opposite entry was recognized in "Other comprehensive income", with the impact on financial income and expense being immaterial.

(b) Includes forward sales with a notional amount of HUF 279 billion expiring in 2022, designated as a hedge of Sanofi's net investment in Chinoin. As of 31 December 2021, the fair value of these forward contracts represented an asset of €2 million; the opposite entry was recognized in "Other comprehensive income", with the impact on financial income and expense being immaterial.

(c) Includes forward sales with a notional amount of BRL 600 million expiring in 2022, designated as a hedge of Sanofi's net investment in Medley Farmaceutica. As of 31 December 2021, the fair value of these forward contracts represented a liability of €3 million; the opposite entry was recognized in "Other comprehensive income", with the impact on financial income and expense being immaterial.

(d) Includes forward purchases with a notional amount of \$550 million expiring in 2022, designated as a fair value hedge of the exposure of \$550 million of bond issues to fluctuations in the EUR/USD spot rate. As of 31 December 2021, the fair value of the contracts was an asset of €19 million, the opposite entry for €0.1 million of which was credited to "Other comprehensive income" under cost of hedging accounting treatment.

(e) Includes currency swaps with a notional amount of \$1,000 million receive 0.22% pay EUR -0.63% expiring in 2022, designated as a cash flow hedge of \$1,000 million of bond issues. As of 31 December 2021, the fair value of the swaps was an asset of €23 million.

(f) Includes forward purchases with a notional amount of SGD1,000 million expiring in 2022, designated as a fair value hedge of the exposure of an equivalent amount of intragroup current accounts to fluctuations in the EUR/SGD spot rate. As of 31 December 2021, the fair value of the contracts was an asset of €20 million, the opposite entry for €1.5 million of which was debited to "Other comprehensive income" under cost of hedging accounting treatment.

These hedging instruments generate a net financial gain or loss arising from the interest rate differential between the hedged currency and the euro, given that the foreign exchange gain or loss on the foreign-currency borrowing and loans is offset by the change in the intrinsic value of the hedging instruments. The interest rate differential is recognized within cost of net debt (see Note D.29. to the consolidated financial statements included at Item 18 of the 2021 Annual Report on Form 20-F). Sanofi may also hedge some future foreign-currency investment or divestment cash flows.

Other foreign exchange risks

A significant proportion of Sanofi's net assets is denominated in US dollars (see Note D.35. to the consolidated financial statements included at Item 18 of the 2021 Annual Report on Form 20-F). As a result, any fluctuation in the exchange rate of the US dollar against the euro automatically impacts the amount of Sanofi's equity as expressed in euros.

In addition, Sanofi uses the euro as its reporting currency. Consequently, if one or more European Union Member States were to abandon the euro as a currency, the resulting economic upheavals – in particular, fluctuations in exchange rates – could have a significant impact on the terms under which Sanofi can obtain financing and on its financial results, the extent and consequences of which are not currently foreseeable.

Liquidity risk

Sanofi operates a centralized treasury platform whereby all surplus cash and financing needs of its subsidiaries are invested with or funded by the parent company (where permitted by local legislation). The central treasury department manages its current and projected financing, and ensures that Sanofi is able to meet its financial commitments by maintaining sufficient cash and confirmed credit facilities for the size of its operations and the maturity of its debt (see Notes D.17.1.c and D.17.1.g to the consolidated financial statements included at Item 18 of the 2021 Annual Report on Form 20-F).

Sanofi diversify our short-term investments with leading counterparties using money-market products with instant access or with a maturity of less than three months.

As of 31 December 2021, cash and cash equivalents amounted to €10,098 million, and short-term investments predominantly comprised:

- collective investments in euro and US dollar denominated money-market mutual funds. All such funds can be traded on a daily basis and the amount invested in each fund may not exceed 10% of the aggregate amount invested in such funds;
- amounts invested directly with banks and non-financial institutions in the form of instant access deposits, term deposits, and Negotiable European Commercial Paper with a maturity of no more than three months.

In addition, to optimize the liquidity/return profile of Sanofi's short-term investments, Sanofi had €198 million invested in term deposits as of 31 December 2021, expiring in December 2021 and presented within "Other current financial assets" (see Note D.11. to the consolidated financial statements included at Item 18 of the 2021 Annual Report on Form 20-F).

As of 31 December 2021 Sanofi also had €8 billion of undrawn general corporate purpose confirmed credit facilities, half of which expires in December 2022 and half in December 2026. Those credit facilities are not subject to financial covenant ratios.

Sanofi's policy is to diversify its sources of funding through public or private issuances of debt securities, in the United States (shelf registration statement) and Europe (Euro Medium Term Note program). In addition, its A-1+/P-1 short-term rating gives Sanofi access to commercial paper programs in the United States, and to Negotiable European Commercial Paper programs in France. The average maturity of Sanofi's total debt was 5.05 years as of 31 December 2021, compared with 5.5 years as of 31 December 31, 2020. During 2021, Sanofi did not draw down on our Negotiable European Commercial Paper programs in France. Average drawdowns under the US commercial paper program during 2021 were €2.0 billion (with a maximum of €3.6 billion); the average maturity of those drawdowns was two months. As of 31 December 2021, neither of those programs was being utilized.

In the event of a liquidity crisis, Sanofi could be exposed to difficulties in calling up our available cash, a scarcity of sources of funding including the above-mentioned programs, and/or a deterioration in their terms. This situation could damage Sanofi's capacity to refinance its debt or to issue new debt on reasonable terms.

Interest rate risk

Sanofi issues debt in two currencies, the euro and the US dollar, and also invests its cash and cash equivalents in those currencies. Sanofi also operates cash pooling arrangements to manage the surplus cash and short-term liquidity needs of foreign subsidiaries located outside the euro zone.

To optimize the cost of debt or reduce the volatility of debt and manage its exposure to financial foreign exchange risk, Sanofi uses derivative instruments (interest rate swaps, currency swaps, foreign exchange swaps and forward contracts) that alter the fixed/floating rate split and the currency split of its net debt.

The projected full-year sensitivity to interest rate fluctuations of Sanofi's debt, net of cash and cash equivalents for 2022 is as follows:

Change in short-term interest rates	Impact on pre-tax net income (€ million)	Impact on pre-tax income/(expense) recognized directly
+100 bp	74	–
+25 bp	19	–
-25 bp	(19)	–
-100 bp	(74)	–

Stock market risk

It is Sanofi's policy not to trade on the stock market for speculative purposes.

During 2019, Sanofi contracted derivative instruments (collars) on 593,712 shares of Dexcom Inc; the collars were designated as fair value hedges of the Dexcom shares. As of 31 December 2021 they had a negative fair value of €16 million, recognized in full in "Other comprehensive income".

F. Risks relating to an investment in Sanofi's shares or ADSs

Foreign exchange fluctuations may adversely affect the US dollar value of our ADSs and dividends (if any)

Holders of ADSs face exchange rate risk. Sanofi's ADSs trade in US dollars and its shares trade in euros. The value of the ADSs and its shares could fluctuate as the exchange rates between these currencies fluctuate. If and when Sanofi pays dividends, they would be denominated in euros. Fluctuations in the exchange rate between the euro and the US dollar will affect the US dollar amounts received by owners of ADSs upon conversion by the depository of cash dividends, if any. Moreover, these fluctuations may affect the US dollar price of the ADSs on the NASDAQ Global Select Market (NASDAQ) whether or not Sanofi pays dividends, in addition to any amounts that a holder would receive upon its liquidation or in the event of a sale of assets, merger, tender offer or similar transaction denominated in euros or any foreign currency other than US dollars.

Persons holding ADSs rather than shares may have difficulty exercising certain rights as a shareholder

Holders of ADSs may have more difficulty exercising their rights as a shareholder than if they directly held shares. For example, if Sanofi issues new shares and existing shareholders have the right to subscribe for a pro rata portion of the new issuance, the depository is allowed, at its own discretion, to sell this right to subscribe for new shares for the benefit of the ADS holders instead of making that right available to such holders. In that case, ADS holders could be substantially diluted. Holders of ADSs must also instruct the depository how to vote their shares. Because of this additional procedural step involving the depository, the process for exercising voting rights will take longer for holders of ADSs than for holders of shares. ADSs for which the depository does not receive timely voting instructions will not be voted at any meeting. US investors may have difficulty in serving process or enforcing a judgment against Sanofi or its directors or executive officers.

Sales of Sanofi's shares may cause the market price of its shares or ADSs to decline.

Sales of large numbers of Sanofi's shares, or a perception that such sales may occur, could adversely affect the market price for its shares and ADSs. To Sanofi's knowledge, L'Oréal, its largest shareholder, is not subject to any contractual restrictions on the sale of the shares it holds in the Company. L'Oréal does not consider its stake in the Company as strategic.

Sanofi's largest shareholder owns a significant percentage of the share capital and voting rights of Sanofi

As of 31 December 2021, L'Oréal held approximately 9.36% of the issued share capital, accounting for approximately 16.78% of the voting rights (excluding treasury shares) of Sanofi. See "Item 7. Major Shareholders and Related Party Transactions – A. Major Shareholders" of the 2021 Annual Report on Form 20-F (as defined below). Affiliates of L'Oréal currently serve on Sanofi's Board of Directors. To the extent L'Oréal continues to hold a large percentage of its share capital and voting rights, it will remain in a position to exert greater influence in the appointment of the directors and officers of Sanofi and in other corporate actions that require shareholders' approval.

Risks related to the Notes

Factors which the Issuer believes are specific to the Notes and material for an informed investment decision with respect to investing in the Notes are described below. In each category below, the Issuer sets out the material risks in descending order of importance, taking into account the adverse impact of such risks and the probability of their occurrence.

Risks for the Noteholders as creditors of the Issuer

Credit risk

An investment in the Notes involves a credit risk on the Issuer. Since the Notes are unsubordinated and unsecured obligations of the Issuer, benefiting from no direct recourse to any assets or guarantees as contemplated in Condition 2 (*Status and Negative Pledge*), the Noteholders can only rely on the ability of the Issuer to pay any amount due under the Notes. The value of the Notes will depend on the creditworthiness of the Issuer (as may be impacted by the risks related to the Issuer as described above). As at the date of this Prospectus, the Issuer's long-term credit rating is (i) A1, with a stable outlook, by Moody's France SAS ("**Moody's**"), (ii) AA, with a stable outlook, by S&P Global Ratings Europe Limited ("**S&P**") and (iii) AA, with a positive outlook, by Scope Ratings GmbH ("**Scope**"). If the creditworthiness of the Issuer deteriorates, the potential impact on the Noteholders could be significant: a deterioration in creditworthiness could give rise to negative repercussions on the Noteholders because: (i) the Issuer may not be able to fulfil all or part of its payment obligations under the Notes, (ii) the value of the Notes may decrease and (iii) investors may lose all or part of their investment in the Notes.

French insolvency law

The Issuer is a *société anonyme* with its corporate seat in France. In the event that the Issuer becomes insolvent, insolvency proceedings will be generally governed by the insolvency laws of France to the extent that, where applicable, the “centre of main interests” (as construed under Regulation (EU) 2015/848, as amended) of the Issuer is located in France.

The Directive (EU) 2019/1023 on preventive restructuring frameworks, on discharge of debt and disqualifications, and on measures to increase the efficiency of procedures concerning restructuring, insolvency and discharge of debt, and amending Directive (EU) 2017/1132 has been transposed into French law by the Ordonnance 2021-1193 dated 15 September 2021. Such ordonnance, applicable to proceedings opened as from 1 October 2021, amends French insolvency laws notably with regard to the process of adoption of restructuring plans under safeguard, accelerated safeguard and reorganization proceedings. According to this ordonnance, “affected parties” (including notably creditors, and therefore the Noteholders) may be treated in separate classes which reflect certain class formation criteria for the purpose of adopting a restructuring plan. Classes shall be formed in such a way that each class comprises claims or interests with rights that reflect a sufficient commonality of economic interest based on objective and ascertainable criteria. Noteholders will no longer deliberate on the proposed restructuring plan(s) in a separate assembly, meaning that they will no longer benefit from a specific veto power on the proposed plan(s). Instead, as any other affected parties, the Noteholders will be grouped into classes of affected parties (with potentially other creditors) and their dissenting vote may possibly be overridden through the positive vote of the class(s) to which they belong or by a cross-class cram down sanctioned by the court. Although likely that Noteholders would be grouped within the same class for the purpose of proceedings affecting the Issuer, it cannot entirely be ruled out that Noteholders would be grouped into different classes based on objective and ascertainable criteria that would then prevail.

The commencement of insolvency proceedings against the Issuer would have a material adverse effect on the market value of the Notes. As a consequence, any decisions taken by a class of affected parties could negatively and significantly impact the Noteholders and cause them to lose all or part of their investment, should they not be able to recover all or part of the amounts due to them from the Issuer.

Risks related to the market generally

Risks related to the secondary market

Application has been made to Euronext Paris for the Notes to be listed and admitted to trading on Euronext Paris. Nevertheless, the Notes may have no established trading market when issued. An active trading market for the Notes may not develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This may have a negative impact on the liquidity of the Notes and result in low trading volumes.

The degree of liquidity of the Notes may negatively impact the price at which an investor can dispose of the Notes where the investor is seeking to achieve a sale within a short timeframe. In such circumstances, the impact of this risk on the Noteholder would be high because the Notes would likely have to be resold at a discount to the nominal value of the Notes. Furthermore, if additional and competing products are introduced in the markets, this may adversely affect the market value of the Notes.

The Issuer is entitled to buy the Notes, as described in Condition 4(d) (*Purchases*), and the Issuer may issue further notes, as described in Condition 11 (*Further Issues*). Such transactions may adversely affect the price development of the Notes.

Market value of the Notes

The market value of the Notes may be affected by the creditworthiness of the Issuer and a number of additional factors, including, but not limited to, market interest and yield rates and the time remaining to the Maturity Date. Notes may be used by market participants to constitute reference assets under transactions which are independent from the Notes; the unwinding or other life cycle events of such transactions or of related collateral composed of or including the Notes may, depending on the circumstances, impact the volume of the Notes then traded and in turn the market value of the Notes and/or the volatility thereof. In addition, if the creditworthiness of the Issuer deteriorates or for whatever reason the financial condition of the Issuer deteriorates, it may not be able to fulfil all or part of its payment obligations under the Notes, and the value of the Notes may decrease and investors may lose all or part of their investment.

Application has been made to Euronext Paris for the Notes to be admitted to trading on Euronext Paris as from the Issue Date. The value of the Notes depends on a number of interrelated factors, including economic, financial and political events in France or elsewhere, and factors affecting capital markets in general, including Euronext Paris. The price at which a Noteholder will be able to sell the Notes prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser.

Interest rate risks

Each Note will bear interest on its principal amount, from (and including) the Issue Date, at the rate of 1.250 per cent. *per annum*, subject to potentially being increased pursuant to Condition 3 (*Interest*) of the Notes, payable annually in arrear on 6 April in each year in accordance with Condition 3 (*Interest*) of the Notes.

Investment in the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Notes. While the nominal interest rate of a fixed interest rate note is fixed during the life of such a note or during a certain period of time, the current interest rate on the capital market (market interest rate) typically changes on a daily basis. As the market interest rate changes, the price of such note changes in the opposite direction. If the market interest rate increases, the price of such note typically falls, until the yield of such note is approximately equal to the market interest rate. If the market interest rate decreases, the price of a fixed rate note typically increases, until the yield of such note is approximately equal to the market interest rate. Noteholders should be aware that movements of the market interest rate can adversely affect the price of the Notes and could cause Noteholders to lose part of the capital invested if they decide to sell Notes during a period in which the market interest rate exceeds the fixed rate of the Notes. Any such volatility may have a significant adverse effect on the price of the Notes and cause Noteholders who sell Notes on the secondary market to lose part of their initial investment.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in Euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than Euro. These include the risk that exchange rates may change significantly (including changes due to devaluation of Euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Euro could significantly decrease (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency-equivalent value of the principal payable on the Notes and (iii) the Investor's Currency-equivalent market value of the Notes, all of which could have an adverse effect on the return on the investment of the investors.

Furthermore, government and monetary or financial authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. If such risk were to materialise, the Noteholders whose financial activities are carried out or dependent principally in a currency or currency unit other than the relevant Specified Currency could be very negatively impacted as they might receive less interest or principal than expected or, at worst, no interest or principal.

Risks relating to the sustainability-linked structure of the Notes

Risks that may result from the structure of the financial incentives of the Notes

Pursuant to Condition 3(d) (*Rate of Interest following a Trigger Event*) of the Notes, a pre-determined margin shall be added to the Original Rate of Interest in respect of the Interest Period commencing on, and including, the Interest Rate Step Up Date (as defined in Condition 3(h) (*Interpretation*) of the Notes) to, but excluding, the next Interest Payment Date, and in respect of each successive Interest Period up to, but excluding, the earlier of (i) the date on which all Notes shall have been (a) redeemed and/or repurchased by the Issuer and (b) cancelled and (ii) the Maturity Date in the event that a Trigger Event occurs (as defined in Condition 3(h) (*Interpretation*)). The Sustainability Performance Target sets the Group a specific target relating to Essential Medicines Provision (as defined in Condition 3(h) (*Interpretation*) of the Notes) to be achieved by the end of 2026.

Although the Original Rate of Interest is subject to an increase if a Trigger Event occurs, such Notes may not satisfy an investor's requirements or any future legal or quasi legal standards for investment in assets with sustainability characteristics. In particular, the Notes are not being marketed as "green notes", "social notes" or "sustainable notes" as the net proceeds of the issue of the Notes will be used for the Group's general corporate purposes. The Issuer does not commit to (i) allocate all or any part of such net proceeds specifically to projects or business activities meeting sustainability criteria or (ii) be subject to any other limitations or requirements that may be associated with "green notes", "social notes" or "sustainability notes" in any particular market. In this context, there may be adverse environmental, social and/or other impacts resulting from the Group's efforts to achieve the Sustainability Performance Target or from the use of the net proceeds from the offering of the Notes.

A pre-determined margin will be applied to the Original Rate of Interest (as contemplated by Condition 3(d) (*Rate of Interest following a Trigger Event*) of the Notes) if the Issuer does not meet the Sustainability Performance Target. Any such failure may be inconsistent with or insufficient to satisfy investor requirements or expectations. The Sustainability Performance Target is uniquely tailored to the Group's business, operations and capabilities, and it does not easily lend itself to benchmarking against similar sustainability performance targets, and the related performance, of other issuers.

Risks that may result from the failure to meet the Sustainability Performance Target

No failure by the Issuer to (i) meet the Sustainability Performance Target by the Target Observation Date and/or (ii) make available (a) the Sustainability-Linked Note Report or (b) the Verification Assurance Report in accordance with Condition 3(e) (*Reporting in relation to the Sustainability Performance Target*) of the Notes and/or (iii) notify of the Adjusted Rate of Interest under Condition 3(d) (*Rate of Interest following a Trigger Event*) of the Notes (provided that, for the avoidance of doubt, any such failure to notify of the Adjusted Rate of Interest does not result in the non-payment

of the Adjusted Rate of Interest by the Issuer), shall constitute an Event of Default under the Notes and the Issuer will not be required, nor will investors be entitled to require the Issuer, to repurchase or redeem any Notes in any such circumstances.

Even if the application of a pre-determined margin has the effect of increasing the yield on the Notes, certain investors may have portfolio mandates or may wish to dispose of their Notes and/or the Notes may be excluded from any ESG-related securities or other equivalently-labelled index upon the application of a pre-determined margin to the rate of interest payable in respect of the Notes upon the failure to achieve the Sustainability Performance Target or to respect a reporting obligation which may have material consequences for the future trading prices of the Notes and/or the liquidity of the Notes.

The failure of the Group to achieve the Sustainability Performance Target (or any such similar sustainability performance targets the Group may choose to include in any future financings) would not only result in the application of pre-determined margin, but could also harm the Group's reputation, the consequences of which could, in each case, have a material adverse effect on the Group, its business prospects, its financial condition or its results of operations and ultimately its ability to fulfil its payments obligations in respect of the Notes.

Events outside of the Group's control may prevent the Group from reaching the Essential Medicines Provision and/or recalculation of the Essential Medicines Provision by the Issuer may become necessary due to such events

The Group's ability to achieve the Essential Medicines Provision (as defined in Condition 3(h) (*Interpretation*) of the Notes) is directly linked to Sanofi Global Health's ("SGH") ability to sell or distribute Essential Medicines (as defined in Condition 3(h) (*Interpretation*) of the Notes) in low-income countries ("LICs") and lower-middle income countries ("LMICs"). The ability to commercialise and/or distribute the relevant medicines and therapies in LICs and LMICs, in turn, depends on a number of factors outside the Group's control, including local pricing and reimbursement policies, local regulatory regime, local health systems, the general regulatory and commercial success of key therapies, supply continuity, political and economic stability, the performance of certain outsourced functions by third parties as well as other factors. Any Recalculation Event (being any war, revolution, strike, industrial action or other social unrest, invasion by foreign military, *coup d'état*, earthquake, pandemic, flood, or nuclear, chemical or biological weapons attack, terrorist attack, cyber-attack, embargoes or disruption or failure of energy supply, communications, distribution or transport systems in any relevant territory) may have a significant impact (i.e. would cause a change of at least 5%) on the Essential Medicines Provision. In any such case, the Sustainability Performance Target and/or an Intermediate Target will be (as further described in Condition 3(g) (*Recalculation*) of the Notes), amended, adjusted and/or recalculated (as applicable) without the prior approval or consultation of the Noteholders, provided that (i) as determined by the Issuer acting in good faith, any such amendment, adjustment and/or recalculation has no adverse effect on the interests of the Noteholders and (ii) an External Verifier has confirmed that the proposed amendment, adjustment or recalculation (as applicable) is in line with the Issuer's calculation methodology for the Sustainability Performance Target and/or the relevant Intermediate Target. As a consequence, any of such change may not be in line with investors' expectations and may, therefore, have a negative effect on the market value of the Notes.

The Essential Medicines Provision figures determined and published in accordance with the Issuer's SLB Framework (as defined below) may not be comparable to similar measures used by the Issuer's competitors or other organisations and may not reflect the actual numbers of patients provided with Essential Medicines in any particular period

The Issuer has set itself the Essential Medicines Provision target based on certain measures for which no standard definitions exist. As a result, the relevant measures may not be comparable to similarly titled measures used by some of the Issuer's competitors or other organisations, and the External Verifier will only provide limited assurance on the figures relating to the Essential Medicines Provision (as defined in Condition 3(h) (*Interpretation*) of the Notes).

The determination of the relevant Essential Medicines Provision figures is not based on published statistical data or information obtained from independent third parties, but requires the Issuer or its subsidiaries to collect and interpret data making assumptions and estimates which the Issuer or its subsidiaries deem reasonable. For instance, in order to

calculate the Essential Medicines Provision level, the Issuer will be applying assumptions with respect to average daily dose (calculated on average body weight for main indication) and the average duration of treatment. Uncertainties about the underlying assumptions and estimates could result in the relevant figures, which will be used to determine whether or not the Issuer has achieved the Essential Medicines Provision, to deviate significantly from the actual number of patients reached and/or treated in any particular period.

In addition to the reliance on assumptions and estimates, the underlying methodology used to determine whether the Group will achieve the Essential Medicines Provision uses certain parameters that may cause the figures to deviate from the actual number of patients reached and/or treated in any particular period.

Any of these uncertainties or deviations may not be in line with investors' expectations and may therefore have a negative effect on the market value of the Notes.

The legal and regulatory framework relating to "sustainability-linked", "ESG-linked" or other equivalently labelled finance instrument is still evolving

Although the Group has obtained a second party opinion from ISS ESG (the "**Second Party Opinion**") in relation to the alignment of its sustainability-linked bond framework (the "**SLB Framework**") to the 2020 Sustainability-Linked Bond Principles published by the International Capital Markets Association ("**ICMA**") (the "**2020 Sustainability-Linked Bond Principles**"), the 2020 Sustainability-Linked Bond Principles have been developed as voluntary industry guidelines and no supervisory nor regulatory authority has passed on the content or adequacy of the 2020 Sustainability-Linked Bond Principles. Second party opinion providers are not currently subject to any specific regulatory or other regime or oversight. If laws and regulations evolve, the 2020 Sustainability-Linked Bond Principles and/or the Second Party Opinion may not be sufficient for these purposes, which in turn could have material consequences for the future trading prices of the Notes and/or the liquidity of the Notes and require investors with portfolio mandates to invest in sustainability-linked assets to dispose of the Notes.

Risks relating to the other terms of the Notes

The Notes may be redeemed prior to maturity

In the event that the Issuer would be obliged to pay additional amounts payable in respect of any Notes due to any withholding as provided in Condition 4(b) (*Redemption for Taxation Reasons*), the Issuer may redeem all (but not some only) of the outstanding Notes in accordance with the Terms and Conditions of the Notes.

In addition, the Issuer has the option to redeem (a) at par all (but not some only) of the Notes outstanding from and including the date falling three (3) months prior to the Maturity Date to but excluding the Maturity Date, as provided in Condition 4(c)(i) (*Residual Maturity Call Option*), (b) at par all (but not some only) remaining Notes in the event that twenty-five (25) per cent. or less of the aggregate nominal amount original issued of the Notes remain outstanding, as provided in Condition 4(c)(ii) (*Clean-up Call Option*) and (c) in whole or in part the Notes at any time prior to the date falling three (3) months prior to the Maturity Date at the Make-whole Redemption Amount, as provided in Condition 4(c)(iii) (*Make-whole Redemption Option*).

During a period when the Issuer may elect to redeem Notes, such Notes may feature a market value not above the price at which they can be redeemed. If the market interest rate decreases, the risk to Noteholders that the Issuer will exercise its right of early redemption increases. As a consequence, the yield received upon such early redemption may be lower than expected, and the redeemed face amount of the Notes may be lower than the purchase price paid for such Notes by the Noteholder. As a consequence, part of the capital invested by the Noteholder may be lost, so that the Noteholder in such case would not receive the total amount of the capital invested. In addition, investors who choose to reinvest monies they receive through an early redemption may be able to do so only in securities with a lower yield than such redeemed Notes.

In particular, with respect to the redemption at the option of the Issuer when only twenty-five (25) per cent. or less of the principal amount of the Notes remains outstanding (Condition 4(c)(ii) (*Clean-up Call Option*)), there is no obligation on the Issuer to inform investors if and when the twenty-five (25) per cent. threshold referred to therein has

been reached or is about to be reached. The Issuer's right to redeem will exist notwithstanding that immediately prior to the publication of a notice in respect of the redemption at the option of the Issuer the Notes under Condition 4(c)(ii) (*Clean-up Call Option*), the Notes may have been trading significantly above par, thus potentially resulting in a loss of capital invested.

All of the above may reduce the profits Noteholders may have expected in subscribing the Notes and could have a materially adverse impact on the Noteholders.

Partial redemption of the Notes at the option of the Issuer may make the market illiquid.

Depending on the number of Notes in respect of which a partial redemption of the Notes at the option of the Issuer is made pursuant to Condition 4(c)(iii) (*Make-whole Redemption Option*), any trading market in respect of those Notes in respect of which such option is not exercised may become illiquid which, depending on the extent of the illiquidity, may negatively impact the market value of the Notes and have a materially adverse impact on any remaining Noteholders seeking to dispose of their Notes.

Changes of law may occur in the future that will impact the Terms and Conditions of the Notes.

The Terms and Conditions of the Notes are based on and governed by the laws of France in effect as at the date of this Prospectus. Future judicial decisions or changes to the laws of France or administrative practice (or to the interpretation thereof) after the date of this Prospectus may impact the Notes. Any such decision or change could be unfavourable to creditors' rights, including those of the Noteholders. If any change in law were unfavourable to the Issuer or the Noteholders, it could (depending on the nature of the change) have a materially adverse impact on the market value of the Notes.

Modification of the Terms and Conditions of the Notes

Condition 8 (*Representation of the Noteholders*) contains provisions for calling meetings of Noteholders to consider matters affecting their interests generally. The Noteholders will be automatically grouped for the defence of their common interests in a *Masse*, as defined in Condition 8 (*Representation of the Noteholders*). Noteholders can adopt measures either through a general meeting (the "**General Meetings**") or by consent following a written consultation (the "**Written Resolutions**").

These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote or were not represented at the relevant General Meeting or did not consent to a Written Resolution.

If a decision is adopted by a majority of Noteholders through a General Meeting or by way of a Written Resolution and the related modifications were to impair or limit the rights of the Noteholders, this may have a material adverse impact on the market value of the Notes.

IMPORTANT CONSIDERATIONS

The Notes are complex financial instruments that may not be a suitable investment for all investors

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, monetary, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Credit ratings may not reflect all risks

The Notes are expected to be rated A1 by Moody's, AA by S&P and AA by Scope. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time and without notice. Any such revision suspension or withdrawal of any such credit rating could adversely affect the value of the Notes.

The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes.

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation or (1) the rating is provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the EU CRA Regulation or (2) the rating is provided by a credit rating agency not established in the EEA which is certified under the EU CRA Regulation.

In general, UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the UK and registered under the UK CRA Regulation or (1) the rating is provided by a credit rating agency not established in the UK but is endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation or (2) the rating is provided by a credit rating agency not established in the UK which is certified under the UK CRA Regulation.

Taxation

Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Notes are transferred or other jurisdictions, including the Issuer's jurisdictions of incorporation, which may have an impact on the income received from the Notes. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for innovative financial instruments such as the Notes. Potential investors are advised to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, sale and redemption of the Notes. Only these advisers are in a position to duly consider the specific situation of the potential investor.

Moreover, in certain circumstances Noteholders may be subject to U.S. withholding tax. The United States has enacted rules, commonly referred to as "**FATCA**", that generally impose a new reporting and withholding regime with respect to certain payments made by U.S. and non-U.S. withholding agents, particularly entities that are classified as financial institutions under FATCA. The United States has also entered into an intergovernmental agreement regarding the implementation of FATCA with France (the "**IGA**"). Sanofi does not expect payments made on or with respect to the Notes to be subject to withholding under FATCA. However, significant aspects of when and how FATCA will apply remain unclear, and no assurance can be given that withholding under FATCA will not become relevant with respect to payments made on or with respect to the Notes in the future. In the event that any withholding imposed because of FATCA, the Issuer will have no obligation to make additional payments in respect of such withholding.

Forward-looking Statements

This Prospectus contains forward-looking statements. Sanofi may also make written or oral forward-looking statements in any documents incorporated by reference herein, in any supplements to this Prospectus or any documents incorporated by reference therein. Examples of such forward-looking statements include:

- (i) projections of operating revenues, net income, business net income, earnings per share, business earnings per share, capital expenditures, cost savings, restructuring costs, positive or negative synergies, dividends, capital structure or other financial items or ratios;
- (ii) statements of its profit forecasts, future trends, future plans, future objectives or goals, including those relating to products, clinical trials, regulatory approvals and competition; and
- (iii) statements about its future events and future economic performance or that of France, the United States or any other countries in which Sanofi operates.

This information is based on data, assumptions and estimates considered reasonable by Sanofi as at the date of this Prospectus and undue reliance should not be placed on such statements.

Words such as "believe", "anticipate", "plan", "expect", "intend", "target", "estimate", "project", "predict", "forecast", "guideline", "should" and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements.

Forward-looking statements involve inherent, known and unknown, risks and uncertainties associated with the regulatory, economic, financial and competitive environment, and other factors that could cause future results and objectives to differ materially from those expressed or implied in the forward-looking statements.

Risk factors which could affect the future results and cause actual results to differ materially from those contained in any forward-looking statements are discussed under "*Risk Factors*" section of this Prospectus. Additional risks, not currently known or considered immaterial by Sanofi, may have the same unfavourable effect and investors may lose all or part of their investment.

Forward-looking statements speak only as of the date they are made. Other than required by law, Sanofi does not undertake any obligation to update them in light of new information or future developments.

These forward-looking statements do not constitute profit forecasts or estimates under Commission Delegated Regulation (EU) 2019/980, as amended, supplementing the Prospectus Regulation.

Specific considerations relating to the sustainability-linked nature of the Notes

Further to the risk factors set out in "*Risk Factors – Risks related to the Notes – Risks relating to the sustainability-linked structure of the Notes*" the following elements should also be taken into account by investors in determining suitability of investment in the Notes.

There is no legal, regulatory or standardised market definition of or standardized criteria for what constitutes a "sustainability-linked", "ESG-linked" or other equivalently labelled finance instrument

There is currently no clear definition (legal, regulatory or otherwise) of, nor standardised market consensus as to what constitutes, a "sustainability-linked", "ESG-linked" or an equivalently labelled financial instrument. Legislative and nongovernmental developments in respect of sustainable finance are numerous and continue to evolve, and such legislation, taxonomies, standards or other investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable laws or regulations or by its own by-laws or investment portfolio mandates, in particular with regard to the sustainability-linked objectives, may determine that the Notes do not qualify under such legislation, taxonomy, standard or other investment criteria.

The Notes might not be included in any dedicated sustainability-linked or other equivalently-labelled index, and any such inclusion may cease at any time

The Notes might not be included in any dedicated sustainability-linked bond, ESG-related securities or other equivalently-labelled index, either due to the decision of the index provider following its assessment of the Notes or the Group's ESG credentials or failure of the Issuer to maintain eligibility. Additionally, even if the Notes are included in any such index, inclusion therein may cease at any time due to action by the index provider or the Group, including upon the application of a pre-determined margin to the rate of interest payable in respect of the Notes following the non-achievement of the Sustainability Performance Target. The occurrence of any such event could negatively affect the Group's reputation, have a negative impact on the future trading prices of the Notes and/or require certain Noteholders with portfolio mandates to invest in such securities to dispose of the Notes at the then prevailing trading price, which could in turn have a negative impact on the trading price and liquidity of the Notes.

Second Party Opinions, SPO Provider and External Verifier

In connection with the issue of the Notes, the Issuer has requested ISS ESG (the "**SPO Provider**") to issue a second party opinion (the "**Second Party Opinion**") to provide such an opinion regarding the alignment of the Issuer's SLB Framework with the 2020 Sustainability-Linked Bond Principles. The Issuer will review its SLB Framework from time to time and may request in the future that the SPO Provider (or any other second party opinion provider) provides a second party opinion to confirm that alignment of the Issuer's SLB Framework with the most recent Sustainability-Linked Bond Principles published by ICMA. In addition, in connection with the issue of the Notes, the Issuer may also engage one or more external verifiers to carry out the relevant assessments required for the purposes of providing the relevant Sustainability-Linked Note Report and/or Verification Assurance Report (as defined in Condition 3 (*Interest*) of the Notes) (the "**External Verifier**"). The Second Party Opinion is accessible through the Issuer's website at [Second Party Opinion \(SPO\) – Sustainability Quality of the Issuer and Sustainability-Linked Bond Framework \(sanofi.com\)](https://www.sanofi.com). However, the information contained in such Second Party Opinion shall not be, nor deemed to be, incorporated in and/or form part of this Prospectus and should not be relied upon in connection with making any investment decision with respect to the Notes. The Second Party Opinion is only an opinion and not a statement of fact. The Verification Assurance Report will be included in a dedicated section of the Issuer's universal registration document for the year in which the Target Observation Date falls or published on the Issuer's website all in accordance with Condition 3(e) (*Reporting in relation to the Sustainability Performance Target*) of the Notes.

Second party opinion providers and providers of similar opinions and certifications (including the SPO Provider and the External Verifier) are not currently subject to any specific regulatory or other regime or oversight. Any such opinion, certification or verification is not, nor should be deemed to be, a recommendation by the Issuer, any other member of the Group, the Joint Lead Managers, the SPO Provider, the External Verifier or any other person to buy, sell or hold any Notes.

In addition, no assurance or representation is given by the Issuer, any other member of the Group, the Joint Lead Managers, the SPO Provider or the External Verifier as to the suitability or reliability for any purpose whatsoever of any opinion, report or certification of any third party in connection with the offering of the Notes. Noteholders have no recourse against the Issuer, any member of the Group or the Joint Lead Managers for the contents (or omissions, if any) of any such opinion, certification or verification. Furthermore, none of the Issuer, any member of the Group or Joint Lead Manager represents or guarantees that Noteholders have a recourse against the SPO Provider or any External Verifier for the contents (or omissions, if any) of any such opinion, report or certification. Prospective investors must determine for themselves the relevance of any such opinion, report or certification and/or the information contained therein and/or the provider of such opinion, report or certification for the purpose of any investment in the Notes. Any withdrawal of any such opinion, report or certification or any such opinion, report or certification attesting that the Issuer is not complying in whole or in part with any matters for which such opinion, report or certification is opining on, reporting on or certifying on may have a material adverse effect on the value of the Notes and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose. Any such opinion, report or certification and any other document related thereto is not, nor shall it be deemed to be, incorporated in and/or form part of this Prospectus and should not be relied upon in connection with making any investment decision with respect to the Notes.

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with the pages and sections of the following documents, listed in the cross-reference list, which shall be incorporated in, and form part of, this Prospectus:

- a. the Issuer's annual report on the United States Securities and Exchange Commission's Form 20-F for the financial year ended 31 December 2021 (the "**2021 Annual Report on Form 20-F**");
- b. the Issuer's annual report on the United States Securities and Exchange Commission's Form 20-F for the financial year ended 31 December 2020 (the "**2020 Annual Report on Form 20-F**").

The 2021 Annual Report on Form 20-F and the 2020 Annual Report on Form 20-F have been previously published and have been filed with the AMF for the purpose of the Prospectus Regulation. The pages and sections of the 2021 Annual Report on Form 20-F and the 2020 Annual Report on Form 20-F listed in the cross-reference list shall be incorporated in and form part of this Prospectus, save that:

- (a) the non-incorporated parts of the 2021 Annual Report on Form 20-F and the 2020 Annual Report on Form 20-F are either not relevant for investors or are covered elsewhere in the Prospectus; and
- (b) any statement contained in the 2021 Annual Report on Form 20-F and the 2020 Annual Report on Form 20-F which is incorporated by reference herein shall be modified or superseded for the purpose of this Prospectus to the extent that (i) a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise) or (ii) it is modified or incorporated by way of a supplement prepared in accordance with Article 23 of the Prospectus Regulation. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

The information on the website of the Issuer does not form part of this Prospectus (unless that information is incorporated by reference into this Prospectus) and has not been scrutinised or approved by the competent authority.

For as long as any Notes are outstanding, this Prospectus and all documents incorporated by reference into this Prospectus may be obtained, free of charge, (i) at the office of the Fiscal Agent and the Paying Agents set out at the end of this Prospectus during normal business hours, (ii) at the registered office of the Issuer during normal business hours, and (iii) on the website of the Issuer (www.sanofi.com). Provision of such documents does not constitute a representation that such documents have not been modified or superseded in whole or in part as specified above. Written or oral requests for such documents should be directed to the principal office of BNP Paribas Securities Services in its capacity as Fiscal Agent (as defined in the "*Terms and Conditions*" of the Notes below) or to the Issuer at its registered office set out at the end of this Prospectus. This Prospectus will also be available on the website of the AMF (www.amf-france.org).

The relevant documents and page references for the information incorporated by reference herein in response to the specific requirements of Annex 7 of Commission Delegated Regulation 2019/980 are as follows:

Annex 7	2021 Annual Report on Form 20-F (page number)	2020 Annual Report on Form 20-F (page number)
3. RISK FACTORS RELATED TO THE ISSUER		
3.1 A description of the material risks that are specific to the issuer and that may affect the issuer's ability to fulfil its obligations under the securities, in a limited number of categories, in a section headed "Risk Factors".	-	-

Annex 7	2021 Annual Report on Form 20-F (page number)	2020 Annual Report on Form 20-F (page number)
4. INFORMATION ABOUT THE ISSUER		
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4.1.2. The place of registration of the issuer, its registration number and legal entity identifier ('LEI').	14; 144	-
4.1.3. The date of incorporation and the length of life of the issuer, except where the period is indefinite.	14	-
4.1.4. The domicile and legal form of the issuer, the legislation under which the issuer operates, its country of incorporation, the address, telephone number of its registered office (or principal place of business if different from its registered office) and website of the issuer, if any, with a disclaimer that the information on the website does not form part of the prospectus unless that information is incorporated by reference into the prospectus.	14	-
4.1.5. Any recent events particular to the issuer and which are to a material extent relevant to an evaluation of the issuer's solvency.	141; 142; F100	-
5. BUSINESS OVERVIEW		
5.1. Principal activities		
5.1.1. A brief description of the issuer's principal activities stating the main categories of products sold and/or services performed.	15-36	-
5.1.2. The basis for any statements made by the issuer regarding its competitive position.	36 - 37; 53-54	-
6. ORGANISATIONAL STRUCTURE		
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9. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES		
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Annex 7	2021 Annual Report on Form 20-F (page number)	2020 Annual Report on Form 20-F (page number)
<p>9.2. Administrative, management, and supervisory bodies conflicts of interests.</p> <p>Potential conflicts of interests between any duties to the issuer, of the persons referred to in item 9.1, and their private interests and or other duties must be clearly stated. In the event that there are no such conflicts, a statement to that effect must be made.</p>	77-79	-
10. MAJOR SHAREHOLDERS		
<p>10.1. To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom and describe the nature of such control and describe the measures in place to ensure that such control is not abused.</p>	137-138	-
11. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION, AND PROFITS AND LOSSES		
11.1. <u>Historical financial information</u>		
<p>11.1.1 Historical financial information covering the latest two financial years (at least 24 months) and the audit report in respect of each year.</p>	177-180 F1-F100	172-175; F1-F100
11.1.3 Accounting standards	F11-F14	F11-F13
11.1.5 Consolidated financial statements	F1-F100	F1-F100
<p>11.1.6 Age of financial information</p> <p>The balance sheet date of the last year of audited financial information may not be older than 18 months from the date of the registration document</p>	F1-F100	F1-F100
11.2 Auditing of historical financial information	177-180	172-175
<p>11.2.1 (b) if audit reports on the historical financial information contain qualifications, modifications of opinion, disclaimers or an emphasis of matter, such qualifications, modifications, disclaimers or emphasis of matter must be reproduced in full and the reasons given.</p>	177	-
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TERMS AND CONDITIONS OF THE NOTES

The terms and conditions of the Notes will be as follows:

The issue of €650,000,000 1.250 per cent. Sustainability Linked Notes due 6 April 2029 (the "**Notes**") of Sanofi (the "**Issuer**") has been authorised by resolution of the Board of Directors (*Conseil d'administration*) of the Issuer dated 3 February 2022 and a decision of the Executive Vice President, Chief Financial Officer (*Vice-Président Exécutif, Directeur Financier*) of the Issuer dated 30 March 2022. The Issuer has entered into an agency agreement (as may be amended or replaced from time to time, the "**Agency Agreement**") dated 6 April 2022 with BNP Paribas Securities Services, as fiscal agent and paying agent and has appointed Aether Financial Services as make-whole calculation agent. The fiscal agent, the paying agent, any other paying agents appointed by the Issuer from time to time, and the make-whole calculation agent for the time being are referred to in these Conditions as the "**Fiscal Agent**" and "**Paying Agent**" and the "**Make-whole Calculation Agent**", each of which expression shall include their successors from time to time, and are collectively referred to as the "**Agents**". A copy of the Agency Agreement is available for inspection at the specified offices of the Fiscal Agent. References below to "**Conditions**" are, unless the context otherwise requires, to the numbered paragraphs below.

1 Form, Denomination and Title

The Notes are issued on 6 April 2022 (the "**Issue Date**") in dematerialised bearer (*au porteur*) form in the denomination of €100,000 each. Title to the Notes will be evidenced by book-entries (*inscription en compte*) in accordance with Articles L.211-3 *et seq* and R. 211-1 *et seq.* of the French *Code monétaire et financier* in the books of the Account Holders. No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Notes.

The Notes will, upon issue, be inscribed in the books of Euroclear France, which shall credit the accounts of the Account Holders. For the purpose of these Conditions, "**Account Holder**" shall mean any authorised intermediary institution entitled to hold accounts, directly or indirectly, with Euroclear France, and includes Euroclear Bank SA/NV ("**Euroclear**") and the depositary bank for Clearstream Banking, SA ("**Clearstream**").

Title to the Notes shall be evidenced by entries in the books of Account Holders and will pass upon, and transfer of Notes may only be effected through, registration of the transfer in such books, and only in the denomination of €100,000.

2 Status and Negative Pledge

(a) *Status of the Notes*

The Notes (subject to Condition 2(b) (*Negative Pledge*)) constitute direct, unsecured and unsubordinated obligations of the Issuer and rank *pari passu* without any preference or priority among themselves and equally with all other existing and future unsecured and unsubordinated obligations of the Issuer other than obligations as may be preferred by mandatory provisions of applicable law.

(b) *Negative Pledge*

So long as any of the Notes remains outstanding, the Issuer shall not create or permit to subsist any mortgage, charge, pledge, lien (other than any lien arising by operation of law) or other encumbrance or security interest over any or all of its present or future assets or revenues (i) to secure any Relevant Indebtedness issued by it or (ii) to secure any guarantee or indemnity given by it of any Relevant Indebtedness issued by others without (a) at the same time or prior thereto securing the Notes equally and rateably therewith or (b) providing such other security for the Notes as may be approved pursuant to Condition 8 (*Representation of the Noteholders*) by the *Masse* (as defined in Condition 8 (*Representation of the Noteholders*)).

"**Relevant Indebtedness**" means any payment obligation being borrowed money and subsisting under, or represented by any bonds, debentures or other form of debt securities capable of being listed, quoted or ordinarily dealt in on any stock exchange, over-the-counter market or securities market.

3 Interest

(a) *Rate of Interest*

The Notes bear interest on their outstanding aggregate principal amount from and including 6 April 2022 (the "**Interest Commencement Date**") at the rate of 1.250 per cent. *per annum* (the "**Original Rate of Interest**"), adjusted where relevant pursuant to Condition 3(d) (*Rate of Interest following a Trigger Event*) and payable annually in arrear on 6 April in each year (each an "**Interest Payment Date**"), commencing on 6 April 2023. The relevant rate of interest applicable to the Notes from time to time shall be referred to as the "**Rate of Interest**". The period commencing on and including the Interest Commencement Date and ending on but excluding the first Interest Payment Date and each successive period commencing on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date is called an "**Interest Period**".

(b) *Interest ceasing to accrue*

The Notes will cease to bear interest from the date provided for their redemption, unless payment of the full amount due in respect of the Notes is improperly withheld or refused on such date. In such event, interest will continue to accrue on the principal amount of such Notes at the Rate of Interest (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Notes up to that day are received by or on behalf of the relevant Noteholder and (ii) the day after the Fiscal Agent has notified the Noteholders in accordance with Condition 9 (*Notices*) of receipt of all sums due in respect of all the Notes up to that day.

(c) *Calculations*

Interest will be calculated on an Actual/Actual (ICMA) basis. If interest is required to be calculated for a period of less than one year, it will be calculated on the basis of a day count fraction which will be calculated by taking the actual number of calendar days in the relevant period, from (and including) the date from which interest begins to accrue to (but excluding) the date on which it falls due, divided by the number of calendar days in the Interest Period in which the relevant period falls (including the first such day but excluding the last).

(d) *Rate of Interest following a Trigger Event*

If a Trigger Event (as defined below) occurs, the Rate of Interest payable in respect of the Interest Period commencing on, and including, the Interest Rate Step Up Date (as defined below) and ending on, but excluding, the next Interest Payment Date and in respect of each successive Interest Period up to, but excluding, the Interest Period ending on, but excluding, the earlier of (i) the date on which all Notes shall have been (a) redeemed and/or repurchased by the Issuer and (b) cancelled and (ii) the Maturity Date, shall be equal to the Original Rate of Interest plus 0.25 per cent. ("**Adjusted Rate of Interest**"). In the event that the Original Rate of Interest needs to be so adjusted, the Issuer shall inform the Paying Agent and the Make-whole Calculation Agent and shall instruct the Paying Agent to inform the Noteholders (with a copy to the Representative (as defined below)) in accordance with Condition 9 (*Notices*), of the Adjusted Rate of Interest as soon as practicable after the occurrence of a Trigger Event (as defined below), and in any case no later than the date falling ten (10) calendar days prior to the Interest Payment Date falling at the end of the Interest Period immediately following the Interest Period in which the Target Observation Date (as defined below) falls.

(e) *Reporting in relation to the Sustainability Performance Target*

The Issuer will publish (i) the Sustainability-Linked Note Report on an annual basis in a dedicated section of its universal registration document or on its website as a separate report or document, in either case, on or before the date falling one hundred and eighty (180) calendar days after the end of each calendar year starting with the calendar year ending on 31 December 2022 and (ii) the Verification Assurance Report in a dedicated section of its universal registration document prepared in respect of the financial year ending on the Target Observation Date or on its website as a separate report or document, in either case, on or before the date falling one hundred and eighty (180) calendar days after the Target Observation Date.

(f) *Absence of Event of Default*

No failure by the Issuer to (i) meet the Sustainability Performance Target and/or any Intermediate Target and/or (ii) make available (a) the Sustainability-Linked Note Report or (b) the Verification Assurance Report in accordance with Condition 3(e) (*Reporting in relation to the Sustainability Performance Target*) and/or (iii) notify of the Adjusted Rate of Interest under Condition 3(d) (*Rate of Interest following a Trigger Event*) (provided that, for the avoidance of doubt, any such failure to notify of the Adjusted Rate of Interest does not result in the non-payment of the Adjusted Rate of Interest by the Issuer), shall constitute an Event of Default (as defined in Condition 7 (*Events of Default*)).

(g) *Recalculation*

In the case of the occurrence of one or more Recalculation Event(s) which the Issuer considers in its sole discretion, by taking any such event individually or by taking more than one of such events together provided they are correlated, has or have a Significant Impact, the Sustainability Performance Target and/or any Intermediate Target will be amended, adjusted and/or recalculated in good faith by the Issuer, provided that:

(i) as determined by the Issuer acting in good faith, any such amendment, adjustment or recalculation has no adverse effect on the interests of the Noteholders; and

(ii) an External Verifier has confirmed that the proposed amendment, adjustment or recalculation (as applicable) is in line with the Issuer's calculation methodology for the Sustainability Performance Target and/or the Intermediate Targets as disclosed in a dedicated section of its most recent universal registration document or on the Issuer's website as a separate document.

Any such amendment, adjustment or recalculation will be notified as soon as reasonably practicable by the Issuer to the Noteholders either by way of publication in its Sustainability-Linked Note Report (or any amendment thereto) or in accordance with Condition 9 (*Notices*) (with a copy to the Representative). Any other changes may only be made with the prior approval of the Noteholders.

(h) *Interpretation*

"Essential Medicines Provision" means the provision by SGH of Essential Medicines to at least 1.5 million patients between 1 January 2022 and 31 December 2026 (cumulative) in LICs and LMICs, as calculated by the Issuer (as may be amended, adjusted and/or recalculated from time to time pursuant to Condition 3(g) (*Recalculation*));

"Essential Medicines" means those essential medicines listed from time to time as treatments for the following non-communicable diseases on the World Health Organisation Model List of Essential Medicines List: cardiovascular disease, diabetes, mental health and oncology (or medicines for such non-communicable diseases recognised as per the World Health Organisation Model List of Essential Medicines List as therapeutic alternatives to those included on the World Health Organisation Model List of Essential Medicines List currently available at [WHO model list of essential medicines - 22nd list, 2021](#));

"**External Verifier**" means an independent accounting or appraisal firm or other independent expert of internationally recognised standing appointed by the Issuer, in each case with the expertise necessary to perform the functions required to be performed by the External Verifier under these Conditions, as determined by the Issuer. As at the Issue Date, the External Verifier is Ernst & Young et Autres. The Issuer shall be entitled at any time before delivery of the Verification Assurance Report to vary or terminate the appointment of the External Verifier and to replace the External Verifier (by appointing a successor External Verifier). Any nomination of an External Verifier or a successor External Verifier shall be communicated by the Issuer either in its universal registration document or on the Issuer's website;

"**Interest Rate Step Up Date**" means the first day of the Interest Period immediately following the Interest Period in which the Target Observation Date falls;

"**Intermediate Target**" means the intermediate target in relation to the Sustainability Performance Target for a given year as set out in the Issuer's SLB Framework (as may be amended, adjusted and/or recalculated from time to time pursuant to Condition 3(g) (*Recalculation*));

"**LIC**" means low-income country;

"**LMIC**" means lower-middle-income country;

"**Recalculation Event**" means the occurrence, in the Issuer's reasonable judgement, of any war, revolution, strike, industrial action or other social unrest, invasion by foreign military, *coup d'état*, earthquake, pandemic, flood, or nuclear, chemical or biological weapons attack, terrorist attack, cyber-attack, embargoes or disruption or failure of energy supply, communications, distribution or transport systems in any relevant territory;

"**SGH**" means Sanofi Global Health;

"**SLB Framework**" means the Issuer's sustainability-linked bond framework as amended from time to time;

"**Significant Impact**" means a change of at least 5 per cent. in the Sustainability Performance Target or the Intermediate Target;

"**Sustainability Performance Target**" means Essential Medicines Provision;

"**Sustainability-Linked Note Report**" means the report prepared and published by the Issuer on an annual basis that monitors the Group's performance in the light of the Sustainability Performance Target and a verification assurance report issued by the External Verifier in relation thereto;

"**Target Observation Date**" means 31 December 2026;

"**Trigger Event**" means:

(i) the Issuer does not achieve the Sustainability Performance Target as at the Target Observation Date as determined by the External Verifier and confirmed in the Verification Assurance Report; or

(ii) the Issuer does not publish the Verification Assurance Report in accordance with Condition 3(e)(ii).

For the avoidance of doubt, a failure to achieve any Intermediate Target shall not constitute a Trigger Event.

"**Verification Assurance Report**" means a verification assurance report (which is a limited assurance report) issued by the External Verifier detailing the Group's performance against the Sustainability Performance Target as at the Target Observation Date.

4 Redemption and Purchase

The Notes may not be redeemed otherwise than in accordance with this Condition 4 (*Redemption and Purchase*).

(a) *Redemption at Maturity*

Unless previously redeemed or purchased and cancelled as provided below, the Notes will be redeemed by the Issuer at their principal amount on 6 April 2029 (the "**Maturity Date**").

(b) *Redemption for Taxation Reasons*

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than thirty (30) nor more than sixty (60) calendar days' notice to the Fiscal Agent and, in accordance with Condition 9 (*Notices*), the Noteholders (which notice shall be irrevocable), if:

(i) on the occasion of the next payment due in respect of the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 6 (*Taxation*) below as a result of any change in, or amendment to, the laws or regulations of the Republic of France or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including the cessation of tax exemptions presently applicable), which change or amendment becomes effective on or after the Issue Date; and

(ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than ninety (90) calendar days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Fiscal Agent a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion, of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

In addition, if the Issuer would on the occasion of the next payment due under the Notes be prevented by French law from making payment to the Noteholders of the full amount then due and payable, notwithstanding the undertaking to pay additional amounts contained above, then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer shall forthwith redeem all, but not some only, of the Notes then outstanding, upon giving not less than thirty (30) nor more than sixty (60) calendar days' irrevocable notice to the Noteholders, provided that the due date for redemption of which notice hereunder shall be given, shall be the latest practicable date on which the Issuer could make payment without withholding for French taxes, or if such date has passed, as soon as practicable thereafter.

The Notes redeemed pursuant to this Condition 4(b) will be redeemed at their principal amount together with interest accrued to (but excluding) the date of redemption notified by the Issuer. No further interest shall accrue on the Notes following such date of redemption.

(c) *Redemption at the option of the Issuer*

(i) *Residual Maturity Call Option*

The Issuer may, on giving not less than fifteen (15) nor more than thirty (30) calendar days' irrevocable notice in accordance with Condition 9 (*Notices*) to the Noteholders redeem all (but not some only) of the Notes for the time being outstanding, at their principal amount together with interest accrued to, but excluding, the date fixed for redemption, at any time as from, and including, the date falling three (3) months before the Maturity Date until the Maturity Date. All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

(ii) *Clean-up Call Option*

The Issuer may, having given not less than fifteen (15) nor more than thirty (30) calendar days' notice to the Noteholders of the Notes in accordance with Condition 9 (*Notices*) (which notice shall be irrevocable), redeem all (but not some only) of the Notes for the time being outstanding, if, immediately prior to the date that such notice is given, twenty five (25) per cent. or less of the aggregate nominal amount originally issued of the Notes (including any further notes issued in accordance with Condition 11 (*Further Issues*)) remain outstanding, provided that those Notes that are no longer outstanding have not been redeemed (and subsequently cancelled) by the Issuer in part pursuant to Condition 4(c)(iii) (*Make-whole Redemption Option*) below. Any such redemption shall be at par together, if appropriate, with any interest accrued to the date fixed for redemption.

(iii) *Make-whole Redemption Option*

The Issuer may, subject to compliance with all relevant laws, regulations and directives and to having given not more than thirty (30) nor less than fifteen (15) calendar days' notice to the Noteholders, and not less than fifteen (15) calendar days before the giving of notice to the Noteholders, notice to the Paying Agent and the Make-whole Calculation Agent (which notices shall be irrevocable and shall specify the date set for redemption) in accordance with Condition 9 (*Notices*), redeem the Notes, in whole or in part, at any time prior to the date falling three (3) months prior to the Maturity Date (i.e. prior to 6 January 2029) (a "**Make-whole Redemption Date**") at an amount per Note calculated by the Make-whole Calculation Agent (as defined above) and equal to the Make-whole Redemption Amount (as defined below) together with any accrued and unpaid interest up to, but excluding, the Make-whole Redemption Date.

The relevant Make-whole Redemption Amount (the "**Make-whole Redemption Amount**") will be calculated by the Make-whole Calculation Agent and will be an amount in Euro rounded to the nearest cent (half a cent being rounded upwards) being the greater of (x) one hundred (100) per cent. of the outstanding principal amount of the Notes so redeemed and, (y) the sum of the then present values on the relevant Make-whole Redemption Date of (i) the outstanding principal amount of the Notes and (ii) the remaining scheduled payments of interest on such Note until the date falling three (3) months prior to the Maturity Date (i.e. prior to 6 January 2029) (determined on the basis of the Applicable Rate of Interest relating to such Note from but excluding the relevant Make-whole Redemption Date), discounted to the relevant Make-whole Redemption Date on an annual basis (Actual/ Actual ICMA) at the relevant Early Redemption Rate plus the Early Redemption Margin.

The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Make-whole Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties. The Make-whole Calculation Agent shall act as an independent expert and not as agent for the Issuer or the Noteholders. The Make-whole Calculation Agent (acting in such capacity) shall not have any relationship of agency or trust with, and, to the extent permitted by law, shall not incur no liability against, the Issuer, the Noteholders or the Paying Agent.

The Make-whole Calculation Agent shall communicate this amount to the Paying Agent as soon as possible and at the latest two (2) Business Days before each date on which this payment is due.

"Applicable Rate of Interest" means for each relevant Interest Period:

- (a) where the Make-whole Redemption Date falls before the Target Observation Date:

- (i) if the Issuer's most recently available Sustainability-Linked Note Report for a calendar year shows that the Group has achieved or outperformed the Intermediate Target for such year or has already achieved the Sustainability Performance Target, the Applicable Rate of Interest will be the Original Rate of Interest; or
 - (ii) if the Issuer's most recently available Sustainability-Linked Note Report for a calendar year shows that the Group has not achieved the Intermediate Target for such year, or does not contain the information necessary to ascertain whether the Issuer has achieved the Intermediate Target for such year or not, the Applicable Rate of Interest will be (x) the Original Rate of Interest up to and including the Interest Period in which the Target Observation Date falls and (y) the Adjusted Rate of Interest in respect of the Interest Period immediately following the Interest Period in which the Target Observation Date falls and each Interest Period thereafter.
- (b) where the Make-whole Redemption Date falls on or after the Target Observation Date:
- (i) if the Verification Assurance Report is published prior to the Make-whole Redemption Date and a Trigger Event has not occurred, the Applicable Rate of Interest will be the Original Rate of Interest; or
 - (ii) if, prior to the Make-whole Redemption Date, it has not been possible to ascertain whether the Issuer has achieved the Sustainability Performance Target, the Applicable Rate of Interest will be the Adjusted Rate of Interest; or
 - (iii) if a Trigger Event has occurred, the Applicable Rate of Interest will be the Adjusted Rate of Interest.

"Early Redemption Margin" means 0.15per cent. *per annum*.

"Early Redemption Rate" means the average of the four (4) quotations given by the Reference Dealers of the mid-market annual yield to maturity of the Reference Benchmark Security on the fourth (4th) Business Day in Paris preceding the Make-whole Redemption Date at 11.00 a.m. (Central European time (CET)).

If the Reference Benchmark Security is no longer outstanding, a Similar Security will be chosen by the Make-whole Calculation Agent after prior consultation with the Issuer if practicable under the circumstances, at 11.00 a.m. (Central European time (CET)) on the fourth (4th) Business Day in Paris preceding the Make-whole Redemption Date, quoted in writing by the Make-whole Calculation Agent to the Issuer.

"Reference Benchmark Security" means the German Government Bond bearing interest at a rate of 0.25 per cent. *per annum* due 15 February 2029, with ISIN DE0001102465.

"Reference Dealers" means each of the four (4) banks (that may include the Joint Lead Managers) selected by the Make-whole Calculation Agent after prior consultation with the Issuer which are primary European government security dealers, and their respective successors, or market makers in pricing corporate bond issues.

"Similar Security" means a reference bond or reference bonds issued by the German Government having an actual or interpolated maturity comparable with the remaining term of the Notes that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Notes.

In the case of a partial redemption, the redemption may be effected by reducing the principal amount of all such Notes in proportion to the aggregate principal amount redeemed, subject to

compliance with applicable laws and the rules of Euronext Paris, and for the avoidance of doubt, the applicable Make-whole Redemption Amount (together with any interest accrued to (but excluding) the relevant Make-whole Redemption Date) shall be reduced accordingly.

So long as the Notes are admitted to trading on Euronext Paris and the rules of that stock exchange so require, the Issuer shall, each year in which there has been a partial redemption of the Notes, cause to be published in accordance with Articles 221-3 and 221-4 of the General Regulations (*Règlement Général*) of the *Autorité des marchés financiers*, a notice specifying the aggregate principal amount of Notes outstanding.

The Make-whole Calculation Agent shall act solely as agent of the Issuer and shall not assume any obligation or relationship of agency for any Noteholder. The Issuer will procure that, so long as any Note is outstanding, there shall at all times be a Make-whole Calculation Agent for the purposes of the Notes. If the Make-whole Calculation Agent is unable or unwilling to continue to act as the Make-whole Calculation Agent or if the Make-whole Calculation Agent fails duly to establish the amount due in relation to this Condition 4(c)(iii) (*Make-whole Redemption by the Issuer*), the Issuer shall appoint some other leading bank, security dealer or other financial institution engaged in the Euro interbank market (acting through its principal Euro-zone office) to act as such in its place. All notifications, opinions, determinations, certifications, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 4(c)(iii) (*Make-whole Redemption by the Issuer*) by the Make-whole Calculation Agent shall (in the absence of willful default, bad faith or manifest error) be binding on the Issuer and the Noteholders.

(d) *Purchases*

The Issuer may at any time purchase Notes at any price in the open market or otherwise. Such Notes may be surrendered to any Paying Agent for cancellation or held in custody by or on behalf of the Issuer and/or sold, resold or otherwise disposed of by the Issuer in accordance and within the limits set by Articles L.213-0-1 and D.213 0-1 of the French *Code monétaire et financier* as amended from time to time.

(e) *Cancellation*

All Notes redeemed or purchased for cancellation by or on behalf of the Issuer pursuant to paragraphs (b) to (d) of this Condition will forthwith be cancelled or held (together with rights to interest and any other amounts relating thereto) and accordingly may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

5 Payments

(a) *Method of Payment*

Payments of principal and interest in respect of the Notes will be made in euro by credit or transfer to a euro-denominated account (or any other account to which euro may be credited or transferred) specified by the payee in a city in which banks have access to the TARGET 2 System.

"**TARGET 2 System**" means the Trans European Automated Real Time Gross Settlement Express Transfer System or any successor thereto.

Such payments shall be made for the benefit of the Noteholders to the Account Holders and all payments validly made to such Account Holders in favour of the Noteholders will be an effective discharge of the Issuer and the Paying Agents, as the case may be, in respect of such payments.

Payments of principal and interest on the Notes will, in all cases, but without prejudice to the provisions of Condition 6 (*Taxation*), be subject to (i) any fiscal or other laws and regulations applicable thereto in the place of payment and, as the case may be, (ii) any withholding or deduction imposed or required

pursuant to an agreement described in section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended, (the "**Code**") or otherwise imposed pursuant to sections 1471 through 1474 of the Code (or any regulations or agreements thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (any such withholding or deduction, a "**FATCA Withholding**").

(b) *Payments on Business Days*

If any due date for payment of principal or interest in respect of any Note is not a Business Day, then the Noteholder shall not be entitled to payment of the amount due until the next following day which is a Business Day and the Noteholder shall not be entitled to any interest or other sum in respect of such postponed payment.

No commission or expenses shall be charged to the Noteholders in respect of such payments.

For the purposes of these Conditions, "**Business Day**" means any calendar day, not being a Saturday or a Sunday, (i) on which foreign exchange markets and commercial banks are open for business in Paris, (ii) on which Euroclear France is operating and (iii) on which the TARGET 2 System is operating.

(c) *Agents*

The names of the initial Agents and their specified offices are:

Fiscal Agent and Paying Agent

BNP Paribas Securities Services
Les Grands Moulins de Pantin
9, rue du Débarcadère

93500 Pantin
France

Make-whole Calculation Agent

Aether Financial Services
36 rue de Monceau
75008 Paris
France

The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, Paying Agent, Make-whole Calculation Agent and/or appoint additional or other Paying Agents or approve any change in the office through which any such Agent acts, provided that there will at all times be a Fiscal Agent, a Paying Agent and a Make-whole Calculation Agent having a specified office in a European city. Any termination or appointment shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not more than forty-five (45) nor less than thirty (30) calendar days' notice thereof shall have been given to the Noteholders by the Issuer in accordance with Condition 9 (*Notices*).

6 Taxation

(a) *Withholding Tax*

All payments of principal and interest in respect of the Notes will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of the Republic of France or any political subdivision or any authority therein having power to tax, unless such withholding or deduction is required by law.

(b) *Additional Amounts*

If, pursuant to French law, payments of principal or interest in respect of any Note become subject to withholding or deduction in respect of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of the Republic of France or any political subdivision or any authority therein or thereof having power to tax, the Issuer shall, to the fullest extent then permitted by law, pay such additional amounts as may be necessary in order that the Noteholder of each Note, after such withholding or deduction, will receive the full amount then due and payable thereon in the absence of such withholding; provided, however, that the Issuer shall not be liable to pay any such additional amounts in respect of any Note to, or to a third party on behalf of a Noteholder who is liable to such taxes or duties in respect of such Note by reason of his having some connection with France other than the mere holding of such Note.

Any references to these Conditions to principal or interest shall be deemed also to refer to any additional amounts which may be payable under the provisions of this Condition 6 (*Taxation*).

The Issuer shall be permitted to withhold or deduct any amounts required by the rules of U.S. Internal Revenue Code Sections 1471 through 1474 (or any amended or successor provisions), pursuant to any inter-governmental agreement, or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the U.S. Internal Revenue Service ("**FATCA withholding**") as a result of the Holder, beneficial owner or an intermediary (that is not an agent of the Issuer) not being entitled to receive payments free of FATCA withholding. The Issuer shall not be liable for, or otherwise obliged to pay, any FATCA withholding deducted or withheld by the Issuer, any paying agent or any other party.

7 **Events of Default**

The Representative (as defined in Condition 8 (*Representation of Noteholders*)), upon request of any Noteholder, may, upon written notice to the Issuer and the Fiscal Agent given before all defaults shall have been cured, cause all the Notes (but not some only) held by such Noteholder to become immediately due and payable at their principal amount, together with any accrued interest thereon (including, where applicable, any accrued interest), as of the date on which such notice for payment is received by the Issuer and the Fiscal Agent without further formality, if one or more of the following events (each an "**Event of Default**") shall have occurred and is continuing:

- (a) any amount in respect of the Notes shall not be paid on its due date, and such default shall not be remedied within a period of thirty (30) calendar days from and including such date in the case of interest and within a period of fifteen (15) calendar days from and including such date in the case of principal unless in any such event the amount due is not paid due to circumstances affecting the making or clearing of the payment which are outside the control of the Issuer, in which case such event shall not constitute an Event of Default so long as such circumstances continue in existence; or
- (b) any other obligation relating to the Notes shall not be fulfilled within a period of thirty (30) calendar days from and excluding the date of receipt by the Issuer or the Fiscal Agent of a written notification requiring the same to be remedied which shall have been given, by any Noteholder of a Note, except that, for the avoidance of doubt, in no event shall any failure by (or on behalf of) the Issuer to (i) meet the Sustainability Performance Target and/or (ii) publish or otherwise make available (x) any Sustainability-Linked Note Report or (y) any Verification Assurance Report in accordance with Condition 3(e) (*Reporting in relation to the Sustainability Performance Target*) and/or (iii) notify of any Adjusted Rate of Interest under Condition 3(d) (*Rate of Interest following a Trigger Event*) (provided that, for the avoidance of doubt, any such failure to notify of the Adjusted Rate of Interest

does not result in the non-payment of the Adjusted Rate of Interest by the Issuer) constitute an Event of Default; or

- (c) (i) any borrowed money of the Issuer or of any Principal Subsidiary becomes due and repayable prematurely by reason of a default in relation thereto and is not repaid prior to expiry of any applicable grace period or (ii) any such borrowed money is not paid at maturity as extended by any applicable grace period or (iii) any guarantee or indemnity in respect of any borrowed money of a third party given by the Issuer or any Principal Subsidiary is not honoured when due and called upon or within any applicable grace period, unless the Issuer or such Principal Subsidiary, as the case may be, has disputed in good faith that any such borrowed money is due or payable or that any such guarantee or indemnity is callable, and such dispute has been submitted to a competent court, in which case such event shall not constitute an Event of Default hereunder so long as the dispute shall not have been finally adjudicated and *provided that* in the case of (i), (ii) or (iii) of this Condition 7(c), such borrowed money of the Issuer or such Principal Subsidiary, or the amount of the failure to pay by the Issuer or the relevant Principal Subsidiary under such guarantee or indemnity given in respect of such third party borrowed money, is in an aggregate nominal amount of at least €300,000,000 (or its equivalent in any other currency), unless in any such event the amount due is not paid due to circumstances affecting the making or clearing of the payment which are outside the control of the Issuer or the Principal Subsidiary, as the case may be, in which case such event shall not constitute an Event of Default so long as such circumstances continue in existence; or
- (d) the Issuer or any Principal Subsidiary makes any proposal for a general moratorium in relation to its debts or ceases its payments (including, without limitation, a *cessation des paiements* under French law) or a judgment is issued for the judicial liquidation (including, without limitation, a *liquidation judiciaire* under French law) or for a transfer of the whole of the business (including, without limitation, a *cession totale de l'entreprise* under French law) of the Issuer or of any Principal Subsidiary or anything equivalent to such a proposal, settlement or transfer occurs with respect to the Issuer or any Principal Subsidiary or if the Issuer or any Principal Subsidiary makes a conveyance, assignment or other arrangement for the benefit of its creditors or enters into a composition with its creditors; or
- (e) an order is made by any competent authority or an effective resolution is passed for the winding up, liquidation or dissolution of any of the Issuer's Principal Subsidiaries (otherwise than for the purposes of or pursuant to an amalgamation, reorganisation, merger, consolidation, or restructuring or other similar arrangement whilst solvent (including, without limitation, any *fusion-absorption* or any *apport partiel d'actifs* under French law)) or an order is made by any competent authority or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer (otherwise than for the purposes of or pursuant to an amalgamation, reorganisation, merger, consolidation, or restructuring or other similar arrangement whilst solvent (including, without limitation, any *fusion-absorption* or any *apport partiel d'actifs* under French law) where the entity resulting from or surviving following such amalgamation, reorganisation, merger, consolidation or restructuring or similar arrangement, assumes or owes the obligations resulting from the Notes).

For the purposes of this Condition 7 (*Events of Default*):

- (i) a "**Principal Subsidiary**" means any company or other entity the accounts of which are consolidated with those of the Issuer and which, together with its own Subsidiaries, accounts for at least fifteen (15) per cent. of the net consolidated annual sales of the Issuer as disclosed from time to time in the Issuer's latest consolidated annual financial statements;
- (ii) a "**Subsidiary**" means, in respect of any entity (the "**First Entity**") at any particular time, any other entity:

- (a) whose affairs and policies the First Entity controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of such other entity or otherwise; or
- (b) whose financial statements are, in accordance with applicable law and generally accepted accounting principles or standards, consolidated with those of the First Entity.

8 Representation of the Noteholders

(a) *Representation of the Noteholders*

The Noteholders will be grouped automatically for the defence of their common interests in a masse (the "**Masse**") which will be governed by the provisions of articles L.228-46 *et seq.* of the French *Code de commerce* as amended by this Condition 8.

The Masse alone, to the exclusion of all individual Noteholders, shall exercise the common rights, actions and benefits which may accrue with respect to the Notes, without prejudice to the rights that Noteholders may exercise individually in accordance with, and subject to, the provisions of the Terms and Conditions of the Notes.

(b) *Legal Personality*

The Masse will be a separate legal entity and will act in part through a representative (the "**Representative**") and in part through collective decisions of the Noteholders (the "**Collective Decisions**").

(c) *Representative:*

The following person is designated as Representative of the Masse:

Aether Financial Services
36 rue de Monceau
75008 Paris
France

The Issuer shall pay to the Representative of the Masse an amount equal to €200 *per annum* (excluding taxes), payable annually on the anniversary date of the issue.

In the event of death, liquidation, retirement, resignation or revocation of appointment of the Representative, another Representative may be appointed.

All interested parties will at all times have the right to obtain the names and addresses of the Representative at the head office of the Issuer.

(d) *Powers of the Representatives:*

The Representative shall (in the absence of any Collective Decision to the contrary) have the power to take all acts of management necessary in order to defend the common interests of the Noteholders, with the capacity to delegate its powers.

All legal proceedings against the Noteholders or initiated by them, must be brought by or against the Representative.

The Representative may not interfere in the management of the affairs of the Issuer or its Group.

(e) *Collective Decisions*

Collective Decisions are adopted either (i) in a general meeting (the "**General Meeting**") or (ii) by consent of one or more Noteholders holding together at least seventy-five (75) per cent. of the principal amount of the Notes outstanding following a written consultation (the "**Written Resolution**").

In accordance with Article R.228-71 of the French Code de commerce, the rights of each Noteholder to participate in Collective Decisions will be evidenced by the entries in the books of the relevant Account Holder of the name of such Noteholder as of 0:00 Paris time, on the second (2nd) Business Day in Paris preceding the date set for the Collective Decision.

Collective Decisions must be published in accordance with Condition 9 (*Notices*).

The Issuer shall hold a register of the Collective Decisions and shall make it available, upon request, to any subsequent Noteholder of any of the Notes.

(f) *General Meetings*

A General Meeting may be called at any time, either by the Issuer or by the Representative. One or more Noteholders, holding together at least one-thirtieth (1/30) of the principal amount of Notes outstanding, may address to the Issuer and the Representative a demand for a General Meeting to be called. If such General Meeting has not been called within two (2) months after such demand, the Noteholders may commission one of them to petition the competent court to appoint an agent (*mandataire*) who will call the General Meeting.

Notice of the date, time, place and agenda of any General Meeting will be published in accordance with Condition 9 (*Notices*) not less than fifteen (15) calendar days prior to the date of the General Meeting on first convocation and not less than five (5) calendar days prior to the date of the General Meeting on second convocation.

General Meetings may deliberate validly on first convocation only if the Noteholders present or represented hold at least one-fifth (1/5) of the principal amount of the Notes then outstanding. On second convocation, no quorum shall be required. Decisions of the General Meetings shall be taken by a two-third (2/3) majority of votes cast by the Noteholders attending such meeting or represented thereat.

Each Noteholder or representative thereof will have the right to consult or make a copy of the text of the resolutions which will be proposed and of the reports, if any, which will be presented at the General Meeting, all of which will be available for inspection by the relevant Noteholders at the registered office of the Issuer and at any other place specified in the notice of the General Meeting, during the fifteen (15) calendar day period preceding the holding of the General Meeting on first convocation, or during the five (5) calendar day period preceding the holding of the General Meeting on second convocation.

The General Meeting is chaired by the Representative. In the event of the absence of a representative at the start of a General Meeting and if no Noteholder is present or represented at the General Meeting, the Issuer may, notwithstanding the provisions of Article L.228-64 of the French Code de commerce, designate a provisional chairman until a new Representative has been appointed.

Each Noteholder has the right to participate in a General Meeting in person, by proxy or by correspondence. Each Note carries the right to one vote.

(g) *Written Resolutions*

Pursuant to Article L.228-46-1 of the French Code de commerce, the Issuer may be entitled in lieu of the holding of a General Meeting to seek approval of a resolution from the Noteholders by way of a resolution in writing (a "**Written Resolution**"). Subject to the following sentence, a Written Resolution may be contained in one document or in several documents in like form, each signed by or on behalf of one or more Noteholders. Pursuant to Article L.228-46-1 of the French Code de commerce, approval of a Written

Resolution may also be given by way of electronic communication allowing the identification of Noteholders ("**Electronic Consent**").

Notice seeking the approval of a Written Resolution (including by way of Electronic Consent) will be published as provided under Condition 9 (*Notices*) no less than fifteen (15) calendar days prior to the date fixed for the passing of such Written Resolution (the "**Written Resolution Date**"). Notices seeking the approval of a Written Resolution will contain the conditions of form and time-limits to be complied with by Noteholders who wish to express their approval or rejection of such proposed Written Resolution. Noteholders expressing their approval or rejection before the Written Resolution Date will, by virtue of having expressed their approval or rejection before the Written Resolution Date, have irrevocably undertaken not to dispose of their Notes until after the Written Resolution Date.

Written Resolutions shall be signed by one or more Noteholders holding together at least seventy-five (75) per cent. of the principal amount of the Notes which are outstanding. Approval of a Written Resolution may also be given by Electronic Consent. Any Written Resolution shall, for all purposes, have the same effect as a resolution passed at a General Meeting of the Noteholders.

(h) *Expenses*

The Issuer shall pay all expenses relating to the operations of the Masse, including all expenses relating to the calling and holding of Collective Decisions and, more generally, all administrative expenses resolved upon by Collective Decisions, it being expressly stipulated that no expenses may be imputed against interest payable under the Notes.

(i) *Single Masse*

The Noteholders and the holders of notes of any other series which have been assimilated with the Notes in accordance with Condition 11 (*Further Issues*), shall, for the defence of their respective common interests, be grouped in a single *Masse*.

For the avoidance of doubt, in this Condition 8 (*Representation of Noteholders*), the term "outstanding" shall not include those Notes that are held by the Issuer and not cancelled.

(j) *Sole Noteholder*

If and for so long as the Notes are held by a sole Noteholder and unless a Representative has been appointed, such Noteholder shall exercise all powers, rights and obligations entrusted to the *Masse* by the provisions of the French *Code de commerce*. The Issuer shall hold a register of the decisions taken by the sole Noteholder in this capacity and shall make it available, upon request, to any subsequent Noteholder of any of the Notes.

9 Notices

Any notice to the Noteholders will be valid if delivered to the Noteholders through Euroclear France, Euroclear or Clearstream, for so long as the Notes are cleared through such clearing systems and published on the website of the Issuer (<http://www.sanofi.com>). Any such notice shall be deemed to have been given on the date of delivery of such notice to Euroclear France, Euroclear or Clearstream or, if delivered more than once or on different dates, on the first date on which such delivery is made, and if later, on the date of such publication on the website of the Issuer.

10 Prescription

Claims against the Issuer for the payment of principal and interest in respect of the Notes shall be prescribed and become void unless made within ten (10) years (in the case of principal) and five (5) years (in the case of interest) from the due date for payment thereof.

11 Further Issues

The Issuer may, from time to time without the consent of the Noteholders, issue further notes to be assimilated (*assimilables*) with the Notes, provided that such further notes and the Notes shall carry rights identical in all respects (or in all respects except for the date and the amount of the first payment of interest thereon) and that the terms of such further notes shall provide for such assimilation. In the event of such assimilation, the Noteholders and the holders of any assimilated notes will, for the defence of their common interests, be grouped in a single *Masse* having legal personality.

12 Governing Law and Jurisdiction

The Notes are governed by, and shall be construed in accordance with, French law.

Any claim against the Issuer in connection with any Notes will be submitted to the exclusive jurisdiction of the Paris Commercial Court.

USE OF PROCEEDS

The estimated net proceeds of the issue of the Notes will amount to approximately €646,938,500.00 and will be used by the Issuer for its general corporate purposes.

THE GROUP'S SUSTAINABILITY PERFORMANCE TARGETS

Capitalised terms used but not otherwise defined herein have the meaning given to them in the Terms and Conditions of the Notes.

The Group's Social Impact Strategy

Sanofi's integrated social impact strategy aims to build a healthier, more resilient world by ensuring access to healthcare for the world's poorest people and bringing focus to addressing broader unmet needs. Integrated within Sanofi's "Play to Win" business strategy, Sanofi's commitment to society will continue the fight against infectious diseases such as sleeping sickness and polio, while accelerating its goals to reduce the environmental impact of its products and its worldwide operations.

Sanofi's Social Impact Strategy focuses on four building blocks aligned with its "Play to Win" core business strategy:

1. Ensuring affordable access

Sanofi aims to ensure affordable access to quality medicine and health care for underserved communities, while helping to build sustainable healthcare systems.

2. Supporting vulnerable communities

As part of its commitment to society, Sanofi considers it essential to identify how science can improve life conditions especially for vulnerable and often overlooked communities.

3. Protecting the planet

Through its environmental sustainability programme "Planet Mobilization", Sanofi is working to minimize the direct and indirect impacts of its activities and products on the environment. The programme covers the entire lifecycle of its products, from the raw materials to their potential end-of-life impact.

4. Building an inclusive workplace

With nearly 100,000 employees comprised of 142 nationalities, Sanofi works constantly to make its workplace inclusive and diverse.

Rationale for establishing a SLB Framework

The Issuer's SLB Framework, available on the Issuer's website ([Sanofi_Sustainability-linked_bond_framework.pdf](#)), has been established in accordance with the 2020 Sustainability-Linked Bond Principles. The 2020 Sustainability-Linked Bond Principles are voluntary process guidelines that outline best practices for financial instruments to incorporate forward-looking sustainability outcomes and promote integrity in the development of the sustainability-linked bond market by clarifying the approach for issuance of sustainability-linked bonds, such as the Notes. However, the information contained on the Issuer's website shall not be, nor deemed to be, incorporated in and/or form part of this Prospectus and should not be relied upon in connection with making any investment decision with respect to the Notes.

The SLB Framework is in alignment with the five core components of the 2020 Sustainability-Linked Bond Principles:

- (a) Selection of Key Performance Indicators;
- (b) Calibration of Sustainability Performance Targets;
- (c) Specific Characteristics of the Notes;
- (d) Reporting; and
- (e) Verification.

Selection of Key Performance Indicator

The SLB Framework contains, amongst other Key Performance Indicators, the following Key Performance Indicator:

Access to medicines Key Performance Indicator:	KPI 3: Essential Medicines Provision by SGH in low-income countries ("LICs") and lower-middle income countries ("LMICs") ¹
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(i) Rationale and overall strategy

According to the latest Access to Medicines Index, many of the world's poorest countries still do not benefit significantly from access strategies being implemented by the world's largest pharmaceutical companies. The 2021 Index shows that less than half of key products controlled by 20 large companies are being offered through access strategies in countries classified by the World Bank as either LMICs or LICs. The shortfall is particularly acute in LICs, which are most consistently overlooked by companies despite being home to almost 700 million people.

In that context, with its dedicated non-profit unit Sanofi Global Health (SGH), Sanofi will provide the world's poorest countries with access to essential medicines to address non-communicable disease treatment.

The Group commits to the provision by SGH of Essential Medicines to at least 1.5 million patients between 1 January 2022 and 31 December 2026 (cumulative) in LICs and LMICs, as calculated by the Issuer (as may be amended, adjusted and/or recalculated from time to time pursuant to Condition 3(g) (*Recalculation*) of the Notes). Essential Medicines means those essential medicines listed from time to time as treatments for the following non-communicable diseases on the World Health Organisation Model List of Essential Medicines List: cardiovascular disease, diabetes, mental health and oncology (or medicines for such non-communicable diseases recognised as per the World Health Organisation Model List of Essential Medicines List as therapeutic alternatives to those included on the World Health Organisation Model List of Essential Medicines List currently available at [WHO model list of essential medicines - 22nd list, 2021](#));

(ii) Methodology

KPI 3 is computed as the arithmetic sum of the patients provided with essential medicines by SGH from 2022 to 2026. The number of patients is calculated based on the volume of essential medicines sold by SGH divided by the relevant volume per patient.

Calibration of Sustainability Performance Target

The Issuer has set the following Sustainability Performance Target in relation to the Key Performance Indicator:

KPI 3	To provide Essential Medicines to 1.5 million patients in LICs and LMICs between 1 January 2022 and 31 December 2026 (cumulative)
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Intermediate Targets

To achieve the Sustainability Performance Target, intermediate targets have been set as follows:

¹ In particular, the world's 40 poorest countries by GDP per capita according to the World Bank: Afghanistan, Benin, Bhutan, Burundi, Central African Republic, Cambodia, Chad, Comoros, Democratic Republic of Congo, Djibouti, Eritrea, Gambia, Guinea, Guinea-Bissau, Haiti, Kyrgyzstan, Lao PDR, Liberia, Malawi, Micronesia, Mozambique, Myanmar, Niger, Papua New Guinea, Rwanda, Sao Tome e Principe, Sierra Leone, Solomon Islands, Somalia, South Sudan, Syria, Timor Leste, Togo, Tuvalu, Uganda, Tajikistan, Tanzania, Yemen, Zambia, Zimbabwe.

KPI 3	2021	2022	2023	2024	2025	2026
Estimated cumulative provision of essential medicines (in items)	50,000	180,000	410,000	690,000	1,050,000	1,500,000

Specific Characteristics of the Notes

So long as any of the Notes remain outstanding, if the Trigger Event occurs, the Rate of Interest payable in respect of the Interest Period commencing on, and including, the Interest Rate Step Up Date and ending on, but excluding, the next Interest Payment Date and in respect of each successive Interest Period up to, but excluding, the Interest Period ending on, but excluding, the earlier of (i) the date on which all Notes shall have been (a) redeemed and/or repurchased by the Issuer and (b) cancelled and (ii) the Maturity Date, shall be equal to the Original Rate of Interest plus 0.25 per cent.

Reporting

The Issuer will publish (i) the Sustainability-Linked Note Report on an annual basis in a dedicated section of its universal registration document or on its website as a separate report or document, in either case, on or before the date falling one hundred and eighty (180) calendar days after the end of each calendar year and (ii) the Verification Assurance Report in a dedicated section of its universal registration document prepared in respect of the financial year ending on the Target Observation Date or on its website as a separate report or document, in either case, on or before the date falling one hundred and eighty (180) calendar days after the Target Observation Date.

Recalculation

In the case of the occurrence of one or more Recalculation Event(s) which the Issuer considers in its sole discretion, by taking any such event individually or by taking more than one of such events together, provided they are correlated, has or have a Significant Impact, the Sustainability Performance Target and/or any Intermediate Target will be amended, adjusted and/or recalculated in good faith by the Issuer provided that:

- (i) as determined by the Issuer acting in good faith, any such amendment, adjustment or recalculation has no adverse effect on the interests of the Noteholders; and
- (ii) an External Verifier has confirmed that the proposed amendment, adjustment or recalculation (as applicable) is in line with the Issuer's calculation methodology for the Sustainability Performance Target and/or the Intermediate Targets as disclosed in a dedicated section of its most recent universal registration document.

"**Recalculation Event**" means the occurrence, in the Issuer's reasonable judgement, of any war, revolution, strike, industrial action or other social unrest, invasion by foreign military, *coup d'état*, earthquake, pandemic, flood, or nuclear, chemical or biological weapons attack, terrorist attack, cyber-attack, embargoes or disruption or failure of energy supply, communications, distribution or transport systems in any relevant territory.

Verification

An annual verification assurance report conducted by an independent external auditor outlining the performance against the Issuer's Sustainability Performance Target will be made available by the Issuer as part of its annual sustainability reporting.

More specifically in relation to the Notes, the Verification Assurance Report will be issued by an External Verifier detailing the Group's performance against the Sustainability Performance Target as at the Target Observation Date.

Second Party Opinion

The Second Party Opinion has been provided by ISS ESG confirming the alignment of the SLB Framework with the 2020 Sustainability-Linked Bond Principles. It is made publicly available on the Issuer's website ([Second Party Opinion \(SPO\) – Sustainability Quality of the Issuer and Sustainability-Linked Bond Framework \(sanofi.com\)](https://www.sanofi.com/en/second-party-opinion-spo-sustainability-quality-of-the-issuer-and-sustainability-linked-bond-framework)).

However, the information contained in such Second Party Opinion shall not be, nor deemed to be, incorporated in and/or form part of this Prospectus and should not be relied upon in connection with making any investment decision with respect to the Notes.

BUSINESS OF SANOFI

Information on Sanofi

Sanofi is a leading global healthcare company, focused on patient needs and engaged in the research, development, manufacture and marketing of therapeutic solutions.

Its net sales were €36,041 million in 2020 and €37,761 million in 2021.

Sanofi is a holding company and as a result its financial and trading position depends on the financial and trading position of its principal subsidiaries. Sanofi operates under the laws of France.

Sanofi is the parent company of a consolidated group of almost 290 companies. A list of its principal subsidiaries can be found in Note F to its consolidated financial statements included at Item 18 of the 2021 Annual Report on Form 20-F incorporated by reference herein.

Sanofi has three principal activities: Pharmaceuticals, Consumer Healthcare (CHC), and Vaccines via Sanofi Pasteur. These activities are operating segments within the meaning of the IFRS 8 accounting standard (see Note D.35. to the consolidated financial statements, included at Item 18 of the 2021 Annual Report on Form 20-F).

Sanofi's activities include: Dupixent®; Neurology & Immunology; Rare Diseases; Oncology; Rare Blood Disorders; Diabetes; Cardiovascular and Established Prescription Products; Consumer Healthcare; and Vaccines. Unlike Vaccines and Consumer Healthcare activities, which are operating segments within the meaning of IFRS 8, Pharmaceutical activities are franchises whose performance is monitored primarily on the basis of net sales; the products sold by each of those franchises are included in Sanofi's Pharmaceuticals operating segment.

Within its pharmaceutical's activity, which generated net sales of €25,674 million in 2020 and €26,970 million in 2021, Sanofi specialises in the following therapeutic areas:

- Specialty Care:
 - o Dupixent® (dupilumab), a human monoclonal antibody, binds to the interleukin-4 receptor alpha (IL-4Ra) and has been shown to specifically inhibit overactive signaling of two key proteins (IL-4 and IL-13), which are believed to be major drivers of multiple inflammatory diseases with underlying type 2 signatures, such as atopic and inflammatory disorders like atopic dermatitis (AD) and asthma. Dupixent® comes in either a pre-filled syringe for use in a clinic or at home by self-administration as a subcutaneous injection, or in a pre-filled pen for at-home administration, providing patients with a more convenient option.
 - o Multiple sclerosis: with Aubagio®, a once-daily oral immunomodulator agent with anti-inflammatory properties; and Lemtrada®, a humanized monoclonal antibody targeting the CD52 antigen.
 - o Rheumatoid Arthritis: with Kevzara®, a human monoclonal antibody that binds to the interleukin-6 receptor (IL-6R) and has been shown to inhibit IL-6R mediated signaling. IL-6 is a cytokine in the body that, in excess and over time, can contribute to the inflammation associated with rheumatoid arthritis
 - o Rare Diseases: with a portfolio of enzyme replacement therapies including Cerezyme® for Gaucher disease, an enzyme replacement therapy used to treat Gaucher disease, a chronic, inherited, progressive and potentially life-threatening LSD; Cerdelga®, an oral highly specific ceramide analog for Gaucher disease; Myozyme®, Lumizyme® and Nexvzyme® for Pompe disease; Fabrazyme® for Fabry disease and Aldurazyme® for mucopolysaccharidosis Type 1 (MPS 1).
 - o Oncology: with Sarclisa®, a monoclonal antibody that binds a specific epitope on the human CD38 receptor and has antitumor activity via multiple mechanisms of action; Libtayo®, a fully human monoclonal antibody targeting the immune checkpoint receptor PD-1 (programmed cell death protein-1), for the treatment of certain patients with metastatic cutaneous squamous cell carcinoma (CSCC) or advanced CSCC; Jevtana® (cabazitaxel), a semi-synthetic second-generation taxane that prevents many

cancer cells from dividing, which ultimately results in destroying many such cells; Fasturtec®/Elitek®, used for the management of plasma uric levels in patients with leukemia, lymphoma, and solid tumor malignancies receiving anticancer therapies.

- Rare Blood Disorders: with Eloctate® and Alprolix®, extended half-life clotting-factor therapies for the treatment of adults and children with hemophilia A and B, respectively; Cablivi® (caplacizumab), a bivalent nanobody for the treatment of adults experiencing an episode of acquired thrombotic thrombocytopenic purpura.
- General Medicines: Sanofi has prioritized core medicines with differentiated and/or established profiles that have significant opportunity for growth in key markets. Some of these well-established medicines are the standard-of-care for patients living with diabetes or cardiovascular disease. These core medicines include Toujeo® , Soliqua® , Praluent® , Multaq® , Lovenox® , and Plavix® .
 - Diabetes: Lantus® (insulin glargine 100 units/mL), a long-acting analog of human insulin, indicated for once-daily administration for the treatment of diabetes mellitus in adults, adolescents and children aged 2 years and above; Toujeo® (insulin glargine 300 units/mL), a long-acting analog of human insulin, indicated for the treatment of diabetes mellitus in adults; Apidra® (insulin glulisine), a rapid-acting human insulin analog ; Soliqua® 100/33 or Suliqua®, a once-daily combination of insulin glargine 100 Units/mL, a long-acting analog of human insulin, and lixisenatide, a GLP-1 receptor agonist; Admelog® or Insulin lispro Sanofi®, a rapid-acting insulin; Amaryl®/Amarel®/Solosa® (glimepiride), an oral once-daily sulfonylurea; Truvelog™/ Insulin aspart Sanofi®, a rapid-acting insulin.
 - Cardiovascular: with Praluent® a cholesterol-lowering drug that inhibits PCSK9; Multaq®, an antiarrhythmic drug in atrial fibrillation; Plavix® / Iscover®, an anti-platelet agent indicated for a number of atherothrombotic conditions; Lovenox® / Clexane® a low molecular weight heparin for the prophylaxis and treatment of venous thromboembolism and of acute coronary syndrome; Aprovel® and Avapro® / Karvea®, anti-hypertensives; Renagel® and Renvela®, oral phosphate binders for use in patients undergoing dialysis; Synvisc® and Synvisc-One®, viscosupplements used to reduce pain in patients suffering from osteoarthritis of certain joints; and Depakine® , a broad-spectrum anti-epileptic treatment for epilepsy and a mood stabilizer.
 - Legacy Oncology and Transplant: Thymoglobulin® (anti-thymocyte Globulin), a polyclonal anti-human thymocyte antibody preparation that acts as a broad immunosuppressive and immunomodulating agent; Taxotere® (docetaxel), a chemotherapy drug and cytotoxic agent which is a semi-synthetic taxane; Eloxatin® (oxaliplatin), a chemotherapy drug which is a platinum-based cytotoxic agent; Mozobil® (plerixafor injection), a hematopoietic stem cell mobilizer; Rezurock™ (belumosudil), a selective ROCK2 inhibitor; Zaltrap® (afibercept/ziv-afibercept), a recombinant fusion protein and different generics.

The Consumer Healthcare (CHC) activity, which generated net sales of €4,394 in 2020 and €4,468 million in 2021, is focused around strategic categories: Allergy Cough & Cold, Pain, Digestive, Nutritionals and Others.

The Vaccines activity is operated through Sanofi Pasteur. Net sales from vaccines amounted to €5,973 million in 2020 and €6,323 million in 2021, with leading vaccines in five areas: Poliomyelitis, Pertussis and Hib pediatric vaccines, influenza vaccines, booster vaccines, meningitis vaccines, and travel and endemic vaccines.

Collaborations are essential to Sanofi's business and a certain number of its products, whether on the market or under development, are in licensed products relying on third-party rights or technologies.

The contact address of the directors and senior management, as described under "*Item 6. Directors, Senior Management and Employees*" of the 2021 Annual Report on Form 20-F incorporated by reference herein, is the same as the registered office of the Issuer as found on page 67 of this Prospectus.

RECENT DEVELOPMENTS

PARIS – 7 January 2022 - Sanofi announced an innovative research collaboration and license agreement with Exscientia 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. Under the terms of the agreement, Exscientia will receive an upfront cash payment of U.S.\$100 million from Sanofi, with the potential for up to U.S.\$5.2 billion in total milestones plus tiered royalties.

PARIS – 11 January 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

PARIS – 31 January 2022 - The European Medicines Agency's Committee for Medicinal Products for Human Use (CHMP) has adopted a positive opinion recommending to extend 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.

Paris – 3 February 2022 - Sanofi unveiled a new bold and unifying corporate brand that supports the modernization and transformation the company launched in December 2019.

Paris and Tarrytown, N.Y. – 26 February 2022 – Detailed results from a Phase 3 trial showed that adding Dupixent® (dupilumab) to standard-of-care antihistamines significantly reduced itch and hives at 24 weeks in biologic-naïve patients with chronic spontaneous urticaria compared to antihistamines alone in this investigational setting. These results were presented on the same day in a late-breaking session at the American Academy of Allergy, Asthma and Immunology (“AAAAI”) Annual Meeting.

Paris and Tarrytown, N.Y. – 26 February 2022 – Positive detailed results from a second Phase 3 trial showed that Dupixent® (dupilumab) 300 mg weekly significantly improved the signs and symptoms of eosinophilic esophagitis (EoE) at 24 weeks compared to placebo in patients 12 years and older. Eosinophilic esophagitis is a chronic, progressive type 2 inflammatory disease that damages the esophagus and prevents it from working properly. These pivotal data was presented on the same day at the 2022 AAAAI Annual Meeting during a late-breaking oral abstract session.

Paris– 3 March 2022 – *The New England Journal of Medicine* today published detailed results from a Phase 3 trial evaluating nirsevimab, the first investigational long-acting antibody designed to protect all infants across the respiratory syncytial virus season with a single dose. The trial involved healthy infants born at term or late preterm (35 weeks gestational age or greater) entering their first RSV season and met the primary endpoint, reducing the incidence of medically attended lower respiratory tract infections, such as bronchiolitis or pneumonia, caused by RSV by 74.5% (95% CI 49.6 to 87.1; P<0.001) compared to placebo.

Paris – 8 March 2022 – Sanofi was recognized as one of the most sustainability-committed companies in an ESG Evaluation (Environment, Social, Governance) performed by Standard & Poor's Global Ratings (S&P).

Paris and Stockholm – 9 March 2022 – Sanofi and Swedish Orphan Biovitrum AB (publ) (Sobi®) (STO:SOBI) announced positive topline results from the pivotal XTEND-1 Phase 3 study evaluating the safety, efficacy and pharmacokinetics of efanesoctocog alfa (BIVV001) in previously treated patients ≥12 years of age with severe hemophilia A.

Paris – 14 March 2022 – The Phase 2 AMEERA-3 clinical trial evaluating amcnenestrant, an investigational optimized oral selective estrogen receptor degrader (SERD), did not meet its primary endpoint of improving progression-free survival (PFS) as assessed by an independent central review. The trial evaluated amcnenestrant as monotherapy compared to endocrine treatment of physician's choice in patients with locally advanced or metastatic estrogen receptor-positive (ER+)/human epidermal growth factor receptor 2-negative (HER2-) breast cancer who progressed on or after hormonal therapies. No new safety signals were identified and the safety profile of amcnenestrant in AMEERA-3 was consistent with earlier studies.

Paris – 15 March 2022 – Sanofi and Blackstone (NYSE: BX) announced a strategic, risk-sharing collaboration under which funds managed by Blackstone Life Sciences (Bxls) will contribute up to €300 million to accelerate the global

pivotal studies and the clinical development program for the subcutaneous formulation and delivery of the anti-CD38 antibody Sarcalisa®, to treat patients with multiple myeloma (MM). If successful, BXLS will be eligible to receive royalties on future subcutaneous sales. The pivotal study for the subcutaneous formulation is expected to begin in the second half of 2022.

Paris – 16 March 2022 – Sanofi and Seagen Inc. (Nasdaq:SGEN) announced an exclusive collaboration agreement to design, develop, and commercialize antibody-drug conjugates (ADCs) for up to three cancer targets. The collaboration will utilize Sanofi’s proprietary monoclonal antibody (mAb) technology and Seagen’s proprietary ADC technology. ADCs are antibodies engineered to deliver potent anti-cancer drugs to tumor cells expressing a specific protein and Sanofi currently has one ADC in development.

Paris – 18 March 2022 – Sanofi’s Board of Directors unanimously proposed, on 17 March 2022, to submit to its shareholders the distribution of circa 58% of the share capital of EUROAPI (a leading European company dedicated to the development, production and marketing of active pharmaceutical ingredients* (API)). In addition to the previously proposed €3.33 cash dividend per Sanofi share, this additional extraordinary dividend, exclusively in kind, is subject to shareholders approval at Sanofi’s 3 May 2022 Ordinary and Extraordinary Shareholders’ Meeting. If approved, the distribution will take place shortly after the listing of EUROAPI’s shares on the regulated market of Euronext Paris, subject to the approval of the French *Autorité des Marchés Financiers* on EUROAPI’s French prospectus.

On 23 March 2022 Sanofi stated that it has decided to stop immediately any new spending not related to the supply of its essential and life-changing medicines and vaccines in Russia, as well as in Belarus. This includes all advertising and promotional spending, and a halt to any new recruitment of patients for ongoing clinical trials, though Sanofi will continue to treat patients already enrolled.

Paris and Tarrytown, N.Y. – 26 March 2022 – Detailed positive results from the Phase 3 PRIME2 trial evaluating the safety and efficacy of Dupixent® (dupilumab) was presented on 26 March 2022 in a late-breaking session at the American Academy of Dermatology (AAD) 2022 Annual Meeting. The companies previously announced topline results from PRIME2 and a second trial called PRIME investigating the use of Dupixent in adults with uncontrolled prurigo nodularis. In both trials, Dupixent significantly reduced itch and skin lesions compared to placebo. In total, 21 scientific abstracts evaluating the safety and efficacy of Dupixent in patients with atopic dermatitis in different age groups, as well as investigational indications – prurigo nodularis and chronic spontaneous urticaria – were presented at the congress.

Paris – 28 March 2022 –The Japanese Ministry of Health, Labor, and Welfare (MHLW) has granted marketing authorization for Xenpozyme® (olipudase alfa) for the treatment of adult and pediatric patients with non-central nervous system (non-CNS) manifestations of acid sphingomyelinase deficiency (ASMD), a rare, progressive, and potentially life-threatening genetic disease. Xenpozyme is currently the only approved treatment for ASMD and represents Sanofi’s first therapy to be approved under the SAKIGAKE (or “pioneer”) designation, which is the Japanese government’s regulatory fast-track pathway to promote research and development of innovative new medical products addressing urgent unmet medical needs.

Paris – 29 March 2022 – Sanofi hosted an Immunology Investor Event with key members of the leadership team providing updates on how the company is advancing its Immunology strategy, including the ambition to more than quadruple Immunology franchise sales by the end of the decade. The focus of the event was on Dupixent® (dupilumab), a key growth driver, and Sanofi’s rapidly advancing pipeline, highlighting dermatological, respiratory and gastrointestinal diseases as priority therapeutic areas. Sanofi has raised the Dupixent sales peak ambition to more than €13 billion. This new ambition does not include potential for additional sales ambition upgrade from chronic obstructive pulmonary disease (COPD), with pivotal readouts anticipated in 2023.

Paris – 29 March 2022 – Sanofi and IGM Biosciences, Inc. (Nasdaq: IGMS) announced the signing of an exclusive worldwide collaboration agreement to create, develop, manufacture, and commercialize IgM antibody agonists against three oncology targets and three immunology/inflammation targets. Engineered IgM antibodies represent a new class of potential therapeutics that combine the multi-valency of IgM antibodies possessing 10 binding sites compared to conventional IgG antibodies having only 2 target binding sites.

Paris – 1 April 2022 – Sanofi announced that the French *Autorité des marchés financiers* has approved the listing prospectus prepared by EUROAPI in connection with the intended listing of its shares on the regulated market of Euronext Paris.

Issue of U.S. commercial paper

There was no U.S. commercial paper outstanding as at 31 March 2022.

SUBSCRIPTION AND SALE

Subscription Agreement

Barclays Bank Ireland PLC, Morgan Stanley Europe SE, MUFG Securities (Europe) N.V., Natixis and RBC Capital Markets (Europe) GmbH (the "**Joint Lead Managers**") have, pursuant to a Subscription Agreement dated 4 April 2022 (the "**Subscription Agreement**"), jointly and severally agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe for the Notes at an issue price equal to 99.654 per cent. of the principal amount of the Notes (the "**Issue Price**"), less any applicable commissions. In addition, the Issuer will pay certain costs incurred by it and the Joint Lead Managers in connection with the issue of the Notes.

The Joint Lead Managers are entitled to terminate the Subscription Agreement in certain limited circumstances prior to the issue of the Notes. The Issuer has agreed to indemnify the Joint Lead Managers against certain liabilities in connection with the offer and sale of the Notes.

United States of America

Each Joint Lead Manager has agreed that the Notes have not been and will not be registered under the Securities Act or the securities laws of any State or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from, or not subject to, the registration requirements of the Securities Act and applicable State securities laws. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Each Joint Lead Manager has agreed that, except as permitted by the Subscription Agreement, it will not offer or sell the Notes (i) as part of their distribution at any time or (ii) otherwise until 40 calendar days after the completion of the distribution of any Notes within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in the preceding sentence have the meanings given to them by Regulation S under the Securities Act.

The Notes are being offered and sold outside the United States to non-U.S. persons pursuant to and in reliance on Regulation S under the Securities Act.

In addition, until 40 calendar days after the commencement of the offering of the Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering of the Notes) may violate the registration requirements of the Securities Act.

This Prospectus has been prepared by the Issuer for use in connection with the offer and sale of the Notes outside the United States. The Issuer and the Joint Lead Managers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Prospectus does not constitute an offer to any person in the United States. Distribution of this Prospectus by any non-U.S. person outside the United States to any U.S. person or to any other person within the United States, is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States, is prohibited.

Prohibition of Sales to EEA Retail Investors

Each of the Joint Lead Managers has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available the Notes which are the subject of the offering contemplated in this Prospectus to any retail investor in the European Economic Area ("**EEA**").

For the purposes of this provision:

1. The expression "**retail investor**" means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of EU MiFID II; or

- (ii) a customer within the meaning of Directive (EU) 2016/97, as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II.
2. The expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

Prohibition of Sales to UK Retail Investors

Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available the Notes which are the subject of the offering contemplated by this Prospectus to any retail investor in the United Kingdom.

For the purposes of this provision:

1. the expression "**retail investor**" means a person who is one (or more) of the following:
 - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or
 - (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.
2. the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Other UK regulatory restrictions

Each Joint Lead Manager has represented, warranted and agreed that:

- (a) **Financial promotion:** it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of the Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (b) **General compliance:** it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

France

Each Joint Lead Manager has represented and agreed that it has only offered or sold and will only offer or sell, directly or indirectly, the Notes in France to qualified investors (*investisseurs qualifiés*) as defined in Article L.411-2 1° of the French *Code monétaire et financier* and it has only distributed or caused to be distributed and will only distribute or cause to be distributed in France to such qualified investors this Prospectus or any other offering material relating to the Notes.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**FIEA**") and, accordingly, each Joint Lead Manager has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan or to others for re-offering or resale, directly or indirectly, in Japan or to

any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and other relevant laws and regulations of Japan. As used in this paragraph, "**resident of Japan**" means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

Hong Kong

Each Joint Lead Manager has represented, warranted and agreed that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap 571) of Hong Kong (the "**SFO**") and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

People's Republic of China

Each Joint Lead Manager has represented, warranted and agreed that it has not offered or sold and will not offer or sell the Notes, directly or indirectly, in the PRC or to PRC persons, for such purpose, not including the Hong Kong and Macau Special Administrative Regions or Taiwan, except as permitted by applicable PRC laws and regulations.

Singapore

Each Joint Lead Manager has acknowledged that this Prospectus has not been, and will not be, registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Joint Lead Manager has represented, warranted and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of any invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of any invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute this Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined under Section 4A of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 2(1) of the SFA) or securities based derivatives contracts (as defined in Section 2(1) of the SFA), of that corporation or beneficiaries' rights and interest (howsoever described) in that trust shall not be

transferred within 6 months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person, or where such transfer to any person arises from an offer referred to in Section 275(1A) or an offer referred to in Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) pursuant to Section 276(7) of the SFA; or
- (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-Based Derivatives Contracts) Regulations 2018.

Switzerland

The offering of the Notes in Switzerland is exempt from the requirement to prepare and publish a prospectus under the Swiss Financial Services Act ("**FinSA**") as long as such offering is made to professional clients within the meaning of the FinSA only or as long as the Notes have a minimum denomination of CHF 100,000 (or equivalent in another currency) or more and the Notes will not be admitted to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. This Prospectus does not constitute a prospectus pursuant to the FinSA, and no such prospectus has been or will be prepared for or in connection with the offering of the Notes.

United Arab Emirates (excluding the Dubai International Financial Centre)

The Notes have not been and may not be offered, sold or publicly promoted or advertised in the United Arab Emirates (the "**UAE**") other than in compliance with any laws applicable in the UAE governing the issue, offering and sale of securities.

Dubai International Financial Centre

The Notes have not been and may not be offered to any person in the Dubai International Financial Centre unless such offer is:

- (a) an "**Exempt Offer**" in accordance with the Markets Rules (MKT) Module of the Dubai Financial Services Authority (the "**DFSA**") rulebook; and
- (b) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the Conduct of Business Module of the DFSA rulebook

Canada

The Notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions ("**NI 45-106**") or subsection 73.3(1) of the Securities Act (Ontario) (the "**OSA**"), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations ("**NI 31-103**"). Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

General

No action has been or will be taken in any country or jurisdiction by the Issuer or the Joint Lead Managers that would permit a non-exempt offering of the Notes, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required. Accordingly, each of the Joint Lead Managers will have undertaken in the Subscription Agreement that it will not, directly or indirectly, offer or sell any Notes or distribute or publish any prospectus, form of application, advertisement or other document or information in any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose hands this Prospectus comes are required by the Issuer and the Joint Lead Managers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver the Notes or have in their possession or distribute such offering material, in all cases at their own expense.

GENERAL INFORMATION

1. Authorisation

The Issuer has obtained all necessary consents, approvals and authorisations in France in connection with the issue and performance of its obligations under the Notes. The issue of the Notes was authorised by a resolution of the Board of Directors (*conseil d'administration*) of the Issuer dated 3 February 2022 and a decision of Jean-Baptiste Chasseloup de Chatillon, *Vice-Président Exécutif, Directeur Financier* of the Issuer dated 30 March 2022.

2. AMF approval statement

This Prospectus has been approved by the AMF in its capacity as competent authority under the Prospectus Regulation. The AMF only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or of the quality of the Notes that are the subject of this Prospectus and investors should make their own assessment as to the suitability of investing in the Notes.

3. Validity of the Prospectus

This Prospectus will be valid until the date of admission of the Notes to trading on Euronext Paris. After such date, this Prospectus will expire and the obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies will no longer apply.

4. Listing and admission to trading

The Legal Entity Identifier (LEI) of the Issuer is: 549300E9PC51EN656011.

Application has been made for the Notes to be admitted to trading on Euronext Paris on or about 6 April 2022. The estimated costs for the admission to trading of the Notes are EUR 9,600.

5. Documents available

So long as the Notes remain outstanding, copies of the following documents will, when published, be available from the registered office of the Issuer and the office of the Fiscal Agent:

- (i) the constitutional documents (together with an English translation) of the Issuer (as the same may be updated from time to time);
- (ii) this Prospectus together with any supplement to this Prospectus;
- (iii) the documents incorporated by reference, including the 2021 Annual Report on Form 20-F and the 2020 Annual Report on Form 20-F; and
- (iv) the Agency Agreement;

This Prospectus and any supplement thereto will be available on the website of the AMF (www.amf-france.org).

The documents listed above will be available on the website of the Issuer (www.sanofi.com). The information on the website of the Issuer does not form part of this Prospectus unless that information is incorporated by reference into this Prospectus.

6. Clearing systems

The Notes have been accepted for clearance through Euroclear France, Clearstream and Euroclear.

The International Securities Identification Number (ISIN) for the Notes is FR0014009KQ0 and the Common Code number for the Notes is 246617082.

The address of Euroclear France is 66, rue de la Victoire, 75009 Paris, France. The address of Euroclear is 1 boulevard du Roi Albert II, 1210 Brussels, Belgium and the address of Clearstream is 42 avenue John Fitzgerald Kennedy, L-1855 Luxembourg, Grand-Duchy of Luxembourg.

7. Trend Information and no significant change

Save as disclosed in this Prospectus and the information incorporated by reference herein, there has been no material adverse change in the prospects of the Issuer since 31 December 2021, nor has there been any significant change in the financial position or financial performance of the Issuer or the Group since 31 December 2021.

8. Litigation and Arbitration proceedings

Save as disclosed under the heading "*Information on Legal or Arbitration Proceedings*" on pages 139-141, pages F80 to F85 of the 2021 Annual Report on Form 20-F incorporated by reference herein, the Issuer has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the twelve (12) months before the date of this Prospectus which may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer and /or the Group.

9. Administrative, Management and Supervisory Bodies' Conflicts of Interest

Sanofi's corporate governance structure is disclosed at "*Item 6. Directors, Senior Management and Employees*" on pages 77 to 104 of the 2021 Annual Report on Form 20-F incorporated by reference herein; except as described hereafter and in the "Recent Developments" section above, there has been no change to such corporate governance structure as of the date of this Prospectus.

The contact address of the directors and senior management, is the same as the registered office of the Issuer as found on page 67 of the Prospectus.

The Issuer believes that there are currently no potential conflicts of interest between the duties of the directors and chief corporate officers to the Issuer, their private interests or other duties.

10. Statutory Auditors

Ernst & Young et Autres and PricewaterhouseCoopers Audit are the statutory auditors of the Issuer. Ernst & Young et Autres and PricewaterhouseCoopers Audit have audited or reviewed, and rendered unqualified reports on, the consolidated financial statements of the Issuer as at, and for period ended, 31 December 2021 and as at and for period ended, 31 December 2020. Ernst & Young et Autres and PricewaterhouseCoopers Audit are registered as *Commissaires aux Comptes* (members of the *Compagnie Nationale des Commissaires aux Comptes*) and regulated by the *Haut Conseil du Commissariat aux Comptes*.

11. Yield

The yield in respect of the Notes is 1.302 per cent. per annum, being calculated at the Issue Date on the basis of the Issue Price, and assuming that no interest step-up is applied in accordance with Condition 3(d) (*Rate of Interest following a Trigger Event*) of the Notes. It is not an indication of future yield. If an interest step-up of 0.25 per cent. per annum is applied in accordance with Condition 3(d) (*Rate of Interest following a Trigger Event*) of the Notes, the yield in respect of the Notes, being calculated at the Issue Date on the basis of the Issue Price, would be 1.371 per cent. per annum. It is not an indication of future yield.

12. Stabilisation

In connection with the issue of the Notes, Natixis (the "**Stabilising Manager**") (or any person acting on behalf of the Stabilising Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later

than the earlier of thirty (30) days after the Issue Date and sixty (60) days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager (or any person acting on behalf of the Stabilising Manager) in accordance with all applicable laws and regulations.

13. Conflicts of Interest

Save for any fees payable to the Joint Lead Managers, as far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the issue.

Certain of the Joint Lead Managers and their affiliates (including their parent companies) have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and their affiliates in the ordinary course of business. Certain of the Joint Lead Managers and their affiliates may have positions, deal or make markets in the Notes, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

In addition, in the ordinary course of their business activities, the Joint Lead Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or the Issuer's affiliates. Certain of the Joint Lead Managers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Joint Lead Managers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued. The Joint Lead Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

14. Websites

Any websites included in this Prospectus (including for the avoidance of doubt the Terms and Conditions of the Notes) are for information purposes only and the information in such websites does not form any part of this Prospectus unless that information is incorporated by reference into the Prospectus. The information on the websites to which this Prospectus refers does not form part of this Prospectus and has not been scrutinised or approved by the AMF.

15. Credit ratings and endorsement

The Notes are expected to be rated A1 by Moody's, AA by S&P and AA by Scope. The Issuer's long-term senior unsecured debt is rated A1 (stable outlook) by Moody's, AA (stable outlook) by S&P and AA (positive outlook) by Scope. Each of Moody's, S&P and Scope is established in the EEA and is registered under Regulation (EU) No 1060/2009, on credit rating agencies (the "**EU CRA Regulation**"). Each of Moody's, S&P and Scope is included in the list of registered credit rating agencies on the ESMA website (<https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>). The rating given by each of Moody's, S&P and Scope is endorsed by Moody's Investors Service Ltd, S&P Global Ratings UK Limited and Scope Ratings UK Limited respectively, which is established in the UK and registered under Regulation (EU) No 1060/2009 on credit rating agencies as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**") as of the date of this Prospectus.

PERSONS RESPONSIBLE FOR THE INFORMATION GIVEN IN THE PROSPECTUS

The Issuer hereby certifies that the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

SANOFI
54, rue La Boétie
75008 Paris
France

Duly represented by Olivier Klaric, Senior Vice President Financing, Treasury and Insurance

signed in Paris

dated 4 April 2022



This Prospectus has been approved by the AMF, in its capacity as competent authority under Regulation (EU) 2017/1129.

The AMF has approved this Prospectus after having verified that the information it contains is complete, coherent and comprehensible within the meaning of Regulation (EU) 2017/1129.

This approval is not a favourable opinion on the Issuer and on the quality of the Notes described in this Prospectus. Investors should make their own assessment of the opportunity to invest in such Notes.

This Prospectus has been approved on 4 April 2022 and is valid until the date of admission of the Notes to trading on Euronext Paris and shall, during this period and in accordance with the provisions of article 23 of Regulation (EU) 2017/1129, be completed by a supplement to the Prospectus in the event of new material facts or substantial errors or inaccuracies. This Prospectus obtained the following approval number: n°22-079.

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