

Chiesi Group calls for #ActionOverWords in the fight against climate change

- ***Chiesi Group, the largest international pharmaceutical company certified B Corp, reinforces 2035 carbon neutral target with #ActionOverWords campaign to encourage measurable sustainability commitments and invite accountability.***

Parma (Italy), 10 May, 2021 – Chiesi Group, the international research-focused pharmaceuticals and healthcare group, unveils its plan to become carbon neutral by 2030 on direct greenhouse gas (GHG) emissions and indirect GHG emissions from purchased electricity and heat (scope 1 and 2) and by 2035 on all the other indirect GHG emissions (scope 3) on www.actionoverwords.org. Chiesi Group is a Benefit Corporation and certified B Corp committed to increasingly operating its business in a way that ensures long-term sustainability, by minimising the environmental impact of its products and operations. This carbon neutrality plan is an important milestone in Chiesi's journey to realising this mission.

Chiesi's reduction targets have been approved by the Science Based Target Initiative¹ (SBTi) and are aligned with the Paris Agreement's most ambitious goal to limit global temperature rise to 1.5°C above pre-industrial levels by 2100.² But Chiesi's targets also go beyond these requirements.

To become carbon neutral by 2035, Chiesi Group will:

- By 2030, cut the GHG emissions per unit of inhaled products sold by over 80% compared to 2019 emissions. By 2035, the ambition is to reduce absolute scope 3 GHG emissions from the use of sold products by 90% compared to 2019, thanks to a new low global warming potential propellant used for inhaler devices.
- By 2030, cut the direct GHG emissions (scope 1) and the indirect GHG emissions associated with the purchase of electricity and heat (scope 2) by 50% compared to 2019. This will be achieved by improving business operations, maintaining 100% renewable energy consumption at Chiesi sites that have already achieved this and transitioning to 100% renewable energy at the remaining sites, and electrifying the car fleet.
- Commit to disclosing its emissions inventory through the Carbon Disclosure Project³ by the second quarter of 2021, including direct and indirect emissions (scope 1, 2 and 3). This will make the company even more transparent and benchmark Chiesi's emissions inventory against industry peers on a yearly basis.
- Add maximum credibility and trust in its commitment by working with the internationally recognised PAS 2060 specification process⁴ to demonstrate the value and efficacy of Chiesi's plans, including mitigation actions, the carbon offsetting of the residual GHG emissions and the verification by an independent third party.

Chiesi Group announces its carbon neutral plan with a new **#ActionOverWords campaign**, which emphasises the importance of the larger global corporate sustainability movement. Chiesi is not the first company to make a public commitment to reduce its carbon footprint but, as the largest pharmaceutical certified B Corp, it wants to use this defining moment to start a conversation about corporate action, and the need to move from celebrating commitments to celebrating measurable progress.

¹ The Science-based Targets Initiative, "How it works?" www.sciencebasedtargets.org

² United Nations Framework Convention on Climate Change, "The Paris Agreement" www.unfccc.int

³ Carbon Disclosure Project www.cdp.net

⁴ British Standards Institution, "PAS 2060 Carbon Neutrality" www.bsigroup.com

With the #ActionOverWords campaign, Chiesi wants to cut through the language of corporate sustainability commitments. These commitments often focus on words rather than the actions to achieve them, using terms like carbon neutral, net zero and climate neutral interchangeably based on which one sounds more impressive. But to date, only a few refer to official standards to measure progress towards their commitments on an individual company level. For now, this only exists for carbon neutrality.⁵ Corporate commitments fail to be consistent if the actions to achieve the commitments are not independently verified according to international standards. Many commitments also do not include the indirect emissions that occur in a company's value chain and during product use, known as scope 3 emissions. Chiesi's commitments cover scopes 1, 2 and 3 and are approved by SBTi with the mitigation actions independently verified within the PAS 2060 specification process.

*"It's time to make announcements that mean something and invite accountability," says **Ugo Di Francesco, CEO of Chiesi Group**. "Companies should be held accountable for delivering on their commitments and society should not forget the promises made. This is why we want to commit to things that can be measured, and we dare to share our progress publicly. With this campaign, we invite all our peers to join us on this path."*

Comprehensive and long-lasting measurement standards and frameworks are essential to encourage and track progress towards a low carbon society. They allow businesses to plan and implement carbon reduction targets with accuracy and transparency. And they help citizens and policy makers identify those mitigation measures that make the difference.

*"At Chiesi, we stand with all those doing their part to halt climate change," comments **Maria Paola Chiesi, Shared Value & Sustainability Director of Chiesi Group**. "We see our sustainability journey as an ongoing process, we are always improving and setting tougher goals. Our strong beliefs define our actions and how we do business. We also have the track record to back up our words."*

Visit www.actionoverwords.org to learn more about Chiesi's #ActionOverWords campaign, carbon neutrality commitments and public sustainability track record. You can also read Chiesi's latest sustainability report [here](#) and We Act Sustainability Manifesto [here](#).

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More information on Chiesi Group's sustainability efforts:

This announcement follows Chiesi's longstanding commitment of putting environmental and social sustainability at the centre of Chiesi's operations – going far beyond carbon reduction.

- The healthcare group was **awarded B Corp certification in June 2019**. B Lab, a non-profit body that serves as a global movement of people using business as a force for good, assessed the social and environmental performance of all Chiesi affiliates through the B Impact Assessment (BIA). B Lab verified Chiesi B Impact Score is 87.5 compared to the mean score of 50.9 of all businesses that have completed the BIA.⁶
- In 2019, Chiesi was the **first pharmaceutical company to publicly announce a solution to address the carbon footprint of pressurised metered dose inhalers (pMDIs)** while continuing to invest in DPI technology to provide the range of therapeutic treatment options that patients suffering from asthma and chronic obstructive respiratory disease (COPD) need. The first carbon minimal inhaler

⁵ Certified Carbon Neutral Global Standard, "The Carbon Neutral Protocol January 2021" www.carbonneutral.com
British Standards Institution, "PAS 2060 Carbon Neutrality" www.bsigroup.com

⁶ B Corporation, "B Corp Directory: Chiesi Group" www.bcorporation.net

will be introduced by 2025 and will ensure a 90% carbon footprint reduction. Chiesi is actively investing €350 million to fast-track development and bring this innovative solution to market.⁷

- Also, in 2019, Chiesi **co-created the first Sustainable Development Goals enabled Code of Conduct with its suppliers** to define shared guidelines and require every part of Chiesi's value chain to adhere to a common set of principles to achieve a more sustainable and inclusive business model. This is called the "Code of Interdependence."⁸
- In 2018, Chiesi **changed its structure and by-laws, adopting the new legal status of Benefit Corporation** in Italy and the United States, by incorporating a double purpose for the creation of shared value, and therefore to generate value both for its business and for society and the environment. This change made sustainability contractual, legally binding and central to all company decision-making. In 2020, Chiesi France has worked to become the first "Société à mission" (SAM) of the health industry, an opportunity given by French law since May 2019. This was announced in April 2021.
- In March 2021, Chiesi joined the B Corp Climate Collective (BCCC), committing to **the United Nations Framework Convention on Climate Change (UNFCCC) "Race To Zero"**. This is a global campaign to rally leadership and support from businesses, cities, regions, investors for a greener future. The objective is to build momentum around the shift to a decarbonised economy ahead of COP26, where governments must strengthen their contributions to the Paris Agreement.

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About Chiesi Group

Based in Parma, Italy, Chiesi is an international research-focused pharmaceuticals and healthcare group with over 85 years' experience, operating in 30 countries with more than 6,000 employees (Chiesi Group). To achieve its mission of improving people's quality of life by acting responsibly towards society and the environment, the Group research, develops and markets innovative drugs in its three therapeutic areas: AIR (products and services that promote respiration, from new-born to adult populations), RARE (treatment for patients with rare and ultra-rare diseases) and CARE (products and services that support special care and consumer-facing self-care). The Group's Research and Development centre is based in Parma and works alongside 6 other important research and development centres in France, the U.S., Canada, China, the UK, and Sweden to promote its pre-clinical, clinical, and regulatory programmes. Chiesi, since 2019, is the world's largest B Corp certified pharmaceutical group. Chiesi Farmaceutici S.p.A. has changed in 2018 its legal status to a Benefit Corporation, by incorporating a double purpose for the creation of shared value, and to generate value for its business, for society and the environment. The global B Corp movement promotes business as a force for good. Moreover, as a Benefit Corporation, Chiesi Farmaceutici S.p.A. is required by law to include objectives of common benefit in its bylaws and to report annually in a transparent way. The Group is committed to becoming carbon neutral by the end of 2035.

For further information: www.chiesi.com

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⁷ Chiesi Group, "Chiesi outlines €350 million investment and announces first carbon minimal pressurised Metered Dose Inhaler (pMDI) for Asthma and COPD" www.chiesi.com

⁸ Chiesi Group, "Code of Interdependence" www.chiesi.com