Chiesi

ESG REPORTS

Impact Report – SDGs – WEF – TCFD Report

2024

ESG REPORTS

Impact Report – SDGs – WEF – TCFD Report

2024

INDEX

Introduction

Impact Report

Letter to the Stakeholders
Our Commitment to impact
(I) Continuous Innovation for People and Planet
(II) Climate Action
(III) Community Development
(IV) Governance and Stakeholders Engagement
Overall Impact Assessment
Appendix

SDG Action Manager

Our SDG Journey
How It Works
2024 SDG Scorecard

World Economic Forum

TCFD Report 2024

Overview of Climate-related Financial Reporting
Governance for climate-related issues
Strategy
Climate-related risk management
Metrics & Targets
Summary

INTRODUCTION

At Chiesi, sustainability is deeply ingrained in the way we operate, take decisions and envision our future. The ESG reporting frameworks we follow reflect this integrated approach, combining compliance with regulatory standards and voluntary alignment with globally recognized benchmarks. This enables us to remain transparent and accountable, while continuously learning and evolving.

OUR APPROACH TO ESG DISCLOSURE

We follow a multi-framework strategy that allows us to remain both accountable and forward-looking in our sustainability journey:

REGULATORY FRAMEWORKS

- **Benefit Corporation** (Società Benefit Italian law n. 208/2015): integrating shared value into our business model
- **Non-financial Reporting Directive (NFRD)**: aligning with European standards on corporate disclosure

VOLUNTARY FRAMEWORKS

- **B Impact Assessment (BIA)**: measuring social and environmental impact as a certified B Corp by B Lab
- **SDG Action Manager**: developed by UN Global Compact and B Lab, a key tool in guiding our alignment with the Sustainable Development Goals
- **GRI Standards**: ensuring transparency and comparability in our sustainability reporting
- **World Economic Forum's "Measuring Stakeholder Capitalism"**: providing an additional lens to assess and communicate our ESG performance in a global context
- **Task Force on Climate-related Financial Disclosures (TCFD)**: informing our climate-related governance and risk strategy
- **European Sustainability Reporting Standards (ESRS)**: in preparation for the Corporate Sustainability Reporting Directive (CSRD), we are enhancing our data systems, internal processes, and governance to align with ESRS requirement.

Our ESG framework continues to evolve in response to the growing complexity of global challenges, from climate action and public health to responsible governance and social well-being. By anchoring our disclosures in trusted international standards, we are building a foundation for meaningful accountability and long-term value creation.

Impact REPORT

Chiesi Farmaceutici S.p.A. SB 2025

LETTER TO THE STAKEHOLDERS

As Chiesi celebrates its 90th anniversary in 2025, we reflect on nearly a century dedicated to improving lives and advancing healthcare. This milestone serves as a moment to honor our legacy and reaffirm our mission as an international pharmaceutical company and a Benefit Corporation, committed to business success as to the health, well-being, and sustainability of the communities and ecosystems we rely upon.

Our anniversary comes at a critical time for global development. The 2024 Sustainable Development Goals Report[1] reveals an unsettling truth: progress on many fronts has slowed or even reversed. The lingering effects of Covid-19, combined with climate crises, economic instability, and geopolitical tensions, have worsened existing inequalities worldwide. Millions more people now face poverty and hunger, while efforts to achieve global health and environmental goals have stalled. Against this challenging backdrop, Chiesi's mission to improve the quality of human life has never felt more pressing or necessary.

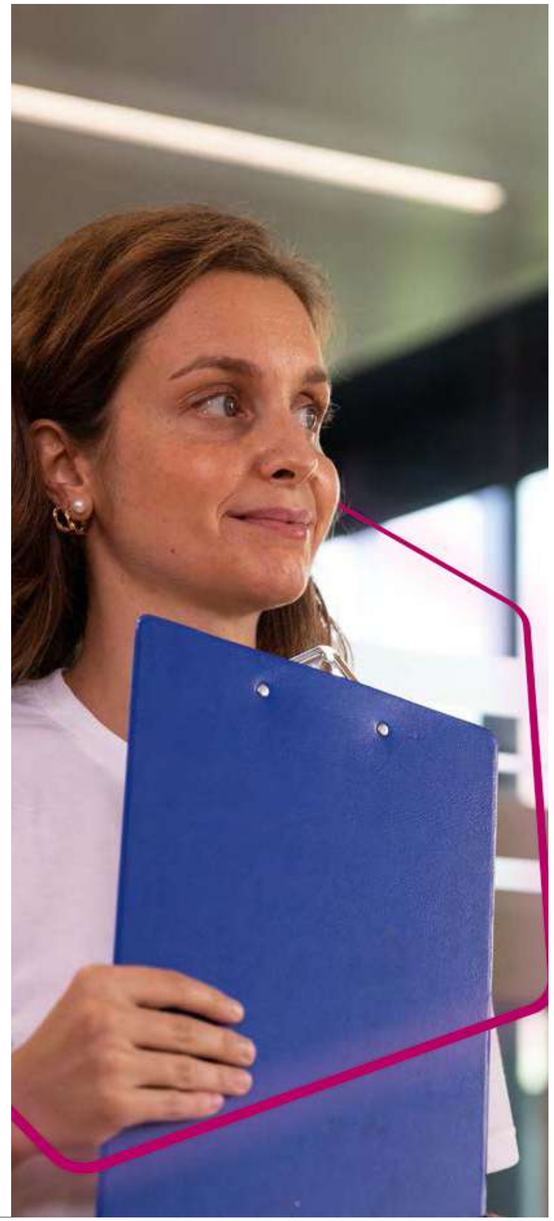
In 2024 we have refined and clarified our Common Benefit Purposes to ensure our impact is both meaningful and transparent. This report highlights our progress across six impact areas: Patients, Environment, Value Chain, People, Community, and Governance. From advocating for respiratory health policies, to addressing the gender pay gap, to achieving our first My Green Lab certifications for the UK and Italy laboratories, we are proud of our teams' contributions to these impactful initiatives.

Looking to the future, Chiesi Group has made bold commitments to confront the growing urgency of climate change, setting a necessary goal of reaching net-zero greenhouse gas emissions by 2035. And we will do so, following our newly published Climate Transition Plan (CTP), a detailed roadmap to reduce GHG emissions across our operations. Our short- and long-term targets, recently validated by the Science Based Targets initiative (SBTi), align with the latest scientific standards to limit global warming to 1.5°C, meeting regulatory expectations while leading through proactive, science-based action.

We see our journey toward sustainability and shared value creation as one of continuous measurement and improvement. In 2025, we will begin the third B Corp re-certification process, a rigorous assessment of our practices and impact and an opportunity to hold ourselves accountable to our mission.

Ultimately, our goal is to create lasting value for our stakeholders. We believe that a sustainable and inclusive future is possible when we prioritize transparency and shared value in our business. This Impact Report stands as a testament to the collective efforts of our employees, partners and communities – efforts that aim to make a positive contribution to a world that is healthier, more resilient and more just for generations to come.

***Cecilia Plicco**, Head of Shared Value & Sustainability*



1. SDG Report 2024.

OUR COMMITMENT TO IMPACT

In 2018 Chiesi Farmaceutici adopted the Benefit Corporation (Società Benefit) status according to the Italian law no. 208/2015. Consequentially, the Company committed itself to pursue four common benefit purposes – together with the economic goals typical of any entrepreneurial activity – and operate in a responsible and transparent way towards people, communities and the environment.

In 2024, Chiesi refined these purposes to address more effectively the evolving global environmental and societal challenges of our time. The Company's commitment to delivering positive change through the pursuit of the four common benefit purposes remains unchanged.

(I) Commitment to **continuous innovation** towards the sustainability of products, processes and all Company practices in order to minimize negative impacts and enhance positive impacts on people, the biosphere and the territory.

(II) Commitment to **combating climate change** through the reduction of greenhouse gas emissions, in line with international ecological transition goals.

(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.

IMPACT COMMITTEE

In accordance with the aforementioned Italian law no. 208/2015, Chiesi Farmaceutici S.p.A. has appointed the Head of Shared Value & Sustainability as the "individual or the individuals to be appointed with the role and tasks for pursuing the common benefit". The Head of Shared Value & Sustainability informs the Board of Directors and he/she is also responsible for appointing an Impact Committee. The Impact Committee, coordinated by the Shared Value & Sustainability Department, is entrusted with defining the sustainability strategy and monitoring and reporting on its implementation. Furthermore, it is also responsible for setting annual sustainability targets, in line with the common benefit purposes outlined in the by-laws, and for drafting the Impact Report.

The Impact Committee consists of the following functions:

- Shared Value & Sustainability
- Global Human Resources
- Legal & Corporate Affairs
- Global Finance
- Global Research & Development
- Global Procurement
- Business representatives (Franchises Air-Care/Global Business Unit Rare Diseases)
- Global Communication & Public Affairs

IMPACT MEASUREMENT

In the pursuit of continuous improvement, Chiesi Group evaluates its impact through two primary approaches.

Firstly, Chiesi Group assesses its impacts through the B Impact Assessment (BIA) tool, provided by the non-profit organization B Lab and available online for all companies. The BIA rigorously measures a company's environmental and social performance in five areas: governance, workers, community, customers (patients), and the environment.

In 2022, the Group's verified score of 103.8[2] secured our B Corp re-certification. Chiesi Farmaceutici finalized its first re-certification with an audited score of 112.1. Throughout 2024, we made a collective, Group-wide effort to implement improvement initiatives in preparation for our next recertification in 2025.

Secondly, to track our progress, we collect sustainability data on a regular basis – quarterly, semi-annually, or annually, depending on the data set. This information is collected and analyzed using an IT tool that consolidates environmental, social and governance (ESG) data to support our sustainability strategy, fulfills B Corp requirements and informs our sustainability reporting. A selection of these findings is presented to the Executive Leadership Team on a quarterly basis to keep senior management informed and engaged, as well as to the Board of Directors.

SUSTAINABILITY AND STRATEGY

At Chiesi, sustainability is a fundamental part of our strategy, which is built around four areas: Patients, People, Planet and Prosperity. Our approach is driven by the concept of creating shared value, ensuring that our actions generate a lasting, positive impact for all stakeholders.

In late 2023, Chiesi underwent a significant governance transformation with the aim of continuously turning its commitment into actions. The Shared Value & Sustainability and Corporate Strategy functions were merged with key cross-functional departments, including Business Development, Competitive Intelligence, SKAI (Scientific & External Knowledge Analytics & Insights), COI&C (Center for Open Innovation & Competence), and Digital Health. This strategic realignment, effective in 2024, has led to the formation of the Strategy, Sustainability & Growth Unit, a cohesive operational body that integrates diverse expertise to propel Chiesi's future economic evolution and sustainable growth through a comprehensive, cross-functional approach.

To translate our vision into concrete initiatives, we focus on six interconnected impact areas, aligned with our strategic areas – Patients, Environment, Value Chain, Chiesi People, Community, and Governance:

Patients

- *Patients*: making a meaningful impact in the lives of patients, their families, and caregivers. This means actively listening and integrating their perspectives and needs into the development of innovative therapies and support solutions, while ensuring these are accessible to as many people as possible.

Planet

- *Environment*: minimizing any potential damage our operations could have on the environment and conserving natural resources to support the well-being of current and future generations.

- *Value Chain*: driving transformation across our supply chain, helping suppliers, partners, and distributors towards sustainability over time.

People

- *Chiesi People*: putting people first by prioritizing the well-being, motivation, and development of everyone within the Organization.

- *Community*: supporting projects that strengthen local communities, promoting shared growth and sustainable development.

Prosperity

- *Governance*: promoting a governance model rooted in ethics, transparency, and accountability. This ensures that Chiesi operates with integrity and in alignment with our sustainability goals.

Our common benefit purposes are linked to these impact areas. While recognizing that their interconnected nature may lead to some overlap and blurred boundaries, for reporting purposes, the areas and common benefit objectives have been clustered as per the table below:

Common Benefit Purpose	Impact Areas
(I) Continuous Innovation for People and Planet	**Patients, Chiesi People, Environment**
(II) Climate Action	**Environment**
(III) Community Development	**Community**
(IV) Governance and Stakeholders Engagement	**Governance, Value Chain**

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

- Activities and targets with respect to the year 2024

- Activities and targets to be achieved in 2025, contributing to each specific common benefit purpose.

2. Chiesi Group certified score is an average of affiliates' BIAs' audited scores, weighted on no. of employees in each country.

(I) CONTINUOUS INNOVATION FOR PEOPLE AND PLANET

Common Benefit Purpose: *Commitment to continuous innovation towards the sustainability of products, processes and all Company practices in order to minimize negative impacts and enhance positive impacts on people, the biosphere and the territory.*

At Chiesi, our approach focuses on creating shared value by addressing societal challenges alongside business success. We integrate sustainability into our operations to benefit the communities we serve and protect the planet, while ensuring long-term business resilience.

As a pharmaceutical company, we prioritize improving health outcomes and quality of life. This approach shapes our products, processes and practices, recognizing the interconnected relationships between the Company, patients, the local community and the planet.

We are guided by the belief that health is a fundamental human right. Each patient is treated as a unique individual with needs that go beyond medication. By working with patient communities, caregivers, healthcare professionals and policymakers, we ensure that our solutions address practical, real-world challenges.

Diversity of thought plays a critical role in both our patient care and our workforce. We value the unique characteristics and perspectives that each person contributes, including ethnicity, gender, mindset and lifestyle.

Taken together our goals are global aspirations. We seek to create a welcoming professional environment that offers colleagues the freedom to bring their authentic selves to work and experience a strong sense of inclusion. In doing so, we operate in full compliance with applicable laws, which means that we do not discriminate on the basis of race, sex, ethnicity or any other legally protected characteristic. Goals are not quotas or set asides; we do not give preferences to members of any group; and employment and advancement opportunities are based on merit.

These combined efforts demonstrate Chiesi's commitment to sustainability, innovation and social impact.

ACTIONS TAKEN IN 2024

Objective	Progress
Expand the **International Respiratory Coalition (IRC)** initiative to at least 3 more countries, gather initial patient advocacy impact insights, and continue co-creation initiatives.	The International Respiratory Coalition (IRC)[3] supported the activation of additional 5 new coalitions at local level in 2024 (16 coalitions launched in 3 years). IRC granted 4 of those with funding to support local advocacy and released the updated "Lung Facts[4]" at the European Respiratory Society Congress 2024. IRC advocacy effort achieved the set-up of 3 national respiratory care strategies (Brazil, Portugal, France) covering approx. from 49.3 to 61.7 million respiratory patients across the three countries.
Focus on **early diagnosis and newborn screening of rare diseases**, to enable early treatment interventions, leveraging on a multi-stakeholder approach.	Chiesi joined the BeginNGS coalition, led by Rady Children's Hospital (San Diego, US), to launch whole genome newborn screening for over 400 rare diseases at major US birthing centers, with plans for international expansion. Chiesi also supported several other initiatives, for example: • FSIG Testing for Tots (Fabry disease) • JMF Insights (primary immunodeficiencies) • IPOPI screen4rare (European newborn screening) • FH Europe PERFECTO (familial hypercholesterolemia (FH) disease paediatric screening) • ELF Community Congress NBS Committee (rare diseases stakeholders' community) • RDCC (Rare Disease Company Coalition) NBS policy efforts
Promote diversity and inclusion in clinical trials by integrating **these principles into trial design**, aiming for a more representative participant base to **enhance healthcare effectiveness**.	In 2024, Chiesi started VOICE, a project which aims to enhance diversity and inclusion in clinical trials by assessing current practices and identifying areas for improvement. Key activities included: • Reviewing existing guidelines and relevant documentation • Evaluating Chiesi's existing processes and diversity and inclusion implementation in clinical trials • Conducting a gap analysis to highlight opportunities for improvements. The first phase project is on track to be completed by the first quarter of 2025. The inclusion of the new way of working will progress in 2025.
Promote **gender equality** and address the **local gender pay gap** in Italy, Mexico, and Spain, despite having closed the gap at the Group level.	Actions taken have remediated the gap in Spain, but some efforts are still required in Italy (disadvantaged gender female) and Mexico (disadvantaged gender male) based on the 2024 analysis. Actions to balance these gaps are being defined and will be taken during 2025 salary review in addition to regular merit salary increases. In March 2024, Chiesi has been awarded the Global Fair Pay Leader Certification from FPI (Fair Pay Innovation Lab). There has been an increase in the presence of women in leadership positions. The Company is on track for managerial and senior executives' roles with the objective of 50% in all leadership positions anticipated to 2028 from 2030.

3. A multi-stakeholder platform representing the professional respiratory community, patients, and industry: https://international-respiratory-coalition.org/.

4. Lung Facts is a valuable online resource giving the latest epidemiological (who, when and where) and economic (i.e., monetized outcome) data on a range of lung conditions: Lung Facts - International Respiratory Coalition (IRC).

OUR OBJECTIVES FOR 2025

Patients Advocacy and Patients Associations Collaboration

In 2025 we aim to continue and enhance advocacy initiatives already in place in all our therapeutic areas (Air, Care and Rare), while **strengthening our collaborations with Patients Advocacy Groups and Patients Associations**.

Key initiatives in 2025 will include:

- Air/Care: Patient Advocacy Board – Establishing the first Global Air & Care Patient Advocacy Board to engage patient groups, address shared healthcare challenges, and co-develop initiatives centered on patient needs, social and environmental factors, access to care, and health equity.
- Air: Respiratory Patient Academy – Supporting the European Federation of Allergy & Airways Diseases (EFA)'s training program to empower patient advocates with skills and resources for impactful national and international advocacy.
- Air: Expanding the global support to the patient community, entering new partnerships in the pipeline area, both in idiopathic pulmonary fibrosis and pulmonary arterial hypertension.
- Care: Neonatal Partnership – Strengthening collaboration with the European Foundation for the Care of Newborn Infants (GFCNI), while supporting the launch of the global awareness platform.
- Rare: Supporting the prioritization of rare diseases at the global and national policy level while developing advocacy solutions to improve the patient journey of people living with rare diseases.
- Rare: Improving early diagnosis by working with affiliates to map key stakeholders and processes and join/create alliances to expand newborn/early screening for the business unit Rare Diseases therapeutic areas at the national level.

To measure the engagement of Chiesi with its patients' communities in all our therapeutic areas, we aim to continue inspecting and analyzing our relationships with patient groups through an annual survey conducted by PatientView, an independent research organization that evaluates industry performance based on feedback from patient associations globally. In 2025, Chiesi aims to improve our score, building upon past year's progress.

Advancing Health Equity and Global Health Initiatives

Health is a fundamental human right, yet social, economic, and environmental factors often create inequities that limit access to care. Chiesi's **Health Equity** strategy works to remove these barriers, ensuring healthy lives and promote well-being at all ages, focusing on both low/middle-income and high-income countries. Complementing this, our **Global Health** initiatives focus on expanding access to essential neonatal drugs in Sub-Saharan Africa, addressing systemic challenges with sustainable solutions. Together, these efforts aim to reach more patients and improve healthcare standards globally.

In 2025, we plan to broaden our Health Equity initiatives by expanding our reach to new geographies and new therapeutic areas. The goal is to improve our ability to identify vulnerable populations, improve how we measure the impact generated by our actions and integrate a Health Equity perspective into the development process of new pharma and non-pharma solutions.

Regarding global health, in 2025 we foresee to launch caffeine citrate, one of the most widely used drug in neonatology, in Ethiopia and Tanzania and will apply for the WHO Pre-qualification to further increase access by accelerating the regulatory approval process and allowing large donors to purchase directly from Chiesi. We are also working closely with the Ethiopian Pediatric Society to strengthen neonatal care by supporting high-quality training programs for physicians, midwives and nurses.

Diversity & Inclusion in Clinical Trials

In 2024, we laid the groundwork for a strategic initiative to advance diversity and inclusion in clinical trials, ensuring that future clinical trials reflect real-world populations leading to more innovative, effective, and accessible treatments. In 2025, we will shift from assessment to action in a first pilot case to validate the effectiveness for a broader adoption.

Gender Equality

We are committed to achieving a more **balanced representation of genders in leadership and senior-level roles**. By 2025, we aim to achieve:

- 45% gender balance in middle to senior leadership roles
- 50% gender representation at senior management levels
- 30% representation at executive leadership levels

Disability and Caregivers

In 2024, we launched the **Global Disability and Caregiver Challenge (2024-2030)**, a company-wide initiative to transform the barriers faced by individuals with disabilities into opportunities for inclusion, growth, and collaboration.

By the end of 2025, we aim to make significant progress by implementing 90% of our 2025 Disability and Caregivers Local Culture Awareness Plans across affiliates and ensuring the adoption of Global Accommodation Guidelines and Caregivers Guidelines at a local level. To strengthen engagement, we will establish Chiesi Affinity Networks (CAN) focused on disability inclusion and provide structured channels for employees to communicate their needs.

(II) CLIMATE ACTION

Common Benefit Purpose: *Commitment to combating climate change through the reduction of greenhouse gas emissions, in line with international ecological transition goals.*

Climate change is an undeniable reality, reshaping ecosystems, and communities worldwide. From biodiversity loss and soil degradation to unpredictable weather patterns, we face a planetary crisis unprecedented in scope and urgency.

At Chiesi, we embrace our responsibility towards the society and the planet, recognizing that combating climate change is essential to our mission of improving people's quality of life. Committed to reducing greenhouse gas emissions and aligning with global ecological transition goals, we are taking decisive action to protect the planet for future generations.

Central to this effort is our ambitious goal to achieve net-zero greenhouse gas emissions by 2035. Validated by the Science Based Targets initiative (SBTi), our targets are grounded in scientific rigor and aligned with the Paris Agreement objective of limiting global warming to 1.5°C by the end of this century. By 2030 we aim to reduce Scope 1 and 2 emissions by 90%, and by 2035 to achieve a 90% reduction in Scope 3 emissions, both compared to 2019 levels.

In 2024, we took an essential step toward this objective by publishing our Climate Transition Plan (CTP), a comprehensive roadmap designed to systematically reduce our climate footprint across our operations and the value chain. Released alongside our 2023 Sustainability Report and available on our website, the CTP provides stakeholders with a transparent view of our strategies, priorities, and milestones toward net zero. We are committed to continually refining this plan to incorporate advancements in science, technology, and regulatory frameworks, ensuring our actions deliver meaningful impact.

ACTIONS TAKEN IN 2024

Objective	Progress
Develop a Climate Transition Plan (CTP) to align with a low-carbon economy.	Chiesi first CTP[5] was published in 2024, outlining strategies to manage climate-related risks and opportunities and to ensure clear roadmap to reach Chiesi net-zero targets.
Obtain My Green Lab certification for at least two Chiesi's laboratories.	The My Green Lab certification is recognized globally as the gold standard for laboratory sustainability best practices. With results exceeding expectations, six Chiesi labs were certified at the highest level (Green) in 2024: • R&D Global Technical Development laboratory in Chippenham, UK • R&D Global Research & Preclinical Medicinal Chemistry and Drug Design Technologies – R&D Global Technical Development DS Development and Process Chemistry, Parma • R&D Global Technical Development – Device Development, Parma • R&D Global Research and Preclinical – Analytics and Early Formulations, Parma • R&D Global Research and Preclinical – Pharmacokinetics, Biochemistry and Metabolism, Parma • R&D Global Technical Development – DS and DP Analytical and Material Science, Parma

5. Chiesi's Climate Transition Plan.

OUR OBJECTIVES FOR 2025

Carbon Budget

In 2024, Chiesi introduced its **carbon budget**, an internal process to track and limit greenhouse gas emissions as part of our commitment to achieving net-zero emissions by 2035. Each affiliate sets its own targets for specific emission categories, which are consolidated into Chiesi's overall carbon budget.

In 2025, we will enhance this process by improving the digitization of the data collection and expanding the carbon budget framework to include our newest subsidiaries, ensuring even greater accountability and impact.

My Green Lab

Chiesi is committed to promoting sustainability in our laboratories by adopting the **My Green Lab** global standard to reduce the environmental impact of scientific research. In 2025, we aim to **certify at least four additional laboratories**, building on those already certified in 2024.

Advocate for Planetary and Human Health

Recognizing the **critical link between planetary and human health**, we will continue to support and implement key initiatives in 2025 to **raise awareness, drive policy change**, and promote actions that benefit both people and the planet. Our efforts in 2025 will include:

- Action Over Words: Launched in 2021, this campaign champions accountability and climate action, emphasizing real, tangible solutions to address climate change. Guided by the principle that the "Climate Crisis is a Health Crisis," this initiative reinforces our commitment to urgent and meaningful action.
- We ACTCon 2025: Organized by Chiesi, this event brings together healthcare professionals, doctors, and policymakers to explore the intersection of health, environment, and sustainability. Through collaboration and open discussion, We ACTCon fosters innovative solutions for reducing healthcare's environmental footprint and tackling climate-related health challenges.

(III) COMMUNITY DEVELOPMENT

Common Benefit Purpose: *Contribution to the development of the local communities in which the Company operates.*

At Chiesi, we know our success is tied to the health and strength of the communities we serve. We believe that thriving businesses and vibrant communities enrich each other, fostering mutual growth. This belief drives our efforts to contribute to social, economic, and cultural development, which we see as essential to society's well-being.

Our community engagement aims to tackle unique local challenges, from reducing inequality and supporting the most vulnerable to empowering new generations through education programs, advancing environmental regeneration projects, and connecting best practices across local territories.

We go beyond traditional philanthropic actions by building partnerships with educational institutions, government agencies, cultural and social organizations, NGOs, and local residents. These collaborations ensure our contributions are strategic and sustainable.

Through our Corporate Volunteering Program, we empower Chiesi employees to actively participate in community initiatives, sharing their time, skills, and knowledge. This involvement fosters a sense of shared purpose, boosts employee motivation, and strengthens our community ties. Our goal is to be a catalyst for positive change, working hand-in-hand with our neighbors to build resilient, inclusive communities.

ACTIONS TAKEN IN 2024

Objective	Progress
Increase local investment in the Parma area to €1.5-2 million to support its development.	In 2024 Chiesi has invested €2 million for projects and partnerships focus on Parma and its surroundings.
Contribute to key projects in the Parma territory to regenerate green and urban areas, enabling cultural and community development.	In 2024, our local community efforts in Parma territory were strongly centered in collaboration with different community stakeholders, including non-profit associations, institutions, and universities. Particularly, Chiesi has: • dedicated substantial resources to preserving and restoring the natural/cultural heritage in the Parma territory, with a focus on the city botanical garden • supported the promotion of an inclusive and welcoming green area in Parma, committing to a 3-years project (2024-2026) aimed to regenerate a public park in the Parma neighborhood, where Chiesi has all its sites, including the production plant.
Create a more robust and inclusive corporate volunteering program.	In October 2024 Chiesi launched a new volunteering digital platform to promote corporate volunteering, for Wave 1 participants (Chiesi teams in Italy and five affiliates[6]). This platform unifies all volunteering initiatives under one system. It streamlines participation, allows employees to suggest local organizations for potential collaboration and ensures consistent data for reporting.

6. Italy, Benelux, Greece, Germany, the US, and the UK.

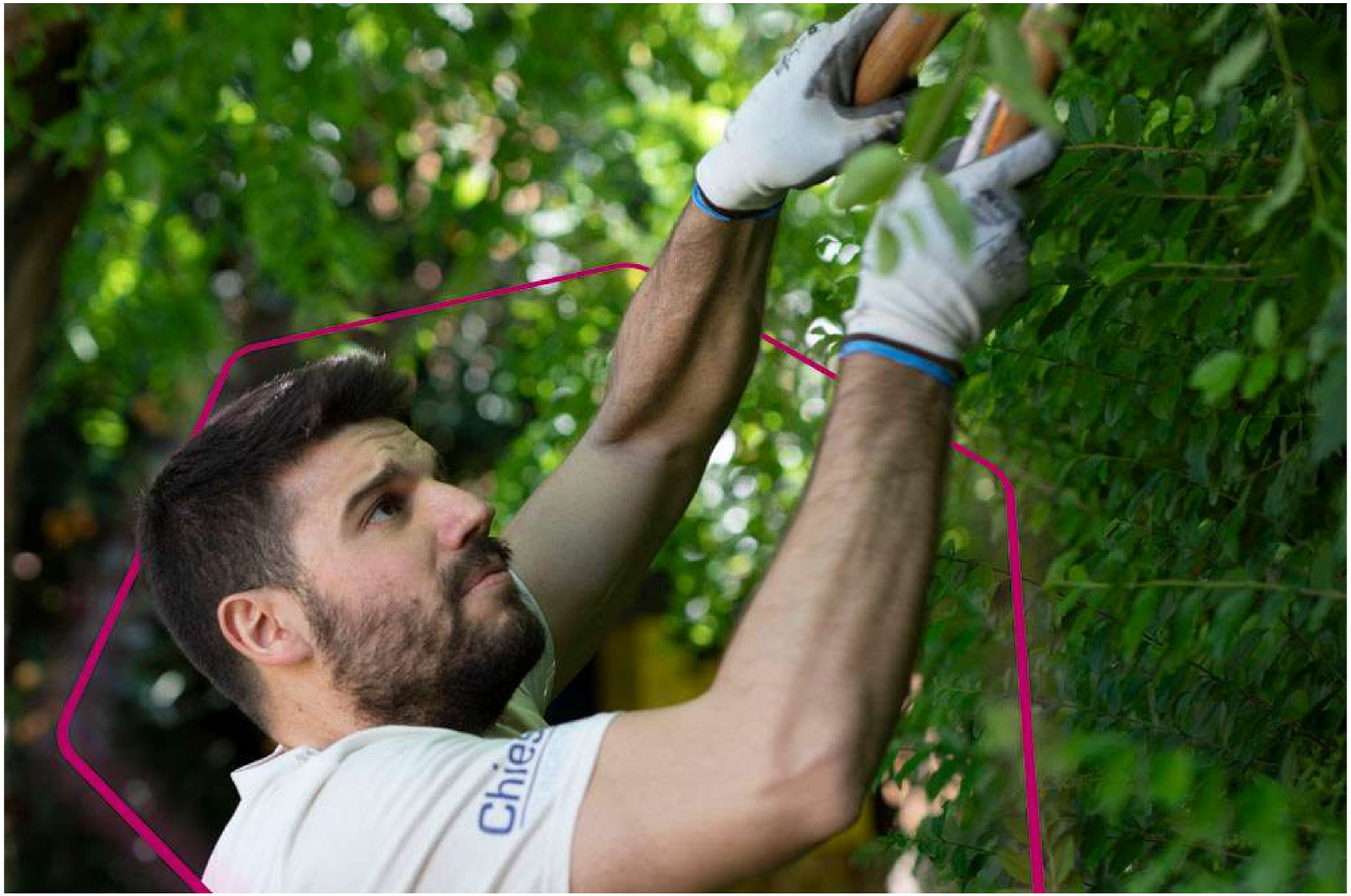
OUR OBJECTIVES FOR 2025

Urban Regeneration

In 2025, we will continue to **support key urban regeneration projects in Parma**, to revitalize green and public spaces inside and outside the city. These initiatives go beyond environmental benefits to promote cultural renewal and stronger community ties. By actively participating in these projects, we contribute to a healthier and more vibrant urban environment.

Corporate Volunteering

We believe in the power of corporate volunteering to create meaningful change by increasing employee engagement and sense of belonging, while strengthening the Company's connections to the community. In 2025, we will extend our Volunteering Digital Platform to our Second Wave affiliates, making it accessible to more employees worldwide. In addition, we aim to continue to **increase participation in volunteer activities**, further embedding a culture of social responsibility across Chiesi.



(IV) GOVERNANCE AND STAKEHOLDERS ENGAGEMENT

Common Benefit Purpose: *Promotion of a responsible and sustainable way of doing business, also through collaborative dialogue with stakeholders.*

In line with our mission to generate results with integrity, we prioritize transparency and trust as essential tools for addressing today's pressing social and environmental challenges. Promoting responsible and sustainable business practices means embedding environmental stewardship, integrity and respect for human rights into our operations.

Achieving real impact requires collaboration, so Chiesi engages its entire ecosystem – suppliers, partners and distributors – to adopt ethical practices that reduce environmental impact, conserve resources and advance the sustainability of the entire value chain. Through open dialogue and shared learning with stakeholders, our goal is to foster a culture of accountability and continuous improvement.

Objective	Progress
Stakeholders' engagement on the Code of Interdependence[7] review.	Chiesi conducted an on-site workshop in September 2024, engaging 70 partners in discussions on the Code of Interdependence (CoI) and sustainability goals. The new version of the CoI was approved at the end of 2024 with subsequent launch early 2025.
Assess the ESG performance of suppliers responsible for 40% of Chiesi's Global Spend.	By the end of 2024, Chiesi assessed the ESG performance of suppliers representing 58% of Chiesi's global spend. This evaluation was conducted using EcoVadis, a third-party platform selected to assess the sustainability practices of our strategic suppliers. The assessment covers key areas such as ethical behavior, environmental protection, labor practices, and human rights, aligning with our broader sustainability commitments.
Obtain the ISO 37001:2016[8] certification for Chiesi Farmaceutici and create a roadmap for the affiliates' certification.	In 2024, we achieved ISO 37001:2016 certification for Chiesi Farmaceutici and Chiesi UK. Chiesi Brazil achieved certification in 2020 and re-certification in 2023. Chiesi Poland achieved certification in 2021 and will seek re-certification in 2026 as part of the Group strategy. We have set a Group target for 2027 and defined a roadmap for our affiliates to achieve certification by that year.

OUR OBJECTIVES FOR 2025

B Corp re-certification

Since 2019, Chiesi has been a proud B Corp-certified company, proving our commitment to accountability and continuous improvement. The certification not only validates our dedication to social and environmental responsibility but also pushes us to set higher standards. In 2025, we will undergo our third re-certification, with the goal of increasing our current score of 103.8 at Group level and of 112.1 for Chiesi Farmaceutici, a testimony to the actions we have taken in recent years to strengthen our positive impact on people, communities and the planet.

Stakeholders Engagement in Decision-Making

Strong governance requires active engagement with employees, customers, suppliers, local communities, and younger generations. By incorporating diverse perspectives, we can make more informed and impactful decisions that reflect the needs of the communities we serve.

In 2025, we aim to further integrate external stakeholders into Chiesi's governance structures, with the creation of new bodies and expanding Impact Committees across our affiliates.

7. The Code of Interdependence (CoI) is a code of conduct developed collaboratively by Chiesi with strategic partners in 2019. The CoI serves as a set of values and guidelines for suppliers, partners, and distributors, ensuring alignment with Chiesi's sustainability goals.

8. ISO 37001:2016 is an international standard that outlines the requirements and provides guidance for establishing, implementing, maintaining, reviewing and improving an anti-bribery management system within an organization.

OVERALL IMPACT ASSESSMENT

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. The scoring presented below is referred to a self-assessment performed within March 2024 on data referred to FY 2023[9].

Our score – Chiesi Farmaceutici (self-assessment, not audited)

	Self-assessment on 2023 data
Total score	**116.5**
Governance	17.4
Workers	28
Community	23.6
Environment	21.2
Customers	26.1

The self-assessment was performed to identify and monitor opportunities for improvement and ensure readiness for B Corp re-certification in 2025.

The Company is currently under re-certification and the new audited score (referring to FY 2024 data) will be released by B Lab during 2025 and published on Chiesi website by the end of 2025.

Chiesi also drafts a Sustainability Report for the year 2024 according to GRI (Global Reporting Initiative) standards, transparently reporting on the corporate sustainability commitment and the concrete actions implemented.

9. It should be noted that on 1 January 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 specialties 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.
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/.

APPENDIX: BENEFIT CORPORATION AND B CORP

Corporations known around the world as **Benefit Corporations** represent one of the most advanced models in terms of positive social and environmental corporate impact. They are for-profit companies whose corporate aim is to **create value for the society and the 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 US to introduce Benefit Corporations[10] – 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.
- 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. Many Benefit Corporations use a measurement technology platform in measuring their impacts, the B Impact Assessment (BIA) developed by the non-profit B Lab[11].

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[12]. **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 (about 9,500) and more than 240,000 companies that use the B Impact Assessment in over 100 countries and 160 industries. One of the fundamental principles of B Corps is **interdependence**, i.e. co-responsibility among B Corps, towards all stakeholders and towards future generations. In Italy, there are now over 300 Certified B Corps and approximately 3,600 Benefit Corporations. We joined this growing network in 2018 when we embarked on the B Impact Assessment journey, earning our first certification in 2019.

10. Società Benefit – Italy.
11. B Lab Global Site.
12. B Lab is currently reviewing and launching new standards and a new system for measuring social and environmental impacts for B Corp companies..

Sustainable DEVELOPMENT GOALS

The Sustainable Development Goals (SDGs) are a global blueprint adopted by all UN Member States, aiming to end poverty, protect the planet, and ensure peace and prosperity by 2030.

At Chiesi, we see these goals not just as a global call to action and as a roadmap for how we operate and grow responsibly. Each year, we use the **SDG Action Manager** to assess how our business aligns with and contributes to the SDGs, focusing on the nine goals where we believe we can make the most meaningful impact in advancing the UN 2030 Agenda for Sustainable Development.

OUR SDG JOURNEY

Since 2020, the SDG Action Manager has guided our efforts to monitor progress, challenge ourselves, and take concrete steps to do better. Co-developed by B Lab and the UN Global Compact, the platform enables businesses to measure their impact across areas such as climate action, human rights, ethical governance and community engagement.

In 2024, we strengthened our commitment further by officially joining the UN Global Compact, reaffirming our alignment with its principles on human rights, labor, environment and anti-corruption.

HOW IT WORKS

The SDG Action Manager is structured around 17 modules: 16 focused on individual SDGs, plus a baseline module that assesses foundational sustainability practices in human rights, environmental stewardship and governance. Each SDG is assessed across five impact areas: Business Model, Internal Operations, Supply Chain, Collective Action, Risk Level.

This structure allows us to take a comprehensive view of our efforts and identify where we are creating the most value and where we still need to grow. Please note that the evaluation presented in the next pages is a self-assessment, not audited by third-party.

2024 SDG SCORECARD

This year, we saw steady progress across nearly all SDGs, an encouraging sign that our long-term efforts are paying off and that our values are translating into measurable results.

Key Takeaways

- **Environmental and innovation-focused goals saw the biggest gains**, with our strongest improvements in SDG 15 (Life on Land), SDG 7 (Clean Energy) and SDG 9 (Innovation & Infrastructure), highlighting the impact of recent initiatives in biodiversity, renewable energy, and sustainable innovation.
- **Core strengths remained consistent**. We maintained high performance in SDG 3 (Good Health & Well-being) and SDG 5 (Gender Equality), reflecting our ongoing efforts to support employee well-being and promote fairness and opportunity in the workplace.
- **Our baseline score increased from 80.2% to 82.8%**, showing positive momentum in governance, transparency, and risk management, core elements of a responsible and resilient organization.

To dive deeper into Chiesi's 2024 progress and the actions behind the numbers, we invite you to explore the full Sustainability Report.

SDG	1 NO POVERTY	2 ZERO HUNGER	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	14 LIFE BELOW WATER	15 LIFE ON LAND	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
2023 Score	40.0%	9.0%	80.0%	33.0%	43.0%	22.0%	28.0%	37.0%	32.0%	33.0%	61.0%	44.0%	54.0%	22.0%	17.0%	36.0%
2024 Score	50.0%	16.0%	80.0%	46.0%	43.0%	25.0%	44.0%	39.0%	48.0%	43.0%	64.0%	45.0%	60.0%	28.0%	37.0%	39.0%

SDG 1 – NO POVERTY

Business Model	2/25
Internal Operations	17/25
Supply Chain	24/25
Collective Action	7/25
2023	40.0%
2024	50.0%

SDG 2 – ZERO HUNGER

Business Model	2/25
Internal Operations	5/25
Supply Chain	3/25
Collective Action	7/25
2023	9.0%
2024	16.0%

SDG 3 – GOOD HEALTH & WELL-BEING

Business Model	25/25
Internal Operations	19/25
Supply Chain	10.5/25
Collective Action	25/25
2023	80.0%
2024	80.0%

SDG 4 – QUALITY EDUCATION

Business Model	2/25
Internal Operations	21/25
Supply Chain	1/25
Collective Action	22/25
2023	33.0%
2024	46.0%

SDG 5 – GENDER EQUALITY

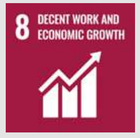
Business Model	3.5/25
Internal Operations	18/25
Supply Chain	8/25
Collective Action	13/25
2023	43.0%
2024	43.0%

SDG 6 – CLEAN WATER & SANITATION

Business Model	3/25
Internal Operations	14/25
Supply Chain	9/25
Collective Action	0/25
2023	22.0%
2024	25.0%

SDG 7 – AFFORDABLE & CLEAN ENERGY

Business Model	3.5/25
Internal Operations	15/25
Supply Chain	8/25
Collective Action	17/25
2023	28.0%
2024	44.0%



SDG 8 – DECENT WORK & GROWTH

Business Model	3/25
Internal Operations	22/25
Supply Chain	8/25
Collective Action	7/25
2023	37.0%
2024	39.0%

SDG 9 – INNOVATION & INFRASTRUCTURE

Business Model	2/25
Internal Operations	20/25
Supply Chain	15/25
Collective Action	10.5/25
2023	32.0%
2024	48.0%

SDG 10 – REDUCED INEQUALITIES

Business Model	2/25
Internal Operations	13/25
Supply Chain	11/25
Collective Action	17/25
2023	33.0%
2024	43.0%

SDG 11 – SUSTAINABLE CITIES

Business Model	3/25
Internal Operations	17/25
Supply Chain	20/25
Collective Action	25/25
2023	61.0%
2024	64.0%

SDG 12 – RESPONSIBLE CONSUMPTION

Business Model	3/25
Internal Operations	11/25
Supply Chain	19/25
Collective Action	11/25
2023	44.0%
2024	45.0%

SDG 13 – CLIMATE ACTION

Business Model	3.5/25
Internal Operations	16/25
Supply Chain	16/25
Collective Action	25/25
2023	54.0%
2024	60.0%

SDG 14 – LIFE BELOW WATER

Business Model	2/25
Internal Operations	13.5/25
Supply Chain	12.5/25
Collective Action	0/25
2023	22.0%
2024	28.0%

SDG 15 – LIFE ON LAND

Business Model	0/25
Internal Operations	6/25
Supply Chain	14/25
Collective Action	17/25
2023	17.0%
2024	37.0%

SDG 16 – PEACE & STRONG INSTITUTIONS

Business Model	2/25
Internal Operations	19/25
Supply Chain	18/25
Collective Action	0/25
2023	36.0%
2024	39.0%

World ECONOMIC FORUM

Since 2021, Chiesi has referenced the **Stakeholder Capitalism Metrics**, developed by the World Economic Forum's International Business Council (IBC) in collaboration with Deloitte, EY, KPMG, and PwC. This framework was created in response to growing demands from investors, regulators, and civil society for more consistent and comparable ESG reporting.

Structured around four key pillars – Principles of Governance, Planet, People, and Prosperity – the metrics aim to unify existing sustainability standards under a common set of disclosures. Rather than introducing new requirements, they draw from established frameworks such as GRI, SASB, TCFD, and the UN SDGs, helping companies streamline reporting while covering essential ESG topics.

At Chiesi, we use the Stakeholder Capitalism Metrics as a complementary tool alongside our primary reporting frameworks. They offer valuable context and benchmarking, helping us assess how our practices around governance, sustainability, and long-term value creation compare on a global scale. While not our core framework, they provide helpful guidance as we continue to refine and communicate our impact transparently and effectively.

WORLD ECONOMIC FORUM CORE METRICS – REFERENCE TABLE

Pillar	Theme	Core metrics	Key performance indicator	Sustainability Report 2024 – Section	2024 Data/Reason for Omission
Principles of Governance	Governing purpose	Setting purpose	-	Introduction • Mission and Values Strategy • Shared Value • Sustainability Strategy • Sustainability Manifesto	The Company's purpose is outlined in the Introduction and Strategy chapters of Chiesi's Sustainability Report 2024.
	Quality of governing body	Governance body composition	No. of women on board	People • Performance	1
	Stakeholder engagement	Material issues impacting stakeholders	-	Strategy • Materiality Analysis	Material issues are clearly indicated in the Chiesi Materiality Table in the Materiality section of Chiesi' Sustainability Report 2024.
	Ethical behavior	Anti-corruption	Employees with training in anti-corruption policies and procedures (%)	-	88.3%
			Confirmed violations for conflict of interest/ corruption (no.)	Prosperity • Approach & Actions	No incidents of corruption detected in 2024.
		Protected ethics advice and reporting mechanisms	Reports received for violations of Code of Ethics	Prosperity • Performance	2 Discriminations 5 Harassments
	Risk and opportunity oversight	Integrating risk and opportunity into business process	-	Prosperity • Approach & Actions	An overview of risks and mitigation activities is included in the Prosperity chapter of Chiesi's Sustainability Report 2024.

WORLD ECONOMIC FORUM CORE METRICS – REFERENCE TABLE

Pillar	Theme	Core metrics	Key performance indicator	Sustainability Report 2024 – Section	2024 Data/Reason for Omission
Planet	Climate Change	Greenhouse gas (GHG) emissions	Direct greenhouse gas emissions – Scope 1 (CO_2e)	Planet • Performance	24,653 tCO_2e
			Indirect greenhouse gas emissions – Scope 2 (location-based) (CO_2e)	Planet • Performance	12,822 tCO_2e
			Indirect greenhouse gas emissions – Scope 2 (market-based) (CO_2e)	Planet • Performance	496 tCO_2e
			Indirect greenhouse gas emissions – Scope 3 (CO_2e)	Planet • Performance	997,514 tCO_2e
		TCFD implementation	-	ESG Report	TCFD information is included in this "ESG Reports 2024".
	Nature loss	Land use and ecological sensitivity	No. of protected areas	-	One Chiesi site is situated on an industrial estate (approx. 5 hectares) which is close to a Key Biodiversity Area (KBA). In 2024, a dedicated voluntary assessment according to TNFD (Taskforce on Nature-related financial disclosure) framework concluded that the proximity of this site does not have a direct negative effect on the KBA.
	Freshwater availability	Water consumption and withdrawal in water stress areas	Water withdrawal (megalitres)	Planet • Performance	327.5 ML
			Water withdrawal in water stressed areas (megalitres)	Planet • Performance	21.0 ML
			Water consumption (megalitres)	Planet • Performance	120.2 ML
			Water consumption in water stressed areas (megalitres)	Planet • Performance	6.9 ML
People	Dignity and equality	Diversity and inclusion (%)	Women as proportion of total employees (%)	Planet • Performance	56.6%
		Pay equality (%)	Equal Remuration Ratio (%)	People • Workplace Culture	Pay equality is addressed in the Workplace culture chapter of Chiesi's Sustainability Report 2024.
		Wage level (%)	CEO Pay Ratio (%)	Not reported in 2024	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 labor	Assessment of protection of child labor and compliance with ban on forced labor in the supply chain	-	Specific assessments regarding child and forced labor have not yet been performed, thus the information is not reported for 2024. 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.

WORLD ECONOMIC FORUM CORE METRICS – REFERENCE TABLE

Pillar	Theme	Core metrics	Key performance indicator	Sustainability Report 2024 – Section	2024 Data/Reason for Omission
People	Health and well-being	Health and safety (%)	Fatal accidents (no.)	People • Performance	0
			Frequency of fatal accidents	People • Performance	0 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 • Performance	0
			Frequency of high consequence accidents	People • Performance	0
	Skills for the future	Training provided	Average hours of training per employee	People • Performance	40.9 hours/employee
		Employee training costs (M€)	Employee training costs (M€)	-	17.7 M€ incl. field force meetings and training
Prosperity	Employment and wealth generation	Absolute number and rate of employment	People hired (no.)	People • Performance	1,246
			Hiring rate (%)	People • Performance	17.3%
			Terminations (no.)	People • Performance	722
			Turnover (%)	People • Performance	10.8%
		Economic contribution	Value created and distributed to stakeholders	2024 at a Glance • Economic Value Generated and Distributed People • Performance	84%
		Financial investment contribution	Total investment (M€)	-	608 M€
			Purchase of treasury shares and dividends paid (M€)	-	115.3 M€
	Innovation of better products and services	Total R&D expenses ($)	Investment in R&D (M€)	2024 at a Glance • Research & Development Investments	829 M€
	Community and social vitality	Total tax paid	Total tax paid (M€)	2024 at a Glance • Economic Value Generated and Distributed People • Performance	331 M€

TCFD REPORT 2024

1. OVERVIEW OF CLIMATE-RELATED FINANCIAL REPORTING

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. Recognizing the importance of being transparent with our stakeholders with regards to how we assess and manage risks and opportunities related to climate change, here we are providing a dedicated disclosure on climate-related issues, aligned with the TCFD guidelines – now fully incorporated into the IFRS standards – and future reporting requirements.

Our business is exposed to risks related to climate change, both physical and transitional. 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. This, in turn, may adversely affect our financial performance.

In 2022, we initiated the process of embracing the recommendations outlined by the TCFD and the first Climate Change Risk Assessment was launched to assess the resilience and flexibility of our business strategy, referring to climate-related risk and opportunity impacts.

As we move forward, we aim to expand our analytical scope by extending our assessment to a wider scope of risk factors, sites and business lines, thereby elevating the depth and precision of our analysis. Over the past few years, the Climate Change Risk Assessment has been updated considering a scope extension, regarding the risks and opportunities profile as well as Chiesi Group and value chain sites. In particular, all Chiesi sites (4 production plants; 7 R&D centers; 30+ offices; 50+ warehouses) underwent an assessment performed with the support of internationally recognized climate tools, in order to understand the geographic exposure to potential physical climate-related risks. After the preliminary screening, an in-depth analysis was then performed on 3 production facilities, 3 R&D centers with laboratory activities, 13 critical warehouses, deemed as relevant for the Group business operations.

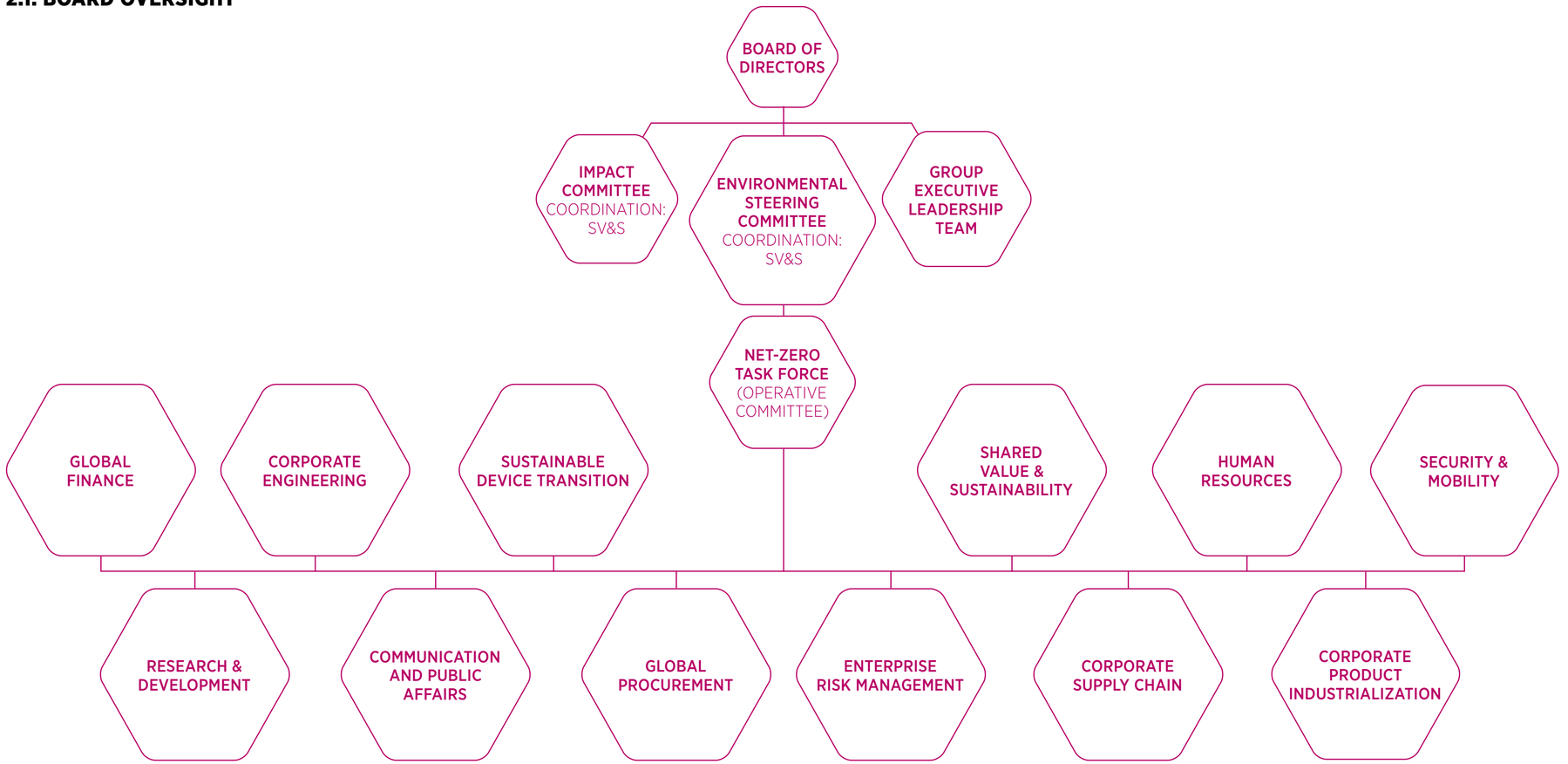
Chiesi is also beginning to tackle climate-related issues that affect not just its direct operations, but its entire value chain. This approach aims to establish a consistent and comprehensive perspective on climate risk measures and the overall climate commitment of key players within the value chain. To this end, a preliminary analysis to identify climate-related risks has been conducted on our primary critical suppliers, clients, and partners. This year, the analysis has been expanded to include new physical risk events and additional critical suppliers.

The data and information presented in the following sections pertain to the fiscal year 2024 and are consistent with our Sustainability Report and our latest Strategic Plan. The reporting is organized according to the four pillars of the Task Force on Climate-related Financial Disclosures (TCFD), which encompass essential aspects of organizational operations: governance, strategy, risk management, and metrics and targets.

2. GOVERNANCE FOR CLIMATE-RELATED ISSUES

This section provides a summary of the Board of Directors, its Committees, and key figures within the Organization who play a role in addressing climate-related matters. It outlines the responsibilities of the Board of Directors and senior management in shaping the climate strategy, including how and when they are apprised of climate-related risks and opportunities. Additionally, an organizational chart detailing the corporate governance structure related to climate change issues is provided.

2.1. BOARD OVERSIGHT



Chiesi has set a governance structure to periodically update the members of the Board of Directors on climate change issues. The Board of Directors has oversight on climate-related issues via the Environmental Steering Committee and the Group Executive Leadership Team (GELT).

Competence of the Board of climate-related issues
Chiesi has ensured that members on the Board have the required competencies on climate-related issues. The Board encompasses an ESG expert member, who is also the former Head of Shared Value & Sustainability (operating as Chief Sustainability Officer) and, as such, was directly involved in the definition of the Group climate targets and strategy. The Chief Executive Officer (CEO) who is also a Board member, chairs both the GELT and the Environmental Steering Committee.

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

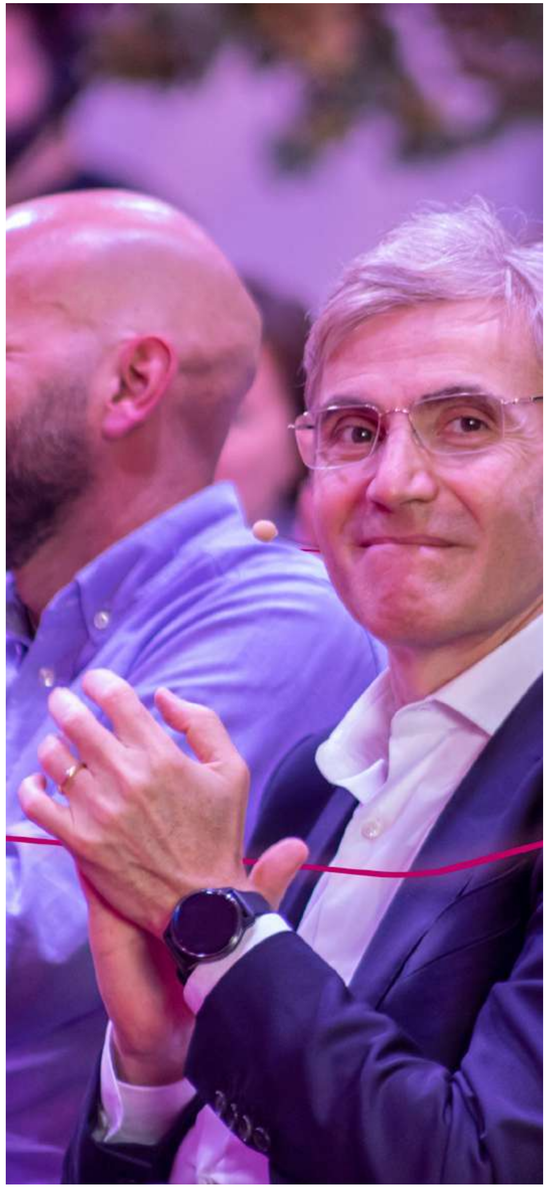
The roles and responsibilities of the above-mentioned corporate bodies are reported here.

- Group Executive Leadership Team (GELT): this Committee, led by the CEO, meets periodically once a month in order to supervise and make strategic decisions on all operational aspects, including those related to the delivery of the Group's Net-zero Plan. This committee reports directly to the Board of Directors on a monthly basis.

- Environmental Steering Committee: this committee, also led by the CEO, meets at least four times a year in order to monitor the Group's overall environmental strategy, examine performance and opportunities that may arise and drive net-zero program in accordance with the Company environmental strategy. The committee is composed of the Chief Sustainability Officer (CSO) and several members of the Group Executive Leadership Team, such as the Chief Financial Officer (CFO), the Head of Global Manufacturing Division (Chief Operating Officer – COO), the Chief Human Resources Officer (CHRO), and the Head of Global Research and Development. 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.

- Shared Value & Sustainability: leadership of the Group's environmental strategy has been entrusted to the Shared Value & Sustainability (SV&S) function, which collaborates with other functions, departments, and task forces within the Organization.

- The Impact Committee: chaired by Shared Value & Sustainability, this committee is responsible for the design and implementation of the Group's sustainability strategy, is kept informed about the management of climate change issues, and is regularly monitoring Chiesi's progress in terms of GHG emissions reduction targets.



2.2. MANAGEMENT'S ROLE

At the management level, there is a specialized committee called the Net-Zero Task Force (Operations Committee). This committee is accountable for implementing our net-zero strategy and ensures the proper management of climate-related projects, while exploiting the business opportunities presented by the transition to a low-carbon economy.

This Net-Zero Task Force (Operations 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 Environmental Steering Committee and is composed by departments that are either involved in the Ner Zero strategy or directly responsible for Chiesi's reduction actions. This includes, for example, Global Engineering, the Sustainable Device Transition Leader, the Global Mobility, Global Procurement and others.

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.

Chiesi is fully committed to proactively fighting climate change and is taking action as outlined in its Climate Transition Plan. We have identified climate-related risks and opportunities in line with TCFD recommendations and we have assessed their economic impacts in order to 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, in 2019 we committed to achieving carbon neutrality by 2030 within our own operations, and by 2035 within our value chain. This strategy was underpinned by the Scope 1, 2 and 3 reduction targets validated by the Science Based Targets initiative (SBTi) in April 2021. After the publication of the SBTi Net-zero Standard, Chiesi decided to transition from the concept of carbon neutrality to the more stringent new standard of net-zero emissions. This decision is a game changer and will contribute to raising our ambition in the fight against climate change. Chiesi commits to reduce absolute Scope 1 and 2 GHG emissions 90% by 2030 from a 2019 base year and to reduce Scope 3 GHG emissions from use of sold products 80% per unit of respiratory product sold by 2030 from a 2019 base year. In addition, Chiesi commits to reduce absolute Scope 3 GHG emissions 90% by 2035 from a 2019 baseline (including value chain, use of sold products and business travel).

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 its roots, designing processes which are not carbon intensive.

Operations

In 2024, 99% of the Group's electricity consumption was sourced from renewable energy. Our Italian facilities are powered entirely by low-impact renewable electricity, and all of our manufacturing sites operate on 100% renewable power. In 2023, Chiesi entered into a long-term Power Purchase Agreement (PPA) to secure high-quality green energy for its operations in Italy. This agreement enables Chiesi to utilize renewable energy sources, significantly lowering its Scope 2 CO_2 emissions and alleviating the risks associated with fluctuating market energy prices through effective portfolio management that combines both fixed and spot pricing strategies. In areas where further reductions are not feasible and where electrification may not be viable due to high-temperature demands, we are also exploring the transition from natural gas to renewable fuels.

We are also working to improve the efficiency of our business operations and buildings thanks to the Better Building Program. We have 14 LEED-certified buildings, including 2 at the Platinum level for the Headquarters and the Warsaw office, and 4 at the Gold level:

- San Paolo
- Santana de Parnaíba, plant
- Shanghai
- Prague
- Blois, plant
- San Leonardo, Parma, plant
- R&D Center, Parma
- Fontevivo, Parma, warehouse
- Headquarters, Parma
- Lahore, Head Office
- Warsaw
- Istanbul
- Boston, MA
- Chengdu

Products and Services

A significant contributor to Chiesi's greenhouse gas (GHG) emissions, particularly in Scope 3 emissions, arises from the use of our inhalation devices for treating asthma and chronic obstructive pulmonary disease (COPD). These emissions are primarily generated by the propellant gas used in pressurized metered-dose inhalers (pMDIs), which is necessary for effectively delivering the medication. Chiesi has committed to replacing the current propellant, HFA 134a, with an alternative, HFA 152a, which has a considerably lower global warming potential (GWP). This change aims to reduce the carbon footprint of our inhalers by up to 90% compared to the existing ones.

In 2019, Chiesi was the first Company to announce plans for this transition, with the goal of developing a platform of Carbon Minimal Inhalers. We are also continuing to invest in Dry Powder Inhaler (DPI) technology to ensure we provide a comprehensive range of therapeutic options for asthma and COPD patients now and in the future. Chiesi aims to complete the main clinical development of its Carbon Minimal pMDI portfolio by 2025, with subsequent introductions planned in the UK and Europe, subject to regulatory approvals. Further global expansion will be pursued in selected regions, contingent on local regulatory requirements.

Value Chain

We are actively engaged in including our entire value chain in the process to fight climate-change and the net-zero target on Scope 3 by 2035 demonstrates our strong commitment to include in this process also our suppliers, clients and partners. For this reason, the Sustainability Strategic Plan developed in 2023 includes a focus also on value chain initiatives aimed at improving decarbonization strategies for our entire value chain.

We have started this path by developing the Code of Interdependence, a code of conduct for suppliers and business partners which aims at reinforcing our relationship with suppliers in a shared value perspective. Thanks to this Code, every part of Chiesi's supply chain is required to adhere to a common set of principles, to achieve a more sustainable and inclusive business model. Furthermore, in our high-impact and strategic expenditure categories, we are strengthening the requirement for the inclusion of EcoVadis, or other equivalent ESG rating tools, in all new strategic third-party relationships. This is becoming a crucial part of our partner selection process and is evolving into a relationship commitment to continuously monitoring the ESG performance of our strategic partners.

Chiesi is also actively advocating for a significant shift in business operations, supporting the switch to renewable energy in the entire value chain. In this direction Chiesi is actively supporting sector initiatives such as Energize to provide education and practical tools to support our suppliers and business partners in the ecological transition. This initiative is subject to the availability of renewable energy in the respective countries.

3.2. CLIMATE-RELATED RISKS AND OPPORTUNITIES

The climate factors that may influence Chiesi's business strategy can be categorized as both physical and transitional. Physical factors encompass the direct consequences of climate change, including rising global mean temperatures, diminished availability of natural resources, and extreme weather events. These physical impacts can vary in both frequency and severity, being classified as either acute or chronic. Transitional factors, on the other hand, pertain to shifts in policies and regulations aimed at fostering more sustainable economies and promoting the adoption of renewable energy sources. Additionally, these factors involve changes in customer and stakeholder preferences towards products that have a lower climate impact, which in turn alters market dynamics.

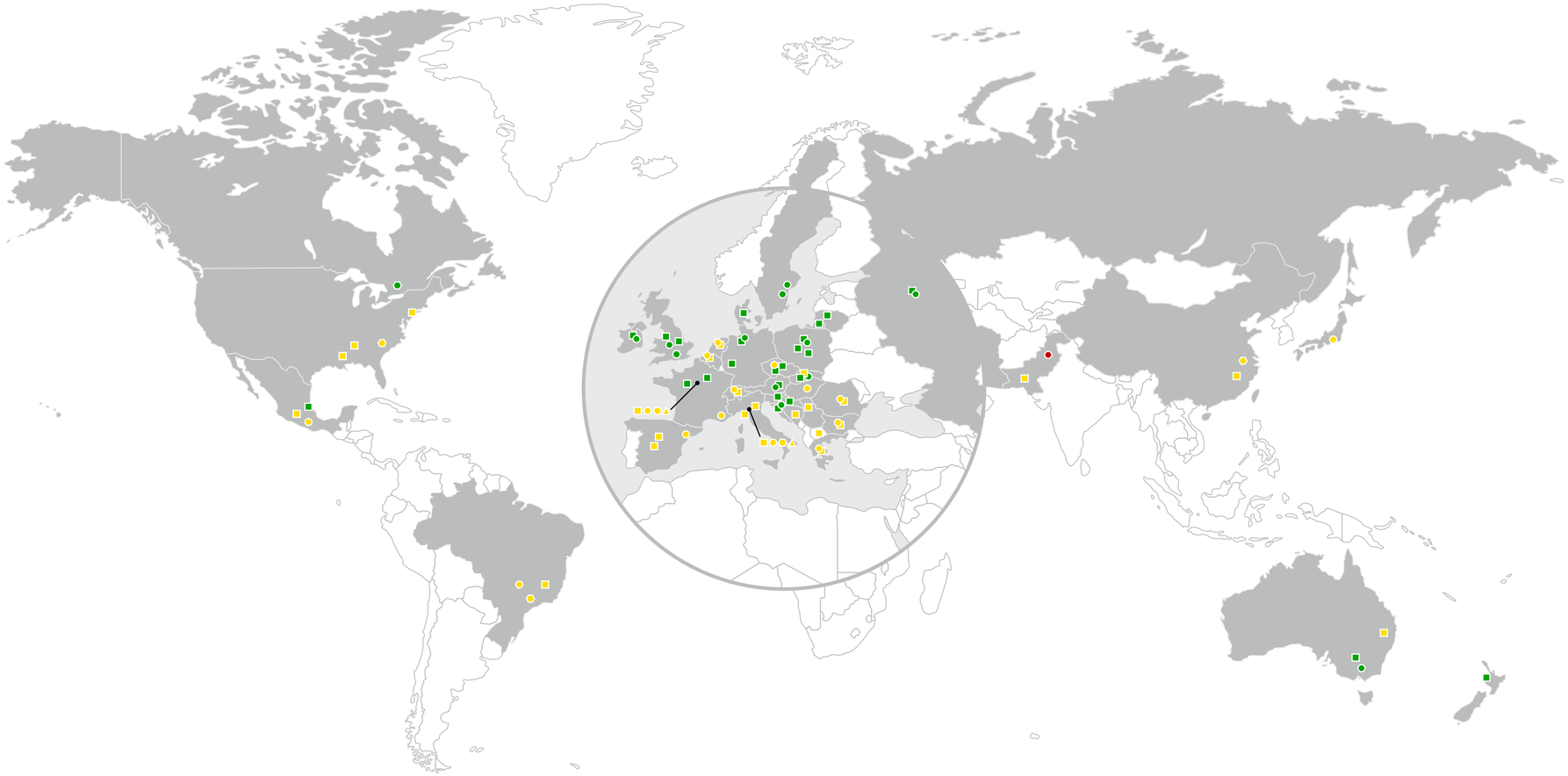
Physical Risks

Climate change has amplified the intensity and frequency of extreme weather events, a trend that has become increasingly significant in recent years. These physical risks are divided into acute and chronic categories and can have both direct and indirect effects on our operations and value chain. Acute risks involve sudden extreme events that are short-lived, such as flooding, hailstorms, and heat or frost waves. In contrast, chronic risks refer to long-term changes in climate patterns, including water stress and rising temperatures. As a result, we have recognized both types of climate-related risks and are actively monitoring their potential impacts.

To comprehend the potential risks associated with climate change and the possible extreme weather events it may induce we have undertaken a comprehensive evaluation of our 93 operational sites. The risks assessed encompass both acute weather phenomena – including heavy precipitation, flooding, tsunamis, hailstorms, windstorms, tornadoes, lightning, and days with temperatures exceeding 40°C or falling below 0°C – and chronic weather events, such as a global temperature increase and water scarcity.

The assessment was performed across R&D centers, production sites, offices, and warehouses, offering a detailed insight into the potential risks these sites may confront in the near future due to climate change. This analysis served as a preliminary step to further scrutinize those sites that are more strategic to our operations or are exposed to higher risk levels, as elaborated in the subsequent sections of this report.

The analysis was performed with the support of climate tools from internationally recognized providers; different tools were used according to the different types of risk analyzed, to cover with robust data all areas of risk.



R&D Centers
Production Sites
Offices
Warehouses

Exposure to climate-related risks

Low risk
Medium risk
High risk

The map illustrates the risk levels of our sites – countries in which we have operational sites are colored in grey – considering the highest exposure for each climate scenario. The mean risk value is calculated assessing all climate hazards and the potential exposure in a specific geographic location, respectively “Low”, “Medium”, and “High”.

The findings reveal that overall, our sites have an average medium-low exposure to the pool of climate-related risks considered. Sites in Pakistan exhibit the highest exposure to climate risk, followed by those in China and Mexico. The remaining countries that demonstrate significant exposure are Spain, Italy and the US.

We are actively updating and enhancing our value chain analysis to identify climate-related physical risks. Initially, this process targeted a selection of clients, suppliers, and partners, where we assessed their maturity level in managing climate-related issues by reviewing publicly available disclosures. By utilizing recognized geo-risk tools, we evaluated their exposure to two of the most significant climate physical risks based on their geographical locations. This year, we have expanded the comprehensive physical risk exposure analysis to include Chiesi sites, investigating 11 different physical risk events, and extending it to a selection of critical suppliers. We have developed an overall physical risk score for each site considered, which is now integrated into our procurement processes, providing a climate risk perspective when tiering suppliers. Chiesi is committed to continuous improvement in our efforts to combat climate change, and we aim to deepen this analysis in the coming years.

Upon the completion of the initial screening of all sites, we proceeded to conduct a more detailed analysis on those sites that were identified as relevant to business operations: sites were prioritized based on their function and associated economic value. Based on these criteria the analysis included: three production plants and their warehouses; three R&D centers with laboratory activities located in Parma, Chippenham, and Solna; external not owned warehouses located across the globe.

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

Climate-related Physical Risks Description

#	TCFD classification	Risk event	Impact description
1	**PHYSICAL** **Chronic:** Rise in temperature.	Increase of energy consumption to maintain the temperature in operating sites under operative limit.	An increase in external temperatures puts the air conditioning systems under additional stress, increasing operational cost. Furthermore, higher temperatures can affect the performance of existing assets and technologies.
2	**PHYSICAL** **Chronic:** Water scarcity.	Reduction of water supply in production sites and R&D centers, with critical use of water.	Increase of operating cost due to water scarcity in production sites and R&D centers, which may cause water price increase.
3	**PHYSICAL** **Acute:** Extreme weather events (flooding, hot/frost days, hailstorm, windstorm, tsunami, tornado, lightning, heavy precipitation).	Increased frequency of extreme weather events and natural disasters affecting business operations.	Extreme weather events exacerbated by climate change – such as flooding, hailstorms, lightning, etc. – negatively impact assets and related operating activities, causing economic and financial losses.

Transitional Risks and Opportunities

In light of the ongoing evolution of regulations and market trends, Chiesi conducted a preliminary evaluation this year to explore the integration of new transitional risk factors into its climate risk analysis. This process involved meetings with various corporate functions to delve deeper into specific areas, including emerging and existing regulations, market dynamics, and competitive pressures. The findings from this analysis are detailed in the following sections.

As a biopharmaceutical company focused on the development, production, and commercialization of products that promote patient health, Chiesi operates within a highly regulated environment. One of the significant climate risks that we consider in our strategy development is associated with the use of propellants that have a high global warming potential (GWP) in inhalers, which account for over 40% of our global sales. These propellants are currently facing stringent restrictions.

At the European level, F-gas Regulation could affect pMDIs with HFA 134a propellant, a F-gas with high global warming potential. In particular, the review of EU F-gas regulation has entered into force at the beginning of 2024, removing the exemption for pharmaceutical products, but allowing more favorable and less restrictive conditions for the pharmaceutical sector regarding the progressive reduction of F-gases quotas (expressed in tCO_2e), in order to safeguard continuity of patients' treatment. As part of the regulations for products containing fluorinated greenhouse gases, EU Regulation 2024/2174 established that starting from 2025 products that are not compliant with the new labelling requirement cannot be sold on the market.

An emerging regulatory risk is posed also by the European Chemicals Agency's (ECHA) proposal for the REACH restriction on PFAS, which may affect, among other numerous substances, the HFA 134a propellant and its production in the EU, too. At present, due to the persistence of these substances in the environment, Chiesi is monitoring the potential effects.

Emerging regulations could also result in new and/or the increase of already existing carbon pricing mechanisms; more than 110 carbon pricing schemes are in place today, covering nearly 50 countries and 40 subnational jurisdictions[13]. In France, the UK, and Sweden, a carbon pricing scheme is currently active. As a precautionary measure, we have recognized the potential introduction of carbon taxes related to Scope 1 and 2 emissions in other countries as a risk that needs to be evaluated. Additionally, we are closely monitoring our exposure to taxes arising from carbon border adjustment mechanisms. Currently, these mechanisms do not apply to Chiesi, as our quotas remain below the minimum requirements.

Market dynamics indicate a notable shift towards low carbon inhalers, particularly dry powder inhalers (DPIs) and soft mist inhalers (SMIs), largely driven by the initiatives of national health systems in countries that are placing greater emphasis on cli-

13. Source: World Bank 2024 Carbon Pricing Dashboard.

mate-related concerns, such as the UK and Spain. Evidence from these regions demonstrates that regional programs are effective in promoting behavior change, although the overall trend at the national level remains uncertain. Chiesi is dedicated to actively monitoring market trends and legislation in the upcoming years, as well as keeping a close watch on our competitors' actions, particularly regarding their potential entry into markets with products that have a reduced climate impact.

Efforts to mitigate and adapt to climate change not only address environmental concerns but also create business opportunities. In line with our commitment to achieve net-zero emissions by 2030 for Scope 1 and 2 emissions, we are actively pursuing strategies to reduce our carbon footprint from direct operations. This involves leveraging renewable energy contracts for our entire energy supply, including power and heat, wherever feasible.

By utilizing lower-emission energy sources, we anticipate that as large-scale renewable energy projects are implemented over the years and the demand for fossil fuels diminishes, energy prices may decrease. This transition could lead to reduced operating costs for our operations.

The table below outlines the climate-related risks and opportunities identified through collaboration with Chiesi's operational functions, which have been evaluated using scenario analysis.

Climate-related Transitional Risks and Opportunities Description

#	TCFD classification	Risk event	Impact description
1	**TRANSITION** **Policy & Legal**: Change in policy and regulation related to existing products containing F-gases.	Introduction of regulations with severe restrictions related to the use of inhalers' propellants.	Loss of revenues due to entry in force of regulations – suggesting a forced phase-down scenario for propellant 134a – and consequent inability to access market of low-GWP propellant containing products where transition to HFA 152a is not fully completed.
2	**TRANSITION** **Policy & Legal**: Change in policy and regulation related to carbon pricing mechanism.	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 carbon emerging regulation and increase of carbon prices in countries where Chiesi operates.
3	**TRANSITION** **Market**: Changes of customers / stakeholders preferences toward products with reduced climate impact.	Market shift regarding respiratory products, in favor of low carbon inhalers.	Loss of revenues of pMDIs due to push via market guidelines and competitive pressure to a shift to low carbon inhalers (especially DPIs and SMIs) from national health systems in countries where greater attention has developed on climate-related issues.
#	**TCFD classification**	**Opportunity event**	**Impact description**
1	**TRANSITION** **Energy source**: Shifting toward renewable energy sources.	Use of renewable energy sources both in production sites and R&D centers (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 increase and become more prevalent over the next years.

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 to represent the climate status 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 2027), medium term (by 2029) and long term (by 2035).

For physical risks, IPCC offers different pathways depending on the emitted GHG emissions in the years to come and the global rise in temperatures expected, with potential consequences on the environment and the increase of climate-related acute or chronic phenomena.

For transitional risks/opportunities, IEA World Energy Outlook offers different energy pathways, which examine future energy trends primarily regarding the shift towards the use of renewable sources. Underlying assumptions primarily regard the success of climate policies and consequent technology costs and learning, corporate and social sustainability commitments.

Climate-related risks and opportunities are assessed starting from the Baseline scenario, which encompasses Chiesi's strategic vision according to the Strategic Plan for the short-medium term and to the climate transition plan for 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 environment. For this reason, this scenario is based on

the IPCC RCP 4.5/6 and the IEA STEPS, which reflect today's expectations for the future trend, that of an increase in global mean temperature and recent developments in energy and climate policy.

Physical and transitional climate factors are 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 CO_2 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 an increase in utilization 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 products with reduced climate impact. 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 Physical Risk Impact – Scenario Analysis

#	TCFD classification	Risk Event	Impact description	Scenario	Time horizon		
					Short term	Medium term	Long term
1	**PHYSICAL** **Chronic:** Rise in temperature.	Increase of energy consumption to maintain the temperature in operating sites under operative limit.	An increase in external temperatures puts the air conditioning systems under additional stress, increasing operational cost. Furthermore, higher temperatures can affect the performance of existing assets and technologies.	Accelerated	⬡	⬡	⬡
				Critical	⬡	⬡	⬡
2	**PHYSICAL** **Chronic:** Water scarcity.	Reduction of water supply in production sites and R&D centers, with critical use of water.	Increase of operating cost due to water scarcity in production sites and R&D centers, which may cause water price increase.	Accelerated	⬡	⬡	⬡
				Critical	⬡	⬡	⬡
3	**PHYSICAL** **Acute**: Extreme weather events (flooding, hot/frost days, hailstorm, windstorm, tsunami, tornado, lightning, heavy precipitation).	Increased frequency of extreme weather events and natural disasters affecting business operations.	Extreme weather events exacerbated by climate change – such as flooding, hailstorms, lightning, etc. – negatively impact assets and related operating activities, causing economic and financial losses.	Accelerated	⬡	⬡	⬡
				Critical	⬡	⬡	⬡

Economic thresholds

⬡ No impact ⬡ Low ⬡ Medium ⬡ High ⬡ Very high

Physical scenarios	Occurrence scenario probability		
	Short term	Medium term	Long term
Accelerated	Likely	Possible	Unlikely
Critical	Unlikely	Possible	Likely

Physical climate events have the potential to affect all Chiesi Group sites, resulting in direct and indirect negative consequences for our production, drug storage, and research activities. Chiesi maintains rigorous controls over its owned and directly managed sites, while for those not owned, we monitor suppliers' performance and establish specific technical requirements during the contracting process. This strategy reinforces our commitment to mitigating climate-related risks and ensuring the sustainability of our operations.

Regarding the chronic effects of climate change, water scarcity and rising temperatures are expected to have a limited effect on Chiesi's operations in terms of operating costs. Impacts are primarily observed in the long term under the Critical scenario, where climate factors are significantly exacerbated, and temperatures are elevated. Conversely, in the Accelerated scenario, which predicts generally improved climate conditions compared to the Baseline, there are no significant risk impacts identified.

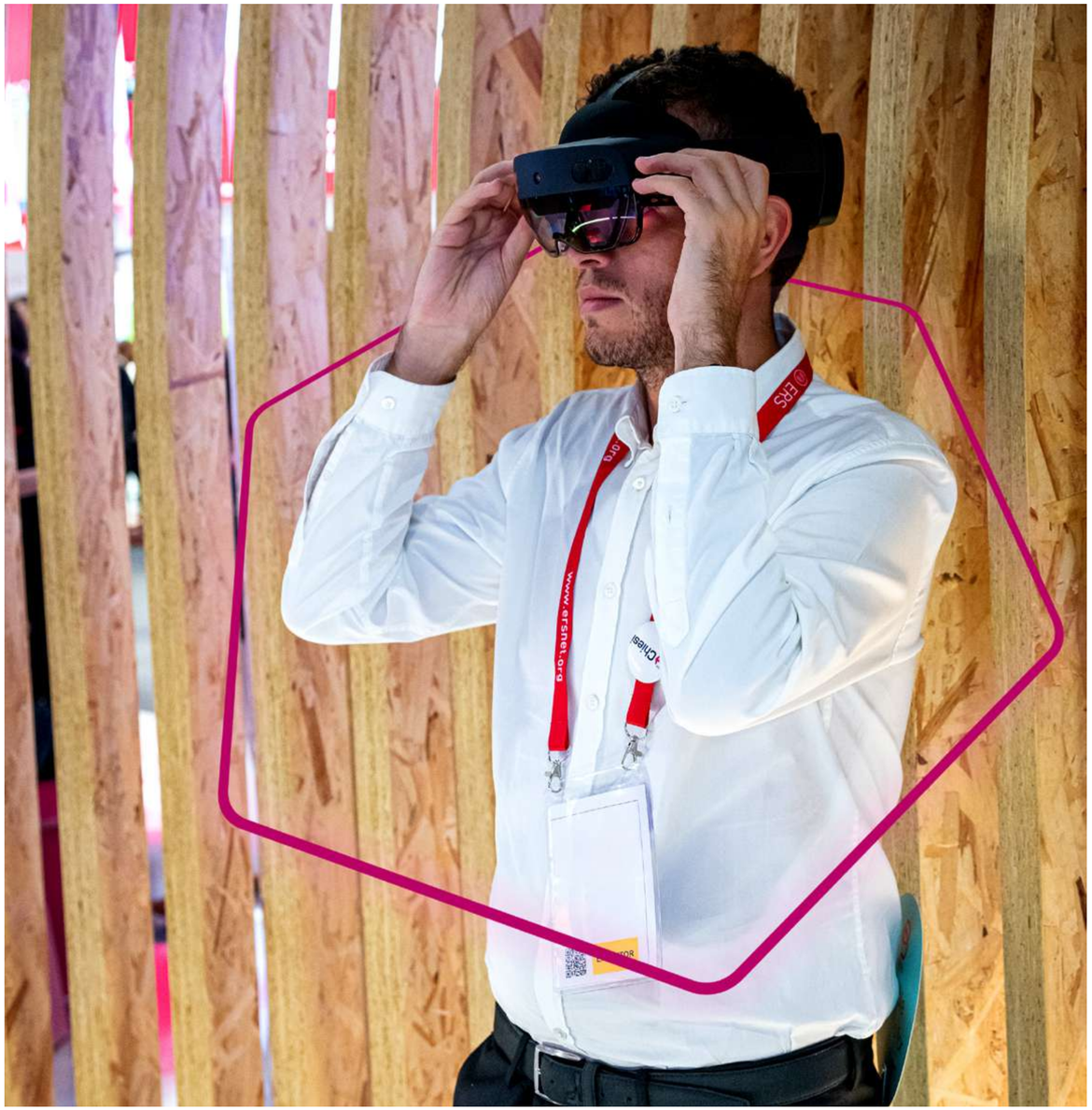
The interplay between increasing water demand and the decreasing availability of water due to climate change may prompt more national investments aimed at ensuring water supply. This could lead to higher prices and, consequently, increased operating costs. However, within the analysis timeframe, the climate projections from internationally recognized providers do not predict any significant changes in water availability between the Baseline and alternative climate scenarios. As a result, the financial impacts are not deemed significant, even in the most Critical scenario.

The ongoing rise in mean temperatures poses a challenge to the performance of current assets and technologies, potentially resulting in increased investments for replacements or higher operational costs associated with regulating indoor temperatures. By utilizing climate tools from internationally recognized providers, we have assessed the anticipated temperature increases for the coming years and evaluated the potential rise in energy consumption required to maintain internal temperatures within specified limits for production preservation. Similarly to water scarcity, significant changes are not expected during the reference period up to 2035 between the Baseline and Critical scenarios, resulting in low negative impact on operating costs.

Regarding acute risks, which manifest suddenly and last for a short duration but with greater intensity, a quantitative assessment of extreme weather events was conducted. This analysis was based on the qualitative physical risk exposure results for the entire Group, with a specific focus on the most critical sites for Chiesi's operations. The impacts described represent the total economic losses stemming from business disruptions in production activities, storage facilities, and R&D centers with laboratory operations, considering all mitigation measures that Chiesi has already implemented at each site (such as physical barriers, safety protocols, and business continuity plans). The findings are derived from a combination of climate data provided by specialized tools and the revenue drivers related to the activities conducted at each site. Impacts are slightly greater in the Critical scenario due to the exacerbated effects of climate change leading to an increased likelihood of natural disasters.

The same physical risk analysis was carried out for critical suppliers. This analysis, supported by advanced geo-risk tools, resulted in a ranking based on the overall physical risk scores derived from the collected data. On a qualitative scale ranging from Low to High, only two sites within the evaluated sample were classified as High risk regarding physical exposure, while just 15% were rated as Medium-High risk.

Considering the main factors reported so far, overall physical climate-related risks have a low impact on our strategy.



Climate-related Transitional Risks Impact – Scenario Analysis

#	TCFD classification	Risk event	Impact description	Scenario	Time horizon		
					Short term	Medium term	Long term
1	**TRANSITION** **Policy & Legal**: Change in policy and regulation related to existing products containing F-gases.	Introduction of regulations with severe restrictions related to the use of inhalers propellants.	Entry in force of regulations on inhalers propellant suggest a forced phase-down for HFC-containing pMDIs, with loss of revenues due to the inability to access market.	Accelerated	⬡	⬡	⬡
				Intermediate	⬡	⬡	⬡
2	**TRANSITION** **Policy & Legal**: Change in policy and regulation related to carbon pricing mechanism.	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 carbon emerging regulation and increase of carbon prices in countries where Chiesi operates.	Accelerated	⬡	⬡	⬡
				Intermediate	⬡	⬡	⬡
3	**TRANSITION** **Market**: Changes of customers / stakeholders preferences toward products with reduced climate impact.	Market shift regarding respiratory products, in favor of low-carbon inhalers.	Decrease in revenues in pMDIs due to push via market guidelines and competitive pressure to a shift to low-carbon inhalers (especially DPIs and SMIs) from national health systems in countries where greater attention has developed on climate-related issues.	Accelerated	⬡	⬡	⬡
				Intermediate	⬡	⬡	⬡

Economic thresholds

⬡ No impact ⬡ Low ⬡ Medium ⬡ High ⬡ Very high

Transitional scenarios	Occurrence scenario probability		
	Short term	Medium term	Long term
Accelerated	Remote	Unlikely	Possible
Intermediate	Unlikely	Possible	Likely

In the context of transitional risks, Chiesi's recent initiatives and investments have effectively mitigated various climate-related risk factors. However, it remains crucial to continuously monitor potential changes in policies, regulations, and market dynamics related to environmental and climate change issues.

In light of the emerging regulations aimed at restricting F-gases with high global warming potential (GWP), which translates into a phase-down of high-GWP hydrofluorocarbons (HFCs), Chiesi has proactively addressed this issue through the Carbon Minimal Inhaler Project. As part of this initiative, we have made a substantial investment of €350 million to develop this project, which is designed to maintain patient choice by substituting the current propellant in inhalers with an innovative low-GWP, non-persistent propellant (HFA 152a).

After assessing the CO_2 emission quota allowances and the anticipated timelines for the implementation of the revised EU regulation, we are confident that the current regulation provides sufficient time for the MDI sector, and specifically for Chiesi, to transition to low-GWP alternatives and to prevent treatment shortages and protect public health.

Given that the shift to carbon minimal inhalers has already been approved in the Company's strategy and budget, the risk exposure from EU F-gas regulation is fully mitigated throughout the entire period of analysis.

In addition, this year Chiesi developed a model to assess the potential loss of revenues from products that have not completed the transition to the new labeling requirements (EU Regulation 2024/2174), within the timelines provided by European countries, resulting in ban and the impossibility to access the market. The risk has been primarily mitigated, as a task force for the new label transition has been created for prioritizing the efforts. An implementation plan with programmed investments in compliant artworks has been established so as to meet the deadlines in each country.

Regarding carbon pricing mechanisms, although there is currently no evidence of the implementation of a carbon tax in the pharmaceutical industry due to the sector's essential role in promoting human health, we

have conducted a precautionary assessment of carbon tax risk by considering Scope 1 and 2 direct emissions from our production sites and R&D centers. Our commitment to reducing greenhouse gas (GHG) emissions is reflected in our public announcement of a reduction target for Scope 1 and 2 emissions by 2030, achieved through the avoidance and reduction of GHG emissions, alongside neutralizing the remaining emissions via the purchase of carbon removal certificates. The trajectory for reduction has been further elevated in our 2024 resubmission to the Science Based Targets initiative (SBTi). In the Intermediate and Accelerated scenarios, we anticipate that carbon taxation will expand to new countries with progressively higher prices in the long term. Consequently, this risk could increasingly affect our operating costs, particularly in the medium and long term.

From a market perspective, we have assessed the potential decline in our pressurized metered-dose inhalers (pMDIs) revenues due to the push from market guidelines and competitive pressure for a transition to low-carbon inhalers, particularly dry powder inhalers (DPIs) and soft mist inhalers (SMIs). We have conducted a risk impact analysis that focuses on the UK and Spain markets, as, at regional level, these are the most likely to experience a shift to sustainable inhalers driven by active health system promotion in the UK and competitive pressure in Spain. Chiesi's initiative to develop products using lower global warming potential propellants through the Carbon Minimal Inhaler Project will help mitigate these risk impacts over the analysis period. Furthermore, we are implementing a range of actions aimed at enhancing the sustainability profile of our products while continuing to invest in DPI solutions. This strategy ensures that we maintain a diversified portfolio that meets the needs of our patients.

Climate-related Transitional Opportunities Impact – Scenario Analysis

#	TCFD classification	Opportunity event	Impact description	Scenario	Time horizon		
					Short term	Medium term	Long term
1	**TRANSITION** **Energy source**: Shifting toward renewable energy sources.	Use of renewable energy sources both in production sites and R&D centers, (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 increase and become more prevalent over the next years.	Accelerated			
				Intermediate			

Economic thresholds

No impact | Low | Medium | High | Very high

Transitional scenarios	Occurrence scenario probability		
	Short term	Medium term	Long term
Accelerated	Remote	Unlikely	Possible
Intermediate	Unlikely	Possible	Likely

In relation to the opportunities arising from the fight against climate change, our Climate Transition Plan has positioned us to proactively pursue ambitious targets. The shift towards renewable energy sources is influencing market energy prices, and following the current peak in prices, we anticipate a downward trend as larger renewable projects are expected to come online in the near future. This trend is particularly pronounced in accelerated scenarios, where the incentivization of renewable energy sources is expected to increase. Chiesi's strategic commitment to transitioning to renewable energy not only serves as a crucial step toward achieving our emission reduction targets but also has the potential to generate long-term cost savings. As we move toward heightened climate commitments and the implementation of large-scale renewable energy projects, we foresee a significant decrease in energy prices. This transition is likely to lead to reduced operating costs for Chiesi, with the most considerable impact expected in the long run, when renewable energy prices reach their lowest levels.

We will persist in monitoring both physical and transition risks that are pertinent to our business. Our objective is to mitigate their potential impacts through a robust risk-response strategy. Additionally, we will actively seek new climate-related opportunities to proactively adapt to changes in the market and policy landscape influenced 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 in our business and in the complex, rapidly evolving environment in which we operate. Processes and procedures are in place to identify and manage risk exposure, as well as seize related opportunities. In line with the TCFD recommendations, climate issues are integrated in the Company risk management system. The processes in place and the integration of climate-related scenario analysis results are described in detail 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 2022, we have set up a process aimed at better integrating ESG risks into our Risk Management framework. Since 2023, climate-related risks and opportunities identification, assessment and management processes are 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-year budget activities.
- Medium-term assessments cover risks that could impact planned activities up to five years.
- Long-term assessments, as climate change risks and opportunities have an extended impact over time and could influence initiatives connected to the 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. A Risk Management Committee (RMC) is in place, composed of CEO, CFO, EVP of Strategy, Sustainability and Growth and VP of Enterprise Risk Management & Global Internal Auditing, responsible for setting risk strategy. The RMC's role is also to periodically monitor implementation of risk response plans and risk management process effectiveness, regularly reviewing risk assessment outcomes. The evolution of the Group Risk Profile is presented to the RMC three times a year and to the GELT twice a year, with the aim of fostering dynamic discussions and defining the management of the key risks, accordingly to the strategic objectives and the risk appetite, as defined by the Board of Directors (BoD) risk assessment results (mitigation plans, critical issues, etc.) are presented at least once a year to the BoD.

The ERM function provides methodological support and coordination in overall risk identification, evaluation and management throughout the year. In the periodic process, risk events are identified and assessed by management with the support of the ERM function on the basis of qualitative and quantitative metrics in terms of impact (respectively, reputational, economic, operational, HSE & sustainability) probability of occurrence in a defined time horizon, coinciding with that of the group Strategic Plan and maturity of the level of control in place for each type of risk. Risk factors identified and assessed are then prioritized and reported on a heat map. Subsequently, a selection of the most relevant risks, i.e. that fall into the category of so-called "Top Risks", is looked into further in terms of how they are managed by the risk-owners together with the ERM function, in order to support management in defining the most appropriate mitigation plans and to verify their progress and effectiveness over time. In addition, the Corporate Internal Audit assures the adequacy and effectiveness of the Risk Management System implemented, through the execution of 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 stressed compared to the Baseline scenario.

The main differences considering the ERM system and the TCFD framework refer to 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 are registered and 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.

5. METRICS & TARGETS

This section contains the description of CO_2 emissions reduction targets and other relevant targets related to energy/water efficiency, which we have set according to our climate transition 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

We believe that as a Company we should 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:

Targets	Goal year	Commitments	Progress
Chiesi commits to reduce absolute Scope 1 and 2 GHG emissions by 90% by 2030 from a 2019 base year.	2030	Acquire 100% of the electricity consumed from renewable sources by 2030.	99% coverage achieved in 2024.
		Transition to the new low carbon inhaler.	Started in 2019 – Completion of the main clinical development for its Carbon Minimal pMDI portfolio by 2025. Subsequent introduction in the UK & Europe is planned, pending regulatory approvals. Further global expansion in geographies of interest will progress, subject to local regulatory requirements.
		Car fleet electrification.	31% of vehicles are hybrid or electric in 2024. Car fleet emissions reduced by -30% from 2019 baseline.
		Purchase Carbon Removal Certificates for remaining emissions from 2023 onwards.	Mandatory for 2030 for net zero.
Reduce Scope 3 GHG emissions from use of sold products by 80% per unit of respiratory product sold from 2019 base year.	2030	Transition to the new low carbon inhaler.	5% reduction achieved from the 2019 base year.
Chiesi commits to reduce absolute Scope 3 GHG emissions by 90% by 2035 from a 2019 baseline.	2035	Transition to the new low carbon inhaler.	Started in 2019 – Completion of the main clinical development for its Carbon Minimal pMDI portfolio by 2025. Subsequent introduction in the UK & Europe is planned, pending regulatory approvals. Further global expansion in geographies of interest will progress, subject to local regulatory requirements.
		Suppliers Engagement strategy being defined in 2024.	Ongoing Suppliers Engagement in place about carbon reduction actions.
		Business travel strategy being defined in 2024.	In progress with stronger focus starting from 2025.
		Purchase Carbon Removal Certificates for remaining emissions from 2035 onwards.	Mandatory for 2030 for net zero.

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 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 organizational boundary of the Company

- **Scope 3** are the emissions generated from all other activities in the Company's value chain, of which the Company has neither ownership nor 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.

In the chart 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	Units	FY2019	FY2022	FY2023	FY2024	2019 vs 2024
Energy consumed	GJ	528,776	519,504	498,908	487,291	-8%
Energy intensity	GJ/M eq. units	6,497	5,848	4,657	4,622	-29%
Scope 1	tCO_2e	33,911	29,715	29,906	24,653	-27%
Scope 2 LB	tCO_2e	13,193	11,262	12,254	12,822	-3%
Scope 2 MB	tCO_2e	15,835	822	591	496	-97%
Intensity Scope 1 + 2 LB	tCO_2e/M eq. units	579	461	394	355	-39%
Intensity Scope 1 + 2 MB	tCO_2e/M eq. units	611	344	285	239	-61%
Scope 3	tCO_2e	742,267	897,564	949,619	997,514	34%
Scope 3 intensity	tCO_2e/M eq. units	9,120	10,104	8,864	9,462	4%

		2019	2022	2023	2024
M eq. units produced	M eq. units	81	89	107	106

6. SUMMARY

As recommended by the TCFD framework, this section is useful for stakeholders' fruition and it should contain sources and reference to other relevant disclosure, outside the Sustainability Report (ex. CDP disclosure).

The following table provides the correspondence between the Task Force on Climate-related Financial Disclosures (TCFD) recommendations and the content of the present Sustainability Report. References to other external disclosure, specifically the Climate Disclosure Project (CDP) questionnaire, is also provided.

TCFD pillar	TCFD recommendations	Reference to Chiesi disclosure
Governance Disclose the Organization's governance around climate-related risks and opportunities.	Describe the board's oversight of climate-related risks and opportunities.	CDP question 4.1
	Describe management's role in assessing and managing climate-related risks and opportunities.	CDP question 4.2
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the Organization's businesses, strategy and financial planning where such information is material.	Describe the climate-related risks and opportunities the Organization has identified over the short-, medium- and long-term.	CDP question 2.1a, 3.1 and 3.6
	Describe the impact of climate-related risks and opportunities on the Organization's businesses, strategy and financial planning.	CDP question 5.3
	Describe the resilience of the Organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	CDP question 5.1
Risk management Disclose how the Organization identifies, assesses and manages climate-related risks.	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 3.1 and 3.6
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the Organization's overall risk management.	CDP question 2.4
Metrics and target Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	Disclose the metrics used by the Organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	CDP question 2.4 and 5.3
	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	CDP question 7.5 and 7.8
	Describe the targets used by the Organization to manage climate-related risks and opportunities and performance against targets.	CDP question 7.53

ESG reports *2024*