

# **Code of Interdependence**

Chiesi Suppliers Code of Conduct  
*co-created with our Business Partners*

*Let's make  
the world  
feel better.*

## **A code of an Interdependent Supply Chain**

*This Code is a set of values, objectives and tools that comes from the collaboration within Chiesi and the companies that are part of its Ecosystem, representing a fundamental part of the evolution path towards full sustainability. Through the Code we recognize how necessary and urgent is to act, with the awareness that each of us is indispensable to the other and that we are all responsible for future generations. We constantly monitor performances and practices that we adopt.*

*As a Benefit Corporation we believe in interdependence. The model of a regenerative company is going beyond the goal of sole profit and is innovating to maximize the positive impact towards employees, environment and communities in which it operates. We recognize that each actor can be at a different stage of evolution but only through collaboration we can evolve to that model. Chiesi is the promoter of this common commitment to contribute to the improvement of the entire supply chain, in a process of mutual learning and co-evolution.*

*Chiesi strives to conduct business with all companies that are part of its Ecosystem and other business partners who share our commitment to Benefit Corporation principles and high ethical standards, operating in a responsible and ethical manner. Chiesi is committed as well to full compliance with the laws, rules, regulations, and Chiesi principles and policies governing its activities. To reinforce principles, standards and behaviours to which it is committed, Chiesi developed this Code of Interdependence and expects its whole Ecosystem operating accordingly.*



## INTRODUCTION

|     |                                                                                  |   |
|-----|----------------------------------------------------------------------------------|---|
| 1.  | <b>Design principles</b>                                                         | 4 |
| 1.1 | Guiding Shared Values                                                            |   |
| 1.2 | Beyond the ordinary: co-creation with our business partners                      |   |
| 1.3 | Bold commitment: Chiesi implements this Code of Conduct at first                 |   |
| 2.  | <b>Inspiration from global movements and principles for a sustainable future</b> | 4 |
| 2.1 | Acknowledged, Science-based Standards                                            |   |
| 3.  | <b>Structure of the document</b>                                                 | 5 |

## SDG: SUSTAINABLE DEVELOPMENT GOALS

|      |                                                                                             |    |
|------|---------------------------------------------------------------------------------------------|----|
| 4.   | <b>#3. Good health and well-being</b>                                                       | 6  |
| 4.1  | Product Safety                                                                              |    |
| 4.2  | Quality Country Regulations                                                                 |    |
| 4.3  | Training / capacity building                                                                |    |
| 5.   | <b>#8. Decent work and economic growth</b>                                                  | 7  |
| 5.1  | Fair working conditions, fair working hours, time off and leave                             |    |
| 5.2  | Wages and Benefits, Living Wage                                                             |    |
| 5.3  | Child Labour and Young Workers                                                              |    |
| 5.4  | Inhumane Treatment Avoidance                                                                |    |
| 5.5  | Workers Protection. Occupational Health and Safety, Emergency Plans                         |    |
| 5.6  | Modern Slavery Avoidance                                                                    |    |
| 5.7  | Freedom of Association                                                                      |    |
| 5.8  | Business Continuity, Risk Management                                                        |    |
| 5.9  | Process safety                                                                              |    |
| 6.   | <b>#9. Industry, Innovation and Infrastructure</b>                                          | 11 |
| 6.1  | Scientific research, technological capabilities upgrade                                     |    |
| 6.2  | Continuous Improvement                                                                      |    |
| 7.   | <b>#10. Reduced Inequalities</b>                                                            | 12 |
| 7.1  | Diversity, Inclusion                                                                        |    |
| 7.2  | Equal Opportunities, non Discrimination                                                     |    |
| 8.   | <b>#12. Responsible Consumption and Production</b>                                          | 13 |
| 8.1  | Waste Treatment and Emissions                                                               |    |
| 8.2  | Hazardous Chemicals, Information & Management                                               |    |
| 8.3  | Water Treatment                                                                             |    |
| 8.4  | Efficient Use of Resources                                                                  |    |
| 8.5  | Transparency - Report on Social and Environmental KPI                                       |    |
| 9.   | <b>#13. Climate Action</b>                                                                  | 16 |
| 9.1  | Air Emissions                                                                               |    |
| 10.  | <b>#15. Life on Land</b>                                                                    | 17 |
| 10.1 | Spills and Releases                                                                         |    |
| 10.2 | Animal Welfare                                                                              |    |
| 10.3 | Traceability - Responsible Sourcing                                                         |    |
| 11.  | <b>#16. Peace, Justice and Strong Institutions</b>                                          | 18 |
| 11.1 | Ethics                                                                                      |    |
| 11.2 | Legal & Customer requirements                                                               |    |
| 11.3 | Environmental Authorizations                                                                |    |
| 11.4 | Fair Suppliers Competition                                                                  |    |
| 11.5 | Business Integrity: Corruption, Bribery, Freedom of Reporting of Issues and whistle blowing |    |
| 11.6 | Freely chosen employment                                                                    |    |
| 11.7 | Security, Privacy, Data and Intellectual Protection                                         |    |
| 12.  | <b>#17. Partnerships for the Goals</b>                                                      | 21 |
| 12.1 | Sub Suppliers Responsible Sourcing                                                          |    |
| 12.2 | Commitment, Accountability, Documentation                                                   |    |



## 1. Design principles

This document has been developed in 2019 by applying a set of principles driving the design phase. The most important principles are described here below.

### 1.1 Guiding Shared Values

Chiesi underwent a collaborative engagement process involving its affiliates worldwide with the objective of setting out 5 values that should serve as a guidance for the understanding and application of the principles set out in this document.

The guidance values are:

- **TRUST:** we foster long term relationships based on trust
- **QUALITY:** we strive to reach and ensure quality without compromises
- **FAIRNESS:** we are always fair in the relations with all the stakeholders
- **ACCOUNTABILITY:** we are committed and take responsibility for our actions
- **TRANSPARENCY:** we foster a transparency of information and commitment

### 1.2 Beyond the ordinary:

#### co-creation with our business partners

Writing this document has come together through a structured and collaborative process with our subsidiaries and our strategic suppliers. We don't see this Code as an administrative step, but as a new way of working, collaborating, and growing together; gathering and integrating various perspectives and contributions of all the companies that participated, respecting their unique nature. The sustainability principles rooted at the heart of our company mission are declined in this document, to share and spread their use throughout our supply chain.

### 1.3 Bold commitment:

#### Chiesi implements this Code of Conduct at first

Chiesi is committed to implement the principles of this document and acts accordingly. We are aware that they represent our willingness to constantly improve our business towards a more inclusive, interdependent and sustainable economy and society. We expect all our Ecosystem actors to share our commitment by applying these principles to their businesses. We also acknowledge that we all operate in different environments, from a geographical, legal, and cultural perspective. This means that the applicability of some topics may be less relevant or, vice versa, challenging to implement. So, we leave to each actor of the Ecosystem applying the principles of this document that fit its specific business. But we as Chiesi believe in collaboration, open communication and mutual learning to overcome those difficulties and improve the sustainability level of our Ecosystem in the most consistent possible way. That's what we define coevolution.

## 2. Inspiration from global movements and principles for a sustainable future

Our operations have a global impact, so we decided to be inspired by global movements, principles and frameworks. So we acknowledge that only global scale movements can bring real benefits and shared value to society and planet at large. The only option for us to have a material positive contribution to our business, planet and communities is to join forces, act as an inclusive business and play as a whole entity. So we let ourselves be inspired by the B Corp movement, United Nations SDGs and ILO, and finally by industry specific PSCI initiative.

### 2.1 Acknowledged, Science-based Standards

All business decisions and operations should be based on solid frameworks. For us, this means that science based acknowledged evidence must be at the basis of their creation and that these frameworks must be concretely applicable and measurable, otherwise their materiality to our operations and Ecosystem will lose relevance. Finally, during writing this document we adapted the inspirational movements and frameworks to the Pharmaceutical Industry, highlighting the specific industry added value and implementation peculiarities.





*B Corporations are businesses that meet the highest standards of verified social and environmental performance, public transparency, and legal accountability to balance profit and purpose. B Corps are accelerating a global culture shift to redefine success in business and build a more inclusive and sustainable economy.*

*Society's most challenging problems cannot be solved by government and non-profits alone. The B Corp community works toward reduced inequality, lower levels of poverty, a healthier environment, stronger communities, and the creation of more high quality jobs with dignity and purpose. By harnessing the power of business, B Corps use profits and growth as a means to a greater end positive impact for their employees, communities, and the environment.*

*Chiesi is the largest pharmaceutical group to be awarded B Corp certification in 2019. B Corp principles are valued in the present document.*

---



*The Pharmaceutical Supply Chain Initiative (PSCI) is a group of pharmaceutical and healthcare companies who share a vision of better, social, environmental and economic outcomes in the communities where we buy.*

*The purpose of the initiative is to bring together the pharmaceutical industry to define, implement, and champion responsible supply chain practices.*

*Collectively PSCI members can share knowledge and expertise, across the industry and continuously improve social, health, safety and environmental sustainable outcomes for their supply chains.*

*We as Chiesi adhered to PSCI starting from 2019, so we applied the detailed PSCI principles all along this document.*

---



*The International Labour Organization (ILO) is the United Nations agency for the world of work. It sets international labour standards, promotes rights at work and encourages decent employment opportunities, the enhancement of social protection and the strengthening of dialogue on work-related issues. The ILO has a unique structure, bringing together governments, employers' and workers' representatives. We as Chiesi believe that the ILO work must be at the basis of all prosperous human relations in business, outlining the minimal conditions under which the relation employer-employee must be based on.*

---



*The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 Sustainable Development Goals (SDGs), which are an urgent call for action by all countries - developed and developing - in a global partnership. They recognize that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth – all while tackling climate change and working to preserve our oceans and forests.*

### 3. Structure of the document

Chiesi, as a business that directly impacts some of the SDGs, is committed to design and direct its operations towards improving the specific SDGs it deals with.

We then wrote this document with the intention to create and promote the first SDG-enabled Ecosystem in the pharmaceutical industry.

We cannot change the world for the better by ourselves, but collectively we can. The SDGs are the most powerful framework reference for business and for governments and public institutions. The alignment of these actors is critical to have a material positive impact for our planet, society and economy.

For all the above, our requirements are classified according to the relevant SDG and shall be implemented at minimum

according to the national regulations and local laws. If the principles differ from national laws, the highest standard must be considered and applied.

But we aspire to do more, to go beyond compliance. We are committed, wherever possible, to improve these basic regulatory standards. To challenge our business operations and create shared value.

This is why the principles of this Code of Conduct are divided into two sections:

- **Mandatory Requirements** representing the minimum level we all must implement while making business;
- **Improvement Actions** representing a guidance for those of us that want to outperform, to guide future improvements of the principles outlined in this document.



## GOOD HEALTH AND WELL-BEING

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

*We have selected the relevant targets of SDG.3 that are applicable into our Ecosystem:*

- **Reduce premature mortality** from non-communicable diseases through prevention and treatment and promote mental health and well-being.
- Achieve **universal health coverage**, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.
- Increase health financing and the **recruitment, development, training and retention of the health workforce** in developing countries, especially in least developed countries and small island developing States.
- Strengthen the capacity of all countries, in particular developing countries, for early warning, risk reduction and **management of national and global health risks**.

#### 4.1 Product Safety

##### MANDATORY REQUIREMENTS

- We shall promote the safe development, manufacturing, transport, use and disposal of our products as a priority, particularly where the potential for adverse consequences is known to exist.
- We shall ensure that all production and storage areas and containment vessels have the necessary design safeguards, such as fire detection and prevention systems, spill containment barriers, ignition source prevention, inert blanketing, etc.
- We shall exceed the compliance with regulatory frameworks and local regulations and promote best practices about product safety, in particular regarding training of qualified employees, administrative procedures in place, benchmark of best practices, equipment and sensors, reviews of critical functions and resources, customer needs.

#### 4.2 Quality Country Regulations

##### MANDATORY REQUIREMENTS

- We shall have systems in place to ensure full compliance with all applicable laws, country regulations and industry good practices concerning all aspects of quality governing our activities.

#### 4.3 Training / capacity building

##### MANDATORY REQUIREMENTS

- We shall have a training programme that achieves an appropriate level of knowledge, skills and abilities in all workforce to address each area of this Code and to address the intent of expectations for responsible social and environmental behaviour.
- We shall include in our training programs all appropriate and relevant results of the risk assessment and we should address the potential consequences of diverging from the required operating procedures and specific expectations.

##### IMPROVEMENT ACTIONS

- We shall nominate an expert to be responsible of the training programs, materials, implementations and performance monitoring.
- We shall periodically review the training programs to measure relative appropriateness and effectiveness through employee knowledge assessment.

- We shall develop global training tailored to specific countries/cultures and adapted to services/products specificities. All materials should be accessible in different languages.



## DECENT WORK AND ECONOMIC GROWTH



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

*We have selected the relevant targets of SDG.8 that are applicable into our Ecosystem:*

- Achieve **full and productive employment and decent work for all women and men**, including for young people and persons with disabilities, and equal pay for work of equal value.
- Take immediate and effective measures to **eradicate forced labour, end modern slavery** and secure the prohibition and elimination of the worst forms of child labour in all its forms.
- **Protect labour rights and promote safe and secure working environments** for all workers.
- Achieve higher levels of economic productivity through **diversification, technological upgrading and innovation**.

### 5.1 Fair working conditions, fair working hours, time off and leave

#### MANDATORY REQUIREMENTS

- We shall respect the highest standards of human rights and to treat workers and all people engaged in our activities with full dignity and respect.
- We shall make sure that the workforce in place is appropriately skilled and sized to perform everyday tasks.
- All overtime work should be pre-agreed, occasional, implemented in a way that does not harm human dignity and communicated in a timely manner. We track irregular or excessive overtime.
- We shall ensure that employees have reasonable breaks during their working day, at least one day of rest during the week, and we should pay reasonable vacation periods during the year. Public holidays do not count as vacation days. Employees can leave for health, public holidays as well as occupational diseases or injuries, upon proof of entitlement. The leave shall be paid. Employees can also leave for serious family motivations, upon proof of entitlement, and be paid according to national laws and contract with the employer.
- We shall provide easy and free access to drinking water and hygienic toilets in all company's workplaces and facilities.

#### IMPROVEMENT ACTIONS

- We shall put in place a tracking system to detect excessive overtime, prevent accidents and injuries from fatigue or other sources, detect potential irregular and unusual work patterns.
- Annual leave should exceed local laws prescriptions.



### 5.2 Wages and Benefits, Living Wage

#### MANDATORY REQUIREMENTS

- We shall pay our employees a fair wage which at least meets the minimum thresholds required by local laws. We shall also pay for overtime hours at a higher rate than the standard hourly rate and, whenever applicable, for bonuses and benefits.
- We shall ensure that our employees receive a wage that is sufficient to cover the cost of living, including accommodation, health care, nutrition, and education for the employee and any dependent children.
- We shall clearly inform our employees on the breakdown of compensation components i.e. wages, overtime wages and other bonuses or benefits.
- Wages, compensation and other type of benefits shall not be withheld or used as an intimidating action, and all deductions not provided for by national laws shall be included only upon the express authorization of the worker. We shall ensure that our employees are paid on a regular basis in a clear, prompt, direct and convenient way. Coupons, promissory notes or similar instruments shall not be used on behalf of salary payment.



#### IMPROVEMENT ACTIONS

- We put in place practices to substantially exceed the minimum wage thresholds provided by national regulations.
- We periodically review wages and related policies and procedures against legal requirements and industry best practices.
- We shall implement a compensation and benefits program, based on meritocracy.

### 5.3 Child Labour and Young Workers

#### MANDATORY REQUIREMENTS

- We and any supplier working for us and/or on our behalf must not use child labour in any form and we shall act in full compliance with any applicable laws and regulations concerning prohibition of child labour and protection of young people at work. Young workers above the country's legal age for employment or the age established for completing compulsory education (whichever is more stringent), must not carry out work that can hinder their education or health, for example: handling hazardous chemicals, heavy and prolonged physical labour, regular night shifts or other breaks to a safe working environment as defined by the International Labour Organization.
- We shall verify the age of our employees on a regular basis and, upon request, clearly communicate child labour policies and regulations.

- We shall assess officially recognized identity documentation, for example IDs, birth certificates, or passports, in order to verify the age of all our employees.

#### IMPROVEMENT ACTIONS

- We shall not assign overtime nor any night shift to young workers (i.e. workers who are under the age of 18 but above the country's legal age for employment or the age established for completing compulsory education. See ILO convention 138 for more details).
- We shall cooperate with recognized international organizations that protect young workers rights, child labour or any other form of abuse.

### 5.4 Inhumane Treatment Avoidance

#### MANDATORY REQUIREMENTS

- We shall provide a workplace free of harsh and inhumane treatment, including sexual or physical abuse, corporal punishment, mental or physical coercion or verbal abuse of workers and no threat of any such treatment.
- We shall guarantee, through the application of the right policies and implementation mechanisms, that the rights and dignity of each individual person are preserved and respected at all times. To do so, we shall favour the use behavioural incentives rather than disciplinary actions.
- We shall design and implement a reporting mechanism, which is clear and easily accessible, in order to allow our employees to report complaints and potential policy breaks without fear of reprisal, intimidation or other forms of coercion. Complaints shall be considered in a serious, constructive and professional way, and followed with an unbiased and accurate investigation. In case disciplinary actions are needed, we shall make sure that the consequent disciplinary actions are consistent with the infringement and fairly applied.

### 5.5 Workers Protection. Occupational Health and Safety, Emergency Plans

#### MANDATORY REQUIREMENTS

- We shall guarantee a healthy and safe physical, psychological and social working environment.
- We shall avoid the over or dangerous exposure to chemical, biological, and physical hazards, including physically demanding tasks, to all our employees and in all company's workplaces, facilities, and accommodations.







- We shall identify emergency situations and implement the corresponding effective emergency plans or response procedures.
- We shall control hazards in all their forms. In case exposure to hazardous situations or substances cannot be mitigated with alternatives means, we shall provide our employees with the correct training and appropriate and well-maintained protective equipment.
- We shall ensure that a correct and effective information (for example documentation, signs, etc.) relating to workers protection, occupational health and safety, emergency plans and hazardous materials is clear and easily available, also to external personnel carrying out activities in company's workplaces. In particular, we shall direct our full attention to assess women of childbearing age about occupational risks and exposures, and we shall not assign them hazardous tasks to themselves or to potential offspring.
- In the absence of sufficient information applicable to a particular situation, we shall adopt the most protective practical approach.
- We shall design training programs and extend them to all our employees about health, safety, emergency situations, or other specific topics that are material to the company operations.
- Even where it is not mandatory by law, health and safety requirements shall be under the responsibility of the senior management, who ensures the implementation of mechanisms to establish a safe work environment and to protect the health of workers.

#### IMPROVEMENT ACTIONS

- Wherever feasible, we shall automate all operations that can put at risk employees' health and fair working conditions.

#### 5.6 Modern Slavery Avoidance MANDATORY REQUIREMENTS

- We shall prohibit and combat all forms of forced, bonded, prison, indentured, or slave labour as well as all forms of human trafficking and labour practices that take advantage of people who are not in a position to consent to their actions or hinder the rights of human beings.

- We shall not keep or destroy people's identity, passports, work permits or immigration original documents.

#### IMPROVEMENT ACTIONS

- We are committed to comply with the principles of the UK Modern Slavery Act.

#### 5.7 Freedom of Association MANDATORY REQUIREMENTS

- We shall allow our employees to associate freely or join labour unions, as well as respect the rights of workers to be represented and join workers' councils.
- We shall encourage and facilitate the development of parallel means of free association in all countries where freedom of association or collective bargaining is restricted by law.
- We shall put in place mechanisms that allow our employees to openly communicate and interact with the company management about working conditions and compensations without fear of reprisal, intimidation or other forms of coercion.
- In this sense, all employees that exercise or have exercised in the past also with another employer their right to





associate in all its forms, shall not be threatened, penalized, discriminated, inflicted discipline reprisals or coerced actions, nor refused to be hired.

#### IMPROVEMENT ACTIONS

- We shall design and implement training programs or other type of interaction mechanisms with the objective to establish an open communication with our employees and foster the knowledge of about labour rights and responsibilities.



### 5.8 Business Continuity, Risk Management

#### MANDATORY REQUIREMENTS

- We shall implement mechanisms to assess risks on a regular basis and ensure that the systems are updated to reflect the evolution of company overall risk profile and significant change in operations or product design.
- We shall implement an effective mechanism and set of procedures to assess, manage and mitigate potential ma-

terial risks for the company, for example business, reputation, legal financial, environmental, technological, cyber, country risk or any other relevant risk.

- In this sense, we shall be responsible for the development and implementation of appropriate business continuity plans or change management models to ensure the continuity of vital business operations and critical functions.

#### IMPROVEMENT ACTIONS

- We shall design and implement effective tools to train people and communicate risk assessment results within the company and embed them into strategy and business plans.

### 5.9 Process safety

#### MANDATORY REQUIREMENTS

- We shall have programs in place to prevent or mitigate catastrophic releases of chemicals as well as safeguard workers health during the operational processing of products. These programs shall take into consideration and assess criticalities within a particular process as well as external factors like natural disasters, terrorism or similar events.

#### IMPROVEMENT ACTIONS

- We shall establish tests, inspections, or audit mechanisms (internal or by a third party) to verify our process safety procedures.
- If the business of our company is material or can put at risk the safeguard of the local communities and environment, we shall engage and collaborate with local authorities and community representatives on pertinent aspects of process safety and emergency preparedness as well as implement potential communication actions to foster community inclusion.

## INDUSTRY, INNOVATION AND INFRASTRUCTURE



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

*We have selected the relevant targets of SDG.9 that are applicable into our Ecosystem:*

- **Enhance scientific research**, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending.
- **Support domestic technology development**, research and innovation in developing countries, including by ensuring a conducive policy environment for, inter alia, industrial diversification and value addition to commodities.

#### **6.1 Scientific research, technological capabilities upgrade**

##### **MANDATORY REQUIREMENTS**

- We shall foster the scientific research and the development of technological capabilities among our operations and Ecosystem, with the objective of meeting and if possible, exceeding our customer requirements and competitive trends and technological developments within our reference industry.

##### **IMPROVEMENT ACTIONS**

- We shall support scientific research, training and international cooperation projects that are relevant to our business.
- We shall invite scientists and researchers to submit proposals for high-level scientific research projects in specific scientific domains that are pertinent to our operations.

##### **MANDATORY REQUIREMENTS**

- We shall continually improve our business operations by designing clear strategies, setting performance objectives, and executing implementation plans.

##### **IMPROVEMENT ACTIONS**

- We shall measure our progress using adequate tools, assessments, inspections, audits or any necessary management review or process, and we shall take necessary corrective actions for all relevant discrepancies identified.
- We shall embed continuous improvement goals into the performance objectives and incentives of our managers.
- We shall promote the creation of shared value through common goals and incentives of any adequate form that can encourage the continuous improvement.
- We shall put in place a regular process of external competitive benchmark of continuous improvement topics, targets, and methodologies that are relevant to our reference industry.





## REDUCED INEQUALITIES

### *Reduce inequality within and among countries*

*We have selected the relevant targets of SDG.10 that are applicable into our Ecosystem:*

- Empower and promote the **social, economic and political inclusion of all**, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.
- Adopt **policies**, especially fiscal, wage and social protection policies, and **progressively achieve greater equality**.

#### 7.1 Diversity, Inclusion

##### MANDATORY REQUIREMENTS

- We shall support diversity and inclusion policies and practices regarding women empowerment and presence of women in the workforce, employment of people from disadvantaged populations, regions, low income communities or minority populations. We shall support the professional development of these individuals in a proper and non-discriminatory way.
- We shall facilitate the implementation of programs to support inclusion in the workplace, from a cultural, capacity building and human relationship point of view.
- We shall put in place mechanisms that allow our employees to openly communicate and interact with the company management about concerns of diversity breach in the workplace without fear of reprisal, intimidation or other forms of coercion.
- We shall investigate with a formal unbiased and fair process and take corrective action if needed.

##### IMPROVEMENT ACTIONS

- We shall provide training and capacity building to all our employees about diversity, inclusion and non discrimination matters and how to manage potential difficult circumstances.

#### 7.2 Equal Opportunities, non Discrimination

##### MANDATORY REQUIREMENTS

- We shall ensure that the workplace and all our policies and procedures are free of harassment and discrimination, such as race, colour, age, gender, caste, sexual orientation, ethnicity, national origin, disability, religion, political affiliation, union membership, pregnancy or marital status.
- We shall apply freedom from discrimination and equal opportunities to all stages, from the recruitment process, to working conditions, remuneration, professional development, promotion, contract termination and reporting of issues. All decision regarding the professional status of an employee should be based on ability, merit and performance.
- We shall put in place mechanisms that allow our employees to openly communicate and interact with the company management about concerns of discrimination or equal opportunities breach in the workplace without fear of reprisal, intimidation or other forms of coercion. We shall investigate with a formal unbiased and fair process and take corrective action if needed.

##### IMPROVEMENT ACTIONS

- We shall identify and training individuals that are responsible to apply diversity, equal opportunities and non-discrimination policies within the organization. These individuals should be available to openly communicate and interact with all employees.





## RESPONSIBLE CONSUMPTION AND PRODUCTION



### Ensure sustainable consumption and production patterns

*We have selected the relevant targets of SDG.12 that are applicable into our Ecosystem:*

- Achieve the **environmentally sound management of chemicals and all wastes** throughout their life cycle, in accordance with agreed international frameworks.
- Significantly reduce their **release to air, water and soil** in order to minimize their adverse impacts on human health and the environment.
- Achieve the **sustainable management and efficient use of natural resources**.
- **Substantially reduce waste generation** through prevention, reduction, recycling and reuse..



### 8.1 Waste Treatment and Emissions

#### MANDATORY REQUIREMENTS

- We shall put in place processes and waste disposal that do not harm the environment, and should minimize the pollution of water, air and soil.
- We should have systems in place to ensure the safe handling, movement, storage, disposal, recycling, reuse or management of raw materials and waste as well as abate air emissions.
- We should have systems in place to appropriately manage, control and treat any waste or air emission that has the potential to adversely impact human health or the preservation of the environment.

#### IMPROVEMENT ACTIONS

- We shall contribute to the preservation and restoration of natural ecosystems through environmental initiatives to protect and re-evaluate local resources as well as preserve

local communities' good health and living standards.

- We shall design our products or services embedding a life cycle management approach, including circular economy principles.
- We shall set targets and actions to raise awareness among final customers and users regarding sustainability attributes and footprint of the products and services, ensuring that customers and users know how the product should be handled most sustainably at the use, maintenance and end of life.

### 8.2 Hazardous Chemicals, Information & Management

#### MANDATORY REQUIREMENTS

- We shall be committed to the responsible use of chemicals, recognizing the importance of minimizing their use or selecting those that are less hazardous so that their potential effects on human health and the environment can be reduced or prevented. We are aware that this commitment must be considered during the acquisition of new products developed by third parties.
- We shall be committed to designing enclosed processes using effective containment strategies based on the best available practices and closed systems to avoid any potential environmental emissions.
- We shall adopt a management strategy based on banding categorization for New Chemical Entities when a full toxicological characterization is not available.
- We shall ensure the responsible management of hazardous chemicals by applying consistent standards to our contract manufacturing operations.



- We shall ensure that employees are aware of and understand the hazardous nature of any materials including pharmaceutical compounds and pharmaceutical intermediate materials.
- We shall provide our employees with training on the appropriate use, storage, handling and disposal of hazardous materials with which they work.
- We shall provide and make accessible all chemical hazard information to the Ecosystem actors in order to facilitate the implementation of appropriate control strategies through risk management.

#### IMPROVEMENT ACTIONS

- We shall actively research for greener and more sustainable chemical processes while minimizing environmental impact utilizing the principles of green chemistry.
- We shall enforce the principles of “green chemistry” and process efficiency in process optimization to minimize the use of chemicals and reduce associated waste and emissions.
- We shall explore opportunities for the use of bio-transformation (e.g. bio-catalysis).
- We shall be committed to openness and transparency with regard to hazardous chemicals management.

### 8.3 Water Treatment

#### MANDATORY REQUIREMENTS

- We shall have systems in place to ensure the safe management of wastewater discharges.

- We shall have systems in place to appropriately manage, measure, control and treat, prior to release into the environment, any wastewater with the potential to adversely impact human health or environmental preservation.

#### IMPROVEMENT ACTIONS

- We shall invest in low-impact technologies, water-saving and recycling solutions.

### 8.4 Efficient Use of Resources

#### MANDATORY REQUIREMENTS

- We shall operate in an environmentally responsible and efficient manner and shall minimize adverse impacts on the environment. We shall encourage the conservation of natural resources, the avoidance of the use of hazardous materials where possible and the engagement in activities that reuse and recycle.
- We shall limit as much as possible the use of energy, scarce resources (i.e. non-renewable resources, natural gas, petrol, coal, rare earth elements), and natural resources subject to continuous impoverishment (as clean water, wood, etc).

#### IMPROVEMENT ACTIONS

- We shall invest in low-impact technologies and energy-efficiency systems, renewable energy production and water-saving solutions.
- We shall monitor and gradually reduce our carbon footprint to actively reduce global adverse climate impact.

- We shall encourage our employees to promote the reuse and recycle of materials as well as reduce emissions at all phases such as transportation, business travel, use of office spaces and equipment, personal life, and all applicable areas.

### 8.5 Transparency - Report on Social and Environmental KPI

#### MANDATORY REQUIREMENTS

- We shall be open to share our environmental impacts through communication tools and information exchange.
- We shall inform Chiesi transparently of any problems or difficulties in applying this code of conduct.
- We shall be available for external audits from Chiesi, or any other third party on behalf of Chiesi, in order to ve-

rify the compliance with and implementation in practice of the principles reported in this document. We shall work together to optimize the audits of our activities, facilities or laboratories through a transparent and continuous exchange of information. We generate clear and shared procedures and concrete application guidelines.

#### IMPROVEMENT ACTIONS

- We shall develop and implement tools to monitor sustainable development impacts through a specific set of KPI to be agreed among the relevant ecosystem actors.
- We shall share concrete plans to systematically improve our social and environmental sustainability practices.
- We shall report externally about our environmental impacts and our reduction targets.





## CLIMATE ACTION

### **Take urgent action to combat climate change and its impacts**

*We have selected the relevant targets of SDG.13 that are applicable into our Ecosystem:*

- **Strengthen resilience and adaptive capacity** to climate-related hazards and natural disasters in all countries.
- **Integrate climate change measures** into national policies, strategies and planning.
- **Improve education, awareness-raising** and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.

#### **9.1 Air Emissions**

##### **MANDATORY REQUIREMENTS**

- We shall have systems in place to map, monitor and manage all emissions in a transparent manner, wherever possible and relevant following international standards like for example the CDP or similar initiatives that may arise in the future.
- We shall gradually reduce our carbon footprint to actively reduce global adverse climate impacts, limiting as much as possible the use of energy and scarce resources (i.e. non-re-newable resources, natural gas, oil, coal).

##### **IMPROVEMENT ACTIONS**

- We shall design and implement a plan to become carbon neutral, that means to eliminate our greenhouse gas emissions balance.
- We shall design and implement a plan to invest in low-impact technologies, energy-efficiency systems and renewable energy production solutions.
- We shall encourage our employees to promote the reuse and recycle of materials as well as reduce emissions at all phases such as transportation, business travel, use of office spaces and equipment, personal life, and all applicable areas.





## LIFE ON LAND



### **Protect, restore and promote sustainable use of terrestrial ecosystems**

*We have selected the relevant targets of SDG.15 that are applicable into our Ecosystem:*

- Take urgent and significant action to **reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species.**
- Mobilize and significantly increase financial resources from all sources to **conserve and sustainably use biodiversity and ecosystems**

### **10.1 Spills and Releases**

#### **MANDATORY REQUIREMENTS**

- We shall have systems in place to prevent and mitigate accidental spills and releases to the environment.
- We shall have in place contingency plans and countermeasures programs in case of accidental releases.
- We shall enable relevant employees to be prepared and deal with accidental spills and releases in a professional way according to contingency plans and countermeasures.
- We shall maintain and make accessible to our employees the proper emergency containment equipment.

#### **IMPROVEMENT ACTIONS**

- We shall identify all materials or processes that are potentially risky and label and store these materials in appropriate containers, vessels, and locations that exceeds the minimum law requirements and meet contingency plans requirements. Storage and production areas are designed to provide secondary containment in the event of an accidental release.

### **10.2 Animal Welfare**

#### **MANDATORY REQUIREMENTS**

- We acknowledge the contribution that animals are giving to our medicine development and therefore we believe that acting with due respect to the animals by establishing and ensuring high ethical and welfare standards is a fundamental and undeniable principle. These beliefs are morally and scientifically guiding our actions.
- All companies conducting animal testing shall promote animal welfare, by ensuring that all animals under their care have access to food, water, adequate accommodation. Our research facilities are designed and maintained to reliably provide animals with specific environmental conditions.
- We shall promote 3Rs programs (scientific and technological development) to support the replacement, reduction

and refinement of the use of animals wherever possible.

- All personnel involved in the care and use of animals shall be appropriately and continuously trained.

### **10.3 Traceability - Responsible Sourcing**

#### **MANDATORY REQUIREMENTS**

- We shall monitor, trace and disclose any use of any material that have an impact on sustainability of planet such as minerals from internationally recognized conflict zones, or conflicted sourced (e.g. cassiterite, wolframite or their derivatives tantalum, tin and tungsten, gold, diamonds, columbite-tantalite), plants based raw materials with high impact on environment (e.g. palm oil), animal sourced materials (e.g. from endangered species). Please refer to CITES database and guidance, OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, Critical Raw Materials List from the EU, and "Draft Critical Mineral List" on USGS web site for a detailed characterization of the above.
- We shall identify, address and mitigate any risk related to the mining of minerals originating from regions at high risk.
- In order to select and evaluate the collaboration or partnership with other companies, we shall consider the company sustainability profile, as well as the alignment with the principles of this Code of Conduct and, as a distinctive element, the activation of improvement actions of this Code of Conduct.

#### **IMPROVEMENT ACTIONS**

- We shall put in place collaborations with our Ecosystem actors, government bodies, international associations and local communities to raise awareness of conflict minerals and promote actions to mitigate the use of critical materials as well as programs to find alternative sourcing zones and products.



## PEACE, JUSTICE AND STRONG INSTITUTIONS

*Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels*

*We have selected the relevant targets of SDG.16 that are applicable into our Ecosystem:*

- Substantially **reduce corruption and bribery in all their forms.**
- Ensure responsive, inclusive, participatory and representative **decision-making** at all levels.
- Ensure public **access to information and protect fundamental freedoms**, in accordance with national legislation and international agreements.
- Promote and enforce **non-discriminatory laws and policies** for sustainable development.



### 11.1 Ethics

#### MANDATORY REQUIREMENTS

- We shall act with integrity and conduct our business in an uncompromised ethical way.
- We shall declare promptly and in a clear way any conflict of interest that may affect the business.

#### IMPROVEMENT ACTIONS

- We shall design, put in place and communicate clearly to all our employees and suppliers a comprehensive written Code of Conduct.

### 11.2 Legal & Customer requirements

#### MANDATORY REQUIREMENTS

- As stated in the introduction of this document, we shall comply with all applicable laws, regulations, standards and any other relevant requirement.
- We shall design and implement programs or procedures

to verify the compliance status and progress against legal or other relevant requirements.

- We shall identify and effectively communicate to the relevant individuals within our organization all legal, customer-driven, local or voluntary performance obligations that are material to our perimeter of operations.
- We shall have mechanisms to track employees or community complaints or non-compliance issues against internal and external obligations and commitments that are previously investigated and solved.

#### IMPROVEMENT ACTIONS

- We shall design and implement a reliable methodology to identify and track new changes in legislation, regulations and laws that are potentially material to our business operations.
- We shall establish an open and clear communication to our employees and key stakeholders about fines and

penalties in order to measure compliance and progress of regulatory obligations.

### 11.3 Environmental Authorizations

#### MANDATORY REQUIREMENTS

- We shall comply with all applicable environmental regulations. In particular, we shall obtain and keep records of all required environmental permits, licenses, information registrations and restrictions. We shall comply with the corresponding operational and reporting requirements.
- We shall design and implement a set of comprehensive internal policies and procedures for managing all relevant environmental issues.
- We shall design and implement systems to monitor environmental performance and manage all relevant obligations deriving from the adherence to recognized international norms as well as industry practices.
- We shall report to the proper internal and external authorities any required routine report, violation or exception to environmental requirements.

#### IMPROVEMENT ACTIONS

- We shall understand, assess, control and mitigate in a proactive way all those activities that have a direct impact on the environment preservation but that do not require a permit or legal obligation.
- We shall maintain a local inventory of material consumption and discharges that have a potential impact to the environment.

### 11.4 Fair Suppliers Competition

#### MANDATORY REQUIREMENTS

- We shall adopt fair business practices and conduct our business consistent with fair competition and in compliance with all applicable antitrust laws.

#### IMPROVEMENT ACTIONS

- We shall put in place policy making activities to foster fair suppliers competition and antitrust at local level, engaging with relevant institutions and associations.

### 11.5 Business Integrity: Corruption, Bribery, Freedom of Reporting of Issues and whistle blowing

#### MANDATORY REQUIREMENTS

- We shall prohibit all forms of corruption, extortion, embezzlement and facilitation payments. We shall not

pay or accept bribes or participate in other illegal inducements in business or government relationships or other activities that have the objective to obtain undue or improper advantage.

- We shall not offer or receive inappropriate financial or material benefits, such as expensive gifts, that have the objective to influence business decisions.
- We shall put in place mechanisms that allow our employees to openly communicate and interact with the company management about concerns or illegal activities in the workplace without fear of reprisal, intimidation or other forms of coercion. This can include committees or a whistle blowing policy. We shall investigate with a formal unbiased and fair process and take corrective action if needed.

### 11.6 Freely chosen employment

#### MANDATORY REQUIREMENTS

- We shall implement a fair and ethical system of hiring practices that is applied uniformly, either from the company itself or through a recruiter, hiring contractor or other external agent. We should prohibit and avoid all forms of modern slavery, such as forced, bonded or indentured labour or involuntary prison labour, in hiring and lay off practices. All forms of breach of human rights and fair working conditions as stated in this document should not be part of the employee's duties agreed in the work contract.
- We shall provide to our employees a written copy of their employment contract or letter, written in a language familiar with both employer and employee and within the details of the terms and conditions of the collaboration.







- Unless obliged by local law, we shall not require our employees to hand over their identity papers to secure employment. In any case, we shall grant to our employees easy access to their papers.
- We shall grant our employees the freedom to leave their jobs after reasonable notice and when pursuant to employment agreements. We shall pay on time and in full the work they have done before leaving.

#### IMPROVEMENT ACTIONS

- We shall put in place a periodic review of our employment policies and practices, if deemed necessary with the support of external qualified legal professionals.
- Similarly, we shall periodically audit or verify compliance to employment policies, if deemed necessary with the support or involvement of a qualified third party. If deficiencies and discrepancies arise, we shall implement fair and prompt corrective actions.

#### 11.7 Security, Privacy, Data and Intellectual Protection MANDATORY REQUIREMENTS

- We shall protect the privacy of our company, employees, patients, or any collaborator by safeguarding and make proper use of all confidential information in our possess.
- We shall design, implement and regularly keep up-to-date policies, procedures, and tools to comply to best practices and compliance to privacy and confidential information requirements.
- We shall grant access to confidential information only to individuals legally entitled to do so. These individuals are aware of all applicable laws, regulations and policies pertaining to privacy and confidential information handling.

#### IMPROVEMENT ACTIONS

- We shall put in place a training mechanism that enables our employees to clearly understand the information categories and records that should be treated as confidential.





## PARTNERSHIPS FOR THE GOALS



### **Strengthen the means of implementation and revitalize the global partnership for sustainable development**

*We have selected the relevant targets of SDG.17 that are applicable into our Ecosystem:*

- **Enhance the global partnership for sustainable development**, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries.

#### **12.1 Sub Suppliers Responsible Sourcing**

##### **MANDATORY REQUIREMENTS**

- We shall broaden the perimeter of application of this Code of Conduct by influencing our suppliers and Ecosystem to implement the principles described above. The purpose is to ensure that suppliers of products and services also can initiate a program and live up to the principles in responsible sourcing standards.
- Chiesi suppliers are required to inform their own suppliers of products and services on Chiesi standards set out in this Code of Conduct. Chiesi shall likewise ensure that suppliers of products and services meet these standards.

##### **IMPROVEMENT ACTIONS**

- We formally collaborate with one or more of our key strategic suppliers on a plan to improve their operations to meet the principles highlighted in this document.

#### **12.2 Commitment, Accountability, Documentation**

##### **MANDATORY REQUIREMENTS**

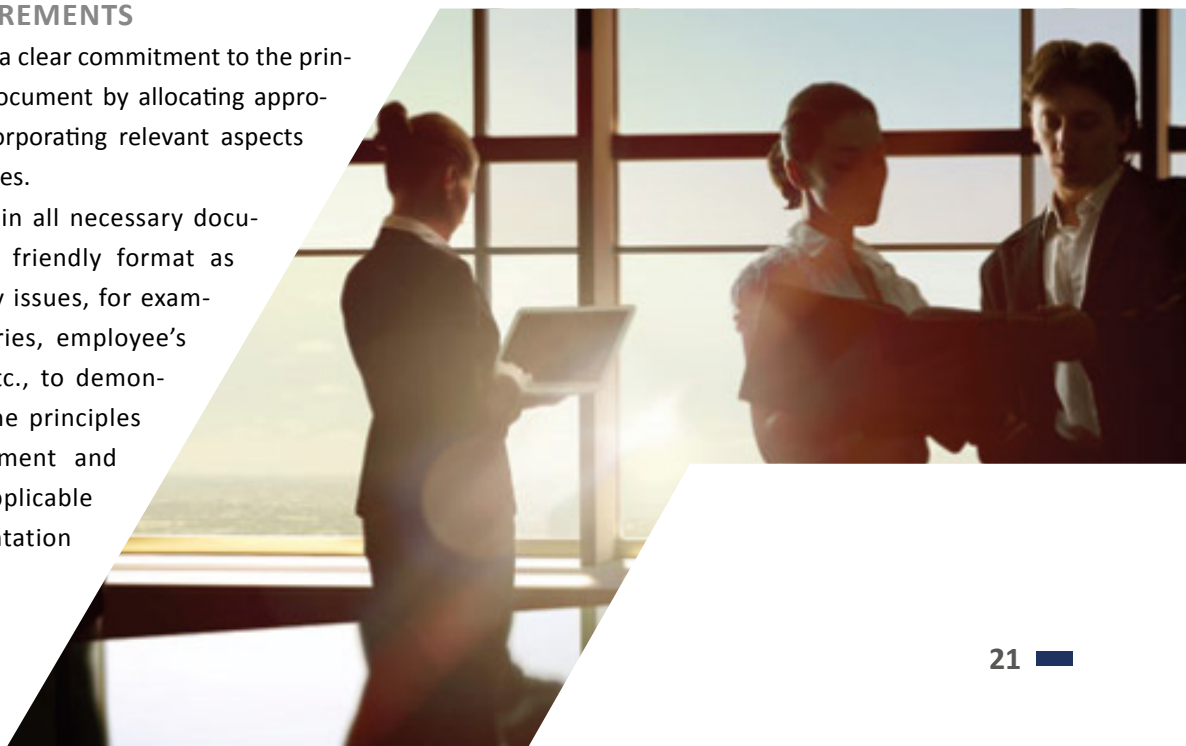
- We shall demonstrate a clear commitment to the principles described in this document by allocating appropriate resources and incorporating relevant aspects into policies and procedures.
- We shall also maintain all necessary documentation, in a carbon friendly format as much as possible, on key issues, for example: audit findings, injuries, employee's benefits and payrolls, etc., to demonstrate commitment to the principles described in this document and compliance with all applicable regulations. All documentation

methods and forms should be in the most suitable medium, for example paper or electronic, and are easily accessible for review or update.

- We shall effectively communicate the principles of this document to our employees.

##### **IMPROVEMENT ACTIONS**

- We shall embed all relevant aspects of this document into annual business plans.
- We shall commit to the principles of this document by enhancing and promoting the implementation of the relevant certifications or highest standards (e.g. ISO).
- We shall embed all relevant topics of this document into job descriptions and performance measurement.
- We shall put in place external communication actions about any relevant topic of this document with the objective of demonstrating commitment and influence our Ecosystem.





# The B Corp Declaration



## DECLARATION OF INTERDEPENDENCE

B Corps form a community of leaders and drive a global movement of people using business as a force for good. The values and aspirations of the B Corp community are embedded in the B Corp Declaration of Interdependence:

"We envision a global economy that uses business as a force for good.

This economy is comprised of a new type of corporation - the B Corporation - Which is purpose-driven and creates benefit for all stakeholders, not just shareholders.

As B Corporations and leaders of this emerging economy, we believe:

- That we must be the change we seek in the world.
- That all business ought to be conducted as if people and place mattered.
- That, through their products, practices, and profits, businesses should aspire to do no harm and benefit all.

To do so requires that we act with the understanding that we are each dependent upon another and thus responsible for each other and future generations."



