



2023

TCFD REPORT

REGENERON[®]

Welcome to Regeneron's fourth annual Task Force on Climate-related Financial Disclosures (TCFD) Report.

Introduction

The impacts of climate change on humans and natural systems continue to accelerate. Regeneron is committed to mitigating climate-related risks and maximizing opportunities to protect the environment, 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. This report provides additional information with respect to the assessment findings, as well as our actions according to the recommendations developed by the TCFD.

Governance

Our Board of Directors (the Board) has delegated general oversight of Environmental, Social and Governance (ESG)-related matters, including climate-related risks and opportunities, to the Corporate Governance and Compliance Committee (CGCC), as set forth in the CGCC's charter. The CGCC reviews and monitors strategies to address climate-

related risks and opportunities. The Chief Executive Officer (CEO), who is also co-Chair of the Board, has overall responsibility for business strategy, including ESG matters. The Board, through the CGCC, provides feedback and approval for our global responsibility goals, including our environmental targets. Regeneron's Head of Corporate Affairs oversees the corporate responsibility function and is a member of the senior management team, reporting directly to our CEO.

Our Responsibility Committee, comprised of cross-functional business leaders, oversees the development and implementation of our global Corporate Responsibility goals, including climate-related targets, metrics and initiatives, at the management level. This includes monitoring and assessing relevant climate-related risks and opportunities, and delegating responsibilities for implementing responses to the appropriate operational functions throughout the company.

With oversight from the Responsibility Committee, Regeneron conducts regular materiality assessments¹ to identify

priority ESG topics, including climate change impacts. Through our materiality assessments, we engage senior leaders and external stakeholder groups to inform our impact on society and the environment as well as how ESG risks and opportunities may impact our business.

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

Strategy

We use a scenario analysis to help us create strategies to remain resilient under a range of possible climate outcomes. In 2020, Regeneron conducted a scenario analysis to evaluate potential climate-related physical risks to our business, such as severe hurricanes and extreme heat. We also looked at risks associated with transitioning to a low-carbon economy, such as new or changing climate policies and the impacts of carbon pricing

initiatives.

To inform our scenario analysis, we interviewed business leaders and subject matter experts across the organization to identify and assess climate-related physical and transition risks and opportunities we may face over short, medium, and long-term time horizons. This was followed by a qualitative assessment where we determined that the majority of risks Regeneron may face are related to potential physical impacts of climate change, primarily business disruptions due to severe 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 Topics." 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 U.S. securities laws or any other laws or regulations, 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) Sixth Assessment Report (AR6).

Climate-related Operational Strategies

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

- 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 operations.
- At our headquarters, we have partnered 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 event of hurricanes or other extreme weather.

- At our Regeneron-owned facilities, we actively invest in improving our energy efficiency and reducing dependencies on the grid by generating renewable electricity. For example, we have a sustainability working group to help integrate environmental criteria, including energy efficiency and on-site renewable electricity, into our ongoing \$1.8 billion Tarrytown campus expansion project.
- 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 [2023 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 engaged over 50 suppliers to report relevant Scope 3 GHG emissions data.

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

Climate-related Health Impacts

Our climate-related strategies are centered on our mission to deliver needed new medicines to patients. While we recognize climate change poses potential risks, we also understand that climate-driven impacts can create opportunities to meet patients' evolving needs.

The impacts of climate change are leading to increased climate-related health impacts, including allergens, vector-borne diseases and cardiovascular health issues. As a company grounded in science, 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

We engage with a wide range of stakeholders on climate-related issues, including community partners, industry peers, suppliers, collaborators 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 value chain.

Risk Management

Regeneron's 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.

We identify and assess corporate risks using the business impact analysis (BIA) criteria. This includes considering financial materiality, compliance, operational, legal and reputational factors, as well as competitive edge, 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 climate-related physical risks. At a site level, we identify and prioritize risks based on their potential impacts and establish mitigation plans.

We assess our business through publicly available tools, such as utilizing 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 Industrial Operations and Product Supply (IOPS) 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 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 in our and in our [CDP Climate Change](#) and [Water Security](#) disclosures.

Looking Forward

Regeneron continues to advance our climate-related strategy and efforts.

In 2024, we plan to update our climate scenario analysis to reflect our growing business and the latest climate science. These insights will help inform our climate strategy, including our approach to climate-related risk management and disclosures.

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