

OFFICE OF THE PRESIDENT

Councillor Gary Crawford and Members of the Budget Committee
10th floor, West Tower, City Hall,
100 Queen Street West, Toronto, ON
M5H 2N2

February 11, 2015

Dear Councillor Crawford and Committee Members,

Proposed Water and Sewer Rates in the City of Toronto

We are writing to indicate our company's deep concern regarding Toronto Water's proposed 8 percent rate increase for both 2015 and 2016. We ask that your Committee recommend to Council that the rate increase going forward mirror the rate of inflation.

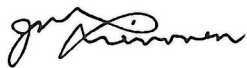
Sanofi Pasteur is a global leader in the development and manufacturing of vaccines for world markets. Headquartered in Lyon, France, we have manufacturing and research facilities around the world and in Toronto we run a complete Canadian operation with Manufacturing and R&D facilities, as well as Logistics and Commercial Operations for the Canadian Market. Our Connaught Campus recently celebrated our 100th anniversary and we are proud to employ over 1300 full time staff and 500 contractors.

We have taken great pride in the steps we have made over the last few years to reduce our environmental footprint. We have been an active participant in the Water Reduction program and have found and implemented many programs to reduce our consumption of water. As competition from other global manufacturers increases, we have felt the pressure to streamline our operations and reduce the costs of manufacturing as much as possible without compromising the strict quality requirements of our business. We carefully scrutinize all our input costs which we expect to follow an annual increase of 2% per year. Although water costs represent 1% of our cost of goods manufactured an increase of 8% per year is not consistent with other input costs and more importantly is not consistent with input cost increases we are seeing at our sister plants.

As we market Sanofi's vaccines, we face stiff competition from other international competitors here and abroad. We are working hard to remain competitive and be a contributor in helping keep Toronto as a good place to live and work.

I thank you for your attention.

Yours sincerely,



J. Mark Lievonen
President



Norm Medeiros
AVP, Global Engineering and Maintenance

C.C. Councillor James Pasternak, Ward 10 York Centre