

2022
TCFD REPORT

REGENERON



Welcome to Regeneron's third annual TCFD Report.

Introduction

The impacts of climate change on humans and natural systems are clear – and accelerating. Regeneron remains committed to mitigating climate-related risks and maximizing opportunities to protect our planet, improve human health and strengthen our business resiliency.

In 2020, we conducted an assessment of our climate-related risks and opportunities and conducted a scenario analysis to evaluate their potential impacts on our business. In keeping with our commitment to transparency, this report shares the findings from this assessment and how Regeneron is taking action, in alignment with the climate-specific recommendations developed by the Task Force on Climate-related Financial Disclosures (TCFD).

Governance

While the full Board has retained oversight of the Company's strategies and policies related to diversity, equity and inclusion, the Board has delegated general oversight of Environmental, Social and Governance (ESG)-related matters, including climate change, to the Corporate Governance and Compliance Committee (CGCC) as set forth in the [CGCC's charter](#). The CGCC reviews and monitors major plans and strategies to address climate-related risks and opportunities. The Chief Executive Officer (CEO), who has overall responsibility for business strategy, including ESG matters, is a member of the Board. The Board, through the CGCC, as well as the CEO, provided feedback and approval of our global responsibility goals, including our environmental targets.

At the management level, our Responsibility Committee, comprised of cross-functional business leaders, is responsible for overseeing the development and implementation of our global climate-related targets, metrics and initiatives. With oversight from the Responsibility Committee, Regeneron conducts a [materiality assessment](#)¹ to identify and prioritize ESG issues, including climate-related risks. Through our materiality assessments, we engage senior leaders and external

stakeholder groups to prioritize the ESG issues based on their significance to our stakeholders and our business. Responsibility Committee members monitor and assess relevant climate-related risks and opportunities, and delegate responsibilities for implementing responses to the appropriate operational functions throughout the company.

Additionally, Regeneron has formal processes and procedures to embed environmental practices into our business, and they are codified in our [Policy on Environment, Health and Safety](#). As part of our commitment to transparency, we annually publish a [Responsibility Report](#) and respond to [CDP Climate Change](#) and [CDP Water Security questionnaires](#).

Strategy

In 2020, Regeneron conducted a scenario analysis to evaluate potential business impacts of climate-related physical risks, such as severe hurricanes and extreme heat, as well as the risks associated with a transition to a low-carbon economy, such as new or changing climate policies and the impacts of carbon pricing initiatives. This scenario analysis helps us to create strategies to remain resilient under a range of possible climate outcomes.

To inform our scenario analysis, we conducted interviews with business leaders and subject matter experts across the organization to identify and assess climate-related risks and opportunities we may face over short-, medium- and long-term time horizons. Through this process, we first identified potential climate-related transitional and physical risks and opportunities. Then, through a qualitative assessment, we determined that the majority of risks Regeneron may face are related to potential physical impacts of climate change, primarily business disruptions due to intense weather events.

Our scenario analysis focused on deepening our understanding of the longer-term business impacts of these potential physical risks. We used climate projection models for 2030 and 2050 within the business-as-usual scenario, which assumes 4.1°C of warming by the end of the century.² This scenario models how socioeconomic trends, such as population, urbanization, economic growth and advances in technology, influence atmospheric greenhouse gas (GHG) concentrations and associated global warming potential.

¹ In this report, we use the terms "material" and "materiality" to refer to topics that reflect Regeneron's meaningful economic, environmental and social impacts or that influence the assessments and decisions of stakeholders, or what sustainability organizations and standards commonly define as "Material Aspects." The use of such terms shall not be deemed to constitute an admission as to the materiality of any information in this report for purposes of applicable securities laws or any other laws of the United States, nor are we using them as they are used in the context of financial statements and financial reporting.

² Physical risk analysis was conducted using the combined Shared Socioeconomic Pathway 3 and Representative Concentration Pathway 7.0 or "SSP3-RCP7.0" scenario, a business-as-usual, high-emissions trajectory that models high challenges to mitigation and adaptation to climate change. SSP3-RCP7.0 is one of several new socioeconomic climate scenarios incorporated into CMIP6, the updated, state-of-the-art models developed for the Intergovernmental Panel on Climate Change's (IPCC) upcoming Sixth Assessment Report (AR6).

CLIMATE-RELATED OPERATIONAL STRATEGIES

Our scenario analysis found limited climate-related risks to our operations. This is due to the strategic location of our sites and the range of mitigation strategies we have in place to ensure the resiliency of our operations globally, including:

- Recognizing the impact that climate-related physical risks could have on our research and development (R&D) and manufacturing operations, we construct facilities in accordance with established standards to withstand extreme weather events.
- We build in redundancies for our energy supply across our main sites to help ensure resiliency in our mission-critical R&D and manufacturing functions.
- At our headquarters, we partner with our utility and the state operator to convert our generators to lower emissions and higher-capacity generation, allowing us to participate in demand response programs and run independently from the electric grid. These generators help ensure our continued operations in the face of hurricanes or other extreme weather events.

- At our Regeneron-owned facilities, we actively invest in improving our energy efficiency and reducing our dependencies on the grid by generating renewable energy. We established a sustainability working group to help integrate environmental criteria, including energy efficiency, into our ongoing \$1.8 Tarrytown campus expansion project, which is underway.
- We also seek opportunities to engage with stakeholders in our industry to better anticipate and respond to potential climate-related impacts, such as emerging regulations, shifts in availability of raw materials and innovations in manufacturing components.

For more information on our environmental sustainability programs and initiatives, please visit our [2022 Responsibility Report](#).

CLIMATE-RELATED VALUE CHAIN STRATEGIES

Our scenario analysis identified potential risks within our value chain associated with the physical impacts of climate change. For example, an extreme weather event such as a hurricane could halt operations at a supplier's facility, disrupting our access to key manufacturing components, chemicals or other materials.

We have strategies in place to identify and manage risks in our value chain, including:

- We engage in strategic purchasing to ensure a sufficient supply of key raw materials and components.
- Our environmental targets are designed to help advance our understanding of potential climate-related impacts, including those in our supply chain. For example, we have a target to engage select suppliers to gather and report relevant Scope 3 GHG emissions data.

We continue to seek opportunities to further engage our vendors and collaborators to secure our value chain against both physical and transitional risks and strengthen resiliency.

CLIMATE-RELATED HEALTH IMPACTS

All of our climate-related strategies are centered on our mission to deliver needed new medicines to patients. While recognizing climate change poses potential risks, we also believe understanding and addressing climate-driven impacts can create opportunities to meet patients' evolving needs.

Climate change and the accompanying changes in physical conditions are driving an increase in climate-related health impacts, including allergens, vector-borne diseases and cardiovascular health

issues. As a science-based company, we anticipate a need for new therapies to address these potential impacts.

We consider the potential impacts a changing climate could have on human health as part of our research efforts. For example, we have used publicly available models from the U.S. Centers for Disease Control and Prevention to understand how climate change may drive changes in mosquito migration trends and impact mosquito-driven disease transmission.

STAKEHOLDER ENGAGEMENT

Regeneron engages with a wide range of stakeholders on climate-related issues, including community partners, industry peers, suppliers and government agencies. We engage with the investor community to confirm our understanding of, and resilience to, potential climate-related risks to our business and our value chain.

Risk Management

Regeneron's robust enterprise risk management (ERM) program holistically considers risks to, and potential impacts on, our business. As part of our ERM process, we continually seek and obtain input on potential risks from leaders across the business. To date, our ERM process has not identified any significant risks related to climate change.

Corporate risks are identified and assessed using business impact analysis criteria, including financial materiality, compliance, operational and competitive edge and shareholder and stakeholder confidence value. We employ these tools to assess projects as they are budgeted for, planned out and executed. This process helps us identify gaps that may arise and allocate resources to mitigate potential risks. For example, we work with our insurance providers to consider the financial implications of potential physical risks posed by climate change. At a site level, we identify and prioritize risks based on potential impacts as well as mitigation plans.

We assess our business through publicly available tools – such as the World Resources Institute Aqueduct tool to understand the impacts of water stress on our operations – and our exposure to physical hazards.

Each site develops and maintains its own business resiliency program to ensure risks and

opportunities are considered and addressed within each operating area. For example, at our Limerick, Ireland, site, we manage regulatory risks associated with carbon pricing exposure through the European Union Emissions Trading Scheme (EU ETS) by incorporating current and projected carbon prices into our financial planning.

Metrics and Targets

Building on our existing mitigation strategies in our operations and value chain, we continue to make progress toward our environmental sustainability targets for energy and GHG emissions, water and waste.

Our targets extend to our value chain and include a commitment to engage select suppliers to gather and report relevant Scope 3 GHG data.

More information on these targets and our progress to date can be found on pages 12, 45-51 and 68-70 of our [2022 Responsibility Report](#) and in our [CDP Climate Change](#) and [Water Security disclosures](#).

Looking Forward

Our 2020 scenario analysis was an important step in our climate journey and we continue to advance our climate-related strategy and efforts.

In 2022, we conducted an enterprise-wide assessment to better understand the key drivers of our GHG emissions and forecast how they might evolve as we continue to grow. We also held a series of cross-functional, internal workshops to identify opportunities to reduce our emissions. We used these insights to develop an action plan to meet our existing targets and prepare for the future. Our action plan focuses on increasing investment in renewable energy through activities such as directly procuring renewable electricity via mechanisms such as power purchase agreements and launching an electric vehicle pilot program for our U.S. commercial and medical affairs fleet.

Going forward, we will continue to assess and report our climate-related risks and opportunities and, where appropriate, further refine our action plans and strategies.

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