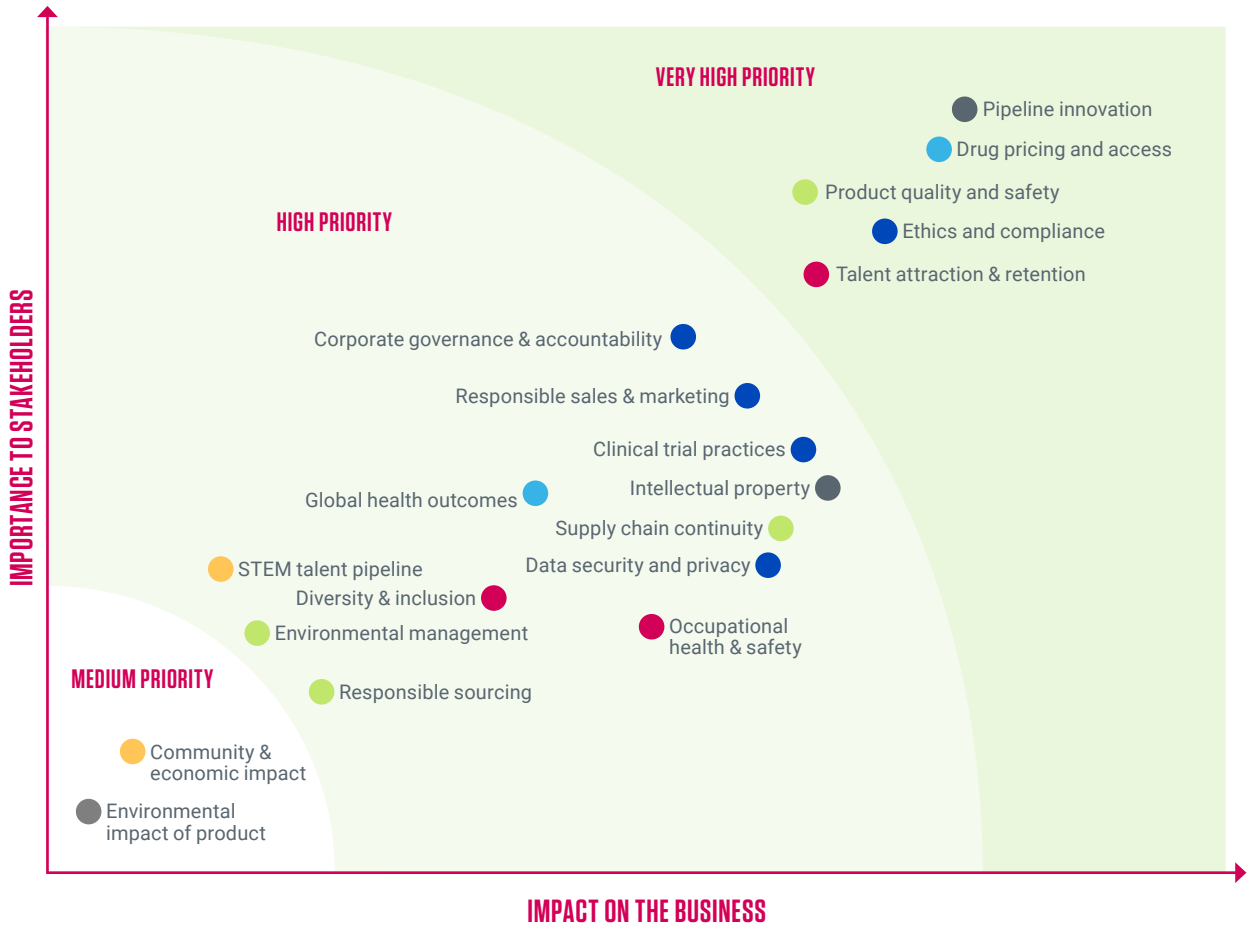
ASSESSING OUR MATERIAL ISSUES[1]

In 2018, we also conducted a materiality assessment for our business. We engaged with senior leaders and external stakeholder groups, including healthcare trade organizations, investors, patient advocacy groups and access to medicine non-profits, to prioritize the responsibility issues that are most important to our business.

At the end of 2018, our Responsibility Committee validated the findings, which we outline here. The outcomes of our materiality assessment will provide valuable guidance as we continue to refine and implement our responsibility strategy and reporting.

Issue Categories

- Culture of integrity
- Employees
- Science & innovation
- Operational excellence
- Access to healthcare
- Socio-economic impact



1. Material issue definitions are in the Data Summary. 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.

MATERIALITY DEFINITIONS

	Issue	Definition
Culture of integrity	**Clinical trial practices**	Carrying out transparent and ethical conduct of clinical trials by having systems in place to ensure they are ethically administered, supervised and regulated.
	Corporate governance & accountability	Maintaining high-quality governance systems and policies, covering areas such as oversight of ESG issues, board and executive management composition, executive compensation and succession planning.
	Data security & privacy	Ensuring the protection of personal or sensitive information that individuals and/or organizations submit to the company.
	Ethics & compliance	Having systems and policies in place to ensure the company behaves honestly and responsibly, and complies with all relevant laws, regulations and codes of conduct covering areas such as bribery & corruption, political advocacy, animal welfare and anti-competitive practice regulations.
	Responsible sales & marketing	Ethical and transparent communication, promotion and marketing and sales of a company's products and services.
Employees	**Diversity & inclusion**	Foster a diverse workforce, ensuring equal opportunity for people of all backgrounds to join and advance at the company, as well as receive equal pay for equal work.
	Occupational health & safety	Ensuring the working environment is adequately maintained for worker safety and health.
	Talent attraction & retention	Recruiting and engaging employees with skill sets required for the current and future success of the business and industry, with focus on areas such as training & development, compensation and employee well-being.
Science & innovation	**Environmental impact of product**	Managing the direct and indirect impacts of the company's products on the environment throughout the product lifecycle, from design and development, to packaging and distribution, to product disposal.
	Intellectual property	Having systems in place for safeguarding trademarks, copyright, patents and designs, and for the prevention of illegal and uncredited iterations of these creations without proper attribution.
	Pipeline innovation	Investing in innovation and research in order to fulfill unmet medical needs and create value for society through research & development productivity, long-term research & development investment and product innovation.

MATERIALITY DEFINITIONS (CONT.)

	Issue	Definition
Operational excellence	Supply chain continuity	Creating a diverse and reliable supplier base to make sure desired services and products are received on time and mitigate supply-related risks (e.g., natural disasters, lack of access of raw materials, drug shortages).
	Environmental management	Having comprehensive and systematic management tools in place to identify and manage material environmental issues, such as waste, water, energy and carbon and air emissions.
	Product quality & safety	Ensuring that goods brought to market adhere to regulations, are safe and effective, have appropriate labeling and do not fall victim to counterfeiting.
	Responsible sourcing	Having systems and policies in place to ensure suppliers behave and conduct business ethically and responsibly, covering areas such as environmental management, occupational health & safety, freedom of association and forced & child labor.
Access to healthcare	Drug pricing & access	Setting fair drug prices, strengthening the capacity of healthcare systems and providing broad access to medicines to ensure medicines are available and affordable for the people who need them.
	Health outcomes	Focusing on better prevention, disease awareness and adherence to treatment to improve patients' health and well-being.
Socio-economic impact	Community & economic impact	Contributing to the local communities and economies in which the company operates, such as by paying taxes, creating jobs and supporting communities through in-kind and cash contributions.
	STEM talent pipeline	Fostering the next generation of STEM (Science, Technology, Engineering, Math) talent to ensure a diverse and deep pool of scientific innovators.