REGENERON

HOLDING OURSELVES ACCOUNTABLE: TO PATIENTS AND THE ENVIRONMENT

2016 ENVIRONMENTAL SUSTAINABILITY REPORT

MENU >

A WORD FROM OUR CHAIRMAN

As Regeneron continues to grow, environmental stewardship and responsible growth remain at the core of our business.

In 2016, we continued to focus on our sustainability goals. We increased our reliance on renewable energy while decreasing our overall energy emissions per employee. Through this Environmental Sustainability Report, we illustrate how these efforts strengthen the communities we serve.

Because we see accountability and transparency as fundamental to responsible growth, we make it a priority to publicly disclose information about our greenhouse gas emissions and water usage. This year, in addition to our annual Carbon Disclosure Project reporting, we responded to the Water Questionnaire and scored among the highest in the industry. As we continue developing innovative products and forging new collaborations, we remain committed to monitoring the environmental impact of our business, with the hope of finding new ways to decrease our footprint.

With more than 5,500 employees worldwide, we have a powerful opportunity to impact the environment and demonstrate positive change. We are proud of the progress we have made so far, and look forward to our future accomplishments.

P. Roy Vagelos, MD

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OUR SUSTAINABILITY PHILOSOPHY

At Regeneron, we are committed to having a positive impact on medicine and the environment, both in our local communities and globally. We strive to integrate sustainability into our business — in ways big and small.

At Regeneron, every individual is held accountable for complying with our environmental strategies. We promote energy conservation by 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. We also consider sustainability efforts when selecting our vendors and suppliers.

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 our renovated properties are targeted 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.

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. We know that our focus on sustainability is key to achieving a better future.

PROGRESS SNAPSHOT

In 2013, we set five-year targets in four major focus areas to measure and monitor our environmental progress. With just two years remaining, we are on track to meet or exceed each of these goals.

CARBON*

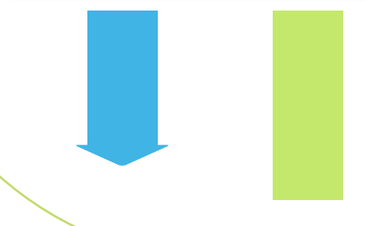
Reduced our greenhouse gas emissions per employee by 31%, exceeding our expanded 2018 goal of 30%

2013 to date | 2018 Goal

WASTE

68% of our waste avoids the landfill, moving toward our 2018 goal of 90%

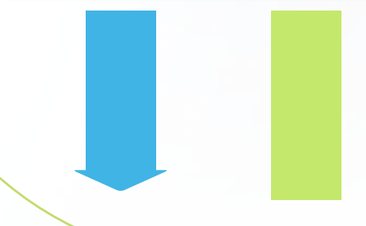
2013 to date | 2018 Goal



HAZARDOUS CHEMICAL WASTE

At 53% reduction per lab employee, we are just short of our 2018 goal of 60%

2013 to date | 2018 Goal



ELECTRICITY*

Reduced our consumption per employee by 2%, moving toward our 2018 goal of 10%

2013 to date | 2018 Goal

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

SUSTAINABILITY IN ACTION

As Regeneron expands, doing so responsibly is fundamental to our identity as a company.

Our growth has positioned us to have a positive impact on both human health and the environment. Here is a look at the sustainable initiatives we are planning and implementing across current and future facilities.

ENERGY

The past year brought significant progress in lighting and energy efficiency at all our sites.

LIGHTING

To reduce our lighting power consumption and to provide comfortable spaces with high levels of user control, we continue to make significant progress in updating lighting throughout our properties.

This year, we renovated or designed new high-efficiency lighting in over 500,000 square feet of building spaces. Exterior lighting and parking garage lighting were also upgraded.

In addition to reducing the energy required for the lighting, we also expanded a comprehensive lighting control system with occupancy/vacancy, dimming and daylight harvesting. This system, which allows for both local and remote control, has been incorporated into existing spaces and will also be used in new sites and ongoing renovations.

RENEWABLE ENERGY

Our first net-zero garage was fully utilized this year and has served as a model for constructing new net-zero garages across our campuses. In 2016, we began construction on our second net-zero parking garage structure, which features 600 parking spots, rooftop canopy solar panels and electric car charging stations. The garage will be ready for use in 2017.

In 2016, we added twelve on-site electric car charging stations to our sites, bringing the total to 22 spaces. Our employees used these stations to capacity, and we are installing additional electric car charging stations at multiple sites to meet the increasing demand.

We began design of a Solid Oxide Fuel Cell to power a newly renovated building at our corporate headquarters in Tarrytown, New York. This cleaner energy system is expected to reduce our carbon footprint, supply 100% of the peak power required to operate the building and redistribute any excess power to the rest of the campus. Additionally, improvements in both power quality and reliability will make us more resilient to disruptions.

New LED lighting and progressive lighting control systems bring us closer to meeting our energy goals.

OUR FOOTPRINT

Reducing our overall environmental footprint is at the heart of our sustainability strategy.

ENVIRONMENT

To preserve our natural resources, we aim to use existing building structures when possible. Current efforts include retrofitting existing office and manufacturing buildings on several of our campuses.

We also save and re-plant mature trees whenever possible. Recent efforts include designing a parking garage around two mature red oak trees and relocating additional existing trees to non-construction zones at both of our manufacturing sites.

A FOCUS ON OUR SURROUNDINGS

We designate green space picnic areas for our employees at each of our locations, and when possible, we have green space on building rooftops to reduce storm water runoff and prevent erosion.

To help minimize the impact on nearby wooded areas at our Rensselaer Industrial Operations and Product Supply site, we chose a four-story parking garage over a more traditional expansive parking lot.

Additionally, we implemented priority parking spaces along with an incentive-based Ride-Along Carpool Program for employees who carpool to work.

Our Rensselaer Industrial Operations and Product Supply group is expanding to include a new warehouse. As part of the construction, we plan to designate a “forever wild” portion of the property, with walking paths that lead to a nature preserve.

WASTE

Our focus on waste reduction will yield two “zero waste to landfill” sites in 2017, with plans for more in the future.

CURRENT PRACTICES

Regeneron uses waste management strategies that have been successful at one location to inform our collection strategies at other locations. At our Rensselaer Industrial Operations and Product Supply site, we have contracts to either recycle or send all non-hazardous waste for energy recovery in 2017.

A color-coded system helps employees sort waste into recyclables, compostables, trash or five-cent bottle donations. This system has been successful at reducing our overall waste. Batteries are sent off site, where their components are recycled and reused. In 2016, we collected more than 1,800 pounds of batteries.

Reusable hot/cold mugs help us reduce the use of disposable cups and lids. We have also replaced our disposable products with compostable options.

We are currently installing cardboard compactors at our Rensselaer Industrial Operations and Product Supply facility to increase our recycling capacity.

FUTURE GOALS

Learning from our successes, we are working toward “zero waste to landfill” operations at all of our sites over the next several years.

As our sites expand, we are also incorporating the waste collection guidelines from the newest version of LEED, to engage our employees, while minimizing our environmental impact.

In the U.S., we recycled 720 tons, composted 90 tons and converted 2,220 tons of waste to energy during 2016.

WATER

Water reduction and tracking methods are being incorporated into our business practices globally.

REDUCING

We have rainwater harvesting systems that collect rainwater for irrigation and for other potential future uses, such as providing water to cooling towers, employee restrooms and external building washing equipment.

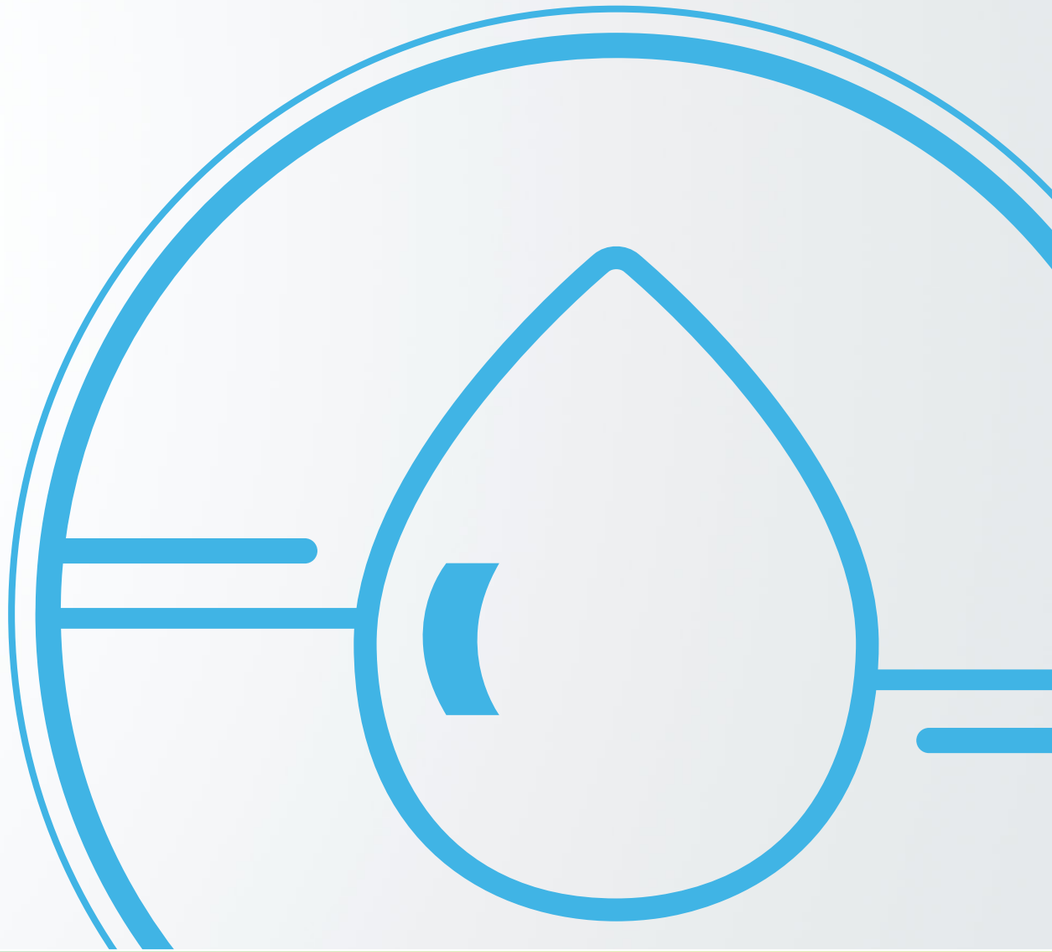
Additionally, our corporate design standards for major renovations prioritize rainwater reuse in upcoming projects.

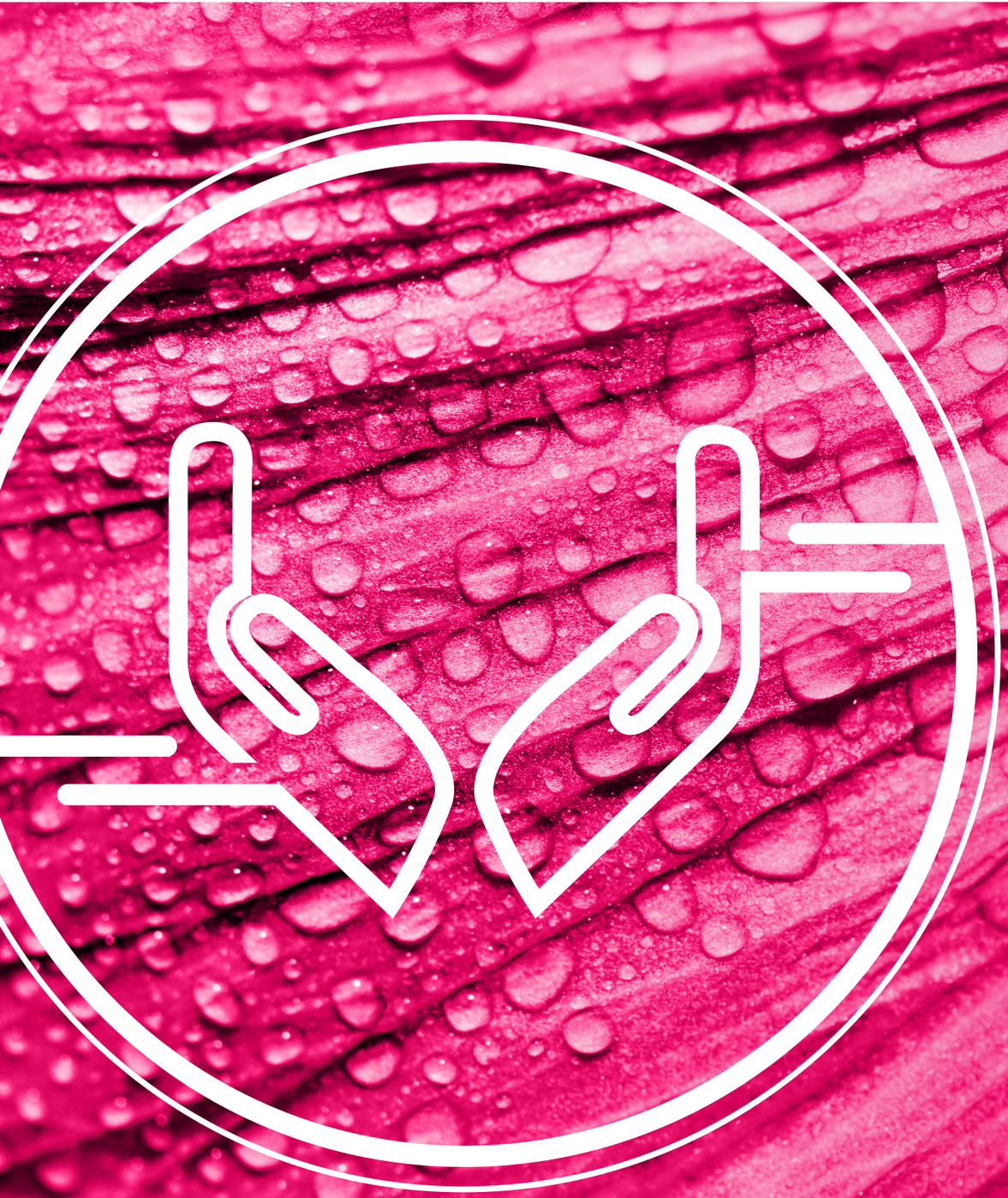
TRACKING

To continue reducing our environmental footprint, we installed additional metering for water, natural gas and electricity in 2016.

All metering is complete at our Rensselaer Industrial Operations and Produce Supply site. Metering is at least 90% complete at our other locations. Water, natural gas and electricity meters or sub-meters will be installed at all locations during the coming years.

Based on 2016 Carbon Disclosure Project review, Regeneron scored among the highest in the industry with an A– for our Water Questionnaire response.





HOLDING OURSELVES ACCOUNTABLE

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

Measuring greenhouse gas (GHG) emissions is a critical component of our sustainability strategy. Each year, we calculate our inventory using nationally recognized standards to measure our emissions reduction progress. In 2016, we used an operational control boundary to account for all Scope 1 and Scope 2 sources for our U.S. operations.

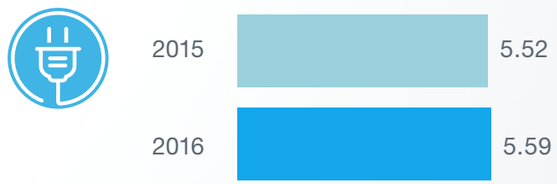
Greenhouse gas emissions are defined in three scopes: **Scope 1** (all direct GHG emissions), **Scope 2** (indirect GHG emissions from consumption of purchased electricity, heat or steam) and **Scope 3** (other indirect emissions, such as the extraction and production of purchased materials and fuels, transport-related activities in vehicles not owned or controlled by the reporting entity, and electricity-related activities not covered in Scope 2).

As part of this year's Carbon Disclosure Project reporting, we added an additional layer of assurance by using third-party verification of our Scope 1 and Scope 2 emissions calculations. The process confirms that we are using the most accurate data available and guarantees a specified level of accuracy within our calculations. This verification will play a critical role in our long-term sustainability planning as we seek to quantify the impact of our environmental policies and initiatives.

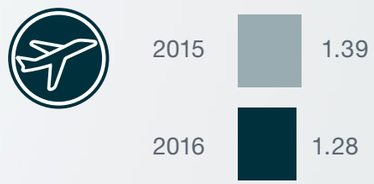
The following data are intensity-based. Each item reflects the metric tons of carbon dioxide equivalent (CO_2e) per employee.

Scope 1

Scope 2



Scope 3



THE ROAD AHEAD

We made significant progress toward our goals this year, and continue to pursue new commitments to minimize our environmental footprint.

LEED®

Achieved **LEED Gold** certification on two new buildings

Renovations meet **LEED Silver** specifications when possible

NET-ZERO

New garage under construction

Smartpark certification in progress for new net-zero garages

METER

Increase water and energy metering for all new sites

MICROGRID

Microgrid technology has been incorporated into master planning efforts

ENERGY

Company-wide energy management software effort in progress

EMPLOYEE

Increase employee engagement through Annual Sustainability Campaign kickoff and green team expansion

IMPROVE

Improvements underway at all sites, based on completed energy audits

RENEW

Plans to offset energy with solar power or renewable energy across multiple sites

Installed new **electric vehicle charging stations**

ALTERNATIVE

Plans to install **alternative energy sources**, including fuel cell, to provide primary power to a new property

FUTURE GOALS:

ENERGY STAR

Energy star certification for office buildings

WELL

WELL certification for new buildings and major renovations

"Regeneron is a great place to work because our employees continuously strive to do more. Our sustainability efforts are a great example of our commitment to finding a better way to make a lasting impact — on both science and the world."

— Neil Stahl, PhD
Executive Vice President
Research and Development

REGENERON