



January 2, 2024

Samuel B. Maiden, Regional Director
Mid-Atlantic Region
U.S. Department of Labor
Office of Federal Contract Compliance Programs
1835 Market Street
Suite 2000
Philadelphia, PA 19103

Investigation Request: Sanofi Pasteur, Inc.

Dear Mr. Maiden:

America First Legal Foundation (“AFL”) is a national, nonprofit organization working to protect the rule of law, due process, and equal protection for all Americans. We write, pursuant to 41 C.F.R. § 60-1.21, seeking a complaint investigation into violations of the equal opportunity clause by Sanofi Pasteur, Inc.¹ Sanofi Pasteur, Inc. is a United States subsidiary of global pharmaceutical company Sanofi located at 1 Discovery Dr, Swiftwater, PA 18370-9100.² Since 2009, Sanofi Pasteur, Inc. has received nearly one billion dollars from federal government contracts—primarily concerning vaccines for the Department of Health and Human Services and the Centers for Disease Control and Prevention.³

Federal law requires all federal government contracts to include an equal opportunity clause prohibiting the contractor from discriminating against an employee or an applicant for employment because of race, color, religion, sex, or national origin. The law provides:

The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. Such action shall include, but

¹ See also 41 C.F.R. § 60-1.23(a) (“Complaints alleging class-type violations which do not identify the alleged discriminatee or discriminatees will be accepted, provided the other requirements of this paragraph are met.”).

² *Sanofi Pasteur Inc.*, USASPENDING, <http://tinyurl.com/5eb66vek> (last visited Dec. 27, 2023); Sanofi, Form-20-F at 53 (Mar. 17, 2023), <http://tinyurl.com/559reyhd>.

³ *Sanofi Pasteur Inc.*, USASPENDING, <http://tinyurl.com/5eb66vek> (last visited Dec. 27, 2023).

not be limited to the following: Employment, upgrading, demotion, or transfer, recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship ... The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.

41 C.F.R. §§ 60-1.4(a)(1), (2). This clause is a part of every federal contract and subcontract, whether or not it is physically incorporated, and whether or not the contract between the agency and the contractor is written. 41 C.F.R. § 60-1.4(e). If the contractor violates this provision, then the Secretary of Labor may cancel, terminate, or suspend its contracts, and the contractor may be declared ineligible for further federal government contracts and subject to other sanctions. 41 C.F.R. §§ 60-1.26–27.

The evidence is that Sanofi Pasteur, Inc. is knowingly, intentionally, and systematically violating its equal opportunity covenants and assurances. On December 21, 2023, a tape of former Sanofi Senior Vice President and U.S. Country Lead Carole Huntsman was released on X.⁴ In the video, Huntsman describes Sanofi’s “five-year plan” for “internal promotions and external hiring” that “breaks down every level” with “quarterly goals” tracked with data, so “every hiring manager knows” that “one in five hires needs to be a black employee” and “one in ten has to be a Latinx employee” to meet Sanofi’s goals.⁵

Also, Sanofi’s “Diverse Slate Policy” requires the “Talent Acquisition team” for each role to present “a minimum of one person of color and one female in each slate presented to a hiring leader” to achieve “at least 50% diverse representation of 25% POC and 25% female representation.”⁶ By 2025, Sanofi intends to have “women representing 40% of [its] executives and 50% of [its] senior leadership” worldwide and to have “37% people of color representation” consisting of “12 percent Black, 10 percent Hispanic, and 14 percent Asian [excluding R&D and Digital]” in the United States.⁷ Sanofi enforces these discriminatory policies through executive compensation, and the Board of Directors ensures that its “inclusion and diversity policy is cascaded down to “Senior Leaders” and “Executives.”⁸ For example, Chief Executive Officer Paul Hudson’s 2022 compensation accounted for the fact that the

⁴ James O’Keefe (@JamesOKeefeIII), TWITTER (Dec. 21, 2023, 7:00 PM), <http://tinyurl.com/4tcj6v5w>.

⁵ *Id.*

⁶ SANOFI, DIVERSITY, EQUITY & INCLUSION 2022 IMPACT REPORT NORTH AMERICA at 7 (May 5, 2023), <http://tinyurl.com/bdwft769>.

⁷ SANOFI, SHARPENING OUR DIVERSITY EDGE: DIVERSITY, EQUITY & INCLUSION REPORT 2022 at 4, 8, 18 (2023), <http://tinyurl.com/484panmj>; DIVERSITY, EQUITY & INCLUSION 2022 IMPACT REPORT NORTH AMERICA at 6.

⁸ Form-20-F at 84, 132.

“[n]umber of women recruited to positions at Level 5 and above” was “slightly below target.”⁹

Sanofi’s subcontracting practices may also violate applicable law. According to Global Head of Supplier Diversity Rakhi Agarwal, Sanofi’s “Supplier Diversity program is about intentional, inclusive and responsible sourcing.”¹⁰ Sanofi CEO Paul Hudson has set explicit numerical goals to double women-owned business spend and reach a total diversity spend of \$1,590,000,000 by 2025.¹¹ Sanofi is required to include nondiscrimination requirements in every one of its subcontracts or purchase orders unless otherwise exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. 41 C.F.R. § 60-1.4(a)(8). While its Suppliers Code of Conduct states its “[s]uppliers do not tolerate any forms of discrimination and treat all of its employees equally regardless of any characteristics other than their ability to do their jobs,”¹² Sanofi also requires “[c]ertification of a supplier’s diverse status ... for participation in the Sanofi’s Supplier Diversity program when applicable.”¹³ As Sanofi has defined “diversity” in its DE&I strategy,¹⁴ its Supplier Diversity program may signify discriminatory quotas and potential violations of law.

Thank you in advance for your consideration. Please feel free to contact me if you have any questions.

Sincerely,

/s/ Michael Ding

Michael Ding

America First Legal Foundation

⁹ Sanofi, *Details of Compensation Arrangements for Executive Directors* at 4 (Feb. 22, 2023), <http://tinyurl.com/4c75cx7n>; see also, *id.* at 6 (“Annual fixed and variable compensation” “individual objectives, unchanged for 2023, comprise: ... People & Culture (7.5%) Diversity, Culture, Succession Pipeline, Simplification”).

¹⁰ SANOFI, DIVERSITY, EQUITY & INCLUSION 2022 IMPACT REPORT NORTH AMERICA at 30.

¹¹ *Id.*

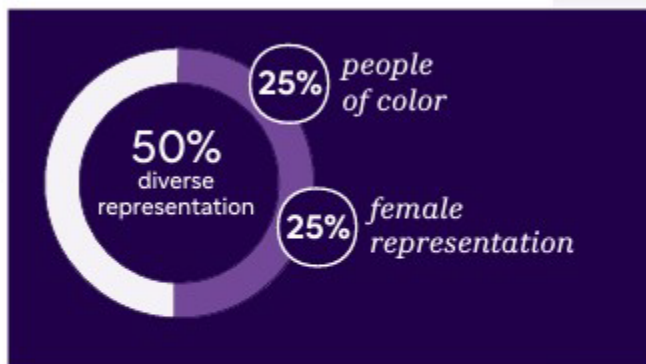
¹² SANOFI, SUPPLIERS CODE OF CONDUCT at 3 (2022), <http://tinyurl.com/yh3s436w>.

¹³ *Supplier Diversity*, Sanofi, <http://tinyurl.com/mr24zvkw> (last visited Dec. 29, 2023).

¹⁴ See SANOFI, DIVERSITY, EQUITY & INCLUSION 2022 IMPACT REPORT NORTH AMERICA at 6.

APPENDIX

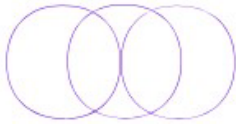
- **Implemented and trained our Talent Acquisition team, People Business Partners, hiring leaders and other key business stakeholders on our Diverse Slate Policy.** Our policy is defined as having at least 50% diverse representation of 25% POC and 25% female representation. For each role, the Talent Acquisition team was intentional with striving toward a minimum of one person of color and one female in each slate presented to a hiring leader.



- **Created an increased level of accountability** for our hiring leaders by ensuring they had the same goal for interview slates.
- **Introduced the US Candidate Diversity Dashboard** to provide our Talent Acquisition Team and hiring leaders leading data regarding candidate slates, providing education and awareness at every step in the hiring process.

Progress Against *2025 Goals*

Our vision is to reflect the diversity of our communities, unleash the full potential of our employees, and contribute to a more inclusive, equitable world in and beyond our workplace.



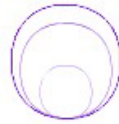
Reflect:
*Building
representative
leadership**

42%

senior leaders are women
2025 goal: 50%

37%

executives are women
2025 goal: 40%



Unleash:
*Creating an
inclusive work
environment*

8.0 out of 10

*internal D&I index on the Your
Voice survey*
2025 goal: 8.0+

86%

*audited workplaces ranked
bronze or higher for
accessibility*
2025 goal: 100%



Transform:
*Beyond the
workplace*

€1.23 billion+

*spend with small and diverse
businesses*
2025 goal: €1.5 bn

100%

*clinical trials in the US have
diversity targets*
2025 goal: YoY increase in % of
clinical trials achieving
diversity targets

(*) Increasing diversity is a global aspiration with local solutions.

See page 18 to see how we're having an impact with DE&I in our local markets.

Working Toward *Gender Parity*

Our determination to achieve **gender parity** is stronger than ever: in 2022 women represented 49% of our overall workforce and 42% of senior management. We've transformed our development, recruitment, and succession planning practices to help us get closer to women representing 40% of our executives and 50% of our senior leadership by 2025.

We retooled every step in the **hiring process** to be more intentional. From inclusive job descriptions to mandated gender representation at final interview selection, we set and incentivized specific targets at executive level to promote gender balance and mobility.

*“Leveraging the diversity of our workforce gives us the edge we need to lead with innovation. We’re the #1 healthcare company for **gender equality** ⁽²⁾, with a plan to ensure women and men are represented equally among our senior leaders by 2025.”*

Natalie Bickford,
Chief People Officer

– 2022 – **Gender Progress**



37%

of our **executive** leaders are women
29% in 2018



42%

of our **senior** leaders are women
35.5% in 2018 when we launched our Gender Balance Ambition



49%

of our **workforce** is women
46% in 2018

(2) See [Equileap 2023 Report](#) (on 2022 data)

- Local challenges -

2025 goals: country highlights

US
37% people of color representation

UK
25% representation of people from an ethnic minority background at final interview stage for senior positions

Brazil
20% of employees aged over 50
30% of new hires being black/brown people

All countries
Variable targets set to increase representation of people with a disability⁽⁸⁾

(8) Reflecting the initiation of our relationship with The Valuable 500

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2022 DE&I IMPACT REPORT
SANOFI US



Workforce *Diversity Ambition*

We have implemented workforce diversity ambitions to help ensure our workforce reflects the diversity of our communities and to equip our organization with diverse perspectives to chase the miracles of science *to improve people's lives*.

Our workforce diversity ambitions are:

- 50 percent representation of women in senior leadership roles by 2025.
- 12 percent Black, 10 percent Hispanic, and 14 percent Asian in the workforce.

	Where we are today	
	2022 CURRENT	2025 Ambition
Women (Senior Leadership)	41%	50%
Black	8%	12%
Hispanic	8%	10%
Asian (excluding R&D and Digital)	11%	14%



Criterion	Type	Weight	Target/Maximum (as % of fixed compensation)	Attainment level	Comments	Payout (as % of fixed compensation)
					Digital: <ul style="list-style-type: none"> ● Contribution to BOI above budget target due to value creation (quantitative) ● Increase Health Care Provider engagement from digital: target met in all markets where digital solutions have been deployed ● Completion of all major digital, data and technology foundations (harmonized enterprise governance / single source of truth) ● Commercial deployments slightly ahead of schedule 	
People & Culture	Quantitative/ Qualitative	7.5%	11.25% / 18.75%	98.00%	<ul style="list-style-type: none"> ● Number of women recruited to positions at Level 5 and above - slightly below target (quantitative) ● Strong progress in embedding Play to Win culture (engagement score increased) (quantitative) ● Great progress in strengthening the succession pipeline for Key Value Driving Roles ● New Employee Value Proposition built and launched in line with overall rebrand initiative in Q1 ● Acceleration of the processes' simplification (above the original goal) 	11.03%
					<ul style="list-style-type: none"> ● CO₂ emissions reduced by 3.8% above target (Scopes 1&2) (quantitative) 	

Supplier *Diversity*

At Sanofi, we are committed to corporate citizenship and Supplier Diversity is a significant part of our commitment to DE&I. In the words of Rakhi Agarwal, Global Head of Supplier Diversity, “Our Supplier Diversity program is about intentional, inclusive and responsible sourcing. It is about encouraging social economic growth, stimulating innovation and strengthening our supply chains by creating equal opportunities for small and diverse owned businesses which in turn, acts as catalyst to bottom-line growth.”

With the commitment of our CEO, Paul Hudson, an ambitious goal has been set of **doubling women-owned business spend** and reaching **total diversity spend of 1.5 billion Euros (US \$1,590,000,000) by 2025**. While we have made tremendous progress, we still have much to do. Of our global spend of 14B Euros (US \$14,840,000,000), we have achieved 1.23B Euros (US \$1,303,800,000) in Diverse spend in 2022, of which, 86M (US \$91,160,000) was spent with Women-owned Business Enterprises, 60M (US \$,63,600,000) with Minority-owned Business Enterprises and 5M (US \$5,300,000) with Veteran-owned businesses, amongst other diverse categories.

We also established an internal governance body, the Sanofi Supplier Diversity Council, to ideate, build and roll out each step of the Supplier Diversity Program in 2022. Looking ahead, our four-year roadmap outlines our goals and newly formulated **E3 Strategy - Educate, Engage, Excel** - which will optimize resources, transform our organizational culture, and help us innovate in creating a world class Supplier Diversity Program to create a positive impact for all of our stakeholders and business partners.