



# LEAVING OUR FOOTPRINT ON MEDICINE, NOT THE ENVIRONMENT

***REGENERON***

**2015 ENVIRONMENTAL  
SUSTAINABILITY REPORT**



## A WORD FROM OUR CHAIRMAN

At Regeneron, we were founded on a simple belief of “doing well by doing good.” In addition to inventing new and needed medicines, we are also committed to improving our world and operating with the highest standards of integrity. We are proud of not only what we do, but also how we do it.

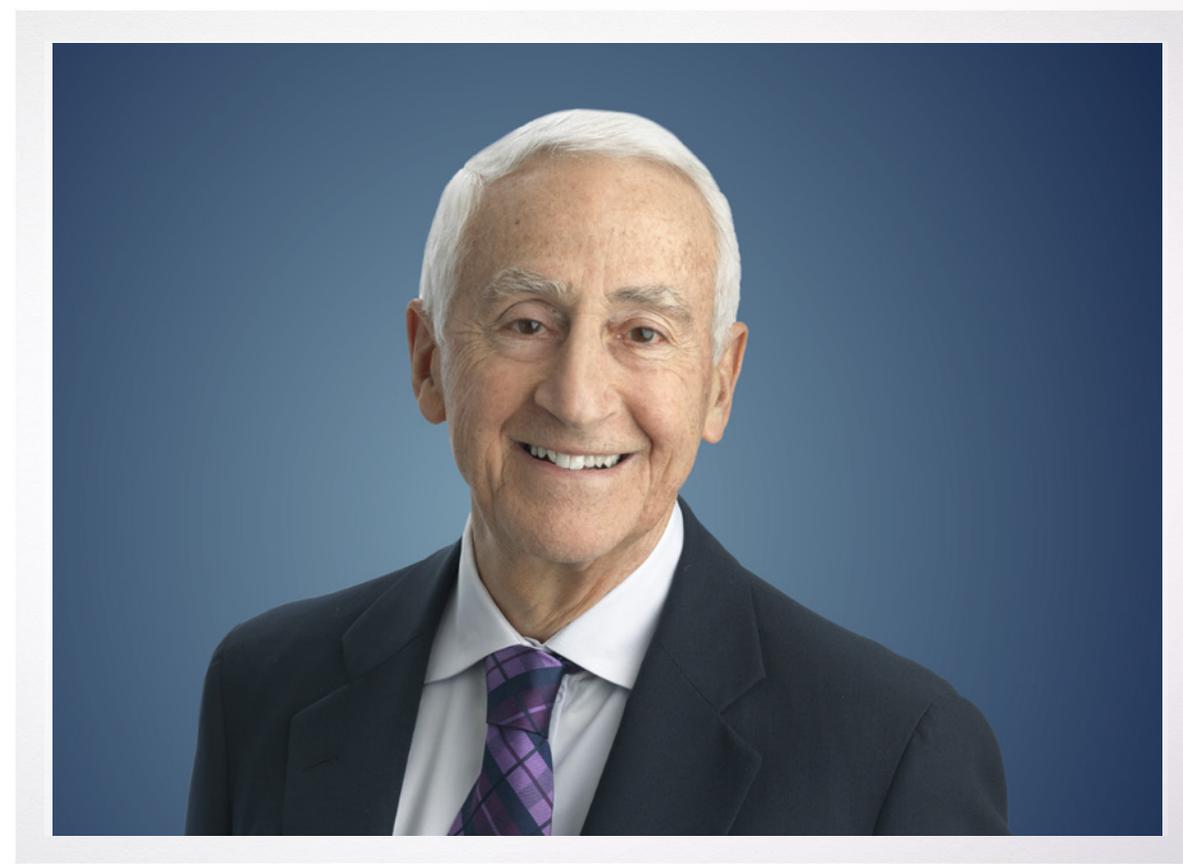
As Regeneron expands, we recognize that doing so responsibly is not only the right thing to do, but is at the core of who we are as a company. While we have always valued sustainable practices, 2015 was a landmark year for expanding company-wide citizenship efforts to include improved environmental data collection, increased sustainability reporting and better communication. We also articulated our philosophy on environmental sustainability to help guide our decisions as a company and as community members. This Environmental Sustainability Report aims to share how we are delivering on that commitment.

Collaboration and innovation drive our daily citizenship efforts, much as they do our pipeline. We continually and proactively seek ways to better operate our business, hold ourselves accountable to our communities, drive positive change, and focus on environmental stewardship throughout our value chain.

We view our growth as an opportunity to do better together; with over 4,000 employees worldwide, we are uniquely positioned to have a positive impact on not only the world of medicine, but also the world around us.



Roy Vagelos, MD



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# OUR PHILOSOPHY ON ENVIRONMENTAL SUSTAINABILITY

Regeneron and all of our employees aim to facilitate future growth, be good environmental stewards, and have a positive impact on our communities. Sustainable practices are integrated into our business strategy and our culture.

At Regeneron, every individual is held accountable for complying with our environmental strategies. We promote energy conservation by sub-metering our water and electric use, which allows us to pinpoint consumption and areas for improvement. We also encourage sustainable employee transportation, including carpooling, bicycling and public transportation. We support reduced paper consumption, recycling and waste reduction through education and centrally located receptacles. Accountability for sustainability also extends to our vendors and suppliers, as we value these efforts when selecting our partners.

As we grow and expand, we are mindful of our environmental footprint and the impact on our local communities. We are committed to reducing our overall energy use by optimizing the performance of current spaces and using innovative strategies with new spaces. We begin by designing toward applicable building certification programs, and have specific five-year targets to reduce energy use by 20% and water consumption by 30%. We aim to prioritize renewable and recycled materials when selecting building components and furniture, and we maximize indoor air quality through low-emitting building materials, paints and furniture. We also partner with local government and communities to support green practices and develop standards.

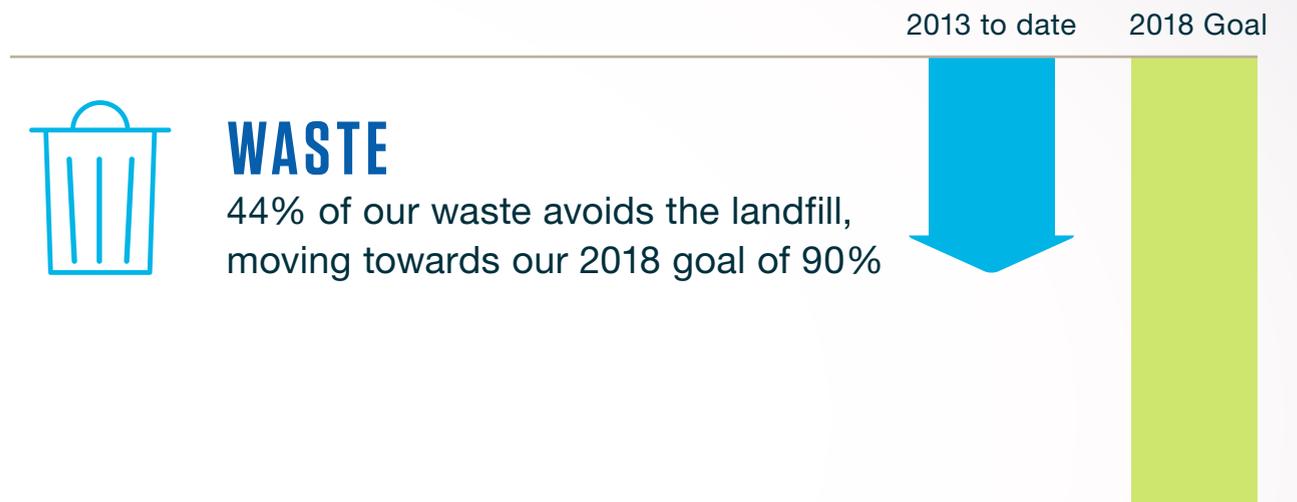
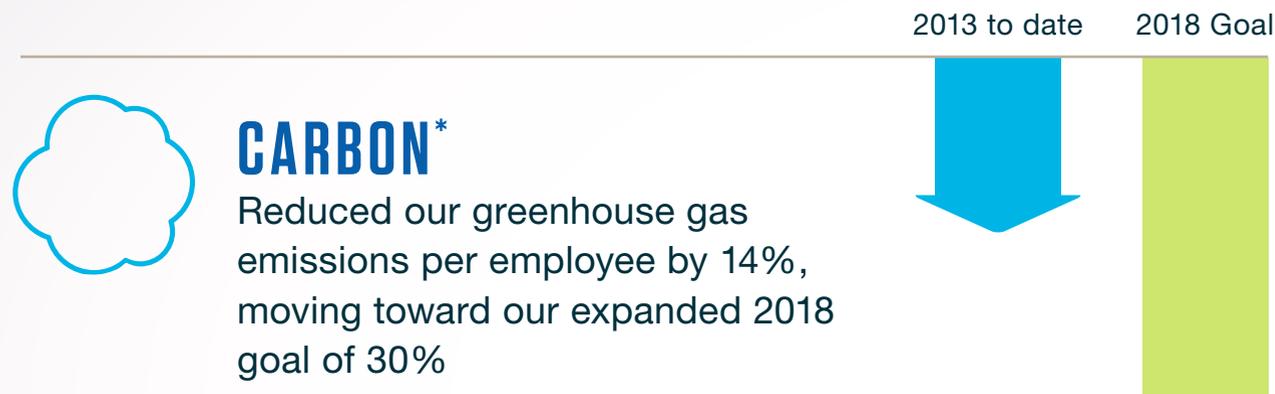
Importantly, we are not satisfied with the status quo, and will consistently evaluate how we can further improve our environmental performance. We invest in renewable energy to offset our environmental footprint, and we track our greenhouse gas emissions and electric and water usage, to help us identify ways to operate more efficiently as we expand.

At Regeneron, we are committed to a better future, and we know that our focus on sustainability is key to achieving this vision.

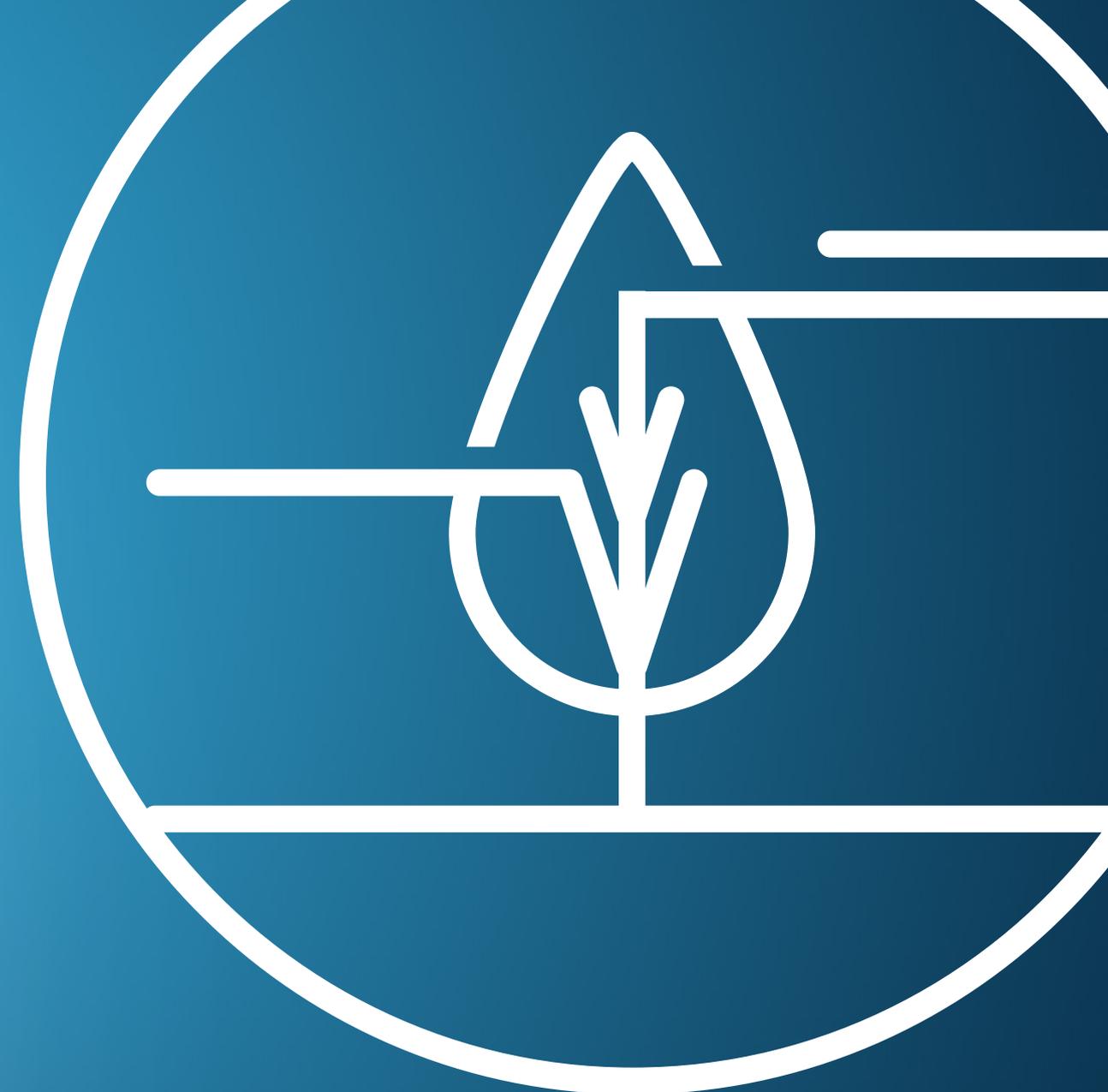


# PROGRESS SNAPSHOT

In 2013, we set five-year targets in four key areas to help inform our choices and actions, all with the aim of reducing our environmental footprint as we grow.



\*Carbon and Electricity are reported based on the Carbon Disclosure Project (CDP) reporting year; 2013 noted above corresponds to June 2013 – May 2014 reporting year.



SUSTAINABILITY  
IN ACTION

< MENU >

# SUSTAINABILITY IN ACTION

As we grow our business, we also want to reduce our environmental impact. To achieve this, we focus on reducing energy, water use and overall waste, as well as supporting sustainable practices by our employees and within our communities.

## ENERGY

Regeneron invests in efficient, smart buildings when constructing new facilities and renovating existing properties. The design for new buildings at our headquarters, completed this year, included energy-recovering HVAC, Energy Star-rated office equipment, a solar panel array, intelligent lighting controls and high-efficiency LED lighting. These strategies helped create an energy-efficient laboratory and office environment. We also incorporated ways to increase indoor air quality, reduce material and transportation impacts and minimize construction waste. This sustainable planning and design resulted in a LEED Gold® certification.\*

Existing property renovations also included energy-efficient HVAC equipment, lighting controls and lighting upgrades, and fine-tuning controls sequences and meters, furthering our efforts to minimize our environmental footprint.

At our new Industrial Operations and Product Supply site in Ireland, renovations of the existing building in 2015 included the installation of high-efficiency boilers, recirculating air-handling units, retrofitting existing units with variable speed drives, LED lighting in clean rooms and occupancy lighting controls in the administration building. We always look to improve, and are implementing a monitoring and tracking program to identify additional reduction opportunities over the next several years.

We installed electric car-charging stations at our headquarters this year, with expansion to other sites planned for 2016. We also plan to create solar energy through the installation of solar panels at our Rensselaer facility.

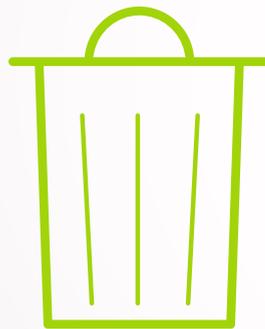
\* Leadership in Energy and Environmental Design (LEED) accredits at four levels: Certified, Silver, Gold and Platinum



## WASTE

Whether in our construction practices, office and laboratory operations, or manufacturing, we continually strive to reduce waste and optimize efficiency. We promote and support recycling efforts with the use of bins throughout our office spaces; we use digital devices, digital contracts, electronic lab notebooks and central printers to reduce paper consumption. Composting is an integrated part of our waste-management program at our Ireland and Rensselaer facilities.

At our Rensselaer facility, we achieved a 75% diversion from landfill for all of our non-hazardous waste, through recycling, composting or the use of waste-to-energy plants. It is our goal to use these practices to achieve a 90% diversion from landfill at all sites by 2018.



**We achieved 68% construction waste diversion during construction of our newest Tarrytown campus buildings.**

In our laboratories, employee education and an automated waste collection system helped us achieve a 51% reduction in regulated hazardous chemical waste per lab employee, when compared to 2013. We also implemented a process to continuously optimize and re-evaluate waste generation and identify hazardous waste reduction opportunities.

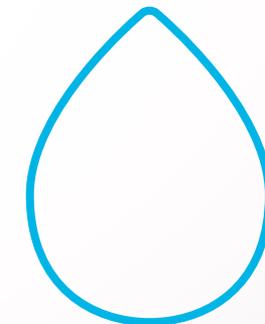
## WATER

Reducing corporate water consumption and wastewater discharge is a priority; thus we have installed fixtures and systems throughout our properties to promote conservation.

These include:

- Low-flow water fixture renovations in restrooms and pantries in our older buildings
- A water harvesting system that collects rainwater from the roof of the new industrial operations and product supply location in Ireland. Reuse options are being investigated for 2016
- Irrigation of a spacious courtyard garden with roof water runoff at the headquarters campus
- Water sub-meter installation in new properties and some existing properties in 2015, putting us on track to achieve our goal of 100% company-wide sub-metering by 2018. Sub-metering tracks use and performance, which can help us identify conservation opportunities

**We have reduced water consumption by an impressive 40% beyond the already stringent building code at our new 300,000-square-foot R&D and headquarters buildings in New York.**



## EMPLOYEES

Regeneron has highly engaged employees, and they are encouraged to provide sustainable solutions. We motivate this behavior by celebrating individuals who offer tangible and achievable solutions via internal employee channels and on-the-spot recognition and awards.

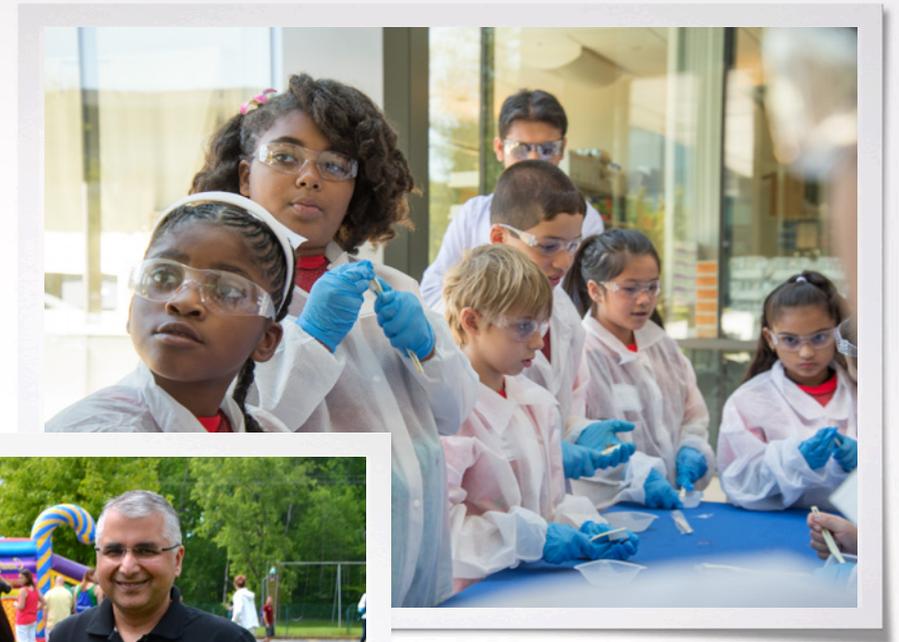
We spotlight our focus on sustainability to our employees on a regular basis, through digital displays around our facilities, engaging in Earth Week activities that highlight the importance of year-round sustainability efforts and other activities and communications across our sites.

## COMMUNITY

Regeneron is committed to supporting the communities where we live and work.

To support our employees in reducing traffic and emissions in our communities, Regeneron provides charging stations for electric vehicles, convenient shuttles to nearby public transportation hubs and carpooling incentives, such as priority parking spaces.

We also collaborate with local officials and community stakeholders on updates to building codes specifically related to sustainability, such as composting and waste energy plans. In New York, this type of community engagement led to a partnership with the Westchester Green Business-Certified program (WGBC), a public-private partnership between Westchester County and The Business Council of Westchester. Regeneron's Tarrytown, NY, headquarters was certified in 2015, and also received the Energy Outstanding Achievement Award.





# HOLDING OURSELVES ACCOUNTABLE



< MENU >



# HOLDING OURSELVES ACCOUNTABLE

We believe goals and measurement are key to truly having an impact.

Greenhouse gas emissions are an important priority in our sustainability agenda. We are proactively calculating our inventory and performing energy audits to establish rigorous goals for emission reduction.

Greenhouse gas emissions are defined in 3 scopes:

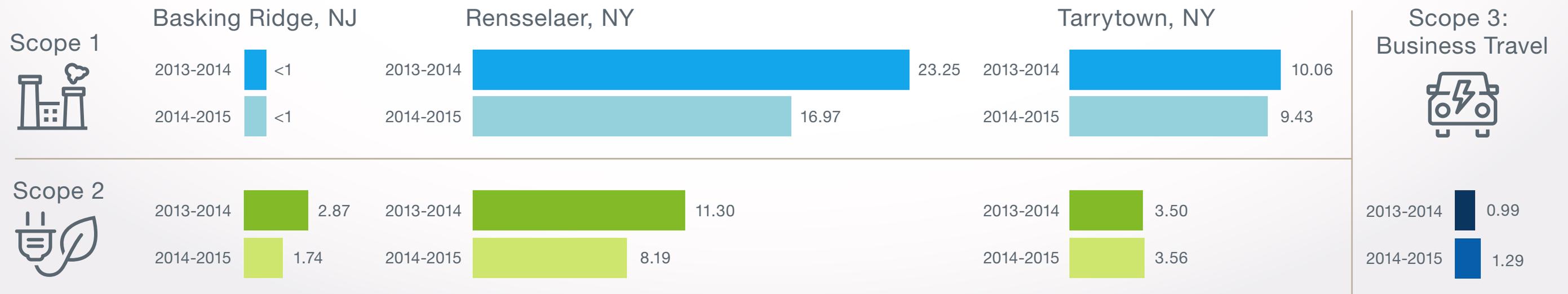
**Scope 1:** All direct GHG emissions

**Scope 2:** Indirect GHG emissions from consumption of purchased electricity, heat or steam

**Scope 3:** Other indirect emissions, such as the extraction and production of purchased materials and fuels, transport-related activities in vehicles not owned or controlled by the reporting entity, and electricity-related activities not covered in Scope 2.

In 2015, we used an operational control boundary to account for all Scope 1 and Scope 2 sources for our U.S. operations. We also reported Scope 3 emissions for business travel and employee commuting. The reporting year used for the 2015 Carbon Disclosure Project (CDP) Climate Change Questionnaire Response was June 2013-May 2014. The Scope 1, Scope 2 and Scope 3 business travel data for the 2013-2014 and 2014-2015 tracking periods are listed below. We recognize our need to improve in terms of Scope 3, and therefore are continuously working to improve our metering and calculations. We anticipate releasing additional Scope 3 calculations in the 2016 CDP Response.

The following data are intensity-based. Each item reflects the metric tons of carbon dioxide equivalent (CO<sub>2</sub>e) per employee, based on employee data for each location.



# THE ROAD AHEAD

At Regeneron, we always strive to challenge ourselves. So, while we are proud of our efforts to minimize our environmental footprint, we continually look ahead for new ways to reduce our impact and further support the communities in which we live and work. We are actively working to:

Design new construction at a minimum of  
**LEED<sup>®</sup> SILVER**  
specifications

Achieve  
**NET ZERO**  
energy in new parking garages

Increase metering throughout  
**ALL SITES**

Explore  
**MICROGRID**  
technology for future areas of expansion

Implement a centralized company-wide  
**ENERGY**  
management software solution

Increase  
**EMPLOYEE**  
engagement

Implement energy  
**IMPROVEMENT**  
projects based on energy audits

Integrate  
**RENEWABLE**  
energy sources

Work to install  
**ALTERNATIVE**  
energy sources



“There's an old saying that 'we do not inherit the earth from our ancestors, we borrow it from our children.' I like to think Regeneron's standards epitomize that thinking, and we are working hard every day to further minimize our disruption to the environment.”

— *Daniel Van Plew, Executive Vice President, Industrial Operations and Product Supply*



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