

Purpose First



Table of contents

Introduction	3
Impact Measurement	15
Governance	24
Patients	35
Community	42
Environment	48
Value Chain	66
People	72
Annexes	80

Introduction

WELCOME

[Our Values](#) ←

[Our Story](#) ←

[President's Letter to the Stakeholders](#) ←

[Chiesi: a trailblazer in the B Corp movement](#) ←

[Letter of Head of SV&S](#) ←

[Sustainability Governance](#) ←

[Our Purpose, Mission and Sustainability Manifesto](#) ←

[Chiesi Group Overview](#) ←

President's Letter to the Stakeholders

2022 was a time of upheaval, change, and emotion, the end of many certainties and the beginning of rethinking. No sooner had the world seen partial relief from the COVID-19 pandemic than a conflict very close to us began. Hardly anyone in Europe had thought this possible, and the awakening was therefore rude. Aside from the unspeakable suffering and devastation of those directly affected, people around the world encountered new hardships as consequence of the geopolitical confrontation. Global starvation worsened, inflation rose, supply chains were disrupted. And to make things worse, the impact of climate change has become more evident than ever.

The challenges were demanding for every one of us, for society as a whole and for Chiesi. I am profoundly grateful to our employees for once again successfully navigating crises and uncertainties. It is only because of our people's professionalism, and unwavering commitment that we have been able to provide our products and services without significant interruptions. Around the globe, patients could rely on us to address their health challenges and thus improve their lives. In doing so, Chiesi has played no small part in maintaining a degree of reliability and continuity in a world falling apart at the seams. This taught us what we are capable of and how resilient we can be when working together. What we have achieved in our families, communities and companies, we can also achieve as a society.

To me, one of the main learnings was: we are all interdependent as part of an ecosystem. Just as in nature, we do not exist in isolation. We must take care of each other and work together to improve the entire ecosystem. At Chiesi, 6,500 people around the globe are putting these words into action by embracing our mission to create shared value. The B Corp recertification obtained in 2022 demonstrated once again how committed we are to taking a long-term perspective, improving the quality of life in a socially and environmentally responsible way, and taking responsibility for the impact of our decisions.

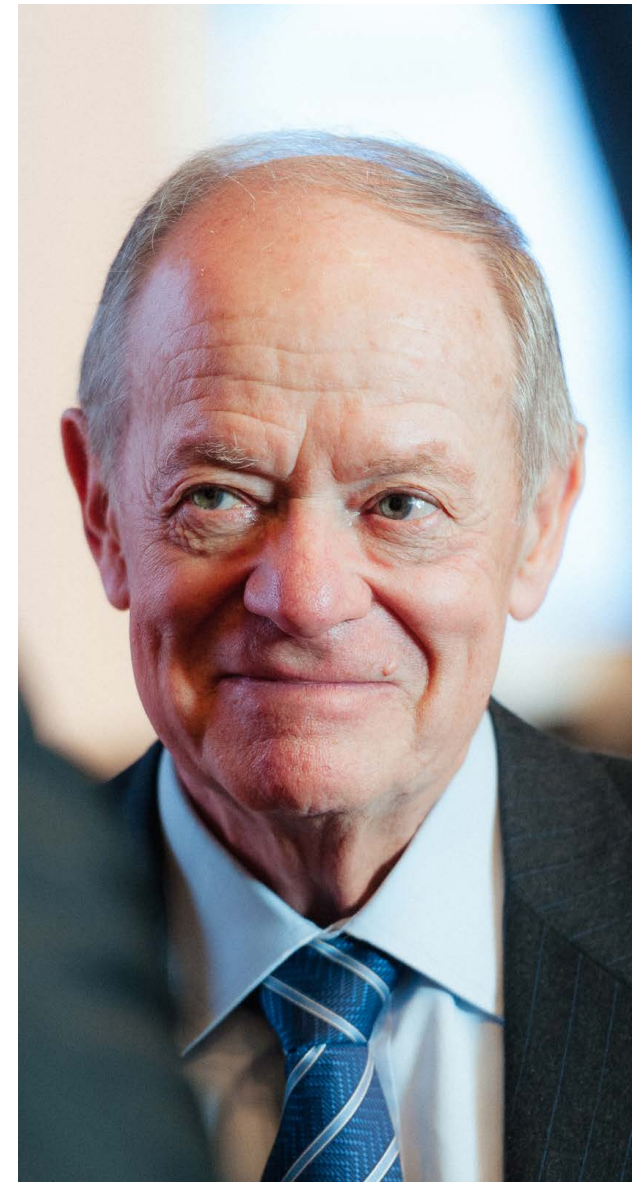
Over the past year, the world has also witnessed multiple moments that inspire hope. Personally, I was deeply impressed by the enormous wave of solidarity and willingness to help each other. Society, policy-makers and companies have shown how much strength there is in all of us.

As we move into 2023, we are looking ahead with great confidence and optimism.

Our commitment to improving the health and well-being of people around the world has never been more important or more relevant. We believe that by staying true to our mission and our values, we can contribute to create a better, healthier, and more sustainable world for all.

Alberto Chiesi

Honorary President of Chiesi Group



Letter of Head of SV&S

The pressure on corporate boards and government leaders to improve their ESG skills is on the rise: new regulations and reporting standards demand more credible corporate disclosures, governments and businesses are struggling to turn net zero pledges into near-term action, and climate transition strategies are increasingly incorporating social issues. Business as usual is no longer an option. In times of the natural ecosystem being thrown out of balance, resource scarcity, growing social inequality and economic instability, we cannot simply carry on as before. The solutions are in our hands; we just have to make it happen. As a society, we must strengthen global partnerships to achieve the 2030 Agenda targets of justice, peace, and prosperity, bringing together national governments, the international community, civil society, the private sector, and other actors. At the individual level, we all have the power to improve things: as persons, with the things we buy and the goods we use; as companies with the products we make and the way we operate.



I am thrilled at what we, at Chiesi, were able to accomplish over the past year. As you will read in the following report, we continued to grow our business sustainably while meeting high standards of social and environmental performance, transparency, and accountability. By following this path, Chiesi is making a positive impact on the world and demonstrating that companies can be a force for good. Here are some of my favorite highlights from 2022:

- The fact that all of our 30 affiliates successfully contributed to recertification as a B Corp shows how strongly we embrace our commitment towards an economy that creates shared prosperity for people, communities, and the environment;
- Consistently with the B Corp recertification, we also accomplished a significant endeavor in reviewing and refining our sustainability governance, which

refers to the structures, processes and practices which we use to implement and manage our sustainability strategy across the business;

- The company reached an important milestone in its efforts to ensure fair pay practices and equal treatment for all employees, eliminating the gender pay gap one year ahead of the goal originally set for 2023. Chiesi recognises that gender pay equity is not only the right thing to do, but also a business imperative;
- During the year, Chiesi defined its local community support strategy. With a focus on the most fragile ones we strive to add value through initiatives that promote cultural development, social innovation and inclusion, and environmental stewardship;
- Concerning its efforts to reduce greenhouse gases (GHG) emissions, Chiesi moved from the concept of carbon neutrality to the standard of net zero emissions. This decision is a game-changer that will contribute to stepping up our ambition in the fight against climate change. Our bylaws have been amended accordingly;
- We are improving several products and processes to lessen the environmental impact of our operations. With two clinical trials completed in 2022, our first carbon minimal pressurised Metered Dose Inhaler (pMDI) is well on track to reach the market soon and reduce the carbon footprint by up to 90%;
- And last but not least, our Group provided uninterrupted access to its products for patients in conflict territories. We also granted monetary support to humanitarian NGOs and donated, whenever possible, life-saving Chiesi treatments to newborn and transplant patients.

Transparency is a way to benchmark ourselves against international standards. It also helps us to identify areas for improvement and further action. In the following chapters of this Sustainability Report, we disclose the progress and challenges in our path towards sustainable development, sharing our commitments, our projects and our performance. It is a path that requires continuous effort and improvement across all business areas. We will only succeed if we join forces.

Therefore, we work together and continually aim for ever more ambitious objectives, with the purpose to generate shared value for all stakeholders.

Maria Paola Chiesi

*Head of Shared Value & Sustainability
Vice Chair*

Purpose

We want to be considered as a reference point for people living with chronic respiratory disorders, rare diseases, preterm babies and other difficult-to-treat health conditions. This is the foundation of our sustainable business approach, which seeks to generate a wider positive impact for society, the environment and other stakeholders.

Mission



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 high quality entrepreneurial 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.

We
ACT →
ACTIVELY
CARE FOR
TOMORROW

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

*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

**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

**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

**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

**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

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

Our Story: 1935-2022



Saving Lives, Celebrating Breakthroughs:
As we celebrated our 50th anniversary, we achieved a significant milestone with Poractant Alfa, a life-saving treatment for preterm babies with respiratory distress syndrome.

Transparency and Responsibility:
Our commitment to Corporate Social Responsibility took tangible form as we published our first CSR report, providing transparency and showcasing our extensive activities aimed at creating a positive impact.

Leading the Way: We joined the global movement as a certified B Corp, advocating for an inclusive, equitable, and regenerative economy. With a commitment to achieve Carbon Neutrality by 2035, we invested significantly in reducing our carbon footprint.

Strengthening Our Resolve:
Through B Corp recertification, we reinforce our commitment to sustainability.

1985

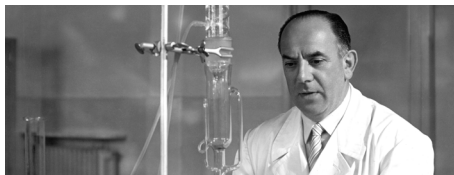
2015

2019

2022

1935

Building the Foundation: Our journey began with the establishment of our first laboratory, where we laid the groundwork for sustainability. Ethics, transparency, responsible behavior, innovation, and value generation were already deeply ingrained in our DNA.



2005

Empowering through Knowledge: The birth of Chiesi Foundation marked a pivotal moment in our quest to promote access to knowledge and quality care. By sharing our expertise in neonatology and pulmonology, we empower those who lack direct access to receive the support they deserve.

2018

Pioneering Sustainability: Unveiling our first Sustainability Strategic Plan, we integrated sustainability into our business model. Proudly becoming a Benefit Corporation in Italy and the United States, we publicly declared our intent to generate shared value for both our business and society.

2021

Taking Action, Making Impact: Setting ambitious carbon neutrality targets, we launched the inspiring #ActionOverWords campaign. Our Science Based Target Initiative (SBTi)-approved GHG reduction targets and the pioneering status of Chiesi France as a "Société à mission" in the health industry demonstrate our dedication to purpose-driven action.

ACTION
OVER WORDS

Chiesi: A Trailblazer in the B Corp Movement

In 2018, Chiesi embarked on an extraordinary and enduring transformation by adopting the legal form of a **Benefit Corporation** in Italy and the US. This bold move signifies that, in addition to economic value, the creation of added value for society, employees, the community and the environment is at the core of Chiesi's operations. The company aims to create "Shared Value" - value for the company along with value for people and value for the environment. By doing so, Chiesi is committed to making a positive impact that will resonate with all stakeholders involved.

The innovative Benefit Corporation model is deeply ingrained in Chiesi's by-laws through a framework of four common benefit purposes. These purposes extend beyond the mission to develop and deliver sustainable solutions for patients' health. They emphasize the importance of operating sustainably, transparently and responsibly, making sustainability an integral part of Chiesi's decision-making processes, strategy and vision.

Chiesi common benefit purposes



Improving people's health, well-being 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.

As the Benefit Corporation status gains global recognition, Chiesi's French subsidiary was able to adopt the legal form of "Société à mission" in 2021. All other Chiesi affiliates took a step forward in 2022 by integrating common benefit purposes into their by-laws, with an explicit objective to achieve a net-zero economy.

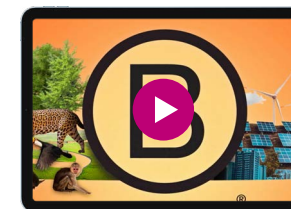
Beyond being a Benefit Corporation, Chiesi Group proudly received the **B Corp certification** in 2019 from B Lab, a non-profit organisation championing businesses as a force for good. B Corps are companies that excel in meeting high social and environmental standards, as determined by the rigorous B Impact Assessment (BIA). To retain the B Corp certification, companies must regularly update their BIA and undergo third-party audits every three years. Chiesi diligently monitors its sustainability performance annually and **in 2022 the Group successfully completed its first B Corp recertification**. As a result, Chiesi achieved a BIA score of 103.8, an increase of 16.3 points compared to its initial certification.

Chiesi Group BIA Score

2019 → 87.5

2022 → 103.8

The recertification process illuminated Chiesi's most notable social and environmental accomplishments while pinpointing areas for improvement in the upcoming years. This milestone serves as the foundation for a new three-year improvement plan, demonstrating Chiesi's dedication to a long-term vision. As a B Corp certified company, Chiesi embraces the responsibility for the impact of its choices and thoroughly assesses future challenges and opportunities. The B Corp movement continues to flourish, now representing over 6,700 B Corps across 161 industries and 90 countries worldwide. By embracing the principles of the B Corp movement, Chiesi showcases its unwavering commitment to creating a better world for all stakeholders.



Sustainability Governance

Chiesi is deeply committed to measuring its impact, both within and beyond the organisation. As part of its journey as a Benefit Corporation and certified B Corp, the company's sustainability functions have evolved into a well-structured global organisation. In accordance with Italian Law No. 208 of December 28, 2015, paragraphs 376-384, Chiesi Farmaceutici Spa has appointed the **Head of Shared Value & Sustainability (SV&S)** as the "individual to have the role and tasks for pursuing the common benefit".

To ensure effective sustainability governance, Chiesi has established several key bodies and processes:

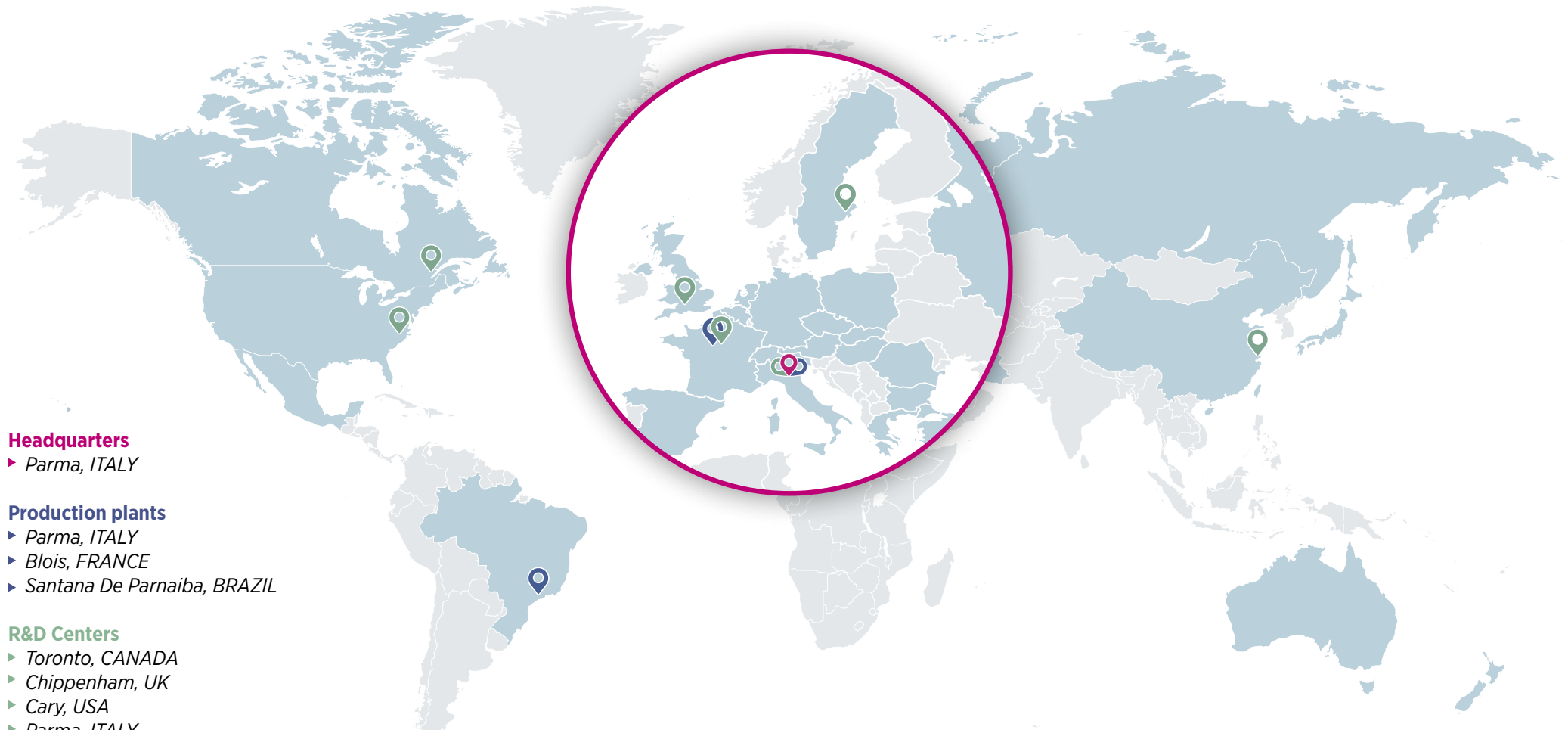
- Chiesi's **Board of Directors** gives long-term direction and endorses the Sustainability Strategy, demonstrating their support for sustainable practices. Meanwhile, the **Executive Committee** takes on the crucial responsibility of infusing sustainability into long-term business strategies, company decisions and oversight across the entire value chain. They ensure that sustainability is an integral part of Chiesi's DNA.
- The Head of Shared Value & Sustainability establishes an **Impact Committee**, whose main role is to define the company's sustainability strategy and to monitor its implementation. The members of the Impact Committee are appointed by the Head of Shared Value & Sustainability. All key deliverables produced by the Impact Committee, namely the Impact Report, the Materiality Analysis and the Sustainability Strategic Plan are approved by the Executive Committee prior to being sent to the Board of Directors.
- The scope of the roles reporting to the Head of SV&S are designed to mirror the main areas of the B-Impact Assessment and therefore ensure a clear reference person for each workstream.
- Every country with a Chiesi presence appoints a **Shared Value & Sustainability Business Partner**. The primary mission of this role is to promote the SV&S mindset

locally, coordinate the implementation of SV&S actions, facilitate the prioritisation of SV&S actions in light of current and future business priorities and act as the main local partner for the Global SV&S team.

- Lastly, sustainability-related activities cascade down to every Chiesi employee through an comprehensive e-learning program. The training is mandatory and by completing this program, Chiesi employees are equipped with the knowledge and tools to make a meaningful difference in their daily work and beyond.



Chiesi Group overview



Headquarters

- ▶ *Parma, ITALY*

Production plants

- ▶ *Parma, ITALY*
- ▶ *Blois, FRANCE*
- ▶ *Santana De Parnaiba, BRAZIL*

R&D Centers

- ▶ *Toronto, CANADA*
- ▶ *Chippenham, UK*
- ▶ *Cary, USA*
- ▶ *Parma, ITALY*
- ▶ *Paris, FRANCE*
- ▶ *Shanghai, CHINA*
- ▶ *Stockholm, SWEDEN*

Board of Directors*

Alberto Chiesi Honorary President	Paolo Chiesi Honorary President	Alessandro Chiesi Chair	Maria Paola Chiesi Vice Chair	Giacomo Chiesi Executive Director	Andrea Chiesi Non-Executive Director	Giuseppe Accogli Chief Executive Officer
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Group Structure

ITALY

- CHIESI FARMACEUTICI S.P.A
- Chiesi Italia S.p.A
- Marco Antonetto Farmaceutici
- Opocrin S.p.A.
- Immobiliare Opocrin S.r.l.

CANADA

- Chiesi Canada Corp.

UNITED STATES

- Chiesi USA Inc.
- Cornerstone Biopharma Inc.

MEXICO

- Chiesi Mexico S.A. de C.V.

BRAZIL

- Chiesi Farmacêutica LTDA

SPAIN

- Chiesi España S.A.U.

BELGIUM

- Chiesi S.A.

GREECE

- Chiesi Hellas A.E.B.E.

FRANCE

- Chiesi S.A.S.
- NhCo Nutrition S.A.S

UNITED KINGDOM

- Atopix Therapeutics Limited
- Cheshire Healthcare Limited
- Unikeris
- Chiesi Healthcare Limited
- Chiesi Limited

NETHERLANDS

- Chiesi Pharmaceuticals BV

GERMANY

- Chiesi GmbH
- Chiesi Orphan GmbH

POLAND

- Chiesi Poland SP. Z.O.O.

SWEDEN

- Chiesi Pharma AB

AUSTRIA

- Chiesi Pharmaceuticals GmbH
- ROMANIA Chiesi România S.r.l.
- CZECH. REP. Chiesi CZ S.r.o
- SLOVENIA Chiesi Slovenia D.O.O.
- HUNGARY Chiesi Hungary Kft.
- SLOVAKIA Chiesi Slovakia S.r.o.
- BULGARIA Chiesi Bulgaria Ltd.

SWITZERLAND

- Chiesi S.A.

PAKISTAN

- Chiesi Pharmaceuticals PVT. Ltd.
- Master Pharma Private Ltd.

TURKEY

- Chiesi Ilac Ticaret A.S.

IRAN

- Daroo Gostaran Khavare Mianeh

RUSSIA

- LLC Chiesi Pharmaceuticals

CHINA

- Chiesi Pharmaceutical Shanghai Co. Ltd.
- Chiesi Pharmaceutical Consulting Shanghai Co. Ltd

AUSTRALIA

- Chiesi Australia PTY LTD
- NUOVA ZELANDA New Zealand Limited

JAPAN

- Chiesi PHARMA Japan K.K.

- Companies directly owned
- Companies indirectly owned
- Associated companies

NOTES: Update to December 2022 • 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.

*as of July 2023

Description of focus areas



Diseases covered:

Asthma and COPD, Neonatal, Cystic Fibrosis

Description: 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.

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



Diseases covered:

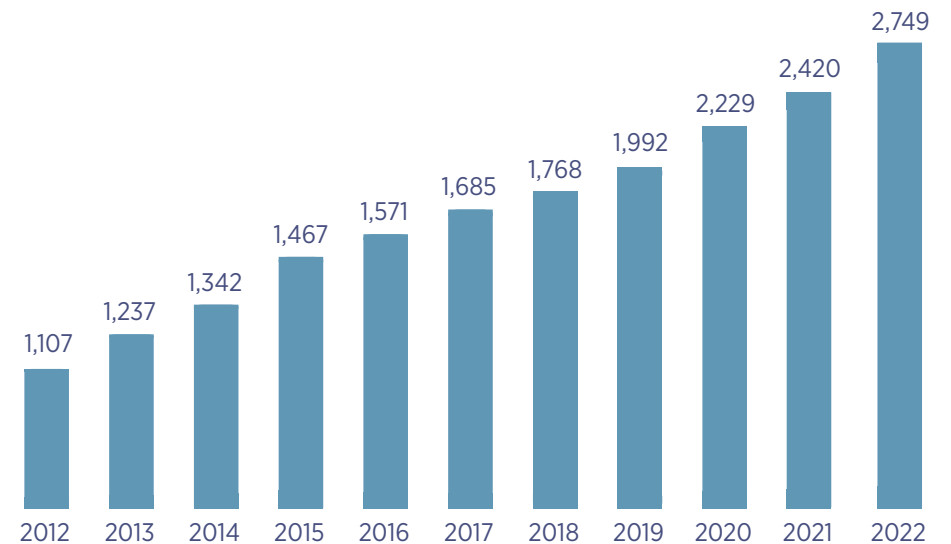
Solid organ transplant, cardiovascular diseases, Consumer Healthcare/ Over the Counter.

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

Revenues

GROUP'S OVERALL TURNOVER (MILLION €)	2022	2021	2020
UK	427	428	401
USA	238	191	254
Italy	274	254	262
Germany	312	281	260
France	182	160	149
Spain	157	136	126
Europe Mid-Size area	376	334	293
China & International area	451	357	320
Chiesi Global Rare Diseases	332	279	164
Total	2,749	2,420	2,229

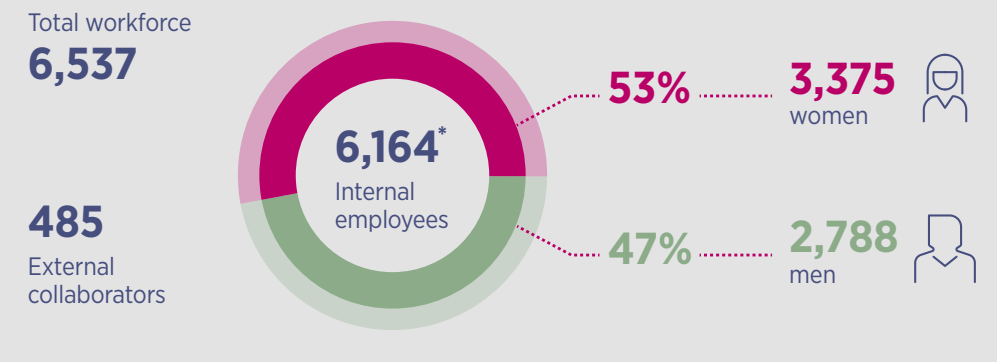
Consolidated revenues 2012-2022



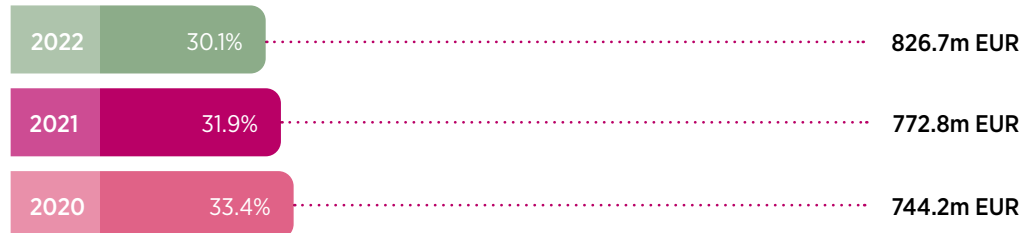
Revenues by focus area

REVENUES BY FOCUS AREAS (MILLION €)			
Therapeutic Area	2022	2021	2020
Air	2,016	1,731	1,607
Rare	332	279	164
Care	400	409	458
Total	2,749	2,420	2,229

Employees



EBITDA (% on revenues)



*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 6,052 at 31st December 2022) in which long-term employee absences are excluded, and it differs from the total workforce (equal to 6,537 at 31st December 2022) in which external collaborators (field force contractors and ad interim employees) of the Group are included and long-term employee absences are excluded.

Investment in R&D (% of Group revenues dedicated to R&D; € total expenses in R&D)

Expenses in R&D (values in €)



Number of patents

R&D Patents, Studies & Treated Patients



*European Commission – 2022 EU Industrial R&D Investment Scoreboard

In 2022 Chiesi was confirmed the 1st Italian pharmaceutical company in Europe for patent deposits



Impact Measurement

Frameworks and general principles ←

Materiality Analysis ←

Frameworks and general principles

In the reporting of sustainability data, Chiesi Group takes a **multidimensional approach** considering both regulatory frameworks and voluntary reporting frameworks in order to create an overall overview that is as complete and transparent as possible.

Regulatory frameworks:

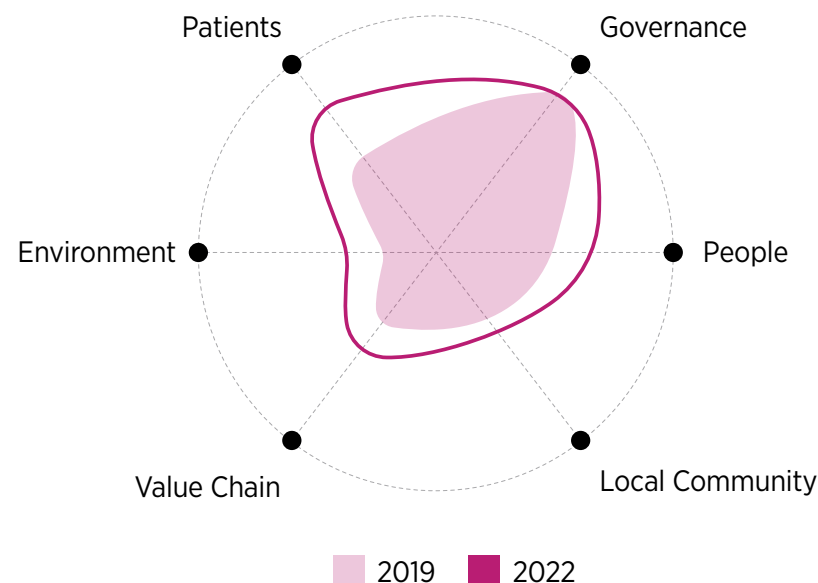
- Società Benefit (L. 28 December 2015 n. 208)
- Corporate Sustainability Reporting Directive (CSRD)
- Non-Financial Reporting Directive (NFRD)
- Taxonomy Regulation (EU) 2020/852

Voluntary reporting frameworks:

- B Impact Assessment (BIA) by B Lab
- SDG Action Manager by United Nations Global Compact (UNGC) and B Lab
- GRI Standards (Global Reporting Initiative)
- World Economic Forum white paper “Measuring Stakeholder Capitalism”
- Task Force on Climate-Related Financial Disclosures (TCFD)

The Group is engaged at an international level to follow the continuous evolution of the ESG frameworks and promote a stronger global harmonization.

A core tool for Chiesi is the **Impact Profile** that serves as a powerful visual representation of Chiesi's impact, focusing on key areas evaluated by the BIA such as governance, workers, community, environment and customers. It goes beyond mere numbers, providing qualitative and quantitative descriptions of Chiesi's current actions and identifying areas for improvement to achieve the targets set by the Impact Committee.



The Impact Profile assumes a pivotal role in guiding various business processes within Chiesi, including budgeting decisions, strategic plans, Group reporting, and the rewarding process. Moreover, it necessitates the formulation of yearly improvement plans at both the headquarters and affiliate levels, ensuring a continuous drive for progress.

In 2022, Chiesi reinforced the Impact Profile as the central tool for measuring and managing its impact, by integrating the tool into critical managerial processes. To accomplish these goals, Chiesi introduced a new scoring algorithm, seamlessly incorporated the Impact Profile into an enterprise business intelligence system, established robust connections with key business processes and maintained oversight over improvement plans.

Through these concerted efforts, Chiesi is dedicated to deepening its understanding of its impact, fostering a culture of ongoing improvement and firmly embedding sustainability throughout all its operations.



Chiesi is deeply committed to the **Sustainable Development Goals**, recognising their crucial role in creating a more equitable and prosperous world. While we value all 17 goals, there are nine specific goals that we prioritize in 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 and #17 Partnerships for the goals.

To actively measure and improve our progress in achieving the SDGs, we have been utilizing B Lab's SDG Action Manager Tool since 2020. This tool enables us to assess, compare and enhance our performance, leading to concrete advancements in our SDG-related initiatives. In 2021, we made significant strides in our overall SDG performance. Our analysis revealed that Chiesi actively contributes to multiple goals, often surpassing average country and sector scores.

Notably, we achieved an outstanding score in SDG #3: Good Health and Well-Being, which directly aligns with Chiesi's core business model. This exceptional result underscores how our operations drive sustainable development by promoting healthy lives and well-being for people of all ages. More details about our performance against UN SDGs are available in a specific [Annex](#).



In 2021, Chiesi embraced the **World Economic Forum's "Measuring Stakeholder Capitalism"** Framework in its sustainability reporting. This project, developed by the World Economic Forum's International Business Council (IBC), consisting of over 120 global CEOs, aims to enhance how companies measure and demonstrate their contributions to building prosperous societies and fostering a sustainable relationship with our planet.

The Stakeholder Capitalism Metrics, introduced by the World Economic Forum (WEF) in September 2020, go beyond existing standards like GRI, seeking to provide greater comparability and consistency in ESG disclosures. By adopting this framework, Chiesi joins a collective effort to promote cooperation and alignment among existing standards, facilitating progress towards a systemic solution and a more comprehensive and unified approach to reporting.



Materiality analysis

Materiality analysis is the process that helps a company to determine material (relevant) topics in terms of stakeholders' interest and company's impact, with the aim of driving decision-making, strategic planning and corporate reporting. In 2022, Chiesi has actively participated in the definition of the Guidelines on Materiality ("*Operationalising materiality*") promoted by the Italian Organisation on Business Reporting (OIBR) Foundation. The OIBR Guidelines are, among other frameworks, an important source for Chiesi Materiality process.

The details you will find in this report are the result of a dedicated materiality assessment aimed at presenting our material topics in line with latest GRI standards. Moreover, Chiesi performs additional analysis in the context of materiality aimed at feeding the Sustainability Strategy of the company, as well as the identification of ESG risks in the Enterprise Risk Management process.

In line with the evolution of the regulatory scenario and in consideration of the changes introduced by the most recent edition of the GRI Standards¹, Chiesi updated its materiality assessment process, fine tuning and integrating the material topics defined in the previous Sustainability Report.

This updating process was carried out by focusing not solely on the perceived relevance of the topics for the stakeholders and the organisation, but also on the **actual and potential, positive and negative impacts generated by the organisational activities**.

Specifically, the final list of material topics was determined by identifying and carefully analysing the impacts generated by Chiesi both for its own directly controlled activities and for its business relationships with suppliers, subcontractors, distributors and end customers. As required by the future regulatory evolutions and the most recent edition of the GRI standards, we adopted not only **an inside-out perspective** (by "inside-out" the Company considers the impacts, positive and negative, actual and potential, that its

management of a given ESG topic may create on the stakeholders), but we also included the **identification and analysis of impacts with an outside-in perspective** (by "outside-in" perspective the Company considers the risks and opportunities arising from the management, correct or otherwise, of a given ESG topic and the impact these might have on its economic and financial performance). This approach was adopted in order to start aligning our materiality process to the concept of double materiality that will be a key point in the future evolution of sustainability reporting.

This analysis was conducted using a **four-step approach**:



1-Understand the organisation context



2-Identify actual and potential impacts



3-Assess the significance of the impacts



4-Prioritize the most significant impacts for reporting

(1-2) Understand the organisation context and identify actual and potential impacts

Throughout the years, Chiesi has carried out a series of analyses and research into sustainability topics to guarantee that its operations are conducted to minimise, as far as possible, the risks of producing negative impacts on the environment and society while at the same time fostering the scope and the magnitude of our positive impacts on people and the economy at large.

Based on these analyses and assessments, the Company conducted a **review of the organisational context**. Multiple inputs were considered in this step, both **internally** (e.g., policies, procedures, insights from committees during the year and risk analysis carried out by Enterprise Risk Management team) and **externally** (e.g. analysis on macro sustainability trends at national and international level, analysis on sustainability trends specific for the pharmaceutical sector and benchmark analysis on key peers and competitors).

¹ The GRI Sector Standards were not used to carry out this analysis because the specific Standards of pharmaceutical industry are not currently developed.

In particular, for the analysis of the external context, Chiesi partners with **Datamaran**, a data-driven platform that enables companies to identify and monitor material ESG risks and opportunities, thanks to the **use of several variables** (Datamaran tools consider inputs from a number of Sustainability Reports, media, regulatory environment, financial documents and filings, etc.).

This analysis resulted in the identification of a **list of potential material topics and related impacts**.

(3-4) Assess the significance of the impacts and prioritise the most significant impacts for reporting

Following the mapping of impacts, the assessment activity was carried out. The significance, in terms of impact materiality, was assessed by considering the qualitative-quantitative methodology used by Enterprise Risk Management (ERM) team for risk assessment, which in turn considers both an inside-out and an outside-in perspective, including evaluation of impact and likelihood.

The analysis, in addition to the risk assessments by ERM, also considered the information gathered from the use of the Datamaran tool and the results of the analysis of the organisational context as “external views”.

To achieve a prioritisation of material topics that also considers the relevance that topics have for the organisation and its stakeholders, Chiesi carried out an engagement activity (through a survey) involving members of the Impact Committee and stakeholders. They are asked – for each potentially material topic – to evaluate on a numerical scale how relevant the topic is for the organisation.

In assessing relevance, the actual and potential impact (in terms of financial impact as well) associated for each potentially material topic was also evaluated.

The analysis of the organisational context, the use of the Datamaran tool and the risk

assessment by ERM not only permitted the assessment of the significance of impacts, but also their distribution along the value chain.

The assessment of the distribution of impacts along the value chain was carried out by considering how much those topics impact on:

- Chiesi’s operational activities (operations);
- Chiesi’s product use (downstream);
- Chiesi’s supply chain (upstream).

The analysis and assessments carried out to identify material topics were reviewed and validated with Chiesi’s Impact Committee and Chiesi’s Management.


The analysis activities described above confirmed most of the considerations and insights from previous years. However, some clustering and rewording of material topics was carried out to better represent the impacts and allow for a more concise and effective reading of the results of the analysis.



The following is the summary table with the **list of 16 material topics** categorized according to Chiesi’s Impact Profile Areas of reference and prioritized by considering the assessment of impacts and the assessment of relevance to the organisation in an integrated and joint way.


For each material topic, is reported:



- Chiesi Impact Area
- Description of the Impact (inside-out and outside-in)
- Boundaries of the impact
- Significance of the impact
- Evaluation of the relevance for the organisation
- Associated SDGs

List of material topics

PILLAR	TOPIC	IMPACT DESCRIPTION	BOUNDARIES OF THE IMPACT	SIGNIFICANCE OF THE IMPACT	COMPANY RELEVANCE	RELATED SDGs
 GOVERNANCE	Governance, mission and engagement	<p>Inside-out: Governance that is not characterized by the presence of mechanisms, procedures and rules concerning the control system could lead to weak management practices and unfair value distribution, that in turn could result in a loss of confidence by Stakeholders.</p> <p>Outside-in: Regulatory frameworks characterized by high level of bureaucracy could lead to lower productivity and a decrease of the value generated by the Company.</p>	<p>CHIESI OPERATIONS 70%</p> <p>UPSTREAM 20%</p> <p>DOWNSTREAM 10%</p>	<p>VERY HIGH</p> <p>HIGH</p> <p>MEDIUM HIGH</p>	<p>VERY HIGH</p> <p>HIGH</p> <p>MEDIUM HIGH</p>	
	Business continuity, resilience and crisis response	<p>Inside-out: Inadequate management of the potential threats to which a Company is exposed and the inability to establish the necessary processes to ensure the Company's resilience following the occurrence of adverse conditions could lead to a decrease in the well-being of its Stakeholders.</p> <p>Outside-in: The occurrence of sudden critical events that the organisation cannot manage could lead to business interruption resulting in decreased revenues.</p>	<p>CHIESI OPERATIONS 70%</p> <p>UPSTREAM 5%</p> <p>DOWNSTREAM 25%</p>	<p>VERY HIGH</p> <p>HIGH</p> <p>MEDIUM HIGH</p>	<p>VERY HIGH</p> <p>HIGH</p> <p>MEDIUM HIGH</p>	
	Transparency, ethics and compliance	<p>Inside-out: Unethical and non-transparent business management due to the failure to adopt and implement compliance processes and systems could lead to weak management practices and unfair value distribution, that could result in a loss of confidence by Stakeholders.</p> <p>Outside-in: Increased information needs on the part of Stakeholders could lead to the need to generate and communicate more information with negative effects on the business process fluidity, productivity and the Company's ability to generate value.</p>	<p>CHIESI OPERATIONS 40%</p> <p>UPSTREAM 20%</p> <p>DOWNSTREAM 40%</p>	<p>VERY HIGH</p> <p>HIGH</p> <p>MEDIUM HIGH</p>	<p>VERY HIGH</p> <p>HIGH</p> <p>MEDIUM HIGH</p>	
	Privacy and data security	<p>Inside-out: The processing of internal and external data in a non-compliant way and the use of insufficient security measures to protect them can lead to a leakage of sensitive data and a decrease in the sense of social security of its Stakeholders.</p> <p>Outside-in: Cyber-attacks and data breaches could lead to business interruptions and an increase of claims by Stakeholders, potentially resulting in fines.</p>	<p>CHIESI OPERATIONS 65%</p> <p>UPSTREAM 5%</p> <p>DOWNSTREAM 30%</p>	<p>VERY HIGH</p> <p>HIGH</p> <p>MEDIUM HIGH</p>	<p>VERY HIGH</p> <p>HIGH</p> <p>MEDIUM HIGH</p>	

PILLAR	TOPIC	IMPACT DESCRIPTION	BOUNDARIES OF THE IMPACT	SIGNIFICANCE OF THE IMPACT	COMPANY RELEVANCE	RELATED SDGs
 <p>PATIENTS</p>	Holistic and patient-centric approach	<p>Inside-out: Development of products that do not conform to the quality standards required by current regulations could harm the health and safety of patients.</p> <p>Outside-in: Regulatory frameworks that require higher quality standards could lead to a raise in the Company's cost structure. Moreover, warnings on potentially non-compliant batches of products could lead to recalls and a related decrease in revenues.</p>	<p>CHIESI OPERATIONS 20%</p> <p>UPSTREAM 5%</p> <p>DOWNSTREAM 75%</p>	<p>VERY HIGH</p> <p>HIGH</p> <p>MEDIUM HIGH</p>	<p>VERY HIGH</p> <p>HIGH</p> <p>MEDIUM HIGH</p>	
	R&D, innovation and digitalisation	<p>Inside-out: Investing in research and development could lead to an increase in the well-being and health of the community thanks to the development of innovative products and treatments.</p> <p>Outside-in: The development of new technologies and medical approaches could lead to new market opportunities and increased productivity, which in turn could result in higher revenues and better reputation. Viceversa, disruptive technological trends, if not properly managed, could harm the profitability of part of the Company.</p>	<p>CHIESI OPERATIONS 40%</p> <p>UPSTREAM 10%</p> <p>DOWNSTREAM 50%</p>	<p>VERY HIGH</p> <p>HIGH</p> <p>MEDIUM HIGH</p>	<p>VERY HIGH</p> <p>HIGH</p> <p>MEDIUM HIGH</p>	
	Health Equity	<p>Inside-out: Ensuring that products are accessible to all (especially people living in poorer countries) and promoting partnerships with Health Authorities to increase disease awareness could lead to improved health and well-being levels for Stakeholders.</p> <p>Outside-in: Health equity initiative proposed by relevant authorities could require a higher effort to the Company, both from a financial and/or operational point of view.</p>	<p>CHIESI OPERATIONS 30%</p> <p>UPSTREAM 0%</p> <p>DOWNSTREAM 70%</p>	<p>VERY HIGH</p> <p>HIGH</p> <p>MEDIUM HIGH</p>	<p>VERY HIGH</p> <p>HIGH</p> <p>MEDIUM HIGH</p>	
 <p>COMMUNITY</p>	Value for the community and engagement	<p>Inside-out: Increasing community engagement and support could lead to a high level of well-being among Stakeholders and increased trust in the Company.</p> <p>Outside-in: Higher expectations in community engagement carried out by Stakeholders could lead to an increase in financial aid required to the Company.</p>	<p>CHIESI OPERATIONS 40%</p> <p>UPSTREAM 30%</p> <p>DOWNSTREAM 30%</p>	<p>VERY HIGH</p> <p>HIGH</p> <p>MEDIUM HIGH</p>	<p>VERY HIGH</p> <p>HIGH</p> <p>MEDIUM HIGH</p>	

PILLAR	TOPIC	IMPACT DESCRIPTION	BOUNDARIES OF THE IMPACT	SIGNIFICANCE OF THE IMPACT	COMPANY RELEVANCE	RELATED SDGs
 ENVIRONMENT	Climate change and GHG emissions	<p>Inside-out: The usage of non-renewable sources of energy and the leakage of pollutant substances could lead to an increase of emissions into the atmosphere with a consequent worsening of environmental conditions and a decrease in the well-being of the community and the health of the planet.</p> <p>Outside-in: Climate change effects could lead to reduced availability of manufacturing resources. Moreover extreme climate events could directly harm and damage Company's assets.</p>	<p>CHIESI OPERATIONS 10%</p> <p>UPSTREAM 30%</p> <p>DOWNSTREAM 60%</p>	<p>VERY HIGH</p> <p>HIGH</p> <p>MEDIUM HIGH</p>	<p>VERY HIGH</p> <p>HIGH</p> <p>MEDIUM HIGH</p>	
	Responsible use of resources	<p>Inside-out: Unsustainable management of resources could lead to increased pollution, resulting in negative environmental impacts and a decrease in the well-being of the community and the health of the planet.</p> <p>Outside-in: Lower availability, higher demand and/or stricter regulatory requirements on the use of raw materials could lead to increased operating costs. Moreover, lack of resources can harm business continuity and Company's production capacity.</p>	<p>CHIESI OPERATIONS 40%</p> <p>UPSTREAM 30%</p> <p>DOWNSTREAM 30%</p>	<p>VERY HIGH</p> <p>HIGH</p> <p>MEDIUM HIGH</p>	<p>VERY HIGH</p> <p>HIGH</p> <p>MEDIUM HIGH</p>	
	Product Sustainability	<p>Inside-out: Sustainable product management could lead to less pollution (especially in terms of GHG emissions and product waste), resulting in improved environmental performance and increased community welfare.</p> <p>Outside-in: Higher expectations in the sustainability of products could lead to a raise in the Company's cost structure.</p>	<p>CHIESI OPERATIONS 30%</p> <p>UPSTREAM 20%</p> <p>DOWNSTREAM 50%</p>	<p>VERY HIGH</p> <p>HIGH</p> <p>MEDIUM HIGH</p>	<p>VERY HIGH</p> <p>HIGH</p> <p>MEDIUM HIGH</p>	
	Animal welfare	<p>Inside-out: Unethical and inappropriate use of animals for testing purpose could lead to a decrease in their welfare and health.</p> <p>Outside-in: Higher level of attention on the use of animals for testing and the introduction of stricter regulations in this matter could impact the Company's production and innovation capabilities, and expose it to a reputational risk.</p>	<p>CHIESI OPERATIONS 80%</p> <p>UPSTREAM 20%</p> <p>DOWNSTREAM 0%</p>	<p>VERY HIGH</p> <p>HIGH</p> <p>MEDIUM HIGH</p>	<p>VERY HIGH</p> <p>HIGH</p> <p>MEDIUM HIGH</p>	

PILLAR	TOPIC	IMPACT DESCRIPTION	BOUNDARIES OF THE IMPACT	SIGNIFICANCE OF THE IMPACT	COMPANY RELEVANCE	RELATED SDGs
 VALUE CHAIN	Responsible management of the value chain	<p>Inside-out: Inadequate management of value chain could lead to negative impacts on people and planet, especially with regards to natural ecosystems degradation, decreased well-being of local communities and loss of Stakeholders' trust.</p> <p>Outside-in: Changes in the supply chain structure required by new legislations and disruptive global shocks could lead to a raise in the Company's cost structure. Negative value chain impacts could result in subsequent sanctions and fines.</p>	<p>CHIESI OPERATIONS 30%</p> <p>UPSTREAM 60%</p> <p>DOWNSTREAM 10%</p>	<p>VERY HIGH</p> <p>HIGH</p> <p>MEDIUM HIGH</p>	<p>VERY HIGH</p> <p>HIGH</p> <p>MEDIUM HIGH</p>	
	Human rights	<p>Inside-out: Non-compliances of human rights and the absence of monitoring systems related to this topic (including in the value chain) could lead to a decrease in the welfare and health of Stakeholders.</p> <p>Outside-in: Cases of forced labour, child labour, violation of the right to health and, in general, cases of human rights violations could harm business continuity and lead to claims resulting in fines and loss of Company reputation.</p>	<p>CHIESI OPERATIONS 30%</p> <p>UPSTREAM 60%</p> <p>DOWNSTREAM 10%</p>	<p>VERY HIGH</p> <p>HIGH</p> <p>MEDIUM HIGH</p>	<p>VERY HIGH</p> <p>HIGH</p> <p>MEDIUM HIGH</p>	
 PEOPLE	Employee well-being, inclusiveness, health & safety	<p>Inside-out: Not guaranteeing safety, well-being and equal opportunities for employees could lead to an increase in the number of injuries, professional diseases and occupational dissatisfaction.</p> <p>Outside-in: Regulatory frameworks characterized by high level of safety standards could raise the cost structure of the production process.</p> <p>Higher well-being requirements by actual and potential workforce could make it harder to attract new talent.</p>	<p>CHIESI OPERATIONS 70%</p> <p>UPSTREAM 20%</p> <p>DOWNSTREAM 10%</p>	<p>VERY HIGH</p> <p>HIGH</p> <p>MEDIUM HIGH</p>	<p>VERY HIGH</p> <p>HIGH</p> <p>MEDIUM HIGH</p>	
	Employees management and development	<p>Inside-out: Employee management aimed at promoting growth and development could lead to an increase in employees' knowledge, well-being and satisfaction.</p> <p>Outside-in: Lack of professional profiles tailored to business needs could compromise business profitability and the Company's ability to innovate.</p>	<p>CHIESI OPERATIONS 90%</p> <p>UPSTREAM 5%</p> <p>DOWNSTREAM 5%</p>	<p>VERY HIGH</p> <p>HIGH</p> <p>MEDIUM HIGH</p>	<p>VERY HIGH</p> <p>HIGH</p> <p>MEDIUM HIGH</p>	

Governance



Governance, mission & engagement ←

Business continuity, resilience and crisis response ←

Transparency, ethics and compliance ←

Privacy & data security ←

Governance, mission & engagement

This topic refers to mechanisms, procedures and rules concerning the internal control, supervision and decision-making processes of the Company, implementing and promoting a shared value oriented business model.

Future perspectives



Benefit Corporation legal status to become available in more countries.



Increasing sustainability-oriented regulations will require companies to set up appropriate and robust sustainability governance structures and processes.



Companies without a clear purpose, including those with a shareholder primacy focus, are likely to become controversial and outdated.

Our approach and strategy

The company adopts a traditional model with a seven-member Board of Directors appointed by shareholders and supervised by a Board of Statutory Auditors. With six members of the Chiesi family currently serving on the Board of Directors, the interests of the owner family are represented and conflicts of interest are prevented. The allocation of specific executive proxies among the various directors and the separation of roles between the Chairman, the company's main shareholder, and the Chief Executive Officer are both important aspects of the Board's function. The shareholders and board composition, as well as conflicts of interests, are fully disclosed on the company website. Additionally, financial results are shared with all the employees on a quarterly basis.

Sustainability activities are reported to the Board by an Impact Committee in line with Benefit Corporation legislation. The committee brings together representatives from the main corporate functions, enabling a comprehensive and integrated view of ESG

activities and goals to be shared within the Group. The Chiesi Group has defined a specific **sustainability governance** to ensure effective and efficient processes to pursue its purpose, to hold people accountable and responsible for goals and their achievement, and to regularly monitor, coordinate and facilitate the implementation of global sustainability projects across the Group. Further details are available in the chapter "[Sustainability Governance](#)". All members of the Chiesi Group's management are held accountable for reaching the Group's sustainability goals, which are integrated into the Group's rewarding system.

Chiesi's approach to corporate culture includes the development of an inclusive and unified culture based on [Chiesi Values](#) to prepare the Group for future challenges. This involves implementing a leadership model which ensures Chiesi leaders embrace the shared value mindset. To advance the collective knowledge, skills and experience of the entire Group, including the Board of Directors, on sustainable development, various activities are in place:

- We ACT Educational, a dedicated training on sustainability which is available for all employees worldwide through the internal learning platform.
- An internal newsletter related to sustainability topics is circulated throughout the Group.
- Significant and increasing mobilisation and engagement of Chiesi employees in relation to sustainability (including We ACT Day and the work of We ACT Ambassadors, etc.)

The promotion of the shared value culture is also enabled by a clear and shared sustainability strategy, which is implemented across the Group with specific objectives and targets.

Our performance

- ▶ In 2022, all Chiesi affiliates changed their bylaws to include four common benefit purposes. This significant step acknowledges and reflects that sustainable development is central to the Chiesi Group DNA, both strategically and legally.
- ▶ Chiesi Board of Directors met 13 times in 2022, with an average attendance rate of 96%.

Projects

We Act Day

The We Act Day is an annual global event which engages all Chiesi Group employees to spread the shared value mindset and implement the principles of the We Act Sustainability Manifesto through specific initiatives and projects. It is a day fully dedicated to sustainability, allowing all our employees around the globe to get involved, celebrate the year's achievements and reflect on long-term objectives. Chiesi celebrates We Act Day during the week of September 25th, the anniversary of the release of the 17 Sustainable Development Goals (SDGs) by the United Nations in 2015. Due to the partial improvement of the situation following the COVID-19 pandemic, the 2022 We Act Day was a hybrid event held on September 22nd, which brought together many colleagues both in person at our Headquarters in Parma and through a live streaming to all 30 of the Group's affiliates.

We
ACT  day



Business continuity, resilience and crisis response

This topic refers to risks and uncertainties inherent to our business and the complex, rapidly evolving environment in which we operate. It also encompasses the processes that allow us to identify, assess and manage these risks.

Future perspectives



Persistence of supply chain crisis.



Increased occurrence of extreme and unusual weather events.



Growing disclosure requirements on climate risks and opportunities.



Increasing geopolitical instability and competition.



Higher risk of cyberattacks for businesses and organisation.



More attention to sustainability issues from all stakeholders.

Our approach and strategy

In order to better understand and manage our exposure to risks and to seize any related opportunities, specific processes and procedures are overseen by dedicated business and staff functions. With the purpose to obtain a transversal and holistic view of the overall risk profile, the Group continues in its path towards an Enterprise Risk Management (ERM) system that is inspired by leading international best practices (CoSO ERM – Integrating with Strategy and Performance). The system allows to identify and assess risks that may impact our business, including ESG risks. A selection of the most relevant risks is further explored jointly by Risk-owners and the ERM department to support management in defining the most appropriate mitigation plans and verifying their progress and effectiveness over time.

During 2022, the Group strengthened the Enterprise Risk Assessment methodology to better integrate ESG risks into the analysis. This involved introducing an impact assessment dimension related to the Group's Materiality Matrix and a specific risk assessment aimed at analysing risks and opportunities related to climate change, in accordance with the requirements of the guidelines of the Task Force on Climate-related Financial Disclosure (TCFD).

The processes of risk identification and management follow a top down approach, guided by Senior Management and aligned with medium-to-long term corporate objectives and strategies. A Risk Management Committee is in place, composed of the CEO, CFO, Head of Global Strategy & Corporate Development, Head of Shared Value & Sustainability, and Head of ERM. This committee is responsible for setting the risk strategy and periodically monitoring the implementation of risk response plans and the effectiveness of risk management process, while regularly reviewing the outcomes of risk assessment. The Executive Committee is regularly informed of what is discussed in the Risk Management Committee. Risk assessment results, including mitigation plans and critical issues, are presented annually to the Board of Directors.

Our performance

- ▶ During 2022, the Enterprise Risk Management process involved the top management of the main business/corporate functions and of a selection of foreign branches, in order to identify and assess the most significant risk factors over the time horizon of the Group Strategic Plan. The main risk factors to which the Group is potentially exposed (and which are monitored and managed on an ongoing basis) are shown in the following pages.
- ▶ During 2022, Chiesi manufacturing plants registered 0 days of production stop due to climate extreme events and other crises.

STRATEGIC RISK		
Risk	Description	Mitigation Activity
R&D	<p>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 complex and lengthy approval process that varies from country to country.</p> <p>The pharmaceutical sector is also subject to laws and regulations that influence the marketing of products. Delays in obtaining required regulatory approvals may affect marketing of products and thus the Group performance.</p>	<p>Chiesi periodically assesses its pipeline to better inform decision-making related to value, risk and priority projects as pipeline management is a potential area of critical risk. 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 therapeutic areas.</p>
	<p>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.</p>	<p>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.</p>
Intellectual Property	<p>The investment made into discovering and developing drugs 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.</p>	<p>Active management of IP rights protects the Group from such risks.</p>
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 in a global context impacted by economic effects of Covid-19, increase of inflation and cost of living, as well as the energy crisis and the consequences of the Russia-Ukraine conflicts may lead to more rigorous reimbursement policies, exposing the Group to lower profitability. The competitive context, represented by competing generic products characterized by lower prices and by products that may have been 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>

Risk	Description	Mitigation Activity
Evolution of legislation	The legislation evolution in the environmental, social and governance fields could lead the introduction of increasingly stringent regulations with consequent need to adapt development and production processes, also to avoid possible losses of market shares as well as potential sanctions for non-compliance with the new provisions	Careful monitoring of national and international legislative activities at national and international level to anticipate regulatory requirements, where possible, protects the Group from such risks.
	Following the growing concerns about climate change, the general industrial use of hydrofluorocarbons (HFCs) is still subject to a phase-down strategy defined by EU regulation No. 517/2014, and subsequent revision proposal and by the Kigali amendment to the Montreal Protocol which encourage the use of low-GWP alternatives and the reduction of consumption and emissions of high-GWP HFCs. The regulatory framework currently in place could lead to the entry of stricter rules and cause a potential loss of market share for the company.	The Group is protected from this risk thanks to the fact that Chiesi's respiratory products portfolio is composed by both DPI and pMDI devices, and to the fact that Chiesi is working to reduce the environmental impact of the hydrofluorocarbon (HFC) propellants used in its pMDIs through an investment of 350 million euro (Carbon Minimal Inhaler project) - which will allow by 2025 the development of inhalers with a new low-carbon propellant able to reduce by up to 90% the carbon footprint of our pMDIs.
Country risk	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. In particular, the ongoing conflict between Russia and Ukraine potentially exposes the company to impacts on performance mainly due to the price increase of products and materials as well as financial causes (ruble/euro exchange rate, possible non-payments by Russian distributors) and operational issues (possible critical issues in the supply and distribution chain).	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.
Climate change	Climate change risks and opportunities are discussed in the "Projects" section and in the " Annex VII: TCFD Report ".	
BUSINESS MODEL RISK		
Risk	Description	Mitigation Activity
B-corp recertification	In order to pursue the goal of creating shared value, in 2018 Chiesi assumed the legal status of Società Benefit under Italian law n. 208/2015 and Benefit Corporation under US law (Delaware); then in 2021 société à mission under French law (Loi Pacte). In 2019 Chiesi obtained the B Corp certification, an international recognition of high standards of social and environmental impact and transparency. Should the Group be unable to maintain the certification, this would have important reputational consequences.	The Chiesi Group is committed to continuous improvement of its actions aimed at improving the quality of patients' life, protecting the planet and its inhabitants, serving the community in which it operates, promoting the growth of its people and guaranteeing maximum transparency of its work. This commitment is reflected in its processes, improvement plans, culture and practices, mitigating the exposure to the aforementioned risk.
Mergers & Acquisitions/ Joint Ventures	The Merger & Acquisitions activities that the Group pursues expose it to risk factors such as possible errors in the evaluation of initiatives (e.g. difficulty in identifying potential targets, economic-financial feasibility, partner/licensor reliability), critical issue in the governance of M&A operations/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 RISK		
Risk	Description	Mitigation Activity
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.
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. In particular, on an annual basis, a risk analysis focused on business continuity on all direct purchases is carried out. Based on the results, mitigating actions are defined and monitored. Signing of the Code of Interdependence (the Group's supplier code of conduct) further strengthens the partnership. Adherence to the Code is then verified by third-party audits.
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.
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.	The Chiesi Group pays great attention to its people. The Great Place to Work certification, the renewed Top Employer certification, the Gender Equality Certification, individual development plans, a transparent performance management system, succession plans and international mobility policies are just some of the points of activities and processes established to support employees all over the world.
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.

Risk	Description	Mitigation Activity
<p>Environmental sustainability</p>	<p>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.</p>	<p>Chiesi is committed to minimising negative impacts on the environment through increasingly sustainable processes. In addition to specific policies (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 its products.</p>
<p>Financial risks</p>	<p>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 counter-parties.</p>	<p>Global Finance function evaluates and adopts appropriate actions in order to manage the financial risks in compliance with company policy and procedures.</p>
<p>Legal and compliance</p>	<p>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.</p>	<p>The company’s internal control systems and procedures lead to the conclusion that the risk of non-compliance with this regulatory framework is remote.</p>

Projects

TCFD project

Climate change poses serious risks for businesses. Extreme weather events are becoming more frequent and availability of natural resources is increasingly threatened, while at the same time the policy and regulatory landscape is constantly evolving towards the transition to a low-carbon economy. Given the aforementioned physical and transitional factors, it’s essential to understand the exposure of our business to climate-related issues. For this reason, in 2022, Chiesi carried out a project to assess the resilience and flexibility of its business strategy and value chain concerning the impacts of climate change risks and opportunities. This project was developed in line with the recommendations of the TCFD (Task Force on Climate-related Financial Disclosure), promoted by the Financial

Stability Board. The TCFD entails a set of voluntary disclosure recommendations for companies in order to provide information to stakeholders about the company’s overall management of climate change issues. The recommendations are structured around four areas that represent core elements of organisational operation: governance, strategy, risk management and metrics and targets. The scope of the TCFD analysis performed refers to our production sites in Parma - San Leonardo (Italy), Blois (France) and Santana de Parnaíba (Brazil). In addition, a preliminary analysis of climate-related risks identification has also been extended to Chiesi’s major critical suppliers, clients and partners to include the entire value chain. The results of the Chiesi’s TCFD project are described in the dedicated chapter “[Annex IX: TCFD Report](#)”.

Transparency, ethics and compliance

This topic refers to a fair, transparent and moral code of conduct and to the strategic and operational management of business and related compliance practices.

Future perspectives



Growing public and regulatory attention and concern regarding ethical business practices.



Increased focus on minority representation in clinical trials.



Higher level of transparency of clinical trials.



Enhanced scrutiny of marketing practices.



Increased attention to corporate reputation by different stakeholders.

Our approach and strategy

As stated in our Values, at Chiesi, we are committed to acting ethically and with integrity. Transparency is therefore the key to our interaction with stakeholders. This sustainability report serves as a testament of our commitment to openly share our results, challenges and performance with all stakeholders.

- Another expression of our efforts in this direction is Chiesi's commitment to **Clinical Trial Transparency** and **Data-Sharing**. In accordance with local legislative and other applicable requirements on clinical studies, Chiesi 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). More details are available in the "Projects" section of this chapter.
- In terms of **compliance**, a Corporate Compliance Committee (composed of Chiesi's

Chief HR Officer, Group Compliance Officer and Head of Internal Audit) has been in place since 2012. Its role is to supervise compliance topics affecting the Group and to provide support to Chiesi Group's companies and Board of Directors on relevant assessment and management mechanisms. In 2015, Chiesi created a Group Compliance function and developed a Group Standard Operating Procedure (SOP) on interactions with Healthcare Professionals (HCPs) and Healthcare Organisations (HCOs). It defines a set of binding principles that each company must comply with while engaging with HCPs and HCOs.

- In terms of ethical marketing, we are committed to providing comprehensive scientific information which is understandable to all recipients and does not overstate the real benefits of our products. These are aligned with the respective **Codes of Conduct** of IFMPA, EFPIA and Farmindustria.
- A **Corporate Internal Audit** function is also in place to oversee risk assessments and conduct audits for all Chiesi Group affiliates. The Head of Internal Auditing is a member of both the Surveillance Body (see below) and the Corporate Compliance Committee, providing them with auditing activities and investigation support as needed. The Board of Directors is briefed annually on audit activities and related results and findings.
- Chiesi is also compliant with the requirements set forth by Italian Legislative Decree no. 231/2001 ("Decree 231"), applicable across the whole Italian territory by adoption of an **Organisational, Management and Control Model** known as a "Model 231". It clearly defines Chiesi's ethical commitments and responsibilities while conducting its business aiming to prevent and avoid unlawful behaviours (as reported within Decree 231) and identify the role and responsibilities of the Surveillance Body. This Body is entrusted with supervising the correct application of Model 231 and periodically reporting 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 emphasises the Group's commitment to using its business as a force for good and contributing to the UN SDGs. At a global level, the Chiesi Group's **Anti-Bribery Policy and Code of Conduct** provide guidance on how to recognise and deal with bribery and corruption issues, enabling them to act in a responsible way and in compliance with anti-bribery rules and regulations.
- Since 2018, we have had in place an internal **Tax Control Framework** (TCF) for detecting, measuring, managing, and controlling tax risks arising from our activities. Within this framework, we committed to perform ongoing monitoring and maintenance activities

required by the model itself. Such activities are part of 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 2022, we further enhanced our collaborative and open approach with the tax authorities. We have signed and renewed several unilateral **Advanced Pricing Agreements** since 2013 to align our transfer prices with the Italian Tax Authorities. Additionally, we recently completed the **International Compliance Assurance Programme** (ICAP) hosted by the OECD and we filed the request to sign a **Bilateral Advanced Pricing Agreement** (B-APA) to reach a mutual consensus on our transfer prices between the Italian and foreign tax authorities.

- A **Group Confidential Reporting System** has been active in Chiesi since 2017. In 2022, a new Group whistleblowing platform was implemented called “[SpeakUp&BeHeard](#)”. This platform allows anyone (both employees and non-employees) to raise any conduct reasonably believed to be unfair (or even illicit) that could potentially damage Chiesi’s brand and/or reputation, or that of third parties. More details about SpeakUp&BeHeard are available in a specific section of the “[Human Rights](#)” chapter.

Our performance

- ▶ **Rating di legalità:** In 2022, Chiesi was once again awarded the highest score of three stars on ethics (Rating di legalità) from the Italian Competition and Market Authority (AGCM). This is a testament to the company’s pursuit of the highest level of compliance when conducting its business. Three-star ratings were previously obtained in both 2016 and 2018.
- ▶ **ESG Rating:** In addition to our B Corp recertification efforts, in 2022 Chiesi Farmaceutici S.p.A. obtained an improved ESG rating from Cerved rating agency for the company’s ability to manage ESG risk and opportunities. The company’s rating rose to “AA” - an increase from its 2021 “A” score - reaching 75.1 points out of 100 and ranking in the top quintile of best-performing companies in the healthcare products sector. For the fiscal year 2022, we will seek an updated rating from the same agency and we expect to receive the results of these efforts by the end of 2023.

Projects

Clinical Trial Transparency and Data-Sharing

Chiesi is committed to making information available on any phase 2 to phase 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.. This applies to studies that are not subject to a mandatory disclosure requirement in any Primary Registry part of the World Health Organisation (WHO) Registry Network and were initiated on or after 1st June 2018. The information is provided via the public registration in ClinicalTrials.gov and disclosure of Summary Results such as posting on ClinicalTrials.gov, CSR synopses, structured summary data etc., within 12 months from completion of a study. All clinical studies as well as their publicly disclosed study-related information and results-related information are available on the Chiesi Clinical Study Register. All activities surrounding clinical trials and data sharing are undertaken in full compliance with all privacy and data-sharing requirements.

Privacy & data security

This topic refers to 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 which aim to: protect personal data; prevent violation of individuals' privacy; avoid breakdown or vulnerability of critical information systems and networks due to security breaches, all of which might disrupt core operations or lead to accidental or illegal access, destruction, alteration or disclosure of protected data.

Future perspectives



Increased frequency of cyberattacks.



Digitalisation of business and production processes.



Increasing influence of Artificial Intelligence, including generative AI.

Our approach and strategy

In carrying out its activities, Chiesi needs to process personal data of a wide range of stakeholders such as third party vendors, healthcare professionals, business partners or patients. Chiesi only collects personal data that are strictly necessary for the performance of its activities and guarantees its use in accordance with the regulations in force. The company is committed to handling personal data, both of its own employees and of all third parties with whom it has dealings, with care and solely for legitimate business purposes. We do so in line with applicable laws and current privacy regulations ensuring that our external suppliers also comply with these regulations. All employees who become aware of an inappropriate disclosure of personal data are required to report the incident

to the Data Protection Officer or to the appointed company function. Chiesi adheres to stringent guidelines for the processing and use of all types of data in all of its operations, as required by the relevant Data Protection Authorities. Chiesi is fully compliant with the rules laid out in the European General Data Protection Regulation (GDPR, EU Regulation No 679/2016) and, outside the EU, with applicable local privacy legislation.

With regards to data security, the Global Information and Communication Technology (GICT) strategy includes: building a sustainable, secure and resilient cyber security environment which ensures business continuity, protects data and know-how of Chiesi Group and its ecosystem; reducing financial and reputational impact of cyber threats; supporting business and digital innovation, while preserving people's rights and maintaining compliance with regulations.

Our performance

- ▶ In 2022, Chiesi Group adopted privacy compliance programmes to ensure compliance with the applicable data protection laws and regulations (including but not limited to GDPR, CCPA, PIPEDA, LGPD, etc.).
- ▶ Due to the confidential nature of this matter, no projects can be disclosed for this material topic.

Patients



Holistic & Patient centric approach ←

R&D, innovation & digitalization ←

Health Equity ←

Holistic & patient-centric approach

This topic refers to activities and procedures aimed at developing, manufacturing, commercialising and ensuring the safe use of innovative, high-quality, reliable and safe therapeutic solutions. This involves fostering an empathic approach towards our patients and their caregivers. The topic also includes activities to ensure the manufacturing quality and safety of our products, as well as compliance with international laws and regulations.

Future perspectives



Stronger focus on a holistic approach to healthcare (customised and context-driven care).



Highly regulated sector with high expectations, increased attention towards building resilience of supply chain.



Higher focus on patient-centered clinical trials.



Increasing attention to health equity.

Our approach and strategy

Chiesi is committed to developing and manufacturing innovative, high-quality, reliable, and safe therapeutic solutions that improve the well-being of patients and provide true benefits to the healthcare system. Our approach also considers non-pharmacological interventions broadly applied to include digital interventions.

The ultimate goal for Chiesi is to ensure that the therapeutic solutions and the services provided fully integrate the needs of patients and all stakeholders involved in patient care, such as caregivers, healthcare professionals, NGOs and other health agencies. Thus, we listen to the voice of patients and caregivers every step of the way. A patient-centric approach involves investigating and integrating various perspectives through patient engagement in focus groups, advocacy initiatives, patient services, policy

inputs, involvement in clinical trials and humanitarian programmes. As a result, it is of the utmost importance for Chiesi to understand what our patients go through, not just from a clinical perspective. We involve them in the definition and design of meaningful health outcomes. In these efforts, a key step is our engagement with associations representing patients with severe diseases. This helps us better understand their needs and gather feedback to adapt the solutions we provide. For example, with regards to clinical trials, we not only facilitate participation in clinical studies but also generate questionnaires to collect and assess patient-reported outcomes. Due to this patient-centric approach, we are involved in several projects aimed at capturing indirect data on patients' needs and sharing clinical knowledge with patients and researchers.

Our performance

- ▶ In 2022, a Master Service Agreement and a more comprehensive service agreement were signed with EUPATI patient experts, including their involvement in more than seven projects, to ensure constant collaboration and input provision in clinical trials as part of routine clinical research. EUPATI, the European Patients' Academy on Therapeutic Innovation, aims to trigger a major rethink in the way patients and the public understand the medicines development process and their own involvement therein.
- ▶ Throughout 2022, we actively supported and partook in many partnerships aimed at listening to the voice of patients and other stakeholders, improving their quality of life and raising awareness. The partnerships include the [International Respiratory Coalition](#), [EFA \(DIG-IT project\)](#), [Speak up for COPD](#), [Rare Disease Company Coalition](#), [Eurordis](#), [OD Expert Group](#), and the [International Rare Disease Research Consortium](#).

Projects

HOPE

Among the initiatives we carried on in 2022 to collect patients' needs, Chiesi's HOPE project played an important role. This cross-company initiative aims to embed patient engagement culture across all teams, using a methodology (Human Factors science) recognised by regulatory authorities. HOPE involves gathering patient feedback, analysing results and taking formally documented design decisions to improve product development. This encourages knowledge sharing and team collaboration so that the insights gained can be applied to our work and be documented in a regulatory-friendly way that supports our claims around patient impact. In 2022, we interviewed more than 400 patients through this project.

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. This collective initiative brings together 179 European-level patient organisations from 34 countries 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).

The International Respiratory Coalition (IRC)

The IRC is a multistakeholder platform designed to address

existing challenges in respiratory healthcare, exacerbated by the emergence of COVID-19 by prioritising respiratory care reform by governments and national healthcare systems. Chiesi is one of the funding industry partners and actively participates in the coalition. In 2022, the IRC has been working on empowering national respiratory communities to form multistakeholder coalitions. These aim to transform respiratory care by creating or updating national respiratory strategies, which include prevention, new models of care, increased funding, ambitious targets and accountable leadership. The strategies will inform and advise governments on solutions and policy reforms to improve the life of patients living with chronic respiratory diseases.

Eurordis

Chiesi supports and collaborates closely with EURORDIS Rare Diseases Europe. EURORDIS is a unique, non-profit alliance of more than 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. Among the key activities of 2022, Chiesi supported: the [EURORDIS roundtable of companies](#) that aims at sharing information and knowledge among EURORDIS sponsors and supporting partners; [the European Conference on Rare Diseases 2022](#) that spearheaded a call from EURORDIS and 57 partner organisations to launch a European Action Plan on Rare Diseases; the [Eurordis Black Pear awards](#),

that recognise the collective efforts and achievements of the rare disease community in driving positive change to make a difference to the lives of people living with a rare disease and their families. Eurordis raises awareness of rare diseases through various international activities such as the publication of [30 million reasons](#).

Rare Land

The short movie "Rare Land" is inspired by the true story of a Greek child diagnosed with the rare disease Alfa-mannosidosis. Chiesi Global Rare Diseases supported the production of the film. Rare Land was presented under the auspices of the patient group Rare Disease Greece, both in the European Parliament in Brussels and as the opening event of the Rare Disease Greece international conference in Athens. The objective is to raise awareness on the challenges with diagnosis and treatment of an ultra-rare genetic disease like Alfa-mannosidosis and spark discussion among the relevant stakeholders on how to take concrete actions to improve the life of patients.

Certamen raras

The second edition of a festival of photography and short films was organised with the support of Chiesi Spain and in collaboration with the rare disease patient group MPS Lisosomiales. The festival awarded rare disease patients and their loved ones for creatively expressing their experience with the diseases through photos and short movies. The works of art were assessed by a jury of artists and patients. The objective was to raise awareness and create empathy with the patient experience. The artwork was collected in a digital [book](#).

R&D, innovation & digitalisation

This topic refers to scientific research, innovation as a process, and technological development. It includes the integration of digital technology into the research and development processes, with the purpose of improving efficiency, increasing competitiveness and driving innovation.

Future perspectives



More non-pharma solutions and digital therapeutics.



Revision of EU pharma legislation.



Increased externalisation of research activities, with academic institutions emerging as innovation hubs.



Increased focus on AI in the pharmaceutical sector, including clinical trials.



Increasing importance of digital health.

Our approach and strategy

To Chiesi, innovating for a positive impact means considering not only the clinical benefits of our medicines and therapeutic targets but also being there for our patients during their entire journey. This includes prevention, daily management of their diseases in order to lead autonomous, fulfilling lives and rehabilitation. Chiesi is committed to generating sustainable value for patients by providing innovative therapeutic solutions. To ensure this, Research and Development (R&D) plays a pivotal role in developing new solutions through leading technologies and innovations. Our R&D 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). By leveraging on cutting-edge technologies and innovations, the teams oversee a number of integrated functional areas, 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 R&D team also supports post-market surveillance activities and life-cycle management programmes. Digitalisation plays an important role in the whole process. The strong cooperation with the Global Information and Communication Technology (GICT) department enables continuous process innovation not only within R&D but also across all other internal departments. As an example, we tapped into the exciting potential of digitalisation with the development and deployment of a Robot Process Automation (RPA). It is designed 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. Another example of digitalisation is represented by the [Lifully](#) platform, an app that guides users through breathing exercises step by step, helping them improve their physical and mental well-being.

Our performance

- ▶ In 2022, Chiesi Group was confirmed as the first Italian pharmaceutical company and the third among all Italian companies, for patents applications, with a consolidated number of 42 first filings at the European Patent Office (EPO), according to the [publication of the patenting trends for 2022](#). Furthermore, in 2022, the Chiesi portfolio achieved a milestone of more than 5,800 global patents.
- ▶ In 2022, Chiesi Group invested 589 million euros in Research & Development which accounted for 21.4% of the Group’s annual revenues, broken down by the following therapeutic areas: Respiratory 72.1%; Rare Diseases 16%, Neonatology 6.4%; Special Care 5.4%.

Projects

Biotech Centre of Excellence

In 2021, Chiesi announced the creation of a Biotech Centre of Excellence Plant, located adjacent to our current production plant in Parma (Italy) and to be operational from 2024. The new hub, which required an investment of 85 million euros, will employ 105 people in highly qualified positions. The new plant will specialise in the development and production of active ingredients such as monoclonal antibodies (produced with recombinant DNA techniques starting from a single type of immune cell), 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, aiming to become an innovative point of reference for the entire pharmaceutical sector. Our investment will consolidate and build upon our existing biotechnology know-how, supporting 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. During 2022, the construction progressed in line with the project plan.



Pistoia Alliance

In 2022, R&D Chiesi joined the Pistoia Alliance, a non-profit organisation with over 200 member companies across the life science ecosystem collaborating across more than 25 projects and communities. Topics discussed within the alliance include, among others, Artificial Intelligence and Machine Learning, User Experience, Controlled Substance Compliance, Quantum Computing, Data Governance, Lab of The Future, and Natural Language Processing. The mission of the Pistoia Alliance is to lower the barriers for innovation through pre-competitive collaboration.



EFA DIG_IT

Several patients affected by respiratory diseases routinely use digital tools in their daily lives. While video calls and electronic prescriptions are becoming the norm for many, others remain hesitant about a variety of aspects of digital products and services. At Chiesi, we recognise the true value of innovation in serving unmet needs of our patients. We aim at bringing patients closer to digital therapeutics in support of their treatments, expanding our ability to address patient care through a non-pharmacological approach. In 2021, Chiesi sponsored the European Federation of Allergy and Airways Diseases Patients' Associations (EFA) initiative on mapping the needs of asthma and COPD patients in accessing digital health solutions. In June 2022, the EFA published its DIG_IT Report titled "The asthma and COPD patients' digital journey in Europe". The report analyses the outcomes of a survey conducted in 2021, capturing views of asthma and COPD patients on Europe's digital future. It offers a timely contribution to a fast-moving area of health policy, adding evidence on how technologies are currently used and the factors that will shape their future adoption.

Health equity

This topic refers to contributing to improved and increased access to medicines and good quality care in specific therapeutic areas. It also encompasses our work alongside healthcare authorities to raise disease awareness, remove obstacle and barriers to care and promote training for healthcare professionals, including those in low- and middle-income countries.

Future perspectives



Increased focus on health inequity and ability to access and sustain care and associated treatment.



Revision of EU pharma legislation.



Digitalisation to emerge as an enabling factor for access to healthcare.

Our approach and strategy

Taking inspiration from Article 25 of the Universal Declaration of Human Rights, we believe that health and well-being should be a fundamental right for every person. That is why we strive to make treatment and care in our core therapeutic areas available to those in difficult circumstances or who cannot easily access therapies, ensuring that more patients can receive the treatments they need.

We collaborate closely with a range of different associations within the sector worldwide to remove obstacles and barriers to care and to contribute to increased access to our therapeutic solutions in relevant areas. 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. We aim to deliver concrete solutions to bridge these gaps and to move together towards more sustainable healthcare for all.

Our dedicated Global Value & Access (GVA) department works across the company to bring the payer and patient voice into clinical and commercial decision-making discussions. In 2022, this work focused increasingly on renewing our approach towards health equity to address the rising issue of limited access to healthcare for patients.

A patient journey framework has been developed in support of a patient-centric approach, aiming at exploring and leveraging innovation stimuli and further meeting patient needs. Chiesi's health equity strategy encompasses the entire healthcare patient experience including prevention/diagnosis, access to medicines and the ability to sustain care. An initial round of pilot projects in the neonatology and respiratory fields has been launched across high-, middle- and low-income countries where we have a direct or indirect commercial presence.

Our performance

- ▶ In 2022, we achieved the agreement on the Humanitarian Access Programme (HAP¹) partnership with two Non-Governmental Organisations (NGOs) to support potential HAP inquiries. Internal Chiesi efforts continue to establish and build the foundation and infrastructure for this project, such as processes, procedures and an external expert committee.
- ▶ In the US, we reported on our study “The Burden of Rare Diseases”. The economic analysis states the inequity of patients with rare diseases and the positive impact when treatments are available. The work was shared with stakeholders in the US Congress and Biden administration.
- ▶ As of 2022, 128 countries around the globe can count at least one registration for Chiesi's products and therapies.

¹The aim of the Humanitarian Access 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 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.

Projects

Chiesi Foundation

The Chiesi Foundation was created in 2005 with the purpose of improving access to quality care for patients living in regions outside of Chiesi's existing markets. It focuses on enhancing access to quality neonatal and respiratory care in low- and middle-income countries by providing technical support and capacity building for healthcare workers, as well as delivering innovative and sustainable technologies for health facilities. The Chiesi Foundation works closely with local governments, the Ministry of Health, hospitals and healthcare workers, universities, NGOs and development actors. The main projects of the Chiesi Foundation are the following:

- **NEST.** The Neonatal Essential Survival Technology project (NEST) is an effective and sustainable model for managing quality neonatal care in low- and middle-income countries. It 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 gestational age babies.
- **GASP.** The Global Access to Spirometry Project (GASP) focuses on developing specific clinical skills for the diagnosis and management of chronic respiratory diseases, such as asthma and chronic obstructive pulmonary disease (COPD) by introducing spirometry capacity and training activities. It focuses on low- and middle-income countries and is currently implemented in Latin America.
- **IMPULSE.** Improving Quality and Use of Newborn Indicators (IMPULSE) is a two-phase research project led by the consortium of Burlo Garofolo WHO Collaborating Centre for Maternal and Child Health, London School of Hygiene and Tropical Medicine, University of London and Doctors with Africa Cuamm. IMPULSE was developed in collaboration with the WHO 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 the Central African Republic, Ethiopia, Tanzania and Uganda. Thus, the initiative contributes to improving the health and well-being of every newborn, particularly small and sick babies who are admitted for hospital care.



Maisha project

Chiesi is partnering with the Bill & Melinda Gates Foundation (BMGF) to set-up the Maisha project that ensures caffeine citrate availability to treat apnoea of prematurity. This devastating condition is common among preterm infants in low-resourced settings caused by the incomplete development of the respiratory system and the areas of the brain that regulate respiration. The overall objective of the Maisha project is to improve the survival of preterm infants by reducing death and morbidity associated with preterm respiratory diseases including the aforementioned apnoea and other respiratory distress.

Caravana rara

The Chiesi Rare Disease team in Brazil developed a medical and multidisciplinary education project for health professionals called Caravana rara. It consisted of two road shows with leading geneticists performing face-to-face meetings in neglected areas in Brazil, with the objective of identifying Alfa-mannosidosis patients. The main goal was to bring knowledge to health professionals about the genetic disorder and help health teams access diagnostic tests in remote areas. The initiative connected more than 300 health professionals to geneticists and referral services for patients, increasing the number of diagnostic testing requested.

Community



Value for the community and engagement

This topic refers to the Group's capability to create and distribute direct and indirect economic value to support and promote the development and well-being of the local community¹. Companies can have a positive impact on local communities where they are based by supporting the local economy, for example with jobs creation, and by promoting sustainable practices. By creating shared value in local communities, businesses can strengthen their relationships with local stakeholders, contribute to the long-term sustainable development of both the community and the company and improve brand awareness and reputation.

Future perspectives



Increasing expectation from community members to positive value generation by corporations.



Increasing social disparities within community members.



Increasing need to contribute to social inclusion also by private companies.



Increased willingness to collaborate with local suppliers.

Our approach and strategy

"Contributing to the development of the local communities in which the company operates" is one of the common benefit purposes that Chiesi has decided to include in its bylaws as Benefit Corporation.

At Chiesi, we invest resources and skills in the development of the communities in which we live to contribute to long-term and sustainable well-being through our shared value projects, contributions and partnerships with local organisations. Adopting a shared value approach in community development and engagement strategy helps to address systemic

issues and to create more equitable outcomes for all members of the community. We build connections and relationships with the stakeholders of our communities; we strive to understand their needs, and we support programmes that encourage our employees to volunteer. The company also contributes economically to the local community by providing valuable jobs or collaborating with local partners and suppliers.

In 2015, we created a new governance structure aimed at supporting the definition of our strategy for community development, transitioning from a philanthropic to a shared value creation approach. At corporate level, there is a dedicated body, the **Committee for Social and Community Development Activities**, that defines the strategy to be followed by the Group in order to promote the development of the local communities in which Chiesi is based. These activities are carried out both in the municipality of Parma, at the headquarter level and in the local communities where Chiesi's affiliates operate. At affiliate level, Shared Value & Sustainability Business Partners follow a common framework and take charge of local activities to ensure alignment with the Group's strategy. The work carried out by affiliates is collected and analysed on a yearly basis: best practices are shared so that every affiliate can learn from others and improve the way local projects are managed.

Chiesi often acts as facilitator for community outreach programmes, bringing together associations with a similar purpose in a collaborative approach to drive greater impact. The main areas of intervention for local community development are:



¹ Local communities refer to groups of people who live in the same geographic area and share common interests, values, and goals. Local communities can range in size from a small neighbourhood to an entire town, city or nation and they are characterised by their social, economic and cultural connections, playing an essential role in shaping the quality of life for their members. Local communities are an important economic unit, providing jobs and generating wealth through local businesses and industries.

We have set specific goals for each area, as follows:

- **Environmental protection:** We aim to raise awareness about the urgency of taking action against climate crisis and on its impact on health and well-being.
- **Education and new generations:** We aim to inform and educate our communities, with a specific focus on new generations, about values, concepts and practices linked to sustainable development and regenerative economy.
- **Cultural development:** We aim to contribute to the enhancement of the artistic, cultural and scientific heritage of the local territory, making it more liveable and attractive, in partnerships with local stakeholders.
- **Social innovation and inclusion:** We aim to listen to the voices of the local community, in order to understand their needs and support the most underserved and fragile groups.
- **Emergency:** We aim to help those in emergency situations in the Group's reference countries.

In addition to the projects carried out in these areas of intervention, Chiesi, as a Benefit Corporation and certified B Corp company, is also committed to advocating for a new regenerative socio-economic business model and for a greater environmental and social sustainability. We partner with other companies and organisations at local, national and international level. Examples of partnerships and collaborative initiatives aimed at this goal include:

Parma, io ci sto!

Parma, io ci sto! Chiesi is among the founders of the association “Parma, io ci sto!” (Parma, I’m in), established in 2016 to enhance the local territory by bringing 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.



Sodalitas Foundation: The foundation is a key partner for companies that consider sustainability as a distinctive factor and integrate it into business strategies. The foundation commits to affirming and promoting corporate leadership in the pursuit of sustainable development. It fosters strategic partnerships with member companies to drive community development, generate social value and contribute to an inclusive and progressive future.

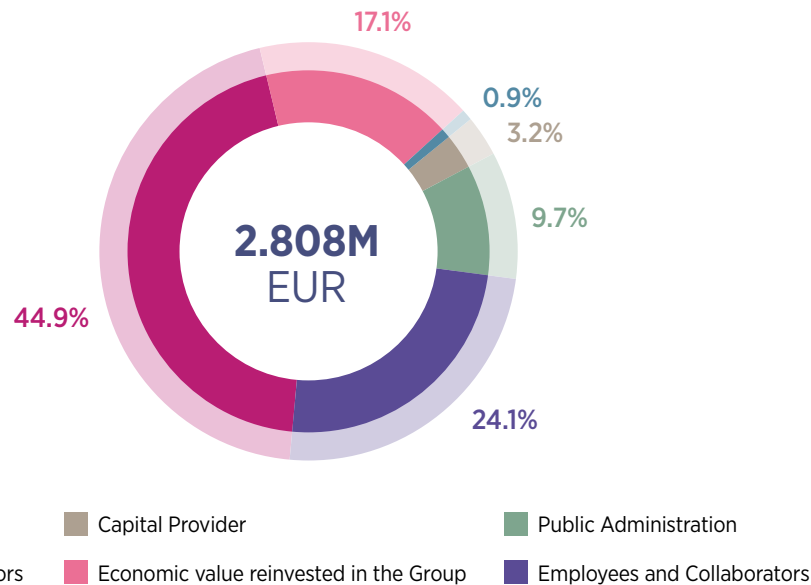
Regenerative Society Foundation: Chiesi is among the founders of the Regenerative Society Foundation, an Italian non-profit, participatory foundation established in September 2020. The foundation is a business-driven organisation, based on the synergy between business and science to develop the transition to a fully regenerative society.

Our performance

- ▶ For the year 2022, €26.1 million is the total amount devoted by Chiesi to 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.
- ▶ During 2022, we donated over 130,000 units of Chiesi drugs, with a total value of €4.5 million.²
- ▶ During 2022, over 1,600 employees were involved in volunteering activities worldwide, contributing to a total of 9,000 hours volunteered.
- ▶ The **Economic value generated** during 2022 amounted to €2.8 billion, of which €2.3 billion was distributed to stakeholders and €0.48 billion was reinvested in the Group.

² Note to the valorization at the market price: The drug donations' amount is based on the yearly average market price of the products donated. This amount represents the closest valorization 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.

ECONOMIC VALUE GENERATED AND DISTRIBUTED (€ MILLION)	2022	2021	2020
Economic Value Generated	2,807.5	2,434.3	2,334.6
Community	26.1	22.0	24.2
Capital providers	88.7	82.0	101.0
Public Administration	273.3	182.0	(38,330.9)
Employees and Collaborators	677.5	579.4	534.4
Suppliers/Vendors	1,261.9	1,023.1	1,032.4
Economic Value Distributed	2,327.5	1,888.5	1,662.7
Economic Value Reinvested in the Group	480.0	545.8	671.9



Projects and partnerships

Environmental protection

KilometroVerdeParma (HQ, Parma)

Chiesi is among the founders of the social enterprise consortium KilometroVerdeParma, which aims to create permanent forests and woodland areas in Parma and the surrounding province. The company is actively taking part in the consortium activities by setting up reforestation initiatives. Over the course of three years, the consortium has planted more than 55,000 trees, amounting to a reforested surface area of approximately 49 hectares.



Sentiero del Respiro (Chiesi Italy)

The Sentiero del Respiro (Breath Path) project, born from the collaboration between the Veneto Region and Chiesi Italy, aims to enhance the attractiveness of the area and also carry out a large reforestation operation. The project involves planting over 10,000 trees to partially compensate for loss caused by the Vaia storm. The storm hit the area in 2018, tearing down over 18 million trees in the Veneto region, affecting public works and creating a challenging situation for citizens and businesses.



Education and new generations

B Corp School (HQ, Parma)

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 sharing the same values. The project, promoted by InVento Lab (an Italian B Corp focused on education), aims to discover new entrepreneurial talents and spread the Benefit values among high school and university students. For the third year, Chiesi supported the project by awarding a monetary donation and providing in-person voluntary assistance: Chiesi employees mentored the students involved in the projects, launching a challenge related to air pollution in order to stimulate ideas and entrepreneurial skills. In 2022, over 100 students from middle and high schools in the territory of Parma were involved in the project.

Chiesi in the Community Keystone Initiative – Elementary School Engagement Program (Chiesi USA)

As part of the Chiesi USA employee-led programme (Chiesi in the Community), the affiliate supports a multi-faceted programme for Millbrook Elementary School, located in Raleigh near the Chiesi US site. The programme aims to improve the overall student learning experience and create positive and enduring change within the school. The key areas of focus are nature-based learning, environmental conservation, physical activity, and sustainable nutrition. In 2022, the project included both financial contribution and employee participation as volunteers for activities including schoolyard beautification, student welcome events and connection with external partners on specific topics.

Cultural development

Support to Chinese intangible cultural heritage (Chiesi China)

The year 2022 marked the Year of Italian Culture and Tourism in China, which has injected new vitality into bilateral exchanges. As an Italian-rooted company with a strong commitment in China, Chiesi China wants to speak up about this heritage to enhance Sino-Italian/European exchange in the healthcare and culture field. For this reason, Chiesi China supported different initiatives and local organisations during 2022. We kicked off a

project to support disabled people's Shu embroidery workshop in Chengdu's Qingbaijiang and to support the Yunnan Honghe Hani Minor Nationality's multi-phonetic song.

Cultural Exchange between TOSCANINI Foundation (Italy) and Santa Marcelina Cultura (Chiesi Brazil)

In 2022, Chiesi Brazil, in partnership with OPEM (an Italian manufacturing company headquartered in Parma), promoted cultural exchange between young Italian musicians from Toscanini Next, an orchestra part of the Toscanini Foundation based in Parma and students of Guri Project from Santa Marcelina Cultura. The affiliate has been supporting this project for many years. The objective is to provide cultural growth and social inclusion through quality music education to more than 60,000 students in the state of Sao Paulo. The cultural exchange took place at a Guri Center in a poor region of Sao Paulo, where Chiesi Brazil is located. Around 200 students and families joined the moment, a truly immersive experience for all the participants.

Inclusion and social innovation

Affitto Sicuro (HQ, Parma)

The project Affitto Sicuro (Safe Rent) was established in 2022 to contribute to fighting the housing poverty in Parma. Involving different organisations from the third sector with experience in this area, Affitto Sicuro aims to enable offer-demand matching of houses or apartments in Parma by ensuring warranties for the owners and fair rent for the low-income families beneficiary of the project. Together with supporting the start-up of the project and the communication campaign, Chiesi also donated an apartment in a building adjacent to its site in Via Palermo (Parma), previously used for business purposes, as well as a financial contribution for its renovation.

Safespots (Chiesi UK)

In 2022, Chiesi UK supported Wythenshawe Safespots, a user-led domestic abuse organisation. The centre offers support and help to women and children who have experienced or are experiencing domestic abuse by providing a local centre where they can access help, support and friendship. By supporting this cause, Chiesi UK is helping vulnerable women and children in emergency situations within the local community.

Support is provided in two ways: by giving advice on relevant topics and by being listed as an emergency contact whenever women and children need to leave their homes suddenly to escape abuse. Within the partnership, Chiesi UK employees are asked to donate goods such as clothing, toys and hygiene products.

Emergency

Flood Relief in Pakistan (Chiesi Pakistan)

During the second half of 2022, Pakistan was severely hit by devastating floods. In response to this emergency, Chiesi Pakistan has supported the affected communities through Flood Relief Camp, providing essential supplies and donating medicines for the medical camps. Chiesi Pakistan also ensured assistance to employees directly affected by the emergency through financial and medical support. Chiesi Pakistan, in collaboration with Chiesi Foundation, is in the process of phase 2 support, which involves re-building of 17 homes in flood-affected areas.



Environment



Climate change & GHG emissions ←

Responsible use of resources ←

Product sustainability ←

Animal welfare ←

Climate change & GHG emissions

This topic refers to climate change impacts including sources of Greenhouse Gases (GHG) emissions, emissions management and climate risks and opportunities. Given the urgent nature of the climate crisis, it is of the utmost importance for Chiesi to actively engage in the fight against climate change. We are currently facing a climate emergency, a planetary challenge which will affect both present and future generations. Collectively, we must do everything possible to immediately reduce GHG emissions and help all communities worldwide rapidly adapt to the consequences of rising global temperatures.

Future perspectives



Increased regulations from governments on GHG emission reduction.



Scale-up of carbon removal technologies.



Intensified debate on carbon taxes and cross-border mechanisms.



Electrification of automotive sector and future bans on fossil fuels and combustion engines.

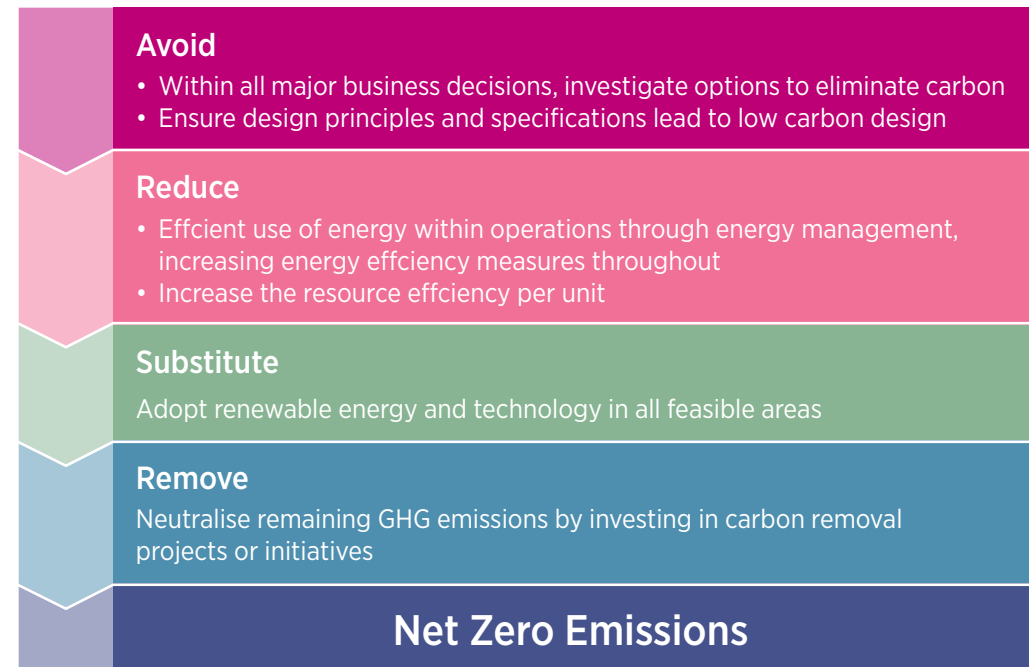


Adoption of innovative fuels, such as hydrogen, and increased importance of innovative mobility solutions, such as shared mobility.

Our approach and strategy

Chiesi is committed to reducing its GHG emissions in line with the Paris Agreement's most ambitious goal of limiting global temperature rise to 1.5°C above pre-industrial levels by 2100. To this end, we aim to achieve Net Zero emissions on direct GHG emissions and indirect GHG emissions from purchased electricity and heat (Scope 1 and 2) by 2030 and

on all other indirect GHG emissions (Scope 3) by 2035. Chiesi's GHG emission reduction targets have been approved by the **Science Based Target Initiative (SBTi)** in April 2021. We believe that comprehensive and scientific measurement standards and frameworks are essential to encourage and track progress towards a greener future. Scientific standards allow businesses to plan and implement carbon reduction targets with accuracy and transparency, playing a vital role in enabling citizens and policy makers to identify effective mitigation measures. Following the publication of the new [SBTi Corporate Net-Zero Standard](#) in October 2021, Chiesi has decided to transition from the concept of carbon neutrality to the more stringent new standard of **Net Zero Emissions**. This choice represents a game-changer and one that will definitely step up our ambition: We are working to revise our reduction targets to fully adopt the more demanding requirements of the new SBTi standard. Our mitigation strategy follows a hierarchical approach: avoid, reduce, substitute and remove. In this way, by avoiding carbon-intensive processes by design, we reduce the emissions we generate.



Our GHG emissions reduction plan focuses on: improving business operations; maximising energy efficiency; transitioning to 100% renewable electricity at all our sites (where feasible); progressing with the electrification of our car fleet; and transitioning to the [carbon minimal inhaler](#).

To reduce emissions from the production process of our pressurised Metered Dose Inhalers (pMDIs), we introduced a dedicated **propellant cryogenic abatement system** in our Italian and French manufacturing sites. This system aims to prevent emissions containing F-gas propellant (which is a greenhouse gas) to be released into the atmosphere by liquefying it instead. Furthermore, the development of our first **Carbon Minimal Inhaler** by 2025 will enable Chiesi to reduce emissions related to the propellant gas by up to 90%, resulting in significant reductions expected both in terms of production processes (Scope 1) and the use of sold products (Scope 3). More details about the improvement actions for our business operations are available in the “[Responsible Use of Resources](#)” chapter and in the Better Building project section.

With regards to Scope 2 emissions, our strategy is focused on improving energy efficiency (thanks to the implementation of ISO 50001:2018 energy management systems) and fostering 100% electric energy from renewable sources. In 2022, 99% of electricity consumed by Chiesi was from renewable sources, up from 93% in 2021. All sites, except for one affiliate and the off-site car fleet recharges, managed to purchase 100% renewable electricity. In the next years we plan to extend this approach to all our sites worldwide (where feasible). More details about our strategy on energy reductions and energy efficiency are available in the “[Responsible Use of Resources](#)” chapter.

In terms of **mobility**, Chiesi aims to reduce the environmental impact of its transportation structure. This includes encouraging our employees to opt for more environmentally friendly means of transportation, such as cycling or public transport. To this end, in terms of commuting, Chiesi offers several alternatives to the use of private cars to employees, such as contributions towards train subscription; free urban bus subscription; dedicated shuttles to and from our facilities; free surveilled bike parking at the train station; biker’s services (shower, changing rooms, dedicated

parking) and incentives (via the Jojob app with cashback for each certified sustainable home-to-work journey).

In terms of our car fleet and business travel, we implemented several measures, including a dedicated policy to limit business travel to strictly necessary situations, leading to a decrease in the number of trips. We are also working to: adopt the widespread implementation of videoconferencing technologies; optimize the number of travellers; electrify our car fleet; promote the use means of transportation with the lowest GHG emissions; organise meetings and events only in easily accessible locations.

Chiesi also aims to reduce the carbon footprint related to its **logistics** infrastructure. To this end, the company has carried out an analysis to carefully map its logistic network at a Group level, both to test the CO₂e calculation methodology and to detect inefficiencies. Within the corporate supply chain department, some procedures have already been reviewed. For example, whenever possible, sea shipments are preferred to air and sustainability is a key point in selecting logistic partners. Moreover, we regularly scout the market to understand trends and opportunities and build virtuous connection with various partners, such as suppliers, other companies and NGOs. In addition to the primary logistics efforts¹, Chiesi is in the process of mapping the impact of its secondary distribution² in terms of GHG emissions. This involves both collecting emission data and analysing the distribution network to identify the best location for its distribution center, taking into account sustainability factors relating to distribution hubs, transit points and last mile identification. This activity aims to ensure maximum efficiency in our logistic processes.

Another area where we aim to create an impact in terms of reducing GHG emission is our [value chain](#). By encouraging our suppliers and partners to reduce their carbon footprint, we can simultaneously help Chiesi in the quest to reach its climate targets. To this end, we share information with our suppliers on sustainability topics and advise them on possible pathways towards achieving their goals and emissions reduction targets. More details about our value chain evolution strategy are available in the “[Responsible Management of the Value Chain](#)” section.

¹ Primary Logistics refers to movement of goods from our three production plants to the distribution hubs.

² Secondary Logistics refers to movement of goods from the distribution hubs to hospitals, pharmacies and wholesalers.

In order to transparently report our GHG emissions performance, Chiesi decided to join the **Carbon Disclosure Project (CDP)** in 2021. The CDP is the world’s most recognised body for assessing the progress of GHG emissions reductions, strategies and concrete actions to combat climate change. In 2022, Chiesi was named on the [CDP Climate Change - A List](#)³ for its commitment to climate action and transparency, placing us among the 297 companies (out of approximately 15,000 that submitted data for evaluation) worldwide that have achieved this recognition.

To fully understand the risks and opportunities deriving from climate change for our business, we also completed a pilot project in 2022 aimed at analysing climate related risks and opportunities in accordance with the recommendations of the **Task Force on Climate-related Financial Disclosure (TCFD)** promoted by the Financial Stability Board. A dedicated report about this project is available in the [Annex VII “TCFD Report”](#).

TCFD | TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

In 2021, Chiesi launched the [#ActionOverWords](#) campaign, emphasising the importance of the larger global corporate sustainability movement and creating a dedicated platform with the purpose of promoting accountability and climate action.

ACTION OVER WORDS

Aside from reducing our own emissions, we believe in the importance of **corporate activism**. Companies can play a fundamental role in the fight against climate change by partnering with industry peers, joining international coalitions and supporting relevant frameworks and initiatives. Building on this approach, we have developed and joined several partnerships:



Race to Zero: 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.



Co2alizione: We are members of CO2alizione Italia, a collaboration of more than 50 Italian enterprises committed to incorporating a climate neutrality objective into their bylaws⁴, with the purpose to create the necessary conditions for the fight against climate change and the achievement of the European Union emission reductions targets.



Italy for Climate: We are members of Italy for Climate, an initiative of the Sustainable Development Foundation aimed at promoting the implementation of a climate roadmap for Italy, in line with the European Green Deal and the Paris Agreement. This initiative builds on cooperation and common efforts by different stakeholders including companies, governments and local administrations.



Sustainable Development Foundation: We are members of the Sustainable Development Foundation, an authoritative point of reference on the topic of green economy. The foundation is committed to constantly elaborating and disseminating publications, studies, and research on sustainable development.

³ The A grade is included in the Leadership band (given to those companies which are implementing current best practices) and is higher than Europe regional average of B and higher than the Biotech & Pharma sector average of B.

⁴To this end, in 2022 Chiesi Farmaceutici modified one of its common benefit purposes included 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”.

Our performance

GHG EMISSIONS INVENTORY	2022		2021		2020		2019	
	TONNES CO ₂ e	% BREAKDOWN	TONNES CO ₂ e	% BREAKDOWN	TONNES CO ₂ e	% BREAKDOWN	TONNES CO ₂ e	% BREAKDOWN
Total emissions (Scope 1)	48,302	5.2%	43,644	5.1%	41,757	5.2%	48,936	6.1%
Total emissions market-based (Scope 2)	818	0.1%	1,771	0.2%	2,061	0.3%	15,572	2.0%
Total emissions (Scope 3)	879,251	94.7%	813,523	94.7%	760,412	94.6%	732,064	91.9%
Total emissions	928,372	100.0%	858,938	100.0%	804,230	100.0%	796,572	100.0%

DIRECT (SCOPE 1) GHG EMISSIONS (TONNES CO ₂ e)	2022	2021	2020	2019
Biogenic CO ₂ emissions	1,105	2,027	1,275	581
Direct emissions	48,302	43,644	41,757	48,936

Our Scope 1 GHG emissions for 2022 derive from propellant losses during manufacturing processes (62%), stationary emissions deriving from heating processes (16.5%), emissions deriving from our car fleet (20%) and refrigerant loss from our buildings (1.5%). Biogenic GHG emissions are reported separately as required by GRI Standards.

There has been an almost 11 % increase in Scope 1 emissions compared to 2021. This is due to a 16% increase in process emissions, driven by an increase both in pMDI cans filling and spray testing (15% and 21% respectively from 2021). Mobile emissions have also increased due to increased travel following the easing of pandemic restrictions.

Biogenic emissions have decreased due to a reduction in renewable electricity purchased using biomass certificates compared to 2021. The remaining emissions came from

bioethanol consumption for our Brazil car fleet. Scope 1 emissions decreased by 1% compared to 2019, mostly due to decrease in car fleet emissions, although this was almost entirely balanced by an increase in process emissions.

ENERGY INDIRECT (SCOPE 2) GHG EMISSIONS (TONNES CO ₂ e)	2022	2021	2020	2019
Total emissions location-based (Scope 2)	11,285	12,376	12,990	12,939
Total emissions market-based (Scope 2)	818	1,771	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.

Location-based emissions are driven by electricity consumption. Overall electricity consumption has decreased by 2%. Compared to 2021, emissions are down 9% benefiting

from reduction in emission factors due to greening of the grid. Market-based emissions have reduced due to a shift in consumption from non-renewable to renewable sources. In 2022, 99% of the electricity consumed by Chiesi came from renewable sources, up from 93% in 2021. All sites, except for one affiliate and off-site car fleet recharges, managed to purchase 100% renewable electricity. Another driver of the change in Scope 2 emissions is represented by a reduction in district heating consumption. The considerable reduction in Scope 2 market-based emissions against 2019 baseline (-95%) is mainly attributed to the shift towards electricity from renewable sources.

OTHER INDIRECT (SCOPE 3) GHG EMISSIONS (TONNES CO ₂ e)	2022	2021	2020	2019
Other indirect emissions	879,251	813,523	760,412	732,064

Our Scope 3 emissions in 2022 from upstream processes account for approximately 25% of the total scope 3 emissions, while downstream processes account for the remaining 75%.

The major source of Scope 3 emissions – representing 75% of the total – is the category “Use of Sold Products”. Emissions within this category have increased by 8% due to a 7% increase in sales volumes compared to 2021. Overall Scope 3 emissions increased by 20% against the 2019 baseline. Within the same period, Chiesi Group’s revenues increased by 38%. The increase in Scope 3 emissions is driven mainly by a 21% increase in emissions from use of sold products, specifically pMDI propellant emissions and by an increase of the emissions from purchased goods and services category of emissions, which also grew by 29% compared to 2021 due to an increase in Group’s spending (about +42% within the same timeframe).

GHG EMISSIONS INTENSITY (TONNES CO ₂ e/ mln eq. units)	2022	2021	2020	2019
GHG emission intensity (Scope 1 + Scope 2 location based)	476.84	492.59	458.73	499.22
GHG emission intensity (Scope 1 + Scope 2 market based)	408.17	408.60	381.55	552.53

The GHG emission intensity is calculated dividing the GHG emissions (Scope 1 and Scope 2) of the production plants by the production volume (reported as millions of Equivalent Units produced). The production sites taken into account are Blois, Santana de Parnaiba, and Parma.

Location-based emissions are calculated considering the national energy mix, while market-based emissions consider energy contracts in place, thus highlighting the benefits of renewable electricity sourcing. When GHG emission intensity is calculated on a location-based perimeter (Scope 1 + Scope 2 location-based), we note that location-based emissions at manufacturing sites increased by 9% compared to 2021 due to increased pMDI production driving up process emissions. However, due to an increase of 12% of Equivalent Units produced, overall GHG emission intensity decreased by -3,2%.

When GHG emission intensity is calculated on a marked based-perimeter (Scope 1 and Scope 2 market-based), process emissions are even more relevant because renewable energy has a nearly zero impact on GHG emissions (and therefore process emissions are the main driver of the calculation). For this reason, the increase in pMDI production and related process emission result is almost counterbalanced by the similar increase of Equivalent Units produced. Therefore, intensity registered a very small change compared to 2021 (- 0.1%). In both cases, GHG emission intensity decreased compared to 2019 values due to the shift towards renewable energy in both the national and company mix.

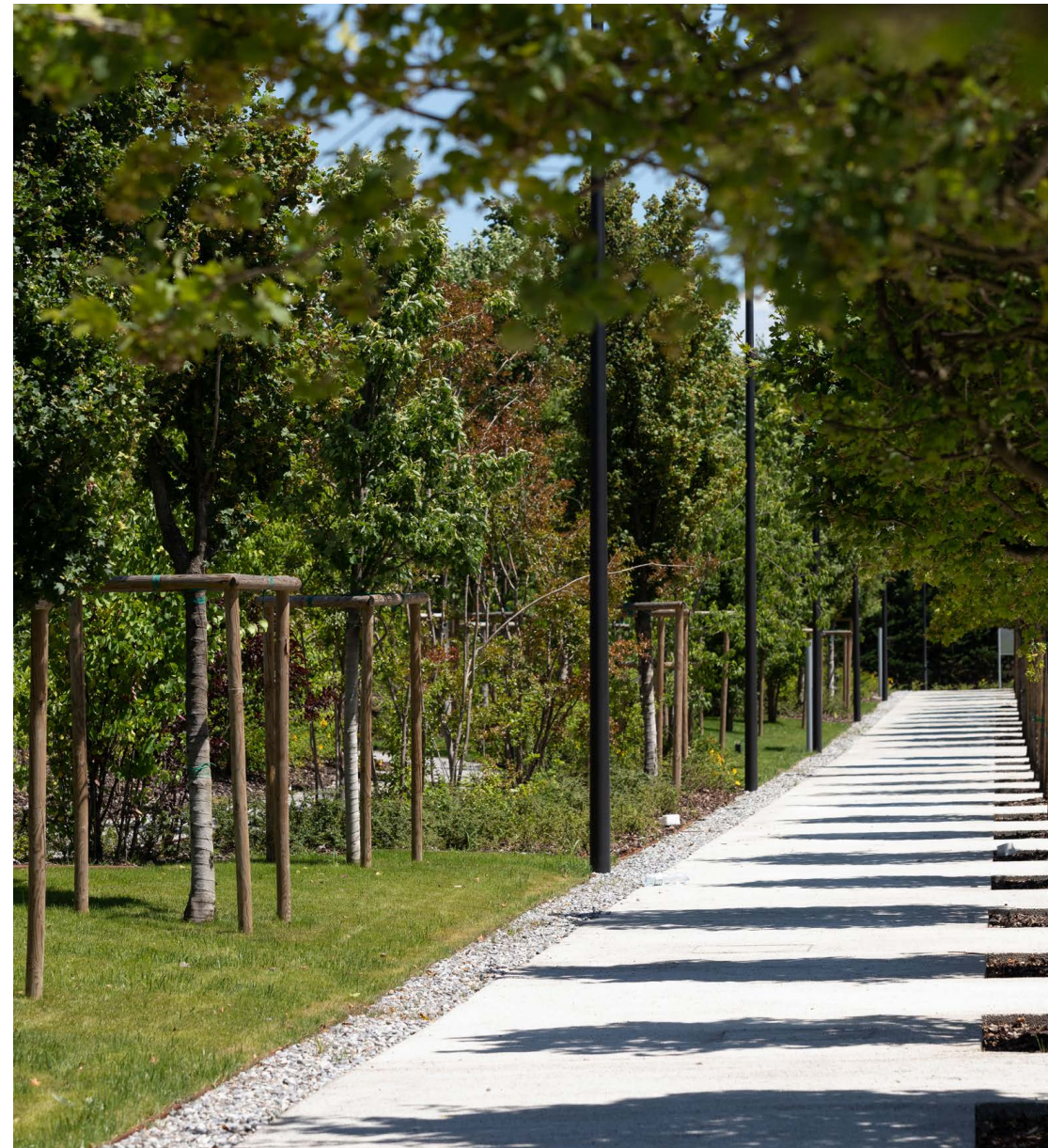
- Mobility:** In 2022, we installed 43 charging stations (2 points) and 12 wall boxes at our Italian sites and added 34 hybrid cars to our car fleet. The 2023 activity foresees the installation of 43 more charging stations (reaching a total of 86 charging columns across the Italian sites), 26 wall boxes and replacing about 50 fossil fuel cars with hybrid or electric models. During the year, our Corporate Mobility department improved the E-Save forecasts tool, which aims to chart a reduction curve of the GHG emissions from our entire car fleets across different affiliates, taking into consideration country specificities such as taxation and public incentives. The E-Save tool was rolled out to our affiliates during the second half of 2022.

Projects

Carbon Minimal Inhaler

Since one of the greatest contributors to our GHG emissions comes from the propellant gas contained in some of our devices for inhalation of antiasthmatic drugs, reducing emissions derived from these therapies is a key focus. The Carbon Minimal Inhaler project aims to overcome the challenge represented by the high climate-altering effect caused by the propellant gas present in so-called pressurised Metered-Dose Inhalers (pMDIs) or spray inhalers, which are used to release the drugs effectively. Chiesi plans to replace the current propellant (HFA 134a) with a new one called HFA152a, which has a much lower Global Warming Potential (GWP) and can reduce the carbon footprint of inhalers by up to 90%. In 2019, Chiesi became the first company to announce this solution while also continuing to invest in Dry Powder Inhaler (DPI) technology 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. The Carbon Minimal Inhaler is expected to be developed by 2025, with the goal of extending the availability to all geographic areas in which we operate by 2030.

The Carbon Minimal Inhaler project requires a 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 2022, we announced the positive readout of the initial studies on a leading product for the treatment of asthma and COPD, formulated with the new low global warming potential propellant. The promising results showed a similar profile when compared to the current formulation ahead of next phase of development and confirming Chiesi is on track to meet the timeline for the development. In parallel, similar trials have also progressed at pace with the other products in the portfolio. We look forward to announcing further results in 2023. Another key milestone in 2022 was related to the opening of the first industrial facility dedicated to the production of medical-grade HFA152a propellant. We maintain an open dialogue with various customers and stakeholders, including medical institutions and consortia, patient groups and healthcare providers, governments and institutions.



Responsible use of resources

This topic refers to the responsible management of resources: it covers energy use, reductions and alternative energy sources, as well as use, management and conservation of water resources, waste management and recycling.

Future perspectives



Increased attention towards building renovations to reduce GHG emissions and lower heating and cooling costs.



Extreme volatility of global energy prices.



Water scarcity, droughts, and flooding make water management an important disclosure area for companies due to upcoming regulations (e.g. TCFD).



Growing attention towards circular management and recycling of electrical equipment and rare materials.



Increased expectations towards virtuous waste management practices.



Rise of renewable energy sources and innovative energy sources (e.g. hydrogen, ocean waves) approaching scalability.

Our approach and strategy

Chiesi is committed to detecting and eliminating any adverse environmental impact to benefit the health of current and future generations. We strive to reduce the environmental impact of our products and activities by favouring the adoption of sustainable solutions, reducing the consumption of resources and energy, improving the efficiency of our production processes and selecting certified partners. Our approach and objectives

are based on scientific criteria and we structure our governance system to facilitate the achievement of these objectives.

- Energy:** Our goal is to reduce energy consumption, increase energy efficiency and promote the best energy practices across its operations. To this end, we are establishing appropriately structured energy management systems at all our sites. The Research Centre in Parma (Italy) and the manufacturing sites in Parma (Italy), Blois (France) and Santana de Parnaiba (Brazil) are certified against the ISO 50001:2018 standard. Such a standard allows companies to systematically pursue the continuous improvement of their energy performance, covering areas from energy efficiency to energy use and consumption. Besides improving our energy performance, we also want to help the ecological transition and reduce the GHG emissions linked to our energy use. Chiesi is committed to meeting its electrical energy need exclusively from renewable sources, phasing out the use of fossil fuels. This means favouring electricity from renewable sources based on green energy procurement criteria or initiatives, such as Power Purchase Agreements (PPAs), a potential direct investment in the development of a new renewable energy plant, or strict requirements to ensure high quality supply of green energy. During 2022, 99% of electricity consumed by Chiesi came from renewable sources, up from 93% in 2021. All sites, except for one affiliate and the off-site car fleet recharging, managed to purchase 100% of their electricity from renewable sources. Over the next few years, we plan to extend this approach to all our sites worldwide where feasible. Furthermore, we are trying to foster the use of biogas and bioethanol as energy sources replacing non-renewable fuels and to increase the share of energy self-produced.
- Water:** Due to the nature of the therapies we manufacture, some of our pipelines include legally required water-intensive cleaning processes that also generate a significant amount of waste. We are committed to reduce the amount of water used in our processes and to explore innovative approaches to this challenge. After several years of research and development, we have developed a system that enables us to recover part of the water used in our cleaning processes during manufacturing. In 2022, within the context of the TCFD assessment, we conducted an in-depth analysis

of the risks and opportunities related to water, such as water scarcity, droughts and flooding. For more detailed information, please refer to [Annex VII “TCFD Report”](#).

- Waste:** We aim to reduce total waste, both hazardous and non-hazardous, generated at our sites. To achieve this goal, the Group places great emphasis on implementing efficient production and waste disposal control systems, as well as reduction measures. Our three production plants – which together generate almost 83% of our Chiesi Group waste – and our headquarters, our Research Center in Parma and our logistic site in Fontevivo are certified against ISO 14001:2015. Each site has developed an environmental management system aimed at implementing best practices in terms of waste management and recycling. To further reduce the amount of waste produced, we have introduced new technologies and processes, such as the new water discharge treatment at our Parma production plant. This state-of-the-art system aims to better concentrate the liquid residues (mud) derived from wastewater treatment operations. The technology has provided a significant benefit in terms of waste reduction coming from these operations, which in the past represented the majority of waste produced on site. Moreover, it has also yielded significant cost savings for Chiesi. We acknowledge that there are additional opportunities that we can take to further reduce waste through this process. We are currently exploring these possibilities and hope to develop them further.

Our performance

► Energy

Total energy consumption increased by 1% compared to 2021, driven by a rise in petrol consumption for our car fleet, while the 2% reduction compared to the 2019 base year is due to significant drop in diesel consumption for our car fleet. Fuels used for heating and production processes recorded a 1% reduction compared to 2021, mainly driven by reduction of natural gas due to the complete manufacturing transfer from Via Palermo Parma site to San Leonardo Parma site, as well as the

full switch from natural gas to biomethane at our sites in France and the UK. While renewable electricity represented 20% of the total Group electricity consumption in 2019, this percentage was as high as 93% in 2021 and 99% in 2022. Renewable energy represents 40.7% of the Group total energy consumption.

ENERGY CONSUMPTION WITHIN THE ORGANISATION (GJ)	2022	2021	2020
Total non-renewable fuel consumption	279,431	278,023	228,643
Diesel	94,503	96,505	80,982
Gasoline	44,960	35,255	14,039
LPG	240	167	154
Natural Gas	139,728	146,096	133,468
Total renewable fuel consumption	17,268	9,078	3,611
Bioethanol	7,948	4,880	3,611
Biogas	9,320	4,198	-
Total energy purchased	194,680	199,288	191,460
District cooling	31	27	-
District heating	11,872	12,763	11,232
From non-renewable sources	2,366	13,368	26,504
From renewable sources	180,412	173,130	153,723
Electric energy self-produced from renewable sources	3,825	2,232	459
Total energy consumption within the organisation	495,204	488,621	424,173

► Water

Water withdrawal shows an overall general increase of 7% compared to 2021. On a total of 20 megalitres compared to 2021, more than half of the increase (65%) comes from the San Leonardo plant, due to increased production of most water-demanding process Unit Dose Vials (in 2022, San Leonardo incorporated also Via Palermo plant contribution). The implementation of a water recovery system (cooling tower water re-use) by the local engineering team in May 2022, avoided a further rise in water consumption and saved approximately 12 megalitres. As for commercial sites, water

withdrawal increased because more people returned to offices after the relaxation of Covid-19 restrictions. Water withdrawal from water stress areas, identified through the most recent GRI standards, represent 7.4% of total water withdrawal in 2022. This value shows an increase in comparison to 2021. The Santana de Parnaiba plant in Brazil causes the most relevant contribution affecting withdrawal increase in water-stress areas. However, the local engineering team developed a water management system and obtained the ISO 46001 certification in 2022. For additional tables and comments related to water (water discharge, water consumption, etc.), see [Annex IV: “Chiesi Sustainability Performance”](#).

TOTAL QUANTITY OF WATER WITHDRAWAL (megalitres)	2022		2021		2020	
	All areas	of which water stress areas	All areas	of which water stress areas	All areas	of which water stress areas
Surface water (total)	0.55	-	1.97	1.29	3.18	0.89
Freshwater	0.00	-	1.97	1.29	3.18	0.89
Other water	0.55	-	-	-	-	-
Groundwater (total)	28.66	-	24.23	0.60	24.43	2.41
Freshwater	28.66	-	24.23	0.60	24.43	2.41
Other water	-	-	-	-	-	-
Third-party water (total)	298.67	24.26	279.95	16.38	257.92	17.54
Freshwater	298.08	23.67	279.15	16.03	256.79	16.76
Other water	0.59	0.59	0.80	0.35	1.13	0.78
Total water withdrawal	327.88	24.26	306.15	18.28	285.54	20.84

► Waste

During the year 2022, at Group level, the decreasing waste production trend has been confirmed with a decrease of about 466 tonnes compared to 2021 (-16.7%). The production plants in Italy, France and Brazil accounted for almost 83% of the overall

amount of waste generated by the Group. This means that their trend significantly affects the overall trend of the Group. In particular, measures of optimisation of sludge generated by washing waters treatment already started in the last quarter 2021 at our Parma plant led to an additional decrease of 388 tonnes in 2022 compared to 2021. Recycling affected more than 76% of total waste, up from about 62% in 2021.

WASTE DIVERTED FROM DISPOSAL AND WASTE DIRECTED TO DISPOSAL, BY RECOVERY OPERATION (tonnes)	2022			2021			2020		
	Hazardous	Non-hazardous	Total	Hazardous	Non-hazardous	Total	Hazardous	Non-hazardous	Total
Waste diverted from disposal	388.44	1,399.13	1,787.57	499.48	1,241.69	1,741.17	361.93	1,628.13	1,990.06
Other recovery operations	0.05	3.72	3.77	0.05	5.30	5.35	-	14.88	14.88
Preparation for reuse	0.28	0.46	0.73	0.90	4.48	5.38	1.50	4.05	5.55
Recycling	388.12	1,394.94	1,783.06	498.53	1,231.91	1,730.45	360.43	1,609.20	1,969.63
Waste directed to disposal	190.35	357.57	547.92	227.38	833.78	1,061.16	173.50	1,599.31	1,772.81
Incineration (with energy recovery)	79.90	100.26	180.16	81.39	101.87	183.26	36.07	81.50	117.57
Incineration (without energy recovery)	26.79	12.55	39.34	21.71	9.17	30.88	65.46	17.74	83.20
Landfilling	-	33.32	33.32	22.07	15.35	37.42	16.44	14.80	31.24
Other disposal operations	83.67	211.44	295.10	102.21	707.39	809.60	55.53	1,485.27	1,540.80
Total weight of waste generated	578.80	1,756.69	2,335.49	726.87	2,075.47	2,802.34	535.43	3,227.44	3,762.87

Projects

Better Building

Launched in 2020, 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. The programme focuses on reducing the environmental impact on natural systems and local communities, from the processes of new constructions to the operations of existing structures.

The main targets of the programme are:

- Creating awareness and consciousness among the people working in the buildings, so that they can actively contribute to a better future.
- Prioritising sustainable building practices when evaluating existing locations and designing sustainable facilities and offices when constructing new ones. In this way, Chiesi offices become models for restoring local biosphere (planet) and improving people’s well-being (people).

We achieve progress by taking into account the entire lifecycle of a building, from its design, to construction and finally to its operation and by carrying out continuous monitoring to track the progress of improvement processes. The programme is designed to develop a conscious community through a proactive ecosystem, where everyone of us is a leader and a contributor. Buildings are initially evaluated during an assessment phase, which is followed by a specific action plan to improve the building’s environmental performance. After the implementation of the action plan, buildings remain in a path of continuous improvement, which is also driven by sharing best practices 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 ones, covering the following aspects: office purchases, food and beverage, facility maintenance, green cleaning, green IT, site management, pest control and general administration. To date, the Better Building programme has been successfully implemented in 31 of our existing locations worldwide. We plan to extend the programme to a further 12 locations in 2023.



Parma HQ:
LEED Platinum
ISO 14001
ISO 45001



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



Blois (production site):
LEED Gold
ISO 14001
ISO 45001
ISO 50001



Parma (production site):
ISO 14001
ISO 45001
ISO 50001



Santana de Parnaiba (production site):
ISO 14001
ISO 45001
ISO 50001



Fonte vivo (Logistic site):
LEED Gold
ISO 14001
ISO 45001
ISO 50001

Waste reduction from wastewater treatment

The project was created with the aim of reducing the amount of industrial waste generated by pharmaceutical processes and simultaneously reducing the management costs and carbon footprint of the wastewater life cycle. The installed technology takes advantage of the vacuum evaporation process, which, by ensuring the boiling of the solution at a low temperature, is also cost-effective from an energy perspective. The new system was inserted downstream of the existing wastewater treatment plants.

Over the whole of 2022 we recorded an 80% reduction in wastewater volume and a distilled water recovery of more than 1,000 m³/year. The recovered water was then piped into the utilities cycle. In addition, a wider project was implemented for the recovery of water and the optimization of consumption with relevant results. By the end of 2022, a recovery of 12,000 m³/y, the equivalent of 5 Olympic-size swimming pools, was recorded. The recovered water was reused in the industrial cycle, specifically as make-up water for replenishing evaporative towers. Looking ahead to 2023, the projection of the water recovery plant is to exceed 20,000 m³/y.



Product sustainability

This topic refers to evaluating and managing the environmental impact of our products taking into consideration the entire life cycle along the value chain. Aspects of manufacturer responsibility for their products are included in this topic, as are industry-specific models to reduce the environmental footprint of products and services, circular design and models, efforts to eliminate waste and reduce the use of virgin materials as well as virtuous materials management practices.

Future perspectives



Increased attention towards recyclability, reuse, as well as the reduction of plastic and water consumption from all stakeholders.



Stronger awareness and preference for sustainable products.



Growing regulations on materials, chemicals and packaging at both EU and global level.



Proliferation of misleading green labels and claims (greenwashing) with the potential of deceiving sustainability-oriented customers.



Circular economy solutions (and metrics) becoming available and scalable.



Increased attention and regulations - both mandatory and voluntary - on biodiversity.

Our approach and strategy

As a B Corp, Chiesi is committed to keeping its environmental impact as low as possible. For this reason, we are continuously studying sustainable solutions for our products and

supporting a green design approach across all phases of our products (both in pipeline and on the market), to contribute to the UN SDGs and meet the demands of future regulations. Being a pharmaceutical company, the largest portion of Chiesi's environmental footprint is associated with its products. Therefore, we want to intentionally consider the sustainability aspects starting from the outset of the early design phase. We give sustainability the same level of importance that has been traditionally given to all the other important attributes of products, such as their therapeutic performance, safety, quality and cost.

In 2021, Chiesi launched the **Eco-Friendly Products** programme with the purpose of reinforcing and improving the environmental sustainability profile of the company's therapies. The programme has four objectives:

- Assessing the environmental sustainability of Chiesi products in accordance with circular economy principles.
- Improving the sustainability profile of our products.
- Supporting a green design approach for our products, to contribute to the UN SDGs and meet the demands of future regulations.
- Participating in international working groups that contribute to environmental sustainability guidelines and interacting with regulatory agencies.

To equip its researchers with a practical and effective instrument, Chiesi developed an internal **Life Cycle Perspective (LCP)** tool, designed to assess and stimulate the improvement of the environmental sustainability of Chiesi products in accordance with circular economy and green design principles, starting from the initial phases of product design.

By collecting insights from all development phases, the LCP tool enables informed decision-making through the analysis of four main areas - chemistry, design and materials, natural resources, ethics - providing a synthetic score for each area. The LCP tool is already applied to all new products under development and will also be extended to evaluate sustainability opportunities for the products already on the market. With the

help of the LCP tool, many colleagues are actively working to improve packaging solutions, including primary, secondary and transit packaging. Several initiatives are currently under study, with a focus on reducing plastic reduction, using alternative materials and enhancing recyclability.

Another important field of study concerns the **end-of-life management** of our products. Within the Eco-Friendly Products programme, we are working to analyse pharma waste management options and potential end-of-life treatments of pharmaceutical products across the major EU countries. There are significant differences among EU countries in terms of environmental regulations, recycling infrastructures, established systems for managing end-of-life medicines, level of awareness on environmental issues and other enabling conditions to develop take back schemes for pharma waste.

Chiesi is also committed to the responsible use of chemicals. We operate with the goal of minimising their use or selecting those that are least hazardous so that their potential effects on human health and the environment can be reduced or prevented. Since 2019, an internal Sustainable Chemistry Policy has been in place outlining the principles and measures to be implemented to ensure that chemicals and materials produced by Chiesi do not have a negative effect on human health or the environment.

In addition to the Environmental Risk Assessment (ERA) for the evaluation of excretions impact resulting from the intake of drugs, since 2020, a risk assessment system is in place to evaluate the potential impact of the release of active pharmaceutical ingredients (APIs) in industrial effluent and wastewater from production sites, in line with the guideline of European Federation of Pharmaceutical Industries and Associations (EFPIA). A new internal project, Pharmaceuticals in the Environment (PiE), was launched to assess the potential impact of APIs in the wastewater at the production sites. Chiesi's approach focuses on the identification of potential environmental risks of existing and new active pharmaceutical ingredients, following the EFPIA's technical guidance for the responsible management of manufacturing effluents. The methodology applied by Chiesi defines the level of risk associated with the potential release of pharmaceutical compounds into

the environment, which is known as the Risk Quotient (RQ)¹. Key factors to determine the environmental RQ are the PNEC (Predicted No Effect Concentration)² and the PEC (Predicted Environmental Concentration)³. The objective is that of keeping the risk under control (Risk Quotient-RQ < 1). If a risk is identified (RQ ≥ 1), areas for intervention will be selected.

Besides this, quality and safety are other key elements of our therapeutic solutions. Chiesi's products are produced in accordance with European and international laws, regulations and standards (e.g. EU Good Manufacturing Practices, European Medicines Agency, US FDA, Sino FDA, Brazilian ANVISA), in sites authorized by the relevant national and international regulatory bodies. Chiesi's production plants (i.e. France, Italy and Brazil) are constantly subject to inspections and assessments to verify compliance with current legislation and internal regulations. The company also performs periodic self-inspections to maintain a high-quality control system. Chiesi tracks and analyses all relevant safety and quality information in a transparent and timely manner in full compliance with applicable laws and best practices to safeguard patient safety. 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.



¹ The RQ predicts the probability of reaching a concentration that may show adverse effects for a given pharmaceutical ingredient if released into the environment.

² The PNEC is the result of ecotoxicity tests, from which a toxicity threshold is defined by applying assessment factors according to guidelines (e.g. ECHA, EFPIA).

³ The PEC is derived in a first phase by applying mathematical models to the production site and then analysing waste-water sampling from the site.

Our performance

► Life Cycle Perspective assessment

- The initial version of the LCP Life Cycle Perspective tool is dated 2019. From 2020 onwards, LCP_V1 has been utilised to assess the impact of R&D products. LCP_V2 was released in 2022 featuring a transcoding matrix to support the scoring process and to enable a more structured measurement of the above-mentioned areas.
 - In 2022, the Life Cycle Perspective analysis was extended and the assessment of all R&D pipeline products from early development to LCM has been completed. The assessment was also applied to a group of commercial products, representing 35% of units sold in 2022.
 - The LCP analysis will continue in 2023 to cover additional commercial products and new product entering the R&D pipeline.
- During 2022, we performed an **end-of-life landscape analysis** of 11 EU countries to evaluate potential opportunities for end-of-life management improvement. Furthermore, a new take back scheme - “Recupera e Respira” - was launched in Italy (see below for more details).
- **FSC paper usage** for secondary packaging is consolidated for internal production and its usage has been agreed with 100% of our outsourced manufacturing suppliers. Due to a worldwide shortage of raw material experienced in 2022, some exceptions have been made to guarantee products availability and patient access to products.



Projects

 **Location: UK**

 **Scope: Regional**



In 2021, Chiesi launched the Take Air (Take Action on Inhaler Recycling) as a 12-month pilot in the Leicestershire and Rutland area of the UK and subsequently extended it for a further year. The objective was to investigate whether the postal system serves as a viable means of transportation for inhalers to recycle them safely and effectively. The public was able to return used or unwanted inhalers using pre-paid envelopes. The devices were sent to a specialised site for responsible recycling of some of the components of pressurised metered dose inhalers and environmentally appropriate disposal of non-recyclable components. Through the scheme:

- Aluminium canisters are crushed and recycled.
- Plastic components that can be recycled are processed and reintroduced into the plastic supply chain.
- Remaining propellant gas is extracted and reused in various items, such as refrigerators and air conditioning units.

Non-recyclable materials are converted into energy through a process called energy-from-waste by high temperature incineration. Participation by pharmacies has been high with 67% of pharmacies in the target region taking part. Across the two years of the project, 14,060 envelopes carrying 52,148 pMDI's were returned through the scheme.

 **Location: Italy**

 **Scope: Regional**



Chiesi launched the Recupera e Respira (Take Back and Breathe) project in 2022, as a 2-year pilot programme in the Friuli Venezia Giulia region. The goal is to recover and dispose of inhalers in an environmentally friendly and safe manner. The public can return used or unwanted inhalers to local pharmacies. Specialised operators collect the devices and send them to a certified waste-to-energy facility where the inhalers are incinerated and the energy is recovered. After the pilot project in the Friuli Venezia Giulia region, the initiative could be extended to other Italian regions with the collaboration of Federfarma-affiliated pharmacies. Currently, the project is in its early stages and it is planned that the results will be properly analysed once further established. Around 94% of the total pharmacies in the region are participating in the project.

 **Location: France**

 **Scope: National**



Chiesi is part of the Collecte Gaia project, a nationwide awareness initiative launched in 2018 in partnership with Cyclamed, with the objective to raise public awareness about the importance of returning unused inhalers to local pharmacies for safe disposal. The campaign is delivered through various channels including videos displayed in medical facility waiting rooms, billboards, posters and prescription stickers. Once returned to pharmacies, the inhalers are collected before being sent for incineration by Cyclamed.

Animal welfare

This topic refers to animal studies and animal testing that are required by healthcare regulatory authorities and enable R&D-focused pharmaceutical companies to guarantee the safety and the efficacy of products. It is a key aspect to ensure the responsible use of animals to be ethically appropriate in research practices where suitable non-animal alternatives are not available.

Future perspectives



Possible changes in regulatory patterns that minimize the use of animals, such as the FDA recent statement indicating that certain studies no longer require animal testing.



New technologies (e.g. artificial intelligence) could help to minimise and eventually replace the need for animal testing.

Our approach and strategy

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. Regulatory authorities require us to test 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 respecting their well-being at all times. This objective is pursued according to the principles of the 3Rs by adopting the latest scientific and technological innovations. 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 by obtaining information from fewer animals or more information from the same number of animals;
- **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.

Our performance

- ▶ Chiesi successfully maintained the AAALAC certification, obtained in 2021. Next certification is scheduled for the year 2024.

Projects and examples

AAALAC certification

The Association for Assessment and Accreditation of Laboratory Animal Care (AAALAC) is a private, non-profit organisation that promotes the humane treatment of animals in science through voluntary accreditation and assessment programmes. The association endorses the use of animals to advance medicine and science when there are no non-animal alternatives, and when it is done in an ethical and humane way. In June 2021, the Chiesi animal facility received the full accreditation from AAALAC. This is 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 established a further expansion of our animal welfare culture, better research practices and outcomes, and an improved compliance with 3Rs. These achievements provide a firm foundation for any future goal we may set in this area.

Value Chain








Responsible management of the value chain ←

Human rights ←

Responsible management of the value chain

This chapter refers to the management of the value chain and to the practices for responsible procurement, production and distribution of goods and services. This includes engagement of the value chain to promote the integration of the shared value mindset throughout the partner selection and evaluation processes in addition to the business relationships with suppliers, collaborators and partners.

Future perspectives

-  Increased attention towards sustainability.
-  Stronger preference for local suppliers.
-  Possible introduction of a worldwide carbon tax with cross-borders implications.
-  Upcoming Due Diligence legislation in the EU, which has already been approved in selected countries, such as Germany.
-  Disruptive global trends, such as China-US rivalry, global supply chains shocks and high inflation.

Our approach and strategy

At Chiesi, we strongly believe in interdependence, a principle that transforms the traditional value chain into an ecosystem where each party is essential to the others as we engage in mutual learning and co-evolution.

As a Benefit Corporation and a certified B Corp, we strive to engage and involve all players in our ecosystem to evolve towards a more sustainable and inclusive value chain for the pharmaceutical industry. In this endeavour, we promote our principles of sustainable governance and ensure our business partners' compliance on a number of issues, such as human rights, environmental protection and ethical working methods.





The **Value Chain evolution** programme consolidates a comprehensive framework of actions that Chiesi is taking within its ecosystem. The main streams of activities are:

- **Vendor Qualification and Evaluation:** Since 2019, the vendor qualification process, which represents the rules for selecting and engaging our suppliers, has incorporated sustainability parameters alongside other selection criteria. In 2022, the approach was extended to seven additional affiliates. About 95% of Chiesi expenditure is currently covered by a unique vendor qualification process, which is the starting point for the evolution of our ecosystem with improvement plans.
- **Code of Interdependence:** Co-created with our business partners and suppliers back in 2019 and subsequently revised in early 2022, the [Code of Interdependence](#) is a set of common values through which Chiesi aims to only collaborate with companies and partners that share our commitment to sustainability. The Code serves as the foundation of our sustainable relationships with business partners. It is built upon eleven of the UN SDGs. The Code includes both “mandatory requirements” which represent a minimum level to be implemented and “improvement actions” which represent a guide for those wishing to go even further towards implementing future improvements to the principles outlined in the document. We also started auditing our suppliers based on their compliance with the Code of Interdependence. This process is aligned with the Pharmaceutical Supply Chain Initiatives (PSCI), ILO (International Labour Organisation), UN SDGs (Sustainable Development Goals) and B Corp principles.
- **EcoVadis:** We selected the EcoVadis platform to evaluate the sustainability level of our strategic suppliers through a third-party international and state-of-the-art provider. By analysing our business partners on elements such as ethical behavior, environmental

protection, labour and human rights, our sustainable procurement practices and ethical business practices can be reinforced. EcoVadis parameters are closely linked to Chiesi’s own sustainability goals and allow to assess our vendors based on their level of sustainability. We also use the information provided through the EcoVadis scoring system to monitor our own progress on our Scope 3 emissions goal. An important benefit of the EcoVadis scoring system is its ability to allow Chiesi to engage in and continue a dialogue on sustainability with our partners encouraging them to deepen their own commitments in line with our own goals.



- **Supply Chain infrastructure:** The logistic infrastructure of our supply chain plays a key role in promoting our sustainability approach and reducing GHG emissions as detailed in a dedicated section of the [Climate Change & GHG Emissions chapter](#). We are therefore committed to evaluating our distribution centres by using a dedicated tool that can easily identify their sustainability strengths and any needed area for improvement.
- **International Markets Development Division (IMDD):** The internal division responsible for managing export markets and further internationalisation projects is vital to our value chain as it embraces sustainable business models and offers tailor-made strategies for developed and developing countries. Our IMDD colleagues work vigorously to extend our sustainability efforts and positively influence our partners by providing specific examples and strategies to enhance their own sustainability capabilities. Interdependence and collaboration are key elements of our relationships with business partners around the globe.

Our performance

- ▶ In 2022, 95% of Chiesi expenditure was covered by vendor qualification process.
- ▶ In 2022, 91% of our new strategic suppliers (strategic suppliers represent 80% of total expenditure) were covered by the Code of Interdependence. We audited 19 suppliers to verify their compliance with our Code of Interdependence, either through our audit process or through self-assessment questionnaires.
- ▶ 51% of Chiesi strategic expenditure (representing 80% of total expenditure) is certified by the EcoVadis platform.

Projects

Vendor Day & Suppliers Award

Chiesi's Vendor Day is an annual event held in November to engage suppliers in the company's sustainability journey. On this day, Chiesi members and top management present the medium to long-term objectives the company aims to achieve with the help of its partners, particularly in the field of sustainability. One of the highlights of the event is the Supplier Award ceremony, which recognises those partners that have performed exceptionally with Chiesi and have notably contributed to the sustainability aims through specific projects and initiatives in different business areas.



Value Chain education

Chiesi's Value Chain Evolution programme focuses on activating a continuous circle of support and improvement within our ecosystem. To this end, we are working to create a training program to promote the acquisition of new skills and competences in the field of sustainability by our business partners. The initiative focuses on providing our suppliers with resources and tools to raise awareness on sustainability issues and define targets to improve sustainability levels in the value chain. The programme builds on several initiatives, including:

- [Energize](#) is a collaborative programme between pharmaceutical companies for renewable energy purchasing, offering training and tools.
- [EcoVadis Academy](#) is a platform training programme which allows suppliers in our network to access and take online training courses on ESG related topics.

The Sustainable Pharmacy project

During 2022, Chiesi Italy and the Pharmacists' Cooperative (CEF) have embarked on a pathway to create a movement of pharmacies willing to achieve a positive environmental and social impact, with a focus on the respiratory area. This project was realized with the support of Nativa, a regenerative design company that promotes the B Corp movement in Italy. The project involved 6 pilot pharmacies in an evolutionary process divided into 4 main steps:

- **improve the culture** and the awareness about emerging challenges and technical language on carbon neutrality;
- **measure the main impacts** in terms of direct and indirect emissions and air quality of the pharmacy;
- **identify solutions for reducing emissions**, to create the first network of carbon neutral pharmacies in Italy;
- **differentiate own operations** in the eyes of key stakeholders, particularly in the eyes of consumers, through engagement actions and communication.

The pharmacies that participated in the pilot project worked together to find innovative solutions and best practices that were then collected in a dedicated project manual which has the purpose to be a concrete contribution to the European climate neutrality goals and the national goals of ecological transition.

Human rights

This topic refers to fundamental rights ensuring basic conditions for all individuals to live in dignity. As set out in the UN Guiding Principles on Business and Human Rights, all companies have a responsibility to respect human rights, which means to avoid infringing on the human rights of others and to address these impacts where they occur. Companies that respect human rights may better anticipate and manage operational and regulatory risks and are well poised to comply with future legal and regulatory requirements.

Future perspectives



Increased focus on human rights issues within company operations and in the entire value chain.



Future implications of the EU Corporate Sustainability Due Diligence Directive.



Growing importance of human rights in voluntary regulations, such as the GRI.

Our approach and strategy

Chiesi is committed to identifying, preventing and mitigating human rights risks across its own processes, operations and along the value chain. Whenever adverse human rights impacts are identified, Chiesi is committed to providing for or supporting legitimate processes to remediate any harm it may have caused, contributed to cause, or been linked with. We maintain a zero-tolerance approach towards any form of human rights abuse.

Our approach is expressed in the Group Human Rights Policy available on Chiesi website, where we set out our commitments in terms of prohibition of child labour, forced or

compulsory labour, harassment, abuse and discrimination, while emphasising freedom of association, health and safety, psychological safety, and work-life balance. The Human Rights Policy is approved by the Group Chief Executive Officer and by the Group Chief Human Resources Officer. We also foster the development of in-house learning activities to build awareness and knowledge on human rights among all Chiesi people.

Any actual, believed or suspected conduct/event which may entail a violation of human rights shall be reported by Chiesi people. If feasible and appropriate, reports should be made through the existing internal reporting channels, such as HR and/or Legal & Compliance function, according to applicable national rules and procedures, while also informing relevant line managers. In the event that Chiesi people do not feel comfortable using the aforementioned internal reporting channels, they are encouraged to use the Chiesi Group whistleblowing system “SpeakUp&BeHeard”. This platform is accessible to both internal and external stakeholders and allows anyone to raise any conduct reasonably believed to be unfair or even illicit, that could potentially damage Chiesi business and/or reputation or that of third parties.

Human rights are also 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 our suppliers and business partners includes a key element of respecting human rights, which is considered a crucial precondition for their selection. This pledge is directly linked to SDG10 (Reduced Inequalities).

Our performance

- ▶ During 2022, we developed the first Group Human Rights policy, published in 2023.
- ▶ In 2022, 91% of our new strategic suppliers were covered by the Code of Interdependence. We audited 19 suppliers to verify their compliance with our Code of Interdependence, either through our audit process or through self-assessment questionnaires.

Projects

SpeakUp&BeHeard

Chiesi Group whistleblowing system [SpeakUp&BeHeard](#) allows anyone to report any conduct reasonably believed to be unfair or even illicit and potentially damaging Chiesi brand and/or reputation, or that of third parties. “SpeakUp&BeHeard” is a secure platform to report suspected breach of Chiesi Code of Conduct or violation of laws and regulations, including but not limited to areas such as: diversity & inclusion; health & safety; interactions with healthcare professionals and/or patients; human rights; environment; bribery; data protection; animal welfare and antitrust.

To ensure the highest level of protection and confidentiality for both the reporters and people involved in the reported conduct/event, SpeakUp&BeHeard includes a web-based platform (independent from Chiesi IT system). It is accessible for use by Chiesi employees, our business partners and any third-party who recognises misconduct.

Any report submitted through SpeakUp&BeHeard will be given due consideration and will undergo a proper assessment process. Reports are managed at affiliate level by functions having the necessary independence and professional requirements, typically the Compliance functions). In affiliates where such functions are not available, reports are managed by the Chiesi Farmaceutici S.p.A.. The whistleblowing system includes procedures for periodical reporting to top management, annually as a minimum and ad hoc reporting for specific cases. The Group Impact Committee also receives a report about grievances.



People



Employee well-being, inclusiveness, health & safety ←

Employee management & development ←

Employee well-being, inclusiveness, health & safety

This topic refers to growing and maintaining diversity in the workforce, guaranteeing conditions of well-being, equal opportunities, equal-pay-for-equal-work as well as health and safety for all employees in the workplace.

Future perspectives



Attention to fair and equitable practices within the working environment



Increased attention to D&I policies



Increased attention to people well-being and life harmony



Increased attention / regulations to human rights within company operations



Obligation to ensure high standards of health and safety for workers

Our approach and strategy

At Chiesi, we strive to foster an inclusive environment where employees feel comfortable in expressing themselves. We are committed to creating a positive and healthy workplace and an inclusive environment - where mutual respect and a collaborative spirit are key elements - that makes every employee feel good and give the best of themselves. Physical and psychological well-being are at the basis of a positive environment, together with good working and personal relationships, respect of others and inclusion. We are committed to offer personalized solutions that can fulfill individual needs along their significant stages of life.

Chiesi Well-being programs are named **People Care** and are aimed at making our workplace a positive, healthy and safe work environment. In 2021, we created the first global Well-

being policy at Chiesi, developed in the form of a global guideline with a focus on several pillars: Life Harmony, Volunteering, Well-being Education, Healthcare, Welfare. The programmes and initiatives we support include:

- Caregiving and family management;
- Life-coaching, psychological support;
- Time saving initiatives, food education;
- Services arranged by the company to assist employees during working hours (e.g. internal laundry delivery);
- Group pathways like yoga classes;
- Corporate wellness;
- De-tox initiatives from the overexposure to digital;
- Smart working;
- Cultural events fitting personal interests.

Our well-being proposition include health campaigns and programmes with focus on prevention and healthy lifestyle. All the local entities assure that all the employees categories have the same access to the visits and healthcare services. Some possible services to be included in the Company Health Programs can be classified in the following categories:

- Medical check-up and preventive visits (examples: prevention of COPD, medical screening, tests for COVID etc)
- Vaccinations
- Food and nutritional education, collective/individual consultations and programs.
- Promotion of a healthy lifestyle, proper posture at work and sport
- Complementary distribution of healthy food, such as fruit

With regards to diversity and inclusion, we recognise that **diversity** is a fact, but inclusion is a choice we make every day. To this end, Chiesi has a Global Diversity & Inclusion (D&I) policy, a D&I program and a specific D&I Committee in place at Group level. We developed a programme of Diversity & Inclusion activities in order to strongly guarantee that diversities in ethnicity, sexual orientation, gender identity, socio-economic status, age,

physical abilities, religious beliefs, political beliefs, mindset, lifestyle and other invisible diversities are an integral part of the Group. Every year we 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. We strive 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 goal is, therefore, to ensure throughout the organisation that differences are recognised and valued and never constitute grounds for discrimination and inequality.

In 2021, Chiesi 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.

The challenge is composed by two objectives:

- Reducing 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;
- Granting equal career opportunities to all genders at all levels and have a fair and balanced distribution of leadership positions by 2030.

Chiesi managed to achieve the first target - Equal Pay - already in 2022. In order to fully complete the Gender Equality Challenge, we are going to act on 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.
- Life balance: create a trusting and flexible culture (for example parenting policy, smart working flexibility) which encourages employees to achieve 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.

In June 2022, we launched CANs (**Chiesi Affinity Networks**), where volunteers come together around a shared cause or theme to provide a safe space for discussion and to develop solutions. We welcome anyone who wants to contribute to creating a more inclusive workplace and encourage everyone to get involved. Through CANs, we can develop action plans that reflect our employees' needs, ideas and solutions.

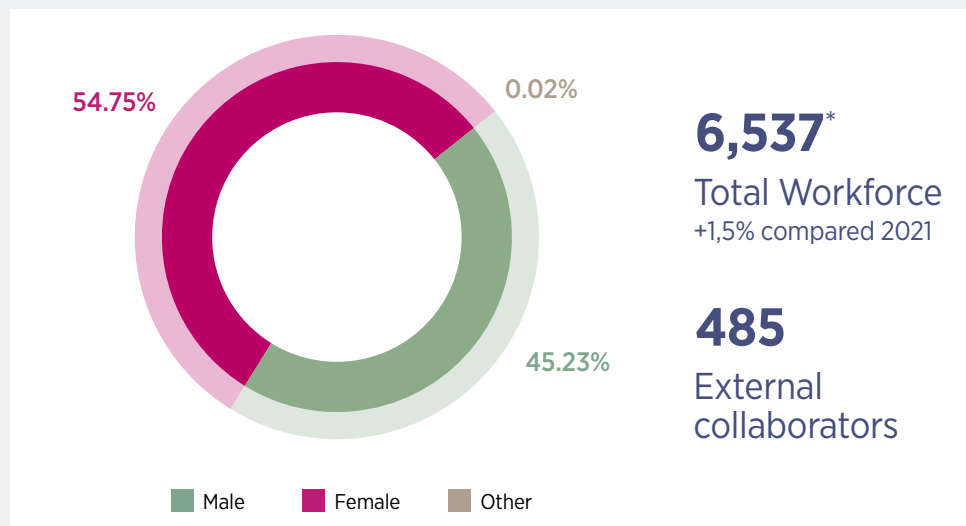
Chiesi aims to ensure the highest **Health and Safety** standards of working conditions for employees and partners, promoting continuous improvement in this area and providing suitable information and training. We carefully monitor health and safety aspects for employees and visitors to Chiesi sites, providing a strong focus on physical safety in the workplace, particularly for those working in potentially hazardous environments. Chiesi implements the process of identifying, assessing and mitigating risks in accordance with the Occupational Health and Safety legislation and in line with the ISO 45001:2018 Standard. All Chiesi's production sites are certified against ISO 45001:2018. A specific policy (Health, Safety, Environmental and Energy Policy) is in place at global level, as well as detailed HSE Guidelines for the whole group.

Our performance

- ▶ Thanks to the annual monitoring of gender pay gap and salary review interventions, Chiesi managed to **eliminate the gender pay gap** at group level and reach the target #SameConditionsForSamePositions in 2022 at global level (1 year in advance compared to the initial target), with some affiliates which have local roadmaps still to be followed in order to close the local gaps.
- ▶ Chiesi is the first pharmaceutical company in Italy to receive the **gender equality**

certification based on the new law - UNI/PdR 125:2022-, with a score of 89/100. The certification, obtained both by Chiesi Group and Chiesi Italia, has been released in December by Bureau Veritas Italia after a detailed audit process of specific indicators, internal procedures and interviews with relevant departments and employees.

- ▶ In 2022 Chiesi is again certified as **Top Employer** (in Italy for the 15th time and in EU for the 11th consecutive year). Brazil, United States also renewed the title and Chiesi Pakistan received it for the first time.
- ▶ Considering headcount in December 2022, the Chiesi workforce at Group level is gender balanced and composed of slightly more females (54%). The greatest difference can be found in leadership positions where males account for about 60.1% of staff. Compared to 2019, we note a positive trend towards gender balance in leadership positions.



- ▶ In 2022, a total of 33 work-related injuries were reported, including 1 fatality that occurred while commuting to work. With regards to external workers, a total of 9 work-related injuries were reported, with no high consequence injuries or fatalities recorded. More details on the methodology are included in the [Annexes](#).

INJURIES (NUMBER AND RATE)	2022		
	Men	Women	Total
Work-related injuries	6	27	33
Of which fatalities	1	-	1
Of which with high-consequences (excluding fatalities)	-	-	-
Hours worked	4,947,637	5,727,537	10,675,174
Injury Rate	1.21	4.71	3.09
High-consequence injury rate	-	-	-
Fatalities injury rate	0.20	-	0.09

EXTERNAL WORKERS INJURIES (NUMBER AND RATE)	2022
	Total
Work-related injuries	9
Of which fatalities	-
Of which with high-consequences (excluding fatalities)	-
Hours worked	797,794
Injury Rate	11.28
High-consequence injury rate	-
Fatalities injury rate	-

* 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 6,052 at 31st December 2022) in which long-term employee absences are excluded, and it differs from the total workforce (equal to 6,537 at 31st December 2022) in which external collaborators (field force contractors and ad interim employees) of the Group are included and long-term employee absences are excluded.

Projects

D&I Committee

Comprised of individuals from diverse backgrounds in terms of geography, functions and genders, the committee shares the belief that D&I is not just a concept, but a mindset that contributes to enhanced empathy and a human-centric approach. In 2022, the D&I Committee further evolved into a more structured team serving as a central point of reference. The team members are empowered to create global plans and ensure their implementation, taking responsibility for Chiesi's D&I strategy in order to cultivate a more inclusive and diverse workplace. These initiatives range from creating an environment where equal rewards, resources and opportunities are accessible to all, regardless of gender, to establishing Chiesi as a leader within the pharmaceutical industry in terms of accommodating disabilities for both current and future employees, as well as for patients.

Counseling

We provide counseling services for mothers returning from maternity leave, aiming to help them find work-life harmony during this challenging period of change. We also invite managers to participate in the process to understand each person's unique needs. Counseling services for fathers are also available to help them balance work and family life. Additionally, our psychological counseling service is available for all parents, regardless of their children's age. In 2022, we added a neurodiversity counseling service to assist parents of children with varying abilities. Our dedicated help aims to restore harmony for families experiencing stress and imbalance due to such situations.

Corporate HSE Guidelines

We have developed specific HSE Guidelines in order to have a common global approach to HSE issues. We evaluate and assess the possible risks and environmental impacts (including high consequence risks and impacts) to which workers and environment might be subject, basing the evaluation on international standards and compliance with local law; Corporate HSE Guidelines describe the minimum requirements to be considered in order to assess health and safety risks and environmental aspects and provide workers with

related information and training (in addition to local HSE requirements) and implement mitigation actions where necessary (for all our sites). Corporate HSE Guidelines also explain the operation of the HSE management systems (certified or not): sites covered by ISO 45001 (Health and Safety Management System) and ISO 14001 (Environmental Management System) adopt the relevant management system, while other sites must implement a management system that is not certified but structured according to the HSE Management Guidelines (inspired by ISO 45001 and ISO 14001). In order to involve employees in the health and safety risk and environmental impacts identification process, every affiliate creates a Local HSE structure including General Manager, HSE Referent, emergency team members and other HSE key figures depending on local site complexity/legal requirements (e.g. company Occupational Health Physician, Employees' HSE representatives). Employee HSE representatives take part in joint committees with management to make decisions regarding the health and safety hazards or environmental impacts identified. Workers' participation in the development and evaluation of the Health and Safety Management System is ensured through communication with the Workers' Representatives and/or the internal designated people. Health surveillance is ensured through an occupational health physician doing periodic monitoring of workers' conditions.



Employees management & development

This topic refers to people management and development and the ability to attract and retain people and let them express their talents; training and development programmes to strengthen people managerial and organisational skills and consolidate job-specific professional skills; motivation and fulfillment of people allowing them to feel part of the company's achievements; people' engagement in the Group strategy and activities.

Future perspectives



Increased importance for people of engagement and development policies.



Increased need by companies to focus on people engagement and retention.



Fast changing trends in terms of work environment and flexibility.



Sense of purpose to become increasingly important in people career choices.

Our approach and strategy

Chiesi is committed to creating well-being in the workplace by adopting an integrated approach that considers all aspects of an individual's health, including personal fulfilment. Over the years, we have found that striving to ensure the well-being of people helps us to attract and retain new talent and encourages our more experienced employees to continue to improve and progress. Such an approach makes individuals more fulfilled, both personally and professionally, leading to a greater commitment to their work and the achievement of increasingly satisfying results. We aim to create a working environment where people are respected and can express their needs. The development process of Chiesi people is therefore of the utmost importance and comprises the following steps:

- Scouting and enhancing the potential of people, recognising the uniqueness of each individual and the value that each of us can bring to the organisation;

- Ensuring that personal aptitudes, aspirations and expectations fit with business strategic needs and objectives, by giving everyone fair opportunities to cultivate and nourish their talents;
- Fostering personal development based on Chiesi values. 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
- Rewarding people in line with a Total Rewards philosophy, aimed at granting a fair recognition of the individual contribution (Pay for Performance) along with a consistent remuneration of accountabilities behind positions (Pay for Job).

Training and development are fundamental aspects of career development for all Chiesi people. The ongoing ability for Chiesi's people to adapt and evolve is paramount for the group's long-term success. In 2022, we continued to focus on the development of our people thanks to formative learning and other educational activities. All our people have access to an internal training platform, where they can choose trainings from a wide range of different topics and develop their skills and competences. Internal mobility, job rotation and temporary assignment within different affiliates of the Group are other important opportunities that we offer to our people in order to foster their development and personal fulfillment.

Our performance

- ▶ **Great Place to Work.** Chiesi has been recognised with the Great Place to Work certification in all the countries that we set as targets at the beginning of 2022. From 2019 to 2022, we have been GPTW certified in: Austria & CEE Countries, Mexico, Netherlands, Sweden, Turkey, UK, US, Brazil, France, Australia, Spain, Germany, Greece, Poland, Italy, Belgium, Pakistan, Russia, China, and Canada.



- ▶ **Trust Index.** Great Place to Work certification entails a temperature check of employees level of trust into the organisation and the level of engagement towards company culture and purpose, called “Trust Index”. The index ranges from 0% to 100%. In 2021, our Trust Index was measured at 75%, up from the 67% measured in 2019.
- ▶ **#Training Hours.** Overall, in 2022, we calculated over 294,081 hours of training, resulting in an overall average training hours of 47.7 per worker. This reflects a slight increase from 2021 to 2022 in average training hours per worker and in training hours overall at a Group level (+ 1,500 hours of training). More details are available in the [Annexes](#) of the report. The trend is steady at global level, with some different local trends within the affiliates which counterbalance one another. During the year a large part of the population have been targeted for two main training programs: Interstellar Customer Experience Upgrading and the new Global We Act Educational. In addition, LinkedIn Learning has been made globally available for the whole population.

AVERAGE HOURS OF TRAINING PER EMPLOYMENT CATEGORY AND GENDER (HEADCOUNT)	2022					
	Total hours for Men	Average hours per Men	Total hours for Women	Average hours per Women	Total hours	Average hours per employees
Executives	8,689	50.8	7,310	85.0	15,999	62.3
Managers and Field Force Area Managers	35,967	43.7	33,095	39.4	69,062	41.5
White Collars and Field Force Area Representatives	74,901	43.7	129,128	54.8	204,029	50.1
Blue Collars	1,893	23.4	3,098	34.0	4,991	29.0
Total	121,450	43.6	172,631	51.2	294,081	47.7

Projects

Great Place to Work

As the global authority on workplace culture, [Great Place to Work](#) Certification is an accreditation which demonstrates to the market that a company is an employer of choice while also helping it to become a better workplace through reporting, analysis and next steps to enable an even more successful culture. 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 2022, we received Great Place To Work certification in over 20 of the countries in which we operate.



Coaching

Coaching support is available for employees through a global coaching platform, where people can choose the areas of interest and the goals they want to achieve (for example, improving their strengths or their weaknesses). Coaches guide coachees step-by-step, offering feedback, explanations, support and suggesting exercises and techniques. The tools have been tested with 20 colleagues all over the world and now have been made accessible for all Chiesi people that are willing to activate a coaching program for their personal and professional development.

JOY project

Juniors on Strategy (JOY) is a Chiesi internal program that brings junior employees’ ideas, options and considerations directly to top management and allows them to work together on a strategic topic. The project team will have 3 months to work on a specific project topic, generating ideas and applying the different steps of the strategic planning methodology. Juniors’ fresh mentality, curiosity, motivation and speak-up attitude is extremely powerful



in generating new ideas and challenging the status quo. Their interaction with top management and experienced colleagues generates a whole new perspective on frequently debated topics. Team spirit and networking are also valuable components of the program. The 2022 edition of JOY was under the motto “(work) Life Harmony”. The theme encompassed wide-ranging initiatives to improve employee well-being. From new flexible working models to more collaborative teams, many compelling ideas were compiled. One will be implemented in 2023 at Chiesi Headquarters as a pilot: an annual Chiesi Family Day to strengthen the wider community.

Human Leadership Model

Between 2021 and 2022, Chiesi developed a new leadership model known as the “Human Leadership Model.” This model was designed to deeply understand and honor the unique values and motivations of our employees.

The creation of this model has been an enriching journey of self-assessment, reflection, and the inclusion of diverse perspectives. When we initially conceived the new leadership model, we referred to it as “sustainable leadership,” emphasizing its deep-rooted connection to our values and what leadership means for a B Corp. Throughout this process, we actively sought feedback from our stakeholders and Chiesi people, recognising that leadership is fundamentally a human matter intertwined with empathy.

Our Human Leadership Model goes beyond the conventional understanding of leadership as merely achieving results. It emphasizes the importance of fostering meaningful relationships and nurturing a positive organisational culture. By doing so, we strive to create an environment where individuals can thrive and contribute to their fullest potential.



Annexes



[Annex IV: Chiesi sustainability performance](#) ←

[Annex V: Sustainable Development Goals](#) ←

[Annex VI: World Economic Forum framework](#) ←

[Annex VII: TCFD Report](#) ←

[Annex VIII: Impact Report 2023](#) ←

[Annex IX: GRI Content Index](#) ←

[Annex I: Note on methodology](#) ←

[Annex II: Material topics and related GRI disclosures](#) ←

[Annex III: Stakeholder engagement methods](#) ←

Annex I: Note on methodology

This is the Chiesi Group's sixth 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 2022 to 31 December 2022. Our Consolidated Financial Statement also covers a reporting period extending from 1 January 2022 to 31 December 2022. 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 2021 established by GRI – Global Reporting Initiative ("GRI Standard"). 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 report, 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.

Investments in Research and Development (R&D) came to 21.4% of revenue, mainly in relation to phase III studies for our respiratory products for the American market. During the year, 42 patent applications were filed with the European Patent Office (EPO), having filed 42 in 2021 as well, further evidence of the strategic importance that we attribute to R&D and its productivity. In line with its development strategy, the Group has been particularly active in the research and marketing of non-drug based therapeutic solutions. For example, in collaboration with Kaia Health, reimbursement was obtained in Germany for a non-pharmacological treatment for chronic diseases of the respiratory system. Collaboration with Aptar Digital Health led to us bringing to market a disease management platform for patients suffering from Asthma and COPD (Chronic Obstructive Pulmonary Disease). This platform allows patients to understand their disease better and

healthcare professionals to have data-driven information to manage their patients more effectively.

Chiesi Pharma Japan K.K was established on 08/11/2022, with headquarters in Tokyo and having as its corporate purpose the development, registration and marketing of pharmaceutical products.

Confirming the strategic importance of inorganic growth, the Group assessed various opportunities to acquire treatments for known and orphan pathologies during the year. These activities produced a concrete result in early 2023 (8 January) with the signing of a purchase agreement for the entire share capital of the Amryt Group, a company based in Ireland and listed on the Nasdaq, for a consideration of approximately \$1.5 billion. Having obtained approval from the antitrust authorities of the principal markets involved, we expect the acquisition to be finalised in the second quarter of 2023. This acquisition, which brings with it a portfolio of products, some already in the marketing phase, others in the development phase, consolidates the Group's presence in the field of rare diseases. Data and information related to Amryt are not included in the scope of this report. Appropriate ways to include them in the reporting scope will be evaluated starting from the next fiscal year.

Unless otherwise indicated, data and information contained in this Report refer to the year 2022. 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. The Report receives inputs from the Impact Committee and is formally approved by the Head of Shared Value & Sustainability. The Board of Directors is updated and informed about the sustainability data and information included in this Sustainability Report. As regards the frequency of publication, reporting will be annual. The previous version was published in July 2022. The report is also available on the [Chiesi website](#) in the "Annual report and CSR" section.

Annex II: Material topics and related GRI disclosures

Material topics	GRI Standard/KPIs not GRI Standards ¹	WEF Core Metrics
Governance, mission and engagement	3-3: Management of material topics KPI: No. of Chiesi affiliates that have amended their articles of association to include the four common benefit purposes KPI: No. of times the Board met	Governing purpose: Setting purpose Stakeholder engagement: Material issues impacting stakeholders
Business continuity, resilience and crisis response	3-3: Management of material topics KPI: No. of days of production stop due to climate extreme events and other crises.	Risk and opportunity oversight: Integrating risk and opportunity into business process
Transparency, ethics and compliance	3-3: Management of material topics 205-3: Confirmed incidents of corruption and actions taken 206-1: Legal actions for anti-competitive behavior, anti-trust, and monopoly practices 417-1: Requirements for product and service information and labeling	Ethical behaviour: Anti-corruption Ethical behaviour: Protected ethics advice and reporting mechanisms
Privacy and data security	3-3: Management of material topics 418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data	n.a.
Holistic and patient-centric approach	3-3: Management of material topics 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	n.a.
R&D, innovation and digitalisation	3-3: Management of material topics KPI: No. of first filings at the European Patent Office (EPO) KPI: Investment in R&D	Innovation of better products and services: Total R&D expenses

¹ Chiesi reported own KPIs where GRI Standards are not available.

Material topics	GRI Standard/KPIs not GRI Standards ¹	WEF Core Metrics
Health equity	3-3: Management of material topics KPI: No. of countries that count at least one registration for Chiesi's products and therapies	n.a.
Value for the community and engagement	3-3: Management of material topics 201-1: Direct economic value generated and distributed 204-1: Proportion of spending on local suppliers 413-1: Operations with local community engagement, impact assessments, and development programs	Employment and wealth generation: Economic contribution Employment and wealth generation: Financial investment contribution Community and social vitality: Total tax paid
Climate change and GHG emissions	3-3: Management of material topics 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 gas (GHG) emissions Climate change: TCFD implementation
Responsible use of resources	3-3: Management of material topics 302-1: Energy consumption within the organisation 302-3: Energy intensity 303-1: Interactions with water as a shared resource 303-2: Management of water discharge-related impacts 303-3: Water withdrawal 303-4: Water discharge 306-1: Waste generation and significant waste-related impacts 306-2: Management of significant waste-related impacts 306-4: Waste diverted from disposal 306-5: Waste diverted to disposal	Freshwater availability: Water consumption and withdrawal in water-stressed areas Nature loss: Land use and ecological sensitivity
Product sustainability	3-3: Management of material topics KPI: % of suppliers using FCS paper for secondary packaging	n.a.

Material topics	GRI Standard/KPIs not GRI Standards ¹	WEF Core Metrics
Animal welfare	3-3: Management of material topics KPI: Obtaining specific certifications (AAALAC)	n.a.
Responsible management of the value chain	3-3: Management of material topics 308-1: New suppliers that were screened using environmental criteria 414-1: New suppliers that were screened using social criteri	n.a.
Human rights	3-3: Management of material topics KPI: No. of contracts with human rights clauses and human rights clauses and corresponding percentage of the total number of significant investment agreements and contracts	Dignity and equality: Risk for incidents of child, forced or compulsory labour
Employee well-being, inclusiveness, health & safety	3-3: Management of material topics 403-1: Occupational health and safety management system 403-2: Hazard identification, risk assessment, and incident investigation 403-3: Occupational health services 403-4: Worker participation, consultation, and communication on occupational health and safety 403-5: Worker training on occupational health and safety 403-6: Promotion of worker health 403-7: Prevention and mitigation of occupational health and safety impacts directly linked by business relationships 403-9: Work-related injuries 405-1: Diversity of governance bodies and employees	Health and well-being: Health and safety Quality of governing body: Governance body composition Dignity and equality: Diversity and inclusion (%) Dignity and equality: Pay equality (%) Dignity and equality: Wage level (%)
Employees management and development	3-3: Management of material topics 401-1: New employee hires and employee turnover 404-1: Average hours of training per year per employee	Skills for the future: Training provided Employment and wealth generation: Absolute number and rate of employment

Annex III: Stakeholder engagement methods

Different stakeholders require different engagement methods. A tailored approach ensures meaningful engagement with each group and enables to understand stakeholders needs and expectations, which is the purpose of stakeholder engagement. Stakeholders views are decisively important within the context of impact identification and understanding, as described in the Materiality Analysis section. The following table summarises methods used for stakeholder engagement according to the different categories of stakeholders.



STAKEHOLDER GROUP	TYPE OF ENGAGEMENT
Employees	<ul style="list-style-type: none"> - Intranet - CEO communications - Workshops - Materiality survey - Employees survey - Company events (e.g. We Act Day)
Patients and caregivers	<ul style="list-style-type: none"> - Regular survey - Projects with patients associations - Patients advisory boards
Suppliers	<ul style="list-style-type: none"> - Meetings and workshops - Partnerships
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 - Public-private round tables
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 - Community development projects

Annex IV: Chiesi sustainability performance

In 2022, in Italy, Chiesi Farmaceutici S.p.A. sourced 43% of its goods from national suppliers. The Group total spending on local suppliers represents 58% of global supply expenses.

SPENDING ON LOCAL SUPPLIERS - %			
Country	2022	2021	2020
Australia (Chiesi Australia PTY LTD)	66	62	71
Austria (Chiesi Pharmaceuticals GmbH)	42	41	49
Bulgaria (Chiesi Bulgaria LTD)	84	93	96
Czech Republic (Chiesi CZ S.r.o.)	86	86	89
Hungary (Chiesi Hungary KFT)	87	99	35
Romania (Chiesi Romania S.r.l.)	91	75	94
Slovenia (Chiesi Slovenija D.o.o.)	90	90	94
Slovakia (Chiesi Slovakia S.r.o.)	79	81	89
Belgium (Chiesi S.A.)	92	91	91
Brazil (Chiesi Farmaceutica LTDA.)	69	71	66
Canada (Chiesi Canada Corp.)	17	76	58
China (Chiesi Pharmaceuticals Shanghai Co. LTD)	100	0	0
China (Chiesi China Consulting LTD)	100	100	100
Denmark (Zymenex Holding A/S)	N/A	0	96
France (Chiesi S.A.S.)	44	33	42
France (Nh.Co Nutrition S.A.S.)	88	91	81
Germany (Chiesi GmbH)	84	84	97

Greece (Chiesi Hellas A.E.B.E.)	90	89	90
Italy (Chiesi Farmaceutici S.p.A.)	43	47	36
Italy (Chiesi Italia S.p.A.)	89	90	0
Italy (Marco Antonetto Farmaceutici)	96	96	95
Mexico (Chiesi Mexico S.A. de C.V.)	96	94	97
The Netherlands (Chiesi Pharmaceuticals B.V.)	87	88	92
Pakistan (Chiesi Pharmaceuticals PVT. Limited)	97	96	95
Poland (Chiesi Poland SP Z.o.o.)	95	96	98
Russia (LLC Chiesi Pharmaceuticals)	99	99	99
Spain (Chiesi España S.A.U.)	86	85	82
Sweden (Chiesi Pharma AB)	55	56	62
Switzerland (Chiesi S.A.)	99	100	100
Turkey (Chiesi Ilac Ticaret A.S.)	84	90	87
United Kingdom (Chiesi Healthcare Limited)	95	94	96
United Kingdom (Atopix Therapeutics Limited)	N/A	0	100
United Kingdom (Unikeris)	16	2	0
USA (Chiesi USA Inc.)	80	85	78
Total	58	61	50

NEW SUPPLIERS SCREENED USING ENVIRONMENTAL CRITERIA		
2022		
Country	New suppliers	New suppliers screened on environmental criteria
Chiesi Group	3,748	181
% of new suppliers screened		4.8%

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).

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%

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

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. As local suppliers were considered those suppliers which are located within the same national boundaries of the company location of operation.

PAPER CONSUMPTION (BASED ON PAPER ORDERED) - TONNES - GROUP			
Paper Type	2022	2021	2020
FSC	19.40	22.50	8.26
Recycled	2.45	2.93	15.12
Mixed FSC - Recycled	1.14	1.92	0.72
Without environmental claims	0.42	0.45	1.00
Total	23.41	27.80	25.10

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.

SIGNIFICANT INVESTMENTS AGREEMENTS AND CONTRACTS	2022	
	No. of significant contracts	% of significant contracts which include human rights clauses
Total no. of contracts that include human rights clauses and corresponding percentage on total no. of significant investment agreements and contracts	651	76.4

SIGNIFICANT INVESTMENTS AGREEMENTS AND CONTRACTS	2021	
	No. of significant contracts	% of significant contracts which include human rights clauses
Total no. of contracts that include human rights clauses and corresponding percentage on total no. of significant investment agreements and contracts	561	76.85

TOTAL WORKFORCE (HEADCOUNT)	2022	2021	2020
Total	6,537	6,440	6,389

TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT CONTRACT (PERMANENT AND TEMPORARY), BY GENDER (HEADCOUNT)	2022			2021			2020		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent	2,748	3,280	6,028	2,767	3,213	5,980	2,542	2,854	5,396
Temporary	40	95	135	54	112	166	263	308	571
Total	2,788	3,375	6,163*	2,821	3,325	6,146**	2,805	3,162	5,967***

TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT TYPE (FULL-TIME AND PART-TIME), BY GENDER (HEADCOUNT)	2022			2021			2020		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Full-time	2,764	3,188	5,952	2,802	3,157	5,959	2,770	2,988	5,758
Part-time	24	187	211	19	168	187	35	174	209
Total	2,788	3,375	6,163	2,821	3,325	6,146	2,805	3,162	5,967

* 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 6,052 at 31st December 2022) in which long-term employee absences are excluded, and it differs from the total workforce (equal to 6,537 at 31st December 2022) in which external collaborators (field force contractors and ad interim employees) of the Group are included and long-term employee absences are excluded.

Please note that it is necessary to add a new hired employee during the reporting year 2022 who has requested to be classified "Other" in terms of gender. Since this is a unique case for this year, we considered appropriate to not report this headcount in all tables reporting people data in line with data privacy protection, avoiding any possibility of identification. At the same time, we decided to not assign a default gender in order to respect the explicit request. Consequently, data related to worked hours, training hours, and other information referring to the employee are not included in tables reported. However, note that this exclusion does not affect the trends of the data reported.

** 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 CONTRACT (PERMANENT AND TEMPORARY) BY REGION (HEADCOUNT)	at 31 st December 2022				
	Italy	Rest of Europe	Rest of the World	North America	Total
Permanent	1,969	2,104	1,543	412	6,028
Temporary	69	58	6	2	135
Total	2,038	2,162	1,549	414	6,163

TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT CONTRACT (PERMANENT AND TEMPORARY) BY REGION (HEADCOUNT)	at 31 st December 2021				
	Italy	Rest of Europe	Rest of the World	North America	Total
Permanent	1,929	2,056	1,568	427	5,980
Temporary	65	86	13	2	166
Total	1,994	2,142	1,581	429	6,146

TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT CONTRACT (PERMANENT AND TEMPORARY) BY REGION (HEADCOUNT)	at 31 st December 2020				
	Italy	Rest of Europe	Rest of the World	North America	Total
Permanent	1,937	1,980	1,082	397	5,396
Temporary	67	70	432	2	571
Total	2,004	2,050	1,514	399	5,967

TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT TYPE (FULL-TIME AND PART-TIME) BY REGION (HEADCOUNT)	at 31 st December 2022				
	Italy	Rest of Europe	Rest of the World	North America	Total
Full-time	1,969	2,024	1,546	413	5,952
Part-time	69	138	3	1	211
Total	2,038	2,162	1,549	414	6,163

TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT TYPE (FULL-TIME AND PART-TIME) BY REGION (HEADCOUNT)	at 31st December 2021				
	Italy	Rest of Europe	Rest of the World	North America	Total
Full-time	1,934	2,021	1,575	429	5,959
Part-time	60	121	6	-	187
Total	1,994	2,142	1,581	429	6,146

TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT TYPE (FULL-TIME AND PART-TIME) BY REGION (HEADCOUNT)	at 31st December 2020				
	Italy	Rest of Europe	Rest of the World	North America	Total
Full-time	1,950	1,923	1,499	386	5,758
Part-time	54	127	15	13	209
Total	2,004	2,050	1,514	399	5,967

PERCENTAGE OF EMPLOYEES BY EMPLOYMENT CONTRACT AND GENDER (HEADCOUNT)	2022	2021	2020
Male	45.23%	45.90%	47.01%
Female	54.75%	54.10%	52.99%
Not Disclosed	0.02%	-	-
Permanent	97.81%	97.30%	90.43%
Temporary	2.19%	2.70%	9.57%

TOTAL NUMBER OF EXTERNAL WORKERS (HEADCOUNT)	2022	2021	2020
Total	485	406	534

PERCENTAGE OF TOTAL EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS (HEADCOUNT)	2022	2021	2020
Total	65%	64%	64%

NEW EMPLOYEES HIRED - GROUP (HEADCOUNT)	2022					2021					2020				
	< 30	30 - 50	> 50	Total	Rate	< 30	30 - 50	> 50	Total	Rate	< 30	30 - 50	> 50	Total	Rate
Male	111	208	25	344	12.3%	101	215	36	352	12.5%	114	243	50	407	14.5%
Female	106	311	47	464	13.7%	132	324	40	496	14.9%	136	331	57	524	16.6%
Total	217	519	72	808	13.1%	233	539	76	848	13.8%	250	574	107	931	15.6%
Rate	37.9%	12.7%	4.7%	13.1%	-	37.7%	13.3%	5.1%	13.8%	-	40.5%	14.6%	7.6%	15.6%	-

TERMINATIONS - GROUP (HEADCOUNT)	2022					2021					2020				
	< 30	30 - 50	> 50	Total	Rate	< 30	30 - 50	> 50	Total	Rate	< 30	30 - 50	> 50	Total	Rate
Male	50	208	114	377	13.4%	62	183	92	337	12.0%	41	115	52	208	7.9%
Female	58	264	92	414	12.5%	67	194	71	332	10.5%	46	155	36	237	8.2%
Total	113	472	206	791	12.9%	129	377	163	669	11.2%	87	270	88	445	8.1%
Rate	18.3%	11.7%	13.8%	12.9%	-	20.9%	9.6%	11.5%	11.2%	-	15.0%	7.4%	7.1%	8.1%	-

NEW EMPLOYEES HIRED - ITALY					
New employees hired - Italy (headcount)	2022				
	< 30	30 - 50	> 50	Total	Rate
Male	21	68	6	95	9.9%
Female	48	68	7	123	11.5%
Total	69	136	13	218	10.7%
Rate	44.5%	10.5%	2.2%	10.7%	-

TERMINATIONS - ITALY					
Terminations - Italy (headcount)	2022				
	< 30	30 - 50	> 50	Total	Rate
Male	9	30	69	108	11.1%
Female	18	33	15	66	6.5%
Total	27	63	84	174	8.7%
Rate	17.8%	5.0%	14.2%	8.7%	-

Note to the rate calculation for New employees hired: Calculated as total number of employees hired this year divided by the total number of employees within specific category.

NEW EMPLOYEES HIRED - REST OF EUROPE					
New employees hired - Rest of Europe (headcount)	2022				
	< 30	30 - 50	> 50	Total	Rate
Male	19	69	11	99	12.4%
Female	30	123	28	181	13.3%
Total	49	192	39	280	13.0%
Rate	37.4	14.0%	5.9%	13.0%	-

TERMINATIONS - REST OF EUROPE					
Terminations - Rest of Europe (headcount)	2022				
	< 30	30 - 50	> 50	Total	Rate
Male	16	49	17	82	10.5%
Female	18	108	52	178	13.1%
Total	34	157	69	260	12.1%
Rate	21.0%	11.6%	11.1%	12.1%	-

NEW EMPLOYEES HIRED - NORTH AMERICA					
New employees hired - USA & Canada (headcount)	2022				
	< 30	30 - 50	> 50	Total	Rate
Male	2	14	3	19	12.4%
Female	3	35	7	45	17.2%
Total	5	49	10	64	15.5%
Rate	21.7%	19.8%	6.9%	15.5%	-

TERMINATIONS - NORTH AMERICA					
Terminations - USA & Canada (headcount)	2022				
	< 30	30 - 50	> 50	Total	Rate
Male	1	14	12	27	16.9%
Female	2	32	18	52	10.3%
Total	3	46	30	79	10.4%
Rate	11.5%	18.1%	20.1%	18.4%	-

NEW EMPLOYEES HIRED - REST OF THE WORLD					
New employees hired - Rest of the World (headcount)	2022				
	< 30	30 - 50	> 50	Total	Rate
Male	69	57	5	131	15.0%
Female	25	85	5	115	17.0%
Total	94	142	10	246	15.9%
Rate	35.6%	12.3%	7.8%	15.9%	-

TERMINATIONS - REST OF THE WORLD					
Terminations - Rest of the World (headcount)	2022				
	< 30	30 - 50	> 50	Total	Rate
Male	29	115	16	160	17.8%
Female	20	91	7	118	17.4%
Total	49	206	23	278	17.6%
Rate	17.6%	17.5%	18.0%	17.6%	-

NEW EMPLOYEES HIRED - 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%	-

TERMINATIONS - 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%	-

NEW EMPLOYEES HIRED - 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%	-

TERMINATIONS - REST OF EUROPE					
Terminations - Rest of the World (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%	-

NEW EMPLOYEES HIRED - 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%	-

TERMINATIONS - 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%	-

NEW EMPLOYEES HIRED - 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%	-

TERMINATIONS - 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%	-

NEW EMPLOYEES HIRED - 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%	-

TERMINATIONS - 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%	-

NEW EMPLOYEES HIRED - 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%	-

TERMINATIONS - 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%	-

NEW EMPLOYEES HIRED - 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%	-

TERMINATIONS - 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%	-

NEW EMPLOYEES HIRED - 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%	-

TERMINATIONS - 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%	-

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 PER EMPLOYMENT CATEGORY AND GENDER (HEADCOUNT)	2022					
	Total hours for Men	Average hours per Men	Total hours for Women	Average hours per Women	Total hours	Average hours per employees
Executives	8,689	50.8	7,310	85.0	15,999	62.3
Managers and Field Force Area Managers	35,967	43.7	33,095	39.4	69,062	41.5
White Collars and Field Force Area Representatives	74,901	43.7	129,128	54.8	204,029	50.1
Blue Collars	1,893	23.4	3,098	34.0	4,991	29.0
Total	121,450	43.6	172,631	51.2	294,081	47.7

TRAINING 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	5,383	35.0	5,737	84.0	11,120	50.0
Managers and Field Force Area Managers	28,280	36.8	20,275	33.2	48,555	35.2
White Collars and Field Force Area 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

TRAINING 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	6,764	41.0	4,954	60.4	11,719	47.4
Managers and Field Force Area Managers	37,309	46.4	35,103	46.9	72,412	46.6
White Collars and Field Force Area Representatives	88,845	50.3	111,749	46.3	200,594	48.0
Blue Collars	3,775	44.4	3,980	49.1	7,755	46.7
Total	136,693	48.5	155,787	46.9	292,480	47.6

For 2022, 2021 and 2020, allocation of training hours by gender and employees' categories in some countries have been estimated.

Note for restatement: 2021 data reported have been restated due to an error in the calculation performed by one affiliate and reported in A&S Report 2021. This led to an amendment of both the total hours and average hours reported.

PERCENTAGE OF INTERNAL EMPLOYEES BY GENDER AND EMPLOYEE CATEGORY	2022			2021			2020		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Executives	2.8%	1.4%	4.2%	2.6%	1.3%	4.0%	2.6%	1.1%	3.7%
Managers and Field Force Area Managers	13.4%	13.6%	27.0%	13.1%	12.2%	25.3%	12.9%	10.2%	23.1%
White Collars and Field Force Area Representatives	27.8%	38.2%	66.0%	28.8%	39.3%	68.0%	29.0%	39.5%	68.5%
Blue Collars	1.3%	1.5%	2.8%	1.4%	1.3%	2.7%	2.5%	2.2%	4.7%
Total	45.2%	54.8%	100.0%	45.9%	54.1%	100.0%	47.0%	53.0%	100.0%

PERCENTAGE OF INTERNAL EMPLOYEES BY AGE GROUP AND EMPLOYEE CATEGORY	2022				2021				2020			
	< 30	30 - 50	> 50	Total	< 30	30 - 50	> 50	Total	< 30	30 - 50	> 50	Total
Executives	-	2.0%	2.1%	4.2%	-	2.0%	2.0%	4.0%	0.0%	1.8%	1.9%	3.7%
Managers and Field Force Area Managers	0.4%	19.6%	7.0%	27.0%	0.5%	18.2%	6.6%	25.3%	0.4%	16.6%	6.2%	23.1%
White Collars and Field Force Area Representatives	8.6%	42.8%	14.6%	66.0%	9.3%	43.9%	14.8%	68.0%	9.3%	45.0%	14.2%	68.5%
Blue Collars	0.3%	1.7%	0.8%	2.8%	0.3%	1.6%	0.8%	2.7%	0.6%	2.7%	1.4%	4.7%
Total	9.3%	66.1%	24.6%	100.0%	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 RATES)	2022			2021			2020		
	Men	Woman	Total	Men	Woman	Total	Men	Woman	Total
Work-related injuries	6	27	33	4	15	19	12	12	24
Of which fatalities	1	-	1	-	-	-	-	-	-
Of which with high-consequences (excluding fatalities)	-	-	-	-	-	-	-	-	-
Hours worked	4,947,637	5,727,537	10,675,174	5,005,074	5,647,001	10,652,075	4,973,265	5,367,493	10,340,758
Injury Rate	1.21	4.71	3.09	0.80	2.66	1.78	2.41	2.24	2.32
High-consequence injury rate	-	-	-	-	-	-	-	-	-
Fatalities injury rate	0.20	-	0.09	-	-	-	-	-	-

The injury rate is the ratio of the number of injuries reported to the number of hours worked (including overtime), multiplied by 1,000,000. 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 1,000,000. 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.

Restatement note: Working hours scaling factor for injury rate has been modified from 200,000 to 1,000,000. Therefore, 2021 and 2020 data have been recalculated accordingly.

Worked hours of all affiliates have been estimated and no exclusion has been applied in terms of internal workers considered for this reporting.

EXTERNAL WORKERS INJURIES (NUMBER AND RATES)	2022	2021	2020
	Total	Total	Total
Work-related injuries	9	4	2
Of which fatalities	-	-	-
Of which with high-consequences (excluding fatalities)	-	-	-
Hours worked	797,794	661,519	850,181
Injury Rate	11.28	6.05	2.35
High-consequence injury rate	-	-	-
Fatalities injury rate	-	-	-

The injury rate is the ratio of the number of injuries reported to the number of hours worked (including overtime), multiplied by 1,000,000. 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 1,000,000. 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. Restatement note: Working hours scaling factor for injury rate has been modified from 200,000 to 1,000,000. Therefore, 2021 and 2020 data have been recalculated accordingly. Worked hours of all affiliates have been estimated and no exclusion has been applied in terms of external workers considered for this reporting.

DIRECT (SCOPE 1) GHG EMISSIONS (TONNES CO ₂ e)	2022	2021	2020	2019
Biogenic carbon Emissions	1,105	2,027	1,275	581
Direct Emissions	48,302	43,644	41,757	48,936

Our scope 1 GHG emissions for 2022 derive from: Propellant losses during manufacturing processes (62%), stationary emissions deriving from the heating processes (16.5%), emissions deriving from our car fleet (20%) and refrigerant loss from our buildings (1.5%).

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

Note for restatement: 2021 data for both biogenic emissions and direct emissions have been updated due to improvements in the data collection.

OTHER INDIRECT (SCOPE 3) GHG EMISSIONS (TONNES CO ₂ e)	2022	2021	2020	2019
Other indirect emissions	879,251	813,523	760,412	732,064

Our scope 3 emissions in 2022 from upstream processes account for almost 25% of total scope 3, while downstream processes account for almost 75% of total scope 3 emissions.

Note for restatement: Previous years data reported have been restated as per below indications:

- Purchased Goods and Services and Capital Goods emissions data for 2019-2021 have been restated due to refinement of the calculation methodology: where supplier specific scope 1 and 2 emissions are available these are used. For remaining emissions input output emission factors /\$ are used. These have been updated to use more recent USEPA emission factors;
- Employee commuting has been restated to remove emissions for employees with a company car as this transport is already included in scope 1;
- Waste emissions have been restated to correct the emission factor for waste classified as other disposal. This is now footprinted as incineration.

ENERGY INDIRECT (SCOPE 2) GHG EMISSIONS (TONNES CO ₂ e)	2022	2021	2020	2019
Total Emissions location-based (Scope 2)	11,285	12,376	12,990	12,939
Total Emissions market-based (Scope 2)	818	1,771	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.

Note for restatement: 2021 market-based emissions have been updated due to improvements in the data collection.

GHG EMISSIONS INTENSITY (TONNES CO ₂ e/ MLN EQ. UNITS)	2022	2021	2020	2019
GHG emission intensity (Scope 1 + Scope 2 location-based)	476.84	492.59	458.73	499.22
GHG emission intensity (Scope 1 + Scope 2 market-based)	408.17	408.60	381.55	552.53

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).

Note for restatement: Intensity figures have been restated for all previous years. We have updated the number of equivalent pieces to exclude double counting from products that are produced at two sites and were erroneously being included twice.

GHG EMISSIONS INVENTORY	2022		2021		2020		2019	
	TONNES CO ₂ e	% BREAKDOWN	TONNES CO ₂ e	% BREAKDOWN	TONNES CO ₂ e	% BREAKDOWN	TONNES CO ₂ e	% BREAKDOWN
Total Emissions (Scope 1)	48,302	5.2%	43,644	5.1%	41,757	5.2%	48,936	6.1%
Total Emissions market-based (Scope 2)	818	0.1%	1,771	0.2%	2,061	0.3%	15,572	2.0%
Total Emissions (Scope 3)	879,251	94.7%	813,523	94.7%	760,412	94.6%	732,064	91.9%
Total Emissions	928,372	100.0%	858,938	100.0%	804,229	100.0%	796,571	100.0%

SCOPE 1: Chiesi includes all Kyoto gases in its GHG inventory, and the definition of Scope 1 is in line with GHG Protocol. The largest source of emissions derives from propellant losses during the manufacturing and spray testing phases of pMDI manufacturing. Emissions are calculated based on the quantity emitted and the propellant GWP (HFA-134a, 1300, IPCC 5th assessment report). Car fleet fuel consumption data is collected from all affiliates. Data is converted in litres and mobile emissions are calculated using appropriate emission factors published by BEIS(*). Similarly, consumption of stationary fuels such as natural gas and diesel is collected for all sites and converted into carbon emissions using the same emission factors. All data used for mobile and stationary emissions is actual, with no estimations required. Emissions from refrigerant losses for manufacturing sites and sites in Italy were calculated based on refrigerant top ups by type and equivalent GWPs from the IPCC 5th assessment report. For remaining sites, losses were estimated based on the site's floor area. It is assumed that these sites use R-134a. Biogenic CO₂ emissions are reported separately as indicated by GRI Standards. These include biogenic emissions from the use of biogas, bioethanol and biomass electricity generation.

SCOPE 2: In line with the GHG Protocol, scope 2 emissions are calculated using both the location-based and market-based methods. Data for purchased energy (including electricity and district heating) is collected from all Chiesi sites. All data used was actual, no estimation of consumption was required. For the location-based method, national or subnational emission factors were used to calculate emissions (e.g. IEA, USEPA). For the market-based method, a zero emission factor was used for electricity purchased from renewable sources through either PPAs, green tariff or purchase of Guarantees of Origin. All electricity purchased by Chiesi in 2022 was renewable (99% of total consumption), except for the sites in Russia and China. For these sites, grid emissions were used, as per location-based emissions.

Purchased electricity (US regions)	USEPA (2020)
Purchased electricity (Rest of World)	IES (2020)
Purchased electricity (Europe only)	AIB (2020)
Purchased electricity (Canada regions)	Environment Canada (2020)
Purchased electricity (Australia regions)	Australian Government Department of Climate Change and Energy Efficiency (2020)

SCOPE 3: Chiesi calculates GHG emissions for all relevant scope 3 categories in line with the GHG Protocol. The largest emission sources come from Category 11 Use of Sold Products due to the emissions of propellants during pMDI use. These are calculated based on quantity of propellant per can and volumes of product sold by type. Emissions are calculated using the HFA-134a GWP. The second largest source of emissions is Category 1 Purchased Goods and Services. We calculate emissions using USEPA Environmentally Extended Input Output (EEIO) emission factors (tCO₂e/\$ spent). Spend categories are allocated to an economic sector to select the relevant emission factor. From 2022, we have been collecting supplier emissions data using the Ecovadis platform. Where available, we substituted the EEIO emission factor with actual data provided by suppliers. For these, an emission factor was calculated based on scope 1 and 2 emissions and the supplier's revenue to achieve emissions per dollar spent. For supplier scope 3 emissions the EEIO method was used. Where actual data coverage within a spend category was statistically significant, we created category averages to replace EEIO factors for suppliers that did not provide actual data. Overall, 16% of emissions are calculated using supplier data or averages. We are working with suppliers to increase actual data coverage in future years.

(*) Department for Energy Security and Net Zero and Department for Business, Energy & Industrial Strategy, UK Government GHG Conversion Factors for Company Reporting

ENERGY CONSUMPTION WITHIN THE ORGANISATION (GJ)	2022	2021	2020
Total Fuel Consumption non-renewable	279,431	278,023	228,643
Diesel	94,503	96,505	80,982
Gasoline	44,960	35,255	14,039
LPG	240	167	154
Natural Gas	139,728	146,096	133,468
Total Fuel Consumption renewable	17,268	9,078	3,611
Bioethanol	7,948	4,880	3,611
Biogas	9,320	4,198	-
Total Energy Purchased	194,680	199,287	191,460
District Cooling	31	27	-
District Heating	11,872	12,763	11,232
Non Renewable Source	2,366	13,368	26,504
Renewable Sources	180,412	173,130	153,723
Electric Energy Self-produced (renewable)	3,825	2,232	459
Total Energy Consumption within the organisation	495,204	488,621	424,173

2021 data have been updated due to improvements in the data collection.

ENERGY INTENSITY	2022	2021	2020
Energy intensity (GJ / mln eq. units)	2,492.73	2,853.03	2,418.38

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).

Note for restatement: Intensity figures have been restated for all previous years. We have updated the number of equivalent pieces to exclude double counting from products that are produced at two sites and were erroneously being included twice.

ENERGY CONSUMPTION: Energy consumption data is collected by site and energy type. All consumption is converted into a standard unit for footprinting purposes (e.g. kWh for electricity consumption) as well as converted to GJ to report on total energy consumption. The data is converted using factors provided by BEIS*.

*Department for Energy Security and Net Zero and Department for Business, Energy & Industrial Strategy, UK Government GHG Conversion Factors for Company Reporting

WASTE DIVERTED FROM DISPOSAL AND WASTE DIRECTED TO DISPOSAL, BY RECOVERY OPERATION (TONNES)	2022			2021			2020		
	Hazardous	Non-hazardous	Total	Hazardous	Non-hazardous	Total	Hazardous	Non-hazardous	Total
Waste diverted from disposal	388.44	1,399.13	1,787.57	499.48	1,241.69	1,741.17	361.93	1,628.13	1,990.06
Other recovery operations	0.05	3.72	3.77	0.05	5.30	5.35	-	14.88	14.88
Preparation for reuse	0.28	0.46	0.73	0.90	4.48	5.38	1.50	4.05	5.55
Recycling	388.12	1,394.94	1,783.06	498.53	1,231.91	1,730.45	360.43	1,609.20	1,969.63
Waste directed to disposal	190.35	357.57	547.92	227.38	833.78	1,061.16	173.50	1,599.31	1,772.81
Incineration (with energy recovery)	79.90	100.26	180.16	81.39	101.87	183.26	36.07	81.50	117.57
Incineration (without energy recovery)	26.79	12.55	39.34	21.71	9.17	30.88	65.46	17.74	83.20
Landfilling	-	33.32	33.32	22.07	15.35	37.42	16.44	14.80	31.24
Other disposal operations	83.67	211.44	295.10	102.21	707.39	809.60	55.53	1,485.27	1,540.80
Total weight of waste generated	578.80	1,756.69	2,335.49	726.87	2,075.47	2,802.34	535.43	3,227.44	3,762.87

2022 data has been estimated and/or indirectly calculated for the following affiliates: Austria & CEE (all sites), Belgium, Brazil (Sao Paulo Office), Canada, China (all sites), Mexico, Pakistan, Poland, Spain, Switzerland and US (Boston).

All Chiesi waste are properly treated by external authorized suppliers, therefore all waste produced was managed off-site.

TOTAL QUANTITY OF WATER WITHDRAWAL (MEGALITERS)	2022		2021		2020	
	All areas	of which water stress areas	All areas	of which water stress areas	All areas	of which water stress areas
Surface Water (total)	0.55	-	1.97	1.29	3.18	0.89
Freshwater	0.00	-	1.97	1.29	3.18	0.89
Other water	0.55	-	-	-	-	-
Groundwater (total)	28.66	-	24.23	0.60	24.43	2.41
Freshwater	28.66	-	24.23	0.60	24.43	2.41
Other water	-	-	-	-	-	-
Third-party water (total)	298.67	24.26	279.95	16.38	257.92	17.54
Freshwater	298.08	23.67	279.15	16.03	256.79	16.76
Other water	0.59	0.59	0.80	0.35	1.13	0.78
Total water withdrawal	327.88	24.26	306.15	18.28	285.54	20.84

2022 data has been estimated and/or indirectly calculated: Austria & CEE (all sites), Belgium, Brazil (Sao Paulo Office), Canada, China (all sites), Mexico, Pakistan, Poland, Spain, Switzerland and US (Boston).

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.

WATER INTENSITY	2022	2021
Water Intensity (megaliters/mln eq. units)	2.48	2.42

Water intensity is calculated considering the water withdrawal 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).

THIRD-PARTY WATER WITHDRAWAL FOR WATER STRESS AREAS BY SOURCE (MEGALITERS)	2022	2021	2020
Groundwater	4.39	5.92	3.99
Surface Water	19.87	10.46	13.55

The sites located in Athens, Barcelona, Beijing, Bruxelles, Melbourne, Moscow, Sao Paulo, Santana de Parnaiba, Sofia, Colonia del Valle, Lahore and Istanbul are considered part of areas subjected to water stress. To identify water stress areas we used the following sources: the Aqueduct Water Risk Atlas by World Resources Institute and Water Risk Filter by WWF.

Data reported in groundwater section have been partly estimated.

BREAKDOWN OF TOTAL WATER DISCHARGE TO ALL AREAS IN MEGALITERS BY THE FOLLOWING CATEGORIES (MEGALITERS)	2022	2021	2020
Total Water Discharge	149.41	133.24	117.45
Fresh water (≤1,000 mg/L Total Dissolved Solids)	149.41	132.24	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 QUANTITY OF WATER CONSUMPTION (MEGALITERS)	2022		2021		2020	
	All areas	of which water stress areas	All areas	of which water stress areas	All areas	of which water stress areas
Total water Withdrawal	220.18	13.66	191.16	9.85	175.15	12.83
Total Water Discharge	149.41	7.26	133.24	6.73	117.45	5.12
Total Water Consumption	70.77	6.40	57.92	3.12	57.70	7.71

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

TOTAL WATER DISCHARGE TO ALL AREAS (MEGALITERS)	2022	2021	2020
Total Water Discharge	149.41	133.24	117.45
Groundwater	-	-	-
Seawater	-	-	-
Surface Water	16.51	14.53	10.77
Third-party water	132.90	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.

TOTAL WATER DISCHARGE TO ALL AREAS WITH WATER STRESS (MEGALITERS), AND A BREAKDOWN OF THIS TOTAL BY THE FOLLOWING CATEGORIES	2022	2021	2020
Total Water Discharge	7.26	6.73	5.12
Fresh water (≤1,000 mg/L Total Dissolved Solids)	7.26	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).

NON COMPLIANCE WITH ENVIRONMENTAL LAWS AND REGULATIONS	2022	2021	2020
Environmental laws and regulations: Total monetary value of significant fines €	-	-	-
Environmental laws and regulations: Total number of non-monetary sanctions	-	-	-
Environmental laws and regulations: Cases brought through dispute resolution mechanisms	-	-	-

In 2022, no fines or non-monetary sanctions for non-compliance with environmental laws and regulations were registered. In this case the organisation has not defined a threshold for significant cases to report, any level of severity has been registered and disclosed

CONFIRMED INCIDENTS OF CORRUPTION AND ACTIONS TAKEN	2022	2021	2020
Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption	-	-	-
Total number of confirmed incidents of corruption	-	-	-
Total number of confirmed incidents in which employees were dismissed or disciplined for corruption	-	-	-
Public legal cases regarding corruption brought against the organisation or its employees during the reporting period	-	-	-

In 2022, no incidents of corruption have been registered and therefore no actions have been taken.

CONFIRMED INCIDENTS OF CORRUPTION AND ACTIONS TAKEN	2022	2021	2020
Number of legal actions in the reference period	-	-	-

In 2022, no legal actions pending or completed regarding anti-competitive behavior and violations of antitrust and monopoly legislation involved the company.

COMPLIANCE WITH LAWS AND REGULATIONS	2022	2021	2020
Total number of significant instances of non-compliance with laws and regulations during the reporting period, and breakdown of this total by: ▶ Number of significant fines ▶ Total number of non-monetary sanctions	-	-	-
Total number and the monetary value of fines for instances of noncompliance with laws and regulations that were paid during the reporting period, and breakdown of this total by: ▶ fines for instances of non-compliance with laws and regulations that occurred in the current reporting period; ▶ fines for instances of non-compliance with laws and regulations that occurred in previous reporting periods;	-	-	-

In 2022, no significant instances or fines of non-compliance with laws and regulations. For significant sanctions, the organisation considered those sanctions worth more than € 50,000.

INCIDENTS OF NONCOMPLIANCE CONCERNING THE HEALTH AND SAFETY IMPACTS OF PRODUCTS AND SERVICES	2022	2021	2020
Incidents of non-compliance with regulations resulting in a fine or penalty	-	-	-
Incidents of non-compliance with regulations resulting in a warning	-	-	-
Incidents of non-compliance with voluntary codes	-	-	-

In 2022, no incidents of non-compliance concerning the health and safety impacts of products and services were registered. The very limited cases of product recalls that occurred were on a voluntary basis and promptly managed by the Company and did not lead to penalties or impacts on health.

REQUIREMENTS FOR PRODUCT AND SERVICE INFORMATION AND LABELLING	2022	2021	2020
Significant product or service categories covered by and assessed for compliance with information and labeling procedures	100%	100%	100%

ASSESSMENT OF THE HEALTH AND SAFETY IMPACTS OF PRODUCT AND SERVICE CATEGORIES	2022	2021	2020
Significant product and service categories for which health and safety impacts are assessed for improvement	100%	100%	100%

SUBSTANTIATED COMPLAINTS CONCERNING BREACHES OF CUSTOMER PRIVACY AND LOSSES OF CUSTOMER DATA		
Substantiated complaints concerning breaches of customer privacy and losses of customer data	2022	2021
Total number of substantiated complaints received concerning breaches of customer privacy, categorised by:	3	6
▶ Complaints received from outside parties and substantiated by the organisation	3	6
▶ Complaints from regulatory bodies	-	-
Total number of identified leaks, thefts, or losses of customer data	5	6

In 2022, at a group level a total of 3 cases of data breaches were received from external parties and substantiated by the company as being due to human error. In addition, 2 other breaches were recorded during the reporting period, resulting in a total of 5 identified data breaches. In all cases, a risk assessment was performed and mitigation and remediation actions were taken. The outcome of the analysis and the corrective actions taken led to the conclusion that the incidents did not affect the rights and freedoms of data subjects and therefore no notifications were made to the relevant Data Protection Authorities or to the data subjects.

In 2021, first year of disclosure of this specific GRI Standard, 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.

ECONOMIC VALUE GENERATED AND DISTRIBUTED (€ MILLION)	2022	2021	2020
Economic Value Generated	2,807.5	2,434.3	2,334.6
Community	26.1	22.0	24.2
Capital providers	88.7	82.0	101.0
Public Administration	273.3	182.0	(38.3)
Employees and Collaborators	677.5	579.4	543.4
Suppliers/Vendors	1,261.9	1,023.1	1,032.4
Economic Value Distributed	2,327.5	1,888.5	1,662.7
Economic value reinvested in the Group	480.0	545.8	671.9

The economic value generated and distributed by Chiesi quantifies the amount of wealth generated within the reference year and distributed to various stakeholders: community, capital providers, public administration, employees, and collaborators remunerated by wages and salaries and suppliers/vendors through the costs of goods and services purchased. In 2022, 82.9% of the economic value generated was distributed to stakeholders, and 17.1% was reinvested within the company. Suppliers & Vendors includes the value distributed in the form of costs of goods and services purchased. Employees & Collaborators refers to Chiesi's workforce remuneration through wages and salaries. Community 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. Capital Providers includes financial expenses, interest on bank loans and dividends to shareholders* Public Administration includes all of the income taxes netted by the contributions received by institutions.

Economic Value Reinvested in the Group refers to 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.

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

REVENUES BY THERAPEUTIC AREAS (MILLION €)			
THERAPEUTIC AREA	2022	2021	2020
Air	2,016	1,731	1,607
Rare	332	279	164
Care	400	409	458
Total	2,749	2,420	2,229

GROUP'S OVERALL TURNOVER (MILLION €)	2022	2021	2020
UK	427	428	401
USA	238	191	254
Italy	274	254	262
Germany	312	281	260
France	182	160	149
Spain	157	136	126
Europe Mid-Size area	376	334	293
China & International area	451	357	320
Chiesi Global Rare Diseases	332	279	164
Total	2,749	2,420	2,229

EBITDA DETAIL	2022	2021	2020
EBITDA (million €)	826.7	772.8	744.2
% on Revenues	30.1%	31.9%	33.4%

% OF OPERATIONS WITH LOCAL COMMUNITY ENGAGEMENT		
2022	2021	2020
84.4%	80.6%	58.1%

In 2022, 84.4% 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)

Annex V: Sustainable Development Goals

The [United Nations Sustainable Development Goals](#) (UN SDGs) are a set of 17 interconnected objectives established in 2015 by the United Nations General Assembly to serve as a roadmap for achieving a better and more sustainable future for all. As part of the 2030 Agenda and wider in scale and ambition, the UN SDGs replaced 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 doing its part to advance the UN SDGs by 2030 and beyond.

We recognise that the 17 SDGs are all equally important. However, we have determined that - based on our business model, skills and abilities - our contribution can be particularly relevant for nine of them. These SDGs are embedded in our approach towards a sustainable business model and will guide the development of our sustainability strategic plan 2023-2028.



SDG Action Manager

Co-created by the UN Global Compact and B Lab, the **SDG Action Manager** enables 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). Each sub-section provides up to 25 points. The overall maximum score for a specific SDG is 100, expressed as a percentage. As with the B Impact Assessment (BIA), the questions are designed to be used by a wide number of companies. Therefore, in some cases questions are high level 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 standardised tool still allows us to share our best practices worldwide, in line with the mission of the 2030 Agenda, as well as comparing our performance against other companies.

Chiesi's 2021 SDG Scorecard

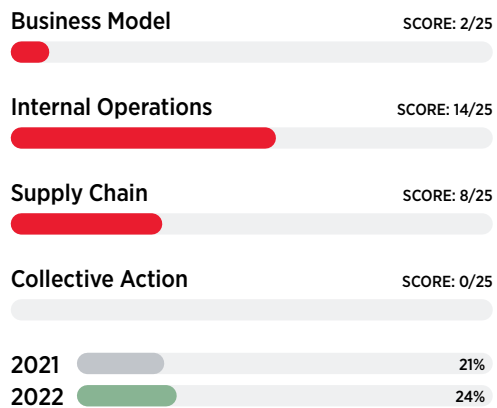
Chiesi embraces the SDGs and makes a positive and significant contribution to many of them, outperforming the average results of both the pharmaceutical sector and the country of Italy on several SDGs. In 2022, our overall score was higher than in 2021, with a baseline score of 77.5% (up from 72.8% in 2021). 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 module includes questions on topics such as commitments to human rights, labour practices, environmental management systems, and good governance (e.g. anti-corruption) - rooted in the Ten Principles of the UN Global Compact. This module allows us to better understand and act on fundamental practices related to managing social and environmental practices, while also contributing positively to the UN SDGs.

Overview of 2022 scores

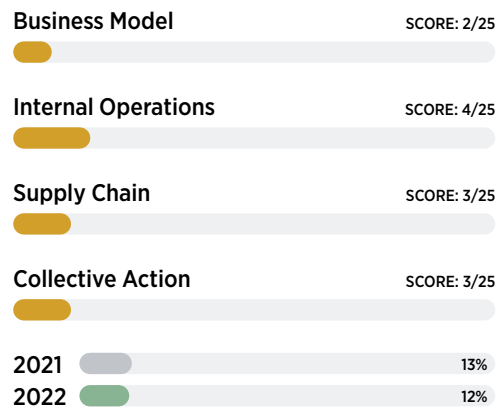
Score 2021	21%	12%	77%	16%	39%	20%	22%	29%	29%	21%	49%	42%	45%	22%	17%	33%
Score 2022	24%	12%	79%	21%	42%	22%	27%	30%	30%	22%	62%	42%	51%	22%	17%	33%



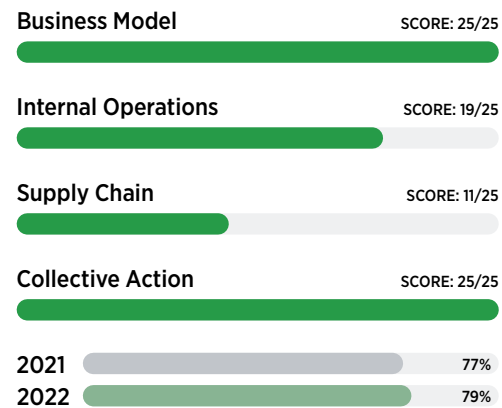
1 - No Poverty
End poverty in all its forms



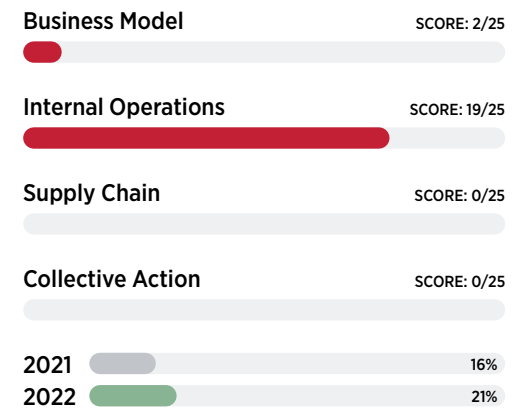
2 - Zero Hunger
End hunger, achieve food security and improved nutrition and promote sustainable agriculture



3 - Good Health and Well-Being
Ensure healthy lives and promote well-being for all at all ages

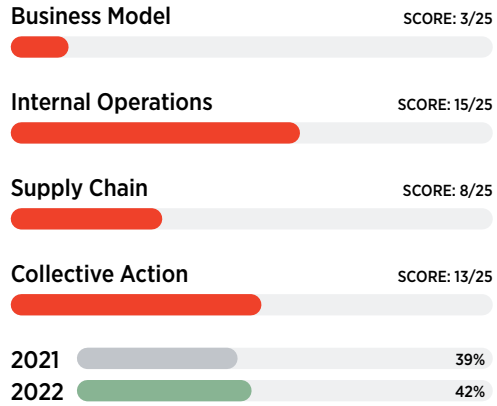


4 - Quality Education
Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

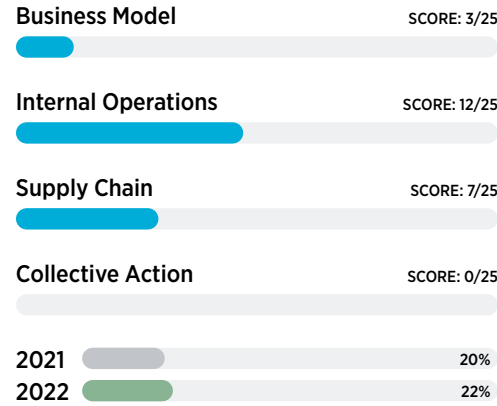




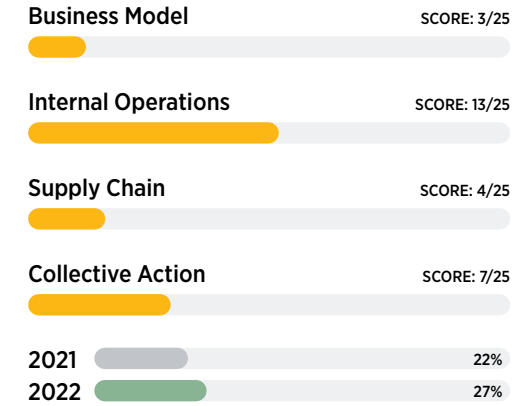
5 - Gender Equality
Achieve gender equality and empower all women and girls



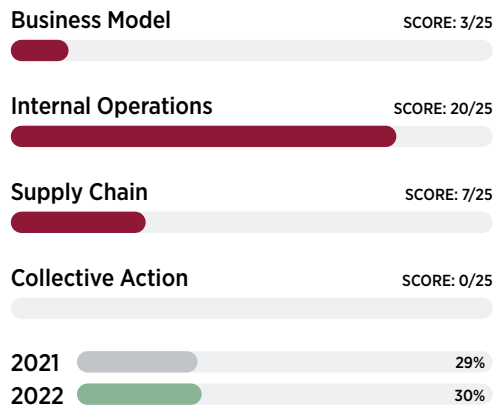
6 - Clean Water and Sanitation
Ensure availability and sustainable management of water and sanitation for all



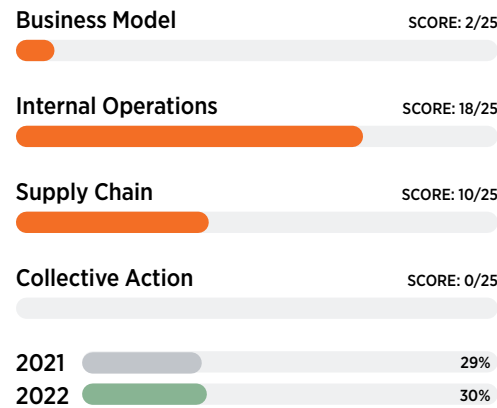
7 - Affordable and Clean Energy
Ensure access to affordable, reliable, sustainable and modern energy for all



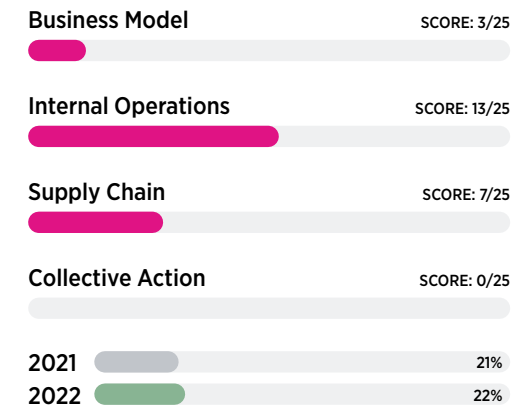
8 - Decent Work and Economic Growth
Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



9 - Industry, Innovation and Infrastructure
Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

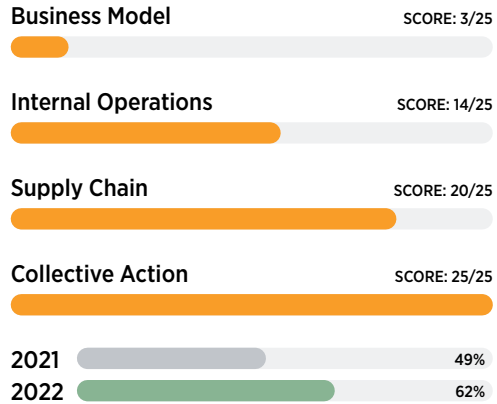


10 - Reduced Inequalities
Reduce inequality within and among countries

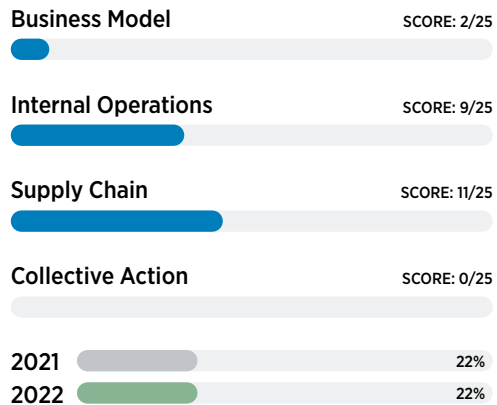




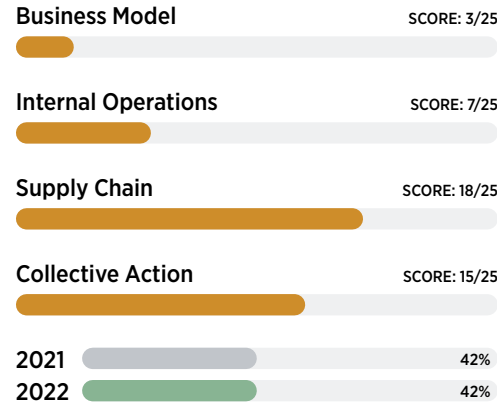
11 - Sustainable Cities and Communities
 Make cities and human settlements inclusive, safe, resilient and sustainable



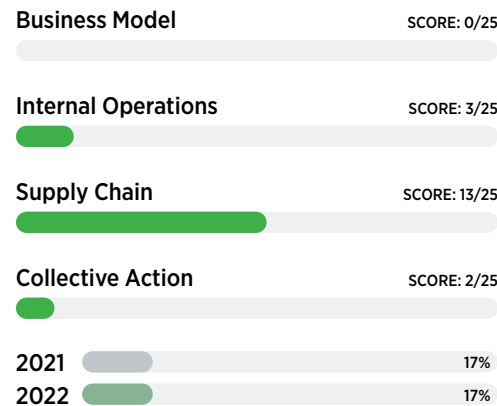
14 - Life Below Water
 Conserve and sustainably use the oceans, seas and marine resources for sustainable development



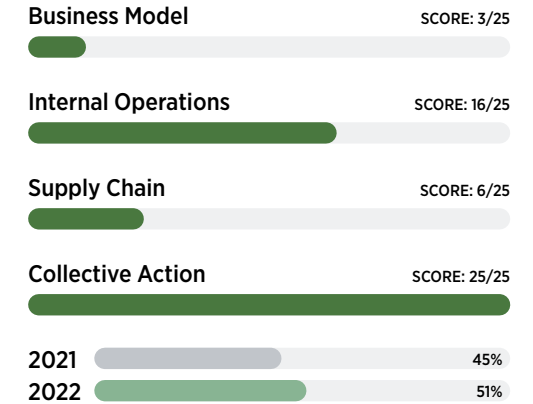
12 - Responsible Consumption and Production
 Ensure sustainable consumption and production patterns



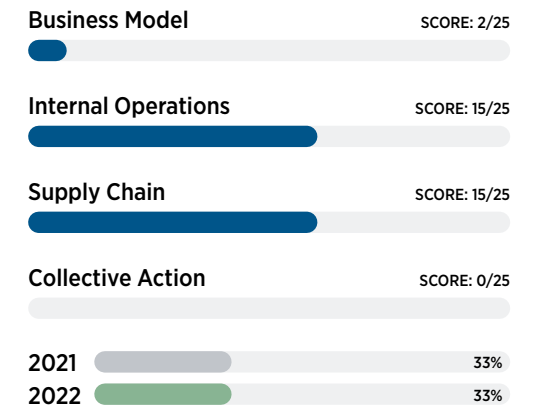
15 - Life on Land
 Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss



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



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



The SDG-specific scores show – in general – a small but positive improvement in various sections. This is in line with the idea of a slow but constant progress in achieving the Sustainable Development Goals. The Business Model sub-section's scores certify that Chiesi's business model is specifically designed to address in particular SDG #3. On the other hand, the results of the Internal Operations sub-section show that, within its operations, Chiesi is making significant progress on many SDGs. However, despite positive scores on specific SDGs, there is still room for improvement when it comes to our performance on Supply Chain sustainability. Chiesi will further explore options in this area, such as on the topics of GHG emissions, waste management and biodiversity, while also balancing cost and time investment needed against the expected impact. Another area for potential improvement is human rights, although 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 also noted that our performance on Collective Action is variable. To improve in this area, we will evaluate measures such as joining relevant movements, coalitions and partnerships, as well as collaborating with other businesses, providing resources and engaging in community investments.

To fully understand Chiesi's performance towards the single SDGs, we have categorised the 17 SDGs into three groups:

1) SDG linked to our core business:



Only SDG #3 Good Health and well-being aligns with our core business and purpose as a pharmaceutical company. Here Chiesi achieves a score of 79%, highlighting that we contribute to sustainable development by ensuring healthy lives and promoting well-being for all at all ages.

2) 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. Six of these seven additional goals did in fact achieve a score higher than 30%: SDGs #5 and #12 reached 42%, while SDGs #11 and #13 scored above 50%. This reflects on our prioritisation of cities and communities, sustainable production, climate action and gender equality. SDG #10 still scores below 30%, leaving opportunities for improvement in this area.

3) SDGs unrelated to our business model:



While this remaining group represents 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%. However, the 2021 scores confirm that Chiesi has a small, but positive, contribution towards these goals. Despite this starting ground, we scored 33% on SDG #16 Peace, justice and strong institutions.

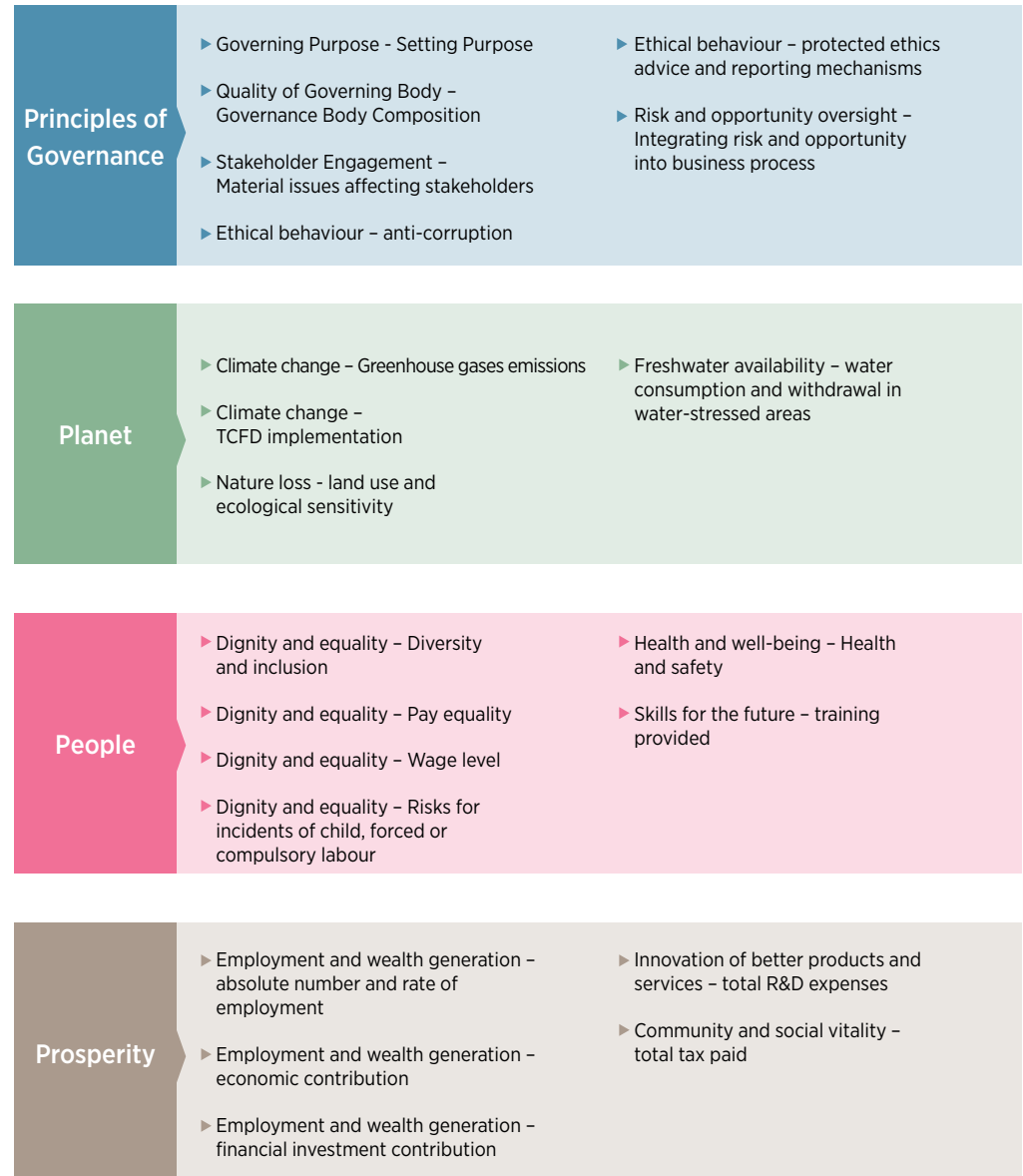
Annex VIII: World Economic Forum Framework

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 2022 reporting.

Developed by the World Economic Forum within the International Business Council (IBC), a community of over 120 global CEOs, the project 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.



WORLD ECONOMIC FORUM CORE METRICS - REFERENCE TABLE

Pillar	Theme	Core metrics	Key performance indicator	Report section 2022	2022 Data/Reason for Omission
Principles of Governance	Governing Purpose	Setting purpose	-	Introduction <ul style="list-style-type: none"> Purpose Mission 	The company's purpose is outlined in the Introduction
	Quality of governing body	Governance body composition	No. of women on board	Annexes	1
	Stakeholder engagement	Material issues impacting stakeholders	-	Impact Measurement <ul style="list-style-type: none"> Materiality table 	Material issues are clearly indicated in the Chiesi Materiality Table in the "Impact Measurement" section of this report.
	Ethical Behavior	Anti-corruption	Employees with training in anti-corruption policies and procedures (%)	Annexes	70.2%
			Confirmed violations for conflict of interest/corruption (no.)	Annexes	No incidents of corruption detected in 2022
		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"> Business continuity, resilience and crisis response 	An overview of risks and mitigation activities is included in the "Business continuity, resilience and crisis response" chapter of this report

Planet	Climate Change	Greenhouse gas (GHG) emissions	Direct greenhouse gas emissions - Scope 1 (CO2e)	Environment - Climate Change and GHG emissions	48,302 t CO2e
			Indirect greenhouse gas emissions- Scope 2 (location based) (CO2e)	Environment - Climate Change and GHG emissions	11,285 t CO2e
			Indirect greenhouse gas emissions - Scope 2 (market based) (CO2e)	Environment - Climate Change and GHG emissions	818 t CO2e
			Indirect greenhouse gas emissions - Scope 3 (CO2e)	Environment - Climate Change and GHG emissions	879,251 t CO2e
		TCFD implementation	-	Annexes	TCFD information is included in the Annex VII "TCFD Report" 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 • Responsible use of resources Annexes	327.88 ML
			Water withdrawal in water stressed areas (megalitres)	Annexes	24.26 ML
			Water consumption (megalitres)	Annexes	70.77 ML Water consumption is reported just for manufacturing sites
			Water consumption in water stressed areas (megalitres)	Annexes	6.40 ML Water consumption is reported just for manufacturing sites

People	Dignity and equality	Diversity and inclusion (%)	Women as proportion of total employees (%)	People • Employee wellbeing, inclusiveness, health & safety	54%
		Pay equality (%)	Equal Remuneration Ratio (%)	People - Employee well-being, inclusiveness, health & safety	Pay equality is addressed in the “Employee well-being, inclusiveness, health & safety” chapter of this report.
		Wage level (%)	CEO Pay Ratio (%)	Not reported in 2022	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 2022. Nonetheless, Chiesi has developed a new Human Rights Policy and is 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 • Employee wellbeing, inclusiveness, health & safety	1
			Frequency of fatal accidents	People • Employee wellbeing, inclusiveness, health & safety	0.09 The fatalities injury rate is the ratio of the number of injuries with fatalities reported to the number of hours worked (including overtime), multiplied by 1,000,000.
			High-consequence accidents	People • Employee wellbeing, inclusiveness, health & safety	0
			Frequency of high-consequence accidents	People • Employee wellbeing, inclusiveness, health & safety	0

People	Skills for the future	Training provided (#, \$)	Average hours of training per employee	People • Employee wellbeing, inclusiveness, health & safety	47.7
		Employee training costs (millions of euro)	Employee training costs (millions of euro)	People • Employee wellbeing, inclusiveness, health & safety	7.1 M Euro
Prosperity	Employment and wealth generation	Absolute number and rate of employment	People hired (no.)	Annexes	808
			Hiring rate (%)	Annexes	13.1%
			Terminations (no.)	Annexes	791
			Turnover (%)	Annexes	12.9%
	Economic contribution	Value created and distributed to stakeholders	Communities • Value for the community and engagement Annexes	82.9%	
		Financial investment contribution	Total investment (millions of euro)	Annexes	128 M Euro
	Purchase of treasury shares and dividends paid (millions of euro)		Annexes	Dividends paid 80.3 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 • R&D, Innovation and digitalisation Annexes	589.2 M Euro
Community and social vitality	Total tax paid	Total tax paid (millions of euro)	Annexes	273.3 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

Core Metrics - Anti-corruption

EMPLOYEES WITH TRAINING IN ANTI-CORRUPTION POLICES AND PROCEDURES (%)	2022	2021
Number of internal employees	4,328	4,157
% on total internal employees	70.2	67.6

Core Metrics - Protected ethics advice and reporting mechanisms

REPORTS RECEIVED FOR VIOLATIONS OF CODE OF ETHICS	2022	2021
Number of violations of the Code of Ethics	-	-

Pillar - People

Core Metrics - Training Provided

TRAINING PROVIDED (VALUE IN MILLIO €)	2022	2021
Employee training costs	7.1	6.6

Pillar - Planet

Core Metrics - Land use and ecological sensitivity

LAND USE AND ECOLOGICAL SENSIBILITY	2022	2021
No. of protected areas	-	-

Pillar - Prosperity

Core Metrics - Financial investment contribution

PURCHASE OF TREASURY SHARES AND DIVIDENDS CONTRIBUTION (VALUES IN MILLION €)	2022	2021
Dividends Paid	80.3	75.6
Purchase of treasury shares	-	-

FINANCIAL INVESTMENT CONTRIBUTION (VALUES IN MILLION €)	2022	2021
Total Investments	128	150

Annex VII: Chiesi TCFD Report 2022

1. Overview of TCFD Report	122
2. Governance for Climate-related issues	122
3. Strategy	124
4. Climate-related risk management	131
5. Metrics & Target	134
6. Summary	135

1. Overview of TCFD Report

Introduction to the report in order to describe our sustainability and climate-change general commitment in line with TCFD recommendations.

Chiesi has long been committed to sustainability and ESG issues. Our mission is to improve people's quality of life worldwide, operating in a socially and environmentally responsible manner. By changing our legal status to a Benefit Corporation in Italy, US and France, our commitment to create shared value for the company is legally binding and central to company-wide decision-making. In 2019, we became a certified B Corp and we pledged to become Net Zero by 2035. In 2022, Chiesi obtained the B Corp re-certification, achieving also a significant improvement in its score.

Today, climate change poses risks for company businesses. Extreme weather events are exacerbated and availability of natural resources is increasingly threatened, while at the same time the policy and regulatory framework is constantly evolving towards the transition to a low carbon economy, in order to fight climate change effects. With respect to aforementioned physical and transitional factors, it's important to understand the exposure of our business to climate-related issues.

For this reason, we conducted a specific project to assess the resilience and flexibility of our business strategy referring to climate-related risk and opportunity impacts. This project was developed in line with the recommendations of the TCFD - Task Force on Climate-related Financial Disclosure, promoted by the Financial Stability Board.

The TCFD is a set of voluntary disclosure recommendations for companies in order to provide information to stakeholders about the company's overall management of climate change issues. The recommendations are structured around four thematic areas that represent core elements of how organisations operate: governance, strategy, risk management and metrics and targets.

The scope of the TCFD analysis refers to our production sites: Parma - San Leonardo

(Italy); Blois (France); Santana de Parnaiba (Brazil) and the analysis results are presented as a first exercise. In addition, a preliminary analysis of climate-related risks identification has also been extended to our main critical suppliers, clients and partners, in order to include our entire value chain.

The data and information refer to fiscal year 2022 and they are aligned with our Sustainability Report and our latest available Strategic Plan.

2. Governance for Climate-related issues

This section presents an overview of the Board of Directors, Committees, and relevant figures in the organisation (CEO, CFO, COO, etc.) involved in managing climate-related issues. The roles of the Board of Directors and top management in identifying the climate strategy, how and when they are informed about climate-related risks and opportunities are described. An organisational chart on the corporate governance structure involved in climate change issues is included.

2.1. Future perspectives



Chiesi has set a governance structure to periodically update the members of the Board of Directors on climate change issues. The Board of Directors, which is chaired by the Chief Executive Officer (CEO), has oversight on climate-related issues via the Net Zero Steering Committee and the Executive Committee here other members of the Board are currently seating (i.e. the Chief Sustainability Officer - CSO - and Chief Commercial Officer - CCO -), as well as via the Impact Committee.

Competence of the Board of climate-related issues

The CSO, in implementing the role, is required to have a strong competence on climate related issues, given the Group's strategy in the areas of Sustainability and Net Zero. The CSO's competence derives from both education (MBA) and work experience (CSO of Chiesi Group since 2015).

Interaction of the Board with the corporate committees on climate-related issues

The roles and responsibilities of the above-mentioned corporate bodies are reported here. The Executive Committee: this Committee, led by the Chief Executive Officer (CEO), meets periodically once a month in order to supervise and make strategic decisions on all operational aspects related to the delivery of the Group's Net Zero Plan. This Committee reports directly to the Board of Directors on a monthly basis.

The Net Zero Steering Committee: this Committee, also led by the Chief Executive Officer (CEO), meets at least four times a year in order to monitor the group's overall strategy, examine performance and opportunities that may arise and drive Net Zero program in accordance with the company strategy. The Committee is composed of the Chief Sustainability Officer and the Chief Commercial Officer (CCO). The Chief Sustainability Officer (CSO) is responsible for designing, validating and monitoring the organization's objectives and initiatives related to shared value creation and oversees the coordination and measurement of impact-related projects in constant alignment with all key internal stakeholders such as Global Strategy and Global Finance departments. The Chief Commercial Officer monitors the implementation of the Net Zero Plan across all affiliates and commercial operations.

This Committee is also composed of the Chief Financial Officer (CFO), the Head of Global Manufacturing Division (Chief Operating Officer - COO), the Head of Communications and External relations (Chief Communication Officer), the Chief Human Resources Officer (CHRO) and Corporate Health, Safety and Environment Director. This Committee reports directly to the Board of Directors on a quarterly basis. The Impact Committee: this Committee is kept informed about the management of climate change issues and is responsible for regularly monitoring Chiesi progress in terms of GHG emissions reduction against targets and reports to the Board of Directors.

2.2. Management's role

At the management level, there is a specialized Committee called the Net Zero Task Force (Operative Committee). This Committee is composed of different corporate functions and ensures the proper management of climate-related projects, while exploiting the business opportunities presented by the transition to a low-carbon economy.

This Operative Committee meets at least four times a year in order to track and record the progress towards the targets and to make suggestions to how the group's performance can be improved. The Committee directly reports to the Net Zero Steering Committee and is composed by the Head of the Health, Safety and Environment , Environmental Sustainability manager, the Head of Corporate Engineering, the Carbon Minimal Inhaler project Leader, the Head of Global Procurement, the Warehouse & Transportation Manager, the Corporate Products Industrialization Director, the Mobility Director, the Head of Global Technical Development, the Head of Global Public Affairs, Communication Managers, the HR Strategic Project Manager, the Enterprise Risk Manager, the Shared Value & Sustainability specialist and the Sustainable Product Manager.

Remuneration

Chiesi has a Remuneration Policy that identifies and defines annual financial incentives (namely "MBOs", Management by Objectives) which can include climate change issues. This Policy refers to all employees eligible for MBOs, including the CEO. By including such KPIs, management's interests can better align with those of stakeholders.

3. Strategy

This section describes the resilience of our business strategy in the short, medium and long term, by assessing, through scenario analysis, the economic impacts of climate-related risks and opportunities identified as the most relevant.

We are fully committed to proactively fight climate change and we are taking action through our decarbonization plan. We have identified climate-related risks and opportunities in line with TCFD recommendations and we have assessed their economic impacts in order to put under stress the business strategy and to evaluate its resilience to reach decarbonization goals, according to climate scenario analysis.

3.1. Climate impact on business strategy

Since climate change directly influences our business strategy and financial planning, we want to move fast in this direction and we plan to become Net Zero by 2030 for direct GHG emissions (Scope 1) and emissions associated with the purchase of electricity and heat (Scope 2) and by 2035 for all other indirect GHG emissions (Scope 3).

Chiesi adopts a hierarchical approach to limit GHG emissions, by avoiding, reducing, substituting and, where not possible, removing GHG emissions through carbon removal projects and initiatives. The aim is to actively take action to cut emissions at sources, designing processes which are not carbon-intensive.

Operations

Currently, 100% of the electricity used at production sites already comes from high-quality renewable sources. Energy consumptions are covered through unbundled Guarantees of Origin (GO) given directly from green energy providers in France and Brazil. In Italy, we have signed a short term Power Purchase Agreement (PPA) for the provision of high quality green energy. We plan to extend this contract in the long term by maintaining a dynamic portfolio management based on fixed and spot prices, in view of the diversification and mitigation of liquidity and volatility risk of energy prices on the market. In addition, in all the production sites where we use gas, the consumptions are totally covered by biomethane in

France and there is an ongoing study to assess transition to biomethane also in Italy. We are also working to improve the efficiency of our business operations and buildings thanks to the Better Building Program. We have already obtained the LEED Platinum level certification in the new Headquarters. In addition, we have obtained the LEED Gold level certification for existing buildings, including the Research Center located in Italy and the following buildings:

- Office building (Pilotis) inside the San Leonardo site in Parma, Italy
- Offices in Shanghai site, China
- Production site in Blois, France
- Logistic site in Fontevivo, Italy
- Offices in Lahore site, Pakistan

Products and Services

One of the greater contributors to Chiesi GHG emissions (mainly scope 3 emissions deriving from use of sold products) comes from the use of some of our devices for inhalation of drugs for the treatment of asthma and chronic obstructive pulmonary disease (COPD). Emissions are generated due to the high climate-altering effect caused by the propellant gas present in the so-called pressurized metered-dose inhalers (pMDIs), or spray inhalers, which is required to release the drugs effectively. Chiesi has set a clear goal to replace the current propellant (HFA 134a) with a new one, called HFA152a, which has a much lower Global Warming Potential (GWP), in order to reduce the carbon footprint of inhalers by up to 90%. In 2019, Chiesi was the first company to announce such a solution with the aim of developing the first Carbon Minimal Inhaler by 2025, while 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.

Value Chain

We are actively involved to include our entire value chain in the process to fight climate-change and we have started this path by developing in 2019 the Code of Interdependence, Chiesi Code of Conduct for suppliers and Business Partners, which aims at reinforcing our

relationship among suppliers in a shared value perspective. Thanks to this Code, every part of Chiesi's value chain is required to adhere to a common set of principles, in order to achieve a more sustainable and inclusive business model. Since 2020, we have in place the Logistics Impact Meter, an internal tool that supports us to map the effects on the environment of all aspects concerning the logistics and distribution operations, identify best practices and work on innovative sustainable solutions.

We have also performed a preliminary analysis aimed at identifying the climate-related physical risks exposure of our value chain. In particular, by checking out publicly available disclosure, we have framed the maturity level of our critical suppliers, clients and partners concerning the management of climate-related issues and, thanks to the use of publicly recognized geo risk tools, we have verified their exposure to climate physical risks considering their geographical location.

3.2. Climate-related risks and opportunities

In line with the TCFD recommendations, the nature of climate factors that could impact on Chiesi's business strategy is both transitional and physical. Transitional factors mainly refer to changes in policies and regulations towards the development of more sustainable economies and the shift to renewable energy sources, as well as to changes of customers and stakeholders preferences towards sustainable products, which could transform market rules. Physical factors are direct effects of climate change as results of increasing global mean temperature, lower availability of natural resources and extreme weather events, which could differently impact in frequency and severity (acute and chronic).

As a biopharmaceutical company that develops, produces and commercializes products that treat patient health, Chiesi business is highly regulated. From a regulatory point of view, one of the main climate risks considered in our strategy development is linked to the use of propellants used in inhalers with a high carbon footprint impact (covering the 40-50% of Chiesi global sold products) which are undergoing severe restrictions.

Emerging regulations could also result in new and increase of already existing carbon pricing mechanisms. More than sixty carbon pricing schemes are in place today, covering over forty countries¹. In France a carbon pricing scheme is already active and Chiesi currently pays the tax. As a precaution, we have identified the introduction in other countries of the carbon tax related to scope 1 and 2 emissions as a risk to be assessed.

Given our commitment to reach Net zero emissions by 2030 for Scope 1 and 2, and by 2035 for Scope 3, we continue to monitor the evolutions of market rules concerning carbon certificates as current voluntary instruments useful to remove residual irreducible emissions. According to BloombergNEF², this market will fully reach its development in future years when prices will significantly rise. Also, for this reason, we are actively working to reduce our carbon footprint on Scope 1, 2 and 3 through sustainable and energy efficiency projects in order to obtain savings on carbon removal certificates purchases and energy supply.

Climate change concerns have an impact also on customers and stakeholders' preferences, which are shifting their attention on lower carbon emissions solutions and sustainable products. We are paying attention to our competitive market position, since there are some competitors which are entering the market with sustainable claims of carbon neutral products, and they could threaten our competitive market advantage.

Furthermore, climate change has exacerbated the severity and frequency of extreme weather events, which have increasingly become relevant in recent years. Physical risks could have direct and/or indirect impacts on our production since they could affect Chiesi and suppliers' operations. Thus, we have identified both acute extreme events such as flooding and chronic events such as water stress and rise in temperature.

The table below represents the climate-related risks and opportunities that have been identified and assessed through scenario analysis with the engagement of different Chiesi's operative functions.

¹ Source: World Bank 2022 Carbon Pricing Dashboard.

² Source: BloombergNEF's 2023 Long-Term Carbon Offsets Outlook.

CLIMATE-RELATED RISKS DESCRIPTION			
#	TCFD Classification	Risk Event	Impact description
1	TRANSITION Policy & Legal: New or more stringent regulations on carbon pricing mechanism on scope 1 and 2 in specific countries where Chiesi operates.	Introduction of new regulation concerning carbon pricing mechanism and potential increase of carbon tax on Scope 1 and 2.	Increase of operating costs related to the payment of carbon tax due to emerging regulation and increase of carbon prices.
2	TRANSITION Market: Change of customers / stakeholders preferences toward sustainable products.	Increasing competition on respiratory products due to generics with sustainable claims.	Loss to market share and decrease in revenues due to competitors sustainable generic products.
3	TRANSITION Policy & Legal: Change on policy and regulation related on existing products containing F gases.	Introduction of new regulation with severe restrictions related to the use of inhalers propellants with a high environmental impact.	Loss in revenues due to th inability to access market of lower emissions products.
4	PHYSICAL Chronic: Long-term shifts in climate patterns might cause droughts and water stress. Acute: Event-driven risks including increased severity of extreme weather events, such as floods.	Business interruption in production sites.	Loss in revenues due to water scarcity and flooding in production sites, which may cause business interruption.
5	PHYSICAL Chronic: Long-term shifts in climate patterns might cause droughts and water stress.	Reduction of water supply in production sites.	Increase of operating cost due to water scarcity in production sites, which may cause water price increase.
6	PHYSICAL Chronic: Long-term shifts in climate patterns might cause rise in global mean temperature and heat waves.	Increase of energy consumptions to maintain the temperature in production sites under operative limit.	Increase of operating cost due to rise temperature and consequent increase of energy consumptions.
CLIMATE-RELATED OPPORTUNITIES DESCRIPTION			
#	TCFD Classification	Risk Event	Impact description
1	TRANSITION Energy sources: Shifting toward renewable energy sources related with the development of more sustainable economies.	Use of renewable energy sources in production sites (both for electricity and gas consumptions).	Saving on operating costs thanks to the expected decrease of energy prices as large scale renewable energy projects will go ahead and spread over years.
2	TRANSITION Products and services: Development of new sustainable products with low carbon emissions.	Saving on carbon removal certificates purchase in voluntary market related to Scope 3 emissions (category 11 - use sold products).	Saving on operating costs thanks to the implementation of decarbonization plan, which will meet Net Zero target by 2035 (based on assumption of intensity target by 2030).

3.3. Climate scenario analysis

Chiesi's strategy resilience has been assessed by considering different climate pathways scenarios defined by internationally recognized providers. These providers use advanced statistical modeling in order to give representation of climate state and climate-related policy evolution. Climate change effects could have extended impacts over time, often exacerbated in the long term, and scenario analysis is useful to better understand potential negative or positive effects on Chiesi's business strategy and financial planning in the short term (by 2025), medium term (by 2028) and long term (by 2035).

For physical risks, the IPCC offers different pathways for greenhouse gas concentration trajectory. Cumulative emissions of CO2 largely determine global mean temperature by the late 21st century and beyond.

For transitional risks/opportunities, the IEA World Energy Outlook (WEO) and the Energy Technology Perspective (ETP) offer different energy pathways calculated through the Global Energy and Climate (GEC) Model, which examines future energy trends mostly regarding the shift towards the use of renewable sources.

In our first TCFD report, climate-related risks and opportunities are assessed starting from the Baseline scenario, which encompasses Chiesi strategic vision according to the Strategic plan for the short-term and to the Decarbonization plan for reaching medium and long term targets. The Baseline scenario represents the "as is" situation, both in terms of the regulatory framework currently in place to fight climate change issues, and the physical effects on environmental state. For this reason, this scenario is based on the IPCC RCP 4.5/6 and the IEA STEPS, which reflects today's expectations for the future trend of increase in global mean temperature and recent developments in energy and climate policy.

Physical and transitional climate factors are then more or less stressed to give representation of alternative scenarios with different climate-related policy evolution and climate change effects on global environmental state. The following alternative climate scenarios have been identified:

- "Critical" scenario (IPCC - RCP 6/8.5) represents the worst-case, consistent with no policy changes to reduce emissions. The CO2 concentrations in the atmosphere will roughly double by 2050. An increase of 3.5/4°C is expected by the end of the 21st century which will put natural resources at risk;
- "Intermediate" scenario (IEA - APS) which assumes that all climate commitments announced by governments around the world to fight climate change are met successfully. This scenario is used as an intermediate pathway that intends to move close to the target of limiting global warming to 1.5°C, by highlighting gaps to achieve Paris Agreement goal;
- "Accelerated" scenario (IEA - NZE & IPCC RCP 2.6/4.5) which assumes the most ambitious target of emission reduction by 2050, with consequent higher use of renewable energy sources and taxation on carbon emissions of fossil fuel sources. The increasing awareness of climate issues will be reflected also in the market, with a shift in customer preferences towards sustainable products. At the same time, this scenario represents a less critical environmental situation thanks to a sustainable development that allows the preservation of natural resources, keeping the increase in temperature approximately at 1.5°C by the end of the 21st century.

3.4. Strategy resilience

Based on the scenario analysis, the tables below provide an overview of key climate risks and opportunities and the relative economic impacts for Chiesi in the short, medium and long term.

Climate-related Risk Impact - Scenario Analysis

CLIMATE-RELATED RISK IMPACT - SCENARIO ANALYSIS						
#	Climate Factor	Risk Impact	Scenario	Time Horizon		
				Short term	Medium Term	Long Term
1	Change on policy and regulation related to carbon pricing mechanism.	Increase of operating costs related to the payment of carbon tax on Scope 1 and 2 due to emerging regulation and increase of carbon prices.	B	●	●	●
			C	●	●	●
2	Changes of customers / stakeholders preferences toward sustainable products.	Loss of market share and decrease in revenues due to competitors sustainable generic products.	B	●	○	○
			C	○	○	○
3	Change on policy and regulation related on existing products containing F gases.	Loss in revenues due to the inability to access market of lower emission products related to the entry in force of new regulation on inhalers propellant.	C	●	○	○
4	Water stress and Flooding	Loss in revenues due to the inability to access market of lower emission products related to the entry in force of new regulation on inhalers propellant.	A	○	○	○
5	Water stress	Increase of operating costs due to water scarcity in production sites, which may cause water price increase.	A	●	●	●
6	Rise in temperature	Increase of operating costs due to rise in temperature and consequent increase of energy consumptions.	A	●	●	●

Economic Thresholds

- No impact
- Low
- Medium
- High
- Very High

Climate scenario	Occurrence Scenario Probability		
	Short Term	Medium Term	Long Term
A: Critical	Unlikely	Remote	Remote
B: Intermediate	Unlikely	Likely	Very Likely
C: Accelerated	Remote	Unlikely	Likely

Climate-related Opportunities Impact - Scenario Analysis

CLIMATE-RELATED OPPORTUNITY IMPACT - SCENARIO ANALYSIS						
#	Climate Factor	Opportunity Impact	Scenario	Time Horizon		
				Short term	Medium Term	Long Term
1	Shifting toward renewable energy sources	Savings on operating costs thanks to the use of renewable energy sources in production sites and expected decrease of energy prices as large scale renewable energy projects will go ahead and spread over years.	B	●	●	●
			C	●	●	●
2	Development of new sustainable products with low carbon emissions	Savings on carbon removal certificates purchase and consequent savings on operating costs thanks to the implementation of decarbonization plan, which will meet Net Zero target by 2035.	B	○	○	●
			C	○	○	●

Economic Thresholds

- No impact
- Low
- Medium
- High
- Very High

Climate scenario	Occurrence Scenario Probability		
	Short Term	Medium Term	Long Term
A: Critical	Unlikely	Remote	Remote
B: Intermediate	Unlikely	Likely	Very Likely
C: Accelerated	Remote	Unlikely	Likely

Although there is no evidence on the application of carbon tax in the pharma industry as it is a fundamental sector for human health, as a precaution we have assessed carbon tax risk considering scope 1 and 2 production sites direct emissions. We have publicly announced our GHG emission reduction target on scope 1 and 2 in 2030, by avoiding and reducing GHG emissions and neutralizing the residual part through the purchase of carbon removal certificates. The reduction trajectory has been approved by the SBTi in April 2021. In the intermediate and accelerated scenarios carbon taxation is expected to spread in new countries with prices increasingly higher in the long term. Thus, this risk may have a medium impact on our operating costs especially in the long term and also in the medium term in the intermediate scenario, which has been considered more likely.

From a market's perspective, we have evaluated the negative impact on our revenues due to the market entrance of generic products with sustainable claims, which could substitute Chiesi's ones and cause a potential loss of our market share, since products patent expiration. This effect is strongly linked to the shift of customer's preferences towards sustainable products, which is expected to be higher in the accelerated scenario. As a first TCFD exercise we have decided to start the analysis focusing on generic products but we are committed to extend the evaluation on our entire portfolio of respiratory products. The analyzed risk has an impact only in the short term thanks to Chiesi's plan to produce and sell more sustainable products with lower Global Warming Potential propellant (Carbon Minimal Inhaler project) that will mitigate the risk impact in the rest

of the time period of the analysis. Risk response is also made through several actions that Chiesi has in place to keep the market share in the period 2023-2026, such as primary care rebate scheme implementation, as well as continuing investing in DPI solutions in order to maintain a diversified portfolio and guarantee the patients care needs.

Considering the emerging regulation on the restriction of F-gases with high GWP, which could result in a forced phase-down of HFC-containing pMDIs, Chiesi has already approached this issue through the Carbon Minimal Inhaler Project, as mentioned above. In particular, we have invested €350 million to realize this project, which will preserve patients' choice by replacing current propellant in inhalers with an innovative low-GWP propellant (HFA152a). In this case, we have analyzed only the accelerated scenario as new regulation and Chiesi strategy are already aligned with Net zero scenario, the most ambitious one. Thus, the other two scenarios are overcome. Since the transition to carbon minimal inhalers has already been approved in the company strategy and budget, the risk exposure is completely mitigated in the entire time period of analysis and Chiesi business is no more impacted by this risk.

Physical climate events could impact our manufacturing sites and our value chain, with consequent direct and indirect negative results on our production. Thanks to the support of advanced geo risk tools (WRI Aqueduct Floods, WWF Water Risk Filter), which return the risk exposure based on site location, we have understood that there is no relevant flooding and water scarcity risk for Chiesi. An exception is represented by the Brazilian site, where energy supply is mainly based on hydro-power generation and water stress could cause blackouts with potential business interruption in the production site. This risk is completely mitigated with no impacts resulting as there are generators located in the site which allow business continuity in case of blackouts. Among main suppliers, clients and partners, which have been considered critical according to geographical diversification, economic and strategic criteria, only six out of over seventy sites are exposed to flooding but with a low exposure. Three of these sites belong to suppliers, one to clients and the other two to partners. Despite the low exposure to risk, the companies analyzed in our value chain have nevertheless taken specific actions to mitigate the impacts of flood risk.

Given the critical scenario in terms of climate change effect on the environmental state,

the combination of an increasing water demand and the reduction of water availability due to climate change, could lead to more national investments to guarantee the supply of water, which would result in higher prices and therefore increased operating costs. However, the climate projections in the time frame of the analysis do not foresee a relevant change between the baseline and the critical scenarios in terms of water availability, therefore financial impacts are not considered significant.

Another relevant physical risk that has been assessed is the rise in temperature, since specific temperature levels are required in production processes of pharmaceutical products. Existing assets and technologies work to ensure these required temperature levels. An increase in external temperatures can affect the performance of existing assets and technologies causing increased investments to replace these assets and/or increased operating costs. Thanks to the support of the CatNet tool we have registered the temperature rise expected in future years and we have evaluated the potential increase of energy consumptions to maintain the internal sites temperature under specific limits to preserve production. As well as the previous case, strong changes are not expected in the reference period (up to 2035) between the baseline and the critical scenarios, with consequent low negative impact on operating costs. The analysis of rise in temperature has been conducted also among critical suppliers, clients and partners with low impact results. The exposure is nearly the same over the world and the maximum increase registered is in the USA and in the Middle-East region, where however the increase in temperature is expected to be not much higher than today by 2035.

Regarding suppliers, clients and partners, we have also conducted a preliminary analysis on available public disclosures in order to frame their general maturity level concerning the management of climate-related issues. The information gathered allowed us to have an overview of the most relevant physical risks, which are identified in the climate disclosures of the companies considered. In any case, we strive for continuous improvement on our path to fight climate change and we would like to deepen this analysis in the next years.

Thanks to our decarbonization plan, we are proactively moving towards ambitious targets. The shifting towards renewable sources is affecting the market energy prices. After the current peak in energy prices, the market trend will see a decrease, in view of larger

renewable projects expected to enter the market in the near future. This is particularly enhanced in the most accelerated scenarios, where the use of renewable sources will be more and more incentivized. In this regard, Chiesi will see a reduction of operating costs with the highest impact in the long term, when renewable energy prices will be at their lowest level.

Concerning savings related to the purchase of carbon removal certificates to meet Net Zero target by 2035, we have investigated future prices according to recognized providers. The current voluntary certificates market is considered “*unsustainably cheap*” by BloombergNEF³ as any types of offsets continue to be permitted to hit climate goals, including those which avoid emissions that would otherwise occur. In this situation, the market will be oversupplied with largely credits from efforts to prevent deforestation and spur reforestation, thereby driving down prices and attracting criticism around quality. Supply will flourish and prices will grow slowly over time. Otherwise, in the accelerated scenario, the market will result in being restricted to offset only what remove, store or sequester carbon emissions to achieve Net Zero targets. There will be insufficient supply to keep up with demand, causing significant near-term prices increases. This represents the best outlook for prices because companies are only allowed to purchase credits to remove their CO₂ quota to hit their sustainability targets. Thanks to the Carbon Minimal Inhaler project, we will significantly cut emissions per unit of sold products and our forecast path has been assessed more ambitious compared to the one approved by SBTi in terms of intensity trajectory (-22% by 2030). Therefore, early investments in new carbon minimal inhalers will result in reduced costs of offsets compared to the intensity target trajectory. By converting this intensity trajectory into absolute emissions and by projecting values by 2035, the opportunity has been evaluated comparing the difference of scope 3 GHG emissions from the use of sold products between our forecast and SBTi values. The evaluation is made only in 2035, as carbon removal certificates are mandatory to be purchased in the Net Zero target year to neutralize residual emissions. The highest impact is registered in the accelerated scenario when prices of certificates are expected to be the highest.

³ Source: BloombergNEF's 2023 Long-Term Carbon Offsets Outlook.

We will continue monitoring physical and transition risks, which are relevant to our business with the aim of reducing their potential impacts through risk-response strategy and we will also be seeking new climate-related opportunities in order to anticipate market and policy evolution by transitional climate-related factors.

4. Climate-related risk management

This section includes the description of processes for identifying, assessing and managing climate-related risks and opportunities, which are fully integrated into our Enterprise Risk Management system.

We are subject to risks and uncertainties inherent to our business and to the complex, rapidly evolving environment in which we operate. Processes and procedures, handled by dedicated business and staff functions, are in place to identify and manage risk exposure, as well as seize related opportunities. In line with the TCFD recommendations, climate issues to which we are potentially exposed needs to be integrated in the company risk management system. The processes in place and the integration of climate-related scenario analysis results are further described below.

4.1. Risk management process

Chiesi's Enterprise Risk Management system is based on the main international best practices (CoSO ERM - Integrating with Strategy and Performance). We continue to further integrate risk management and business processes to have a holistic view of the overall risk profile. The ERM system allows us to identify and assess risks that may impact our business, including ESG risks. Since the end of 2021, we have set up a process of integration between risk assessment and strategic planning processes and a process aimed at better integrating ESG risks into our Risk Management framework. From this year, climate-related risks and opportunities identification, assessment and management processes are also fully integrated into the ERM system, in line with the TCFD recommendations.

Risk assessments are performed covering different time horizons. Short term assessments regard risks that could impact the three years budget activities. Medium term assessments cover risks that could impact planned activities according to the five year Strategic Plan. Climate change risks and opportunities, which have an extended impact over time, are typically assessed in the long term to also evaluate their influence on initiatives connected to Chiesi Net Zero target by 2035.

Regarding Governance, the process of risk identification and management follows a top-down approach. The Board of Directors has overall risk oversight, supervising and setting the guidelines of the overall risk management system. Then, a Risk management Committee is in place, composed of CEO, CFO, Head of GS&CD, Head of SV&S, Head of ERM, which is responsible for setting risk strategy. Its role is also to periodically monitor implementation of risk response plans and risk management process effectiveness, regularly reviewing risk assessment outcomes. Each time the Risk Committee meets, the Executive Committee is informed of what has been discussed, thanks to the inclusion of a specific point in the agenda. Risk assessment results (mitigation plans, critical issues, etc.) are presented annually to the Board of Directors. ERM function provides methodological support and coordination in overall risk identification, evaluation and management. In addition, it is responsible for coordination between management with risk ownership, which executes identification, evaluation and management of the assigned risks, and the Risk management committee, performing periodic reporting also to the BoD. Beside, the Corporate Internal Audit assures the adequacy and effectiveness of the Risk Management System implemented, through a risk-based audit plan.

4.2. Integration with ERM

In line with the TCFD recommendations, risks and opportunities have been assessed in alternative scenarios, where climate factors are more or less stressed compared to the Baseline or reference scenario.

The main differences considering the ERM system and the TCFD framework refer to:

- the time frame of the analysis, as the ERM system considers short and medium term, aligned to the definition of budget and to our strategic planning, while the TCFD analysis

forecasts long term impacts, aligned to our decarbonization strategy target; and

- the assessment approach, as the TCFD analysis uses a “what-if approach”, while the ERM uses a typical approach of likelihood per risk impact. In the case of climate risks and opportunities, the likelihood is linked to climate change scenarios.

As a matter of fact, a specific occurrence probability has been defined to each climate scenario (critical, intermediate and accelerated), by considering the potential evolution of climate-related regulation and market rules. The economic impacts have been quantified by using the same metrics defined in the ERM system. We will continue to update climate-related risks and opportunities assessments with the same frequency foreseen by the ERM system, on an annual basis. The results will be reported concurrently with the Sustainability Report in the TCFD Report.

5. Metrics & Targets

This section contains the description of CO2 emissions reduction targets and other relevant targets related to energy/water efficiency, which we have set according to our decarbonization plan (Scope 1, 2 and 3). Progress reached over the years in reducing GHG emissions and the current status of emissions per Scope should be disclosed, as also metrics used to monitor emission performance.

5.1. Decarbonization plan and efficiency targets

Since we believe that as a company, we should walk the talk and have an active role in the green transition, we have set ambitious goals to reduce the environmental effects of both our direct and indirect activities. We continue to monitor our advancements, and on a quarterly, mid-year, and annual basis, we make our results and accomplishments known to all pertinent stakeholders.

Chiesi has a Net Zero ambition for direct greenhouse gas (GHG) emissions (scope 1) and indirect GHG emissions from the purchase of electricity and heat (scope 2) by 2030, and to become Net Zero on all other indirect GHG emissions (scope 3) by 2035. To reach its Net Zero targets, the Chiesi Group is committed to:

⁴ For further details, kindly refer to energy consumption data disclosed in section “Responsible use of resources” of the Sustainability Report 2022.

Target	Goal Year	Commitments	Progress
Reduce 50% of Scope 1 and Scope 2 emissions on 2019 base year	2030	1. Acquire 100% of the electricity consumed from renewable sources by 2025	In the course of 2022, approximately 99% of the electricity we consumed (self-produced and purchased) was originated from renewable sources ⁴
		2. Reduce propellant losses during the production phase by 80% by 2030	61% of propellant from spray testing captured at manufacturing site San Leonardo
		3. Reduction of more than 50% of mobile emissions by 2030	In the course of 2022, we have reduced approximately 22% of mobile emissions

Target	Goal Year	Commitments	Progress
		4. purchase Carbon Removal Certificates for remaining emissions from 2030 onwards	To be started in 2030
Reduce 90% of Scope 3 emissions associated with the use of sold products on 2019 base year	2035	1. Introduce Carbon Minimal Inhalers that will reduce emissions by 90% by 2035	Started in 2019 – first product to be developed by 2025. Complete roll-out across portfolio and geographies by 2030.
		2. purchase Carbon Removal Certificates for remaining emissions from 2035 onwards	To be started in 2035

5.2. GHG Emissions performance

Chiesi Group Reports all three GHG scopes defined as follows:

- **Scope 1** consists of direct GHG emissions from sources owned or controlled by the

⁵ Scope 2 emissions physically occur at the facility where electricity is generated.

company. The main emissions generated by Chiesi are those arising from:

- car fleet;
- natural gas;
- propellant losses during the production;
- refrigerant gas losses.

- **Scope 2** are GHG emissions from the generation of purchased energy consumed by the company. The main emissions generated by Chiesi are those arising from:

- electricity or heating that is purchased or otherwise brought into the organisational boundary of the company.⁵

- **Scope 3** are the emissions generated from all other activities in the company's value chain, of which the company has neither ownership or direct control. The main emissions generated by Chiesi are those arising from:

- use of sold products;
- purchased goods and services;
- business travel;
- logistics;
- capital goods;
- waste generated and end of life.

GHG emissions are calculated in line with the ISO 14064 Standard and GHG Protocol. Emissions factors used to calculate emissions in 2022 are taken from the 2022 DEFRA and USEPA databases.

Below are the key metrics used by Chiesi to measure progress towards targets. Specifically, the following is reported: the reference metric, the unit of measurement considered, the values registered in the 2019 (base year) and how this has varied over the years and the progress achieved.

Metrics ^{7 8}	Goal Year	Base Year 2019	FY 2020	FY 2021	FY 2022	Progress (FY22 on FY19)
Energy consumed	GJ	496.972	424.559	488.621	495.293	- 0,34%
Energy intensity	GJ/ mln eq. Units	2.585	2.419	2.853	2.493	- 3,58%
Scope 1	tons of CO2e	48.936	41.757	43.709	48.302	- 1,32%
Scope 2 (market based)	tons of CO2e	15.572	2.061	1.818	818	- 94,75%
Scope 2 (location based)	tons of CO2e	12.939	12.990	12.376	11.285	- 12,78%
Intensity scope 1 + 2 (market based) ⁹	tCO2e/ mln eq. unit produced	552,53	381,55	408,60	408,17	- 26,13%
Intensity scope 1 + 2 (location based) ¹⁰	tCO2e/ mln eq. unit produced	499,22	458,73	492,59	476,84	- 4,48%
Scope 3	tons of CO2e	732.064	760.412	813.523	879.251	+ 20,11%
Scope 3 Intensity ¹¹	kgCO2e/ unit sold	11,17	10,96	10,98	10,86	- 2,78%
Scope 3 Intensity ¹¹	kgCO2e/ unit sold	11,17	10,96	10,98	10,86	- 2,78%

⁶ Categories that do not currently apply: Franchising, Investments and Product Processing.

⁷ The metric values are based on the same boundary as the Sustainability Report.

⁸ For further details, please refer to the information disclosed in section "Climate change & GHG emissions" of the Sustainability Report 2022.

⁹ Intensity scope 1 + 2 (market based) only includes manufacturing sites.

¹⁰ Intensity scope 1 + 2 (location based) only includes manufacturing sites.

¹¹ Indicator connected exclusively to scope 3 category 11 "use of sold products".

6. Summary

As recommended by the TCFD framework, this section is useful for stakeholders' understanding and it should contain sources and reference to other relevant disclosure, outside the Sustainability Report (ex. CDP disclosure) or internal link to sections of the overall document in which the TCFD recommendations are answered (ex. section A pag xx of Sustainability Report/Annual Report).

The following table provides references to other external disclosure, specifically the Climate Disclosure Project (CDP) questionnaire.

TCFD Pillar	TCFD Recommendations	Reference to Chiesi Disclosure
Governance <i>Disclose the organization's governance around climate-related risks and opportunities.</i>	Describe the board's oversight of climate-related risks and opportunities.	CDP question 1.1
	Describe management's role in assessing and managing climate-related risks and opportunities.	CDP question 1.2
Strategy <i>Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning where such information is material.</i>	Describe the climate-related risks and opportunities the organisation has identified over the short-, medium- and long-term.	CDP question 2.1a, 2.3 and 2.4
	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.	CDP question 3.3
	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	CDP question 3.2

TCFD Pillar	TCFD Recommendations	Reference to Chiesi Disclosure
Risk Management <i>Disclose how the organisation identifies, assesses and manages climate-related risks.</i>	Describe the organization's processes for identifying and assessing climate-related risks.	CDP question 2.2
	Describe the organization's processes for managing climate-related risks.	CDP question 2.3 and 2.4
	Describe how processes for identifying, assessing, and managing climate related risks are integrated into the organization's overall risk management	CDP question 2.2
Metrics and Targets <i>Disclose the metrics and targets used to assess and manage relevant climate related risks and opportunities where such information is material.</i>	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	CDP question 2.1b and 5.3
	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	CDP question 5 and 6
	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	CDP question 4.1 and 4.2

Annex VIII: Impact Report 2023

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.

The specific common benefit purposes of Chiesi Farmaceutici	138
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	139
Specific common benefit purpose (II): positive impact on people and patients, with the aim of improving their health, well-being and quality of life	140
Specific common benefit purpose (III): contribution to the development of the local communities in which the company operates	142
Specific common benefit purpose (IV): promotion of a responsible and sustainable way of doing business, also through collaborative dialogue with stakeholders	144
General common benefit purposes and impact assessment	146
Appendix: What is a Benefit Corporation and what is a B Corp	147

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 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 ones¹

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

As of July 2022, the company has appointed a responsible for impact, consistent with Benefit Corporation regulatory requirements (Law No. 208 of December 28, 2015, paragraphs 376-384), represented by the Head of Shared Value & Sustainability, who informs the Board of Directors. The responsible for impact is also in charge of nominating the Impact Committee. The Impact Committee, coordinated by the Shared Value & Sustainability Department, is responsible for defining the sustainability strategy and monitoring and reporting on

its implementation. Furthermore, it is setting annual sustainability targets, consistent with the common benefit purposes outlined in the by-laws, and for drafting the Impact Report. The Impact Committee informs the Executive Committee, and it consists of the following functions:

- Shared Value & Sustainability
- Global Human Resources
- Corporate Health, Safety and Environment
- Legal & Corporate Affairs
- Global Finance
- Global Research & Development
- Global Rare Diseases
- Global Procurement
- CCO Patient Advocacy
- Global Communication & External Relations

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

- Specific goals, as per Strategic Plan 2018-22
- Activities and targets with respect to the year 2022
- Activities and targets to be achieved in 2023 contributing to each specific common benefit purpose

The company is currently developing a new sustainability strategic plan 2023-28. In 2022, Chiesi Group has been re-certified as a B Corp², and the Group has increased the B Impact Assessment score by 16.3 points, with 103.8 out of 200 compared to its first certification in 2019. All of Chiesi's 30 affiliates, including its new ones in Australia, Switzerland and Canada, have successfully contributed to the B Corp re-certification. One of the main differences compared to the first certification in 2019 was that Chiesi had to verify its compliance with the new B Corp minimum requirements for the pharmaceutical sector, which were adopted by B Lab in 2021.

¹In 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 be in line with this initiative.

²<https://www.chiesi.com/en/chiesi-is-recertified-as-a-b-corp-and-sets-new-tougher-objectives-for-action-by-2025/>

Specific common benefit purpose (I): 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

Below, we describe the commitments planned for 2023, aimed at pursuing the common benefit purpose described in this section and following up on the activities undertaken in 2022.

Actions taken in 2022

Towards Net Zero

In 2022, we aimed to go beyond the reduction targets approved by SBTi by developing a reduction plan for each relevant emission source in our greenhouse gas inventory as well as identifying specific reduction targets. We have developed this activity in 2022 by creating a Group carbon budget for 2023 with specific reduction targets for the main emission sources, and we aim to continue in the definition of specific reduction targets for other emission sources.

In 2022, we aimed at finalising a specific carbon removal strategy for the Group in accordance with the highest offsetting standards. Due to the controversial discussions³ worldwide around the topic of offsetting, which undermine the guarantee of ensuring high quality of these standards, we have decided to postpone the definition of the removal strategy. We also continued in reporting our emission actions in our Annual and Sustainability Report and within the CDP⁴ (Carbon Disclosure Project) initiative, on which Chiesi received an A score representing highest level, the Leadership band. This is higher than the European regional average of B and higher than the biotech & pharma sector average of B-

³<https://www.theguardian.com/environment/2023/jan/18/revealed-forest-carbon-offsets-biggest-provider-worthless-verra-aoe>

⁴<https://www.cdp.net/en>

⁵The 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.

⁶Toronto (Canada), Bruxelles (Belgium), Athens (Greece), Warsaw (Poland), Istanbul (Turkey), Colonia Del Valle (Mexico), Lahore - Head Office (Pakistan), Lahore - Warehouse (Pakistan), Moscow (Russia), Shanghai (China), Beijing (China), Guangzhou (China), Zhengzhou (China), Chengdu (China)

Moreover, we have put in place a series of other specific actions:

- We have optimised our HFA⁵ gas abatement system achieving 60% reduction from propellant leakage during the production process in the Italian manufacturing site.
- Two of our buildings (Pilotis and Fontevivo) in Parma obtained LEED Gold certification. Pilotis certification was obtained in 2022, and Fontevivo warehouse certification was submitted at the end of 2022 and obtained in early 2023.
- We have completed the second wave of the Better Building 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, including 14 sites⁶ in 2022.
- We refined the GHG inventory of the supply chain for purchased goods and services using as much as primary data as possible and defining a more detailed emissions estimation method.

Towards eco-friendly products

Related to the eco-friendly products programme, whose purpose is to minimise the environmental impact of products, in 2022:

- We implemented a transcoding matrix in our internal LCP (Life Cycle Perspective) tool, a measurement system for products' impact assessment. The LCP tool has been developed by Chiesi to equip all those in charge of researching, developing and bringing to market new products with a Life Cycle Perspective. 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 transcoding matrix enables a more structured measurement of the above-mentioned areas. In 2022, all our R&D projects from early stage on were analysed using the LCP tool.

- We agreed with 100% of our outsourced manufacturing suppliers to use FSC paper. Due to raw material shortage in the second part of the year, some supplier temporarily stopped the programme.
- In the UK, France and Italy, Chiesi has implemented takeback schemes, aimed at reducing the environmental impact of products in the end-of-life phase.
- We completed the mapping of scenarios in 11 European countries to define common principles to improve end-of-life management (mainly in terms of the local end-of-life management and the presence of local stakeholders to support the programme).
- We aimed at performing an evaluation of Environmental Product Declaration labelling – or similar – of one product and took a closer look at the plastic footprint label. Therefore, we decided to improve the measurement of the environmental footprint of our products by performing a plastic footprint for one pilot platform (NEXThaler).

2023 Objectives

Towards Net Zero

In 2023, we aim to define Net Zero Group target in line with SBTi⁷ Protocol. Other specific actions planned in 2023 in this area include the following:

- Certify the CO₂e emission inventory of the Group according to ISO 14064 and GHG Protocol.
- Deploy Group carbon budget by emission source to all affiliates to define local carbon budgets for 2024.
- Perform the third wave of the Better Building programme, including 12 remaining sites and new affiliates if applicable.
- Extend the carbon footprint analysis to other relevant product platforms/products.

Towards eco-friendly products

The evolution of a sustainable products approach at a European level is accelerating fast. In 2023, we will focus on monitoring the international scenario on these aspects, assessing

the adaptation of our approach to the latest innovative technological and regulatory trends. Other specific actions planned in 2023 in this area include the following:

- Perform a plastic footprint analysis on other relevant platforms/products.
- Integrate LCP tool with additional questions on aspect to be assessed (i.e. pharmaceuticals in the environment aspects).
- Identify additional protocols to improve the measurement of products' environmental footprint (i.e. water footprint).

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

Actions taken in 2022

In 2022, Chiesi's commitment to this common benefit resulted in the implementation of the following actions:

Spending on research and development

In 2022, Chiesi's commitment to pharmaceutical innovation designed to find therapeutic solutions to patients' healthcare needs was once again demonstrated 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 special care. In 2022, we allocated 21% of our turnover to research and development.

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

In 2022, we achieved the agreement on the Humanitarian Access Programme (HAP) partnership with two Non-Governmental Organisations (NGOs) to support potential HAP inquiries. Internal Chiesi efforts continue to work to establish and build the foundation and infrastructure for this project, such as process, procedures and external expert committee.

⁷ <https://sciencebasedtargets.org/>

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

The International Respiratory Coalition (IRC) is a multi-stakeholder platform established to address existing challenges in respiratory healthcare that were exacerbated by the emergence of COVID-19. The coalition seeks to prioritise respiratory care reform by governments and national healthcare systems. Chiesi is one of the funding industry partners.

In 2022, the IRC has been working on empowering national respiratory communities to form multi-stakeholder coalitions to transform respiratory care through the creation or update of national respiratory strategies, which include prevention, new models of care, increased funding, ambitious targets, and accountable leadership. These strategies will inform and advise governments on solutions and policy reforms to improve the lives of patients with chronic respiratory diseases. The IRC kicked off its work in June 2022 during the Coalition dedicated Summit.

Our people

In 2022, we gave continuity to our commitment to Diversity and Inclusion (D&I) activities, with a strong 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, Chiesi Group achieved Zero Pay gap in 2022, one year before the target.

Another D&I related priority was the topic of disability. At headquarters level, a dedicated team has been created, with a focus on the following activities:

- Develop a partnership with a career portal that specifically targets people with disability.
- Define the proper approach to listen to our colleagues' needs regarding the inclusion of people with disabilities in Chiesi, leveraging the Chiesi Affinity Network on Disability.

In 2022, the D&I committee defined inclusion of people with disability as global priority in

order to develop a global approach on this topic.

At local level, an awareness campaign as well as ad hoc projects (e.g. Progetto Itaca) have been implemented. In 2022, we also launched the Employee Resource Groups (ERGs), i.e. groups of colleagues volunteering to propose possible new initiatives to foster an inclusive work environment that values and enhances diversity. In Chiesi, the ERGs are called CAN (Chiesi Affinity Network), and to date, 5 CANs have been set up on the following topics: gender equality, disabilities, generations, culture, sexual orientation and gender identity.

We are committed to spreading the communication of the Group's whistleblowing system⁸. In Italy, we launched the *"Manifesto contro la violenza di genere"*, a strong commitment of our company to fight any violence, with a special focus on women for two reasons: gender violence is one of the most significant concerns worldwide; we believe that we can contribute to the gender equality challenge, creating a safe and equal environment. The whistleblowing system is one of the recommended channels to notify any discrimination or violence.

One of our goals for 2022 was to identify the main traits that characterise a "sustainable" leadership style for Chiesi. We have defined a model called the Human Leadership, which will be implemented throughout 2023.

2023 Objectives

Spending on research and development

We aim to continue allocating around 21% of revenues to research and development with a focus on the respiratory, neonatology, rare disease and special care.

Collecting patients' insights to understand their needs

We aim to co-create and deploy integrated initiatives through strategic and sustainable partnerships with the wider patient community and relevant stakeholders (EFA, EFCNI, ETPO, CFE, EU-IPFF, IRC)⁹ aimed at raising awareness and activate patients across all therapeutics areas, bringing patient insights at the core of our strategy.

⁸ <https://www.chiesi.com/speakup-beheard/>

⁹ European Federation of Allergy and Airways Diseases Patients' Associations (EFA), European Foundation for the Care of Newborn Infants (EFCNI), European Trade Promotion Organisations (ETPO), Cystic Fibrosis Europe (CFE), European Pulmonary Fibrosis Federation (EUIPFF), International Respiratory Coalition (IRC)

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

We aim to promote lung health and to improve respiratory care in ten selected countries with the goal to provide every country with the tools to implement a national respiratory strategy based on best practice (continuing awareness on COPD). To this end, Chiesi continues co-creating and deploying the IRC advocacy plans together with other stakeholders. This year, the IRC will count more than ten European national coalitions and set the basis for further expansion. The Coalition aims at sharing its first success stories during its dedicated Summit in June 2023 and will finalise its founding manifesto.

Our people

In the area of Diversity and Inclusion, we aim to ensure that at local level, equal pay is achieved as well. Italy, Mexico and Spain are the only countries in which the specific gender pay gap has not yet been eliminated. Therefore, we aim to achieve local zero pay gap in these countries in 2023. We aim to complete the projects planned in 2023 to contribute to equal career opportunities to all genders by 2030.

In the area of disability, we aim to develop a Group D&I plan targeting the topic of disability including specific targets.

Pursuing the creation of shared value, we are committed to embody the Human Leadership model into the selection, development and promotion processes.

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

Actions taken in 2022

We describe below our planned commitments for 2022 aimed at pursuing the common benefit purpose described in this section.

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). The goal for 2022 amounted to 1.4 million euros of investment. In 2022, we contributed around 1.2 million euros towards initiatives dedicated to the development of the Parma area. Some of the planned initiatives were postponed to 2023 due to changes in priorities of some projects promoted by external actors.

Commitment to local schools

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 addition to the B Corp School project, we committed to initiatives promoting sustainability concepts in schools. In particular, since 2019, we have been contributing to the *Respira con il cuore* project promoted by the Municipality of Parma to stimulate younger generations to explore and share a culture oriented towards well-being, 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.

In 2022, the B Corp School and *Respira con il Cuore* projects were implemented in 13 schools of the Parma territory involving almost 300 students. Both projects have been reconfirmed for 2023.

KilometroVerdeParma and environmental sustainability activities

The Consorzio Forestale KilometroVerdeParma Impresa Sociale is a concrete, widespread, tangible project targeting citizens, enterprises and the public sector, with the aim of

creating 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 including in 2022 with a specific Corporate Volunteering activity involving 42 colleagues (82 hours of volunteering) and 23 trees planted at Chiesi's headquarters site.

In terms of local projects targeting environmental sustainability, we also put in place a pilot project, San Leo Green, with the aim of collecting waste in the area around Chiesi sites in Parma. The project involved Chiesi colleagues, a school of Parma and a local non-profit association. We achieved a total of ten days of activities realised.

“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.

In 2022, the *WELLDONE* project has been started under the directive of Chiesi, Davines, Colser, and Parma, io ci sto!. The aim of the project is to strengthen the welfare systems of the companies involved and to improve the quality of life of employees by sharing the best practices each company adopts.

2023 Objectives

Contribution to territorial development

We aim to contribute approximately 1.4 million euros to initiatives dedicated to the development of the Parma area in the following areas of impact: environmental protection, education and new generations, cultural development, and social inclusion. Moreover, we will ensure that most part of the affiliates identify and support at least one impactful project

for the local community with related impact measurement system in place.

Local stakeholder engagement

We aim to launch a pilot programme of multi-stakeholder engagement on the local community of Parma and province with the aim of establishing best practices sharing and create methodologies to collect local stakeholders' feedback and needs that can feed Chiesi's community development strategy.

Corporate volunteering programmes

We aim to continue to develop corporate volunteering programmes to engage Chiesi employees in local community development initiatives aligned with Chiesi values and priorities:

- Keep active the competence volunteering increasing the involvement of Chiesi's colleagues.
- Hold at least two corporate volunteering in presence sessions during the year.

School related projects

We aim to continue our support to the B Corp School project and the *Respira con il Cuore* project, which are designed for high school students to promote a regenerative economy model and disseminate the concept of shared value by involving younger generations.

Moreover, we aim to support a new initiative in the area of education and new generation related to STEM and/or middle school, according to the needs of the schools in the local territory of Parma.

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

Actions taken in 2022

Chiesi's commitment to this common benefit purpose resulted in the implementation of the following actions in 2022:

1. Patients' involvement in company processes

In 2022, the activities we carry out in our daily operations to include the patient perspective into company processes, are:

- A Master Service Agreement and a wider service agreement was signed with EUPATI¹⁰ patient experts, including their involvement in more than seven projects, to ensure constant collaboration and input provision in clinical trials as part of routine clinical research. EUPATI is the European Patients' Academy on Therapeutic Innovation aimed to trigger a major rethink in the way patients and the public understand the medicines development process and their own involvement within.
- A specific project on decentralised clinical trials was also developed that included the creation of educational seminars on decentralised trials. The goal was to raise awareness and define solutions on executing clinical trials with the help of telemedicine approaches, mobile or local healthcare providers, and/or other technologies.
- In June 2022, the European Federation of Allergy and Airways Diseases Patients' Associations (EFA) published its [DIG IT Report - The asthma and COPD patients' digital journey in Europe](#). The report analyses the outcomes of a survey conducted by EFA in 2021 capturing views of asthma and COPD patients on Europe's digital future. This report offers a timely contribution to a fast-moving area of health policy helping to add evidence of how technologies are used today and the factors that will shape

¹⁰ <https://eupati.eu/>

¹¹ <https://www.chiesi.com/en/first-carbon-minimal-pmdi-is-on-track-with-the-goal-to-benefit-patients-and-planet/>

their future adoption. During 2022, as Chiesi we have shared and promoted the report both internally and externally.

- The International Respiratory Coalition (IRC) aims at transforming post-pandemic respiratory care and reduce deaths from respiratory disease by one third globally by 2030 – in line with the United Nation's (UN) sustainable development goals. Achieving these objectives will save lives, level off the prevalence, and increase health and quality of life of people with infectious and chronic respiratory disease. In addition, the cost savings to national healthcare systems and governments is substantial. The burden of respiratory diseases affects whole communities, impacting patients and their families and their daily lives in schools, workplaces, local communities' cities, and governments. The IRC is a unique coalition with an all-inclusive approach. Multi-stakeholder and multi-sectoral partnerships are key to making our vision a reality. The IRC's approach aims at empowering national respiratory communities to form multi-stakeholder coalitions to transform respiratory care. IRC is embedded into the ERS community, and in 2022, it has launched a new web-based, open-access, advocacy resource 'Lung Facts' presenting key epidemiological and economic data for major respiratory conditions across World Health Organisation (WHO) Europe and by each WHO Europe country, and is intended to be used to demonstrate the urgent need for change in respiratory healthcare as well as to provide a base to measure future progress. [Lung Facts](#) is a valuable online resource giving the latest epidemiological (who, when and where) and economic (i.e. monetised outcome) data on a range of lung conditions. Chiesi is part of the IRC and leverages on its resources to raise awareness and act on the topics analysed.
- In the context of Chiesi's Carbon Minimal Inhaler¹¹ project, we have started the collection of spontaneous feedback regarding the environmental impact of inhalers through social listening. The collection of patients' perspective supported improvement on the project and also stimulated a wider collaboration with global and local patients' associations. It also encouraged discussion around the evolution of environmental policies and the consideration of both environmental impact and patients' needs from policymakers.

- Among the initiatives we carried on in 2022 to collect patients' needs, we can mention Chiesi's HOPE project, a 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 our work and can be documented in a regulatory-friendly way that supports our claims around patient impact. In 2022, we interviewed more than 400 patients as part of this project.

2. Implementation of the Code of Interdependence with suppliers

The main objective for 2022 was to extend the scope of the Code of Interdependence¹² through a series of specific actions:

- Roll out of the Vendor Qualification process in Chiesi's affiliates based in Russia and Central and Eastern European (CEE) countries.
- Sharing of vendor evaluations with all suppliers involved, together with ad hoc meetings for follow-up. The vendor evaluations include the definition of specific engagement plans with key suppliers for carbon management improvement.
- Launch of the EcoVadis platform for Chiesi's suppliers, a sustainability assessment focusing on 21 sustainability criteria that are grouped into four themes: environment, labour & human rights, ethics, and sustainable procurement. These criteria are based on international sustainability standards such as the Ten Principles of the UN Global Compact, the International Labour Organisation (ILO) conventions, and the Global Reporting Initiative (GRI) standards.

2023 Objectives

Involvement of patients to integrate their perspective in company processes

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

¹² https://www.chiesi.com/documenti/30_code-of-interdependence.pdf

- Further embed patient perspective within the clinical development process including patient involvement approach into a new therapeutic area and/or disease at study and at project level.
- Engage with patient groups in advocating on the implementation of digital services related to asthma and COPD.

Implementation of the Code of Interdependence with suppliers

We aim to focus on the following topics:

- Develop an educational program for suppliers (Value Chain Education), including Energize, carbon management aspects and other key ESG topics. Energize is a programme promoted by Schneider Electric; it is a first-of-its-kind collaboration of 15+ pharmaceutical companies (including Chiesi) to increase the adoption of renewable electricity in the pharmaceutical supply chain. The Energize programme is designed to help our suppliers learn about renewable electricity and offer opportunities to take action.
- Complete the rollout at Group level of the standard supplier qualification process (vendor qualification) for Chiesi Mexico.
- Define improvement plans with key suppliers through EcoVadis.
- Target and act on most emitting suppliers – in terms of CO₂e emission – identifying engagement actions towards Chiesi's need of reduction and Net Zero.

Sustainability Governance

In 2022, Chiesi worked to a more formal sustainability governance structure for all affiliates of the Group through the identification of a dedicated role in all entities, called Shared Value & Sustainability Business Partner. The goal for 2023 is to complete the onboarding process of all Shared Value & Sustainability Business Partners.

As part of the governance review performed in 2022, Chiesi plans for 2023 to develop a specific training program on sustainability topics targeting the Board of Directors and top management to ensure their preparedness on ESG topics.

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 2022 related to the Italian perimeter was 112.1 points, measured with version 6 of the B Impact Assessment. The score was audited in 2022 by B Lab during Chiesi Group's B Corp re-certification. 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. 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/>.

Overall B Impact Score

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 drafts a Sustainability Report for the year 2022 according to GRI standards, transparently reporting on the corporate sustainability commitment and the concrete actions implemented.

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:

- Explicitly state in their by-laws the purpose of the company 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 around the world are committed to spreading more advanced business paradigms and have promoted the legal form of Benefit Corporation since 2006.

There are thousands of B Corps (more than 6,400) and more than 240,000 companies that use the B Impact Assessment in over 89 countries and 160 sectors. 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 227 Certified B Corps and about 3,000 Benefit Corporations.

<https://bcorporation.eu/>

<http://www.societabenefit.net/>

Annex IX: GRI Content Index

GRI STANDARD	DISCLOSURE	LOCATION	NOTE/OMITTED
THE ORGANISATION AND ITS REPORTING PRACTICES			
2-1	Organisational details	“Introduction” section	-
2-2	Entities included in the organization’s sustainability reporting	Annex I: Note on methodology, “Introduction” section	-
2-3	Reporting period, frequency and contact point	Annex I: Note on methodology	Stakeholders can submit questions about the reporting or information reported in the Report to the following email address: csr@chiesi.com
2-4	Restatements of information	Annex I: Note on methodology; Annex IV “Chiesi Sustainability Performance”	-
2-5	External assurance	Annex I: Note on methodology	The report is not externally assured by third parties.
ACTIVITIES AND WORKERS			
2-6	Activities, value chain and other business relationships	“Responsible management of value chain” chapter	-
2-7	Employees	Annex IV “Chiesi Sustainability Performance”	-
2-8	Workers who are not employees	Annex IV “Chiesi Sustainability Performance”	-
GOVERNANCE			
2-9	Governance structure and composition	“Governance, mission and engagement” chapter; “Introduction” section	-
2-10	Nomination and selection of the highest governance body	“Governance, mission and engagement” chapter	-
2-11	Chair of the highest governance body	“Introduction” section	-
2-12	Role of the highest governance body in overseeing the management of impacts	“Sustainability Governance” chapter; “Transparency, Ethics and Compliance” chapter	-
2-13	Delegation of responsibility for managing impacts	“Sustainability Governance” chapter	-
2-14	Role of the highest governance body in sustainability reporting	Annex I: Note on methodology	-
2-15	Conflicts of interest	“Governance, mission and engagement” chapter	-

GOVERNANCE			
2-16	Communication of critical concerns	“Human Rights chapter”, “Transparency, ethics and compliance” chapter	-
2-17	Collective knowledge of the highest governance body	“Governance, mission and engagement” chapter	-
2-18	Evaluation of the performance of the highest governance body	“Sustainability Governance” chapter	-
2-19	Remuneration policies	-	Chiesi considers the remuneration policies of the highest governing body to be sensitive information whose disclosure may impact the company’s strategy. For this reason, it has not been disclosed.
2-20	Process to determine remuneration	“Employee Wellbeing, Inclusiveness, Health & Safety” chapter; “Employee Management and Development” chapter	-
2-21	Annual total compensation ratio	-	Chiesi considers the Annual total compensation ratio to be sensitive information whose disclosure may impact the company’s strategy. For this reason, it has not been disclosed.
STRATEGY, POLICIES AND PRACTICES			
2-22	Statement on sustainable development strategy	“Introduction” section	-
2-23	Policy commitments	“Chiesi: A Trailblazer in the B Corp Movement” chapter, “Human Rights” chapter, “Responsible management of the value chain” chapter, “Sustainability Governance” chapter	-
2-24	Embedding policy commitments	“Sustainability Governance” chapter; “Chiesi: A Trailblazer in the B Corp Movement” chapter, “Human Rights” chapter, “Responsible management of the value chain” chapter	-
2-25	Processes to remediate negative impacts	“Human Rights” chapter; “Transparency, ethics and compliance” chapter	A whistleblowing system (“Speak Up and Be Heard”) is in place at group level, allowing all stakeholders to report grievances or negative impacts. In addition, local measures are in place according to affiliate local regulations (e.g. model 231 in Italy). In case of actual negative impacts caused by the organisation, every affiliate is able to implement a remediation plan. Currently, stakeholders are not involved in defining remediation actions.

STRATEGY, POLICIES AND PRACTICES			
2-26	Mechanisms for seeking advice and raising concerns	“Sustainability Governance” chapter, “Transparency, Ethics and Compliance” chapter	-
2-27	Compliance with laws and regulations	Annex IV “Chiesi Sustainability Performance”	-
2-28	Membership associations	“Climate change and GHG emissions”, “Holistic and Patient Centric approach”, “Value for the Community and Engagement” chapters	-
STAKEHOLDER ENGAGEMENT			
2-29	Approach to stakeholder engagement	“Materiality analysis” chapter; Annex III “Stakeholder Engagement methods”	-
2-30	Collective bargaining agreements	Annex IV “Chiesi Sustainability Performance”; “Employee wellbeing, inclusiveness, health & safety” chapter	-
MATERIAL TOPICS			
3-1	Process to determine material topics	“Materiality analysis” chapter	-
3-2	List of material topics	“Materiality analysis” chapter	-
BUSINESS CONTINUITY, RESILIENCE AND CRISIS RESPONSE			
3-3	Management of material topics	“Business Continuity, Resilience and Crisis Response” chapter	-
TRANSPARENCY, ETHICS AND COMPLIANCE			
3-3	Management of material topics	“Transparency, Ethics And Compliance” chapter	-
205-3	Confirmed incidents of corruption and actions taken	Annex IV “Chiesi Sustainability Performance”	-
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Annex IV “Chiesi Sustainability Performance”	-
417-1	Requirements for product and service information and labeling	Annex IV “Chiesi Sustainability Performance”	-
GOVERNANCE, MISSION AND ENGAGEMENT			
3-3	Management of material topics	“Governance, Mission and Engagement” chapter	-

PRIVACY AND DATA SECURITY			
3-3	Management of material topics	“Privacy and data security” chapter	-
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	-	In 2022, at a group level a total of 3 cases of data breaches were received from external parties and substantiated by the company as being due to human error. In addition, 2 other breaches were recorded during the reporting period, resulting in a total of 5 identified data breaches. In all cases, a risk assessment was performed and mitigation and remediation actions were taken. The outcome of the analysis and the corrective actions taken led to the conclusion that the incidents did not affect the rights and freedoms of data subjects and therefore no notifications were made to the relevant Data Protection Authorities or to the data subjects
HUMAN RIGHTS			
3-3	Management of material topics	“Human Rights” chapter	-
EMPLOYEE WELL-BEING, INCLUSIVENESS, HEALTH & SAFETY			
3-3	Management of material topics	“Employee Well-being, Inclusiveness, Health & Safety” chapter	-
403-1	Occupational health and safety management system	“Employee Well-being, Inclusiveness, Health & Safety” chapter	-
403-2	Hazard identification, risk assessment, and incident investigation	“Employee Well-being, Inclusiveness, Health & Safety” chapter	-
403-3	Occupational health services	“Employee Well-being, Inclusiveness, Health & Safety” chapter	-
403-4	Worker participation, consultation, and communication on occupational health and safety	“Employee Well-being, Inclusiveness, Health & Safety” chapter	-
403-5	Worker training on occupational health and safety	“Employee Well-being, Inclusiveness, Health & Safety” chapter	-
403-6	Promotion of worker health	“Employee Well-being, Inclusiveness, Health & Safety” chapter	-
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	“Employee Well-being, Inclusiveness, Health & Safety” chapter	-

EMPLOYEE WELL-BEING, INCLUSIVENESS, HEALTH & SAFETY			
403-9	Work-related injuries	“Employee Well-being, Inclusiveness, Health & Safety” chapter; Annex IV “Chiesi Sustainability Performance”	-
405-1	Diversity of governance bodies and employees	“Employee Well-being, Inclusiveness, Health & Safety” chapter	-
EMPLOYEES MANAGEMENT AND DEVELOPMENT			
3-3	Management of material topics	“Employees Management and Development” chapter	-
401-1	New employee hires and employee turnover	Annex IV “Chiesi Sustainability Performance”	-
404-1	Average hours of training per year per employee	“Employees Management And Development” chapter; Annex IV “Chiesi Sustainability Performance”	-
VALUE FOR THE COMMUNITY AND ENGAGEMENT			
3-3	Management of material topics	“Value For The Community and Engagement” chapter	-
201-1	Direct economic value generated and distributed	“Value For The Community and Engagement” chapter; Annex IV “Chiesi Sustainability Performance”	-
204-1	Proportion of spending on local suppliers	Annex IV “Chiesi Sustainability Performance”	-
413-1	Operations with local community engagement, impact assessments, and development programs	“Value For The Community and Engagement” chapter; Annex IV “Chiesi Sustainability Performance”	-
RESPONSIBLE MANAGEMENT OF THE VALUE CHAIN			
3-3	Management of material topics	“Responsible Management Of The Value Chain” chapter	-
308-1	New suppliers that were screened using environmental criteria	Annex IV “Chiesi Sustainability Performance”	-
414-1	New suppliers that were screened using social criteria	Annex IV “Chiesi Sustainability Performance”	-
CLIMATE CHANGE AND GHG EMISSIONS			
3-3	Management of material topics	“Climate Change and GHG Emissions” chapter	-
305-1	Direct (Scope 1) GHG emissions	“Climate Change and GHG Emissions” chapter; Annex IV “Chiesi Sustainability Performance”	-

CLIMATE CHANGE AND GHG EMISSIONS			
305-2	Energy indirect (Scope 2) GHG emissions	“Climate Change and GHG Emissions” chapter; Annex IV “Chiesi Sustainability Performance”	-
305-3	Other indirect (Scope 3) GHG emissions	“Climate Change and GHG Emissions” chapter; Annex IV “Chiesi Sustainability Performance”	-
305-4	GHG emissions intensity	“Climate Change and GHG Emissions” chapter; Annex IV “Chiesi Sustainability Performance”	-
RESPONSIBLE USE OF RESOURCES			
3-3	Management of material topics	“Responsible use of resources” chapter	-
302-1	Energy consumption within the organisation	“Responsible use of resources” chapter; Annex IV “Chiesi Sustainability Performance”	-
302-3	Energy intensity	Annex IV “Chiesi Sustainability Performance”	-
303-1	Interactions with water as a shared resource	“Responsible use of resources” chapter; “Annex VII TCFD Report”; Annex IV “Chiesi Sustainability Performance”	-
303-2	Management of water discharge-related impacts	“Product Sustainability” chapter; “Responsible use of resources” chapter; Annex IV “Chiesi Sustainability Performance”	-
303-3	Water withdrawal	“Responsible use of resources” chapter; Annex IV “Chiesi Sustainability Performance”	-
303-4	Water discharge	“Product Sustainability” chapter; “Responsible use of resources” chapter; Annex IV “Chiesi Sustainability Performance”	-
306-1	Waste generation and significant waste-related impacts	-	We produce mostly drug wastes, which are considered ‘hazardous’ wastes because they contain active pharmaceutical ingredients and regulations require them to be handled as such (destroying them and preventing recycling). All waste produced – both hazardous and not hazardous – is correctly managed and, where possible, the vast majority is recycled.

RESPONSIBLE USE OF RESOURCES			
306-2	Management of significant waste-related impacts	-	ISO 14001:2015 management systems include audits on suppliers in relation to waste management practices. Currently not all local affiliates are ISO 14001:2015 certified and therefore not all have a specific audit plan on suppliers related to waste management. However HSE Global Guidelines provide indications for all affiliates regarding the implementation of a management systems that enable the correct management of this topic. Furthermore, Chiesi Code of Interdependence and the Ecovadis programme are two important tools for interacting with suppliers on the topic of waste management, with the possibility to perform audits and define with suppliers any needed improvement actions.
306-4	Waste diverted from disposal	“Responsible use of resources” chapter; Annex IV “Chiesi Sustainability Performance”	-
306-5	Waste diverted to disposal	“Responsible use of resources” chapter; Annex IV “Chiesi Sustainability Performance”	-
PRODUCT SUSTAINABILITY			
3-3	Management of material topics	“Product Sustainability” chapter	-
ANIMAL WELFARE			
3-3	Management of material topics	“Animal welfare” chapter	-
R&D, INNOVATION AND DIGITALISATION			
3-3	Management of material topics	“R&D, Innovation and Digitalisation” chapter	-
HEALTH EQUITY			
3-3	Management of material topics	“Health Equity” chapter	-
HOLISTIC AND PATIENT-CENTRIC APPROACH			
3-3	Management of material topics	“Holistic And Patient-Centric Approach” chapter	-
416-1	Assessment of the health and safety impacts of product and service categories	Annex IV “Chiesi Sustainability Performance”	-
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Annex IV “Chiesi Sustainability Performance”	-