



Annual & Sustainability Report 2021

Driving sustainable care together

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Preface

2021 was another turbulent year for the world. While humanity continued to grapple with the social and economic repercussions of the virus, our collective attention also turned to how we can recover and rebuild. In this sense, COP26 provided a moment for countries to come together and renew their commitments to the health of the planet. At Chiesi, we took this as an opportunity to reflect, not only on how we can improve our own impact on the world, but also motivate other stakeholders to join the journey and thus drive sustainable care together.

The following report is presented in this spirit of collaboration and understanding and seeks to demonstrate our long-lasting commitment to create the shared value we have delivered in the past year – and will continue to build on for the future.



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President’s Letter to the Stakeholders

2021 was a year in which we were continuously inspired by the resilience and unwavering commitment shown by all of Chiesi’s people in dealing with challenges stemming from Covid-19. I am proud of how more than 6,000 of our employees stepped up and exceeded all expectations to advance urgently needed solutions for all our stakeholders, especially the most vulnerable ones: our patients. From the healthcare teams in communities around the world, to our suppliers and business partners, I offer my heartfelt thanks for the efforts and commitment to guarantee patients’ access to treatments, while maintaining the safety of all parties. This shared global experience has further deepened our decisive mission to continue advancing sustainable healthcare.

As we emerge from the pandemic, many of last year’s challenges will undoubtedly stay with us. Global supply chain issues and the ongoing energy crisis have once again demonstrated how we are part of a fragile, interdependent system. I firmly believe that it is our responsibility to create value for the communities where our associates, affiliates and partners live and work. Only by collaborating closely with all stakeholders can we tackle the pressing humanitarian and environmental issues that society is facing.

Our determination to make the world feel better and to create a healthier, more sustainable future is behind everything we do. As a Benefit Corporation and a B Corp-certified Group, we are guided by the concept of shared value – an approach that aims at generating economic value in a way which also benefits society by addressing its needs and challenges.

These foundational elements have paved the way for the commitments, partnerships and progress disclosed in this Annual and Sustainability Report. In the following chapters, we transparently discuss the challenges and opportunities arising during our journey towards achieving our sustainability and carbon neutrality goals while creating meaningful value for society and all our stakeholders.

The health of our planet and its inhabitants deserves our best efforts, which is why Chiesi will continue promoting a regenerative business model capable of creating positive results today and for future generations.

Alberto Chiesi
President of Chiesi Group





Letter from the CEO

If there was one word, I would use to sum up 2021, it would be hope. After the devastation wrought by the initial waves of the Covid-19 pandemic, the global roll-out of vaccinations against the virus promised a return to normal. Slowly but steadily, with some setbacks along the way, our world began to open up again. As I write this letter in spring 2022, restrictions have been fully and partially lifted in many countries around the world – and I want to take this opportunity, once again, to thank each and every one of my colleagues at Chiesi, as well as our partners and suppliers, for the resilience, determination and dedication they continued to demonstrate through another challenging year.

There is no doubt that the impact of the pandemic will remain with us for many years to come. While remembering those lives lost and disrupted, we have all been forced to re-evaluate the status quo and ask ourselves how to move forward. At Chiesi, this reflection has been rooted in our commitment to generating shared value. We are dedicated not only to improving our own impact and leaving a positive footprint in the world, but also inspiring others to follow. By sharing our learnings and being transparent and accountable about our failures as well as our successes, we seek to set the standard for sustainable progress in our sector.

A key foundation for these efforts is our status as a Benefit Corporation and our B Corp certification. Since 2018, we have embedded our purpose to generate shared value both for our business, for society and the environment – and 2021 saw us begin the process of re-certifying our B Corp status. As the largest pharmaceutical B Corp in the world, we take our responsibility to driving measurable progress seriously and will continue to communicate openly in this regard.

Meanwhile, we reinforced our commitment to patient-centric innovation with the announcement, in December 2021, that we would be opening a new Biotech Centre of Excellence Plant next to our current manufacturing facilities in Parma, Italy. Expected to be operational from 2024, this new innovation hub will focus on the development and production of biological drugs which have the potential to transform lives, tapping into pharmaceutical talent, enhancing know-how

from all over the globe and growing to become a state-of-the-art reference point for the entire sector.

In the spirit of generating value for all stakeholders, with the aim to benefit people, communities, and the planet, 2021 also saw significant steps forward as regard to our environmental impact. In May 2021, we unveiled our plan to become carbon neutral by 2030 for direct greenhouse gas (GHG) emissions and indirect GHG emissions from purchased electricity and heat (scope 1 and 2). By 2035, we intend to become carbon neutral for our other indirect GHG emissions (scope 3) as well. These targets have been approved by the Science Based Target Initiative (SBTi) and are a manifestation of our #ActionOverWords campaign, emphasising the importance of the larger global corporate movement towards the ecological transition.

These are just a few of my 2021 highlights, but they are by no means exhaustive. In this report you will discover how our commitment to driving sustainable healthcare together underpins everything we do, in every area of our business. Because hope springs eternal, but it can only flourish and grow when backed up by action. By acting together, today, we can realise our hopes for tomorrow.

Ugo Di Francesco

CEO of Chiesi Group



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Driving sustainable care together – Chiesi in 2021

The need for an increasingly sustainable world to benefit the health of the planet and civilisation, is clearer than ever. At Chiesi, we are acutely aware of this need. The starting point for all our actions centres around one simple question: how can we provide outstanding therapeutic solutions and improve people’s quality of life worldwide while driving a sustainable and responsible business?

Our commitment hinges on creating a positive impact through the care we provide for our patients and those who assist them. But it also goes further. We have made progress over the past year in continuing to be a good corporate citizen, equally strengthening our impact on society, our industry and the communities where we operate.

Indeed, as the Covid-19 restrictions have eased, something feels different. Our new normal means placing an even greater focus on people’s needs to improve their lives and our planet. It has also enabled us to reflect upon our ways of working so that we can deliver on our ambitions for all stakeholders with whom we interact.

Throughout 2021, we built on our foundations of people, sustainability and innovation to support continual growth in an ever-evolving world. It is not enough to simply develop products that safeguard our patients – we must also seek out ways to reduce our carbon footprint, simultaneously caring for environmental and social systems so as to meet the challenges of the future.



Our purpose

For almost 90 years, Chiesi has been synonymous with delivering transformative solutions that change lives. From our founder Giacomo Chiesi, whose dreams of embarking on cutting-edge research led him to start the company in 1935, all the way through to the creation of Chiesi Global Rare Diseases in 2020 – with many more notable milestones in between – our company has always been driven by the desire to leave a positive footprint for the future.

Our mission

“

Our mission is to provide outstanding therapeutic solutions and improve people’s quality of life worldwide”.

Alberto Chiesi, President of the Chiesi Group



Our aim

is to be recognised as a research-focused international Group, able to develop and commercialise innovative pharmaceutical solutions to improve the quality of human life.



We wish

to maintain a team characterised by self-confidence and a collaborative spirit.



Our goal

is to combine commitment to results with integrity, operating in a socially and environmentally responsible manner.



Our vision

By 2025 we aspire to be a reference point for patients living with chronic respiratory disorders, neonatal pathologies, rare diseases and other difficult-to-treat health conditions. We commit to offering patients, and their caregivers, innovative solutions to help meet their needs, by exploring new frontiers in treatment and care and embracing state-of-the-art technologies.

As a family owned company, we want to continue growing sustainably by focusing on key markets such as the U.S. and Europe, while expanding access to care in emerging countries like China. We aim to maintain a profitability level adequate to support our investments in innovation and development and our international expansion efforts.



As a Benefit Corporation, we want to act as a force for good, doing business in a way that generates a positive impact on society and nature and become an inspiration to our stakeholders in the biopharmaceutical industry.

Achieving this demands teamwork and care for the well-being of the people we work with. By leveraging diversity and creativity, we seek to promote a working environment that welcomes everyone's contribution and rewards personal accountability.

The We Act sustainability manifesto guides our corporate efforts and is the core of all our actions. You can read more about the sustainability manifesto in the [Governance, Mission & Engagement chapter](#) of this report.



SUSTAINABILITY MANIFESTO

We live in a time of great changes. The planet is exploited beyond its limits and its equilibriums are in continuous transformation. We are changing ourselves in the way we live and think about our society. The most fragile and vulnerable are paying the price: those who are often left behind in this rush forward.

At Chiesi we have always believed that it is necessary to take care of our planet and the people who inhabit it, rediscovering the value of mutual solidarity, as we are aware that every individual, as well as every living organism, is unique and irreplaceable.

This is why we want to make the assurance of high-quality medical research available for the most fragile individuals so that we can closely listen to and understand them as people rather than as patients.

We want to act as a force for good, promoting a conscious and different way of doing business which strives to achieve a positive impact on society and nature by handling resources in a circular way and creating a new harmony and sustainability. The well-being of all depends on this balance. For us, this is the only true form of progress.

Our team of professionals is highly motivated and open-minded as our culture guides us, valuing the diversity of each individual.

The health of our planet and its inhabitants deserves our best efforts.

Our values

Our values and behaviours lay the foundation for Chiesi’s company culture, helping to characterise our internal ethos, and guiding the actions we carry out on a daily basis. You can learn more about our values in the [People chapter](#) of this report.

- At Chiesi, we act with integrity and trust, to foster authentic, transparent relationships with each other and within all our interactions.
- At Chiesi, we are focused on unlocking each individual’s potential to improve and develop, and in doing so to build on each person’s talents and perspectives to collaborate as an inclusive team.
- At Chiesi, we act as a force for good, working to generate innovation and value for society and the planet as a whole, while always putting patients first.

At Chiesi, everyone of us is different – everyone of us is Chiesi.



Chiesi: 1935-2021

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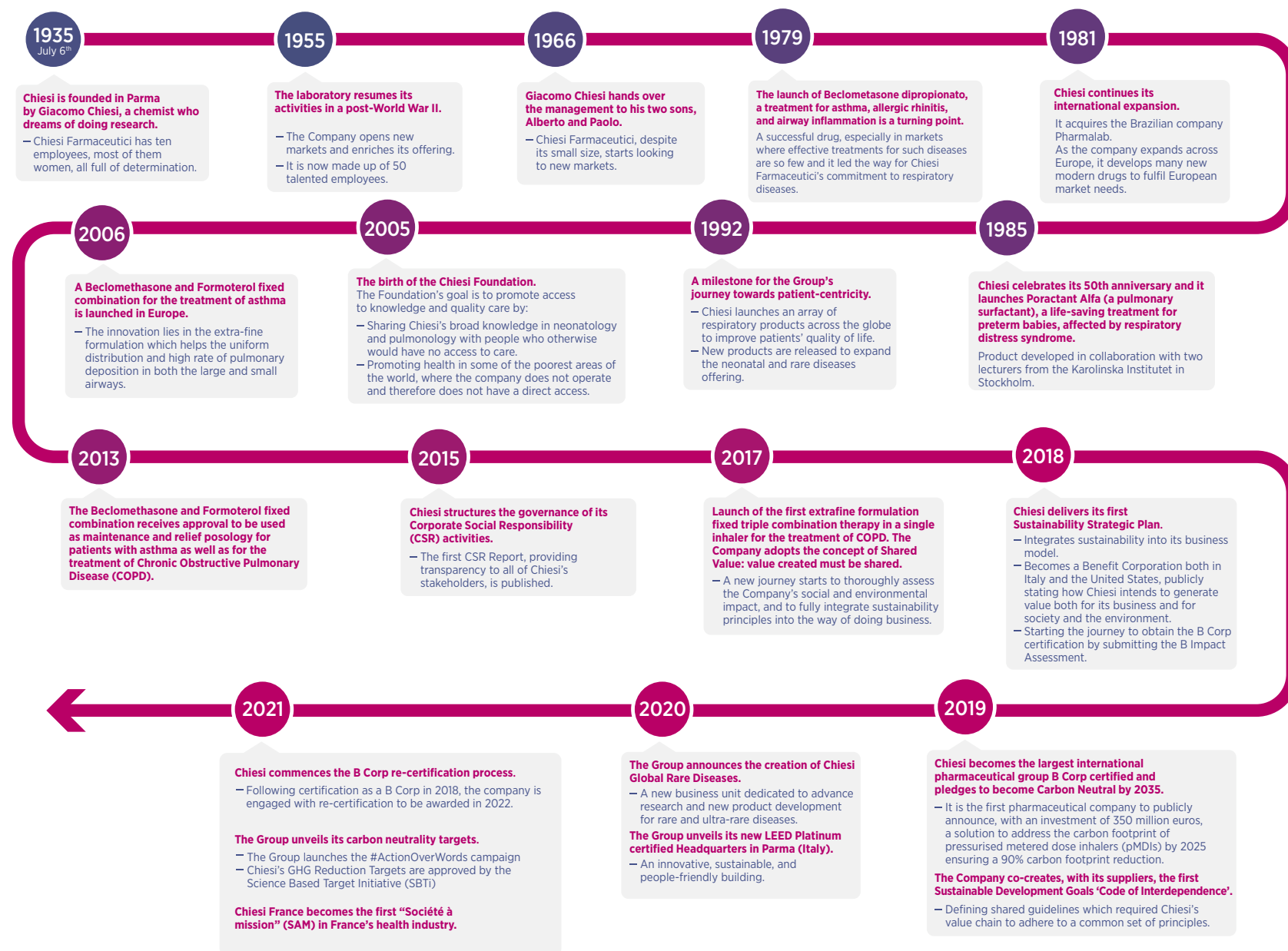
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Our path towards B-Corp recertification

As the largest global [B Corp-certified](#) pharmaceutical company, Chiesi constantly monitors and improves the societal and environmental performances throughout its operations.

Alongside our company mission of developing and delivering therapeutic solutions to improve patients' health, we have integrated four common benefit goals into our bylaws which define our profile as a Benefit Corporation. These focus on operating in a sustainable, transparent and responsible way towards society and the environment, thus embedding the concept of creating shared value into how we put action into words. Under this overarching framework, the Chiesi community constantly focuses on improving areas of synergy, helping to drive even greater impact for all stakeholders and partners. This is facilitated by establishing yearly improvement plans directly related to impact areas.

Common benefit purposes



Improving people's health, wellbeing and quality of life.



Continuously innovating the sustainability of all company processes and practices in order to minimise negative impacts and to amplify positive impacts on people, the biosphere and the community, in pursuit of an economy with net-zero GHG emissions, in line with European objectives on climate neutrality and national objectives on ecological transition.*



Promoting a conscious and sustainable way of doing business, by fostering a collaborative dialogue among stakeholders.



Contributing to the development of the local communities in which the company operates.

*This purpose was updated in January 2022 to integrate the objectives of the ecological transition into our bylaws.

Since becoming a Benefit Corporation under Italian and US law in 2018 and being certified as B Corp in 2019, Chiesi self-assesses its sustainability performance on a yearly basis, as part of our own corporate commitment to constantly measure our progress in key areas and implement further improvement actions. In order to maintain B Corp certification, companies must update their impact assessment every three years, to verify their status and update their score. In 2022 we are required to seek recertification as a B Corp for the first time since joining. After submitting all relevant material to B Lab in 2021, Chiesi is currently undergoing the audit phase of this process. To find out more about Chiesi's B-Corp recertification, see the chapter on [Governance, Mission and Engagement](#).



About B Corporations

Certified [B Corporations](#) are for-profit companies that use the power of business to build a more inclusive and sustainable economy. They meet the highest verified standards of social and environmental performance, transparency, and accountability. To date, there are more than 5,000 B Corps in 155 industries and 80 countries around the world.

About B Lab

B Lab® is a non-profit that serves a global movement of people using business as a force for good. Their initiatives include B Corp Certification, administration of the Impact Management programmes, and advocacy for governance structures like the Benefit Corporation. B Lab® envisions an inclusive and sustainable economy that creates shared prosperity for all.

How we measure our impact

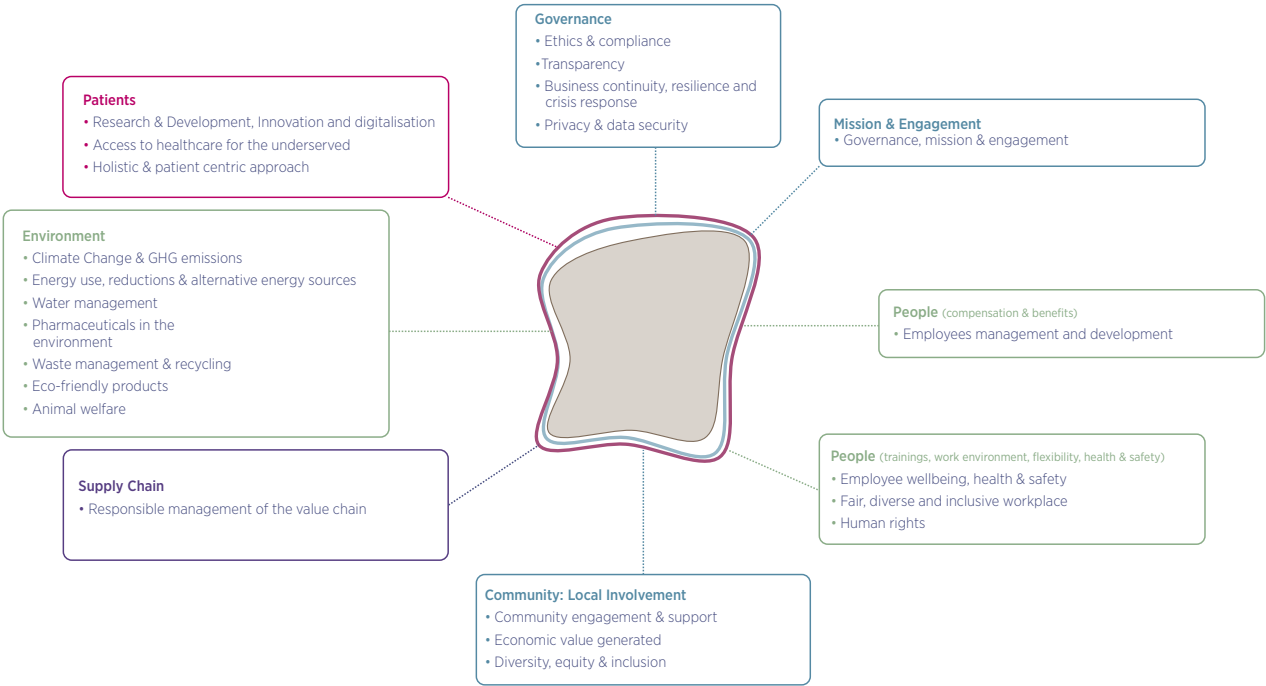
When it comes to driving sustainable progress and shared value in the healthcare sector, actions speak louder than words. At Chiesi, we are committed to measuring our impact both within and beyond our organisation in a systematic way. Our methodology for impact measurement integrates different reporting frameworks:

- **B Impact Assessment from B Lab**
- **The Benefit Corporation legal framework**
- **Global Reporting Initiative (GRI) Standards**
- **UN Sustainable Development Goals (SDGs)**
- **World Economic Forum’s recommended metrics (from the [Measuring Stakeholder Capitalism white paper](#)) for non-financial reporting.**

Chiesi Impact Profile

This report’s content is structured in alignment with our Chiesi Impact Profile and encompasses the six following areas: Patients, Environment, Community, Value Chain, People and Governance, Mission & Engagement. Chiesi’s Impact Profile is a qualitative graphic representation of the company’s positive impact on different areas. The development of the profile originates from the impact areas mentioned above and covered in the B Impact Assessment (BIA), the related scoring system and the company’s Materiality Analysis.

The **Impact Profile** tool is endowed with a qualitative-quantitative description of actions in place and actions for improvement, which Chiesi elects to use as a tool to monitor its impact related evolution, and to define yearly and mid-term targets and improvement plans across the organisation. You can read more on the Chiesi Impact Profile in this [report’s Annexes](#)



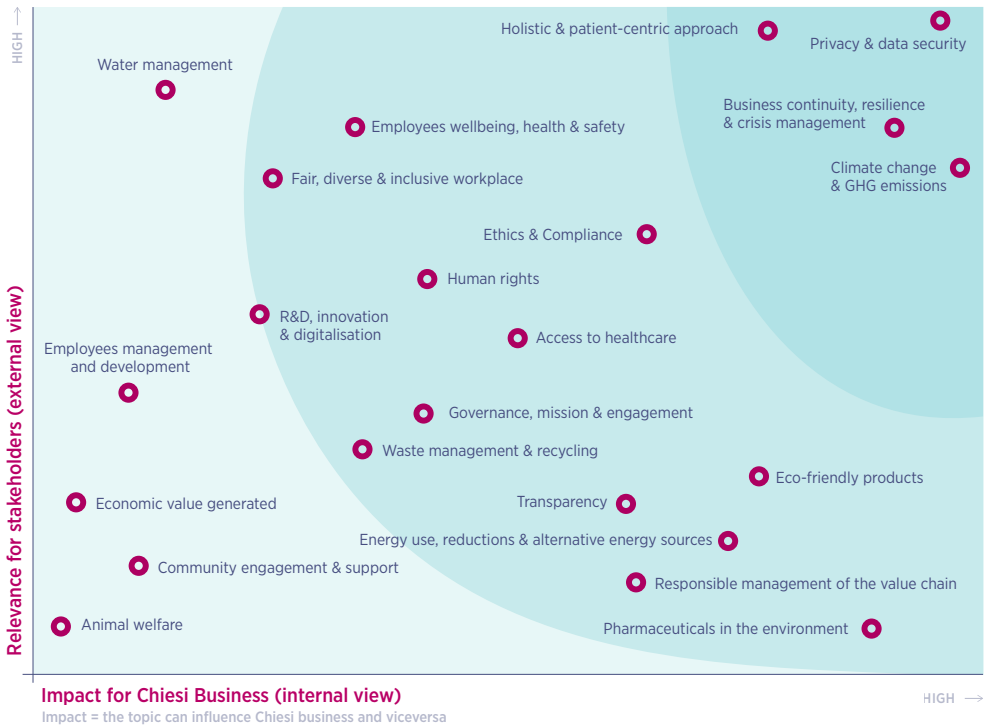
Materiality Analysis

The Impact Profile is aligned with the material topics identified in our latest **Materiality Analysis**, a key tool to help us understand which issues are most relevant to our core stakeholders and should receive special attention from our company’s management. This is a key process and requirement for adhering to GRI reporting standards, which define material issues as “those topics that have a direct or indirect impact on an organisation’s ability to create, preserve or erode economic, environmental and social value for itself, its stakeholders and society at large”.

The materiality of each issue in the matrix is evaluated on two levels: the issue’s impact in relation to Chiesi’s business, and its relevance for our main stakeholders. The term “impact” considers both how the topic can influence Chiesi’s business in terms of risks and opportunities and how our business can influence the topic (outside-in and inside-out perspectives). The materiality analysis is performed

using Datamaran, the only cloud-based software in the world that supports a comprehensive data-driven process for monitoring external issues and risks, including ESG. Datamaran strengthens our understanding of and in-house ability to monitor the evolution of ESG, geopolitical, technology and emerging issues.

In 2021, Chiesi updated its Materiality Analysis: the key topics identified and mapped in our materiality matrix were confirmed, with the exception of one addition (Privacy and Data Security). The appearance of this topic reflects an increased focus on keeping sensitive healthcare and other data safe and secure, in order to build trust with our stakeholders and prevent a negative impact on our business. More information on each of the material topics can be found in [Annexes I, III, VI and VII](#) of the report.



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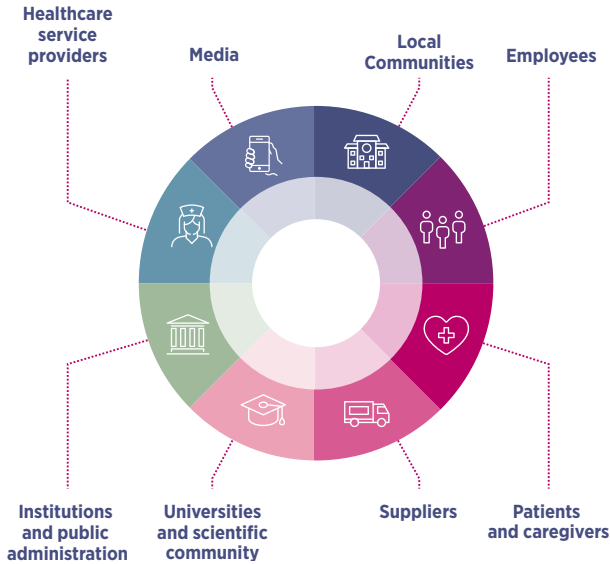
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To better inform our materiality analysis, we engaged with stakeholders developing specific surveys to capture the voices of employees, suppliers and other external interested parties.

Our stakeholder map provides the starting point from which we determine which stakeholders are impacted by our business activities and to help us pinpoint which areas within the business require attention in terms of strategic input, alongside those topics identified within the materiality matrix.



Sustainable Development Goals

Chiesi supports the **United Nations Sustainable Development Goals (UN SDGs)**. While we firmly believe in the importance of all 17 goals for achieving a fairer and more prosperous world for all, there are nine goals in particular which we think are best positioned to support through our work:



#3 Good health and well-being, #5 Gender equality, #8 Decent work and economic growth, #9 Industry, innovation and infrastructure, #10 Reduced inequalities, #11 Sustainable cities and communities, #12 Responsible consumption and production, #13 Climate action, #17 Partnerships for the goals.

Since 2020, we use the SDG Action Manager Tool to assess, compare and improve our performance to deliver tangible progress on the SDGs.

2021 marked an improvement in our overall performance against the SDGs: while acknowledging that Chiesi’s activities pose no potential risks to the achievement of any of the SDGs, the analysis showed that Chiesi positively contributes to many of them, outperforming the average country and sector scores in many cases. We achieved a very high score on SDG #3: Good Health and Well-Being (the only SDG directly linked to Chiesi’s business model), which highlights how

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our business contributes to sustainable development by enabling healthy lives and promoting well-being for all, at all ages.

You can learn more about our progress towards the SDGs in the different chapters and [in the Annexes](#).

World Economic Forum “Measuring Stakeholder Capitalism” metrics

Finally, we are also preparing for the expectations of the future with regard to corporate reporting, ahead of the EU’s expected adoption of a new Corporate Sustainability Reporting Directive (CSRD) in 2022. We always seek to go above and beyond mere compliance in every aspect of our work, including measuring our progress. To that end, 2021 saw a new framework taken for consideration.

The Measuring Stakeholder Capitalism framework, launched by WEF in

September 2020, is intended to help companies to align their mainstream reporting on performance against environmental, social and governance (ESG) indicators and track their contributions towards the SDGs on a consistent basis.

This new set of metrics brings together, but also goes beyond, existing standards such as GRI, with a view to enabling greater comparability and consistency of ESG disclosures and reporting.

In 2021, Chiesi decided to include this new framework in the present report, in order to ensure the most comprehensive approach to our reporting, enlarging its scope as much as possible.

You can find more information on this framework in the [Annexes](#) to this report.



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Chiesi at a glance

Board of Directors

Alberto Chiesi	President
Paolo Chiesi	Vice President
Alessandro Chiesi	Executive Director
Giacomo Chiesi	Executive Director
Maria Paola Chiesi	Executive Director
Andrea Chiesi	Non-Executive Director
Ugo Di Francesco	Chief Executive Officer

Manufacturing sites and R&D centres

<h2>Manufacturing</h2> <ul style="list-style-type: none">→ Parma, ITALY→ Blois, FRANCE→ Santana De Parnaiba, BRAZIL
<h2>Research & Development</h2> <ul style="list-style-type: none">→ Toronto, CANADA→ Chippenham, UK→ Cary, USA→ Parma, ITALY→ Paris, FRANCE→ Shanghai, CHINA→ Stockholm, SWEDEN

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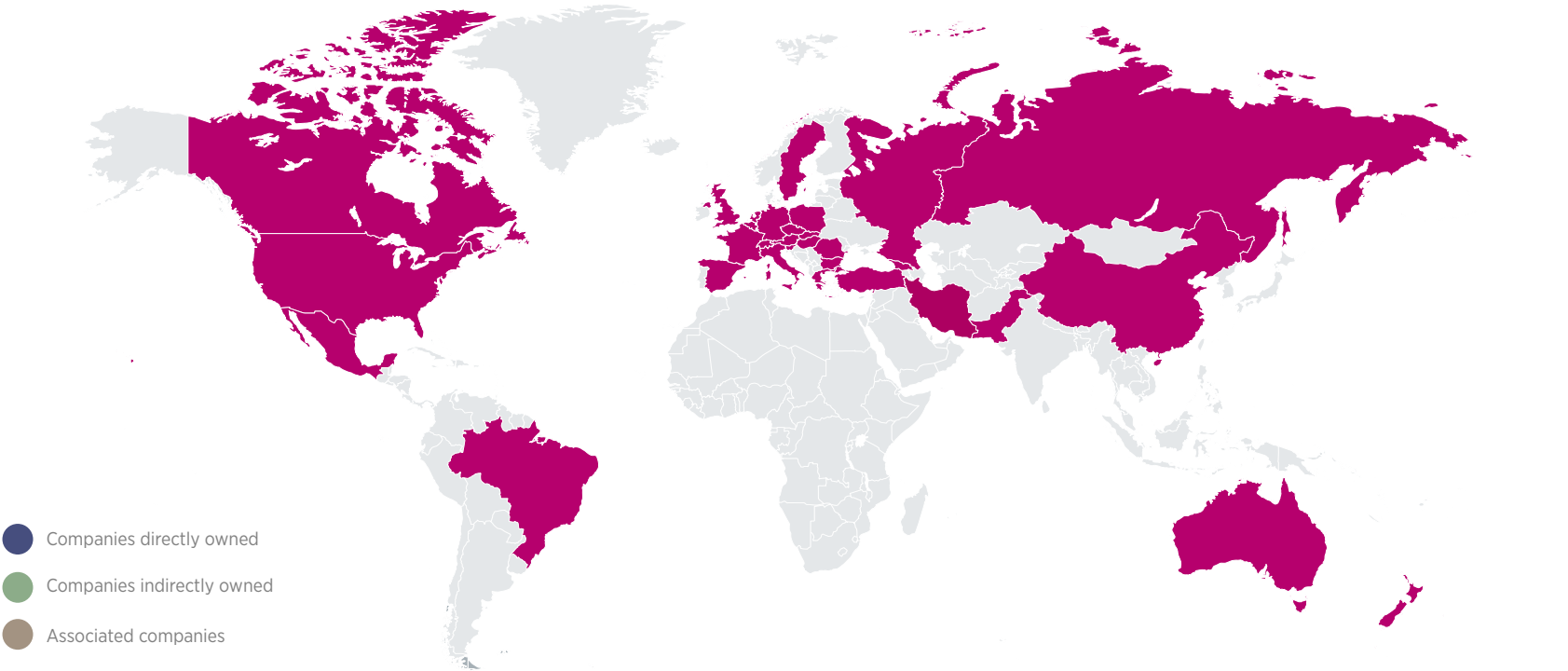
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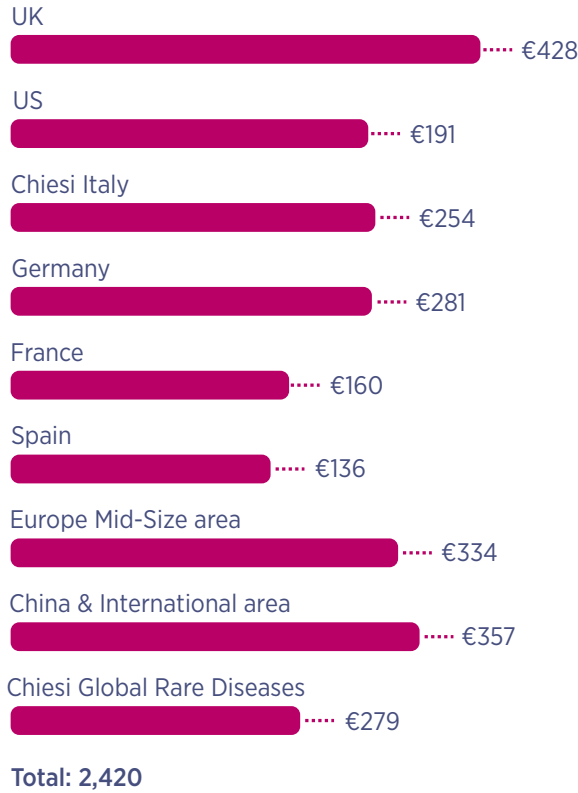
Canada Chiesi Canada Corp.	France Chiesi S.A.S. NhCo Nutrition S.A.S.	Austria Chiesi Pharmaceuticals GmbH	Switzerland Chiesi S.A.	China Chiesi Pharmaceutical Shangai Co. Ltd. Chiesi Pharmaceutical Consulting Shangai Co. Ltd
United States Chiesi USA Inc. Cornerstone Biopharma Inc.	United Kingdom Atopix Therapeutics Limited Cheshire Healthcare Limited Unikeris Chiesi Healthcare Limited Chiesi Limited	Romania Chiesi România S.r.l.	Sweden Chiesi Pharma AB	Australia Chiesi Australia PTY LTD
Mexico Chiesi Mexico S.A. de C.V.	Netherlands Chiesi Pharmaceuticals BV	Slovenia Chiesi Slovenia D.O.O.	Turkey Chiesi Ilac Ticaret A.S.	New Zealand Emerge Health New Zealand Limited
Brazil Chiesi Farmacêutica LTDA.	Germany Chiesi GmbH Chiesi Orphan GmbH	Hungary Chiesi Hungary Kft.	Pakistan Chiesi Pharmaceuticals PVT. Ltd. Master Pharma Private Ltd.	Italy Chiesi Farmaceutici S.p.A
Spain Chiesi España S.A.U.	Poland Chiesi Poland SP. Z.O.O.	Slovakia Chiesi Slovakia S.r.o.	Iran Daroo Gostaran Khavare Mianeh	Chiesi Italia S.p.A Marco Antonetto Farmaceutici Opocrin S.p.A. Immobiliare Opocrin S.r.l.
Belgium Chiesi S.A.		Bulgaria Chiesi Bulgaria Ltd.	Russia LLC Chiesi Pharmaceuticals	
Greece Chiesi Hellas A.E.B.E.				

NOTES: Update to December 2021 • Chiesi S.A (BE): 0.01% owned by Chiesi GmbH (DE) • Chiesi Mexico S.A de C.V.: 0.01% owned by Valline S.r.l. • Chiesi Hellas A.E.B.E.: 1.01% owned by Valline S.r.l.

Revenues

(Million €)	2021
Total Group Revenues	2,420
(+8.6% compared to 2020)	

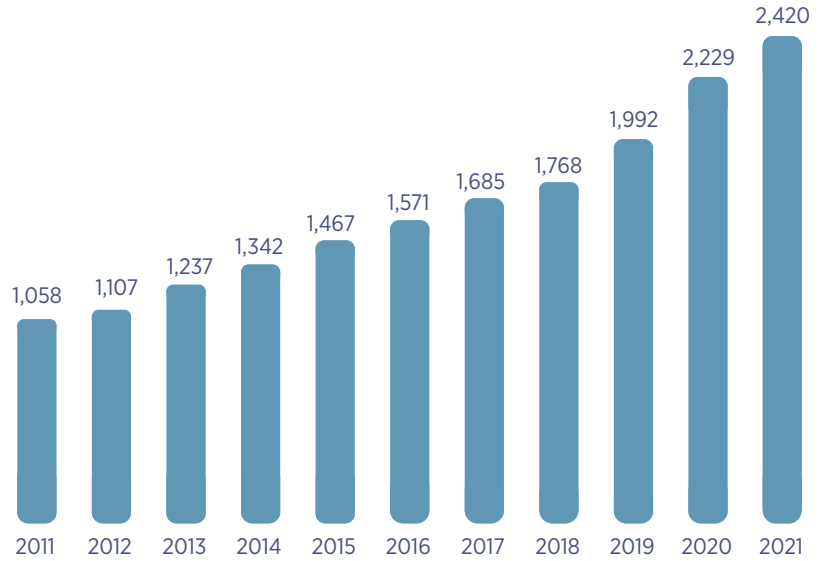
Group's overall turnover (million €)



Revenues by focus area (million €)

Focus Area	2021	2020
Air	1,731	1,607
Rare	279	164
Care	409	458
Total	2,420	2,229

Consolidated revenues 2011-2021 (million €)



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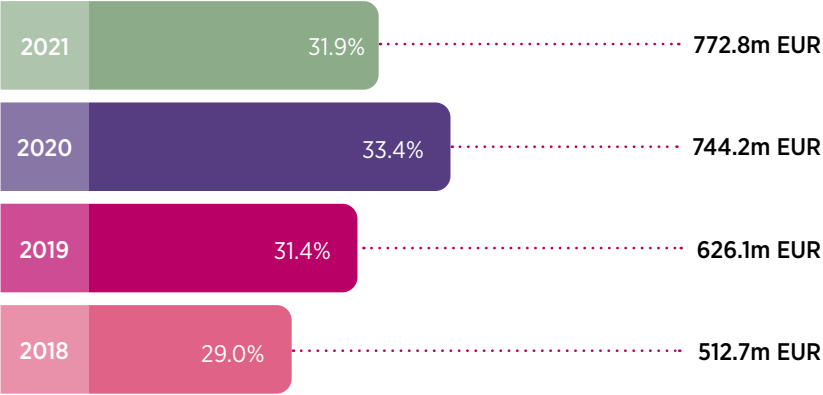
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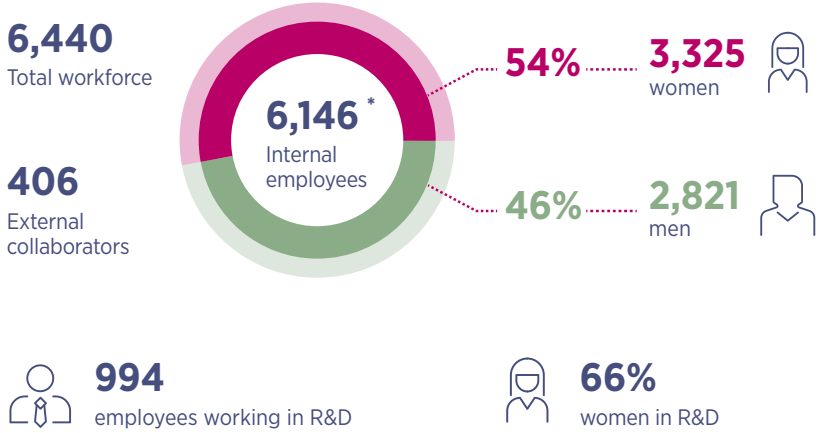
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EBITDA (% on revenues)



Employees in 2021



* The total number of employees includes long-term employee absences and therefore differs from the total number of employees reported in the Consolidated Financial Statement (equal to 6,034 on 31st December 2021) in which long-term employee absences are excluded, and it differs from the total workforce (equal to 6,440 on the 31st December 2021) in which external collaborators (field force contractors and ad interim employees) of the Group are included and long-term employee absences are excluded.



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Company overview

In early 2021, Chiesi unveiled a new visual identity that is deeply inspired by its patients, how they see the company, and live with its products. The announcement marked the next step in the creation of a corporate culture that is truly empathetic towards patients, and aligned with the highest ethical and sustainability standards that Chiesi adheres to as a certified B Corp. As part of the process to develop the new portfolio strategy for the Group, Chiesi in 2021 streamlined its brand architecture based on three main focus areas, reflecting the company’s efforts to deliver shared value for patients, society and the planet.



Air encompasses products and services that enable the treatment of respiratory pathologies among patients of all ages, from newborns to the elderly.



Rare focuses on the treatment of patients living with rare or ultra-rare diseases.



Care combines products and services that support special care provided by medical professionals, as well as consumer facing self-care.

You can find more information on our focus areas in the [Patients chapter](#) of this report.

Investments in Research & Development in 2021

Chiesi is committed to driving sustainable value for patients by providing outstanding therapeutic solutions. In order to ensure we continue to do so, research and development (R&D) plays a key role in developing new solutions through leading technologies and innovations. You can read more about our R&D activities in the [Patients chapter](#) of this report.



In the 2021 EU Industrial R&D Investment Scoreboard, Chiesi was listed 1st among the Italian pharmaceutical companies.



In 2021, Chiesi was confirmed as the 1st Italian pharma company in Europe for patent deposits.

5,643

In 2021, the Chiesi portfolio included more than 5,643 worldwide patents.

In 2021, **19.8%** of our revenues were dedicated to R&D

In 2021, we had **€479m** total expenses in R&D



Chapter 2

Governance, Mission & Engagement

- Advancing sustainable transformation together
- B-Corp recertification
- Managing our impact
- We ACT
- Risk management
- Ethics and compliance
- Privacy and data security

Advancing sustainable transformation together

We have reviewed our governance frameworks to ensure we operate in a responsible, sustainable and transparent way towards patients and their caregivers, our employees, the planet and our communities.

Companies are being rightly held accountable and scrutinised for the impact they have on the world. As the [World Economic Forum](#) points out, “it is no longer acceptable for companies to make empty promises and leave behind the action.” Employees, customers, consumers and society at large expect corporations to create value for society beyond simply generating profit. This change is also reflected in regulatory frameworks, such as the EU Corporate Sustainability Reporting Directive (CSRD), which is expected to enter into force in 2022 and make reporting on Environmental, Social, and Governance (ESG) issues a mandatory requirement for companies all across Europe. To advance sustainable transformation together, Chiesi has reviewed its governance to ensure we operate in a responsible, sustainable and transparent way towards patients and their caregivers, our colleagues, the planet and our communities.

Chiesi uses the B Impact Assessment third party standard, the assessment tool which forms the basis of B Corp certification to report on the impact we generate. The Group is engaged at an international level to follow the continuous evolution of the ESG frameworks and promote a stronger global harmonisation. We participate in ad hoc workstreams within EFPIA, IFPMA and innovative platforms such as the Biopharma Sustainability Roundtable.



We have a specific strategy that guides our actions in local communities, with a dedicated governance body at Headquarter level, the **Committee for Social and Community Development Activities**. This strategy is implemented both within the territory of Parma and its surrounding areas and at affiliate level, considering specific local needs.

Our Governance structure, as explored in this chapter, aligns with our commitment to the following UN SDGs: SDG #3: Good health and well-being, SDG #12: Responsible consumption and production, SDG #16: Peace, justice and strong institutions, SDG #17: Partnerships for goals.



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B Corp recertification

B Corps represent one of the most innovative models in terms of positive corporate social and environmental impact. We are profit-seeking companies with a clear purpose: creating value for all stakeholders. Together, we form part of a global movement of 'Purpose Driven Businesses', whose aim is to promote a more advanced economic model, which sees the companies as key players in regenerating society and the biosphere.

To measure their impact, B Corps use the B Impact Assessment (BIA), developed by the non-profit organisation B Lab, to assess whether they generate more value than the resources they consume (i.e. if the company is regenerative). A company which exceeds a score of 80 (out of 200) on the BIA is eligible for B Corp certification – the only transversal measurement framework which encompasses everything from governance, customers, employees, environmental and community impact. You can find our most recent B Lab certified [assessment result here](#).

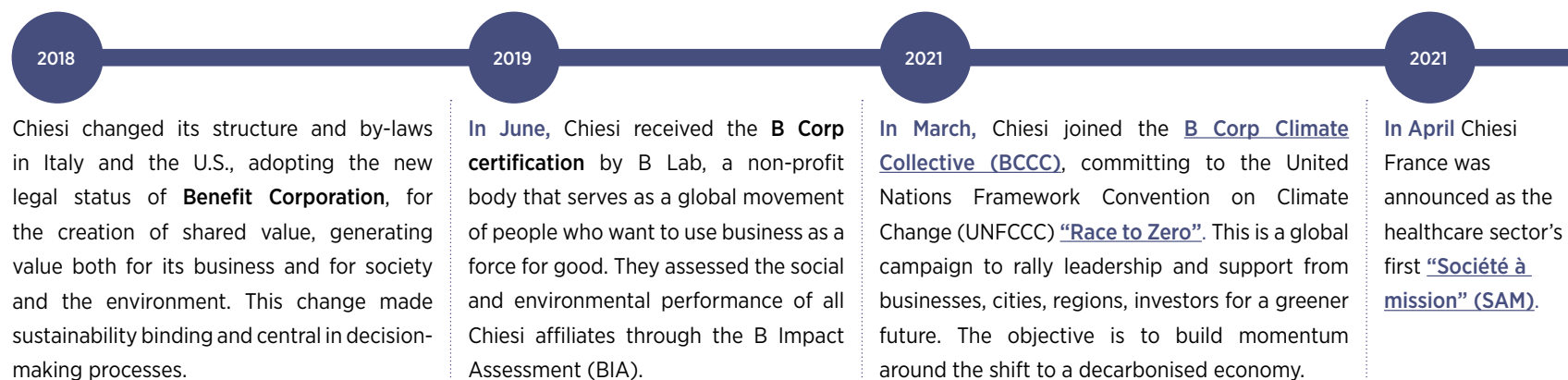
Chiesi updates its BIA self-assessment on an annual basis, in order to analyse progresses and weaknesses and define short and long-term improvement targets. Meanwhile, the process of certification and recertification is an important opportunity for improvement. To maintain B Corp certification, companies must

update their impact assessment every three years and submit it to B Lab for auditing. 2021 saw us begin the process of re-certifying our B Corp status, by compiling details of our progress to date and plans for the future – with the audit phase of the process set to conclude in July 2022.

As the largest pharmaceutical certified B Corp, we want to inspire a conversation about corporate action, and the need to move from celebrating commitments to celebrating measurable progress. With our #ActionOverWords campaign, Chiesi wants to cut through the language of corporate sustainability commitments, which often focus on words rather than the actions to achieve them. More information on the campaign is included in the [Environment chapter](#).

In addition to our B Corp recertification efforts, in 2021 Chiesi obtained an ESG rating for the company's 2020 performance from **Cerved** rating agency for the first time. We were awarded with an A score, reaching 73.7 points – which was among the best performing companies in the Healthcare Products sector. For 2021, we will again seek a rating from the same agency and we expect to receive the results of these efforts in summer 2022.

Chiesi has been engaging with the B Corp framework for several years and we have reached several related milestones:



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Managing our Impact

Chiesi has defined a specific sustainability governance to ensure effective and efficient processes to pursue our purpose, to hold people accountable and responsible for goals and achievements, and to regularly monitor, coordinate and facilitate the implementation of global sustainability projects throughout the company. In 2015, we created a Shared Value & Sustainability Department, whose role it is to define the Group Sustainability Strategy, measure and quantify the company's impact on society and the environment, develop integrated improvement plans and communicate transparently about company environmental and societal performance. In this endeavor the SV&S team is supported by the Impact Committee, whose membership is determined by accountability of the members relative to the areas of impact identified by the company, and more precisely:

	Mission and Governance
	Human Resources
	Health, Safety and Environment
	Finance and risk management
	Ethics and compliance
	Global Research & Development
	Patient engagement, advocacy and support
	Value chain
	Public affairs

The Impact Committee defines sustainability objectives in line with Chiesi's purpose of common benefit expressed in our corporate by-laws, performs the Materiality Analysis, assesses the results achieved and releases our annual Impact Report, included in this report's [Annexes](#). Moreover, the Impact Committee provides inputs for the Annual & Sustainability report, the budgeting process as well as the Strategic Plan, ensuring that all of Chiesi's processes incorporate an impact driven perspective.

All of Chiesi's management is held accountable for reaching the Group's sustainability goals which are included in the company rewarding system.



We ACT

“We ACT”, also known as “We Actively Care for Tomorrow” is an engagement programme which seeks to involve, educate and commit all employees across the company to our sustainability goals and strategy. It stems from a sustainability manifesto which expresses what our company stands for, and which aims to set the direction and tone for everything we do, building on Chiesi’s desire to take care of society and the environment through awareness-raising projects and by actively involving all of our people.

Each year, all people of the Group convene at the We Act Day, a global event that engages all Chiesi people worldwide to spread the shared value mindset and implement the principles of the manifesto through specific initiatives and projects.

Learn more about the 2021 edition of the We Act Day in the [Community chapter](#) of this report.



*The health of our planet
and its inhabitants
deserves our best efforts*



Risk management

Chiesi is subject to risks and uncertainties inherent to our business and the complex, rapidly evolving environment in which we operate. To better understand and manage our exposure to these risks and to seize any related opportunities, specific processes and procedures are handled by dedicated business and staff functions.

To further support and integrate these processes and in order to allow a transversal and holistic view of the overall risk profile, the Group continues the development of an Enterprise Risk Management system that is inspired by international best practices (*CoSO ERM - Integrating with Strategy and Performance*). The system allows us to identify and assess risks that may impact our business, including ESG risks.

At the end of 2021, we integrated our risk assessment and strategic planning processes. We also set up an improved structure for the integration of ESG risks into our Risk Management framework, including those relevant in the medium to long-term (e.g. risks related to climate change, risks related to long-term sustainability objectives) or those which evolve quickly and continuously (e.g. risks related to the evolution of the regulatory framework).

In addition, to better understand the climate risks to which we are potentially exposed and to foster more resilient supply chains and business activities, we are analysing such risks in accordance with the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD) promoted by the Financial Stability Board.

The main risk factors to which the Group is potentially exposed and which are carefully monitored and managed on an ongoing basis are listed below.



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Strategic Risks

Risk	Description	Mitigation Activities
R&D	The process of researching and developing new products or new indications for existing products is expensive, lengthy and uncertain, subject to risks of failure, delays and extra costs. Failure can occur at any stage, even late in the process or following substantial investment. Preclinical and clinical testing demands a complex and lengthy approval process that varies from country to country. Pipeline management is also another potential area of critical risk.	Chiesi periodically assesses its pipeline to better inform decision-making related to value, risk and priority projects. This avoids imbalance and covers all phases of drug development with a proportionate number of projects that ensure adequate management of each phase's typical drop-out rate and respond to the needs of the company's focus areas.
	Our dependence on Contract Research Organisations (CROs) and service providers creates further uncertainty for R&D. Low performance, as well as non-compliance with deadlines for completing preclinical and clinical studies, with ethical, social or environmental standards or with industry or general regulatory requirements by third parties, can cause delays, extra costs or failure for our drug development projects.	A dedicated function within Chiesi carefully selects and monitors suppliers of outsourced services. This ensures a structured process for third party performance qualification and monitoring and guarantees that they meet our quality requirements.
Intellectual property	To protect the investment made into discovering and developing drugs, the latter must be protected from being copied for an adequate period of time. Failing to obtain, maintain, defend or enforce our IP rights would negatively affect performance. Should third parties accuse Chiesi of infringing patents held by them, this could lead to additional costs related to penalties or the need for dispute management.	Active management of IP rights protects the Group from such risks.

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External Risks

Risk	Description	Mitigation Activities
Market dynamics	<p>The pharmaceutical business is subject to significant pressure on product pricing, closely related to the company's ability to obtain and maintain satisfactory rates of return for its products from governments, insurance companies and other customers. Increasing government pressure on prices to reduce public health expenditure may lead to more rigorous reimbursement policies, exposing the Group to lower profitability.</p> <p>The competitive context, represented by competing generic products characterised by lower prices and products possibly discovered, developed or marketed earlier or more successfully by others, exposes the Group to losing market share.</p>	<p>Continuously monitoring the competitive landscape and defining appropriate strategies for adequate differentiation of Chiesi products protects the Group from these risks.</p>
Evolution of legislation	<p>Evolving environmental legislation could lead to increasingly stringent regulations. This may demand that we adapt our development and production processes, to avoid loss of market share or sanctions resulting from non-compliance with the new provisions.</p>	<p>Careful monitoring of national and international legislative activities to anticipate regulatory requirements, where possible, protects the Group from such risks.</p>
Country risk	<p>The Group's global presence exposes Chiesi to social, economic and political instability in specific geographical areas which can negatively affect the Group's performance.</p>	<p>Prompted necessary actions are adopted to ensure uninterrupted access to company drugs and therapeutic solutions in the areas eventually affected by social, economic and political instability.</p>

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Business model risks

Risk	Description	Mitigation Activities
B-corp recertification	There would be significant reputational repercussions should the Group fail to maintain and renew its B-Corp certification.	The Chiesi Group is committed to taking care of others and the planet and to continuously monitor and improve our social and environmental performance. This is reflected in corporate processes, culture and practices, making exposure to this type of risk remote.
Mergers & Acquisitions / Joint Ventures	The Mergers & Acquisitions activities that the Group pursues expose it to risk factors such as possible errors in the evaluation of the initiatives (e.g. difficulty in identifying potential targets, economic-financial feasibility, partner/licensor reliability), critical issues in the governance of M&A/JV deals, difficulties in managing legal and contractual aspects, or execution risks that could compromise expected profitability.	Careful and in-depth due diligence analyses are carried out at all stages of the process to reduce exposure to these uncertainty factors as much as possible.

Operational and business risks

Risk	Description	Mitigation Activities
Industrial operations	Drug development and manufacturing are complex processes heavily regulated by health authorities around the world. Whether Chiesi's raw materials and finished products are developed and manufactured at its own production sites or by third parties, the company must ensure compliance of processes with regulatory requirements and quality standards, while ensuring patient safety. Failure to comply with these requirements would have serious repercussions on the Group's performance. The Group's dependence on products and services provided by third parties exposes it to the risks associated with their management, such as reliability, inadequate governance and control risk, or failure to comply with contractual obligations or the level of performance.	The Group pays great attention to the selection and monitoring of suppliers of outsourced services through a dedicated function that oversees a structured process of qualification and monitoring of third parties' performance in order to guarantee the quality requirements necessary to meet the needs of the Group.

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Risk	Description	Mitigation Activities
Procurement	The Group risks being dependent on single suppliers, which could cause supply chain interruptions. There are also risks relating to supplier reliability as regards their levels of service, quality, financial stability, reputation, adverse environmental impact and human rights.	Structured selection, monitoring and dialogue with suppliers protects the Group from such risks. An annual risk analysis focused on business continuity on all direct purchases is carried out. Based on the results, mitigating actions are defined and monitored. Signing the Code of Interdependence , the Group's supplier code of conduct, further strengthens the partnership.
Business interruption	The risk of "business interruption" is part of our operational risk profile. This could be caused by extreme natural phenomena, interrupted electricity supply, sabotage or terrorism, or damage to key assets.	Specific recovery plans/processes are in place.
Environmental sustainability	Regulators, customers, employees and all stakeholders have specific expectations of the Group as regards understanding, reducing and mitigating the environmental impact of our activities and supply chain. Failing to meet these expectations exposes us to potential reputational, legal and business consequences.	Chiesi is committed to minimising negative impacts on the environment through increasingly sustainable processes. In addition to specific policies already in place (e.g. sustainable chemistry policy), the Group has launched numerous projects in this regard, from improving the sustainability record of our sites in terms of water, energy, waste, transport and health, to reducing the GHG emissions linked to our products.

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Risk	Description	Mitigation Activities
Information technology	Cyber-attacks, which are increasingly pervasive and frequent, pose a significant risk to the Group. They could cause the unavailability of ICT systems, interruption of production activities, or the loss of confidential information, with consequent damage to our reputation and performance.	To protect our corporate assets and activities, the Group has reinforced and continuously monitors its IT and OT system security, via technical solutions and staff training and awareness-raising.
Human resources	Attracting, developing and retaining talent may be challenging, due to a lack of necessary skills and know-how, intense competition, or inadequate internal training and professional development. This may negatively affect the Group's ability to implement our business strategy and to capitalise on new commercial opportunities.	Chiesi pays great attention to its people. Individual development plans, a transparent performance management system, succession plans, and international mobility policies are just some of the activities and processes established to support employees all over the world.
Financial risks	The Group is exposed to risks relating to the management of capital availability, liquidity, currency, interest and exchange rates, trade receivables, and relations with financial counterparties.	The Global Finance function evaluates and adopts appropriate actions in order to manage the financial risks in compliance with company policy and procedures.
Legal and compliance	Non-compliance with applicable laws and regulations, contractual requirements and internal standards could expose the Group to legal proceedings, reputational damage or financial losses. The pharmaceutical sector's complex and articulated regulatory context exposes the Group to risks of non-compliance with laws or regulations and technical standards, such as the requirements of regulatory agencies (e.g. AIFA, EMA, FDA, etc.), which could lead to product recalls or sanctions, GMPs and GCPs, and consequently to delays in studies, lack of patient safety, waste of resources, and pricing regulations. There is also a risk associated with non-compliance with general laws and regulations, such as anti-corruption legislation, the general regulation on data privacy, laws and regulations relating to the environment, health and safety laws, or fiscal and tax legislation.	The company's internal control systems and procedures lead to the conclusion that the risk of non-compliance with this regulatory framework is remote.

Ethics and compliance

As a biopharmaceutical company, Chiesi is part of a large and diverse ecosystem, which draws on the wider talents and skills within our sector and the scientific community to serve our patients. We exchange knowledge to move forward together and we embed the highest level of respect, transparency and ethical behaviour as a foundation for all our interactions. The respect of these values is also expected from all our employees, suppliers and partners, when interacting with each other and with our customers.

To fully integrate such principles in its business, Chiesi has adopted a specific structure and a set of compliance policies and procedures, in particular:

2003 In 2003, Chiesi implemented the requirements set forth by Italian Legislative Decree no. 231/2001 (“Decree 231”), applicable across the whole Italian territory, by **adopting an Organisational, Management and Control Model (known as a “Model 231”), which clearly defines Chiesi’s ethical commitments and responsibilities while conducting its business.** In particular, Model 231 defines rules and processes that Chiesi has adopted in order to prevent and avoid unlawful behaviours (as reported within Decree 231) and identifies the role and responsibilities of the Surveillance Body. The Surveillance Body is entrusted with supervising the correct application of Model 231 and periodically reports the outcomes of such activity to the Board of Directors. Model 231 includes the [Code of Conduct](#) (updated in 2021), which is binding for all Chiesi bodies and employees and aims to stress the Group’s commitment to using its business as a force for good and contributing to the UN SDGs. Model 231 is available to all employees via Chiesi’s intranet (C-Share) and it is subject to periodic review and revisions.

2012 In 2012, a **Corporate Compliance Committee (composed of Chiesi’s Chief HR Officer, Group Compliance Officer and Head of Internal Audit) was appointed** to supervise compliance topics affecting the Group and to provide support to Chiesi’s companies and Board of Directors on relevant assessment and management.

2015 In 2015, Chiesi’s commitment to compliance led to the formal creation of the “Group Compliance” function. Following this, Chiesi **adopted a Group Standard Operating Procedure (SOP) on Interactions with Healthcare Professionals (HCPs) and Healthcare Organisations (HCOs)**, defining a set of binding principles that each company of the Group must comply with while interacting with HCPs and HCOs. These are aligned with IFMPA, EFPIA and Farindustria’s respective Codes of Conduct.

2016 In 2016, Chiesi adopted a **Group Anti-Bribery Policy, encompassing a set of rules and principles on how to recognise and deal with bribery and corruption issues** and how to comply with anti-bribery rules and regulations. This Policy is directly applicable to all companies of the Group.

2016 In 2016, Chiesi also achieved the highest score of three stars on ethics (“Rating di legalità”) from the Italian Competition and Market Authority (AGCM), a testament to the company’s pursuit of the highest level of compliance when carrying out its business. This three-star rating has been re-confirmed in 2018 and 2022.

2017 In 2017, the **Chiesi Confidential Reporting System was established to allow any employees to anonymously report potentially unfair or even illicit behaviour** or occurrences that could potentially damage Chiesi’s business or reputation. Reporting is done through a web-based platform, independent of Chiesi’s IT system. This tool will be updated in 2022, extending access to both employees

2019

and non-employees such as suppliers, and integrating the web-based reporting platform with a multilingual hotline service.

In 2019, Chiesi adopted the Suppliers’ Code of Interdependence, expressing Chiesi’s commitment to social and environmental issues and outlining the principles of sustainability which form the basis of our Company’s mission. This Code establishes mandatory requirements (i.e. the rules of conduct all Chiesi people and suppliers must comply with when carrying out their activities) and improvement actions (i.e. actions that Chiesi and its suppliers intend to take to increase the sustainability of their activities). The Code was updated in 2021 to increase the engagement with our partners and stakeholders with key sustainability topics. You can learn more in the [Value Chain](#) chapter of this report.

2021

In 2021, we reviewed and updated the Chiesi Code of Conduct in alignment with our Values & Behaviours, and taking into account Chiesi’s status of certified B Corp and our approach to inclusion

Internal auditing

Internal Auditing oversees risk assessments and audits for all Chiesi Group affiliates and a Corporate Internal Audit function has existed since 2008. The Head of Internal Auditing is a member of both the Surveillance Body and the Corporate Compliance Committee, providing them with auditing activities and investigation support as needed. Periodic meetings are held with the Surveillance Body, Corporate Compliance Committee, Statutory Auditors, and External Auditors to share information, results and insights. The Board of Directors is briefed annually on audit activities and related results.



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Tax control

Since 2018, we have had an internal Tax Control Framework (TCF) for the detection, measurement, management, and control of tax risks arising from our activities. Within the same framework, we committed to perform ongoing monitoring and maintenance activities required by the model itself. Such activities are framed in the Cooperative Compliance regime we entered in November 2019 and are therefore a duty required by the Italian Tax Authorities (Italian Revenue Agency, Agenzia delle Entrate).

In 2021, we also reinforced our collaborative and open approach with the tax authorities, by completing a joint project started in 2020: the International Compliance Assurance Programme (ICAP). ICAP is an innovative worldwide pilot project hosted by the Organisation for Economic Co-operation and Development (OECD), in which multinationals disclose selected tax data with a group of tax authorities, who carry out an open and combined tax risk assessment. The goal of this project is to draft a common consensus among the authorities on the low level of risks – and the connected high assurance provided by our robust tax procedures – of the international transactions and activities carried out by the Chiesi Group. The outcome of this project rewarded Chiesi’s collaborative approach and our tremendous effort in this unprecedented proactive data sharing.



Privacy and data security

As part of our 2021 Materiality Analysis, we also identified one new addition to the priority topics list: Privacy and Data Security. This reflects our increased focus on keeping sensitive healthcare and other personal data safe and secure, in order to build trust with our stakeholders and prevent negative impacts for our business.

While a strong focus in this context is placed on patient data, Chiesi follows stringent guidelines for the processing and use of all types of data and in all of the company’s operations, as required by the relevant Data Protection Authorities. To this end, we are fully compliant with the rules laid out in the European General Data Protection Regulation (GDPR, EU Regulation No 679/2016).

In 2021, at Group level, a total of six complaints concerning breaches of customer data were received from outside parties and substantiated by the company. They mainly refer to complaints associated with human mistakes that have not led to any notification to Data Protection Authorities or concerned parties. No complaints from regulatory bodies nor leaks, thefts or losses of customer data were registered.

A word from our stakeholders

Passionate and honest partnerships driving success



Chiesi wanted to make sure its actions to address the climate emergency were not only recognised, but explained to stakeholders in a way that ensured they too would take action. H+K worked with Chiesi's team to create a positioning that would stand out in the crowded space of corporate pledges but was extremely true to the company's values and way of tackling challenges.

We worked very closely with the team to challenge the obvious communications options, and together we began to look at this challenge differently. We wanted to make sure that we built something that helped Chiesi to communicate with empathy and in a way that moved others.

A campaign to push for action - instead of words - in the fight against climate change was the vehicle for multiple announcements and activities in its first year and continues to be a pillar of Chiesi's corporate communications activities. And it worked, because the stakeholder audience engaged with Chiesi in so many different, tailored and unique ways like never before.

By putting the spotlight on the issue and not on Chiesi itself, we created a campaign that made people sit up and take part. As well as a 6% click-through rate on Twitter, our work reached 35,000 hospital and healthcare sector employees and 42,000 Government employees through LinkedIn. Almost 400 external stakeholders watched the webinar to launch the report created by The Economist Intelligence Unit.

As an agency, we love to work with people who are passionate, whose cause we can get excited about. In this case, the cause was of the highest urgency, but in the end, the success of the campaign came about because of the partnership

with the people, who were honest and bold in their thinking and brave in their experimentation with completely new techniques.

The people of Chiesi are very proud of #ActionOverWords, and the same goes for us – whenever we hear new people talk about the campaign, the tiny spark of association is very warming.

Melanie Faithfull Kent
CEO H+K Strategies, Brussels



Our impact across the globe

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Sweden

Benefit Corporation

During 2021 Chiesi Nordic started looking into Swedish corporation legislation. Current legislation assumes that the objective of a company is to provide profit to its owners, or that the business has profit limitations. There is no legislation encouraging companies to simultaneously make a profit and have a higher purpose. Therefore, we prepared a presentation on benefit corporation and presented it to a handful of decision makers and parliament members to increase awareness. We have also inspired a motion on the topic in the parliament.



Germany

Chiesi helps

The fact that Chiesi is a certified B-Corp has an overarching effect on how the company is led and governed by, both at headquarter and affiliate level, and involves taking responsibility to support the communities the company operates in. Within this context, Chiesi Germany regularly helps people in situations of emergency (disaster relief). In 2021 donations were made with a focus on patient organisations, emergency help or a part of “Chiesi doubles your donation” (where the company doubles donations by employees to non-profit organisations). One of the priorities last year was the support of communities and families that were struck by the flood catastrophe along the Ahr river in July 2021. German Chiesi employees also volunteered in the emergency help and logistics on site.



France

Société à mission

In April 2021, Chiesi SAS was the first pharmaceutical company to become a société à mission (mission-driven company). In this regard, the French affiliate set its purpose to “take care of patients and the planet today for tomorrow” defining three commitments as part of this aim which have been integrated into its by-laws. These include innovating with stakeholders, acting for diversity and inclusion and contributing to environmental protection. A committee of 12 external and internal stakeholders was appointed to ensure the execution of this goal. Together, this group will develop roadmaps based on these commitments, with precise indicators to enable monitoring the progress of the actions undertaken. In April 2022 the first mission report will be published to present progress to-date and to highlight areas for future improvement.



Sweden

Swedish Pharma Industry Association

In 2021 the Managing Director of Chiesi Nordic was elected to the Board of the Swedish Pharma Industry Association. Thereby Chiesi got access to a platform to enhance sustainability in the pharma industry. In addition to participating in several panels, podcasts and presentations, being on the Board gave us the opportunity to initiate and support the Secretariat as well as other progressive members in developing a sustainability manifesto, to be launched for the entire industry during 2022. Our sustainability work has also been recognised in the other Nordic countries.



Chapter 3 Patients

- Driving change for and with our patients
- Our focus areas
- Air
- Rare
- Care
- Innovating for the future

Driving change for and with our patients

Chiesi is committed to serving patients with therapeutic solutions that improve their health and quality of life, so that they can live as part of a community, undefined by their disease, while also delivering shared value for wider society and the planet.

The Covid-19 pandemic has transformed global healthcare systems beyond recognition, with pharmaceutical companies, healthcare providers, governments and payers, as well as patients themselves all facing a radically different landscape. Many of these stakeholders have rightly concluded that taking proactive, preventative and sustainable steps towards both care and treatment is key to building more resilient societies. As [Deloitte's annual health outlook report points out](#), the pandemic has shone a spotlight on systemic issues ranging from equitable access to care, the connection between human and planetary health, and poor mental health outcomes having been exacerbated by the crisis.

The Covid-19 health emergency has caused chronic and rare diseases to fall off the priority agenda, impacting the quality of care for patients, time to diagnosis

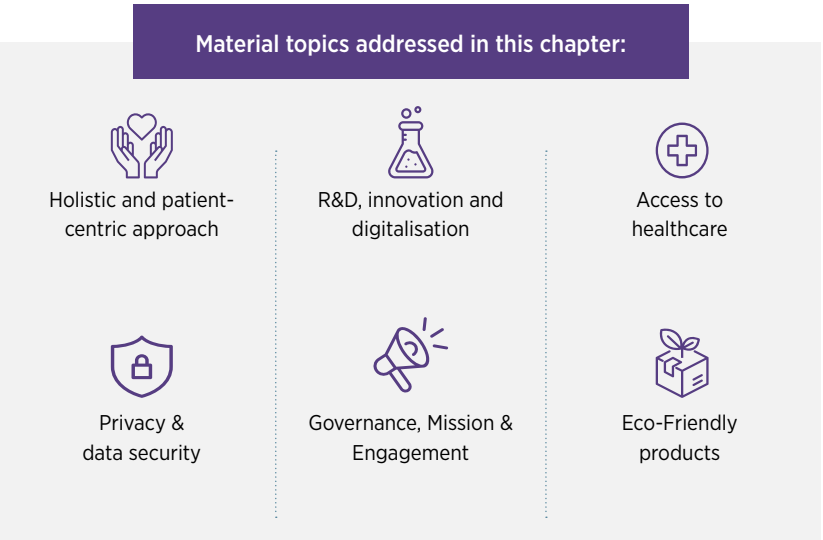
and access to care. In parallel, the pandemic unlocked and accelerated some new ways of serving patients' needs – from delivering care remotely via digital platforms, to tapping artificial intelligence (AI) and data analytics to power research and development efforts faster than ever before.

Our purpose and ambition

Chiesi's mission is to provide appropriate therapeutic solutions for and with patients and improve people's health and quality of life worldwide. This is the foundation of our sustainable business approach, which seeks to generate a wider positive impact for society, the environment and other stakeholders.

We want to be considered as a reference point for people living with chronic respiratory disorders, neonatal pathologies, rare diseases and other difficult-to-treat health conditions. We are committed to offering patients, and their caregivers, innovative solutions to help meet their needs, by exploring new frontiers in treatment and care and embracing state-of-the-art technologies.

We think of patients first and foremost as people, not only as recipients of care. Patients do not exist in isolation. They are active and empowered members of our societies, forming part of the same communities and living in the same environment as all of us. This is why, at Chiesi, we believe true patient care must extend beyond manufacturing drugs – into the societal impact of our decisions. Our work with and for patients aligns with our commitment to the following UN SDGs: SDG #3: Good health and well-being, SDG #9: Industry, innovation and infrastructure, SDG #10: Reducing inequalities, SDG #12: Responsible consumption and production and SDG #17: Partnerships for the goals.





Engaging with patients for greater impact

Our patients are the reason why we are in business. The value of the treatments, care, and solutions that we provide extends beyond merely treating the symptoms of chronic diseases. We want to give our patients and their loved ones the support needed to live more active and fulfilling lives throughout the entire health journey. To be able to do that, we listen to their voice at every step of the way. We make a constant effort to understand what our patients go through and not just from a clinical perspective. We listen to their emotions, desires and needs, which motivate them in going about their daily lives. We involve them in the definition and design of meaningful health outcomes. We pride ourselves in deep, long-lasting relationships of trust, which we have built with our patient communities around the globe.

To Chiesi, innovating for impact means looking beyond the clinical benefits of our medicines and therapeutic targets; being there for our patients in their entire journey (including the daily management of their diseases, rehabilitation, their ability to lead autonomous, fulfilling lives).

We constantly seek to engage with associations representing those who live with severe diseases, so that we can better understand their needs and gather feedback to adapt and adjust the solutions we provide. At Chiesi, we facilitate participation in clinical studies and generate questionnaires to collect and assess patient-reported outcomes of clinical trials.

The shared value mindset is completely embedded in all our R&D processes, with a particular focus on the positive impact that we can create for patients and the environment. Chiesi has several ongoing R&D projects focused on embedding patients value and voices within product development, as well as capturing patient needs.

Voice of Patients Analysis: we developed a new method to derive insights on patients' experiences, which could complement traditional approaches to drive more patient-focused drug development. The results of the analysis for bronchiectasis patients were submitted to the European Respiratory Journal Open Research and the analysis for Idiopathic Pulmonary Fibrosis (IPF) was presented at the [European Pulmonary Fibrosis Patient Summit](#).

Project HOPE: cross-company initiative which aims to embed patient engagement culture across all teams, using a methodology (the Human factors science) recognised by regulatory authorities, to gather patient feedback, analyse results and take formally documented design decisions to improve product development. This encourages knowledge sharing and team collaboration, so that the insights can be applied to every aspect of our work, and be documented in a regulatory-friendly way that supports our claims around patient impact.

Project EUPATI: we are committed to an active and collaborative dialogue that involves patients, caregivers and other health stakeholders. For instance, we work with EUPATI (European Academia of Patients), an important European patient association, in order to learn more about their reality, objectives and ongoing activities.

Clinical Trial Transparency and Data-Sharing

We have several projects aimed at capturing indirect data on patients' needs and sharing clinical knowledge with patients and researchers. Chiesi is committed to Clinical Trial Transparency and Data Sharing. In accordance with local legislative and applicable requirements on clinical studies, our company discloses Clinical Protocol and Study-related Information, as well as summary results of clinical studies sponsored by Chiesi Farmaceutici S.p.A. and Chiesi Italia S.p.A, in public registries (e.g. ClinicalTrials.gov, EU Clinical Trials Register, CTIS portal). All activities surrounding clinical trials and data sharing are undertaken in full respect of data privacy and compliance with all required legal privacy and data-sharing requirements.

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Chiesi has also adopted mechanisms to enable the sharing of clinical trial information and results with trial participants and the general public, consistent with applicable laws.

Chiesi is committed to making information available on any phase 2-4 clinical trial, specific typologies of non-interventional studies and clinical investigations on medical devices, sponsored by Chiesi Farmaceutici S.p.A. and Chiesi Italia S.p.A., which are not subject to a mandatory disclosure requirement in any Primary Registry part of the World Health Organisation (WHO) Registry Network and which have been initiated on or after 1st June 2018. This information is provided via the public registration in ClinicalTrials.gov and disclosure of Summary Results (e.g. posting on ClinicalTrials.gov, CSR synopses, structured summary data, etc.), within 12 months from completion of the study.

All clinical studies and their publicly disclosed study-related and results-related information are made available on the [Chiesi Clinical Study Register](#).

In the field of advocacy, we are working in partnership with patients to create awareness and improve patient care even further. We particularly concentrate our efforts in the Respiratory and Rare focus areas. More information on each of these partnerships can be found in the Air and Rare sections of this chapter.



A word from our stakeholders

Partnering to provide the best quality of care to people with allergy and airways diseases



“The Breathe Coalition was established in 2020 with the support of Chiesi, among other industry partners. It is the first ever collaboration on EU health policy advocacy among European level respiratory patient groups and respiratory physicians. In 2020 it resulted in a publication and high-level event of the MEP Lung Health Group launching the ‘Breathe Vision 2030’ for Europe. In 2021, the group published its first Policy Briefing on the European Health Data Space and several coordinated responses to EU health policy consultations. The work has resulted in respiratory diseases becoming one of the few disease areas prioritised in the EU NCD Non Communicable Diseases Initiative. The trust, vision and belief in patient leadership of a corporate partner like Chiesi has been instrumental in bringing this change about.

Over the years, Chiesi has been instrumental in supporting the European Federation of Allergy and Airways Diseases (EFA) to deliver on its long-term vision of a world where all people with allergy and airways diseases have access to the best quality of care and are involved in all decisions on their health. Chiesi’s support has been increasing over time to focus not only on prevention, but also on care, and we are very grateful for this continuous partnership.”

Susanna Palkonen,
Director, European Federation of Allergy and Airways Diseases
Patients Associations



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Impacting people’s lives

Chiesi’s **Evidence Generation Plan** is focused on demonstrating how our products are having an impact on people’s lives, in ways that cannot be measured by clinical endpoints but rather by interviewing patients and looking at their behaviours, feelings and needs. Our Patient Engagement initiatives allow us to collect patient, caregiver and healthcare providers’ feedback about how our products, projects and services are impacting their lives. Moreover, we have started co-creation exercises with our affiliates to develop concrete solutions that will not only fulfil unmet therapeutic need, but also improve people’s overall quality of life based on their feedback on what is missing or needed in specific regions and therapeutic areas. Our clinical department is also working to improve patient experiences during clinical trials, through decentralisation and the implementation of more patient-friendly trial designs.

Particularly in the area of rare diseases, where the support needed beyond the treatment is even greater due to the complexity of very difficult diseases conditions, we strive to understand our patients and their needs deeply; we help them, but we also need their openness and engagement to be able to learn more about the rare conditions that afflict them. This is why we actively involve patients in product development meetings. For example, in order to ensure patient-centric decision making and deliver more impactful solutions, the Chiesi Global Rare Diseases Advocacy team conducts interviews, roundtables and surveys among our patient communities. Recent examples included:

- Fabry roundtables, in collaboration with the Fabry International Network (FIN), that resulted in the co-creation of a “key learnings” infographic shared back with the community.
- Working with a member of the sickle cell disease community to review and co-author a plain language summary of a scientific publication for community access.

- Gathering and disseminating patient and caregiver stories across our focus areas to raise awareness and as a resource for patient and healthcare providers.
- Collaborating with PatientView to conduct our first global patient organisation (PAG) relationship survey of rare disease patient organisations, to better measure our engagement with their communities.



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Ensuring access to treatment for underserved populations

In line with Article 25 of the Universal Declaration of Human Rights, we believe that health and wellbeing should be a fundamental right for every person. To that end, and in line with our sustainability approach, we work to make treatment and care in our core therapeutic areas available to all those in difficult circumstances or who cannot easily access therapies, ensuring that more patients can receive the treatments they need at a sustainable price for them, for global healthcare systems and for Chiesi.

To this end, we collaborate closely with a range of different associations within the sector worldwide to contribute to increased access to our products in relevant therapeutic areas, including rare diseases, while working alongside healthcare authorities to increase disease awareness and promote training for healthcare professionals. Our engagement with all relevant stakeholders – from governments, healthcare authorities and healthcare professionals, to patient advocacy groups – is guided by our desire to understand and address gaps in access to care, to deliver concrete solutions to bridge these gaps, and to move together towards more sustainable healthcare for all.

Our Global Value & Access (GVA) team works across the company to bring the payer and patient voice into key clinical and commercial decision-making discussions. In 2021, this work focused increasingly on identifying access opportunities and removing barriers to access. As an example, we deep dived into the payers’ understanding of chronic cough, an underserved disease with a significant burden on patients. This was done by gathering insights into their attitude towards new therapeutic options, to ultimately inform clinical and commercial decisions. With a view of future needs, we have also investigated the payers’ position on sustainability topics, particularly on the transition to environmentally-friendly solutions, and together with other internal stakeholders we have focused on patient interest in new and sustainable medicines.

Other notable efforts in 2021 included “**Project REWARD**”, an initiative focused on understanding payers’ views on the role of sustainability commitments into access and reimbursement decisions, to provide direction for further engagement and constructive collaboration. The project allowed to identify priority areas of work, aligned with payers’ sustainability ambitions, and represents an additional field of implementation of the broad company commitment to creating shared value for society. We also worked with several external partners to advance access in specific therapeutic areas. This included our **Maisha project**, a partnership with the Bill & Melinda Gates Foundation to ensure caffeine citrate availability for neonatal clinical trials in Kenya. Caffeine citrate is used to treat apnoea of prematurity, a common condition among preterm infants caused by the incomplete development of the respiratory system and the areas of the brain that regulate respiration.



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Product safety and quality

Ensuring the quality and safety of our highly diverse product portfolio starts with our production processes – we adhere to the highest European and international manufacturing standards (e.g. European Good Manufacturing practices, US FDA, Sino FDA, Brazilian ANVISA). Our production plants are regularly inspected and certified by all relevant regulatory bodies.

To monitor the performance and safety of our therapies once on the markets, we apply a global, proactive approach to pharmacovigilance. We collect and collate adverse patient experiences, analyse the data to identify any causal relationship between the product and the experience in question, and submit this information to the pharmaceutical regulatory authorities as required. This allows us to maintain a continuously updated risk-benefit profile for all our medicines, ensuring liability and appropriate action as necessary for products marketed or under clinical development.

Pharmacovigilance is a transversal activity within the company and involves a close relationship with different internal and external stakeholders. In 2021, we reorganised the Global Pharmacovigilance function into three core units – Office, Operations, and Risk Management – to more accurately reflect our future business objectives, our growth in both, new strategic areas (i.e. rare diseases) and traditional core businesses (i.e. respiratory, special care and neonatology), and the increasingly complex regulatory landscape we operate in. This new structure will allow us to continue ensuring the highest standards of quality and safety that exceed patient and other stakeholder expectations.

Our products are labeled with precise composition (quantity and name of each material). In line with the applicable regulatory frameworks, pharmaceutical products are considered special waste and to be disposed of accordingly by the end user.

Digitisation

We also tapped into the exciting potential of digitisation with the development and deployment of a Robot Process Automation (RPA) for certain repetitive but essential tasks, including the extraction and categorisation of safety information related to Chiesi medicinal products from the European safety database. By automating this process, we have improved the efficiency of data collection and freed up time for our colleagues to focus on quality checks and continuous monitoring of our medicines.

In the last two years we also completed two “virtual” pharmacovigilance inspections performed by MHRA and Health Canada, in 2020 and 2021 respectively, both with a positive outcome (i.e. no findings critically impacting on patients’ safety).



Our focus areas

Chiesi’s efforts to deliver shared value for patients, society and the planet span three focus areas:



Diseases covered:
Asthma and COPD, Neonatal, Cystic Fibrosis

Encompasses products and services that enable the treatment of respiratory pathologies among patients of all ages, from newborns to the elderly.



Diseases covered:
Inborn errors of metabolism, rare hematologic and immunologic diseases, ophthalmology disorders

Focuses on the treatment of patients living with rare or ultra-rare diseases.



Diseases covered:
Solid organ transplant, cardiovascular diseases, Consumer Healthcare/ Over the Counter

Combines products and services that support special care provided by medical professionals, as well as consumer-facing self-care.



Air

Asthma and COPD

Chiesi is committed to supporting people with respiratory diseases, including asthma and Chronic Obstructive Pulmonary Disease (COPD), to achieve fulfilled lives. According to the World Health Organisation (WHO), there are 262 million people across the globe¹ – mainly children – living with asthma, while COPD is the third leading cause of death worldwide, causing 3.23 million deaths in 2019.² In the search for continuous improvement in the health of patients, Chiesi researches and develops new therapeutic solutions based on the innovative formulation technology Modulite®, which allows the creation of spray solutions (pMDI, pressurised Metered Dose Inhaler) for inhalation, able to deliver extrafine particles. Chiesi has patented and introduced into the market a dry powder-based medical device for inhalation (DPI, dry powder inhaler), NEXThaler, which is also able to deliver extra-fine particles.

We’ve already committed €350 million to making our inhalers more sustainable – for instance, by replacing current propellants in pMDIs with an innovative low-global-warming-potential propellant (HFA152a), thereby reducing their carbon footprint by nearly 90% (learn more about this project in the [Environment chapter](#) of this report). This will allow patients the freedom and reassurance to continue using their preferred inhaler solution, while still ensuring it supports our company-wide ambition of environmental impact reduction (learn more about Chiesi’s efforts to reduce GHG emissions in the [Environment chapter](#) of this report).

Our ambition is to develop these new solutions by 2025 and we have made significant progress so far, in particular when it comes to ensuring that the change of propellant still delivers on previously established expectations for product safety, efficacy and performance and that our manufacturing

capabilities are ready for the switch. To this end, we began clinical trials in 2021, alongside progressing with the construction of a new manufacturing plant in Blois, France, which will play an important role in producing the new pMDIs.

“

As someone who works in respiratory health, I am very concerned to know that people will be suffering from serious diseases directly related to the quality of the air they breathe. Chiesi is the largest B Corp certified biopharmaceutical company committed to improving the quality of life for individuals, families and communities. That is why we attempt to achieve a 360° approach towards sustainability and patient care.

Alessandro Chiesi, Chief Commercial Officer

In [April 2021](#), Chiesi Group received European marketing authorisation for its triple combination therapy inhalation powder (beclometasone dipropionate, formoterol fumarate dihydrate and glycopyrronium) in extra-fine fixed formulation delivered through NEXThaler, for the treatment of moderate to severe COPD.³ This followed a [February 2021](#) decision from the European Medicines Agency to grant marketing authorisation for Trimbow (beclometasone/formoterol/glycopyrronium), an extra-fine formulation triple fixed combination therapy in a single inhaler, as a maintenance treatment for adult asthma patients not adequately controlled with a maintenance combination of a long-acting beta2-agonist (LABA) and medium dose of inhaled corticosteroid (ICS), who experienced one or more asthma exacerbations in the previous year.^{4,5} It follows the 2017 approval of this therapeutic option for the treatment of COPD.⁶

1. <https://www.who.int/news-room/fact-sheets/detail/asthma>
2. [https://www.who.int/news-room/fact-sheets/detail/chronic-obstructive-pulmonary-disease-\(copd\)](https://www.who.int/news-room/fact-sheets/detail/chronic-obstructive-pulmonary-disease-(copd))
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4. Trimbow 87 micrograms/5 micrograms/9 micrograms pressurised inhalation, solution SPC. Available at: <https://www.medicines.org.uk/emc/product/761/smpc>. Accessed: 29 January 2021.
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6. Trimbow, EMEA/H/C/004257, EMA marketing authorisation valid throughout the European Union, approved 17/07/2017, <https://www.ema.europa.eu/en/medicines/human/EPAR/trimbow#authorisation-details-section>

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Chiesi is also committed to advancing research and knowledge-exchange in respiratory disease care and treatment, working with renowned researchers to advance standards of care and drive shared value. In 2021, we supported the launch of the “[Rome Proposal](#)”, a new clinical framework for structuring the diagnosis of exacerbations of COPD, thus enabling healthcare professionals to better assess the level of care required for patients experiencing worsening respiratory symptoms. Chiesi was also proud to sponsor a [new report from the renowned Economist Intelligence Unit](#) examining the impact of climate change on Europeans’ respiratory health, including the onset of COPD and asthma.

Chiesi is placing a singular focus on improving the lives of patients through a holistic approach, including tackling those needs which cannot be addressed through medication alone. We see behaviour change as a potentially impactful but largely untapped treatment modality. As an example, we are collaborating with Kaia Health to commercialise their digital therapy for COPD in select markets in Europe, which seeks to improve the lives of COPD patients by digitising the key elements of pulmonary rehabilitation. This is an impactful but severely underutilised behavioural intervention for COPD and we aim to close the access gap for this intervention. This would make Chiesi one of the first pharmaceutical manufacturers to provide COPD patients with a non-pharmacological intervention that improves outcomes through behavioural means without relying on pharmacology. In this way, it represents a significant departure from the typical industry practice of utilising digital solutions primarily to impact prescription uptake of medications and re-enforces our wish to be an outcome-driven organisation.

Finally, we are proud that in [November](#), we began partnering with Belgian pharmaceutical company UCB to explore the potential of zampilimab, a novel monoclonal antibody, for treating fibrotic lung diseases such as IPF.

Neonatal

For more than three decades, Chiesi has been deeply committed to improving the care, treatment and outcomes for preterm babies, defined as babies born before 37 weeks’ gestation. Premature babies often require specialist care and support, as their organs are not yet fully developed. We invest in Neonatal Research & Development and work closely with neonatologists to provide effective solutions for two conditions in particular: Apnoea of Prematurity (AoP) and Neonatal Respiratory Distress syndrome (RDS). In addition, by recognising the many challenges faced when dealing with prematurity, we are committed to improve the experience of all Neonatal stakeholders, from healthcare providers to infants’ parents and families. By listening and learning from Neonatologists, Neonatal nurses and parents, we are developing and supporting several programmes across our affiliates, with a strong focus on raising public awareness of prematurity and facilitating access to high-quality education and psychological support.

Neonatology is an area of high unmet medical needs. Our R&D programmes include novel and less-invasive methods for the targeted delivery of Curosurf, a surfactant used to treat neonatal RDS.

Since its launch 30 years ago, Curosurf is now present in nearly 100 countries and has helped more than 6 million newborns breathe.

As we expand our pipeline behind these ground-breaking respiratory-focused products, new programmes have been developed and added for candidates

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for the treatment of other neonatal conditions. For example, there are currently no effective approved pharmacological therapeutics to be administered alongside therapeutic hypothermia (the standard treatment) for neonatal brain injury. This is a relatively common condition associated with significant levels of morbidity and mortality in newborns, which is why Chiesi is pursuing a promising candidate to manage this deadly condition. Finally, we are actively working to identify earlier stage interventions for the management of bronchopulmonary dysplasia, one of the biggest unmet respiratory needs among premature infants.

Cystic fibrosis

In 2021, Chiesi also advanced its efforts supporting people living with cystic fibrosis, a hereditary genetic disease, which causes thick, sticky secretion in the lungs and can lead to infection, inflammation and serious conditions such as pneumonia. In March 2021, Chiesi USA launched our FDA-approved Bronchitol® (mannitol) inhalation powder, an add-on maintenance therapy to improve pulmonary function in cystic fibrosis (CF) patients 18 years of age and older.



Partnerships in the Respiratory focus area

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The Breathe Vision

Chiesi has provided the European Federation of Allergies and Airways Diseases Patients' Associations (EFA) with unrestricted educational grants to support the Breathe Vision, a collective initiative driven by 179 European-level patient organisations from 34 European countries, that have come together in a European Lung Health Group to empower patients with lung diseases, improving their quality of life, and optimising multidisciplinary care, early diagnosis, and research. Members include EFA, the European Lung Foundation (ELF), and the European Respiratory Society (ERS) – among others.

International Respiratory Coalition

Chiesi is involved in the International Respiratory Coalition, which was launched in September 2021 and aims to promote lung health and improve respiratory care by giving countries the tools to implement a national respiratory strategy based on best practice. The initiative further supports governments and healthcare systems in their recovery from Covid-19 by strengthening respiratory care.

EFA DIG-IT

Chiesi has provided EFA with an unrestricted grant, alongside other Sustainable Funding Partners, to support the DIG-IT project aiming to survey asthma and COPD patients to understand their digital needs and perceptions. The goal is to gather more insights on the asthma and COPD patient digital journey. Through the DIG-IT project, we will support a survey of 1,000 patients in five countries to understand the digital needs, perceptions and use of digital tools by asthma and COPD patients, including those with chronic cough and those with frequent respiratory infections.

Speak up for COPD

Chiesi is part of a collaboration between industry and patient groups to create awareness around COPD and increase visibility of respiratory diseases in European countries. As governments and healthcare systems recover from the Covid-19 global pandemic, prioritising COPD as a public health issue may support this recovery and improve the sustainability of healthcare systems through a reduction in the unnecessary burden on emergency services and the overall healthcare resource utilisation associated with chronic respiratory diseases.



Rare

Since its 2020 launch, the Chiesi Global Rare Diseases (GRD) business unit has been driven to help individuals impacted by rare diseases, by keeping their needs front and centre of the solutions we provide, and thinking of them always. To this end, we begin every team meeting with a patient testimonial and reflection on the patient impact of the meeting in question – so we can be sure that our work will make a difference.

Many people with rare diseases have limited or no treatments available but live with a significant burden of disease, which in turn affects their quality of life and even life-expectancy. By addressing the underlying causes of diseases, rather than just the symptoms, we are seeking to improve outcomes for patients, while also reducing the cost to healthcare systems and society more widely. This is what drives our relentless and energetic pursuit of research, development, and commercialisation of treatments and support services for rare and ultra-rare disorders. Our team now counts 275 Chiesi employees and is active in 20 countries, where we also develop close partnerships with patients, caregivers, patient associations and healthcare practitioners, as well as regulatory and pricing authorities.

We are currently focused on rare diseases in diverse areas including, inborn errors of metabolism, rare hematologic and immunologic diseases, and ophthalmology disorders. 2021 was an exciting year of progress in this regard and in multiple dimensions.

We have restructured our project teams’ governance to ensure that patient input is quickly internalised and absorbed in clinical development and service design, to minimise the distance between our core and our leadership teams, and to keep feedback for the project team continual, pragmatic and patient-focused.

In 2021, Chiesi received approval from the [U.S. Food & Drug Administration \(FDA\)](#), [Health Canada](#) and [Brazil’s National Health Surveillance Agency \(ANVISA\)](#) for the use of FERRIPROX® (deferiprone) for the treatment of

transfusional iron overload due to sickle cell disease (SCD) or other anemias in adult and pediatric patients 3 years of age and older. Thalassemia major and SCD are two disorders that affect red blood cells. Both conditions cause problems with hemoglobin, depriving many parts of the body of oxygen. People living with these conditions often require chronic blood transfusions that can put them at risk of developing very high levels of iron in their blood and vital organs.

As part of our commitment to improving patients’ and caregivers’ wellbeing and to raising awareness of rare diseases, Chiesi also launched the [#wewearstripes](#) social media campaign to coincide with [Rare Disease Day \(RDD\) 2021](#), inviting participants to share photos and messages of support for people affected by rare diseases on their personal social media. For each submission, Chiesi committed to making a 1€ donation to EURORDIS, the non-governmental patient-driven alliance representing 956 rare disease patient organisations in 73 countries. By the end of the campaign, a total of €100,000 were raised.





External scientific partnerships are an essential part of advancing our efforts in the area of rare diseases. Chiesi has [partnered with Protalix BioTherapeutics](#), a biopharmaceutical company focused on the development, production and commercialisation of recombinant therapeutic proteins produced by its proprietary ProCellEx® plant cell-based protein expression system, to run clinical trials for the proposed use of pegunigalsidase alfa (PRX-102) to treat Fabry disease, a rare lysosomal disorder with a systemic impact and multiple manifestations, including renal and cerebrovascular issues. In 2021 we completed enrolment in BALANCE, a clinical study comparing PRX102 against agalsidase beta dosed once every two weeks. We also completed two other important studies: Bright, which tests the safety and efficacy of PRX102 with a once-a-month administration frequency; and Bridge, which tests the safety and efficacy of PRX102 in switch-over from agalsidase alfa. This milestone paves the way for future regulatory submission for the possibility to bring a new treatment option to the Fabry community.



Chiesi GRD’s mission is to revolutionise the lives of people living with rare diseases, which affect an estimated 400 million people globally. Yet only about 5% of people living with a rare disease have a treatment available and only about 50% of diseases have a support group. Consequently rare diseases are a true societal unmet need and serving these patients aligns with our mission as B-Corp.

Giacomo Chiesi, Head of Chiesi Global Rare Diseases



Partnerships in the Rare focus area

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EURORDIS

In recognition of the need to unite, expand and reinforce the rare disease movement of patient organisations and patient advocates around the world, Chiesi every year supports and works closely with EURORDIS Rare Diseases Europe. EURORDIS is a unique, non-profit alliance of 1,000 rare disease patient organisations from 74 countries that work together to improve the lives of the 30 million people living with a rare disease in Europe. By connecting patients, families and patient groups, as well as by bringing together all stakeholders and mobilising the rare disease community, EURORDIS strengthens the patient voice and shapes research, policies and patient services. At Chiesi, we want to ensure these voices are heard.

European Expert Group on OD Incentives

OD Expert Group

This multidisciplinary and cross-functional expert group brings together representatives of the broad rare disease community, including researchers, academia, patient representatives, members of the investor community, rare disease companies and trade associations. The group aims to become the source of ground-breaking ideas and potential solutions that will provide input to the [Orphan Medicinal Products \(OMP\) Regulation Evaluation](#). The experts have worked together from 2020-2021 and developed fourteen policy proposals throughout the entire OMP lifecycle.



International Rare Disease Research Consortium

Chiesi is a proud member of the International Rare Disease Research Consortium (IRDIRC), a global collaborative initiative to tackle rare diseases through research and accomplish the vision to enable all people living with a rare disease to receive an accurate diagnosis, care, and available therapy within one year of coming to medical attention.



Rare Disease Company Coalition

In 2021, Chiesi Global Rare Diseases joined the Rare Disease Company Coalition, which represents life science companies committed to discovering, developing, and delivering rare disease. The Coalition aims to inform policymakers of the unique challenges—and promises—faced in bringing rare disease drugs to market and to advocate for policies that enable positive changes to be realised for the rare disease community.

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Care

The Care brand pillar is our portfolio of products and services related to special care and consumer healthcare. The former includes products provided and administered to patients by medical professionals to treat their specific, chronic conditions, while the latter designates healthcare products sold directly to the consumer.

Our work in special care includes support for patients undergoing solid organ transplant (SOT) and cardiovascular diseases (CVDs), which are the number one cause of death worldwide. In SOT Chiesi treats transplant rejection in adult kidney and liver allograft recipients, and offers services such as a web platform to support healthcare professionals, integrated with a personal assistant mobile app for transplanted patients. In regards to CVDs, Chiesi commercialises therapeutic solutions for the treatment of mild-to-moderate hypertensive patients and the treatment of essential hypertension in patients who do not adequately respond to manidipine or delapril monotherapy, with a daily posology.

Our Consumer Healthcare portfolio covers several branded products that provide people with a range of healthcare and self-care solutions to enhance their health and wellbeing. It includes local Chiesi Over The Counter (OTC) products available in Italy, Spain, Germany, Brazil and Greece, which differ from market to market but include cough and cold, probiotics, intestinal diseases, weight loss, cream, patches for pain and others, and the NHCO Nutrition product offering.

Chiesi’s comprehensive NHCO line includes over 80 different vitamins, minerals and supplements (VMS) products in numerous categories, from skin and hair health to products for weight loss, stress, fatigue and other mild to moderate conditions. The full NHCO portfolio is mainly available in France but we are working to make it available in others countries – and some products have already launched in Italy, Germany, Spain and the United Kingdom. Chiesi

acquired NHCO in 2018, and its products stands out in the VMS sector, as they not only contain amino acids, but also vitamins, minerals and active ingredients of natural origin. NHCO is starting the process to become a B Corp, starting with the pursuit of “société à mission” status.

Innovating for the future

Our research and development (R&D) team plays a key role in generating sustainable value – for our business and beyond. Leveraging cutting-edge technologies and innovations, our R&D teams oversee a number of integrated functional areas focused on pipeline projects, including discovery and preclinical research, chemistry and manufacturing controls, drug delivery technology, clinical development, regulatory affairs, pharmacovigilance, intellectual property, quality assurance, project management and leadership, and R&D portfolio management. The team also supports post-market surveillance activities, as well as life cycle management programmes.

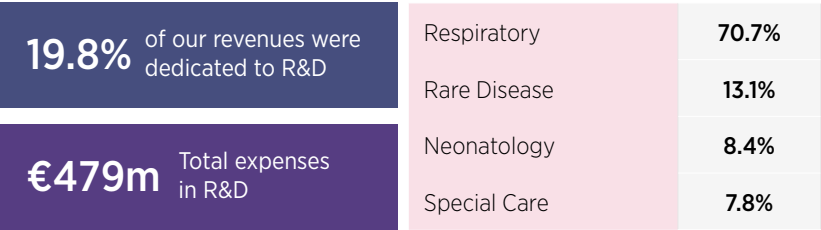
The research and development team has its headquarters in the Research Centre in Parma (Italy) and integrates with six other major research centres in Paris (France), Chippenham (UK), Cary (USA), Lidingo (Sweden), Shanghai (China) and Toronto (Canada).

Approximately 81% of Chiesi’s turnover is generated from products developed as a result of internal research. In 2021, Chiesi was confirmed as the leading Italian pharmaceutical company in Europe in this regard, having filed 42 Patent Applications at the EPO (European Patent Office). Furthermore, 2021 saw our company achieve a milestone of more than 5,600 global patents.

Investments in Research & Development in 2021



R&D Spending by Therapeutic Area in 2021



One area of rapid growth for the life-science industry lies in biotechnology – a sector which includes the flexible production of cells and active ingredients and the development of monoclonal antibodies (MAb), enzymes and other proteins. In the past 30 years, the biological sector has grown at an annual rate of more than 12 per cent, with the volume of business expected to double by 2030. The field of biotechnology holds a great deal of promise for tackling patients’ unmet needs, particularly when it comes to rare diseases – but greater production capacity is needed to keep up with demand.

“Biotechnology is the future for the pharmaceutical sector. At Chiesi we want to lead the way in bringing the promise of this technology to serve our patients and deliver shared value for society at large.”

Antonio Magnelli - Head of Global Manufacturing Division

At Chiesi, we are keen to bring the promise of this technology to serve our patients. To this end, we have announced the creation of a Biotech Centre of Excellence Plant to be operational from 2024. Located adjacent to our current production plant in Parma, Italy, this new hub will employ 105 people to focus on biotechnological activity, starting with MAbs produced with recombinant DNA techniques from a single type of immune cell. Our investment will consolidate and build upon our existing biotechnology know-how, and will also support future R&D activities, the integration of newer products into our portfolio and the sharing of best practices across our manufacturing network. The first finished products from the new plant are expected to roll-out in 2025. You can learn more about the new Biotech Centre of Excellence in the [Value Chain chapter](#).

As part of our mission to do business in a way that generates value for society and the environment, this new plant will exploit innovative technologies and solutions to ensure maximum sustainability, while still enabling us to bring cutting-edge therapies to those who need them. By considering environmental efficiency from the start of the design process, and adhering to high standards as regards water consumption, waste generation and employee wellbeing, we aim to create a facility which embodies Chiesi’s overall B Corp-led way of working.

When it comes to fostering a more sustainable pharmaceutical sector, it is paramount to ensure efforts to increase our positive social and environmental impact do not come as a cost to patient-centricity. We are committed to delivering high-quality, effective therapeutic solutions that relieve the burden of disease from patients and their caregivers – and we believe it is possible to do this while also making a difference for our planet’s wellbeing.

Our impact across the globe

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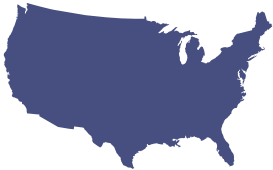
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United States

SASHP research programme

Chiesi partnered with the Pharmacy Leadership Scholars (ASHP) Foundation to launch a programme to progress diversity, equity and inclusion in the healthcare industry. The programme sponsorship aligns with Chiesi's corporate social responsibility aim, Chiesi in the Community, to support local nonprofit and patient organisations in the company's therapeutic areas. Those selected participated in an Impact Collaborative, a distance-engagement component facilitated by a group coach to support project progress and enhance critical insights, leadership and research skills.



Mexico

Pequeño Nunu Foundation collaboration

On World Premature Day (November 17th), an alliance was created with the Pequeño Nunu Foundation, a group of parents, volunteers and professionals who provide health and family support and advice to families of premature babies. Employees and followers on social channels were invited to wear purple and upload a photo on LinkedIn or Facebook using #PrematureDay. For each photo shared, Chiesi donated \$5 MXN to the Foundation.



Italy

Lifully app

The Lifully app is a national initiative which aims to increase the user's importance of knowing about breathing better and promoting a healthy lifestyle amongst the general population. Breathing exercises help people listen to and train their breathing step-by-step to improve their physical and mental well-being. So far, there have been more than 35,000 downloads of the app and it has secured a score of 4.7 out of 5 from users.



Czech Republic

Lungs under control

Chiesi Czech, under their commitment to the care and improve the quality of life for people suffering from respiratory disease, developed a webpage called "Lungs under control". The online resource provides patients and physicians with educational material on respiratory health, including brochures, videos and webinars for patients and physicians.

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- Our GHG Emissions
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- Carbon Disclosure Project

- Water and Waste Reduction
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Promoting change for the environment

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The health of the planet and that of its inhabitants are interdependent.

2022 will mark the 50th anniversary of the Club of Rome’s landmark report, ‘The Limits to Growth’. This report – first published on 2 March 1972 – was the first to model our planet’s interconnected systems and make clear that if growth trends in population, industrialisation, resource use and pollution continued unchanged, we would reach and then overshoot the carrying capacity of the Earth at some point in the next one hundred years.

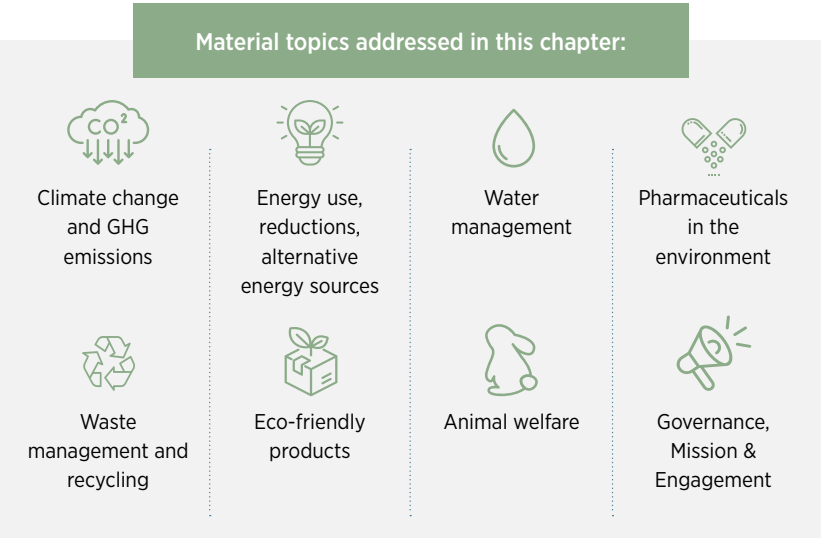
Some fifty years on, the call for a change in direction is more urgent than ever. The report’s modelling was remarkably accurate and prescient as the world declares the climate emergency to be real and global ecosystems to be at breaking point. The planet is currently facing a climate emergency, which will affect not only future generations but also our own. Collectively, we must do all that we can to immediately reduce CO2 emissions and help all communities worldwide rapidly adapt to the consequences of rising global temperatures.

2021 saw the celebration of the [COP26](#) international climate conference which took place in Glasgow in November. While the main goal was to secure global

net zero by 2050 and keep a minimum of 1.5°C of warming within reach, other goals were also achieved. These included fast-tracking the phase-out of coal as well as mobilising at least \$100bn in climate finance per year. The Glasgow Climate Pact was signed, and the Paris Agreement’s Rulebook was completed following 13 days of negotiations, renewing the global pledge to keep planetary concerns at the top of the priority list.

Also in 2021, the Intergovernmental Panel on Climate Change (IPCC) [Working Group I contribution](#) to the Sixth Assessment Report provided a physical understanding of the climate system and climate change, bringing together the latest advances in climate science. It drew the conclusion that human influence had warmed the atmosphere, ocean and land and that global warming of 1.5°C and 2°C will be exceeded during the 21st century unless deep reductions in carbon dioxide (CO₂) and other greenhouse gas emissions occur in the coming decades.

Chiesi is committed to detecting and eliminating any adverse environmental impact to benefit the health of current and future generations. Our targets towards driving change for the environment are bold and, to this effect, we are committed to achieving progress towards five of the UN SDGs: SDG #7 Affordable and clean energy, SDG #9 Industry, innovation and infrastructure, SDG #11 Sustainable cities and communities, SDG #12 Responsible consumption and production and SDG #13 Climate action.



Our commitment to carbon neutrality

The road towards carbon neutrality is full of challenges, but Chiesi is fully committed to achieving this essential goal, for people, planet and prosperity. Therefore, we want to be bold, even if we are aware that it is a difficult journey with obstacles and one where we are likely to experience setbacks. Given this, we will need to readjust our route based on unexpected outcomes but will always communicate this journey in a transparent way. We are mindful that achieving our aims will require a strong effort from all those involved, including our people, suppliers and partners. We encourage our employees to get involved in our activities around planet health, inviting them to take part in our “Action over Words” campaign.

In 2021, we worked with other companies to create “CO2alizione Italia”, a collaboration of 50 Italian enterprises committed to incorporating climate neutrality as an objective into their bylaws, as a purpose to be pursued over time. To this end, Chiesi Farmaceutici decided to modify one of its common benefit purposes and include into its bylaws “a commitment to continuous innovation with regard to the sustainability of all company processes and practices in order to minimise negative impacts and to amplify positive impacts on people, on the biosphere and on the territory, in pursuit of an economy with zero climate-altering gas emissions, in line with European objectives on climate neutrality and national objectives on ecological transition”. The coalition will be officially launched in 2022. You can find more about our common benefit purposes in the [Introduction](#) and [Community](#) chapter of this report.

Action Over Words

Climate change is an emergency and an existential threat to life on planet Earth. At Chiesi, it also affects our promise to guarantee patient access to environmentally friendly solutions and we therefore stand with all those doing their part to stop climate change. Our strong beliefs define our actions, and the way we do business. That means we make commitments which are clear and can be measured. We also commit to report transparently on our environmental impact and progress every year.

To this end, in May 2021, we unveiled our plan to become carbon neutral by 2030 on direct greenhouse gas (GHG) emissions and indirect GHG emissions from purchased electricity and heat (scope 1 and 2) and by 2035 on all other indirect GHG emissions (scope 3). Chiesi’s reduction targets have been approved by the Science Based Target Initiative (SBTi) and are aligned with the Paris Agreement’s most ambitious goal to limit global temperature rise to 1.5°C above pre-industrial levels by 2100.

Our carbon neutral plan was launched together with our [#ActionOverWords](#) campaign, emphasising the importance of the larger global corporate sustainability movement. Chiesi is not the first company to make a public commitment to reduce its carbon footprint. With the [#ActionOverWords](#) campaign, we want to cut through the language of corporate sustainability commitments, which often focus on words rather than the actions to achieve them, using terms like carbon neutral, net zero and climate neutral interchangeably based on which one sounds more impressive. To date, only a few refer to official standards to measure progress towards their commitments on an individual company level.

Sustainability commitments stand or fall based on the actions taken to reach the goal. If these actions are not independently verified by international standards, the commitments themselves are just words. Comprehensive and long-lasting measurement standards and frameworks are essential to encourage and track progress towards a low carbon society. They allow businesses to plan and implement carbon reduction targets with accuracy and transparency. And they help citizens and policy makers identify those mitigation measures that make the difference.

To support the campaign, the [#ActionOverWords website](#) was created as a platform to engage a broad community of colleagues, affiliates, patients, healthcare professionals and policymakers.



Emissions reduction

Our carbon neutrality goals include becoming carbon neutral by 2030 on direct greenhouse gas (GHG) emissions (scope 1) and indirect GHG emissions from purchased electricity and heat (scope 2), and on all the other indirect GHG emissions (scope 3) by 2035. In order to ensure the scientificity and rigorousness of our approach, in 2021 we submitted our carbon neutrality goals to the **Science Based Targets initiative (SBTi)**. The SBTi partnership between CDP, the United Nations Global Compact (UNGC), World Resources Institute (WRI) and the World Wide Fund for Nature (WWF) mobilises business and industries to set near and long term science-based targets in line with the Paris Agreement. More details about Chiesi’s strategy towards carbon neutrality are available on the [Action Over Words website](#).

Our emission reduction plan is devised according to the PAS 2060, the internationally recognised standard for carbon neutrality. For 2022, we plan to certify Chiesi’s GHG global emissions inventory the GHG global emissions inventory with a third party in order to have robust references on our emissions results. Comprehensive and long-lasting measurement standards and frameworks are essential for encouraging and tracking progress towards a low carbon society, allowing businesses to plan and implement carbon reduction targets with accuracy and transparency.



Scope 1: All direct emissions generated through company-owned facilities and vehicle fleets.



Scope 2: Emissions released through purchased energy, such as electricity and heating.



Scope 3: Indirect emissions such as employee use of sold products, purchased goods and services, and business travel.

Our strategy is to:



Improve business operations, being as energy efficient as possible.



Maintain 100% renewable energy consumption at Chiesi sites that have already achieved this.



Transition to 100% renewable energy at remaining sites.



Electrify the car fleet.

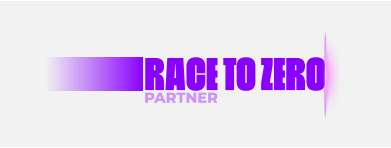
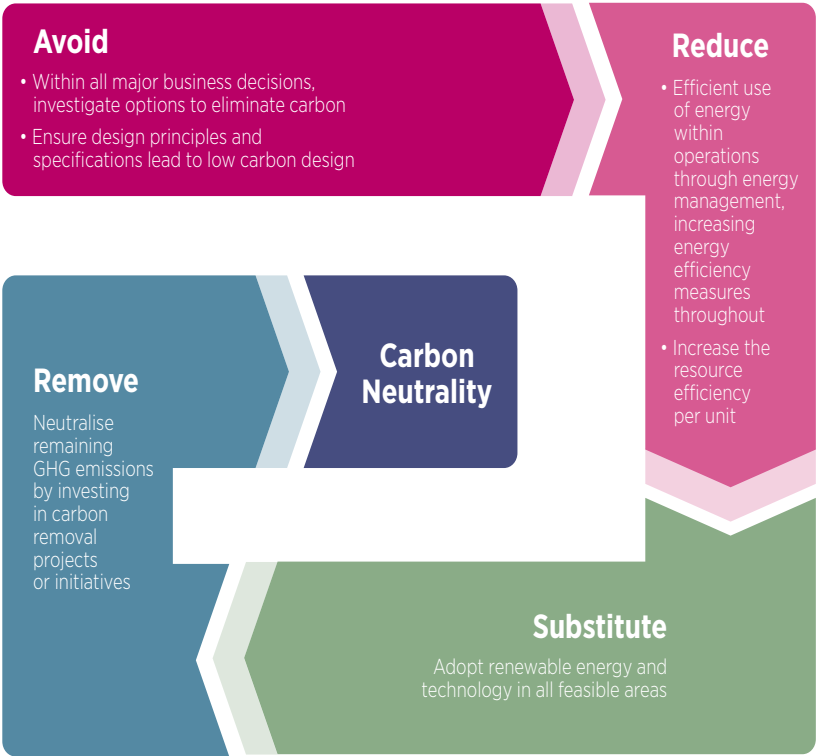


Reduce GHG emissions with the goal of reducing emissions to the maximum extent



Transition to the Carbon Minimal Inhaler.

Chiesi adopts a hierarchical approach to its mitigation strategy: Avoid, Reduce, Substitute and Remove. In this way, by avoiding carbon-intensive processes by design, we reduce the emissions we produce.



As of March 2021, Chiesi joined the [B Corp Climate Collective](#) (BCCC), committing to the United Nations Framework Convention on Climate Change (UNFCCC) [“Race to Zero”](#). This global campaign aims to encourage leadership and support from businesses, cities, regions and investors towards creating a greener future.

GHG Emissions Inventory

2021

SCOPE	TONNES CO ₂ e	% BREAKDOWN
Scope 1	43,709	5.2%
Scope 2 (market-based)	1,818	0.2%
Scope 3	802,048	94.6%
Total	847,575	100%

2020

SCOPE	TONNES CO ₂ e	% BREAKDOWN
Scope 1	41,757	5.2%
Scope 2 (market-based)	2,061	0.3%
Scope 3	753,036	94.5%
Total	796,854	100%

2019

SCOPE	TONNES CO ₂ e	% BREAKDOWN
Scope 1	48,936	6.1%
Scope 2 (market-based)	15,572	1.9%
Scope 3	734,497	91.9%
Total	799,005	100%

Our GHG Emissions

Direct (Scope 1) GHG emissions (tonnes CO ₂ e)	2021	2020	2019
Direct emissions	43,709	41,757	48,936
Biogenic CO ₂ emissions	1,944	1,275	581

Our Scope 1 GHG emissions for 2021 derive from: Propellant losses during manufacturing processes (59%), stationary emissions deriving from the heating processes (19%), emissions deriving from our car fleet (21%) and refrigerant loss from our buildings (1%).

Biogenic CO₂ emissions are reported separately as required by GRI Standards.

Energy indirect (Scope 2) GHG Emissions (tonnes CO ₂ e)	2021	2020	2019
Energy indirect emissions (location based)	12,376	12,990	12,939
Energy indirect emissions (market based)	1,818	2,061	15,572

Our Scope 2 emissions derive from electricity purchase and district heating.

Other indirect (Scope 3) GHG emissions (tonnes CO ₂ e)	2021	2020	2019
Other indirect emissions	802,048	753,036	734,497

Our Scope 3 emissions in 2021 from upstream processes account for almost 25% of total scope 3, while downstream processes account for almost 75% of total scope 3 emissions.

GHG emissions intensity (tonnes CO ₂ e/mln eq. units)	2021	2020
GHG emission intensity (Scope 1 + Scope 2 location based)	462.05	443.80
GHG emission intensity (Scope 1 + Scope 2 market based)	383.26	369.13

Chiesi's reduction targets for GHG emissions use 2019 as the reference year. In 2021, **Scope 1** and 2 emissions were reduced according to plan, compared to the 2019 baseline as the reference year, while 2020 data were strongly influenced by the Covid-19 pandemic. For example, Scope 1 emissions linked to our car fleet saw an increase between 2020 and 2021 as employees started returning to the office and the business car fleet grew again at Group level. The rise of biogenic emissions is due to an increase in the consumption of biofuels.

Emissions coming from the production process of our pressurised Metered Dose Inhalers (pMDIs) were reduced thanks to the introduction of a dedicated cryogenic abatement system in the Italian and French manufacturing sites. The abatement system aims to prevent emissions containing F-gas propellant with Global Warming Potential (GWP) to be released into the atmosphere by liquefying it instead. The introduction of our Carbon Minimal Inhaler (pMDI containing a propellant with a much lower GWP compared to the current option) is expected to significantly reduce greenhouse gases emissions.

Alongside the growth of the Group car fleet between 2020 and 2021, the introduction of hybrid cars also contributed to this Scope 1 GHG emissions increase, due to a lack of charging infrastructure and the type of use (electric for city driving but fossil fuels for highway). This is something we will be improving over the coming years, by introducing home charging points and increasing training and education opportunities for our employees on sustainable driving.

Scope 2 (indirect) emissions decreased due to an increase in the sourcing of renewable energy, which now amounts to 37% of our total energy consumption. Electricity is derived 100% from low impact renewable energy for Italian sites and exclusively from renewable energy sources for all manufacturing sites.

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The increase in our **Scope 3** emissions between 2020 and 2021 is mainly due to an increase in emissions linked to products sold, as well as a rise in emissions linked to the purchase of goods and services, capital goods and fuel and energy related activities. When compared to the 2019 baseline, Scope 3 emissions increased by 9% due to the coupling of production, sales and GHG emissions. We expect to obtain decoupling in 2027. On the other hand, the overall increase is partially reduced thanks to the reductions of emissions linked to business travel, logistics and distributions. To this end, 2021 saw the widening in scope of our initiatives which span the entire value chain. For example, we continued to reduce the number of shipments carried out by air and increased shipments by sea.

Energy consumption

In 2021, energy consumption increased overall by 15%. The higher energy needs reflect the widening of business activities primarily carried out at production and research sites. In Italy, this includes the increased production for the respiratory portfolio at the San Leonardo plant, the related expansion of storage capacity in the Fontevivo warehouse, the start-up of the new Pilotis office building in Parma and the scaling up of research and development activities in the R&D Centre. In France, we note the expansion of the Blois site related to the upgrading of the production capacity of the pMDI form. Finally, the rise in energy consumption is also linked to worse climate conditions compared to 2020.

In order to reduce energy consumption, increase energy efficiency and promote the best energy practices, Chiesi is establishing appropriately structured energy management systems across its sites. To this end, the Research Centre in Parma (Italy) and the manufacturing sites in Parma (Italy) and Blois (France) are certified against the **ISO 50001:2018 standard**. In the third manufacturing site of the Group - Santana de Parnaíba (Brazil) - the implementation of ISO 50001:2018 certification is in progress, with the aim to receive the certification by the end of 2022. This will enable Chiesi to have all manufacturing sites covered by the ISO 50001:2018 standard.

Energy consumption (GJ)	2021	2020
Total non-renewable fuel consumption	278,893	228,643
Natural gas	145,997	133,468
Gasoline	34,913	14,039
Diesel	97,817	80,982
LPG	167	154
Total renewable fuel consumption	7,581	3,611
Biogas	2,702	-
Bioethanol	4,880	3,611
Total energy purchased	199,288	191,460
From renewable sources	172,758	153,723
From non-renewable sources	13,741	26,504
District heating	12,763	11,232
District cooling	27	-
Electricity self-produced from renewable sources	2,232	459
TOTAL ENERGY CONSUMPTION	487,995	424,173

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Carbon Minimal Inhaler

One of the main projects that Chiesi is working on, as a means to reduce emissions derived from the therapies we provide, is the **Carbon Minimal Inhaler project**. This project is of the utmost importance for Chiesi, because one of our greatest contributors to GHG emissions comes from the use of the propellant contained in some of our devices for inhalation of antiasthmatic drugs. The challenge this project aims to overcome is the high climate-altering effect caused by the propellant gas present in one type of inhaler: the so-called pressurised metered-dose inhalers (pMDIs) or spray inhalers, which serve to release the drugs effectively. The goal Chiesi has set is to replace the current propellant with a new one, called HFA152a, which has a much lower Global Warming Potential (GWP), in order to reduce the impact and make inhalers more sustainable.

In 2019, Chiesi was the first company to announce such a solution to **reduce the carbon footprint of inhalers by up to 90%**. We will do this alongside continuing to invest in Dry Powder Inhaler (DPI) technology as well, to make sure we provide all the therapeutic options that asthma and COPD patients need both now and in the future. The path to achieving this goal includes a €350 million investment to accelerate the development of a Chiesi solution to address the carbon footprint of pMDIs. The first carbon minimal inhaler will be developed by 2025. By 2030 we expect to be able to extend the availability to every geographic area in which we operate.

The Carbon Minimal Inhaler project requires a true cross-functional effort, encompassing extensive R&D work, to ensure that the efficacy, safety and usability of our products remains well above standards, together with a comprehensive manufacturing plan including the building of a first-in-class facility in Blois, France.

In 2021, we continued to progress at pace, alongside our plan to deliver the first Carbon Minimal Inhaler by 2025. We have entered into the first clinical trials, aimed at proving the efficacy and safety of these products, and at the same time work progressed at our manufacturing facility that will support the next phases of development. In 2022, we look forward to the results of these initial clinical trials and further progress made alongside the company we have been partnering

with to develop the new low-GWP propellant HFA152a, [Koura](#).

A key milestone will be related to the opening of the first industrial facility dedicated to the production of medical grade HFA152a propellant.

We have an open dialogue with many customers and stakeholders following our progress in this area, including medical institutions and consortia, patient groups and healthcare providers, governments and institutions. This is a complex process, and as we navigate this trajectory, which falls between both environmental and health policy, we will remain in contact with all those groups that need to be involved. This will enable us to create awareness about the crucial work we are carrying out in this area and to achieve our goals through collaboration.



Patients’ health is always our primary focus.

Patient safety and efficacy represent the primary driver in the complex choice of the most suitable inhaled therapy taken between physicians and their patients^{1,2}.

How to promote virtuous behaviours

Here is how your contribution can have a great positive impact on environmental protection³.



Ensuring patient health including

maintaining a diverse range of therapeutic choices is paramount⁵.

Devices should not be considered interchangeable and switching inhaler devices for non clinical reasons could generate potential adverse/detrimental consequences for patients with stable disease who rely on pMDIs^{4,6}.

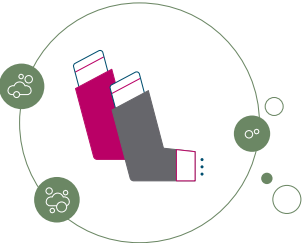


pMDIs emissions: <0.1%*

*of the total greenhouse gases emissions; the largest part is related to the overuse of SABAs.

Our commitment to sustainable innovation.

Chiesi will adopt a new generation propellant (HFA 152a) with a low global warming potential to develop carbon minimal pMDI products by 2025



pMDIs carbon footprint reduced by 90%¹⁰




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Carbon Disclosure Project

In 2021, Chiesi joined the **Carbon Disclosure Project**, a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts. Over the past 20 years, a system was created that has resulted in unparalleled engagement on environmental issues worldwide. Chiesi reported against the Climate Change questionnaire and received a score of B, in recognition of our efforts to measure and reduce climate risks across the organisation. Scoring a level B on the climate change questionnaire means being recognised at management level for the carbon neutrality strategy, taking coordinated action on climate issues. Chiesi is committed to being transparent in our climate change impact management efforts and we are working to improve our score year-on-year.

As part of this overall score, we were awarded an A grade for governance on climate change topics, which recognises the effort being made on addressing the carbon neutrality strategy at a global level. We are working to deepen the analysis of risks and opportunities connected to climate change, with the purpose of being aligned with the recommendations of the Task Force on Climate Related Financial Disclosure (TCFD).

Submitting the climate change questionnaire yearly to CDP is part of the group commitment to 100% transparency: complete transparency on the results achieved, the challenges faced and the strategy adopted.



Chiesi Farmaceutici S.p.A.
Carbon Disclosure Project - Score
Chiesi received a B, which is in the **management** band.
This is the same as the Europe regional average of B, and the same as the Biotech & Pharma sector average of B.





Water & Waste Reduction

Water consumption in 2021 is mostly related to the production process and to its cleaning requirements. For this reason, Chiesi set a goal of 10% water intensity use reduction for manufacturing sites for the period 2017-2022 (on millions of pieces produced) and several actions have been adopted during the last two years, such as the inclusion of water softeners, and water consumption reduction systems for some of our production plants, which are active on 24 hour cycles. We have also implemented actions aimed to improve the refrigerator management and cooling towers. At the Parma San Leonardo plant, which represents 91% of the total amount of water withdrawal by manufacturing sites, results are in line with the set reduction intensity target (-10%).

During 2021, the total water consumption increased by 7.2% compared to 2020. A remarkable reduction in water consumption was registered in 2020, due to both an efficiency measure put in place and the impact caused by Covid-19 pandemic restrictions. However, for the 2021 reporting perimeter, the inclusion of new office buildings and manufacturing units at San Leonardo must be taken into account. The increase of the production rate of water-demanding pharmaceuticals can also be considered as a factor for the increase in water consumption.

Water withdrawal from water stress areas identified through the most recent GRI standards represents a small contribution (7% of the total) in 2021. This value shows an increase in comparison to 2020. Low-water consumption premises, such as offices, are included within water stress geographical areas, except for the production site in Santana de Parnaiba, Brazil. At that site, further reduction actions have been identified and planned, both for industrial and civil water consumption contribution. This action plan is aligned with LEED practices, through the Better Building programme.

The Group has implemented efficient production and waste disposal control systems, as well as reduction measures, reducing waste considerably, especially in the Parma production site. Following the same criteria mentioned for water consumption, Chiesi set a goal of 10% waste intensity reduction for manufacturing sites for the period 2017-2022 (on millions of pieces produced). Given the therapies

we manufacture, some of our pipelines include legally required water-intensive cleaning processes that also produce a large amount of waste. After several years of research and development, we have managed to put new technologies in place reducing the amount of waste produced in 2021. This includes being able to recover part of the water used in our cleaning processes during manufacturing. We continue to invest in waste disposal and have obtained a drop in 800 tonnes of waste compared to 2021. As a result, at San Leonardo plant (which accounts for 70% of the total amount of waste produced by manufacturing sites), a 30% waste intensity reduction (on millions of pieces produced) was registered, compared to 2017.

Total quantity of water withdrawal (megaliters)	2021		2020	
	All areas	of which water stress areas	All areas	of which water stress areas
Surface water (Total)	1.97	1.29	3.18	0.89
- Freshwater (≤1,000 mg/L Total Dissolved Solids)	1.97	1.29	3.18	0.89
- Other water (>1,000 mg/L Total Dissolved Solids)	-	-	-	-
Groundwater (total)	24.23	0.60	24.43	2.41
- Freshwater (≤1,000 mg/L Total Dissolved Solids)	24.23	0.60	24.43	2.41
- Other water (>1,000 mg/L Total Dissolved Solids)	-	-	-	-
Third-party water (total)	279.95	16.38	257.92	17.54
- Freshwater (≤1,000 mg/L Total Dissolved Solids)	279.15	16.03	256.79	16.76
- Other water (>1,000 mg/L Total Dissolved Solids)	0.80	0.35	1.13	0.78
Total water withdrawal	306.15	18.28	285.54	20.84

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Third-party water withdrawal for water stress areas by source (megaliters)	2021	2020
Surface water (total)	10.46	13.55
Groundwater (total)	5.92	3.99

Total water discharge to all areas (megaliters)	2021	2020
Total Water Discharge	133.24	117.45
Surface Water	14.53	10.77
Groundwater	-	-
Seawater	-	-
Third-party water	118.71	106.68

Breakdown of total water discharge to all areas by category (megaliters)	2021	2020
Total Water Discharge	133.24	117.45
Freshwater ($\leq 1,000$ mg/L Total Dissolved Solids)	133.24	117.45
Other water ($> 1,000$ mg/L Total Dissolved Solids)	-	-

Total water discharge to all areas with water stress by category (megaliters)	2021	2020
Total Water Discharge	6.73	5.12
Freshwater ($\leq 1,000$ mg/L Total Dissolved Solids)	6.73	5.12
Other water ($> 1,000$ mg/L Total Dissolved Solids)	-	-

Since 2020, in line with the European Federation of Pharmaceutical Industries and Associations (EFPIA) and with regulatory requirements, a risk assessment system for the evaluation of the potential impact of active principles in waste water has been in force. A new internal procedure, the Environmental Risk Assessment (ERA), was adopted allowing for the assessment of the potential impact of active pharmaceuticals ingredients (API) in water, for technical decisions to be made for controlling the possible impact.

In 2021, we studied all the New Chemical Entities (NCEs) which had reached phase I in our R&D pipeline. The majority of our molecules obtained great results with no further actions needed. Only one NCE needs to be studied in further detail with the final results expected at the end of 2022. Beyond regulatory requirements, at the end of 2021 we also decided to complete our environmental impact assessments evaluating the environmental impact of emissions stemming from the Parma production site. During 2022, we will study the impact of the molecules manufactured in Parma, with the goal to extend the same approach to the other manufacturing sites worldwide in the coming years.

Chiesi is committed to the responsible use of chemicals, recognising the importance of minimising their use or selecting those that are minimally hazardous so that their potential effects on human health and the environment can be reduced or prevented. To this end, the Group in 2019 developed an internal Sustainable Chemistry Policy which aims to describe the principles and the range of actions to be implemented in order to ensure that the chemicals and the materials produced by Chiesi are not adversely affecting human health or the environment.

In 2021 the water drain from production plants was equal to 133.24 megalitres. The whole water drain from Chiesi sites is compliant with local legislation, it is made up of fresh water, and is sent to third parties, with the exception of a small amount (just under 15 megalitres) which is discharged into surface waters instead, after being treated by a purification system, in line with local authorisation requirements.

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The Group has implemented efficient production and waste disposal control systems, as well as waste reduction measures, especially in Parma's production site. The waste coming from our process is dehydrated: this reduces the production of waste and recovers water. This is also a more cost-efficient approach. We believe there are even more opportunities that we can take to further reduce waste through this process, as well as recovering part of the energy used. We are currently exploring these opportunities and hope to develop them further in 2022.

During 2021, the total waste production has been reduced by 26%, in particular thanks to the new plant mud treatment process in San Leonardo. This important

result has been achieved thanks to the improvement in plant engineering sludge during 2021, in particular considering the treatment of sludge generated by washing waters. The amount of this type of waste disposed of is equal to about 800 tons less compared to 2020. Recycling affected more than 62% of total waste with an increase of 10% compared to 2020. The increase of hazardous waste from 2020 to 2021 is due to the increased destruction of expired products, substances containing active pharmaceutical ingredients (APIs), solvents or lab reagents used during tests or validation phases for new products. All these categories generate hazardous waste according to regulation, with no chance of treating or managing them as non-hazardous.

	Waste diverted from disposal / Waste directed to disposal, by recovery operation (tonnes)					
	2021			2020		
Disposal method	Hazardous	Non-hazardous	Total	Hazardous	Non-hazardous	Total
Waste diverted	499.48	1,241.69	1,741.18	361.93	1,628.13	1,990.06
Other recovery operations	0.05	5.30	5.35	-	14.88	14.88
Preparation for reuse	0.90	4.48	5.38	1.50	4.05	5.55
Recycling	498.53	1,231.91	1,730.45	360.43	1,609.20	1,969.63
Waste directed	277.38	833.78	1,061.17	173.50	1,599.31	1,772.81
Incineration with energy recovery	81.39	101.87	183.26	36.07	81.50	117.57
Incineration without energy recovery	21.71	9.17	30.88	65.46	17.74	83.20
Landfilling	22.07	15.35	37.42	16.44	14.80	31.24
Other disposal operations	102.21	707.39	809.60	55.53	1,485.27	1,540.80
Total weight of waste generated	726.87	2,075.48	2,802.34	535.43	3,227.44	3,762.87

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Eco-Friendly Products

To reinforce and improve the environmental sustainability profile of Chiesi’s therapies, we also launched our Eco-Friendly Products Challenge in 2021. The Eco-Friendly Products strategy aims at achieving the following macro-objectives:

- Assess the environmental sustainability of Chiesi products in accordance with circular economy principles
- Promote the improvement of the sustainability profile of products
- Support a green design approach for Chiesi products, to contribute to the UN SDGs and meet the demands of future regulations
- Participate in international working groups contributing to environmental sustainability guidelines and interacting with regulatory agencies

An important step to improving the impact of Chiesi products has been to equip all those in charge of researching, developing, and bringing to market new products with a Life Cycle Perspective (LCP) tool. By collecting inputs from the different development phases, the LCP tool enables informed choices through the measurement of the sustainability profile of each product. The tool analyses four main areas – chemistry, design and materials, natural resources and ethics – by providing a synthetic score for each area. The tool will also be applied to the products already on the market to further explore life cycle management opportunities to improve their sustainability profile.

One of the main programmes which already exists and which relates both to this challenge and to the Carbon Neutrality project is the Carbon Minimal Inhaler, aimed at transitioning our pMDI platform to a new low Global Warming Potential propellant.





Better Building

The **Better Building project** aims to improve sustainability performances across the built surrounding, from buildings, to cities and beyond. Our journey began in 2020 from our HQ in Parma and has gradually scaled up to all our affiliates, with the aim of reaching and connecting all our sites.

Better Building is a global programme with the aim of improving the well-being of people working in our facilities as well as the sustainability performance of our sites, by reducing the environmental impact on natural systems and local communities, from the processes of new constructions to the operations of existing structures.

The main outcomes of the programme are:

- Sustainable buildings, as examples of biosphere restoration (Planet) and improvement of well-being and quality of life of people (People).
- Conscious communities, living in these buildings and actively contributing to a better future.

We achieve progress towards the first goal by taking into account the entire building lifecycle, from its design, to construction and finally to its operation. Our ambition is to:

- Achieve environment and people centred design for all new buildings.
- Ensure all new facilities are eco-friendly from the construction stage.
- Carry out continuous monitoring & ranking to track the progress of continuous improvement processes.

We attempt to develop a conscious community through a proactive ecosystem, where everyone is a leader and a contributor. This is pursued by creating a widespread culture and a shared understanding of the subject, by engaging and informing internal and external communities and making them aware of virtuous behaviours that can fuel the positive impact generated.

Buildings are initially evaluated during an assessment phase, which is followed by a specific Action Plan aimed at improving the building's environmental performance. After the implementation of the Action Plan, the building remains in a path of

continuous improvement, which is also driven by a process of best practices sharing among different sites. Seven operational global green guidelines were drawn up for sharing best practices for both virtuous management of existing buildings and the construction of new buildings, covering the following aspects: Office purchases, food & beverage, facility maintenance, green cleaning, green IT, site management, pest control and general management.

The above comprehensive and continuous building portfolio management system, together with enabling tools that have been shared, supports corporate decision-making. This will unlock the full potential of a strategic approach to sustainability, contributing to reaching our ambitious carbon neutrality goal. We aim to make a positive change everywhere we are active as an organisation.



Parma HQ
LEED Platinum
ISO 14001, ISO 45001



Parma R&D Centre
LEED Gold
ISO 14001, ISO 45001
ISO 50001



Blois
ISO 14001, ISO 45001
ISO 50001



San Leonardo
ISO 14001, ISO 45001
ISO 50001



Santana de Parnaíba
ISO 14001, ISO 45001
ISO 50001 (work in progress)

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Progress in 2021

- 3 sites are undergoing certification path according to LEED standard¹: Fontevivo logistic site (Italy), Pilotis building (Italy), Blois manufacturing site (France).
- 4 projects under alignment with Chiesi internal standards: Shanghai new location (China), new Biotech facility (Italy), new packaging department (Italy), Stability Hub (Italy)
- 6 sites are supported in applying Green Operating Guidelines



(1) Leadership in Energy and Environmental Design (LEED) is a green building certification programme used worldwide. Developed by the non-profit U.S. Green Building Council (USGBC), it includes a set of rating systems for the design, construction, operation, and maintenance of green buildings, homes, and neighborhoods, which aims to help building owners and operators be environmentally responsible and use resources efficiently. The U.S. Green Building Council (USGBC) is a nonprofit organisation which since 1993 supports the development of prosperous, healthy and resilient communities through the transformation of the built environment.

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Better Building Roadmap

HQ & R&D CENTRE	WAVE 1 - 2021/2022	WAVE 2 - 2022/2023	WAVE 3 – FROM 2023
Research Centre Parma, IT Headquarters Parma, IT	Hamburg, DE Barcelona, SP Bois Colombes, FR NHCo, FR Manchester, UK Chippenham, UK Cary, NC Boston, MA Wien, AT Schiphol, NL	Bruxelles, BE Toronto, CA Athens, GR Colonia Del Valle, MX Lahore HO, PK Lahore WO, PK Warsaw, PL Moscow, RU Istanbul, TR Shanghai, CN Beijing, CN Guangzhou, CN Zhengzhou, CN Chengdu, CN Hangzhou, CN	San Paolo, BR Stockholm, SE Solna R&D, SE Sofia, BG Prague, CZ Budapest, HU Bucharest, RO Via Palermo, IT Ljubljana, SL Bratislava, SK Melbourne, AU
WAVE 0 - 2020/2021			
Global Manufacturing Division Parma, IT Pilotis, IT Fontevivo, IT Santana de Parnaiba, BR Blois, FR			



E-Mobility

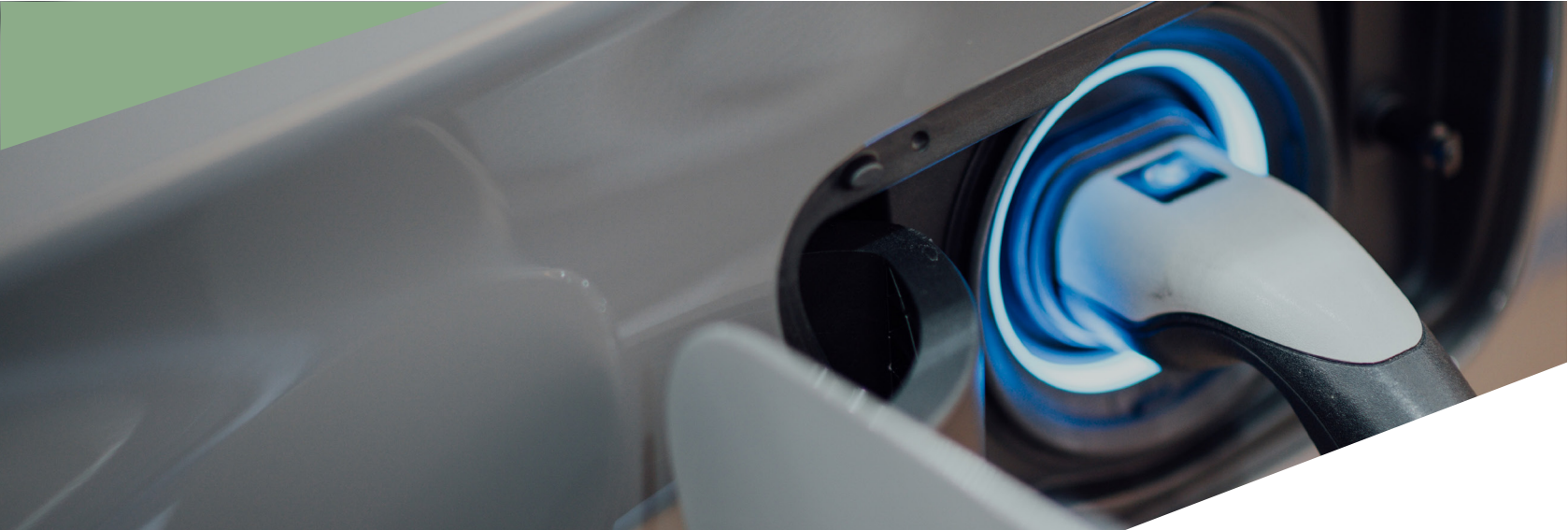
Mobility is another significant area in the journey towards the reduction of our GHG emissions. Building on our Human Transportation policy that was expanded in 2020, we continued to put our efforts into reducing the environmental impact of our transportation structure. This includes reducing the emissions of our own corporate car fleet, as well as encouraging our employees to opt for more environmentally friendly transportation means, such as cycling or public transport.

An important project in this context is the E-save predictive tool, currently under development by our Corporate Mobility department, which has the aim to reduce the GHG emissions arising from our corporate car fleet. We aim to roll out this instrument to our affiliates during the second half of 2022 depending on the driving profile, country specificities (taxation, incentives etc.) of each affiliate and the availability of electric cars over the next few years. We have been charting a reduction curve of the GHG emissions from our entire car fleet in terms of a target to work towards. E-save is a predictive tool that can be modified, as required, and it will be updated as the initiative expands, giving us a picture of the present car

fleet performance in terms of GHG emissions. Following this, we will be able to develop a strategy to reduce its contribution towards our 2030 goals.

In 2021, 43 charging stations (2 points) and 12 wall boxes were installed at our Italian sites and 34 additional hybrid cars were inserted into the car fleet. The 2022 activity foresees the installation of 43 charging stations (reaching a total of 86 charging columns across the Italian sites), 26 wall boxes and the substitution of about 50 fossil fuel cars with hybrid / electric models.

We are also encouraging our employees to think about the way they travel to and from work. In terms of commuting, we are offering alternatives for our employees such as subsidies or other contributions for train or bus tickets. In Parma, we have a dedicated shuttle which provides transportation to all our sites. Similar activities are available elsewhere across the globe, in line with our Global Human Transportation policy and Mobility Guidelines.





Animal Welfare

Chiesi adopts the best practices to guarantee animal welfare in scientific research. As a pharmaceutical company, we consider the responsible use of animals to be ethically appropriate in our research where suitable non-animal alternatives are not available.

Our company is also required by regulatory authorities to conduct testing of all new drug candidates on live animals before they are tested on people to protect human life. This is a requirement established to protect patients’ health and obtain final product approval.

Chiesi is committed to keep the number of animals involved in the scientific research setting to a minimum and to always respect their well-being. This objective is pursued according to the principles of [the 3Rs](#) by adopting all of the latest scientific and technological innovations to facilitate the implementation of these principles and, where possible, introduce alternatives. The 3Rs principles are:

Replace

the use of animals with alternative techniques or avoid the use of animals;

Reduce

the number of animals used to a minimum, to obtain information from fewer animals or more information from the same number of animals; and

Refine

the way experiments are carried out, to make sure animals suffer as little as possible. This includes better housing and developments to procedures which minimise pain and suffering and/or improve animal welfare.

In June 2021 Chiesi animal facility received the full accreditation from the Association for Assessment and Accreditation of Laboratory Animal Care (AAALAC), the highest standard within the sector as it is recognised globally as a symbol of high-quality animal care for research purposes. The activities performed to prepare for the site visit of the AAALAC inspectors engaged all the

company personnel involved in animal research in an independent and rigorous assessment of the organisation’s animal care and use programme. Over the course of this internal evaluation, the progressive refinement of animal facility procedures and management determined a further growth of animal welfare culture, better research practices and outcomes and an improved compliance with 3R’s. These achievements provide a concrete foundation for any future goal we will set in this area.



A word from our stakeholders

Innovating for patients’ access to needed treatments while protecting the environment



Koura is a global leader in the development, manufacture, and supply of Fluoroproducts and technologies. We are committed to developing sustainable solutions to advance life around the world, through responsible management of resources and engagement with all our partners from our local communities, our suppliers, our people, our customers and the future generations to come.

Over the last 5 years, Koura has focused on a series of strategic investments to develop environmentally sustainable solutions for the products we make. The most recent example is our focus to develop and produce a secure supply of low global warming potential (GWP) propellant that meets the regulatory and commercial needs of our customers. That effort led the Koura R&D team to successfully develop the Zephex® 152a inhaler innovation.




This metered dose inhaler (MDI) propellant reduces the carbon footprint of pMDI by more than 90%, when compared to other MDI propellants.

Chiesi Group have been in the vanguard of product adoption and as a result of this partnership we are now in a position to produce this new sustainable, greener, environmentally friendly pressurised metered-dose inhalers (pMDI) for patients with asthma and chronic obstructive pulmonary disease (COPD). The HFA 152a propellant innovation ensures patients can continue to access the treatments they need while protecting the environment in which we all live.”

Simon Gardner,
Business Development Director, Koura



Our impact across the globe

			
		<div><h3>United Kingdom</h3><h4>Take Air</h4><p>In January 2021, Chiesi UK launched the Take AIR (Take Action for Inhaler Recycling) pilot scheme. Within the scheme, the plastic components of inhalers are recycled into the plastic supply chain and any remaining propellant gas is extracted and reused in the refrigeration and air conditioning industry. Non-recyclable materials are converted into energy through energy-from-waste by high temperature incineration. A collaboration with the NHS was developed to showcase the value of the scheme in reducing the carbon impact of inhalers and the commitments from Chiesi to help the NHS achieve their Net Zero targets. An implementation toolkit was developed to support the NHS in replicating the scheme and achieving carbon emission savings on an even greater scale. By the end of 2021, 147 pharmacies and 3 hospitals had participated in the scheme and 20,008 inhalers were returned by patients. Overall, 118 tonnes of CO₂e was captured.</p></div>	
	<div><h3>France</h3><h4>Beehives Project</h4><p>At Chiesi France, four beehives were installed on the building's roof at our manufacturing site. They were regularly visited by a beekeeper who tended to the hives and to the bees. The annual honey harvest was offered to Chiesi employees. The initiative was accompanied by the organisation of a workshop for increasing awareness around the preservation of bees.</p></div>	<div><h3>Austria</h3><h4>World Natural Heritage Dürrenstein-Lassingtal</h4><p>In Austria, Chiesi has been supporting the foundation in charge of protecting the Dürrenstein-Lassingtal region. The work of the foundation includes teaching people and providing them with an understanding of the crucial ecological processes required to protect this wilderness area. This initiative, which raises awareness internally on biodiversity and local ecology, benefits the environment by preserving a UNESCO certified World Heritage Site.</p></div>	<div><h3>Turkey</h3><h4>EcoDrone seed ball shooting</h4><p>The objective of the initiative was to partner with the local vendor Ecording to conduct seed ball shooting for the ecoDrone-labeled product through awareness sessions and workshops, ultimately supporting female workers in earning an income. ecoDrone is an unmanned aerial vehicle developed by Ecording which delivers airborne seed ball shots in hard-to-reach areas that need to be reforested. The seed balls are produced by women who live in rural areas who help to sow the products. Ecording provides these women with a training around the unique seed ball materials and how to produce and purchase them. Through this, they create an alternative source of income for women in these areas and enable them to participate in the fight against the climate crisis.</p></div>

Chapter 5

Community



- We ACT for our Community
- Economic value generated and distributed
- Driving impact for our communities
- Chiesi Foundation

We ACT for our Community

We care for the communities where we operate, creating shared value and deepening our local connections. We are committed to creating an impact, not only on patients, but also on societal health and well-being more widely.

The 2021 Edelman Trust Barometer [Report](#) has revealed that the public places greater trust in businesses in certain countries than their own national governments. Within this context, corporations are viewed as capable of bringing about positive change within the wider community, both in terms of their ethical aptitude and their competence to reach those objectives. By becoming agents of social transformation through collaborations with external partners in their local communities, businesses play an integral role in contributing and doing their part to help achieve global societal and planetary goals. They are also active providers of aid and donations to the communities they operate in.



At Chiesi, the “shared value” approach is central to the work we carry out as a B Corp. [We ACT](#) is a people engagement programme that encompasses community-based initiatives in which we contribute to and take care of the communities where we operate. Engaging with and supporting the community is a significant part of our success as a company and promotes long-term sustainable growth, which benefits all our stakeholders. This goal falls in line with the SDGs we aim to address through our efforts in these areas, namely, SDG #4 Quality education, SDG #10 Reduced inequalities, SDG #11 Sustainable cities and communities, SDG #13 Climate action and SDG #17 Partnerships for the goals.



The work we undertake in the wider community includes both financial contributions, goods and drugs donations, and voluntary work carried out by our people. Our community outreach efforts are guided by the Group’s specific strategy and dedicated guidelines, which affiliates use to devise their own strategy based on the needs of local stakeholders.

Community outreach and volunteering

In 2021, the global pandemic placed a tremendous strain on society at large, and posed a number of challenges to many local communities. With this in mind, last year, several of our outreach programmes tackled or addressed some of these concerns.

€ 22m

Donations and other contributions with social purposes, as identified by the Business for Societal Impact Guidance Manual, such as sponsorships and External Clinical Scientific Test & Studies

Drug Donations

80,000+ units of Chiesi drugs donated

€10.3m

total value of drugs donated*

*The drug donations' amount is based on the yearly average market price of the products donated. This amount represents the closest valorisation of the actual cost the customer should have supported for buying the product in the market and therefore it differs from the standard cost of the good that is reported in the Group Financial Statement.

Main partners: Every two years, Chiesi donates 30,000 units of respiratory products for the preparation of the Essential Health Packs, portable packs with a wide range of essential medicines, to [International Health Partners](#). These ready-to-go packs are hugely valuable in disaster settings and provided for example, by [Americares](#) for Chiesi USA, and by [Tulipe](#) for Chiesi France.

1,000+

employees involved in Group volunteering overall

5,700+

hours spent volunteering at Group level



A word from our stakeholders

Concrete change towards a more sustainable and inclusive future

“

B Corp School links Benefit Corporations that exhibit its values to schools, in order to discover new talent and diffuse the Benefit values to high school and university students. To date, the project has involved thousands of students throughout Italy and an incredible network of B Corp and institutional partners. This makes B Corp School a project with a great social impact, especially for companies that decide to become not only mentors for children, but also spokespeople for a concrete change towards a more sustainable and inclusive future, both for young people and for the local area in which they operate. With B Corp School, students are guided through the creation of a real B Startup on the model of B Corp companies.

At the end of the journey, all the startups, together with the B Corp that led them, participate in the Changemaker Competition, an opportunity for great national visibility and a chance for young talent to network with a variety of companies. Thanks to this solid collaboration with Chiesi, we have improved our social impact and contributed to SDG #4, involving three high schools, three classes, over 70 students and families and over 1,800 hours of training.

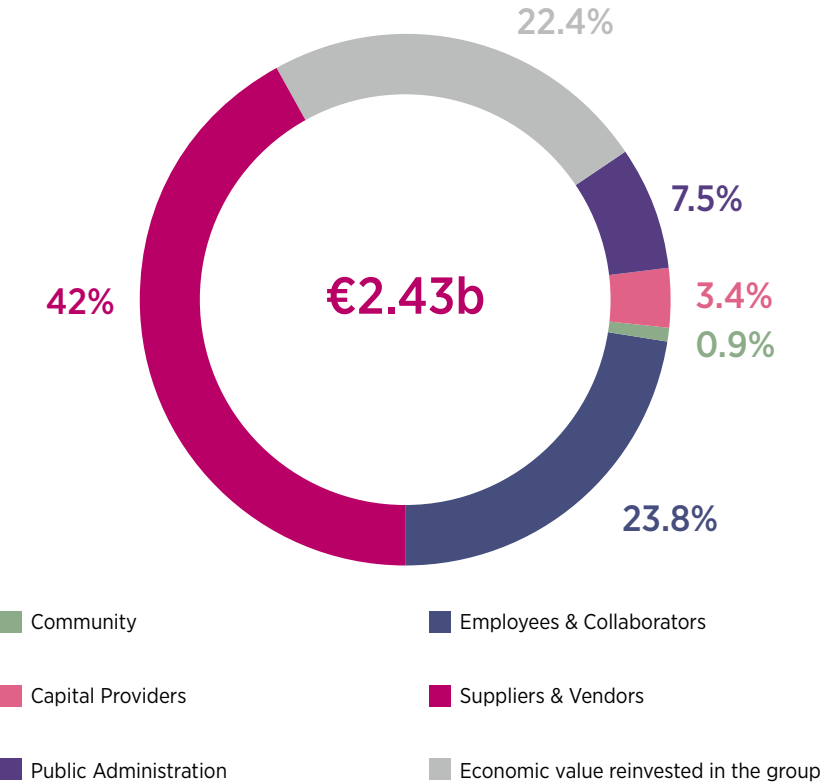
Elena Detomati
Digital and Education Strategist, InVento Lab



Economic value generated and distributed

Through our global operations, at Chiesi we aim to create value for a wide range of stakeholders, including our local communities, capital providers, Public Administration, employees and collaborators, suppliers and vendors. The amount of wealth generated in 2021 and distributed to Chiesi’s main stakeholders is summarised in the graphic below.

The Economic Value Generated indicates the wealth created based on our operations and amounted to €2.43 billion in 2021. 77.6% of the economic value generated was distributed to stakeholders, and 22.4% was retained by the company.



2021

The **Economic Value Distributed** metric indicates the subsequent allocation of our economic value generated according to each stakeholder group.

Suppliers & Vendors. This section includes the value distributed in the form of costs of goods and services purchased.

€1.02b

Employees & Collaborators. This section refers to Chiesi’s workforce remuneration through wages and salaries.

€579m

Community. This section refers to the economic and drug donations and other contributions with social purposes, as identified by the [Business for Societal Impact Guidance Manual](#), such as sponsorships and External Clinical Scientific Test & Studies.

€22m

Capital providers. This section includes financial expenses, interest on bank loans and dividends to shareholders.*

€82m

Public Administration. This section includes all of the income taxes netted by the contributions received by institutions.

€182m

The **Economic Value Retained** is the way in which the organisation self-finances the company and guarantees future innovation through reinvestment. This is particularly significant given Chiesi’s commitment to constantly improve therapies which requires high investments in R&D.

€546m

*Dividends are considered the ones distributed within the reference year but related to the profit of the previous year.

Driving impact for our communities

“Contributing to the development of the local communities in which the company operates” is one of the common benefit purposes that Chiesi has written in its bylaws, highlighting the relevance of this topic for the company.

To this end, at corporate level there is a dedicated body, the **Committee for Social and Community Development Activities**, devoted to defining the strategy that the Group needs to follow in order to promote the development of the local communities in which Chiesi is based. The activities are then carried out both in the municipality of Parma, at headquarter level, and at affiliate level.

Common benefit purposes



Improving people’s health, wellbeing and quality of life.



Continuously innovating the sustainability of all company processes and practices in order to minimise negative impacts and to amplify positive impacts on people, the biosphere and the community, in pursuit of an economy with net-zero GHG emissions, in line with European objectives on climate neutrality and national objectives on ecological transition.*



Promoting a conscious and sustainable way of doing business, by fostering a collaborative dialogue among stakeholders.



Contributing to the development of the local communities in which the company operates.

Over time, and particularly in Parma, Chiesi has begun to assume a position of facilitator for community outreach programmes, bringing together associations with a similar purpose in a collaborative approach, to drive greater impact as a single team.

*This purpose was updated in January 2022 to integrate the objectives of the ecological transition into our bylaws.

At affiliate level, reference people take charge of local regional activities, following a set of broad guidelines defined at corporate level, to ensure that across the company, activities are being chosen based on the three main areas of intervention: Environment, Health and Education; Community Development; and Emergency. The work carried out in the different affiliates is collected and analysed on a yearly basis, sharing best practices so that we can learn from and improve the way we carry out our local projects.

”

We are trying to connect the dots in the communities because there are lots of small associations that all do good things but don’t always talk to each other. We also see an increase in other colleagues willing to give their resources to the communities where they live and work. That’s very uplifting to see.”

Simona Pironti
Shared Value & Sustainability Specialist, Chiesi



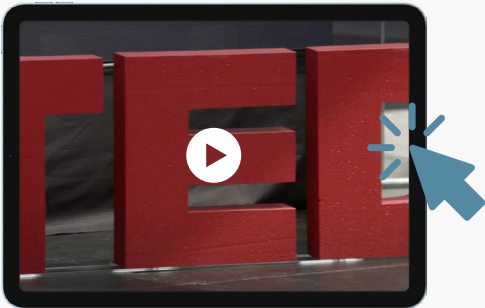
Municipality of Parma

Over the course of last year, several initiatives took place in the municipality of Parma:



Education
Respira con il cuore

For the second year, Chiesi has supported [Respira con il cuore](#) (Breathe from the Heart), a project conceived in partnership with the Education Department of the Municipality of Parma. Young people from secondary schools in the Parma area took part in this initiative aimed to give a voice to the youngest actors in our society, who were supported by trained psychologists, teachers and authors. Following a series of workshops on specific topics such as gender equality, climate change and LGBTQI+, representatives from each school group shared their thoughts on the topics they had discussed in a TedX speech.



Education
B Corp School

[B Corp School](#) is the first project recognised in Italy by the Ministry of Education that connects schools with certified B Corporations and other companies that share the same values, to discover new entrepreneurial talents and spread the Benefit values among high school and university students. The B Corp school project is promoted by InVento Lab, an Italian B Corp with a strong focus on education. For the second year, Chiesi fully supported the project by awarding a monetary donation and in-person voluntary support. Chiesi employees mentored the students involved in the projects, adopting three classes from three high schools in Parma and launching a challenge related to air pollution in order to stimulate ideas and entrepreneurial skills within the students.



Environmental Protection

Chiesi is among the founders of the social enterprise consortium [KilometroVerdeParma](#) (green kilometre consortium) which aims to create permanent forests and woodland areas around Parma and surrounding province. Chiesi is actively taking part in the consortium activities, by setting up reforestation initiatives. Until now, Chiesi has planted **9,551 trees**.

The idea for the project was born in the summer of 2015 from the will of a group of people and an intuition: to create a tree-lined corridor along the 11 kilometres of the A1 motorway that crosses Parma to redevelop the environment of one of the busiest motorway sections in Europe. From this first idea, the KilometroVerdeParma has evolved and expanded into the great reforestation project it is today. So far, a total of 45,957 trees have been planted, amounting to a reforested surface area of approximately 40.6 hectares.



Emergency Response

Chiesi decided to face the second year of the pandemic with a holistic approach looking at the local community of Parma, but also at national and international level with the aim of promoting vaccination.

Local: Vaccination promotion for underprivileged groups in Parma

Chiesi supported the “[Vaccination and Inclusion](#)” project in Parma, targeting the “hard to reach” population with the aim of promoting vaccination through an information process and then providing support to the actual vaccination process. Between October and December 2021, 364 persons were vaccinated within the programme.

National: Collaboration with emergency services

Chiesi supported the project “Social and health orientation and support to the vaccination campaign in Italy” with the aim of promoting vaccine uptake at national level, especially in the areas of Milan, Brescia, Maghera, Naples, Castel Volturno, Polistena, Ragusa and Sassari.

Global: Collaboration with CUAMM in Africa

Chiesi supported the project “A vaccine for us” that aims to promote vaccination in some African countries, including Ethiopia, Central African Republic, Tanzania and Uganda.



Volunteering

Chiesi has been offering ongoing corporate volunteering opportunities to its employees since 2015. In 2021, the company gave colleagues the chance to participate in digital laboratory workshops, in collaboration with our local volunteering centre CSV Emilia. 50 Chiesi employees participated to the workshops, providing ideas and tips to local associations working with children in order to fight educational poverty. This is a direct link to the challenges faced by young people within the context of the Covid-19 pandemic. Additional 15 colleagues from HR department were involved in competence volunteering activities for a total of 65 colleagues involved in Parma as volunteers, which equated to over 250 hours of volunteering.



Cultural Development

In 2021, Chiesi continued to support Parma Italian Capital of Culture 2020/21. [Parma 2020+21](#) is a cultural-based territorial development programme, promoted by the Municipality of Parma and the Committee for Parma 2020/21. Chiesi during 2021 supported several activities promoted by Parma 2020+21, including Imprese Creative Driven, an initiative to connect companies with creativity, in order to guide entrepreneurship by leveraging the transformative value of arts and culture.

Chiesi also supported multiple opera, cultural and inclusive projects, including:

- [Teatro Regio](#): The Regio Theatre of Parma, originally constructed as the Nuovo Teatro Ducale, is an opera house and opera company in Parma. Chiesi supports several projects run by the company, such as Festival Verdi and Regio Young addressing younger generations.
- [Festival of Slowness](#): Since 2015, the Festival has been a place of mutual exchange in the centre of Parma, a combination of meetings, workshops and performances for adults and children alike.

Partnerships

Parma, io ci sto!

Chiesi is among the founders of the association Parma, io ci sto!, which was born in 2016 to enhance the local territory by putting together ideas and projects to attract talents and resources and promote the development of the city. Today the association includes more than 120 affiliations of companies and citizens.

Fondazione ASPHI

Chiesi has been a partner of Fondazione ASPHI since 2015. ASPHI Foundation is a non-profit organisation which promotes the inclusion of people with a disability in school and work environments as well as society more widely through digital technology.

Italy for Climate

Italy for Climate is an initiative of the Foundation for Sustainable Development promoted by a group of companies and business associations particularly sensitive to the issue of climate change. Chiesi is among the promoters of the Foundation.

The Regenerative Society Foundation

Chiesi is among the founders of the non-profit organisation, that aims to promote a regenerative socio-economic model to companies to have the highest possible impact in terms of circularity, ecosystem services, and people's well-being, with the ultimate goal of producing profitable environmental and social co-benefits and achieving the ecological transition. The Foundation will do this through a 'one-health' ethically-driven, systemic approach, capitalising on scientific knowledge.

Fondazione Sodalitas

Chiesi has been a partner of Sodalitas since 2019. In Italy, Sodalitas Foundation is the reference partner for companies that consider sustainability as a distinctive aspect of their strategy to be integrated into the business.

Fondo Ambiente Italiano (FAI)

Since 2017, Chiesi has been supporting FAI, a foundation born in 1975 to protect and valorise the historical, artistic and natural heritage in Italy.



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WE ACT Day 2021

The term “We Act - We Actively Care Tomorrow” was introduced by Chiesi in 2018 as the name for its [awareness-raising programme](#), with the purpose to involve all its employees in promoting a mindful and alternative way of acting and generating a positive impact on society and the environment.

We ACT Day is a global event that engages all Chiesi people worldwide to spread the shared value mindset and implement the principles of the We Act Sustainability Manifesto through specific initiatives and projects. Chiesi typically celebrates the We Act Day in the week of September 25th: this date was chosen as it coincides with the anniversary of the release of the 17 Sustainable Development Goals (SDGs) by the United Nations. Due to the complex situation of the pandemic and with the purpose to involve all Chiesi affiliates around the globe, the 2021 edition of the We Act Day has been a virtual event (celebrated on September 23rd), which was live streamed from Chiesi’s Parma Headquarters to all 30 of the Group’s affiliates.

The theme for the 2021 edition of We ACT Day was **#EveryStoryCounts** and the event was structured around different sessions, which involved employees as well as institution representatives, experts, the academic world, and associations. The key topics were We ACT for our People, We ACT for our Community, We ACT for our Patients, We ACT to zero Impact, in order to mirror the four cornerstones on which the Group’s strategy and actions are based.



Chiesi Foundation

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The Chiesi Foundation was created in 2005 with the aim to enhance the access to quality of care for patients living in regions outside of Chiesi’s existing markets. The Chiesi Foundation focuses on improving access to quality neonatal and respiratory care in Low and Middle Income Countries by providing technical support and capacity building for healthcare workers and delivering a package of innovative and sustainable technologies for health facilities. The Chiesi Foundation works in close collaboration with local governments, the Ministry of Health, hospitals and health care workers, universities, NGOs and development actors.

During 2021, the Covid-19 pandemic represented an important obstacle for all Chiesi Foundation interventions. The adoption of lockdown measures aiming at reducing the spread of the coronavirus pandemic had profound socio-economic consequences across the continent, especially in these countries supported by the Chiesi Foundation, where patients were struggling to afford access to the health services.

Despite the challenges presented by the Covid-19 pandemic, Chiesi Foundation took the time to rethink and adapt its organisational model to the new context in order to be able to reach and support patients and beneficiaries. We continued to provide support through our NEST (Neonatal Essential Survival Technology) and GASP (Global Access to Spirometry Project) models.

In May 2021, Maria Paola Chiesi was appointed President of the Chiesi Foundation, succeeding Dr. Paolo Chiesi, Vice President of the Chiesi Group and President of the Foundation since its creation. The new Chiesi Foundation Coordinator, Massimo Salvadori, is a humanitarian worker with extensive experience in the international development sector. These appointments represent an important step for Chiesi Foundation, confirming the organisation’s commitment to international development.

Over the course of 2021, the Chiesi Foundation team embarked on a collaborative process involving different internal and external stakeholders, which led to the

definition of a long-term 2030 strategy. The strategy focuses on three clearly defined axes:

- For Chiesi Foundation to be known and recognised as an enabler corporate Foundation operating in the field of global health with a specific focus on neonatal and respiratory care in low and middle income settings.
- For the NEST and GASP models to be recognised at institutional level as an effective intervention model for neonatal and respiratory care.
- For all Chiesi Foundation interventions to be based on a data-driven quality improvement approach.



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Neonatal Essential Survival Technology

NEST (Neonatal Essential Survival Technology)

The NEST project is an effective and sustainable model for managing quality neonatal care in low and middle-income African francophone countries. The NEST Project aims at reducing the neonatal mortality rate by improving the quality of neonatal care in countries with limited resources and with specific attention given to premature, sick, unwell and small for gestational age babies.



GLOBAL ACCESS TO SPIROMETRY PROJECT

GASP (Global Access to Spirometry Project)

The GASP project focuses on the development of specific clinical skills for the diagnosis and management of chronic respiratory diseases, such as asthma and chronic obstructive pulmonary disease (COPD), in low and middle-income countries in Latin America, by introducing spirometry capacity and training activities.



IMPULSE

2021 also saw the launch of the Improving Quality and Use of Newborn Indicators project (“IMPULSE”). IMPULSE is a two-phase research project led by the consortium of Burlo Garofalo WHO Collaborating Centre for Maternal and Child Health, London School of Hygiene and Tropical Medicine, University of London and Medici con l’Africa Cuamm. It was also developed in collaboration with the World Health Organisation and UNICEF.

The research project aims to generate evidence on effective and sustainable tools and methods for improving the availability, quality, and use of newborn data in Central African Republic, Ethiopia, Tanzania and Uganda and, by doing so, contribute to improving the health and wellbeing of every newborn, particularly small and sick newborns who are admitted for hospital care.



Our impact across the globe

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China
Million Forest public benefit project

To plant trees in the desert of Inner Mongolia and visit a B-Corp company in the snowy mountain should be an amazing journey. Some of the employees from Chiesi China took part in such an activity in Autumn 2021. To minimise their footprint on the journey, all participants travelled on public transportation, taking their own cup, tableware, towel and toothbrush. Chiesi China committed to donating one tree per employee, totaling 530 trees in a charity programme called “Million Forest”. Through this programme, 5 million trees have been planted, and a 20km long forest has been formed putting an end to desertification.



Pakistan
“Help Her Read” programme to educate women

In Support of Women's Education, Chiesi Pakistan has partnered with a non-profit organisation to support an adult literacy programme called Help Her Read! run by The Citizens Foundation on “International Literacy Day”. The Aagahi Adult Literacy Programme is a 4 month functional literacy programme which thousands of women across Pakistan benefit from every year. The programme provides women with the chance to further their own education while supporting their children's education and also helps them gain employment towards building a better quality of life.



Netherlands
Support the foundation ‘Smoking prevention youth’

In the Netherlands we support the foundation “Smoking Prevention Youth” on a structural basis. This foundation has one goal: to banish tobacco from society and make smoking history. To achieve this, it is of the utmost importance that children do not take up smoking at all. Chiesi Netherlands has decided, after an internal analysis, that supporting this group in their fight against the tobacco industry and the government, is a meaningful way to join this debate and bring about real change.



Brazil
Projeto Guri

We partnered with Projeto Guri, a fundamental part of Guri's artistic and educational structure which carries out music teaching and social work with girls in the Sao Paulo region. This programme gives the students the chance to improve their artistic skills while also learning about different music languages and techniques, but also about responsibility, respect, cooperation and solidarity. Besides working with repertoires and learning closely with renowned local and foreign musicians, the students interact with different contexts and languages during rehearsals. Through discussions and debate exercises, this diverse setting turns music teaching and practicing into an empowering experience enriched with exchange, thereby enabling a deep reflection about each one's role in society, as citizens who are aware of their rights and opportunities.



Chapter 6

Value Chain

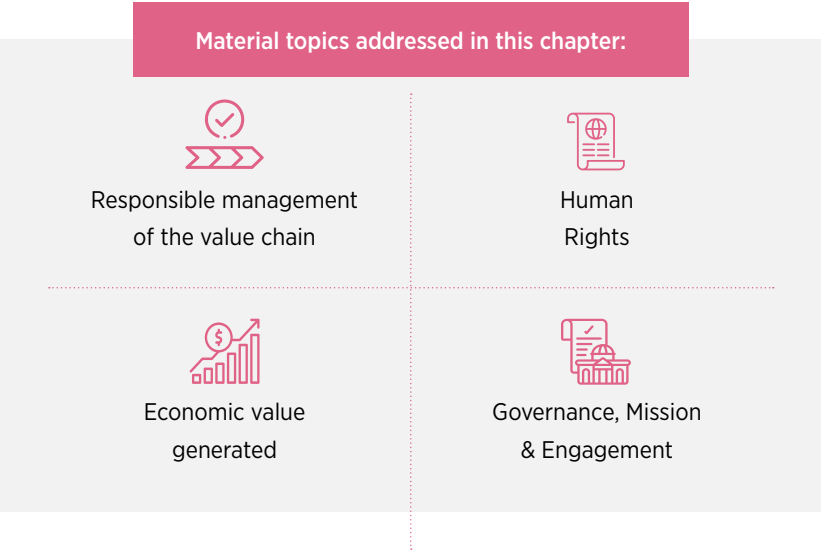
- Supporting our value chains
- Code of Interdependence
- Biotech Centre of Excellence
- More sustainable value chains
- Corporate Logistics

Supporting our value chains

Chiesi’s global manufacturing and distribution network ensures an end-to-end supply of our medicines to patients.

While the supply chain encompasses the process between producing and distributing the product, dealing with the suppliers and logistics of getting the product to market, at Chiesi we take a holistic approach to our operating business which encompasses the entire value chain – a set of activities carried out by the company to create value every step of the way.

The lingering effects of the Covid-19 pandemic on global value chain management prevailed in 2021, as lockdowns and travel restrictions disrupted activity in every industry and every part of the economy. Manufacturing was heavily affected, as raw material flows slowed, or even stopped completely, affecting the value of finished goods. While demand vanished in some sectors, it escalated elsewhere, causing businesses to significantly alter the structure and function of their supply chains, focusing on more flexibility, agility and resilience. This shake-up also prompted the adoption of an approach that would physically change value-chain management, increasing the number of collaborations and partnerships embarked upon and reassessing value-chain footprints.



Chiesi’s value chain network is a crucial part of our production and distribution process, ensuring that therapies reach those patients that need them. In this regard, our purpose in the area of value chain management is to ensure end-to-end oversight of value and supply, from procuring active ingredients, packaging and raw materials to deliver the final product in each of the countries we supply to directly.

In addition to this primary ambition, Chiesi is also committed to ensuring we manage our value chain as responsibly as possible. We do this by promoting our principles with regards to sustainable governance and by ensuring supplier compliance on a number of issues, such as human rights, environmental protection and ethical working methods. By doing so, we can leverage mutual advancement of our business, its people and the planet.

In line with its commitment to develop and strengthen our relationships with our suppliers and other partners throughout the entire value chain, Chiesi pledges to encompass the following UN SDGs: #3 Good health and well-being, #5 Gender equality, #8 Decent work and economic growth, #9 Industry, innovation and infrastructure, #10 Reduced inequalities, #11 Sustainable cities and communities, #12 Responsible consumption and production, #13 Climate action, #15 Life on land, #16 Peace, justice and strong institutions and #17 Partnerships for the goals.



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We constantly seek ways to improve and deepen our links with our partners to the benefit of all those involved. These efforts can lead to building a robust and long-lasting relationship with our external suppliers and Contract Manufacturing Organisations (CMOs). This is important so that we can ensure there are no disruptions in our end-to-end value chain, so that patients will continue to be able to receive the therapies that they need.

Safeguarding reliable value chains

The Covid-19 pandemic altered the way that we needed to manage our value chains. Despite this, Chiesi’s manufacturing and distribution network remained fully operational. We are in constant contact with our network of partners, suppliers and distributors involved across the value chain to identify potential risks and take appropriate measures to avoid any disruption. No supply disruptions of Chiesi’s products are currently anticipated. Chiesi will continue to take the necessary steps necessary to safeguard the reliable supply of its medicines as this global situation evolves.

In 2021, we progressed on our journey towards expanding and refining our value chain to become more agile and increasingly sustainable. This included a first update of our Code of Interdependence, introducing a new evaluation system to monitor our suppliers’ progress in the area of sustainability and expanding our new **Biotech plant** project so that we can continue to offer innovative advanced therapies to our patients.



A word from our stakeholders

Recognising the efforts of our suppliers towards reducing the environmental footprint



IMA S.p.A. started a project with Valle Morosina S.p.A. in 2020, purchasing carbon credits annually, voluntarily, in a number equal to the offsetting of the Group's direct emissions (from the use of fuels and refrigerants) and indirect (from electricity use), thus including the environmental impact of both Italian and foreign companies. As part of the same project, IMA has obtained certification from a third party on compliance with the βNeutral standard, which provides for a commitment by IMA to gradually reduce the quantity of emissions generated by its production process, and to offset / neutralise residual emissions through the purchase of the aforementioned carbon credits.

IMA is committed to reducing its emissions for the sites in which it operates through the request for electricity supply certified with a guarantee of origin

from renewable sources. In order to be able to effectively monitor emissions and evaluate interventions on the work activities that generate emission categories with the highest impact, in 2021 IMA implemented, with third party certification, a greenhouse gas emissions management system for the organisation according to the ISO 14064-1 standard in compliance with UNI/PdR 99: 2021 (referred to in the βNeutral). This management system is subject to annual inspection and verification by the certifying body. In 2021, the project was awarded the Chiesi Sustainability Project Award.

Michele Arduini
Managing Director at IMA Life



Code of Interdependence

In 2019 Chiesi co-created, alongside its business partners and suppliers, the **Code of Interdependence**, the code of conduct for suppliers and all strategic partners, which has been rolled out globally. The Code of Interdependence is a set of common values through which Chiesi aims to collaborate only with companies and partners that share its commitment to sustainability. Because of this, it is built upon eleven of the UN SDGs. In addition, through the Code of Interdependence, companies which form part of the Chiesi ecosystem commit to following the same high standards with regards to environmental impact, social performance and transparency as Chiesi Group, as well as operating in a responsible manner.

The format used for the Code of Interdependence changes the concept of a value chain into an ecosystem, which recognises each of us as essential to the others within a process of mutual learning and co-evolution.

The Code includes both mandatory requirements, which represents a minimum level to be implemented, and to “improvement actions” which represent a guide for those that wish to go even further towards implementing future improvements of the principles outlined in the document.

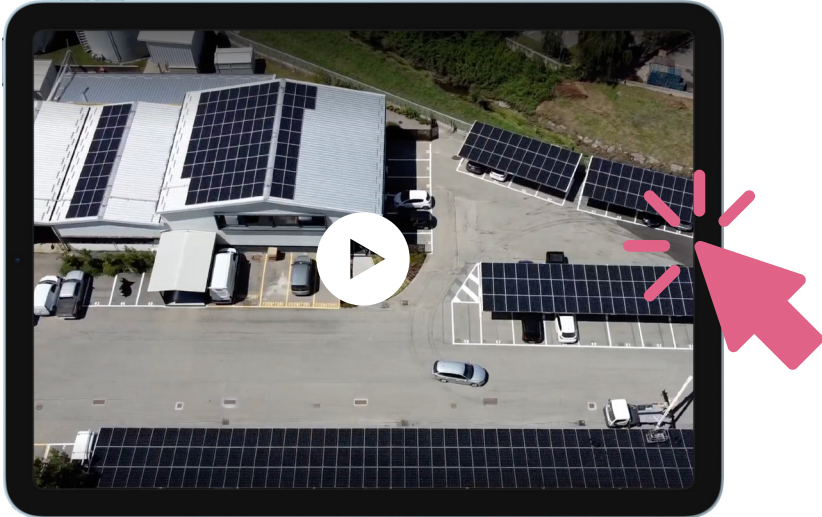
In 2021, the Code of Interdependence was revised to include two new SDGs, now reaching a number of 11 SDGs, in total. These new additions include UN SDG #5 Gender Equality, and UN SDG #11 Sustainable Cities and Communities. Despite the challenge of incorporating such a large number of SDGs into the Code, by doing so, we ensure we are always pushing the boundaries further, to deepen our impact while guiding and supporting our suppliers to do the same.

More than 50% of Chiesi’s global spending passed through the Code of Interdependence in 2021. We have also begun to carry out audits on our suppliers based on their compliance with the Code of Interdependence to help them reach their aims. This is structured around the Pharmaceutical Supply Chain Initiatives (PSCI), ILO (International Labour Organization), UN SDGs (Sustainable Development Goals) and B Corp principles. In 2021 we audited 11 suppliers, either

through our audit process or through Self Assessment Questionnaires.

Human rights are a significant area covered by Chiesi’s Code of Interdependence. We promote decent work in all its possible expressions, such as fair working conditions, child labour prevention, rights at work, and social dialogue. The evaluation of all of our suppliers includes a key element of respecting human rights, which is considered a crucial precondition for their selection.

Chiesi is unwavering in its commitment to make an impact in the domain of human rights, stimulating and encouraging high ethical standards of working and the fair treatment of all human beings. We have a zero-tolerance approach to any form of human rights abuse. This pledge links directly to one of the SDGs Chiesi has committed to, namely SDG10, Reduced Inequalities.



”

It’s not just a code of conduct, it’s a set of principles that first and foremost we respect within Chiesi, but that also we ask for the same level of respect from our partners.”

Guido D’Agostino
Head of Global Procurement

Biotech Centre of Excellence

In December 2021, Chiesi announced the opening of a new Biotech Centre of Excellence, which will be located next to the current Italian production plant of Chiesi in Parma and will be operational as of 2024. This 85 million euro investment project will support new R&D activities for Chiesi’s own internal organic growth but will also present options for Chiesi to become a know-how provider in the area of Biotechnology.

The Biotech Centre of Excellence Plant will be specialised in the development and production of active ingredients of monoclonal antibodies (produced with recombinant DNA techniques starting from a single type of immune cell), of enzymes and other proteins - from the cells to the finished drug and right up to the packaging for a global market. The Centre will be open to collaboration and the implementation of synergistic projects with other companies in the sector, so as to become an innovative point of reference for the entire pharmaceutical sector.

The investment will help consolidate know-how in biotech products within our pipeline and facilitate the integration of new products. The scope for this new project has the ability to encompass the entire end-to-end value chain with the first products expected to leave the plant by 2025. In line with Chiesi’s commitment as a B Corp, the Centre will be designed in a sustainable way and will conform to LEED criteria.

The Biotech Center of Excellence Plant

The Center

- Internal development and production of biotechnological products
- Location: Parma (Italy)
- Sustainable thanks to innovative technologies

Some numbers

85mln € investment in building and equipment

105 people in highly qualified positions

2021-2024 for design and construction

2024 operative

in 2025 the first commercial batch

Vertical integration: from cells to finished product



People strategy

For people employed an Up-Skilling programme based on «Hands-On» training

70% learn and development through experience

20% external know how

10% through courses



More sustainable value chains

One of the main areas where we aim to create an impact in our value chain is by encouraging our suppliers and partners to reduce their carbon footprint. This will simultaneously help Chiesi in our quest to reach our own environmental targets. Chiesi is conscious that it has wide reaching commitments and expects the same from its suppliers. We realise that for many of our partners, these expectations can be challenging and overwhelming. To aid our suppliers as part of our joint commitment to improve sustainability dimensions, we have been sharing information with our suppliers on sustainability topics, and advising them on possible pathways towards achieving their goals.

EcoVadis

In 2021, Chiesi selected EcoVadis, the provider of business sustainability ratings as its partner of choice for assessing our suppliers on elements such as environmental protection, labour and human rights, sustainable procurement practices and ethical business practices.

These dimensions are closely linked to Chiesi’s own sustainability goals and allow us to qualify our vendors based on their level of sustainability. We also use the information provided through the EcoVadis scoring system to monitor Chiesi’s own progress on our Scope 3 emissions goals.

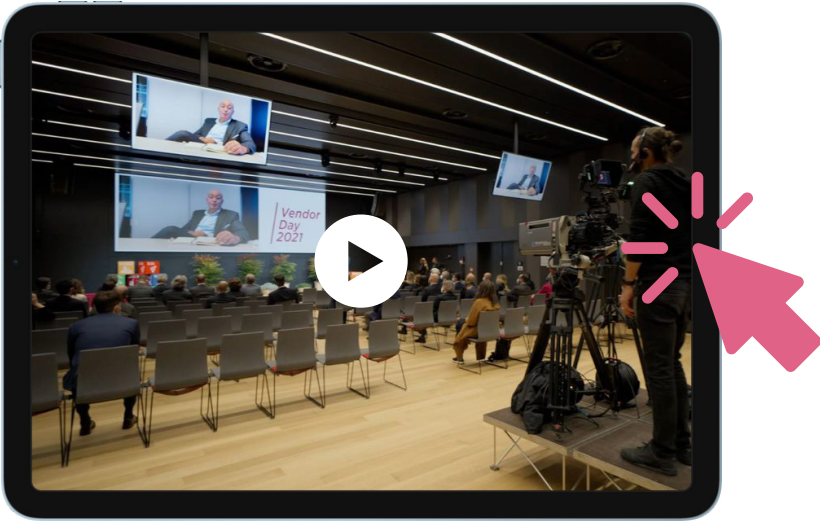
The benefit of this scoring system is that it allows Chiesi to commence and continue our dialogue regarding sustainability with our partners, encouraging them to deepen their own commitments in line with our own goals.



Vendor Day and Suppliers Award

Chiesi’s first Vendor Day took place in November 2019. Due to the Covid-19 pandemic, the Vendor Day was cancelled in 2020, placing even more importance on the 2021 edition. The 2021 event (arranged both remotely and in person), which was dedicated to the Group’s suppliers at an international level, focused on the evolution of the Value Chain. During the event, Chiesi members and Top Management presented the medium to long-term objectives the company intends to achieve with the help of its partners, particularly in the field of sustainability.

One of the highlights of the event was the Supplier Award ceremony, which recognised those suppliers that had notably contributed to sustainability aims.



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Corporate Logistics

Building upon previous years’ efforts, we have been continuing to identify areas where we can reduce our carbon footprint related to our logistics infrastructure. In 2021, we carried out the GHG emissions calculation of Chiesi’s primary transport flow. These analyses represent for us an important further step in the process of gaining awareness of the impact of our activities along the value chain. For instance, these calculations showed that 1 kg of goods shipped by air emits 7.2kg CO₂e vs 0.21kg CO₂e when transported by sea. This clearly shows that we must continue to prefer sea-based transportation rather than air-based, where possible.

Elsewhere, we have been carrying out an analysis to evaluate the best location for our distribution centre in each market, both adopting sustainability lenses and focusing on customer needs and purchase volumes in order to ensure we are as efficient as possible.

In May, we opened the new Fontevivo 2 warehouse giving additional capacity to the San Leonardo Plant and freeing up space for building the new Biotech plant. The Fontevivo 2 warehouse can house 7,000 pallets and will be dedicated to packaging materials and active ingredients. Alongside the inauguration of this new plant, we have set new procedures in place, and we have successfully transferred staff from other plants without any interruption of the materials components flow to production.

The ongoing pandemic required us to start carrying out many of our activities digitally, which had the increased benefit of reducing non-essential travel, thus adding to our efforts to reduce CO2 emissions. We have developed much better digital services, have learned to interact with customers around the world in virtual ways and developed new training, database and communication platforms. We have also incorporated a sustainability test into our project assessment to ensure that we do what is required in the most efficient way possible.

Since 2020, we have been working with our transportation colleagues to try and minimise our carbon footprint in transport, shifting shipment, where possible, from air to boats. This considerably impacts on lead times and involves a large amount of planning, as we need to ensure that patients are able to receive the medication they need. In spite of the challenges relating to planning and lead times and ensuring delivery of the final product, last year 229 shipments were made via alternative transport to air freight, and we plan to add new destinations in 2022.



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IMDD – International Markets Development Division

Once again in 2021, our International Markets Development Division organised its annual contest through which partners could showcase the sustainability actions being carried out across Chiesi’s international markets. Through our work with over 75 partners around the world we believe our IMDD team can help demonstrate Chiesi’s own credentials and sustainability efforts and influence other companies by giving them tangible examples and strategies for starting on their own sustainability journey, if they have not done so already.

Vendor qualification

In order to ensure comprehensive engagement globally, at affiliate level, we have rolled out a qualification process to establish a consistent supplier governance framework. The vendor qualification process, which was revised in 2019 to incorporate sustainability parametres, follows a phased approach and now includes affiliates in 11 markets on top of our Head Quarter spend. In 2021 Spain, China, Poland, Greece, Austria and the USA were included in this process, so that we are now covering about 90% of Chiesi spend with vendor qualification. In 2022, we will be launching this qualification process with six affiliates from Eastern Europe and Russia.



Our impact across the globe



Spain

Sustainable Pharmacy Awards

The Sustainable Pharmacy Awards is an initiative which aims to promote and encourage innovation, effort, commitment, and creativity in the development of sustainable pharmacies. The award, in its first edition, is aimed at all Spanish pharmacies that are aligned with the “10 Chiesi Sustainable Pharmacy recommendations”. The three awards are worth €6,000 and recognise pharmacies that foster a culture of sustainability in their establishments and promote initiatives at local level. Interested pharmacies can participate in three different categories: “the best sustainable transformation of the pharmacy”, “the best new project in the pharmacy”, and “the best sustainable showcase”.



Hungary

Adoption of new Green procurement policy

In Hungary, we implemented the company’s new green procurement policy. Initially, we were facing some challenges in finding new office supplies that meet the required standards as “green” products. Once these were identified, however, the procurement process became easy to manage. Now we can proudly say that we use ecological cleaning products, recyclable materials, and rechargeable batteries. We have changed our office coffee to an organic fair trade option and have adapted many other changes that make our affiliate office greener. We firmly believe that every change, large and small, is worth the effort and with our actions on green procurement we also hope to set an example for other affiliates.



Germany

BravoSolution

The topics of sustainability and social responsibility are important cornerstones of our daily activities at Chiesi GmbH. Our partners and suppliers play an important role in this and we would like to encourage them to give these topics the same importance as we do. For this reason, we were pleased to be able to expand our existing supplier qualification process in 2020 with the online solution BravoSolution from JAGGAER. To date, 74 partners have successfully completed our qualification process and have shared information with us on cost effectiveness, existing certifications, social responsibility and ethics & anti-corruption. This is an important step for Chiesi towards a responsible and sustainable supply chain.



Mexico

Code of Interdependence Supplier Commitment

Chiesi’s Code of Interdependence represents a fundamental part of Chiesi’s evolution towards full sustainability. Chiesi Mexico made known its solemn pledge to the Code of Interdependence and its willingness to involve all partners and suppliers in this journey by sending a communication to all partners. In it, the affiliate underlined its dedication to collaborate with subsidiaries and strategic partners and asked each of its suppliers to work alongside the company by signing a Commitment Letter to confirm their assurance to follow the Code of Interdependence guidelines, to align themselves and to act in accordance with it.

A photograph of a family in a living room. A young child with curly hair, wearing a grey and white hoodie and green pants, stands with arms raised in excitement, mouth open. To the left, a woman with dark hair, wearing a bright pink long-sleeved shirt and blue jeans, is also celebrating with her arms raised. To the right, a man with curly brown hair and glasses, wearing a plaid jacket over a white t-shirt, is smiling and looking at the child. In the background, there is a light-colored sofa with a yellow blanket, a white coffee table with some papers and a book, and a potted plant. The scene is bright and cheerful.

Chapter 7

People

- Putting people at the centre
- Diversity and inclusion
- Fairness and equality
- Health, safety and well-being
- Training and development
- Values and behaviours

Putting people at the centre

Our people's well-being and professional growth are central to our ambition to create a fair, equal and diverse work environment where everybody is valued.

Around the world, many people have used the pandemic years as an opportunity to re-evaluate and reset their expectations in terms of how they want to make a living. Employees look for a greater sense of purpose from work and alignment with their own personal values. [Gartner](#) has identified topics of fairness, equity and inclusion as priorities for attracting and retaining top talent. This includes access to hybrid and remote work; flexibility is an expectation in our post-pandemic world. Finally, as [LinkedIn](#) has pointed out, people increasingly want to work for employers who value their physical and emotional well-being. Employers therefore need to meet employees where they are – while also providing resources to prevent burnout and ensure work-life balance is maintained.



In the past year, society had to reassess the way it navigates life given the changing restrictions due to the global pandemic. This has had a profound effect on our well-being and in a work setting, it has also changed the way we view the traditional work-life balance. At Chiesi, we have paid special attention to the well-being of our employees during these trying times, introducing a hybrid working model in those regions where Covid-19 health restrictions allowed it.

As an organisation, we create a culture for our employees to thrive at work, so they feel safe and supported at all times. Our ambition is to prioritise fairness and equality allowing for a workplace where everybody is valued. We nurture cultural perspectives and diverse talents and we inspire a culture of inclusion. By doing so, we believe that we can reach the best business outcomes for all stakeholders.

We continue to invest in training, including on sustainability dimensions with a view to allowing our people to gain a better understanding of our core values as a B Corp. At the same time, as part of our Shared Value proposition, we promote acting as a force for good to generate a positive impact for the environment and society. Fostering a working culture where people are happy, healthy and safe is fundamental to ensure we can deliver on our commitments to: SDG #3 Good health and well-being, SDG #4 Quality education, SDG #5 Gender equality, SDG #8, Decent work and economic growth and SDG #10. Reduced inequalities.



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During 2021, the Covid-19 crisis persisted, which made us continue to prioritise the care and well-being of our people. We adapted working models so that employees were able to work from home, supporting them as they continued to deal with the challenges of these uncertain times. Thanks to our flexible working policy, our IT infrastructure and employee support programmes, we were able to continue working to guarantee the ongoing supply of our therapies to the patients who need them as well as putting systems and procedures in place to safeguard those critical workers that had to physically be on site in our facilities to ensure that the production and distribution of our products continued.

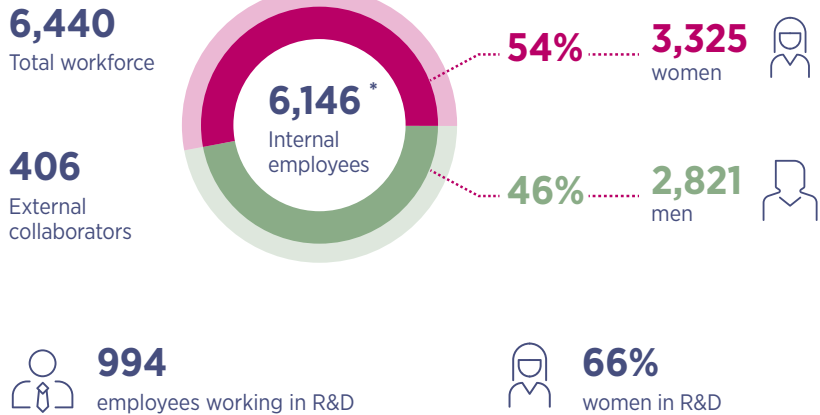
Our value system, which was reshaped and updated in 2020, forms the basis of all People Management processes, and helps shape our overarching internal culture, integrating ethics and integrity into our DNA. The many global projects and processes that have been launched can have an impact on operational activities



for our employees. This requires a strong alignment on timeline, communication, procedural alignment and training. Becoming a truly global company, we had to align all affiliates and Global functions on different HR processes.

Chiesi continues to make progress in several people-related areas. In 2021, the overall internal workforce increased by 3%. This growth is mainly driven by the expansion of Chiesi Global Rare Diseases BU (+41.6%), and Chiesi China where staff grew by 20%. Italy continues to be our first country for internal workforce.

Our workforce



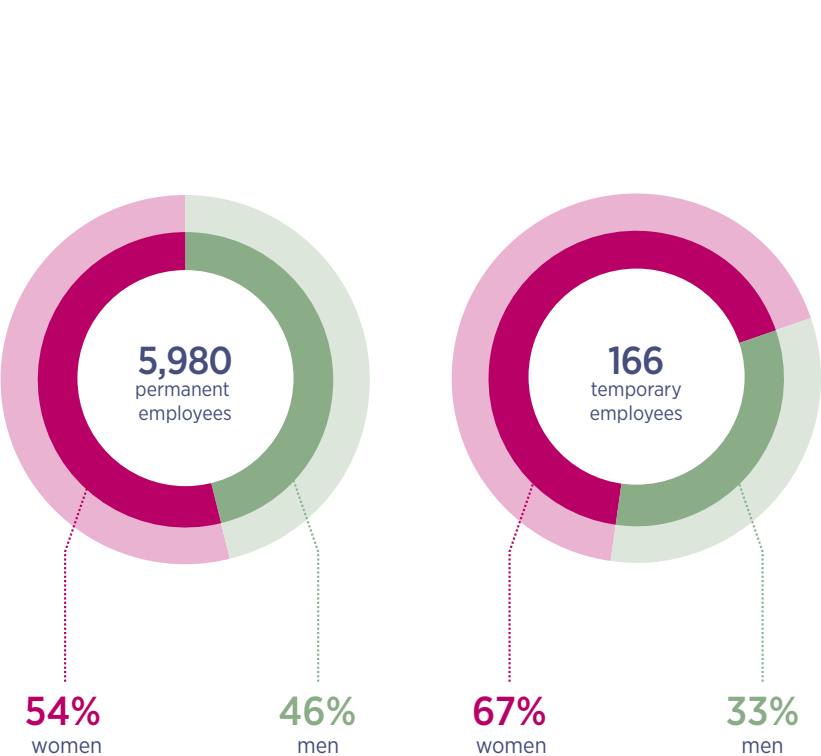
* The total number of employees includes long-term employee absences and therefore differs from the total number of employees reported in the Consolidated Financial Statement (equal to 6,034 on 31st December 2021) in which long-term employee absences are excluded, and it differs from the total workforce (equal to 6,440 on the 31st December 2021) in which external collaborators (field force contractors and ad interim employees) of the Group are included and long-term employee absences are excluded.

Diversity & Inclusion

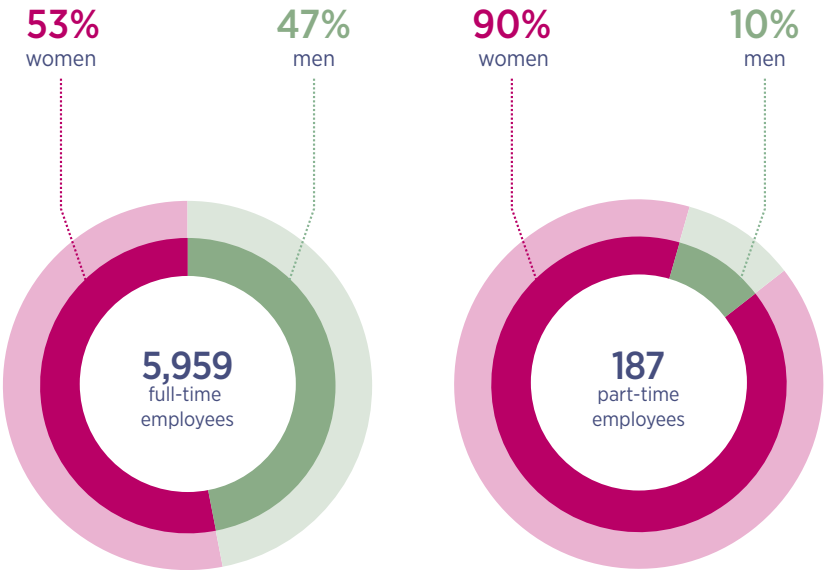
Diversity is a fact, but inclusion is a choice we make every day in Chiesi. In our journey towards a truly inclusive environment our path to go beyond the bias begins with supporting, mentoring, and sponsoring diverse women and men to become leaders and entrepreneurs.

Every year we will focus on different areas of intervention to nurture this journey, guided by the Sustainable Development Goals of UN's 2030 Agenda we decided to commit to. Chiesi continues to advance in the area of Diversity and Inclusion, furthering our efforts not only in terms of diverse representation, but also refining our processes, systems and policies. The concept of Fairness is central to the actions we develop for our people, as we continue to strengthen our offering for employees and grow awareness of all diversity dimensions throughout the business.

Employees by employment contract



Employees by employment type



A word from our stakeholders

Learning to learn from each other



I have had the pleasure and honour of working at Chiesi since 2017 in People Care projects both at an individual level and team level, providing courses on empathy, emotions, through theatre, music and writing. In life coaching, people are free to bring any theme (work or otherwise) in an environment of maximum trust and confidentiality. It is a gift from the company to the participant, without any obligations. With team coaching, well-being is aimed at the team so that people can find sustainable and inclusive ways of working together. In recent years, my colleagues and I have witnessed people who have achieved important personal and/or professional goals and people who have rediscovered self-awareness and pleasure in the work they do. In the team setting, members have learned the importance of learning from each other, of nourishing each other in

an environment of mutual trust and respect. The company’s openness to welcome and introduce more innovative forms of training, tailored to adult learning, has allowed the provision of webinars and courses on topics such as empathy and emotions. Through tools such as writing, music and theatre, people felt free to express themselves, to reflect and have fun while learning in a relaxed environment in contrast to very difficult historical times. So I would say thank you to Chiesi, and specifically to the people I interact with, for opening up to the “new” and in offering employee tools aimed at a continuous increase in well-being.”

Marzia Iori
Life Coach



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Furthering our Diversity & Inclusion Awareness Programme

To advance on our D&I journey, we continued to roll out our awareness programme throughout different levels of the organisation. The Executive Committee pursued our “From Visible to invisible” educative training programme, which seeks to raise awareness about the different D&I dimensions. This training will continue in 2022 as a global project.

Through a collaboration with consultancy [Global Diversity Practice](#), we guided all Chiesi leadership teams through a soft learning programme to address unconscious bias and encourage inclusive teams and leadership.

 **240** Leaders were involved in the activity with Global Diversity Practice

 **300** Managers were involved in the Italian training

At affiliate level, we also offered the opportunity for people managers to partake in the unconscious bias training and we developed a specific D&I catalogue for Chiesi colleagues, which detailed courses for those that wished to learn more about the topic and the various dimensions.

In 2022, we will be setting up Employee Resource Groups, offering a bottom-up approach to our D&I activities. Employees Resource Groups are groups made up of staff volunteers who are united by the desire to propose new initiatives to foster an inclusive work environment that enhances diversity. This will help us identify concrete proposals based on our colleagues’ needs whilst understanding more about the ideas of activities we could implement within the business to the benefit of our people.

Fairness and Equality

2021 marked the starting point to focus on ensuring all people processes in the business are free from bias. As part of this endeavour, we started a global initiative called the **Global Gender Equality Challenge**. The aim of this project is to reach equal pay, by closing the gender pay gap, and establishing equal opportunities, balancing the gap between men and women in leadership positions.

As part of this undertaking, we collaborated with [Mercer](#) to define our global gender equality challenge in terms of equal pay and equal opportunities, and to calculate the current gender pay gap. Mercer conducted the analysis according to a specific certified methodology, that compares remuneration by gender for the same position and conditions. The analysis revealed a small but statistically significant ‘unexplained gender pay gap’ in the company – a gap that cannot be explained by factors that drive pay at Chiesi, such as performance, experience, job grade, or location.

In Chiesi Group, the unexplained pay gap is approximately 1.5%, which is lower than the reference benchmark (2% -5%) for organisations starting on their pay equity journey for the first year. Within the pharmaceutical industry, the average unexplained pay gap is 2.2%. Chiesi has set the goal to reduce the unexplained pay gap and reach Equal Pay - no difference in pay by gender for the same position and at the same conditions - by 2023. Our actions for the future on this topic include:

- Salary review interventions to close the gap gradually.
- Monitoring of gender pay gap annually.
- Communication to all Chiesi people when the goal will be reached.

But equality and fairness are not just about the pay: among other things, this approach also involves a huge work on recruitment practices, people development and career opportunities. Considering the headcount in December

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2021, at Group level the Chiesi workforce is gender balanced and composed of slightly more females (54%). The greatest difference can be found in leadership positions where males account for about 60% of staff. Compared to 2019, there is an encouraging trend towards gender balance in leadership positions (about +5% in 2021 vs September 2019). Nevertheless, our equality journey is an ongoing process and we continue to seek improvement.

Research was conducted and a survey was launched to understand perceptions within the group around gender equal opportunities. From the survey, the following elements emerged as possible barriers in career progression and gender balance: cultural barriers or biases; lack of transparency on job opportunities; lack of visibility opportunities; difficulties to balance work and personal life.

This is why, next to the target of reaching equal pay by 2023, Chiesi also decided to set another long term target regarding equal career opportunities: we want to grant equal career opportunities to all genders at all levels and have a fair and balanced distribution of leadership positions by 2030.

Reaching our gender equity targets will require a combination of different solutions:

- **Recruiting:** ensuring recruitment diversity to build a stronger gender balance of candidates across all levels and stages of the recruitment process and a mixed panel of interviewers to avoid biases in the process.
- **Work life balance:** create a trusting and flexible culture (for example parenting policy, smart working flexibility) which encourages employees to achieve work life harmony and create an environment that supports employees at every stage of the family life cycle.
- **Development:** evaluate and implement a programme of career progression support and sponsorship, enabling colleagues to find clarity, visibility and direction to make positive changes in career paths and to monitor the balance in successions pipelines.

- **Culture:** promote an inclusive culture creating awareness of cultural barriers and biases that can occur (performance management, people development processes and respect of different leadership styles).
- Monitoring of and communication around **progress made**.

All of these actions are going to support gender equity and the increase of women in leadership positions and, at the same time, will have a positive impact on all genders. In order to cater for all generations in the workplace, we have initiated a reverse mentoring initiative, which allows young people within the group to mentor higher-level managers. This consisted of training around 15 young mentors who delivered their first reverse mentoring activities including some of the members of the Executive Committee and other Leaders. In 2021, 11 pathways were completed. The pilot was very successful allowing for a “mindset” exchange and activating specific ideas for new projects.

Health, safety and well-being

The Covid-19 pandemic remained a challenge to the health, safety and well-being of people over the course of 2021. With this in mind, we continued to balance remote working and in-person attendance for our employees, depending on local restrictions and measures within the markets where we operate, globally, on a case-by-case basis. Likewise, we ensured we complied with health safety measures, guaranteeing the safety of those colleagues in our facilities who needed to be present in order to maintain the production of our therapies.

People Care remains the foundation for preserving the safety and well-being of our employees at work at headquarter level, and ensures that the Chiesi workplace is a positive, healthy and safe work environment. We carefully monitor health and safety aspects for employees and visitors to Chiesi sites, providing a strong focus on physical safety in the workplace, particularly for those working in potentially hazardous environments.

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In 2021, we created the first global **Well-being policy** at Chiesi. This has been developed in the form of a global guideline and the programmes are selected at local level. We also launched dedicated guidelines which focus on several pillars: Work Life Harmony, Volunteering, Well-being Education, Healthcare, Welfare. We provided individual support on well-being, such as life-coaching and psychological support, which we offered through webinars to educate people on topics such as families, relationships with children, education, and time saving initiatives. Going forward, we aim to carry out periodical surveys amongst our employees to better understand the well-being levels of our workforce.

In 2021, a total of 19 work-related injuries were reported. No high consequence injuries or fatalities were recorded. More details on the methodology are included in the [Annexes](#).

2021 Injuries (number & rate)	Men	Women	Total
Work-related injuries (number)	4	15	19
of which fatalities	-	-	-
of which with high-consequences (excluding fatalities)	-	-	-
Worked hours	5,005,074	5,647,001	10,652,075
Injury Rate	0.16	0.53	0.36
High-consequences injury Rate	-	-	-

2021 External worker injuries (number & rate)	Total
Work-related injuries (number)	4
of which fatalities	-
of which with high-consequences (excluding fatalities)	-
Worked hours	661,519
Injury Rate	1.21
High-consequences injury Rate	-

Training and development

The ongoing ability for Chiesi's people to adapt and evolve is paramount for the group's long-term success. Training and development is a fundamental aspect of career development for all Chiesi employees. In 2021, we continued to mature our health and safety management systems in addition to an ongoing learning programme through formative learning and other educational activities.



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Average hours of training per employment category and gender

	2021					
	Total hours for men	Average hour per men	Total hours for women	Average hour per women	Total hours	Average hours per employees
Executives	7,044	42.7	4,954	60.4	11,999	48.6
Managers and Field Force Area Managers	38,369	47.7	35,810	47.8	74,179	47.8
White Collar and Field Force Representatives	90,224	51.1	116,001	48.1	206,225	49.3
Blue collars	3,775	44.4	3,980	49.1	7,755	46.7
Total	139,412	49.4	160,745	48.3	300,157	48.8

Overall, in 2021, we calculated over 300,157 hours of training, matching with an overall average training hours of 48.8 per worker. This reflects an overall increase in average training hours per worker by 0.9% from 2020 to 2021. The increase in hours is mainly due to a series of initiatives that covered a large part of the group’s workforce, such as the Chiesi Values training and the Diversity & Inclusion training. There was a focus on the Cultural transformation during the Learning strategy at Chiesi in 2021. This included unconscious bias training and training on the new Chiesi Values and Behaviours, in addition to technical learning initiatives.



300,157
hours of training



48.8 hours
avg training hours
per worker

Another project that engages both younger and more senior team members is the **Junior On Strategy Project (JOY)**. By coming together to interact and collaborate on specific strategic topics, innovative solutions are uncovered through the exchange of experience and diverse points of view. The main topics of discussion in 2021 were “From complexity to simplicity” and “From product to patient centric.”

The first topic (“From complexity to simplicity”) enabled participants to evaluate the utilisation of a new habits in dealing with feedback and inspired the development of a ‘Meeting Galateo’, in order to have more efficient meetings with the aim to free our calendars of ineffective hours. The second topic (“From product to patient centric”) led to the creation led to the creation of a new indicator related to Engagement, with the aim to measure the impact of employees’ work on patients, complementary to the common usage of classic KPIs.

Values and Behaviours

The Chiesi values and behaviours were reshaped in 2020 in line with our B Corp philosophy. They are known by every person working within the organisation and are applied on a daily basis as a common cultural foundation. In 2021, we carried out a number of training sessions to help widen the understanding of the evolution of our long-standing values and behaviours and ensure that all our colleagues understand what they mean and how they should be applied to their work.

This is us

WE INTERACT WITH INTERGRITY AND TRUST

We show consistency between words and actions leading by example

We build trust-based relationships through respect, honesty and authenticity

We have the courage to speak up and express our point of view openly and in a constructive way

We respect all individual characteristics, welcoming and valuing diversity, uniqueness and authenticity

We act ethically and with integrity

This is us

WE UNLOCK OUR POTENTIAL TO IMPROVE AND DEVELOP

We share and leverage lessons learned to improve and progress continuously

We are accountable for our own professional and personal development and results

We listen to each other, with openness and genuine curiosity, welcoming feedback

We are committed to fostering each other's talent and skills, encouraging people to express the best of themselves

We welcome change as a continuous development opportunity

This is us

WE COLLABORATE AS AN INCLUSIVE TEAM

We ask 'what do you think' and value everyone's perspective and contribution when working together

We collaborate with others across the organisation to achieve common objectives

We demonstrate empathy by putting ourselves in each others' shoes

We create a positive environment where people feel comfortable to express themselves and collaborate

We celebrate success based on teamwork

This is us

WE GENERATE INNOVATION AND VALUE PUTTING THE PATIENT FIRST

We take responsibilities and risks in looking for new challenges and opportunities, leveraging on our entrepreneurial spirit

We listen to the voice of patients and their needs to create the best solution for them, their families and HCPs

We innovate and challenge the status quo leveraging our creativity, competencies and intuitions

We pursue excellence to ensure the highest quality in our results and products

We put passion and heart in our job to compete with the best and win our challenges

This is us

WE ACT AS A FORCE FOR GOOD

When we make decisions we understand the need to create value both for the business and the society

We take care of each other because we know we are all responsible for each other's well being

We allocate resources, effort and energy to preserve the environmental balance

We collaborate to improve our local community through mutual solidarity

We generate ideas to make the world feel better

Great Place to Work


Great Place to Work is part of Chiesi's new strategy of inclusive and empowering leadership, which believes that "listening" to our people is a strategic company responsibility. By boosting innovation and organisational learning we can also build trust and psychological safety. This is the main pre-requisite to then move to a collective commitment to positive change starting from co-design and co-creation.

In this way, **Great Place to Work** is an integral part of the bigger cultural transformation journey we have embarked on as a group, which has our values and behaviours as a foundation, and which encompass our company identity as a B Corp.

We aspire to an inclusive workplace where everybody feels comfortable and can express themselves and their talent. Great Place to Work is a tool to help us achieve that, allowing us to measure the temperature, listening to perceptions and ways to improve. As of 2021, we received Great Place To Work certification in over 20 of the countries in which we operate.




Our impact across the globe



Mexico

Work-life balance package for parents


As a result of the global pandemic, we started offering several work-life balance benefits for parents, including free psychological support (available also for all other employees) and flexible work schedules for families with children in home-schooling, allowing parents to support their kids in their studies without work conflicts. We also provided a work-life balance course to give our employees the right tools to achieve said balance. Finally, we implemented a Flex Time modality in which our staff can choose the schedule that best suits them and their family dynamics, always complying with the 40 hours per week and fulfilling their own objectives.



Brazil

Você Feliz Programme


Você Feliz is the name of our local well-being programme, launched in 2021, with the aim to stimulate and create opportunities for our employees to further exercise the pursuit of happiness in everyday life and reach a better balance of physical and mental health. The programme is divided into three pillars: physical health, mental health, and work environment. Examples of actions we carried out included sharing biweekly content relating to wellbeing and other employee stories, access to corporate physical activity platform Gympass, and the provision of workshops relating to time management for all Chiesi Brazil employees.



Germany

Psychological support to employees

We implemented several support offers over the year for our employees to help them get through the global health crisis caused by Covid-19. This included an employee assistance service so that employees could ask for help or support on anything they needed. We also offered the “self-management in times of crisis” programme for all leaders and employees. On the whole, we received very positive feedback regarding our management of the crisis from all employees.



United Kingdom

Mental wellbeing of employees

In order to support employees with a focus on mental wellbeing, given the impact of the pandemic we hosted a number of workshops and campaigns across the year. These included Mental Health First Aiders support workshops, a webinar on Children's Mental Health for parents or carers working from home, a health and suicide awareness focus on International Men's Day, the sending of care packages to all employees to block out time to catch up through our Time to talk programme, and Get Fit Feb – an initiative to encourage people to get active while working from home fulltime.

A person in a dark hoodie stands in a vast field of tall grass, looking up at a sky filled with wispy clouds illuminated by the warm light of a sunset. The scene is framed by a green triangle in the top left and a white triangle in the bottom right.

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Closing remarks and looking to the future

We have made headway towards our sustainability commitments in 2021, and for that, we can be proud. Given the challenges we faced this year, both globally and on our doorstep, this was not an easy achievement. As we manoeuvred through the ongoing Covid-19 pandemic and its effects on the global economy, we also became stronger to face the road ahead - further advancing towards our sustainability goals and continuing to provide high-quality care for patients. Indeed, sustainability is a journey of continuous learning and improvement, and we look forward to seeing what that journey might hold. At the same time, sustainability is also a mindset, embedded in the very DNA of the organisation. Every single individual, each department, each affiliate, and the whole company is engaged in a collective effort in making of this world a better place, generating a positive impact on employees, patients and communities, creating value for the society and not harming the environment.

Inevitably such an endeavour is not devoid of risks and errors. In many cases there are no previous experiences, no international standards nor valid benchmarks. A certain component of trial and error is unavoidable. But learning from mistakes has an enormous value and it should be at the base of any intelligent effort to improve, and of any strategy for the future. For this reason, our approach to sustainability must be very humble, while bold. We are profoundly committed to study, the learn from others' experiences, to analyse and apprehend from our mistakes, to constantly measure our impact and to share our knowledge and expertise within our organisation and with the external world.

We owe this to ourselves, to our fellow human beings, to all the creatures of this world and, above all, to our children, to the future generations. It is a moral imperative not to deprive them of the richness and the beauty that we were blessed to enjoy.

Looking at the future, I know we will make strides towards our commitments on environmental, societal and inclusive topics, given the great impetus placed on these goals both internally and externally. We will tirelessly advocate these efforts, as stewards of sustainable business and shared value, showing how these

principles are core in the biopharmaceutical sector, to create value for patients and the whole society.

The carbon minimal inhaler project will grow, at pace, with the result of the first phase of clinical trials becoming available. We will also advance towards the opening of the first industrial facility dedicated to the production of low-carbon-propellant devices, with a view to conclude the project by 2025. We will further progress in the identification of practices and technologies alternative to fossil fuels to reduce over time our dependence on them.

Elsewhere, we will build upon our commitment to create shared value for our internal and external communities, acting as a force for good wherever we are present, across the many regions globally where our affiliates operate. Our sustainability commitments rise or fall depending on the actions taken to achieve our goals. And the more these actions are independently verified by international standards, the more our commitments will prove right.

Our colleagues' unwavering endeavours to uphold our values as a B Corp are central to Chiesi Group's success and will be renewed with the upcoming recertification. This process is fundamental not only to constantly measure our impact but, even more importantly, to continue to improve, through the dialogue with the stakeholders, the understanding of their needs and the assessment of our performance in connection with those needs.

This is how we can create a more sustainable future to the benefit of patients, society and the planet.

Maria Paola Chiesi

Head of Shared Value & Sustainability



A photograph of a family walking away from the camera on a dark, sandy beach. On the left, a woman with blonde hair tied back wears a light purple hooded sweatshirt and dark trousers. In the center, a small child with curly brown hair wears a white fuzzy jacket and brown corduroy pants. On the right, a man with grey hair wears a light blue striped button-down shirt and blue jeans, holding a pair of sunglasses in his left hand. They are walking towards the ocean under a cloudy sky. A long piece of driftwood lies on the sand in the foreground.

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- Annex I: Note on methodology
- Annex II: Sustainable Development Goals - progress made
- Annex III: Material topics and related GRI disclosures

- Annex IV: Boundaries
- Annex V: Stakeholder engagement methods
- Annex VI: Chiesi sustainability performance
- Annex VII: GRI content index
- Annex VIII: World Economic Forum framework
- Annex IX: Impact Report 2022

Annex I: Note on methodology

This is the Chiesi Group’s fifth sustainability report. The report provides an overview of our annual activities and their impact on sustainability, demonstrating the value that Chiesi creates for patients, for our employees, for communities, for the planet and for our shareholders, today and in the future. The reporting period extends from 1 January 2021 to 31 December 2021. All data and indicators have been selected from a variety of economic, social and environmental factors central to Chiesi’s business and the company’s stakeholders.

This Sustainability Report was prepared in accordance with the “GRI Sustainability Reporting Standards” established by GRI – Global Reporting Initiative (“GRI Standard”): Core option.

Regarding the financial data, the scope of reporting corresponds to that of Chiesi’s consolidated financial statement. Regarding the qualitative and quantitative data on social and environmental aspects, the scope of reporting corresponds to Chiesi and its subsidiaries consolidated on a line-by-line basis in the consolidated financial statement. Any exception, regarding the scope of this data, is clearly indicated throughout the Sustainability Report. Moreover, data and information related to initiatives of the Chiesi Foundation have been reported in the Communities chapter, even if the Foundation is not included in the scope of the Consolidated Financial Statement. The Foundation represents an important element of the Group strategy in the social area. Therefore, the inclusion of this information guarantees a complete representation of the social impact produced by the Group.

The Group has enriched its R&D pipeline in the respiratory field by acquiring exclusive global rights for the development, production and marketing of Zampilimab, an experimental monoclonal antibody in the clinical phase that inhibits transglutaminase 2 (an enzyme associated with fibrotic diseases) from UCB under a licensing agreement. This acquisition of the rights to Zampilimab potentially adds an innovative therapeutic agent for fibrotic diseases, in particular idiopathic pulmonary fibrosis (IPF), and at the same time allows the Group to accelerate its entry into biological products in the field of respiratory diseases.

Since 2021, commercial operations in Italy have been handled by Chiesi Italia S.p.A. to which the Parent Company, Chiesi Farmaceutici S.p.A., contributed all aspects of the business. The transfer took place entirely between entities under common control and was accounted for in the consolidated financial statements at the same book values.

In June a 1.01% interest in the Greek company was sold to the parent company Valline S.r.l.

Unless otherwise indicated, data and information contained in this Report refer to the year 2021. However, to facilitate an evaluation of the ongoing trend of the activity, the data and information related to the previous year, if available, are reported for comparative purposes. Any restatements of data and figures published in the previous Sustainability Report is clearly indicated throughout the document.

To provide the most accurate representation of performance and to ensure that the data is reliable, directly measurable quantities have been included while limiting, as far as possible, the use of estimates. Any figure that has been estimated is indicated as such; moreover, certain totals in the tables shown in this document may not add up due to rounding.

The Report has not been subject to external assurance. As regards the frequency of publication, reporting will be annual. The previous version was published in June 2021.

The report is also available on the Chiesi website (www.chiesi.com) in the “Sustainability” section.

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General principles of reporting

For defining the report content, we have referenced the design principles which were introduced in 2020, as follows:

- 1. **Impact:** This report is a practical tool that represents our business’ impact. In line with the B Corp values, we dedicate the same level of accuracy in reporting our economic results as we do in reporting the impact we have on the environment and the communities we operate in.
- 2. **Transparency:** At Chiesi we want to go beyond what is legally required. We believe that transparency is a fundamental corporate value and a key driver of our company’s management process. It is also an opportunity to benchmark ourselves against international standards as well as to facilitate the reader in comparing our performances against those of our peers.
- 3. **Accountability:** We describe not only the actions we put in place and the positive effects we achieved, but also the struggles and challenges we face.
- 4. **Relevance:** The report is laid out in six core chapters, which follow the dimensions developed by Chiesi Impact Profile and the key areas measured by B Lab. We also closely align all activities with the SDGs. The report’s chapters include Environment, Patients, People, Community, Value Chain and Governance, Mission & Engagement.
- 5. **Multidimensional approach:** This report integrates the most robust measurement and impact reporting frameworks available to conduct our business. These include: B Impact Assessment of B Lab, Benefit Corporation legal framework, SDGs of the UN and the SDG Action Manager tool from UNGC and B Lab, GRI Standards (Global Reporting Initiative) and the World Economic Forum white paper “Measuring Stakeholder Capitalism”.

The multidimensional approach we take for developing the sustainability report entails adopting several different reporting frameworks to create an overarching framework that is as comprehensive and as transparent as possible.

In addition to the current reporting approach, the report framework also considers several upcoming changes to reporting standards that are set to occur over the coming years. The EU’s Corporate Sustainability Reporting Directive (CSRD) is expected to replace and expand upon the Non-Financial Reporting Directive (NFRD) in 2022, requiring more comprehensive and accurate reporting and disclosure of sustainability information. At the same time, the GRI reporting standards are set to change to the new Universal Standards, which will take effect from 2023.

Chiesi is fully committed to transparent communication and welcomes feedback, advice and honest impressions on its Annual & Sustainability report from all of its readers. We encourage you to share any comments you may have with csr@chiesi.com.

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B Corporation Legal Framework

The B Corp legal framework allows companies to protect their mission while ensuring continuation of stakeholder governance even after capital raises and leadership changes. In this regard, the B Corp legal framework is thought to promote good corporate social responsibility. Chiesi has adopted four key purposes of common benefit into its bylaws in line with its Benefit Corporation legal status in Italy, France and the United States, which help guide our business activities. These also align with the key focus areas of the Impact Profile and include:

- a commitment to continuous innovation with regard to the sustainability of all company processes and practices in order to minimise negative impacts and to amplify positive impacts on people, on the biosphere and on the territory, in pursuit of an economy with zero climate-altering gas emissions, in line with European objectives on climate neutrality and national objectives on ecological transition¹.
- a positive impact on people and patients, with the aim of improving their health, well-being and quality of life.
- a contribution to the development of the local communities where the company operates.
- the promotion of a conscientious and sustainable way of conducting business through a collaborative dialogue with the stakeholders.

B Impact Assessment

The B Impact Assessment is a digital tool that has been designed by B Lab to help companies measure and improve impact across five main categories: governance, workers, community, the environment, and customers. This tool is used to determine whether a company can become a B Corp. Companies wishing to reach B Corp status must achieve a minimum score of 80 in the B Impact Assessment. Even though Chiesi is currently undergoing the recertification procedure as a B Corp, it continues to carry out its own self-assessment based on its results on an annual basis. To do this, it adopts the B Impact Assessment to ensure that it continues to improve upon its sustainability goals. The B Impact Assessment also feeds into the Chiesi Impact Profile, given that the key focus areas are based on the same criteria found in the B Impact Assessment (BIA).

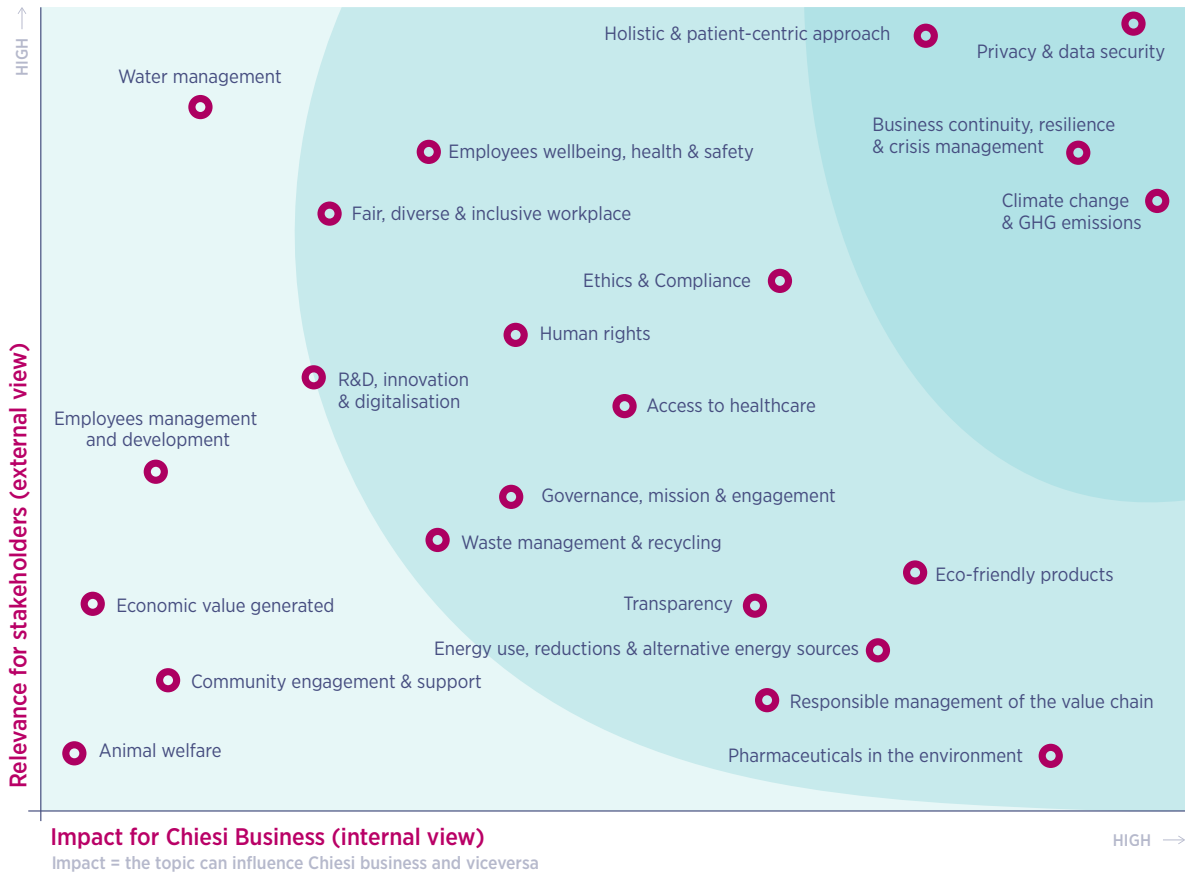
(1) This specific common benefit purpose has been updated in January 2022

Materiality Matrix

This Sustainability Report has been prepared in accordance with GRI Sustainability Reporting standards established by the Global Reporting Initiative, using the core option.

One of the key processes for adhering to the GRI Standards includes analysing the most relevant issues to a company’s core stakeholders. This provides a starting

point from which to pinpoint areas which should receive special attention from the company’s management. A mapping tool called the Materiality Matrix helps shape this understanding.



Overview of material topics by chapter

	CHAPTER	MATERIAL TOPIC	DEFINITION
Introduction	Patients	R&D, innovation, and digitalization	Technical development and use of new products, services, and business models, and innovation as a process.
Governance, Mission & Engagement		Access to healthcare	Contributing to increased access to healthcare through our products in specific therapeutic areas, including rare disease and working alongside healthcare authorities to increase disease awareness and promote training for healthcare professionals, including those in low-and middle-income countries.
Patients		Holistic & patient-centric approach	Activities and procedures aimed at offering high-quality products and services and guaranteeing patient's health and safety while ensuring quality of the company's products and their compliance with laws and regulations. Activities to ensure an empathic approach towards our patients and their caregivers to develop services and products to significantly improve the quality of their life.
Environment	Environment	Eco-friendly products	Assessment and management of the environmental impact of our products by taking into consideration the entire life cycle throughout the value chain.
Community		Climate change and Greenhouse gas (GHG) emissions	Climate change impacts including sources of GHG emissions and emissions management, and climate risks & opportunities.
Value Chain		Energy use, reductions & alternative energy sources	Meeting energy requirements with traditional, alternative or renewable sources and reducing energy consumption.
People		Water management	Use, management and conservation of water resources.
Closing Remarks		Pharmaceuticals in the environment	Pharmaceutical chemical compounds increasingly found in the environment, their adverse effect to humans and other living species.
Annexes →		Waste management & recycling	Unwanted/unusable material management, reduction and/or conversion into reusable material.
Website		Animal welfare	Animal studies and animal testing are mandatory for R&D-focused pharmaceutical companies to guarantee the safety and the efficacy of products. It is key to ensure the responsible use of animals to be ethically appropriate in research practices where suitable non-animal alternatives are not available.
	Communities	Economic value generated	Effective and efficient resource evaluation and allocation to achieve short-term positive economic performance and middle-and long-term economic equilibrium. The ability of the Group to create and distribute direct economic value to different stakeholder categories.
		Community engagement and support	Engagement, support and development to promote the health and well-being of a community, geographical area, or defined group of people.
		Business continuity, resilience and crisis response	Risk and financial management and resilience capability to ensure continuity of our operations and value creation also in response to critical events.
	Value Chain	Responsible management of the value chain	Management of the value chain and practices for procuring goods responsibly. Engagement of the value chain to promote the integration of the shared value mindset (throughout the qualification processes and business relationship with suppliers, collaboration and partners).

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People	Employee's management & development	Human resources management and development and the ability to attract and retain talents. Training and development programmes to strengthen employees' managerial and organisational skills and consolidate job-specific professional skills. Motivation and fulfilment of employees allowing them to feel part of the company's achievements. Employees' engagement in the Group strategy and activities.
	Employees wellbeing, health & safety	Social, economic and psychological, health, safety and physical conditions of employees in their workplace.
	Fair, diverse and inclusive workplace	Growing and maintaining diversity in the workforce and ensuring equal opportunity and equal-pay-for-equal-work for all employees.
Governance and Mission	Governance, mission and engagement	Mechanisms, procedures, and rules regarding the internal control, supervision and decision-making system of the company. Implementing and promoting a shared value business model.
	Transparency	Transparent behaviour around tax, economic contributions and public policies practices, clinical trials, and reporting practices of the company's impact. Both positive impact and areas of improvement, including non-financial topics.
	Ethics and compliance	Fair, transparent, and moral code of conduct towards the strategic and operational management of business and related compliance practices.
	Human rights	Fundamental rights ensuring basic conditions for all individuals to live in dignity.
	Privacy & Data security	Collection, storage, processing, usage and sharing of data that is, or might be, connected to an identifiable person, including sensitive personal information. It covers regulations and security mechanisms that aim to protect personal data, as well as instances of violation of individuals' privacy as well as the ability of the company to avoid breakdown or vulnerability of critical information systems and networks due to security breaches, which might disrupt core operations or lead to accidental or illegal access, destruction, alteration or disclosure of protected data.

Annex II: Sustainable Development Goals - progress made

The [United Nations Sustainable Development Goals](#) (UN SDGs) are a collection of 17 interconnected goals established in 2015 by the United Nations General Assembly, as a roadmap for reaching a better and more sustainable future for all by 2030. They succeeded the Millennium Development Goals which expired in 2015. Since 2017, specific targets have been added to each of the goals alongside indicators that can be used to measure them. In recent years, several tools have been made available to monitor progress towards reaching these goals.

Chiesi is committed to playing its part in advancing the UN SDGs. While we recognise that the 17 SDGs are all equally important, we have determined that our contribution can be higher for 9 of them. The selection was made in line with our business model and the skills and abilities we are able to offer. These 9 SDGs are embedded in our approach towards a sustainable business model and were an input for the development of our sustainability strategic plan in 2018.



SDG Action Manager

The SDG Action Manager is a tool that was co-created by the UN Global Compact and B Lab to enable companies to measure and monitor their impact towards

achieving their goals and delivering tangible progress on the SDGs. The tool helps companies identify which SDGs are most relevant to their current business activities, set targets and continue to monitor their success in implementing these actions over time. Every SDG is examined in a specific module, which is divided in four main sub-sections (Business Model, Internal Operations, Supply Chain, Collective Action), with each sub-section providing a maximum score of 25 points. The final maximum score for a specific SDG is 100, expressed as a percentage. As with the BIA, the questions are designed to be used by a wide number of companies. As a result, in some cases questions are generic and unable to capture and value all of Chiesi's projects and initiatives. The scores stated are the result of a self-assessment based on internal company information and Chiesi's interpretation of the SDG Action Manager content. The performance is not validated by B Lab, but the use of an internationally shared tool still allows us to spread our best practices worldwide, responding to the mission of the 2030 Agenda, as well as comparing our performance against other companies.

Chiesi's 2021 SDG Scorecard

This year's results demonstrate that Chiesi's activities pose no potential risks to the achievement of any of the SDGs. In fact, Chiesi positively contributes to many SDGs, frequently outperforming average scores for both the pharmaceutical sector and the country of Italy.

In 2021, our overall score was higher than in 2020, with a baseline score of 72.8% (up from 69.3% in 2020). This is a measurement of the Baseline module, a specific area of the SDG Action Manager tool which assesses the general approach of the company to the SDGs. The Baseline module includes questions on topics such as commitments to human rights, positive labour practices, environmental management systems, and good governance (e.g. anti-corruption) – rooted in the Ten Principles of the UN Global Compact. This allows us to better understand and act on fundamental practices related to managing social and environmental practices generally, while also contributing positively to the UN SDGs.

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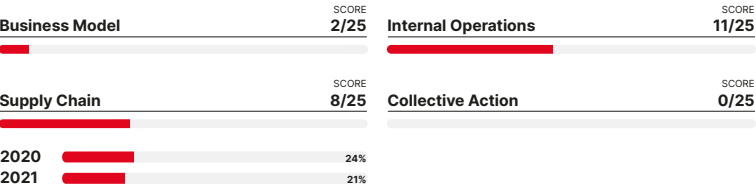
Overview of 2021 scores

	1 NO POVERTY	2 ZERO HUNGER	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	14 LIFE BELOW WATER	15 LIFE ON LAND	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Score 2020	24%	13%	74%	14%	40%	17%	16%	28%	29%	22%	49%	23%	45%	17%	11%	33%
Score 2021	21%	12%	77%	16%	39%	20%	22%	29%	29%	21%	49%	42%	45%	22%	17%	33%



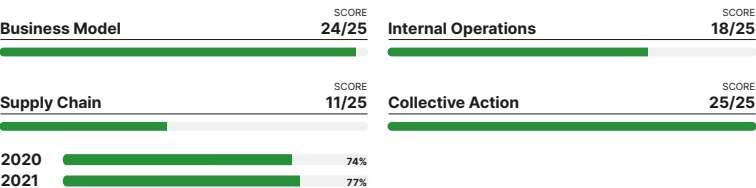
SDG 1 - No Poverty

End poverty in all its forms



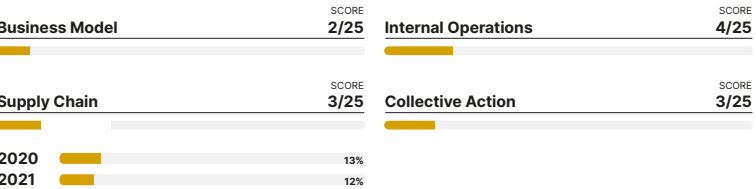
SDG 3 - Good Health and Well-Being

Ensure healthy lives and promote well-being for all at all ages



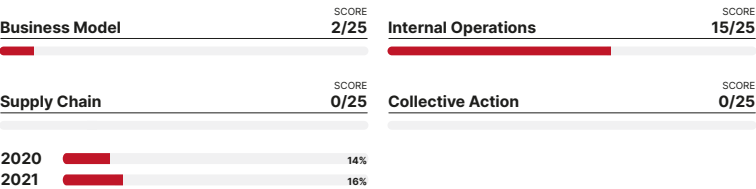
SDG 2- Zero Hunger

End hunger, achieve food security and improved nutrition and promote sustainable agriculture



SDG 4 - Quality Education

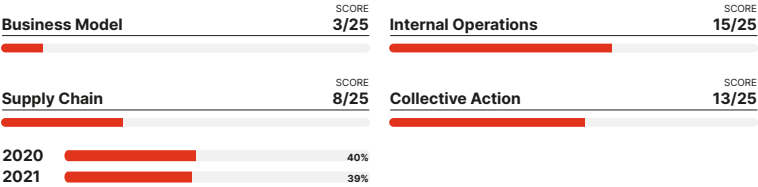
Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all





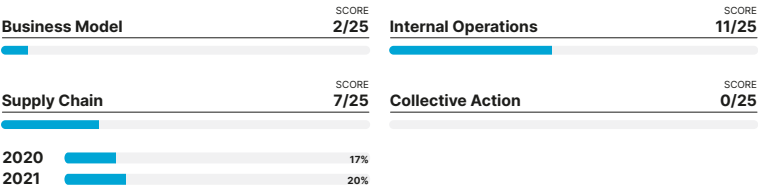
SDG 5 - Gender Equality

Achieve gender equality and empower all women and girls



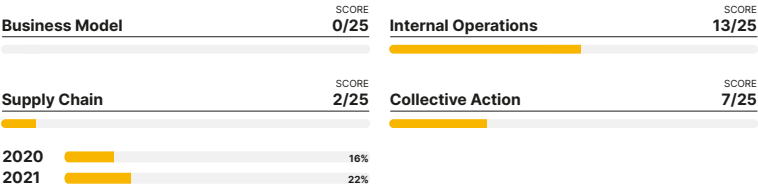
SDG 6 - Clean Water and Sanitation

Ensure availability and sustainable management of water and sanitation for all



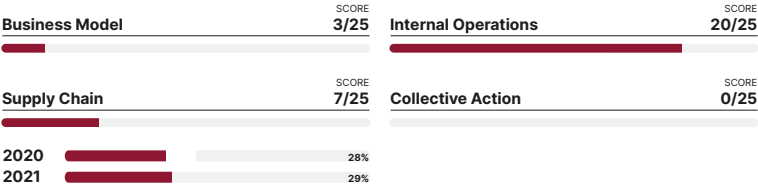
SDG 7 - Affordable and Clean Energy

Ensure access to affordable, reliable, sustainable and modern energy for all



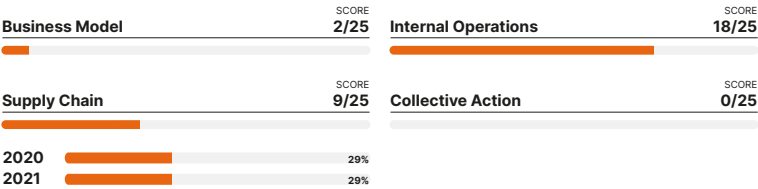
SDG 8 - Decent Work and Economic Growth

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



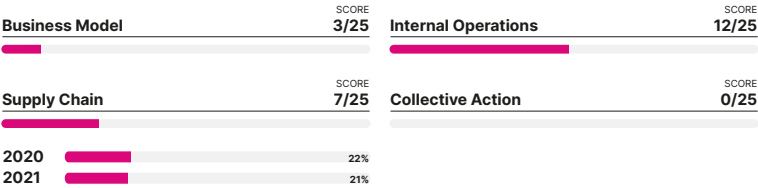
SDG 9 - Industry, Innovation and Infrastructure

Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation



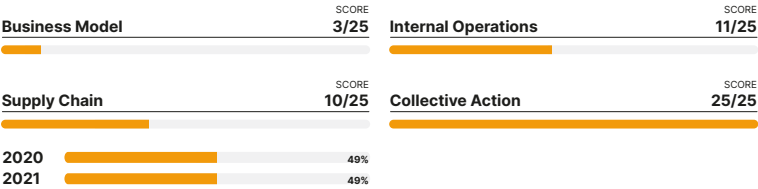
SDG 10 - Reduced Inequalities

Reduce inequality within and among countries

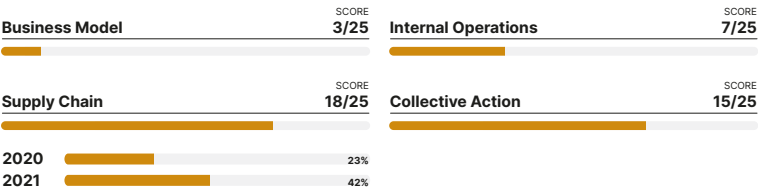




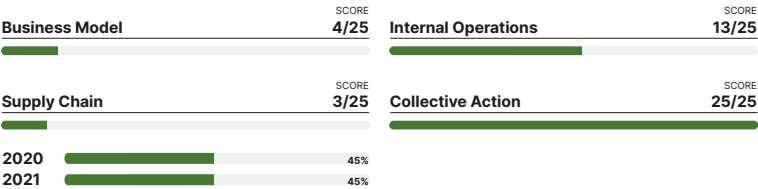
SDG 11 - Sustainable Cities and Communities
Make cities and human settlements inclusive, safe, resilient and sustainable



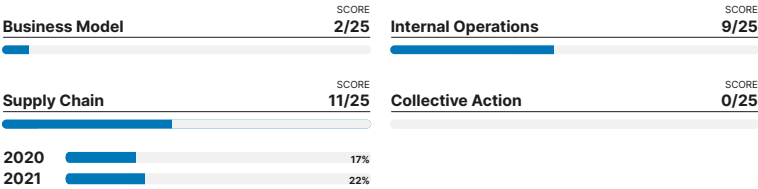
SDG 12 - Responsible Consumption and Production
Ensure sustainable consumption and production patterns



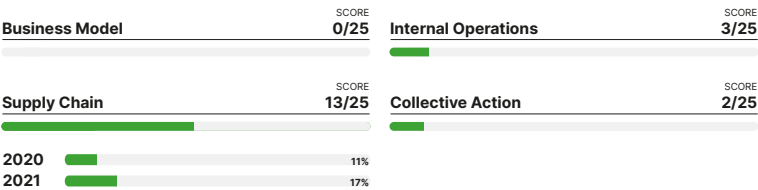
SDG 13 - Climate Action
Take urgent action to combat climate change and its impacts



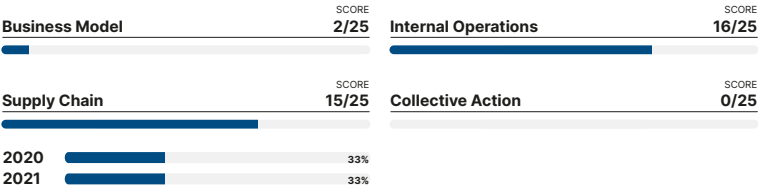
SDG 14 - Life Below Water
Conserve and sustainably use the oceans, seas and marine resources for sustainable development



SDG 15 - Life on Land
Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss



SDG 16 - Peace, Justice and Strong Institutions
Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels



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The SDG-specific scores show – in general – a small but positive improvement in many of the SDGs. This is in line with the idea of a slow but constant progress in achieving the sustainable development goals. The Business Model sub-sections’ scores certify that Chiesi’s business model is specifically designed to address only SDG #3. On the other hand, the results of the Internal Operations sub-section highlight that, within its operations, Chiesi is making significant progress on many SDGs. However, there is still room for improvement when it comes to our performance on Supply Chain sustainability, as 2021 scores under this area confirm. Chiesi is currently exploring options for further efforts in this area, for instance on the topics of GHG emissions, waste and biodiversity, while also balancing cost and time investment needed against the expected impact. Another area for potential improvement is around human rights, even if our sector is not under as much pressure as some others when it comes to issues such as child labour and human rights violations. Finally, we have also noted that we perform inconsistently on Collective Action, scoring highly for this on some SDGs but lower on others. To improve our performance in this area, we could consider actions such as joining relevant movements, coalitions and partnerships, or working with other businesses, providing resources and engaging in community investments.

In order to fully understand Chiesi’s performance towards the single SDGs, we have categorised the 17 SDGs into three groups: those linked to our core business, those on which we have decided to focus, and the others.

- The SDG linked to our core business is only SDG #3 Good Health and Well-being, and here Chiesi scores highly, achieving 77%. This is proof of how, through our business, we contribute to sustainable development by ensuring healthy lives and promoting well-being for all at all ages.

- The second group includes the SDGs - except for SDG #3 - that we focus on:



For these goals we aim for a medium performance of above 30-35% as they are not linked to our core business model and therefore unlikely to generate a high score. Four of these seven additional goals did in fact generate a result higher than 35%, with SDG #5 reaching almost 40% and SDGs #11, #12 and #13 coming close to 50%. This reflects on our prioritization of cities and communities, sustainable production and climate action. However, SDGs #8, #9 and #10 still score below 30%, leaving room for improvement in these areas.

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- The third group includes the remaining eight SDGs which are unrelated to our business model:



While they are important topics, our company strategy and efforts are not specifically focused on these areas, which makes it natural to expect a low score below 30%. The 2021 scores confirm that Chiesi has a small, but positive, contribution towards these goals. Despite this starting ground, we did score 33% in relation to SDG 16 of Peace, justice and strong institutions.



Annex III: Material topics and related GRI disclosures

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MATERIAL TOPIC	GRI TOPIC	GRI STANDARD	WEF CORE METRICS
R&D, innovation & digitalisation	na	na	Innovation of better products and services – total R&D expenses
Access to healthcare	na	na	na
Eco-friendly products	na	na	na
Holistic & Patient-centric approach	GRI-416 Customer health and safety (2016)	416-1 Assessment of the health and safety impacts of product and service categories 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	na
Responsible management of the value chain	GRI-308 Supplier environmental assessment (2016) GRI-414 Supplier social assessment (2016)	308-1 New suppliers that were screened using environmental criteria 414-1 New suppliers that were screened using social criteria	na
Employee’s wellbeing, health & safety	GRI-403 Occupational health and safety (2018)	403-9 Work-related injuries	Health and wellbeing - Health and safety
Employees management & development	GRI-401 Employment (2016) GRI-404 Training and Education (2016)	401-1 New employee hires and employee turnover 404-1 Average hours of training per year per employee	Skills for the future - training provided
Fair, diverse and inclusive workplace	GRI-405 Diversity and equal opportunities (2016)	405-1 Diversity of governance bodies and employees	Dignity and equality - Diversity and inclusion Dignity and equality - Pay equality Dignity and equality - Wage level

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Climate change & GHG emissions	GRI-305 Emissions (2016)	305-1 Direct (Scope 1) GHG emissions 305-2 Energy indirect (Scope 2) GHG emissions 305-3 Other indirect (Scope 3) GHG emissions 305-4 GHG emissions intensity	Climate change - Greenhouse emissions Climate change - TCFD implementation
Energy use, reductions & alternative energy sources	GRI-302 Energy (2016)	302-1 Energy consumption within the organisation 302-3 Energy intensity	na
Water management	GRI-303 Water and effluents (2018)	303-1 Interactions with water as a shared resource 303-3 Water withdrawal	Nature loss - land use and ecological sensitivity Freshwater availability- water consumption and withdrawal in water-stressed areas
Pharmaceuticals in the environment	GRI-303 Water and effluents (2018)	303-2 Management of water discharge-related impacts 303-4 Water discharge	na
Waste management & recycling	GRI-306 Waste (2020)	306-4 Waste diverted from disposal 306-5 Waste diverted to disposal	na
Animal welfare	na	na	na
Governance, mission & engagement	na	na	Governing Purpose – Setting Purpose Quality of Governing Body – Governance Body Composition Stakeholder Engagement – Material issues affecting stakeholders
Economic value generated	GRI-201 Economic performance (2016) GRI-204 Procurement practices (2016)	201-1 Direct economic value generated and distributed 204-1 Proportion of spending on local suppliers	Employment and wealth generation – absolute number and rate of employment Employment and wealth generation – economic contribution Employment and wealth generation – financial investment contribution

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Transparency	GRI-417 Marketing and labeling (2016)	417-1 Requirements for product and service information and labeling	na
Ethics & compliance	GRI-205 Anti-corruption (2016) GRI-206 Anti-competitive behavior (2016) GRI-307 Environmental compliance (2016) GRI-419 Socioeconomic compliance (2016)	205-3 Confirmed incidents of corruption and actions taken 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices 307-1 Non-compliance with environmental laws and regulations 419-1 Non-compliance with laws and regulations in the social and economic area	Ethical behaviour – anti-corruption Ethical behaviour – protected ethics advice and reporting mechanisms Community and social vitality – total tax paid
Human rights	GRI-412 Human rights assessment (2016)	412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Dignity and equality – Risks for incidents of child, forced or compulsory labour
Community engagement & support	GRI-413 Local communities (2016)	413-1 Operations with local community engagement, impact assessments, and development programmes	na
Business continuity, resilience and crisis response	na	na	Risk and opportunity oversight – Integrating risk and opportunity into business process
Privacy and data security	GRI 418 Customer privacy (2016)	418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data	na

Annex IV: Boundaries

The following table indicates specific boundaries for each of the material topics. The boundaries describe where each issue generates an impact and determine its relevance.

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IMPACT AREAS	MATERIAL TOPIC	BOUNDARY	
		Where the impact occurs	Chiesi Group involvement
Patients	R&D, innovation & digitalisation	Chiesi Group	Caused by the Group
	Access to healthcare	Chiesi Group, healthcare service providers	Caused by the Group and directly linked through business relationship
	Eco-friendly products	Chiesi Group, Suppliers	Caused by the Group and directly linked through business relationship
	Holistic & Patient-centric approach	Chiesi Group, healthcare service providers, patients	Caused by the Group and directly linked through business relationship

Environment	Climate change & GHG emissions	Chiesi Group, Suppliers	Caused by the Group and directly linked through business relationship
	Energy use, reductions & alternative energy sources	Chiesi Group, Suppliers	Caused by the Group and directly linked through business relationship
	Water management	Chiesi Group	Caused by the Group
	Pharmaceuticals in the environment	Chiesi Group	Caused by the Group
	Waste management & recycling	Chiesi Group, healthcare service providers, patients	Caused by the Group and directly linked through business relationship
	Animal welfare	Chiesi Group	Caused by the Group
Community	Economic value generated	Chiesi Group	Caused by the Group
	Community engagement and support	Chiesi Group, Chiesi Foundation	Caused by the Group and to which the Group contributes
	Business continuity, resilience & crisis response	Chiesi Group	Caused by the Group

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Value Chain	Responsible management of the value chain	Chiesi Group, Suppliers	Caused by the Group and to which the Group contributes
People	Employees wellbeing, health & safety	Employees of Chiesi Group	Caused by the Group
	Employees management and development	Employees of Chiesi Group	Caused by the Group
	Fair, diverse and inclusive workplace	Chiesi Group	Caused by the Group
Governance, Mission & Engagement	Governance, mission & engagement	Chiesi Group	Caused by the Group
	Transparency	Chiesi Group	Caused by the Group
	Ethics & compliance	Chiesi Group, Suppliers	Caused by the Group and directly linked through business relationship
	Human rights	Chiesi Group, Suppliers	Caused by the Group and directly linked through business relationship
	Privacy & data security	Chiesi Group, healthcare service providers, patients	Caused by the Group

Annex V: Stakeholder engagement methods

The following table summarises all methods used for stakeholder engagement according to the different categories of stakeholders.

STAKEHOLDER	TYPE OF ENGAGEMENT
Employees	<ul style="list-style-type: none">— Intranet— CEO communications— Workshops— Materiality survey— Employees survey
Patients and caregivers	<ul style="list-style-type: none">— Regular survey— Projects with patients associations— Materiality survey
Suppliers	<ul style="list-style-type: none">— Meetings and workshops— Partnership
Scientific community and universities	<ul style="list-style-type: none">— Conferences— Research projects— Publications
Institutions and public administration	<ul style="list-style-type: none">— Dialogue with regulators through survey, meetings and conferences— Materiality survey
Healthcare service providers	<ul style="list-style-type: none">— Conferences— Surveys
Media	<ul style="list-style-type: none">— Corporate website— Press releases
Local communities	<ul style="list-style-type: none">— Chiesi Foundation activities— Events sponsored by the company— Materiality survey

Annex VI: Chiesi sustainability performance

1. Environment

DIRECT (SCOPE 1) GHG EMISSIONS (TONNES CO ₂ e)	2021	2020	2019
Direct emissions	43,709	41,757	48,936
Biogenic CO2 emissions	1,944	1,275	581

Biogenic CO2 emissions are reported separately as required by GRI Standards.

We undertook a detailed review of data provided by our sites, as well as an improvement in the calculation method, which has resulted in some restatements. The figures include all emissions categories.

ENERGY INDIRECT (SCOPE 2) GHG EMISSIONS (TONNES CO ₂ e)	2021	2020	2019
Energy indirect emissions (location based)	12,376	12,990	12,939
Energy indirect emissions (market based)	1,818	2,061	15,572

Our scope 2 GHG emissions derive from electricity purchase and district heating.

Scope 2 emissions are calculated using both the location-based and market-based methods in line with the Scope 2 GHG Protocol. Data for total purchased electricity consumption was provided in kWh.

2020 data have been restated following a detailed review of our Scope 2 GHG emissions

OTHER INDIRECT (SCOPE 3) GHG EMISSIONS (TONNES CO ₂ e)	2021	2020	2019
Other indirect emissions	802,048	753,036	734,497

2020 (as well as 2019) data have been restated for an update of the number of employees for commuting calculation, as well as an update of the calculation method for purchase of goods and services, capital goods and end-of-life treatment of sold products which now is based on invoice value and not on ordered amounts.

GHG EMISSION INTENSITY (TONNES CO ₂ e/MLN EQ. UNITS)	2021	2020
GHG emission intensity (Scope 1 + Scope 2 location based)	462.05	443.80
GHG emission intensity (Scope 1 + Scope 2 market based)	383.26	369.13

The GHG emission intensity is calculated considering the GHG emission (Scope 1 and Scope 2) of the production plants divided by the production volume (reported as million of Equivalent Units produced). The production sites considered are: Blois, Santana de Parnaiba, Parma (Via Palermo-Via San Leonardo).

2020 data have been restated following a detailed review of the Direct (Scope 1) GHG emissions and Indirect (Scope 2) GHG emissions.

GHG EMISSIONS INVENTORY	2021		2020	
Scope	Tonnes CO ₂ e	% Breakdown	Tonnes CO ₂ e	% Breakdown
Scope 1	43,709	5.2%	41,757	5.2%
Scope 2 (market-based)	1,818	0.2%	2,061	0.3%
Scope 3	802,048	94.6%	753,036	94.5%
Total	847,575	100.0%	796,854	100.0%

ENERGY CONSUMPTION WITHIN THE ORGANISATION (GJ)	2021	2020
Total non-renewable fuel consumption	278,893	228,643
Natural gas	145,997	133,468
Gasoline	34,913	14,039
Diesel	97,817	80,982
LPG	167	154
Total renewable fuel consumption	7,581	3,611
Bioethanol	4,880	3,611
Biogas	2,702	-
Total energy purchased	199,288	191,460
Electricity from renewable sources	172,758	153,723
Electricity from non-renewable sources	13,741	26,504
District heating	12,763	11,232
District cooling	27	-
Electricity self-produced from renewable sources	2,232	459
TOTAL ENERGY CONSUMPTION	487,995	424,173

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	2021	2020
Energy intensity (GJ / mln eq. units)	2,657.87	2,203.37

Energy intensity related to production processes is calculated considering the energy consumption of the production plants divided by the production volume (reported as million of Equivalent Units produced). The production sites considered are: Blois, Santana de Parnaiba, Parma (Via Palermo-Via San Leonardo).

WASTE DIVERTED FROM DISPOSAL AND WASTE DIRECTED TO DISPOSAL, BY RECOVERY OPERATION (TONNES)	2021			2020		
	Hazardous	Non-hazardous	Total	Hazardous	Non-hazardous	Total
Waste diverted from disposal	499.48	1,241.69	1,741.18	361.93	1,628.13	1,990.06
Other recovery operations	0.05	5.30	5.35	-	14.88	14.88
Preparation for reuse	0.90	4.48	5.38	1.50	4.05	5.55
Recycling	498.53	1,231.91	1,730.45	360.43	1,609.20	1,969.63
Waste directed to disposal	227.38	833.78	1,061.17	173.50	1,599.31	1,772.81
Incineration (with energy recovery)	81.39	101.87	183.26	36.07	81.50	117.57
Incineration (without energy recovery)	21.71	9.17	30.88	65.46	17.74	83.20
Landfilling	22.07	15.35	37.42	16.44	14.80	31.24
Other disposal operations	102.21	707.39	809.60	55.53	1,485.27	1,540.80
Total weight of waste generated	726.87	2,075.48	2,802.34	535.43	3,227.44	3,762.87

For the present collection, GRI 306: Waste (2020) was taken as reference. Data for Previous Year (2020) have been rearranged, according to the last version of the standard, in order to be comparable to the 2021 data collection campaign. As the disclosure standard changed, waste incineration with energy recovery is considered as a disposal and not as recovery operation.

2021 data has been estimated for the following affiliates: Australia, Austria & CEE (all sites), Belgium, Netherlands, Pakistan and Switzerland.

TOTAL QUANTITY OF WATER WITHDRAWAL - MEGALITERS	2021		2020*	
	all areas	of which water stress areas	all areas	of which water stress areas
Surface water (Total)	1.97	1.29	3.18	0.89
Freshwater (≤1,000 mg/L Total Dissolved Solids)	1.97	1.29	3.18	0.89
Other water (>1,000 mg/L Total Dissolved Solids)	-	-	-	-
Groundwater (total)	24.23	0.60	24.43	2.41
Freshwater (≤1,000 mg/L Total Dissolved Solids)	24.23	0.60	24.43	2.41
Other water (>1,000 mg/L Total Dissolved Solids)	-	-	-	-
Third-party water (total)	279.95	16.38	257.92	17.54
Freshwater (≤1,000 mg/L Total Dissolved Solids)	279.15	16.03	256.79	16.76
Other water (>1,000 mg/L Total Dissolved Solids)	0.80	0.35	1.13	0.78
Total water withdrawal:	306.15	18.28	285.54	20.84

2021 Data have been estimated for the following affiliates: Austria & CEE (all sites), Belgium, Canada, China (all sites), Mexico, Pakistan and Switzerland. Estimates are based on actual water consumption per person from reporting sites for that year, manufacturing sites are not included in the average calculation as these have different water consumption requirements. All estimated water was assumed to be Third-party water.

*Groundwater from wells included in the withdrawal values for R&D Center and HQs (Parma) which in 2020 was not considered.

THIRD-PARTY WATER WITHDRAWAL FOR WATER STRESS AREAS BY SOURCE IN MEGALITERS	2021	2020
Surface Water (total)	10.46	13.55
Groundwater (total)	5.92	3.99

Data reported in groundwater section have been partly estimated.

TOTAL WATER DISCHARGE TO ALL AREAS IN MEGALITERS	2021	2020
Total Water Discharge	133.24	117.45
Surface Water	14.53	10.77
Groundwater	-	-
Seawater	-	-
Third-party water	118.71	106.68

Data reported only refers to manufacturing sites of Parma (Italy), Blois (France) and Santana de Parnaiba (Brazil).

Both plants of Santana de Parnaiba (Brazil) and Blois (France) discharge on surface water. Therefore, last year data have been reviewed since only Santana was considered as such.

BREAKDOWN OF TOTAL WATER DISCHARGE TO ALL AREAS IN MEGALITERS BY THE FOLLOWING CATEGORIES	2021	2020
Total Water Discharge	133.24	117.45
Fresh water (≤1,000 mg/L Total Dissolved Solids)	133.24	117.45
Other water (≤1,000 mg/L Total Dissolved Solids)	-	-

Data reported only refers to manufacturing sites of Parma (Italy), Blois (France) and Santana de Parnaiba (Brazil).

TOTAL WATER DISCHARGE TO ALL AREAS WITH WATER STRESS IN MEGALITERS, AND A BREAKDOWN OF THIS TOTAL BY THE FOLLOWING CATEGORIES	2021	2020
Total Water Discharge	6.73	5.12
Fresh water (≤1,000 mg/L Total Dissolved Solids)	6.73	5.12
Other water (≤1,000 mg/L Total Dissolved Solids)	-	-

Data reported only refers to manufacturing sites of Santana de Parnaiba (Brazil).

2. Value Chain/Economics

In 2021, in Italy, Chiesi Farmaceutici S.p.A. sourced 47% of its goods from national suppliers. The Group total spending on local suppliers represents 61% of global supply expenses.

Country	SPENDING ON LOCAL SUPPLIERS - %	
	2021	2020
Australia (Chiesi Australia PTY LTD)	62	71
Austria (Chiesi Pharmaceuticals GMBH)	41	49
Bulgaria (Chiesi Bulgaria LTD)	93	96
Czech Republic (Chiesi CZ S.r.o.)	86	89
Hungary (Chiesi Hungary KFT)	99	35
Romania (Chiesi Romania S.r.l.)	75	94
Slovenia (Chiesi Slovenija D.o.o.)	90	94
Slovakia (Chiesi Slovakia S.r.o.)	81	89
Belgium (Chiesi S.A.)	91	91
Brazil (Chiesi Farmacêutica LTDA.)	71	66
Canada (Chiesi Canada Corp.)	76	58
China (Chiesi Pharmaceuticals Shanghai Co. LTD)	100	100
Denmark (Zymenex Holding A/S)	N/A*	96
France (Chiesi S.A.S.)	33	42
France (Nh.Co Nutrition S.A.S.)	91	81

Germany (Chiesi GMBH)	84	97
Greece (Chiesi Hellas A.E.B.E.)	89	90
Italy (Chiesi Farmaceutici S.p.A.)	47	36
Italy (Chiesi Italia S.p.A)	90	-
Italy (Marco Antonetto Farmaceutici)	96	95
Mexico (Chiesi Mexico S.A. de C.V.)	94	97
The Netherlands (Chiesi Pharmaceuticals B.V.)	88	92
Pakistan (Chiesi Pharmaceuticals PVT. Limited)	96	95
Poland (Chiesi Poland SP Z.o.o.)	96	98
Russia (LLC Chiesi Pharmaceuticals)	99	99
Spain (Chiesi España S.A.U.)	85	82
Sweden (Chiesi Pharma AB)	56	62
Switzerland (Chiesi S.A.)	100	100
Turkey (Chiesi Ilac Ticaret A.S.)	90	87
United Kingdom (Chiesi Healthcare Limited)	94	96
United Kingdom (Atopix Therapeutics Limited)	0	100
United Kingdom (Unikeris)	2	-
USA (Chiesi USA Inc.)	85	78
Total	61	50

The figures are calculated based on the orders value issued during the accounting period from all Chiesi organisations in SAP (Systems Applications and Products in Data Processing), excluding internal orders and intercompany values. For Chiesi organisations outside SAP the figure is the value of purchases booked in the local Enterprise resource planning (ERP) system during the accounting period. Local suppliers were considered those suppliers which are located within the same national boundaries of the company location of operation.

* In 2020, the company Zymenex was liquidated

NEW SUPPLIERS SCREENED USING ENVIRONMENTAL CRITERIA		
2021		
Country	New suppliers	New suppliers screened on environmental criteria
Chiesi Group	3,686	113
% of new suppliers screened		3.1%

NEW SUPPLIERS SCREENED USING SOCIAL CRITERIA		
2021		
Country	New suppliers	New suppliers screened on environmental criteria
Chiesi Group	3,686	187
% of new suppliers screened		5.1%

As “New suppliers” we consider those suppliers that have been used for the first time by the organisation. In Chiesi context, we consider as screening:

- the process of vendor qualification. In detail, the evaluation of Sustainability Scorecard during Vendor qualification can be applied as a formal/documented process that evaluate criteria about social/environmental impact.
- the audit process for a vendor.
- the due diligence process that evaluates criteria on social/environmental impact

The suppliers’ screening process is managed at the single affiliate level: the affiliates carry out the evaluation activity on their own suppliers. The same supplier can be considered “New” for two or more different affiliates. According to this logic, the same supplier can be considered “New” for an affiliate, but “Old” for another affiliate that has already used that vendor in the previous years. This calculation methodology has been adopted because it’s possible that the same vendor has been evaluated by several affiliates according to different type of screening (social or environmental screening). An adjustment has been made for the legal entity Chiesi Italia, created in 2021. In this case, we have analyzed the list of new suppliers and considered only those suppliers with SAP code creation date in 2021. All the suppliers created in SAP before 2021 have been removed from the analysis. This allow to avoid a double counting, since most of suppliers of Chiesi Italia were already used by Chiesi Farmaceutici.”



PAPER CONSUMPTION (BASED ON PAPER ORDERED) - TONNES - GROUP		
Paper Type	2021	2020
FSC	22.50	8.26
Recycled	2.93	15.12
Mixed FSC - Recycled	1.92	0.72
Without environmental claims	0.45	1.00
Total	27.80	25.10

SIGNIFICANT INVESTMENTS AGREEMENTS AND CONTRACTS		
2021		
	N. of contracts	%
Total n. of contracts that include human rights clauses and corresponding percentage on total n. of significant investment agreements and contracts	561	76.85

Chiesi defines significant investment agreements and contracts that include human rights clauses or that underwent human rights screening" as contracts or agreements that have been issued for a value over 150,000 EUR* with a specific clause of acceptance of the Code of Interdependence. The acceptance of the Code of Interdependence can be submitted through the qualification process or through the contract.

Note that data published in 2020 were collected at a Chiesi Farmaceutici level, since the information for the whole group was not available. For 2021 the data has been collected for the whole Group .

(*) For Chiesi Germany contracts issued for a value over 50,000 EUR have been considered.

ECONOMIC VALUE GENERATED AND DISTRIBUTED (M€)	2021	2020
Economic value generated	2,434.28	2,334.58
Community	22.03	24.20
Capital providers	81.99	101.03
Public Administration	182.03	(38.33)
Employees and Collaborators	579.37	543.38
Suppliers/Vendors	1,023.05	1,032.39
Economic value distributed	1,888.49	1,662.67
Economic value retained	545.79	671.91

The value decrease distributed to capital providers of about €19 Mln mostly refers to losses on securities and bond disposal occurred in 2020 and mainly due to Covid-19 pandemic. The capital providers section also includes interest on bank loans and dividends, which are considered the ones distributed within the reference year but related to the profit of the previous year.

The Public Administration section includes all of the income taxes netted by the contributions received by institutions. The big variation in the value distributed to the Public Administration is the result of the agreement on Patent Box15 benefit signed in May 2020 with the Italian Revenue Agency. The benefit refers to the five-years period 2015-2019 and it was recognized in the fourth quarter of 2020.

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TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT CONTRACT (PERMANENT AND TEMPORARY), BY GENDER (HEADCOUNT)

	2021			2020		
	Male	Female	Total	Male	Female	Total
Permanent	2,767	3,213	5,980	2,542	2,854	5,396
Temporary	54	112	166	263	308	571
Total	2,821	3,325	6,146*	2,805	3,162	5,967**

TOTAL WORKFORCE (HEADCOUNT)

	2021		2020	
Total	6,440		6,389	

*The total of employees includes long-term employee absences and therefore differs from the total of employees reported in the Consolidated Financial Statement (equal to 6,034 at 31st December 2021) in which long-term employee absences are excluded, and it differs from the total workforce (equal to 6,440 at 31st December 2021) in which external collaborators (field force contractors and ad interim employees) of the Group are included and long-term employee absences are excluded.

**The total of employees includes long-term employee absences and therefore differs from the total of employees reported in the Consolidated Financial Statement (equal to 5,856 at 31st December 2020) in which long-term employee absences are excluded, and it differs from the total workforce (equal to 6,389 at 31st December 2020) in which external collaborators (field force contractors and ad interim employees) of the Group are included and long-term employee absences are excluded.

TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT TYPE (FULL-TIME AND PART-TIME), BY GENDER (HEADCOUNT)

	2021			2020		
	Male	Female	Total	Male	Female	Total
Full-time	2,802	3,157	5,959	2,770	2,988	5,758
Part-time	19	168	187	35	174	209
Total	2,821	3,325	6,146	2,805	3,162	5,967

TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT CONTRACT (PERMANENT AND TEMPORARY) BY REGION (HEADCOUNT)

at 31st December 2021					
	Italy	Rest of Europe	North America	Rest of the World	Total
Permanent	1,929	2,056	427	1,568	5,980
Temporary	65	86	2	13	166
Total	1,994	2,142	429	1,581	6,146

TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT CONTRACT (PERMANENT AND TEMPORARY) BY REGION (HEADCOUNT)

at 31st December 2020

	Italy	Rest of Europe	North America	Rest of the World	Total
Permanent	1,937	1,980	397	1,082	5,396
Temporary	67	70	2	432	571
Total	2,004	2,050	399	1,514	5,967

Temporary workers decrease is due to a new way to manage employment in China, where employees are now considered as permanent even if, for local regulation, each contract must have an end date.

TOTAL NUMBER OF EXTERNAL WORKERS (HEADCOUNT)

	2021	2020
Total	406	533

PERCENTAGE OF TOTAL EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS (HEADCOUNT)

	2021	2020
Total	64%	64%

PERCENTAGE OF EMPLOYEES BY EMPLOYMENT CONTRACT AND GENDER (HEADCOUNT)

	2021	2020
Male	45.9%	47.0%
Female	54.1%	53.0%
Permanent	97.3%	90.4%
Temporary	2.7%	9.6%

NEW EMPLOYEES HIRED - GROUP (HEADCOUNT)										
	2021					2020				
	<30	30-50	>50	Total	Rate	<30	30-50	>50	Total	Rate
Male	132	324	40	496	12.5%	114	243	50	407	14.5%
Female	101	215	36	352	14.9%	136	331	57	524	16.6%
Total	233	539	76	848	13.8%	250	574	107	931	15.6%
Rate	37.7%	13.3%	5.1%	13.8%		40.5%	14.6%	7.6%	15.6%	

TERMINATIONS - GROUP (HEADCOUNT)										
	2021					2020				
	<30	30-50	>50	Total	Rate	<30	30-50	>50	Total	Rate
Male	62	183	92	337	10.5%	41	115	52	208	8.2%
Female	67	194	71	332	12.0%	46	155	36	237	7.9%
Total	129	377	163	669	11.2%	87	270	88	445	8.1%
Rate	20.9%	9.6%	11.5%	11.2%		15.0%	7.4%	7.1%	8.1%	

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	ITALY				
New employees hired - Italy (headcount)	2021				
	<30	30-50	>50	Total	Rate
Male	16	30	-	46	4.7%
Female	34	48	2	84	8.3%
Total	50	78	2	130	6.5%
Rate	32.9%	6.2%	0.3%	6.5%	

	REST OF EUROPE				
New employees hired - Rest of Europe (headcount)	2021				
	<30	30-50	>50	Total	Rate
Male	26	70	19	115	14.7%
Female	41	129	28	198	14.6%
Total	67	199	47	313	14.6%
Rate	41.4%	14.6%	7.6%	14.6%	

	ITALY				
Terminations - Italy (headcount)	2021				
	<30	30-50	>50	Total	Rate
Male	11	32	40	83	8.2%
Female	10	20	27	57	5.8%
Total	21	52	67	140	7.0%
Rate	13.4%	4.1%	11.5%	7.0%	

	REST OF EUROPE				
Terminations - Rest of Europe (headcount)	2021				
	<30	30-50	>50	Total	Rate
Male	7	48	35	90	11.9%
Female	24	66	41	131	10.1%
Total	31	114	76	221	10.8%
Rate	20.0%	8.8%	12.8%	10.8%	

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	NORTH AMERICA				
New employees hired - USA & Canada (headcount)	2021				
	<30	30-50	>50	Total	Rate
Male	-	13	10	23	14.4%
Female	11	32	10	53	19.7%
Total	11	45	20	76	17.7%
Rate	42.3%	17.7%	13.4%	17.7%	

	REST OF THE WORLD				
New employees hired - Rest of the World (headcount)	2021				
	<30	30-50	>50	Total	Rate
Male	59	102	7	168	18.7%
Female	46	115	-	161	23.7%
Total	105	217	7	329	20.8%
Rate	37.8%	18.5%	5.5%	20.8%	

	NORTH AMERICA				
Terminations - USA & Canada (headcount)	2021				
	<30	30-50	>50	Total	Rate
Male	2	12	7	21	13.3%
Female	5	18	2	25	10.4%
Total	7	30	9	46	11.5%
Rate	25.9%	12.0%	7.4%	11.5%	

	REST OF THE WORLD				
Terminations - Rest of the World (headcount)	2021				
	<30	30-50	>50	Total	Rate
Male	42	91	10	143	16.3%
Female	28	90	1	119	18.6%
Total	70	181	11	262	17.3%
Rate	25.3%	16.2%	9.5%	17.3%	

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2020

	ITALY				
New employees hired - Italy (headcount)	2020				
	<30	30-50	>50	Total	Rate
Male	23	34	3	60	5.9%
Female	39	44	5	88	8.9%
Total	62	78	8	148	7.4%
Rate	39.5%	6.2%	1.4%	7.4%	

	REST OF EUROPE				
New employees hired - Rest of Europe (headcount)	2020				
	<30	30-50	>50	Total	Rate
Male	20	69	20	109	14.4%
Female	40	112	27	179	13.9%
Total	60	181	47	288	14.0%
Rate	38.5%	13.9%	7.9%	14.0%	

	ITALY				
Terminations - Italy (headcount)	2020				
	<30	30-50	>50	Total	Rate
Male	6	16	21	43	4.3%
Female	12	21	2	35	3.7%
Total	18	37	23	78	4.0%
Rate	11.3%	3.0%	4.2%	4.0%	

	REST OF EUROPE				
Terminations - Rest of Europe (headcount)	2020				
	<30	30-50	>50	Total	Rate
Male	15	38	23	76	10.4%
Female	20	73	25	118	9.5%
Total	35	111	48	194	9.9%
Rate	21.3%	8.8%	9.2%	9.9%	

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	NORTH AMERICA				
New employees hired - USA & Canada (headcount)	2020				
	<30	30-50	>50	Total	Rate
Male	6	21	21	48	30.4%
Female	10	50	20	80	33.2%
Total	16	71	41	128	32.1%
Rate	59.3%	28.4%	33.6%	32.1%	

	REST OF THE WORLD				
New employees hired - Rest of the World (headcount)	2020				
	<30	30-50	>50	Total	Rate
Male	65	119	6	190	21.7%
Female	47	125	5	177	27.7%
Total	112	244	11	367	24.2%
Rate	40.4%	21.8%	9.5%	24.2%	

	NORTH AMERICA				
Terminations - USA & Canada (headcount)	2020				
	<30	30-50	>50	Total	Rate
Male	-	8	1	9	7.6%
Female	3	10	3	16	9.0%
Total	3	18	4	25	8.4%
Rate	16.7%	8.8%	5.5%	8.4%	

	REST OF THE WORLD				
Terminations - Rest of the World (headcount)	2020				
	<30	30-50	>50	Total	Rate
Male	20	53	7	80	10.5%
Female	11	51	6	68	12.8%
Total	31	104	13	148	11.4%
Rate	13.0%	10.9%	12.9%	11.4%	

2020 turnover rates have been restated due to an improvement in the data collection.

The category “Rest of Europe” refers to data of human resources of the following countries: Belgium, CEE (Bulgaria, Austria, Czech Republic, Romania, Slovak Republic, Slovenia, Hungary), France, Germany, Greece Netherlands, Nordics (Denmark, Sweden), Poland, Spain, Switzerland, United Kingdom.

The category “Rest of the World” refers to the following countries: Brazil, China, Mexico, Pakistan, Russia, Turkey, Australia.

The category “North America” refers to the following countries: Canada, USA.

Training hours

	HOURS PER EMPLOYMENT CATEGORY AND GENDER (HEADCOUNT)					
	2021					
	Total hours for men	Average hours per men	Total hours for women	Average hours per women	Total hours	Average hours per employees
Executives	7,044	42.7	4,954	60.4	11,999	48.6
Managers and Field Force Area Managers	38,369	47.7	35,810	47.8	74,179	47.8
White Collar and Field Force Representatives	90,224	51.1	116,001	48.1	206,225	49.3
Blue collars	3,775	44.4	3,980	49.1	7,755	46.7
Total	139,412	49.4	160,745	48.3	300,157	48.8

	HOURS PER EMPLOYMENT CATEGORY AND GENDER (HEADCOUNT)					
	2020					
	Total hours for men	Average hours per men	Total hours for women	Average hours per women	Total hours	Average hours per employees
Executives	5,382	35	5,737	84	11,120	50
Managers and Field Force Area Managers	28,280	36.8	20,275	33.2	48,555	35.2
White Collar and Field Force Representatives	103,543	59.8	113,241	48.1	216,784	53.1
Blue collars	4,568	30.1	5,220	40.5	9,788	34.8
Total	141,774	50.5	144,473	45.7	286,247	48.0

For 2021 and 2020, allocation of training hours by gender and employees' categories in some countries have been estimated.

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	PERCENTAGE OF INTERNAL EMPLOYEES BY GENDER AND EMPLOYEE CATEGORY					
	2021			2020		
	Male	Female	Total	Male	Female	Total
Executives	2.6%	1.3%	4.0%	2.6%	1.1%	3.7%
Managers and Field Force Area Managers	13.1%	12.2%	25.3%	12.9%	10.2%	23.1%
White Collar and Field Force Representatives	28.8%	39.3%	68.0%	29.0%	39.5%	68.5%
Blue collars	1.4%	1.3%	2.7%	2.5%	2.2%	4.7%
Total	45.9%	54.1%	100.0%	47.0%	53.0%	100.0%

	INTERNAL EMPLOYEES BY AGE GROUP AND EMPLOYEE CATEGORY							
	2021				2020			
	<30	30-50	>50	Total	<30	30-50	>50	Total
Executives	0.0%	2.0%	2.0%	4.0%	0.0%	1.8%	1.9%	3.7%
Managers and Field Force Area Managers	0.5%	18.2%	6.6%	25.3%	0.4%	16.6%	6.2%	23.1%
White Collar and Field Force Representatives	9.3%	43.9%	14.8%	68.0%	9.3%	45.0%	14.2%	68.5%
Blue collars	0.3%	1.6%	0.8%	2.7%	0.6%	2.7%	1.4%	4.7%
Total	10.1%	65.7%	24.2%	100.0%	10.3%	66.1%	23.7%	100.0%

Our current Board of Directors consists of 7 members. Of these, 6 are male and 1 is female (86% and 14% respectively). 6 directors are over 50 years old and account for 86% of the Board, while the other 14% is represented by a member between the ages of 30 and 50 years.



	INJURIES (NUMBER AND RATE)					
	2021			2020		
	Men	Women	Total	Men	Women	Total
Work-related injuries	4	15	19	12	12	24
<i>of which fatalities</i>	-	-	-	-	-	-
<i>of which with high-consequences (excluding fatalities)</i>	-	-	-	-	-	-
Hours worked	5,005,074	5,647,001	10,652,075	4,971,579	5,365,807	10,337,386
Injury rate	0.16	0.53	0.36	0.48	0.45	0.46
High-consequence injury rate	-	-	-	-	-	-

	EXTERNAL WORKERS INJURIES (NUMBER AND RATE)	
	2021	2020
	Total	Total
Work-related injuries	4	2
<i>of which fatalities</i>	-	-
<i>of which with high-consequences (excluding fatalities)</i>	-	-
Hours worked	661,519	850,181
Injury rate	1.21	0.47
High-consequence injury rate	-	-

The injury rate is the ratio of the number of injuries reported to the number of hours worked (including overtime), multiplied by 200,000. The high consequence injury rate is the ratio of the number of injuries with high consequence reported to the number of hours worked (including overtime), multiplied by 200,000. High consequence injuries are the one that results in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within 6 months.

Worked hours of all affiliates have been estimated.

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	General Disclosures		
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GRI-307: Environmental compliance (2016)	307-1	Non-compliance with environmental laws and regulations	In 2021, no fines or non-monetary sanctions for non- compliance with environmental laws and regulations were registered

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GRI-401: Employment (2016)	401-1	New employee hires and and employee turnover	143-147, 164
Topic: Occupational Health and Safety			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	13-14, 119-121, 131-132
	103-2	The management approach and its components	108-109
	103-3	Evaluation of the management approach	108-109
GRI-403: Occupational health and safety (2018)	403-9	Work-related injuries	109, 150
Topic: Training and education			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	13-14, 119-121,131-132
	103-2	The management approach and its components	107, 109-110
	103-3	Evaluation of the management approach	107, 109-110
GRI-404: Training and education (2016)	404-1	Average hours of training per year per employee	110, 148

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Topic: Diversity and equal opportunity			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	13-14, 119-121, 131-132
	103-2	The management approach and its components	105, 107-110
	103-3	Evaluation of the management approach	105, 107-110
GRI-405: Diversity and equal opportunity (2016)	405-1	Diversity of governance bodies and employees	20, 105, 107, 149, 163
Topic: Human rights assessment			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	13-14, 119-121, 131-132
	103-2	The management approach and its components	44, 96, 126, 140
	103-3	Evaluation of the management approach	44, 96, 126, 140
GRI-412: Human Rights Assessment	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	140
Topic: Operations with local community engagement, impact assessments, and development programs			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	13-14, 119-121, 131-132
	103-2	The management approach and its components	37, 56, 77, 80-89, 91, 101, 112
	103-3	Evaluation of the management approach	37, 56, 77, 80-89, 91, 101, 112
GRI-413: Operations with local community engagement, impact assessments, and development programs (2016)	413-1	Operations with local community engagement, impact assessments, and development programs	In 2021, 80,6% of operations have developed activities in support of local community. The term operation in this case refers to Chiesi Group legal entities for which this specific GRI Standard is applicable.

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Topic: Supplier social assessment			
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary	13-14, 119-121, 131-132
	103-2	The management approach and its components	96-97, 100
	103-3	Evaluation of the management approach	96-97, 100
GRI-414: Supplier social assessment 2016	414-1	New suppliers that were screened using social criteria	139
Topic: Customer health and safety			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	13-14, 119-121, 131-132
	103-2	The management approach and its components	30, 45
	103-3	Evaluation of the management approach	30, 45
GRI-416: Customer health and safety (2016)	416-1	Assessment of the health and safety impacts of product and service categories	45
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	In 2021, no incidents of non-compliance concerning the health and safety impacts of products and services were registered
Topic: Marketing and Labeling			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	13-14, 119-121, 131-132
	103-2	The management approach and its components	45
	103-3	Evaluation of the management approach	45
GRI-417: Marketing and labelling (2016)	417-1	Requirements for product and service information and labelling	45

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Topic: Data privacy and security			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	13-14, 119-121, 131-132
	103-2	The management approach and its components	32, 35, 40-41
	103-3	Evaluation of the management approach	32, 35, 40-41
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	In 2021, at a group level a total amount of 6 complaints concerning breaches of customer data were received from outside parties and substantiated by the company. They mainly refer to complaints associated to human mistakes that have not led to any notification to Data Protection Authorities or concerned parties. No complaints from regulatory bodies nor leaks, thefts or losses of customer data were registered.
Topic: Socioeconomic performance			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	13-14, 119-121, 131-132
	103-2	The management approach and its components	24-25, 27, 33-35
	103-3	Evaluation of the management approach	24-25, 27, 33-35
GRI-419: Socioeconomic compliance (2016)	419-1	Non-compliance with laws and regulations in the social and economic area	In 2021, no incidents of non-compliance with laws and regulations in the social and economic area were registered
Other material topics			
Topic: Business continuity, resilience and crisis response			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	13-14, 119-121, 131-132
	103-2	The management approach and its components	27-32
	103-3	Evaluation of the management approach	27-32
Topic: R&D, Innovation and digitalization			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	13-14, 119-121, 131-132
	103-2	The management approach and its components	21, 28, 40, 45, 48, 54-55, 59, 64-65, 97

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GRI 103: Management Approach 2016	103-3	Evaluation of the management approach	21, 28, 40, 45, 48, 54-55, 59, 64-65, 97
Topic: Eco-friendly products			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	13-14, 119-121,131-132
	103-2	The management approach and its components	64-65, 70
	103-3	Evaluation of the management approach	64-65, 70
Topic: Animal Welfare			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	13-14, 119-121, 131-132
	103-2	The management approach and its components	75
	103-3	Evaluation of the management approach	75
Topic: Governance, mission & engagement			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	13-14, 119-121,131-132
	103-2	The management approach and its components	8-10, 12, 23-35
	103-3	Evaluation of the management approach	8-10, 12, 23-35
Topic: Access to healthcare			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	13-14, 119-121, 131-132
	103-2	The management approach and its components	39-42, 44, 47-54, 64-65, 89-90
	103-3	Evaluation of the management approach	39-42, 44, 47-54, 64-65, 89-90

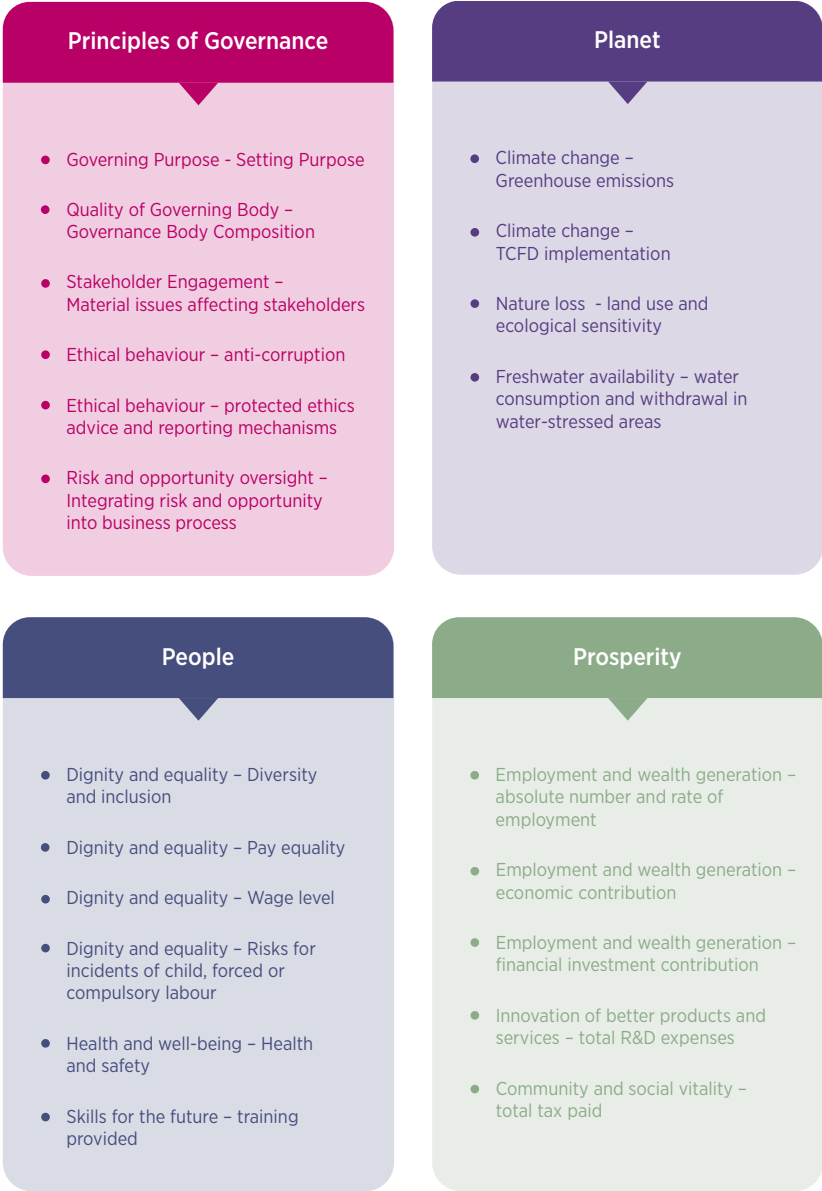
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Annex VIII: World Economic Forum Framework

In light of the upcoming mandatory changes that the EU Corporate Sustainability Reporting Directive and EU sustainability reporting standards will enforce for ESG reporting at European level, Chiesi decided to include the [World Economic Forum “Measuring Stakeholder Capitalism” Framework](#) (WEF Framework) in its 2021 reporting. The project, developed by the World Economic Forum within the International Business Council (IBC), a community of over 120 global CEOs, seeks to improve the ways that companies measure and demonstrate their contributions towards creating more prosperous, fulfilled societies and a more sustainable relationship with our planet. The IBC reaffirmed the significance of environmental, social and governance (ESG) aspects of business performance and risk in creating long-term value. They flagged the existence of multiple ESG reporting frameworks and the lack of consistency and comparability of metrics as pain points preventing companies from credibly demonstrating to all stakeholders their progress on sustainability and their contributions to the SDGs.

The World Economic Forum’s Stakeholder Capitalism Metrics were launched in September 2020 and bring together but also go beyond existing standards such as GRI and SBTi, with a view to enabling greater comparability and consistency to the reporting of ESG disclosures. Chiesi reports against the 21 core metrics of the framework, summarised below. The additional indicators were selected to complement the GRI reporting framework and are a vital step towards the development of a more comparable and streamlined reporting framework.

To begin reporting collectively on this basis in an effort to encourage a greater cooperation and alignment among existing standards, as well as to catalyse progress towards a systemic solution, the IBC recommended metrics organized under four pillars that are aligned with the SDGs and principal ESG domains: Principles of Governance, Planet, People and Prosperity.



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WORLD ECONOMIC FORUM CORE METRICS - REFERENCE TABLE

Pillar	Theme	Core metrics	Key performance indicator	Report section 2021	2021 Data/Reason for Omission
Principles of Governance	Governing Purpose	Setting purpose	-	Introduction <ul style="list-style-type: none">PurposeMissionVision	The company's purpose is outlined in the Introduction/ Our Purpose
	Quality of governing body	Governance body composition	No. of women on board	Annexes	1
	Stakeholder engagement	Material issues impacting stakeholders	-	Introduction <ul style="list-style-type: none">Chiesi impact profile	Material issues are clearly indicated in the Chiesi Materiality Matrix in the Introduction of this report.
	Ethical Behavior	Anti-corruption	Employees with training in anti-corruption policies and procedures (%)	Annexes	67.6%
			Confirmed violations for conflict of interest/ corruption (no.)	Annexes	No incidents of corruption detected in 2021
		Protected ethics advice and reporting mechanisms	Reports received for violations of code of Ethics	Annexes	0
	Risk and opportunity oversight	Integrating risk and opportunity into business process	-	Governance <ul style="list-style-type: none">Ethics and compliance	An overview of risks and mitigation activities is included in the Governance chapter of this report
	Planet	Climate change	Greenhouse gas (GHG) emissions	Direct greenhouse gas emissions - Scope 1 (CO2e)	Environment <ul style="list-style-type: none">Our pathway to carbon neutrality
Indirect greenhouse gas emissions- Scope 2 (location based) (CO2e)				Environment <ul style="list-style-type: none">Our pathway to carbon neutrality	12,376 t CO2e
Indirect greenhouse gas emissions - Scope 2 (market based) (CO2e)				Environment <ul style="list-style-type: none">Our pathway to carbon neutrality	1,818 t CO2e
Indirect greenhouse gas emissions - Scope 3 (CO2e)				Environment <ul style="list-style-type: none">Our pathway to carbon neutrality	802,048 t CO2e

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Planet	Climate change	TCFD implementation	-	Governance • Risk Management	TCFD information is included in the Governance chapter of this report.
	Nature loss	Land use and ecological sensitivity	No. of protected areas	Annexes	No premises included within protected areas or affected by specific regulations.
	Freshwater availability	Water consumption and withdrawal in water stressed areas	Water withdrawal (megalitres)	Environment • Water and Waste Reduction • Annexes	306.15 ML
			Water withdrawal in “water stressed” areas (megalitres)	Annexes	18.28 ML
			Water consumption (megalitres)	Annexes	57.92 ML Water consumption is reported just for manufacturing sites
			Water consumption in “water stressed” areas (megalitres)	Annexes	3.12 ML Water consumption is reported just for manufacturing sites
People	Dignity and equality	Diversity and inclusion (%)	Women as proportion of total employees (%)	People • Highlights	54%
		Pay equality (%)	Equal Remuneration Ratio (%)	People • Highlights	Pay equality is addressed in the People chapter of this report.
		Wage level (%)	CEO Pay Ratio (%)	Not reported in 2021	Chiesi considers the CEO Pay Ratio to be sensitive information whose disclosure may impact the company's strategy. For this reason, it has not been disclosed.
		Risk for incidents of child, forced or compulsory labour	Assessment of protection of child labor and compliance with ban on forced labor in the supply chain	-	Specific assessments regarding child and forced labour have not yet been performed, thus the information is not reported for 2021. Nonetheless, Chiesi has committed to conducting these analyses for inclusion in reports for the next fiscal years.
	Health and well being	Health and safety (%)	Fatal accidents (no.)	People • Health, safety and wellbeing	0

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People	Health and well being	Health and safety (%)	Frequency of fatal accidents	People • Health, safety and wellbeing	0
			High consequence accidents	People • Health, safety and wellbeing	0
			Frequency of high consequence accidents	People • Health, safety and wellbeing	0
	Skills for the future	Training provided (#, \$)	Average hours of training per employee	People • Health, safety and wellbeing	48.8
		Employee training costs (millions of euro)	Employee training costs (millions of euro)	People • Health, safety and wellbeing	6.6 M Euro
Prosperity	Employment and wealth generation	Absolute number and rate of employment	People hired (no.)	Annexes	848
			Hiring rate (%)	Annexes	13.8%
			Terminations (no.)	Annexes	669
			Turnover (%)	Annexes	11.2%
	Employment and wealth generation	Economic contribution	Value created and distributed to stakeholders	Communities • Economic value generated and distributed	77.6%
		Financial investment contribution	Total investment (millions of euro)	Annexes	150 M Euro
			Purchase of treasury shares and dividends paid (millions of euro)	Annexes	Dividends paid 75.6 M Euro No purchase of treasury shares in 2021
	Innovation of better products and services	Total R&D expenses (\$)	Investment in R&D (millions of euro)	Patients • Innovating the future • Annexes	478.8 M Euro
	Community and social vitality	Total tax paid	Total tax paid (millions of euro)	Governance • Transparency	182 M Euro

In addition to the qualitative data reported, Chiesi also collected additional quantitative metrics for the purpose of this report, including:

Pillar: Principles of Governance

EMPLOYEES WITH TRAINING IN ANTI-CORRUPTION POLICIES AND PROCEDURES (%)	2021
Number of internal employees trained	4,157
% on total internal employees	67.6

REPORTS RECEIVED FOR VIOLATIONS OF CODE OF ETHICS	2021	2020
Number of violations of the Code of Ethics	-	-

Pillar: Planet

TOTAL QUANTITY OF WATER CONSUMPTION - MEGALITERS	2021		2020	
	all areas	of which water stress areas	all areas	of which water stress areas
Total water Withdrawal	191.16	9.85	175.15	12.83
Total Water Discharge	133.24	6.73	117.45	5.12
Total Water Consumption	57.92	3.12	57.70	7.71

Water consumption is reported just for manufacturing sites.

LAND USE AND ECOLOGICAL SENSITIVITY	2021	2020
Number of protected areas	-	-

No premises included within protected areas or affected by specific regulations.

Pillar: People

TRAINING PROVIDED (M€)	2021	2020
Employee training costs	6.6	5.2

Pillar: Prosperity

FINANCIAL INVESTMENT CONTRIBUTION (M€)	2021	2020
Total investments	150	996

PURCHASE OF TREASURY SHARES AND DIVIDENDS CONTRIBUTION (M€)	2021	2020
Dividends paid	75.6	64.8
Purchase of treasury shares	-	-

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Annex IX: Impact Report 2022

As a Benefit Corporation, Chiesi Farmaceutici S.p.A. is required to draw up an impact report containing activities and objectives for the achievement of common benefit purposes, pursuant to Italian Law No. 208 of December 28, 2015, paragraphs 376-384.

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Introduction

Again in 2021, the shared value creation approach enabled the Chiesi Group to rise up to unexpected global challenges. The Chiesi Group continues along its path towards a carbon-neutral economy, promoting a regenerative business paradigm based on the creation of shared value for the company, the environment, society and all its stakeholders.

The aim of this report is to outline the goals reached by Chiesi in pursuing common benefit purposes, as set out in its by-laws, and to communicate our goals for the year 2022. For the year 2022, we are therefore committed to pursuing the various activities described herein; it is understood, however, that, in the event of further emergency situations arising, the absolute priorities are to ensure the continuity of the supply of medicines, the safety of workers and communities, in which we operate, and environmental protection.

The specific Common Benefit purposes of Chiesi Farmaceutici

As described in its by-laws, Chiesi Farmaceutici S.p.A. pursues common benefit purposes - together with the economic goals typical of an entrepreneurial activity - and operates in a responsible, sustainable and transparent way towards people, communities, territories and the environment, cultural and social assets and activities, organisations and associations and other stakeholders.

The company is also committed to four specific common benefit purposes, which define its profile as a Benefit Corporation:

(I) Commitment to continuous innovation towards sustainability of processes and all business practices in order to minimise negative impacts and enhance positive impacts on people, the biosphere and the territory.¹

(II) Positive impact on people and patients, with the aim of improving their

health, wellbeing, and quality of life.

(III) Contribution to the development of the local communities in which the company operates.

(IV) Promotion of a responsible and sustainable way of doing business, also through collaborative dialogue with stakeholders.

Consistent with regulatory requirements, the company has an Impact Committee, which reports to the Board of Directors and consists of the Shared Value & Sustainability, Global Human Resources, Corporate Health, Safety and Environment, Global Marketing, Legal & Corporate Affairs, Global Finance, Global Research & Development, Global Rare Diseases, Global Procurement and Global Communication & External Relations Departments. The Impact Committee, which is coordinated by the Shared Value & Sustainability Department, is responsible for defining the sustainability strategy and monitoring and reporting on its implementation, as well as for setting annual sustainability targets, consistent with the common benefit purposes outlined in the by-laws, and for drafting the Impact Report.

The following pages analyse the specific benefit purposes and, for each of them, the following is reported:

- the specific goals, as per Strategic Plan 2018-22
- the reporting of activities and targets with respect to the year 2021
- the activities and targets to be achieved in 2022, to contribute to each specific common benefit purpose

1. In 2022 Chiesi Farmaceutici joined the 'CO2alition' initiative, promoted by Nativa, which has urged companies to include the topic of combating climate change in their by-laws. In 2022 Chiesi has therefore changed this common benefit purpose to "commitment to continuous innovation towards the sustainability of processes and all company practices in order to minimise negative impacts and enhance positive impacts on people, the biosphere and the territory, towards a carbon-neutral economy, in line with the European climate neutrality goals and the national ecological transition ones".

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Specific common benefit purpose (I): commitment to continuous innovation towards sustainability of processes and all business practices in order to minimise negative impacts and enhance positive impacts on people, the biosphere and the territory

Actions taken in 2021

We describe below the commitments planned for 2021, aimed at pursuing the common benefit purpose described in this section and to follow up the activities undertaken in 2020, with a particular focus on Carbon Neutrality and the environmental impact of products.

Towards Carbon Neutrality

Consistent with the goal of achieving Carbon Neutrality in 2035, in 2021, Chiesi consolidated its inventory of greenhouse gas emissions, submitting - and receiving approval of - emission reduction targets from the Science Based Targets Initiative (SBTi).² Chiesi's targets are in line with the 1.5° scenario of the Paris Agreement (i.e. a maximum increase of 1.5 degrees Celsius in the planet's average temperature compared to the pre-industrial era). In view of maximum transparency, besides reporting emission data in its Annual and Sustainability Report, Chiesi has adhered to the Carbon Disclosure Project (CDP), a non-profit organisation that manages the largest database of greenhouse gas emissions, obtaining a B rating for the Climate Change questionnaire. We have also launched the Action Over Words campaign (<https://actionoverwords.org/>) to promote a commitment to carbon neutrality based on concrete actions that are measurable and verifiable through high quality benchmarks and standards, such as PAS 2060, which we have decided to adopt for our emission reduction plan

- an approach that we hope will inspire all stakeholders that have a duty to take action in the climate crisis context. In March 2021, Chiesi joined the B Corp Climate Collective (BCCC), signing 'Race to Zero', the United Nations Framework Convention on Climate Change (UNFCCC). This is a global campaign designed to win the support of companies, cities, regions and investors for a sustainable future. The aim is to give momentum to the transition to a decarbonised economy.

Significant steps have been taken to reduce our emissions in line with these targets, particularly the activation of a 50% abatement system for HFA gas emissions³ released during production processes (e.g. during mandatory product testing), as well as the electrification of about 20% of the car fleet and the installation of 70 additional charging stations at our facilities.

We have also submitted a request for LEED EB:OM certification of a building owned by the company (Pilotis) to provide continuity to the approach towards maximum sustainability of our Headquarters in Parma, which has already been demonstrated through the LEED Platinum certification of the new Headquarters and the LEED EB:OM certification of the Research Centre obtained in 2020.

More generally, as early as 2019, Chiesi committed to pushing ahead with the development of a line of "carbon minimal" spray inhalers using a new propellant with a low 'Global Warming Potential', in view of reducing the carbon footprint of inhalers by 90% compared to the current one.

2. The Science Based Targets initiative (SBTi) is an international initiative designed to promote climate action in the private sector by empowering organisations to set emission reduction targets based on rigorous scientific standards.
3. The propellants HFA 134a and HFA 227ea are contained in pharmaceutical inhalation 'sprays', including those made by Chiesi. These propellants are classified as having a high 'Global Warming Potential', i.e. as potent greenhouse gases. It should be noted that in the total inventory of global CO2 equivalent emissions, these gases do not account for a significant share to date.

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Towards environmentally sustainable products

In 2021, we initiated a global programme for the environmentally friendly conversion of our products (called ‘Eco-friendly products’) through a Life Cycle Perspective (LCP) approach to comprehensively analyse the environmental impact of our products. The aim is to consider the entire life cycle of products, implementing sustainability criteria at an early stage of research and development. This programme is complementary to the Carbon Footprint analyses already carried out on our main products, which have allowed us to finalise the inventory of greenhouse gas emissions. One of the first actions taken in this regard concerns the use of FSC (Forest Stewardship Council) certified paper for the secondary packaging of major products at all our production sites.

In 2021, we also conducted and supported pilot projects for the recovery of spent pMDI products (pressurised inhalers) in some of our subsidiaries, in view of decreasing the environmental impact of these drugs in the end-of-life phase.

For projects in the R&D phase, our aim is also to optimise the environmental impact of the active ingredients, other ingredients, excipients and packaging used. To this end, we have developed an internal LCP (Life Cycle Perspective) analysis tool that will enable us to support the evaluation and identification of improvement actions throughout the Research and Development (R&D) and industrialisation cycle.

2022 Objectives

Towards Carbon Neutrality

In 2022 we aim to go beyond the reduction targets approved by SBTi, by developing a reduction plan for each emission source in our greenhouse gas inventory, as well as identifying specific reduction targets. We are convinced that, for a meaningful and serious approach towards carbon neutrality, it is our duty to spare no efforts in minimising all emission sources but, at the same time,

to implement measures to remove as much carbon dioxide as possible from the atmosphere. Therefore, by 2022 we aim to finalise a specific carbon removal strategy for the Group in accordance with the highest offsetting standards. We also aim to continue our emission reporting actions in our Annual and Sustainability Report and within the CDP initiative.

In 2022 we want to take further specific actions:

- Optimising our HFA gas abatement system to achieve a 60% reduction in emissions from propellant leakage during the production process;
- Obtaining LEED EB:OM certification for the new building (Pilotis) at the Parma production site and implementing the necessary actions to obtain LEED EB:OM certification for the Fontevivo (Parma) warehouse;
- Launching, in some subsidiaries, the Better Buildings programme, a global programme to assess and improve the Group’s corporate sites according to the highest standards in sustainable building management such as LEED and Green Building Standards;
- Further improving our supply chain-related greenhouse gas emission inventory, with the inclusion of increasingly timely and primary databases, to replace methods of estimating emissions, albeit considered effective and in line with the most stringent emission calculation protocols.

In 2021, events such as COP26 further promoted climate crisis management issues, to which Chiesi has been committed for years. For this reason, in 2022, one of our goals is to constantly monitor developments on this topic and to evaluate new reference models, such as SBTi’s new Net Zero standards.

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Towards eco-friendly products

In 2022, we aim to identify and finalise the analysis parameters for the Eco-friendly products programme - a preparatory action for a complete measurement of the environmental impact of our medicines, integrating these parameters into our internal LCP assessment tool.

The evolution of sustainable product issues at a European level is accelerating. In 2022, we will therefore focus on monitoring the international scenario on these issues, assessing the adaptation of our approach to the latest innovative technological and regulatory trends. Other specific actions planned in 2022 in this area include the following:

- Using FSC paper for secondary packaging in at least 75% of products, the manufacturing of which is outsourced.
- Evaluating the feasibility of expanding pilot projects for the recovery of spent pMDI devices in other European countries where the Group is present.
- Evaluating a pilot project on possible environmental labelling (e.g. Environmental Product Declaration) on one of our products.
- Evaluating all R&D projects using the Life Cycle Perspective analysis tool.

Specific common benefit purpose (II): positive impact on people and patients, with the aim of improving their health, wellbeing and quality of life

Actions taken in 2021

In 2021, Chiesi's commitment to this common benefit purpose resulted in the implementation of the following actions:

1. Spending on Research and Development

In 2021 Chiesi's commitment to pharmaceutical innovation designed to find therapeutic solutions to patients' healthcare needs was demonstrated, once again, by the significant share of our revenues dedicated to Research and Development, with a particular focus on the areas of pneumology, neonatology, and rare and specialist diseases. In fact, in 2021, 19.8% of our turnover was allocated to Research and Development, further broken down⁴ as follows: 70.7% for research in the respiratory area; 8.4% in neonatology; 13.1% in rare diseases and 7.8% in specialities.

2. Development of new services for patients in the area of rare diseases

In 2021 we set for ourselves the goal of following up service programmes to support patients with rare diseases in view of improving their living conditions, as well as those of their caregivers. The goal also included the extension of certain primary immunodeficiencies, a new strategic area for rare diseases, and evaluating the feasibility of a humanitarian access programme for certain therapies. The target was achieved and executed through the following activities:

- Initiation of collaboration with Eversana, a leading company in specialised pharmacy services, for drug access support and home delivery of pegademase in the United States, for patients with adenosine deaminase deficiency.
- Home delivery and administration, in several European countries, of velmanase alpha, approved for the treatment of alpha-mannosidosis.
- Launch and execution of the pre-authorisation access programme of pegunigalsidase alfa (PRX102) for patients with Fabry disease in the United States.
- Launch and execution of the pre-authorisation access programme of velmanase alpha for patients with alpha mannosidosis in the United States.

4. The presentation of the turnover allocated to R&D by therapeutic area has been optimised in this report compared to the previous year. In particular, the analysis has been deepened to allow a more complete association of the total spending on R&D to the therapeutic areas, thus succeeding - this year - in also including the spending incurred locally in the subsidiaries and the related medical coordination. It has also been deemed valuable to provide evidence of the total amount for the "respiratory" area (previously the "respiratory special care" was considered part of the "special care" area) and to report "special care" and "rare diseases" in detail.

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The aim is to provide treatment to patients who, in the treating physician's opinion, are not adequately treated with drugs approved by the relevant regulatory authority and/or are not eligible for, or interested in, participating in any of the clinical trials underway at centres in the relevant country with approved or investigational therapies.

→ Completion of the feasibility study of a Humanitarian Access Programme promoted by Chiesi.

3. Awareness campaigns on respiratory diseases, particularly COPD (Chronic Obstructive Pulmonary Disease)

The main goal for 2021 was to follow up the activities to raise awareness among the European public and policymakers about the social relevance of respiratory diseases and chronic obstructive pulmonary disease, in particular. Through the support and active participation in the Breathe Coalition promoted by the European Federation of Allergy and Airways Diseases Patients Associations (EFA), we developed a vision paper for respiratory health in 2030 and a platform for responding to the European health agenda 2021-2024. Furthermore, in 2021, through participation in the Breathe Vision for 2030 project, we contributed to the creation of the European Lung Health Group (ELHG), a group of European parliamentarians and respiratory scientific societies (ERS) dedicated to promoting policy advocacy on respiratory diseases at European level.

4. Our people

In 2021, we continued our commitment to diversity and inclusion activities, with a particular focus on the issue of the gender pay gap, i.e. the difference in pay between men and women for work of equal value, and on the issue of equality in leadership positions. In particular, we agreed on the definition of an equal pay target for the Group, i.e. achieving pay equity by 2023, and on the definition of an equal opportunities plan to achieve gender equality.

In 2021 we also developed a Group policy on Diversity and Inclusion, which will guide a common global approach. We also believe that a key aspect of achieving our goals with respect to these issues is the continuous training of our people. This is why we have developed specific training initiatives, starting with top management at global level. This approach is consistent with the global promotion and training activities of the Chiesi value model, updated in 2020, which integrates issues such as diversity, inclusion and the creation of positive value for society and the environment.

One of our goals for 2021 was to promote digital transformation in the Group's internal processes for improving employee training opportunities, performance evaluation and talent promotion. We have therefore developed a comprehensive information system for managing all aspects related to the people working at Chiesi (internal selection and application processes, performance, development, training, and remuneration systems).

Finally, in order to improve the positive impact on our people, we have developed global guidelines to standardise the Group's approach to initiatives aimed at ensuring the employees' health and wellbeing.

2022 Objectives

Spending on Research and Development

Continuing to allocate around 20% of revenues to Research and Development, with a focus on the respiratory, neonatology, rare disease and specialist areas.

Launch of a pilot project for a Humanitarian Access Programme in the area of rare diseases

Launch of the pilot project for a Humanitarian Access Programme. The aim of the programme is to provide free access to treatment for rare diseases to patients in low-income countries where no treatment options are available. The programme

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will start with a pilot phase of one year to set up a medical governance body to assess requests for access to therapies from treating physicians and to initiate import/export mechanisms for the international supply of drugs.

Awareness-raising campaigns on respiratory diseases, particularly COPD (Chronic Obstructive Pulmonary Disease)

Public awareness of the social and economic relevance of respiratory diseases can only be achieved through medium- and long-term strategies. This is the reason why it is crucial for us to provide continuity to this type of activity. In 2022, we therefore aim to continue supporting multistakeholder initiatives, such as the Breathe Coalition promoted by EFA, the European Lung Health Group (ELHG) and the recently created International Respiratory Coalition, to contribute to the prioritisation of respiratory diseases, and COPD in particular, in national and international healthcare plans, in view of improving the care of people living with respiratory diseases.

Our people

In the area of diversity and inclusion, we have two main goals: on the one hand, the goal of launching the action plan to achieve pay equity (equal pay for equal work, regardless of gender) by 2023 in parallel with the equal opportunities plan, and on the other hand, ensuring the social inclusion of people with disabilities. We aim to promote the Employee Resource Groups (ERGs), i.e groups of colleagues united by the desire to propose possible new initiatives to foster an inclusive work environment that values and enhances diversity, with the assistance of the internal Diversity and Inclusion Committee (D&I Committee).

We are committed to relaunching the Group’s whistleblowing system, which is also open to external stakeholders, for reporting violations of our Code of Conduct, including any discrimination issues, with a particular focus on gender-based violence.

Pursuing the creation of shared value, we aim to identify the main traits that characterise a “Sustainable” Leadership style for Chiesi, as well as communicate and integrate them into the selection, development and promotion processes of our future leaders.

Specific common benefit purpose (III): contribution to the development of the local communities in which the Company operates

Actions taken in 2021

We describe below our planned commitments for 2021 aimed at pursuing the common benefit purpose described in this section.

Parma as Italian Capital of Culture 2020+21

In 2020 and 2021, Chiesi confirmed its participation and support for the activities in Parma during the Italian Capital of Culture event. In 2021, in particular, we followed up the Pharmacopea project (<https://www.pharmacopeaparma.it/>), developed jointly with another B Corp in Parma, which saw the creation of a communication and promotion plan on issues related to the chemical-pharmaceutical identity of our territory.

We also participated in the “Creative Driven Companies” call for tenders, which aimed to bring culture and creativity into companies operating in the area through dedicated projects. The project developed by Chiesi and a local non-profit organisation involved over 50 employees engaged in a process aimed at devising and implementing innovative and creative ways of communicating the United Nations Sustainable Development Goals.

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B Corp School

The B Corp School project is promoted by Invento Innovation Lab, a B Corp that aims to promote new regenerative business models with a special focus on schools, thus accompanying students in the creation of start-ups based on the B Corp model. In 2021 we involved three schools in the Parma area that received specific training and actively worked creating several start-ups based on positive impact models.

In addition to the B Corp School project, we committed to initiatives to promote sustainability concepts in schools. In particular, since 2019, we have been contributing to the *Respira con il cuore* project,⁵ promoted by the Municipality of Parma to stimulate younger generations to explore and share a culture oriented to wellbeing, awareness-raising and countering social stereotypes, through the development of creative workshops and the involvement of young students in public presentations through the Ted Talks format.

KilometroVerdeParma

The Consorzio Forestale KilometroVerdeParma Impresa Sociale is a concrete, widespread, tangible project targeted to everyone, aiming to create green areas and permanent woods in Parma and its province. Chiesi is one of the Consortium's founding members and actively participates in the implementation of reforestation initiatives. The Consortium, which currently has over 60 members, including companies, associations, institutions and private individuals, has planted over 40,000 trees, which will rise to 50,000 by March 2022. Together with other institutions in the province, KilometroverdeParma is also one of the promoters of the Alliance for Carbon Neutrality, an initiative aimed at identifying a roadmap for the Province of Parma to achieve Carbon Neutrality in 2030. Again in 2021, Chiesi continued its active participation in the initiatives promoted by the Consortium.

"Parma, io ci sto!"

"Parma, io ci sto!" (Parma, I am there) was founded in 2016 as a real engine for change in the Parma area, combining everyone's commitment and energy to turn ideas into concrete actions. The aim of the association, which currently has 120 members, is to catalyse concrete actions for the sustainable development of the Parma area by creating opportunities for collaboration between companies, public institutions, citizens and other players in the territory.

Chiesi, one of the founding members of 'Parma, io ci sto!', continued to support the association also in 2021, taking an active part in setting up the #Dieci programme, aimed at defining a local development strategy for the next ten years.

2022 Objectives

Contribution to territorial development

For years Chiesi has been committed to community development in the territories in which the Group is present. In particular, since 2015 we have identified a specific support and sustainable development strategy for the communities in which we operate, equipping ourselves with a specific internal committee aimed at defining the objectives and methods of intervention, as well as evaluating development projects (Committee for Social Activities and Community Development). In 2022, we aim to contribute approximately 1.4 million euros to initiatives dedicated to the development of the Parma area.

Commitment to local schools

In 2022, we will continue the B Corp School project through the involvement of 3 schools and the *Respira con il Cuore* project by involving other schools in the area. These projects are designed to promote a regenerative economy model and disseminate the concept of shared value by involving younger generations.

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KilometroVerdeParma and environmental sustainability activities

In 2022, we will continue our active participation in the initiatives of the KilometroVerdeParma Consortium by creating additional plantations on the Company's land. We will also evaluate our contribution and participation in new projects to promote environmental sustainability in the area.

“Parma, io ci sto!”

In 2022, we aim to continue our support to the “Parma, io ci sto!” association, in particular to the #Dieci project promoted by the association, to define a local development strategy for the next ten years.

Specific common benefit purpose (IV): promotion of a responsible and sustainable way of doing business, also through collaborative dialogue with stakeholders

Actions taken in 2021

Chiesi's commitment to this common benefit purpose resulted in the implementation of the following actions in 2021:

1. Patients' involvement in company processes

The activities we carry out in our daily operations to include the patient perspective into company processes. In this area, the 2021 initiatives included:

- Updating the drug development model and non-pharmacological solutions with greater integration of patients' and their caregivers' input. We also promoted the engagement of patient organisations in the definition of clinical trial protocols, particularly through the EUPATI initiative, aimed at engaging patients and making information on disease treatment more accessible.

→ Through the European Federation of Allergy and Airways Diseases (EFA), we helped carry out a specific study on asthma and COPD patients to better understand their needs by investigating the implementation of digital services. The study involved about 100 patients in 7 countries.

→ We involved patients, in a manner consistent with pharmaceutical industry regulations, to gather feedback on the perceived value of our innovative low-carbon inhalers. We also involved a specific Advisory Board in the UK.

2. Implementation of the Supplier Code of Interdependence

The main objective for 2021 was to extend the scope of the Sustainable Supplier Code of Conduct through a series of specific actions:

→ We continued implementing the Vendor Qualification process, which in 2021 was active in all major spending classes of the Group, both in the Headquarters and in 11 subsidiaries, for strategic suppliers of goods and services. The qualification process has now reached over 85% of Group spending annually.

→ We have initiated a process at Headquarters level to audit and check suppliers' compliance with the Code of Interdependence. In 2021 eleven specific supplier verification actions were implemented, which included formal audits and Self-Assessment Questionnaires.

→ In 2021, we set the goal of training, engaging and supporting our suppliers on sustainability issues. For that reason, we launched an in-depth survey involving over 150 suppliers from our Headquarters. We identified areas for improvement to intervene with specific actions and a dedicated engagement plan.

3. Regenerative Society Foundation

In 2020 Chiesi was a founding member of the Regenerative Society Foundation (<https://www.regeneration2030.eco/>). The organisation aims to engage

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companies, academic and governmental institutions, as well as individuals, to initiate dialogues and synergy activities on the topics of regenerative economy, happiness and combating climate change. In 2021 Chiesi participated in the dialogues initiated through the Regenerative Society Foundation to promote the organisation's values and provide its own contribution. In 2021 the organisation focused on defining a medium-term strategic plan to promote a new regenerative paradigm of business.

2022 Objectives

Involvement of patients in business processes

We aim to provide continuity to the ever-increasing inclusion of the patient perspective into company processes. Within this framework, we aim to implement the following activities:

- Implementing collaboration agreements designed to progressively include patient and caregiver input into our development models and clinical trial design. We would also like to involve patients from the EUPATI initiative in a survey focusing on the digital approach in clinical trials;
- Disseminating the study conducted by EFA on asthma and COPD patients on the implementation of digital services.
- Collaborating with ERS (European Respiratory Society) to set up a working group on digital tools and methods applied to therapeutic solutions.
- Consolidating the input collected from patients on low carbon inhalers and extending the analysis to spontaneous responses on the environmental impact of inhalers to build a collaborative dialogue with patients and patient associations locally and globally.

- Continuing to collect - through studies, interviews and questionnaires - patients' needs to turn them into evidence generation and the definition of products, projects and non-pharmacological solutions to support wellbeing and health in respiratory and neonatal areas.

Implementation of the Code of Interdependence with suppliers

In 2022, we aim to carry out the following activities:

- Completing the rollout of the standard supplier qualification process (Vendor Qualification) for the Russia and EEC subsidiaries.
- Returning and sharing with suppliers the engagement plans and co-creation of any opportunities for improvement, for the entities involved in the audit and training process, specifically related to sustainability issues, also implementing training, webinars and meetings specific to each issue. The objective will be to give all suppliers involved the opportunity to improve their social and environmental performance.
- Global launch of an ESG (Environmental, Social, Governance) performance assessment platform for our suppliers.

General Common Benefit Purposes and Impact Assessment

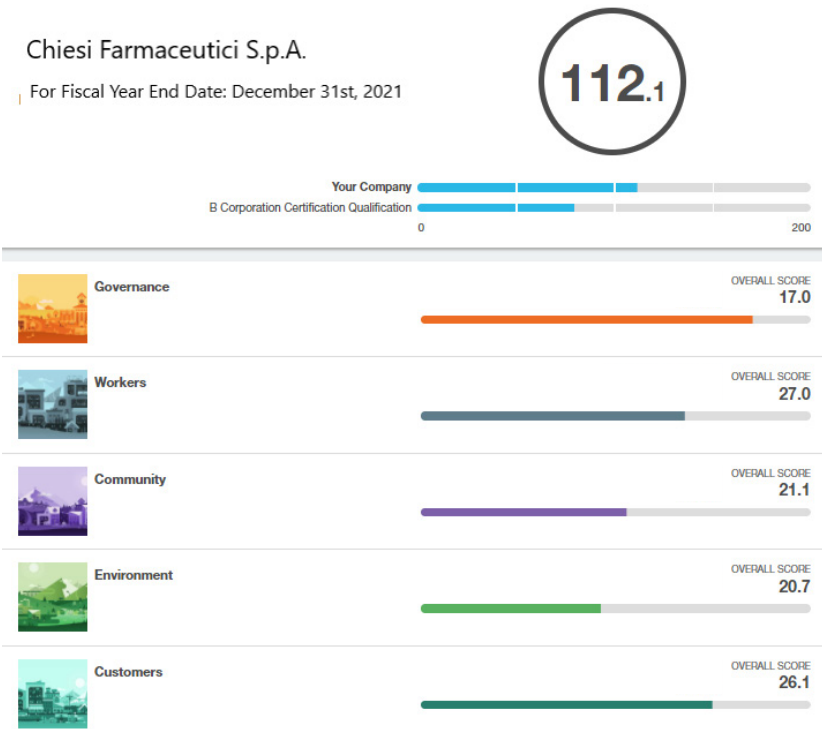
As a Benefit Corp, in addition to the economic objectives inherent in its business activity, Chiesi is committed to pursuing common benefit purposes and to operating in a responsible, sustainable and transparent manner towards people, communities, territories and the environment, cultural and social assets and activities, bodies and associations, as well as other stakeholders.

Intending to comply with legal obligations and report on the impact generated by the company, Chiesi uses the third-party standard B Impact Assessment, the assessment tool underlying B Corp certification. Certification of the impact generated is not required by law. Nevertheless, as this report was in development, an audit of the B Lab certificate was underway to confirm the global B Corp certification for the Chiesi Group.

The impact assessment for 2021 related to the Italian perimeter was 112.1 points, measured with version 6 of the B Impact Assessment. There was an increase in the score due to the implementation of the strategic plan, which was updated to incorporate a series of improvement actions derived from the analysis of the B Impact Assessment on Governance, Mission, People, Community, Environment and Customers guidelines.

It should be noted that on January 1, 2021, the company Chiesi Italia S.p.A., which is a wholly-owned subsidiary of Chiesi Farmaceutici S.p.A, was established as a Benefit Corporation. The Group’s specialities in the business unit relating to marketing activities in Italy were also transferred. The score given in the following Impact Report therefore also includes the structure transferred as a business unit, as it is in line with the Group’s B Corp re-certification and audit process that will take place in 2022. For more information on the specific score of the company Chiesi Italia S.p.A., please refer to the Impact Report published on the website <https://www.chiesi.it/>

Summary assessment of the Chiesi Farmaceutici S.p.A Italy impact profile obtained using the international standard B Impact Assessment (third-party audit in progress)



Chiesi also draws up a Sustainability Report for the year 2021 according to GRI standards (core option), transparently reporting on the corporate sustainability commitment and the concrete actions implemented.

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Conclusions

The year 2021 showed that we are part of a fragile and interdependent ecosystem. The balance of the planet, exploited beyond its limits, is in constant transformation.

In this regard, the only way to act as a positive force is to become promoters of a regenerative business paradigm, based on creating shared value for the company, the environment, society and all stakeholders.

Chiesi has always believed that it is necessary to take care of our planet and the people who inhabit it, valuing and enhancing mutual solidarity, knowing that every individual, as well as every form of nature, is unique and irreplaceable. This is why we will continue to follow a regenerative business model and innovate to improve patients' health and quality of life and positively contribute to scientific progress. The health of the planet and its inhabitants deserves our best energies.

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Appendix: What is a Benefit Corporation and what is a B Corp

The Corporations known around the world as Benefit Corporations are one of the most advanced models in terms of positive social and environmental corporate impact. They are for-profit companies whose corporate aim has a dual objective: to create value for both shareholders and stakeholders. They constitute a global movement of “Purpose Driven Businesses” aiming to spread a more advanced economic paradigm that views companies as protagonists in regenerating society and the biosphere. Benefit Corporations’ vision is to trigger positive competition among all companies so that they are measured and evaluated in their actions according to the same yardstick, i.e. the positive impact on society and the planet, in addition to economic results. Since 2016, Italy has been the first sovereign state in the world, and the first country after the United States, to introduce Benefit Corporations - a new legal form of enterprise that provides a sound basis for aligning and protecting the company’s mission, as well as creating shared value in the long term. Benefit Corporations choose to:

- State explicitly in their by-laws the purpose for which the company exists and balance the interests of shareholders with those of all other stakeholders.
- Comprehensively measure all their impacts and communicate them transparently through an impact report, which complements the company’s traditional reporting
- Have governance structures that enable the company to be managed as a force for regenerating society and the biosphere.

The legal form of the Benefit Corporation has given rise to a new role that serves to transform companies from within. The impact manager is the person who, jointly with management, is entrusted with the task of ensuring that the company, while carrying out its activities, also aims to have a positive impact on people, society and the environment and pursues the charitable and benefit purposes set out in its by-laws.

Benefit Corporations use a measurement technology platform in measuring their impacts, the B Impact Assessment (BIA) developed by the non-profit B Lab. This protocol, which is available free of charge online worldwide, makes it possible to measure whether a company creates more value than it destroys, i.e. whether it is regenerative. If measuring all its economic, environmental and social impacts through the BIA protocol, a given company exceeds a threshold of excellence of 80 points, verified by B Lab’s Standards Trust on a scale of 0 to 200, it is eligible as a Certified B Corp. Certified B Corps companies around the world that are committed to spreading more advanced business paradigms and that have promoted the legal form of Benefit Corporation around the world since 2006. The thousands of B Corps and the 200,000 companies that use their tools in over 70 countries and 150 sectors, are a concrete and scalable solution that creates value for both shareholders and stakeholders. One of the fundamental principles of B Corps is interdependence, i.e. co-responsibility among B Corps, responsibility towards all stakeholders and towards future generations. In Italy, there are currently about 140 Certified B Corps⁶ and about 2,000 Benefit Corporations, the fastest growing community in the world.

<https://bcorporation.eu>

<http://www.societabenefit.net>

6. <https://unlockthechange.it/il-primo-report-delle-b-corp>



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Certified



This company meets the
highest standards of social
and environmental impact

Corporation