

The path to
**SUSTAINABILITY
FOR LIFE SCIENCES**

AN EXCLUSIVE INTERVIEW WITH

sanofi

and



INTRODUCTION



Cyril Francois

COO, Head of Industries,
Global Sales Officer,
Capgemini Invent

COVID-19 highlighted the crucial role the pharmaceutical sector plays in society and the economy as a whole, reinforcing the importance of sustainability in this industry. Now more than ever, Big Pharma is at a crossroads and must move quickly from simple ESG¹ commitments to concrete, sustainable, value-generating actions. This “transition to action” requires Big Pharma to go beyond the development of specific strategies, to define performance indicators, and implement digital solutions to measure impact.

In order to explore the latest trends in sustainability and to obtain valuable insights from key players in the industry, we gave the floor to Sanofi and UCB, two companies that are committed to sustainable development and whose goal is to neutralize their carbon emissions by 2030.

In this interview, Annabelle Harreguy (Global Health, Safety and Environment Head at Sanofi) and Véronique Toully (Global Head of Sustainability at UCB) shared their vision and ambitions in terms of sustainability, as well as the different initiatives they have taken to minimize their impact on the environment and maximize their impact on society and patients.

¹ Environmental, social and governance (ESG) criteria encompass the activities of a company that may have an impact on society or the environment.

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An Exclusive Interview:

HOW SANOFI AND UCB ARE TACKLING SUSTAINABILITY



Cyril Francois

COO, Head of Industries,
Global Sales Officer



Annabelle Harreguy

Global Health, Safety and
Environment Head



Véronique Touilly

Global Head of
Sustainability



in discussion with

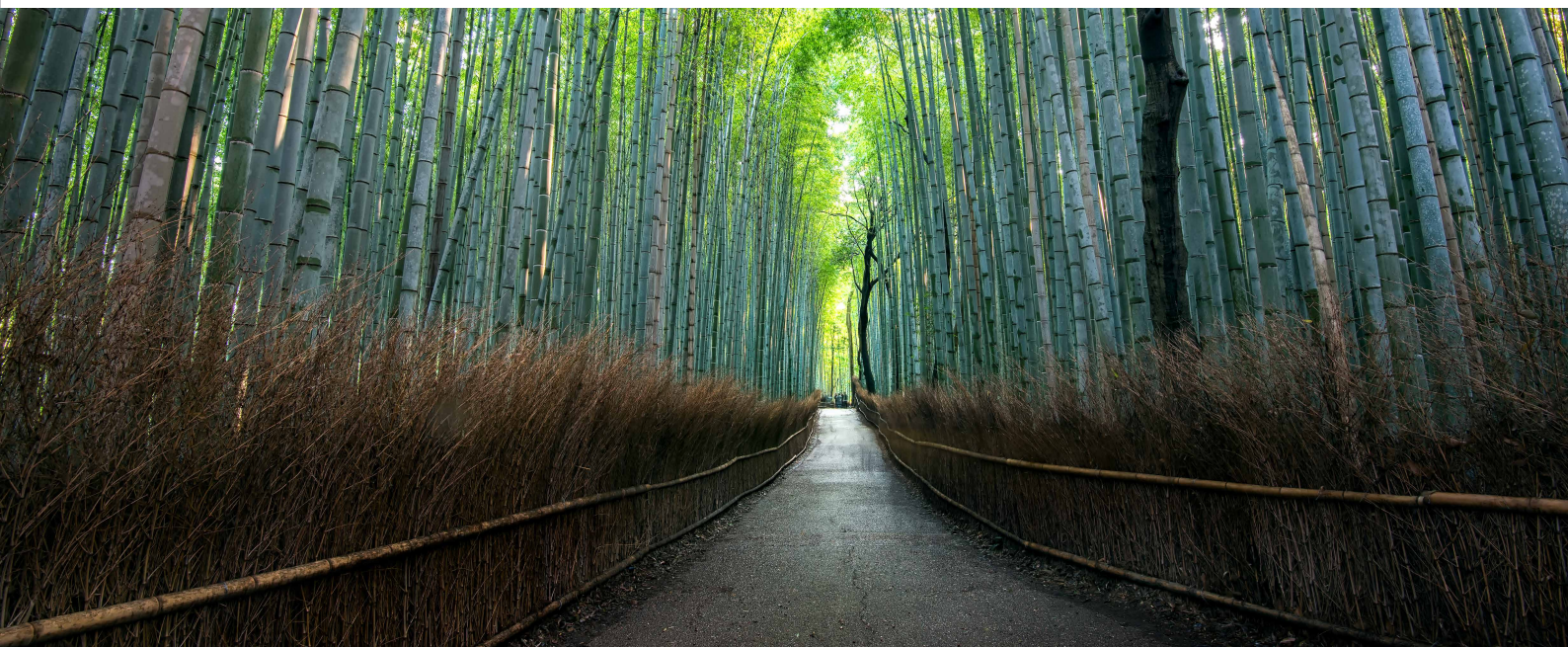


How do you define “sustainability” in your company? Could you describe for us some of the strategic priorities you put behind this term?

— **Véronique:** For us, sustainability means, first of all, making decisions: acting today to create a positive impact and to preserve future generations. We want to *“Create value for patients, now and in the future.”*

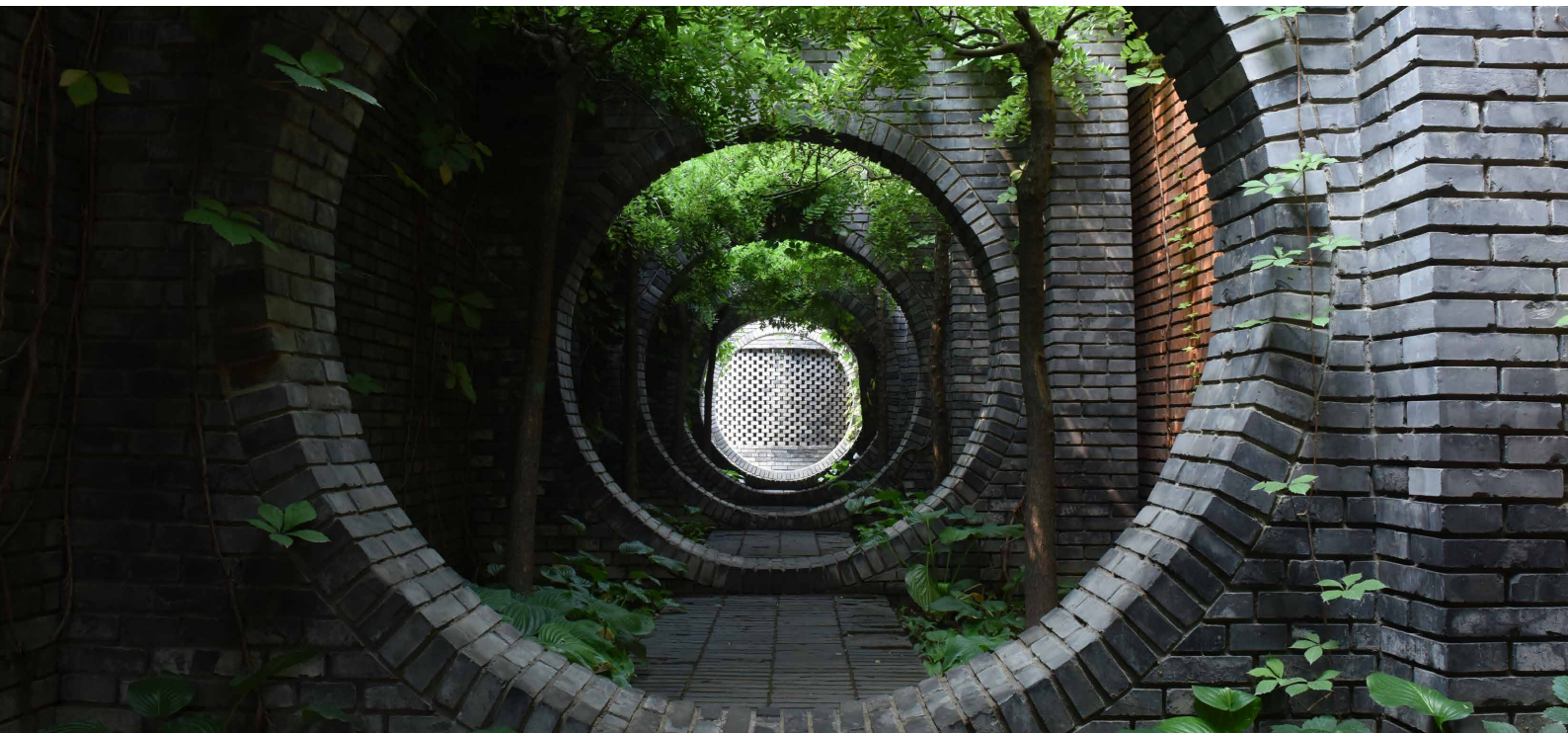
By producing medicines and making them accessible to patients in need, the pharmaceutical industry has a strong social impact on society. At UCB, this anchoring and the genuine desire to contribute to a better society are championed by our CEO, Jean-Christophe Tellier, who as early as 2015 wanted to put the patient at the center of our activities.

— **Annabelle:** At Sanofi, our ESG priorities are clearly stated and driven by the CSR teams under the sponsorship of our CEO. As a global company, and as a pharmaceutical company, we are aware of our responsibility to address the challenges facing the world and to make a strong societal impact. Within the HSE teams, we work every day to turn our climate ambitions into action; conscious of the urgency and the need to act now to ensure we pass on a healthier planet to future generations.



Historically, in large companies, transformations are driven by the Executive Committee. Have you noticed the emergence of organic initiatives in your organizations, where employees proactively propose solutions to accelerate your transition towards sustainability?

— **Annabelle:** Yes, that is why we launched an employee engagement initiative open to all group employees two years ago, supported by the annual Planet Care Fund to the tune of €3m. The aim of this initiative is to encourage our employees to submit ideas for concrete and innovative projects that can be implemented on our sites. These projects are reviewed by a committee of senior leaders and collaborators and voted on by employees. Projects we approve for funding are announced at an annual ceremony and are awarded a grant to help implement them. In 2021, the first year of our launch, we were so impressed by the enthusiasm and commitment of our employees around the world. This is proof that our employees are, above all, citizens who are aware of the challenges facing our society and are willing to act and get involved. We are proud of the mobilization of our employees who carry the values of Sanofi loud and clear.





The coherence between our company's raison d'être and the personal values of our employees is a key success factor for us."

Véronique Toully

Global Head of Sustainability, UCB

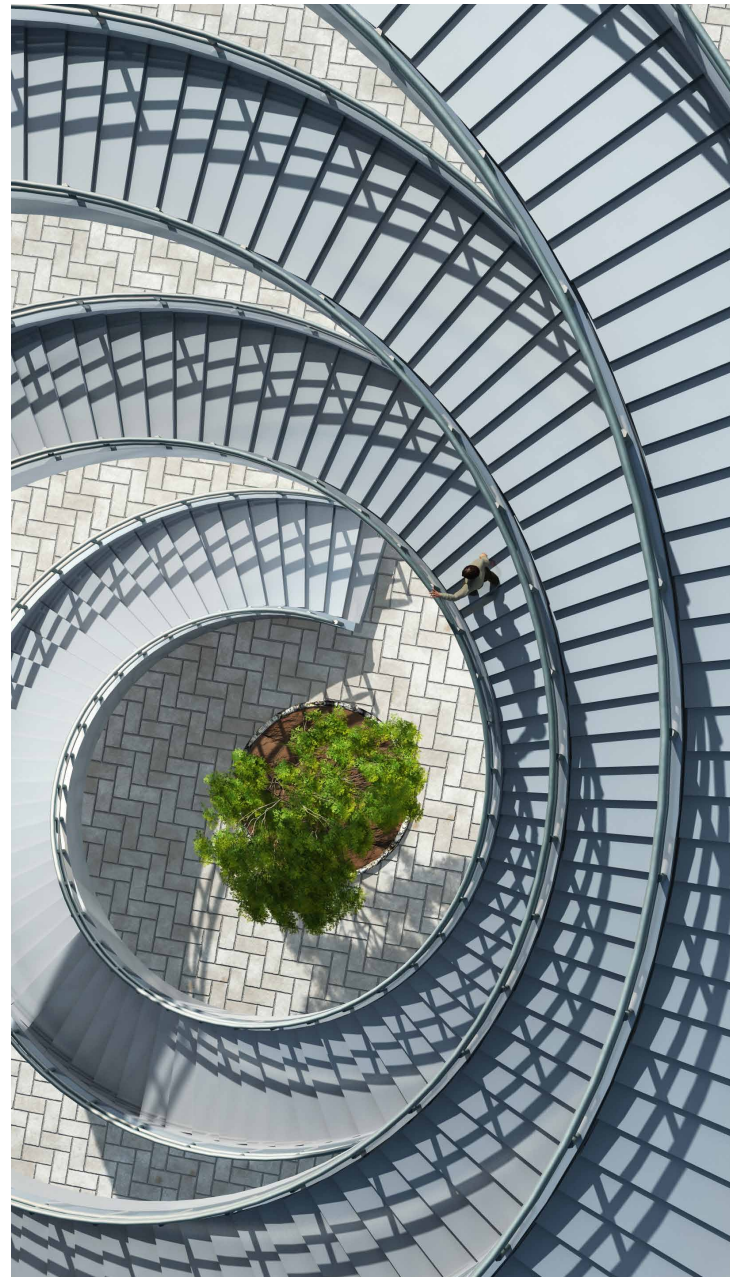
— **Véronique:** A real enthusiasm from our employees is rising to the executive level of our company. In terms of engagement, we have established a global network of country and business unit champions to accelerate the implementation of plans related to our sustainability performance goals, including improving access to medicines for patients, the health and well-being of our employees, and reducing our environmental footprint. Many employees have also mobilized to create employee resource groups (ERGs), which bring together employees who promote UCB's culture of diversity and inclusion based on their own identity, values, and interests. Today, more than a quarter of our employees are members of our Champions Network or ERGs, contributing to the concrete integration of sustainability and the company's performance.

We find that this commitment is not geographically dependent. In all countries, there is a strong motivation to contribute to the sustainable performance of the company, especially as our objectives are clear, integrated into the strategic objectives of the group, and focused on issues where UCB can have a positive local and global impact. The coherence between our company's raison d'être and the personal values of our employees is a key success factor for us.

Beyond the long-term vision of your companies, how are your strategic ambitions in terms of sustainable development translated into concrete actions? Which areas of your company's value chain are most concerned by this transformation?

— **Véronique:** Access to medicines for our patients and the issues of diversity, equity, and inclusion linked to access to therapeutic innovation are at the heart of our sustainable performance objectives. This thinking, as well as the environmental impact of our products, is integrated from the earliest stages of development and continues through launch preparation and commercialization.

In the past, when doing pharmaceutical research, we were mostly concerned with the clinical impact of our drugs on patients, and less with these other considerations. Fortunately, this has changed. For example, we are tailoring our clinical development to ensure that the patients who participate are representative of the ethnically diverse population that will benefit from the drug in the future. In the commercialization phase, we also measure patient access to reimbursement for our drugs with concrete targets for improvement over time, because we know it is one of the barriers of access to therapeutic innovation.



— **Annabelle:** Our environmental roadmap is well defined and is based on major ambitions: the fight against climate change, the management and preservation of natural resources, the eco-design of our products, and the commitment of our employees and suppliers. We are particularly proud to be able to cite concrete examples, such as the installation of solar power plants at our Aramon and Montpellier sites by early 2023, and a new 100% electric vaccine factory in Singapore that embodies the design of the future for our factories.

We are also making progress in the area of eco-design and have made a commitment to implement this across all our new products from the R&D portfolio by 2025. We have also initiated life cycle analyses on our R&D products and are working on concrete eco-packaging and waste management solutions to limit the environmental footprint of all our new products.



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Annabelle Harreguy

Global Health, Safety and Environment Head, Sanofi

Implementing sustainable initiatives often involves very significant investments, which can sometimes have a major impact on a company's financial results. How do your managers approach this trade-off?

— **Annabelle:** At Sanofi, we believe that pitting profitability against sustainability does not lead to optimal trade-offs. We prefer to consider the achievement of our sustainability roadmap as a major challenge – requiring investments that need to be reflected in our strategic plans.

As promoters of sustainability, we are aware of the need to accelerate this transition. We must act, we have no choice and failure to act could be detrimental to us.

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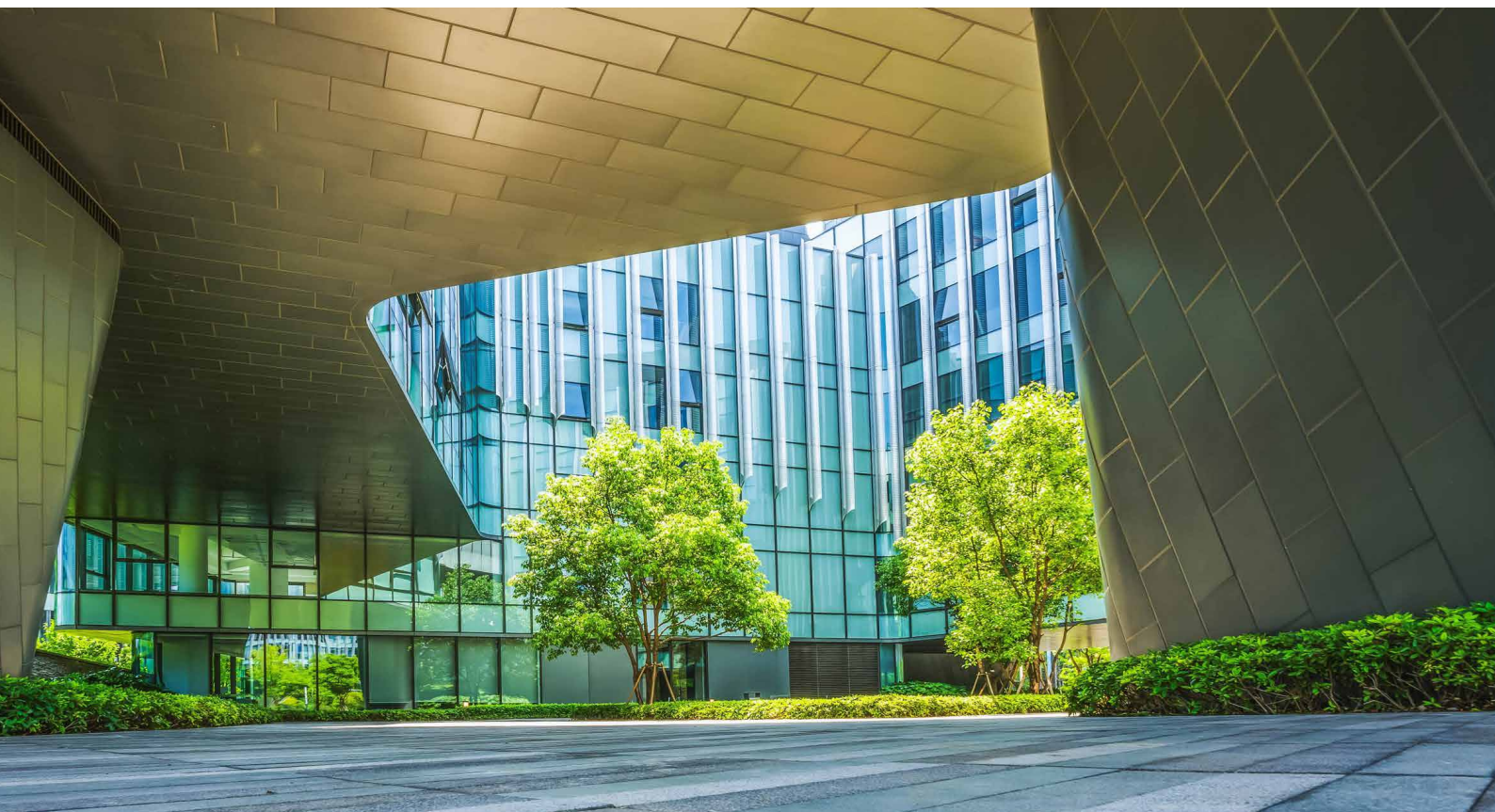
Annabelle Harreguy

Global Health, Safety and Environment Head, Sanofi



— **Véronique:** We consider the trade-off between sustainability and profitability to be a false debate because the two are inherently related: we are convinced that in the long term, investments for sustainable performance are economically beneficial. Companies that create value for all their stakeholders, and thus contribute to meeting the major challenges of our time, are major players in the transition and are already recognized as such by their customers, their partners and the younger generations who join them, which is a guarantee of success.

On the other hand, the link between financial performance and non-financial performance - or ESG performance - is not yet unanimously recognized by all financial market players. This clearly runs counter to the need to move quickly towards a fairer and greener economy. The commitment of our Executive Committee leaves no doubt that UCB is now putting sustainability at the top of its agenda, along with our financial performance ambitions.





Sustainability is a common cause for the pharmaceutical industry, which will have to be carried by all its stakeholders to achieve a lasting transformation. In addition to your organizations, how do you perceive the relationships within the pharmaceutical ecosystem to achieve this cause?

— **Annabelle:** For many years we have participated in industry bodies that enable us to collaborate and move forward as one. Since COP 26, we notice the momentum is accelerating with a desire to move the goal posts even further. This is reflected in the pooling of our expertise and know-how to help our suppliers decarbonize their businesses. We have a duty to encourage all members of the value chain to act, and to do so, we must help and support them.

— **Véronique:** We are now showing our willingness to work hand in hand to achieve our objectives more quickly and efficiently. Our professional organizations, such as the International Federation of Pharmaceutical Manufacturers & Associations (IFPAM), are federating this collaborative dynamic. We have all realized that we will not be able to contribute effectively to the transition without working together. This obviously contrasts with our historically competitive relationships, which on sustainability issues take a back seat.

Greenwashing is a marketing method aimed at creating an illusory image of a company's ecological responsibility to its audience. This practice is often considered a major risk for companies that really want to implement sustainable policies. What is your approach to this?

— **Véronique:** Beyond the eminent challenge of implementing concrete sustainability programs and promoting them within our organization, we perceive greenwashing as a real danger. While our commitment is genuine and shared within the organization, we are vigilant and rigorous in the quantitative monitoring of our commitments and have established very precise indicators, which we publish annually, to ensure constant and effective measurement of our progress. Our direct and indirect greenhouse gas emissions reduction targets have also been validated by the Science-Based Targets (SBTi) organization and we share our progress data with them every year. All our indicators allow us to assess our non-financial performance and are audited by qualified independent experts.



We are very vigilant and rigorous in the quantitative monitoring of our commitments and have established precise indicators."

Véronique Touilly

Global Head of Sustainability, UCB

— **Annabelle:** We have also opted for a transparent approach to our objectives, progress and indicators. All the data we publish has been validated by international organizations such as SBTi and external auditors (please refer to our extra-financial report).

Our approach is to deliver on our commitments ("Walk the Talk"); our ambition is accompanied by concrete measures that we recently highlighted in our climate brochure published on the 19th of September during Climate Week.

In addition, our roadmap is taken very seriously by our managers (Executive Committee); as a part of their variable remuneration is dependent on the achievement of ESG results.

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Based on the principle that ‘what gets measured, gets improved’, access to data is an essential prerequisite.”

Annabelle Harreguy

Global Health, Safety and Environment Head, Sanofi

Digitization and the use of near real-time data is often perceived as a solution to greenwashing. How does your company align its digital strategy with its sustainable strategy?

Is it easy for you to measure your progress in terms of sustainability?

— **Véronique:** It is crucial for us to have access to data to measure our impact: some pre-existing data, but also new data that we must learn to capture and analyze. Digital tools are therefore essential, and we believe that digital transformation and sustainable transformation must be done together in a fully integrated approach.

— **Annabelle:** Digitalization is a key to the sustainable transformation of every company. Based on the principle that “what gets measured, gets improved”, access to data is an essential prerequisite. For example, we are convinced that in order to achieve our emission reduction targets, we must be able to accurately measure our carbon footprint. To date, we believe that the calculation of our carbon footprint on scopes 1 & 2 are reliable; however, there is still much room for improvement on scope 3 as we rely on supplier data which is not always accessible nor complete.

We are also proud of the progress we have made in terms of eco-design and in particular the implementation of a digital tool developed internally with the support of our teams.

How can we ensure that this remarkable dynamic continues?

Do you think the new generations – often described as having sustainability at the top of their priorities – have an essential role to play in ensuring the sustainability of these initiatives?

— **Véronique:** We are very much aware of the role that sustainability plays for our younger colleagues and that it sits high on their priority list. If we can offer a platform through which they can operationalize this desire and join us in driving our sustainability agenda forward, then we believe we have won part of the battle.

— **Annabelle:** We see the influence of the next generation in motivating people to promote sustainable development in our organization. Our young employees are keen to see the values they hold dear represented in their company. By helping to accelerate this sustainable transition, we are not only investing in a better future, but also attracting devoted employees and providing them with a platform to pursue this noble cause.



If we are able to offer a platform through which they can operationalize this desire and join us in driving our sustainability agenda forward, then we believe we have won a part of the battle."

Véronique Toully

Global Head of Sustainability, UCB

MEET THE EXPERTS



Cyril Francois

COO, Head of Industries,
Global Sales Officer,
Capgemini Invent

Cyril Francois has been in management consulting for more than 25 years, working with CxOs of many industries on their strategy and transformation with a special focus on Life Sciences in the last 10 years. He represents Capgemini at the board of Future4Care, the digital health startup accelerator.



Annabelle Harreguy

Global Health, Safety and
Environment Head, Sanofi

Annabelle Harreguy promotes people safety and wellbeing, and drives the global environmental roadmap at Sanofi. Sanofi recognizes environmental protection as a driving force of people's health journey. They are committed to providing safe and healthy working conditions to their people. As a global company, Sanofi has a responsibility to play its part in addressing some of the world's most pressing challenges.



Véronique Touilly

Global Head of
Sustainability, UCB

Veronique Touilly is responsible for the integration of sustainability within UCB's strategy and for supporting the organization in incorporating economic, social and environmental perspectives in order to drive measurable societal impact. Veronique has 30 years' experience in the health care industry. At UCB, she set up the Global Market Access department and has been General Manager of UCB Australia and China affiliates.

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