



English

**SOCIAL
RESPONSIBILITY**
2012

 **Chiesi**

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Corporate social RESPONSIBILITY ACCORDING TO THE CHIESI GROUP

The current economic crisis is making a significant impact on the relationship between companies and their people, at times calling into question levels of employment even in sectors which until recently were able to guarantee economic growth.

In spite of this economic situation, the Chiesi Group reaffirms the central focus on people as a key value and continues to adopt this approach to prioritise patient safety and wellbeing, providing an innovative and effective range of therapies for the medical-scientific community, welfare projects for the company's people and social responsibility in general.

This effectively means environmental safety and protection programmes as well as numerous initiatives set up by Direzione Farmaceutica Italia and other affiliates in the Group for the benefit of its employees, certain patient categories or local communities. In these cases, the Group thus demonstrates the ability to exploit available resources to the full to help those in greatest need or to promote conduct which will safeguard health and the environment.

An analysis of added value distribution provides clarification as to where the resources generated are destined. One particularly interesting figure concerns an investment for over €9.5 million made by the company in 2012 to train its people. Resources used for this purpose turn into professional and organisational skills, which improve individual professionalism and enhance the company's development potential.

The many activities carried out by the Chiesi Foundation are dealt with extensively in the final chapter and highlight commitment to scientific research, the training of young researchers and international cooperation to share medical and technological knowledge.

The common thinking behind these initiatives is that of taking any occasion to interact positively and constructively with all of the Group's stakeholders, and place at their disposal the knowledge and resources that make up the company's assets so that they can be useful in the areas in which it operates to protect the environment, improve social relations and further develop the know-how forming the basis of its work and business development.

BUSINESS ETHICS AND GOVERNANCE MODELS

The Group continues to develop, resulting in a continual increase in the complexity of its business. This means that the areas to which business ethics apply continue to multiply and diversify.

Chiesi had already adopted an Ethical Code of Conduct in 2002, with the aim of providing itself with a way to define the commitments and responsibilities needed to carry out the company's activities.

Since then the focus on business ethics has continued to develop in step with the business as it evolves.

How this works

The concepts and regulatory standards relating to the practices adopted to manage business ethics are periodically reviewed. In particular, the procedure carried out to achieve this involves:

- benchmarking with regard to regulatory and best practice panoramas concerning business ethics and its proper application;
- a strong emphasis on prevention by means of a system of governance for the whole Group;
- collaboration, involvement and, where necessary, support for the affiliates in correctly interpreting and implementing the guidelines.

Activities in 2012

Chiesi has also demonstrated significant commitment in these areas by involving the various countries in which it operates.

The interpretation guidelines, which have already been adopted by the main European affiliates, have now been extended to all of the affiliates, thus achieving greater standardisation and harmonisation throughout the entire Group. A monitoring system to assess the degree of implementation of the Ethics and Compliance guidelines has been introduced, which has shown a satisfactory level of application and commitment to complete the implementation process.

To this end, the company has appointed a Corporate Compliance Committee consisting of three of the Corporate functions, whose task is to support the affiliates in correctly interpreting and adopting the guidelines and monitoring their implementation.

Moreover, the analysis programme known as the General Overview was carried out at the German affiliate.

With regard to Italy, the programme to update the organisational, management and control model in accordance with law 231/2011 has begun, so as to incorporate regulatory changes (environmental offences and corruption between private entities) and those concerning organisational, management and governance issues.



Plans for 2013

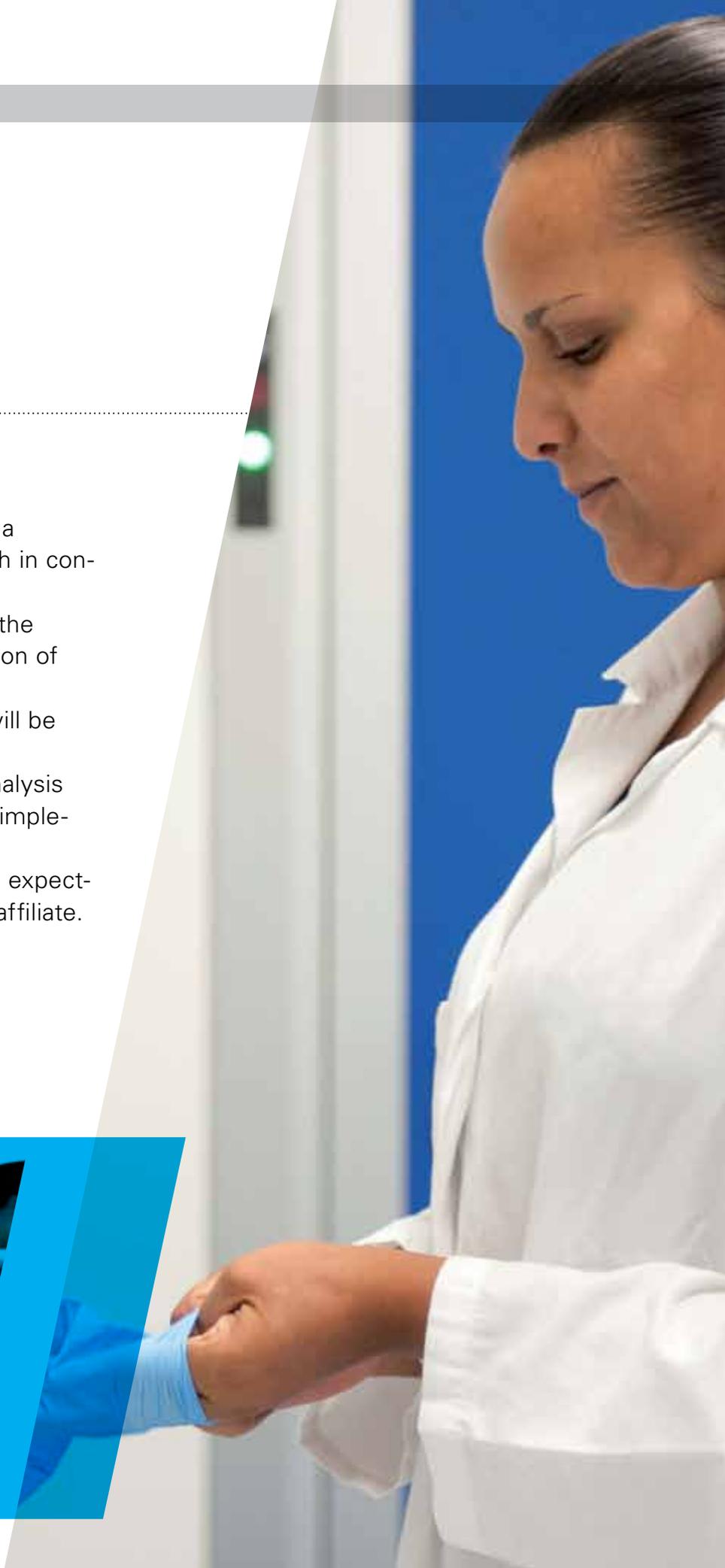
The Group's commitment includes a number of activities, some of which in continuity with ongoing projects.

Monitoring will continue regarding the progress made in the implementation of guidelines at the affiliates.

The project to update model 231 will be completed.

The so-called General Overview analysis programme is also expected to be implemented at the Pakistani affiliate.

Targeted auditing activities are also expected to be carried out at the Turkish affiliate.



ENVIRONMENT AND SAFETY

The Chiesi Group is aware of its responsibilities with regard to future generations and therefore aims for continual improvement in all activities where safety and the environment are concerned.

In all the facilities in which the company operates, from the Research Centre to the production plants in Parma, Blois (France) and Santana de Parnaíba (Brazil), there is a strong focus on environmental and safety aspects, which are carefully monitored in order to prevent any kind of negative impact, limit resource consumption and guarantee the best possible working conditions.

Occupational Health and Safety Management Systems and Environmental Management Systems to comply with international standards OHSAS 18001 and ISO 14001 have been adopted at the Italian sites by the company.

Environmental management is also certified

In the past few years the Group has adopted a management system aimed not only at keeping the environmental impact of its activities under control, but also at improving its performance by making use of resources consistently and effectively over time.

Environmental Management is a voluntary programme which involves numerous tasks such as the drafting of a document entitled "Environmental Policies" which formalizes the commitment of the Management to prevent

environmental impact, the planning of activities to undertake once significant environmental issues have been identified, the measures taken have been monitored and re-assessment has been carried out on the part of the management for the evaluation of the company's performance.

In October 2012 the Company was awarded the Environmental Management System certification complying with ISO 14001, confirming its commitment to environmental protection.

Certificate of Excellence

On November 28th 2012 Ernesto Oppici, president of Certiquality, awarded the Group the Certificate of Excellence, reserved for organisations that have implemented a Certified management System for the following three main aspects: Quality, Environment and Safety.

Chiesi Farmaceutici has implemented all three systems (ISO 9001, ISO 14001 and OHSAS 18001) for all its business activities, and is one of the few Italian companies in the pharma sector to receive this award.

The certification represents a way to guide the company towards continuous improvement, as Management Systems, if properly implemented, are not merely an exercise in paperwork, but a tool able to optimise organisational processes and achieve efficiency. The four cornerstones of the System are: efficiency, prevention, monitoring and excellence, elements fundamental to our success.

At the same time, absolute respect for the rules forms the basis for the Group values. Certiquality praised Chiesi's actions, acknowledging the fact that the company represents a benchmark within the Italian Industrial panorama.

Environmental data

Chiesi maintains its commitment to environmental management programmes designed to harmonise the continual increase in production volumes with the careful management of resources used.

For example energy consumption, despite increased in absolute value, is instead constantly decreasing at production plants when compared to quantity produced. As a result of specific energy-saving programmes, in 2012 the Italian production facilities experienced a drop in primary energy consumption (see table).

One element that must be constantly borne in mind for future objectives is waste management, as ever more challenging demands for quality and increased production impact upon the creation of non-hazardous waste. In this

case the decision taken has been to prioritise recycling or reuse. These types of programme have already been implemented at both the facilities in Parma and the production plants abroad.

However, one important counter-indication concerns the reduction of hazardous waste, confirming the increased awareness on the issue.

Safety performance

2012 was a positive year for occupational injury rates within the Group. In fact, both in terms of incidence and seriousness (assessed on the basis of days absent), statistical data presents improved values overall when compared to previous years.

In the near future, the Group will support a number of programmes to improve working conditions at its facilities. This will include the following main projects: the modernisation of premises (such as the new development project for the plant in Blois) and the creation of specific measures for safety (one example is the new fire system currently being completed at the Santana plant).

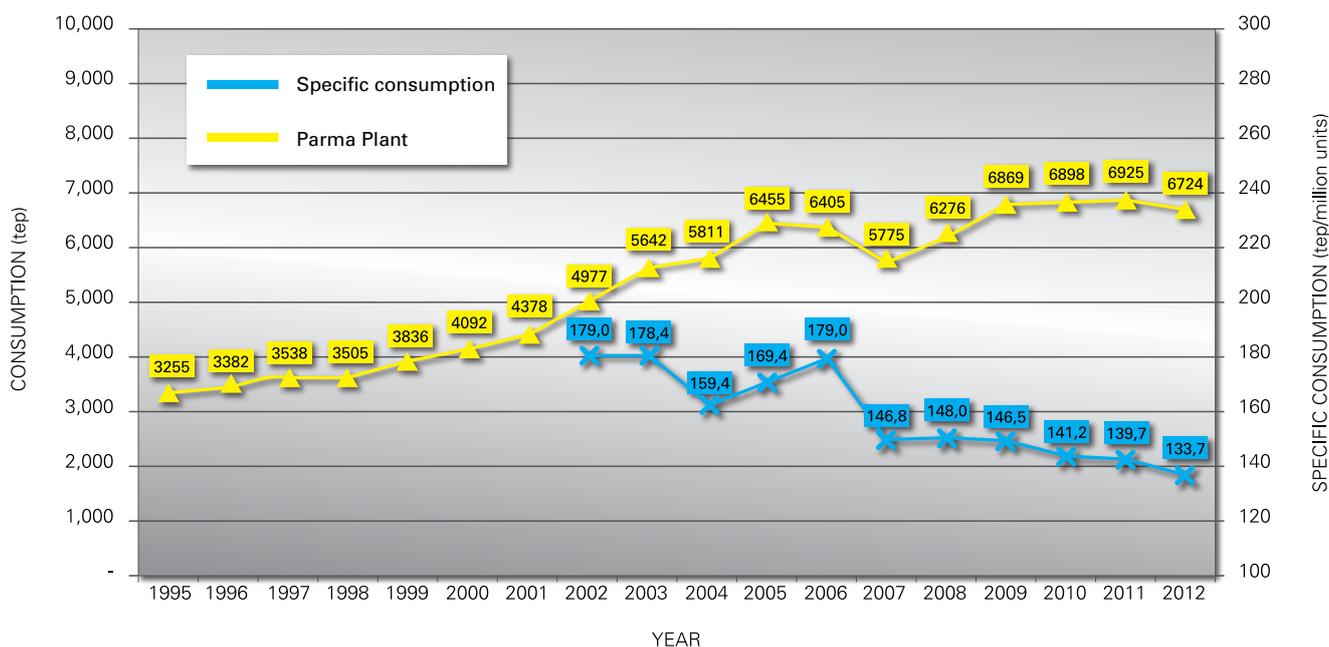


Data for the plants in Parma, Blois and Sao Paolo

Environmental and Safety data		2011	2012
Energy consumption (methane, electricity, etc.)	TOE(*)	9,737	10,679
Water consumption	m ³	237,370	253,464
CO ₂ air emissions (from steam generators)	ton	6,438	6,797
Waste (total amount)	kg	1,569,281	1,769,853
Hazardous waste	kg	234,384	214,903
Wastewater	m ³	165,366	170,778
Work-related accidents with absence	n.	18	16
Number of workdays lost due to injury	days	206	218
Units manufactured in the Chiesi Group plants	n.	99,150,450	100,374,698

(*) Tonne of oil equivalent

Energy Index



OTHER CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Italy

Patient support

In collaboration with the Italian Centres for **Cystic Fibrosis**, Pharmaceutical Management Italy has set up a homecare programme currently involving six centres and approximately 120 patients who receive support to improve their compliance with therapy.

Research support

Among the many activities supporting research, Pharmaceutical management Italy has provided:

- a scholarship for a PhD in Clinical and Experimental Pneumology, University of Palermo;
- a contribution to the University of Genoa, Department of Pulmonary func-

tion, to support clinical and preclinical research activities within the respiratory field.

An important contribution to scientific research into haemoglobinopathies was provided for the NGO Foundation Franco and Piera Cutino (Trapani).

Rare Diseases Day

Commitment to rare diseases continues with the communication campaigns set up for the day dedicated to Rare Diseases.

People Care

As part of the People Care project, Human Resources Management Italy has once again organised the **“risk prevention check-up”** campaign for diseases such as skin, breast and throat cancer.



Nutrition and Wellbeing: useful information and suggestions for a healthy diet that is both suitable and easy-to-follow.

- a section dedicated to proper nutrition and the prevention of bad eating habits;
- a section dedicated to the Research Centre Restaurant Service;
- a section with *Replies from experts*.

Intercultura

The joint programme run with the **Intercultura Foundation** continues, which involves **contributing to study grants** for families interested in their children taking part in three-month, six-month or year-long study trips abroad in the 2013-2014 academic year.

Environment

Cycling Challenge – The Cycling Challenge, a “competition” between companies committed to encouraging people to travel to work by bike was held on November 28th 2012. Those taking part in the event, organised by Infomobility, included Iren s.p.a., Chiesi Farmaceutici, the university-hospital body, AUSL and Parma city council, all the companies and bodies that make up the Mo-

bility Management group, whose main aim is to increase the use of alternative forms of transport to substitute the car for employee day-to-day travelling.

The Cycling Challenge is just one of the numerous initiatives set up since 2009 to encourage using the bicycle as part of the CARMA project (Cycling Awareness Raising and Marketing - www.cyclingcarma.com), financed by the European Union and aimed at promoting the bicycle as a means of getting around the city.

A special mention goes to Iren and Chiesi Farmaceutici for their enthusiasm and commitment to involving employees with this awareness campaign.

Spain

In alignment with the Corporate initiatives, the Corporate Social Responsibility at Chiesi Spain continued developing new projects during 2011 and 2012. During this time Chiesi Spain has been collaborating with different non-profit organizations focused on improving the employability of people with disabilities and with different NGO's to contribute to improve life and health conditions.



As previous years, Chiesi Spain worked with l'Olivera, a cooperative whose members are people with disabilities buying our Company Christmas hamper. The affiliate has also collaborated with FEMAREC, a recycling company, who bases its work on the social, occupation and cultural integration of people with a high risk of exclusion.

During 2012, Special Care Business Unit organized benefit breakfasts to collect money for the Cystic Fibrosis Foundation. These breakfasts involved all employees in Chiesi Spain Headquarters, who provided delicious self made food that everyone can taste in return of an economic donation. During the last breakfast, the staff members of the Affiliate had the opportunity to meet the president of the Cystic Fibrosis Foundation and a patient of Cystic Fibrosis, who shared their personal experience.

For the coming years Chiesi Spain wants to increase its commitment with society contributing to national and international projects, and promoting CSR among all Chiesi Spain employees.

Netherlands

The Foundation 'Clean Air for Everybody', that was established in 2012 as initiative by the Dutch Chiesi subsidiary, wants to find a solution to the issue by providing a platform for all relevant public and private parties. The foundation is backed by the Ministry of Economic Affairs and also receives support from the European Commission.

In addition, it is striving to encourage innovation by having services and products developed that stimulate clean air. The foundation acts as a platform on which government, industry, NGOs and science can come together. In this way this Chiesi initiative stimulates prevention of people being affected in their health condition by air pollution and will thereby contribute to better living conditions for patients, especially for patients with respiratory diseases. The foundation introduced itself on 12 November 2012 in a packed Nieuwspoord press centre in The Hague and the press release distributed, the foundation was able to make itself known and to further strengthen its position in the future.

www.cleanairforeverybody.com



United States

The Chiesi Pharmaceuticals Inc. Corporate Social Responsibilities programs in 2012 included:

Matching Gift Program:

- Chiesi Pharmaceuticals encourages every employee to generously donate to charities of their choice. Employee's donations are matched up to \$500 per calendar year allowing the charity to receive double the original donation.

American Red Cross Donation to Benefit Those Affected by Hurricane Sandy:

- The employees of Chiesi Pharmaceuticals overwhelmingly agreed to donate a large portion of our Matching Gift Program budget to the American Red Cross to benefit those affected by Hurricane Sandy. Hurricane Sandy was the most devastating weather occurrence ever to affect the east coast of the United States.

"Toys for Tots" Toy Drive:

- The United States Marine Corp. sponsors a nation-wide toy drive for underprivileged children. Donations of unwrapped toys are collected and distributed locally to children who may otherwise not receive Christmas gifts. All employees were given a budget to purchase toys of their choice to be donated to the toy drive on behalf of Chiesi. We shop in groups making this charitable event a Team Building event as well.

Global Alliance for Clean Cookstoves:

- The Global Alliance for Clean Cookstoves is a public-private initiative to save lives, improve livelihoods, empower women, and protect the environment by creating a thriving global market for clean and efficient household cooking solutions.
- Chiesi Pharmaceuticals was especially drawn to the organization since we remain a women-only office; Women Empowering Women.



ADDED VALUE

Added Value Distribution

(Values in Euro/000)

	2012	2011
Human resources return	287,288	276,161
Wages & salaries, indemnities, other personnel costs	228,229	217,868
Social Security Contribution	49,511	48,780
Training	9,548	9,513
Public administration return	65,227	72,339
Income taxes	56,703	63,342
Other Taxes net of R&D public grants	8,524	8,997
Minority return (Net income to minority)	(1,235)	1,804
Company return (Group Net income)	130,971	120,850
Group added value	482,251	471,154

The added value generated in 2012 reached an overall growth rate of 2.4%, compared to the 4.7% increase in turnover for the year.

Costs went up considerably for services mainly relating to higher expenditure in the Group's research and development activities, which increased significantly in 2012, representing a 17.9% share of the turnover (16% in the previous year).

Around 60% of the added value is absorbed by staff costs and services, which over the course of 2012 went up by levels above those proportional to the increase in the workforce. Investment has continued in training, a key element for the company's continued development.

The increase in the profits will contribute to new initiatives and investments, which are essential to guarantee the future of the Group, as happened with the con-

struction of the new Research Centre, completed in 2011.



CHIESI FOUNDATION

The Chiesi Foundation is a non-profit organization which seeks to promote human health and to alleviate patients' suffering through research, sharing of knowledge, and through medical, public and patients' education. The main focus of intervention is in the areas of respiratory, rare, and neonatal diseases.

The Chiesi Foundation represents the social responsibility of the company Chiesi from which the Foundation has inherited the knowledge and network needed in order to reach its objectives.

The Chiesi Foundation is inspired by Chiesi's most profound and deep-rooted values:

- Centricity of the human being;
- Ethics;
- Sense of responsibility towards the society and the environment.

Main interventional areas are the following:

- Enhancing scientific research and sharing of biomedical knowledge;
- Support to young researchers;
- Wide spread sharing of knowledge specifically in developing countries and with patients' associations.

The Chiesi Foundation is governed by a Board of Directors, and supported by a Scientific Advisory Board which represents the cultural and scientific reference point. The Scientific Advisory Board is composed of illustrious members of the scientific community.

Scientific research and dissemination

The Chiesi Foundation funds high level research projects, in particular in chronic respiratory affections and neonatal disorders to better understand the patients' needs and improve their management, through the study of physio-pathological mechanism, of phenotypes and in depth analysis of psychological aspects. At present 4 scientific research projects are being funded which are carried out by Italian Universities.

Furthermore, the Foundation takes care of the diffusion of scientific knowledge through publications and conferences.

Respiration Day

Respiration Day is a highly scientific, international event reserved to physicians and researchers who meet annually



to exchange ideas and experiences and to be updated with the latest outcomes of the worldwide biomedical research in asthma and COPD. The objective of this event is to contribute to the understanding of the underlying disease mechanisms, to share the latest evidence in terms of treatment and therapy and converge the point of views of researchers, physicians and patients.

The 8th Respiration Day 2012 will take place on 8th June in Parma and will be dedicated to the theme *“Personalised Medicine: Application in Respiratory Disease”*.

Maurizio Vignola ERS Award for Innovation in Pneumology

The Maurizio Vignola Award for Innovation in Pneumology is an initiative realised in collaboration with the European Respiratory Society, for the diffusion of scientific research and the development of know-how in the respiratory disease field.

The award is dedicated to the memory of Prof. A. Maurizio Vignola (1964-2004), for his outstanding contribution to respiratory medicine and offers every year an unrestricted Award of 20,000 Euro. The scope of the research to be considered will be in the area of respiratory medicine and will focus on basic mechanisms in respiratory diseases.

Small Airways: a target to be explored in Asthma and COPD

The Chiesi Foundation believes that an important area of investigation is the involvement of the distal airways in the pathogenesis of asthma and COPD and continues its long-term collaboration on this subject with the Centre for Research on Asthma and COPD of Ferrara University.

II Workshop on Neonatal Care in developing countries-Formation, networks and projects

The Chiesi Foundation supported the 2nd national Congress in Mantua (7th May 2012) that represented a time of sharing of experiences, issues, and protocols, and highlights projects and collaborations in territories to the south of the world to increase the health network of support and solidarity.

World Spirometry Day

The Chiesi Foundation supports the Association “Ev-K2-CNR”, a private non profit organization, which proposes and develops projects of scientific and technological research at high altitude. This year, the Chiesi Foundation supports the organization of the World Spirometry Day in Nepal.

Education and support to young researchers

The Chiesi Foundation firmly supports scientific activities of young researchers, which is of utmost importance for evolution and the development of therapeutic strategies and more effective solutions.



Thus every year the Foundation assigns a financing to 3 young researchers for PhD projects in the field of pneumology and neonatology.

I.O. PhD International Research Programme

Within the framework of the international training programme for young Italian neonatologists, the Chiesi Foundation supports the Italy-Netherlands International Doctorate, in collaboration between the Hospital Cesare Arrigo in Alexandria and the Universities of Utrecht and Maastricht.

Solidarity and International Co-operation Projects

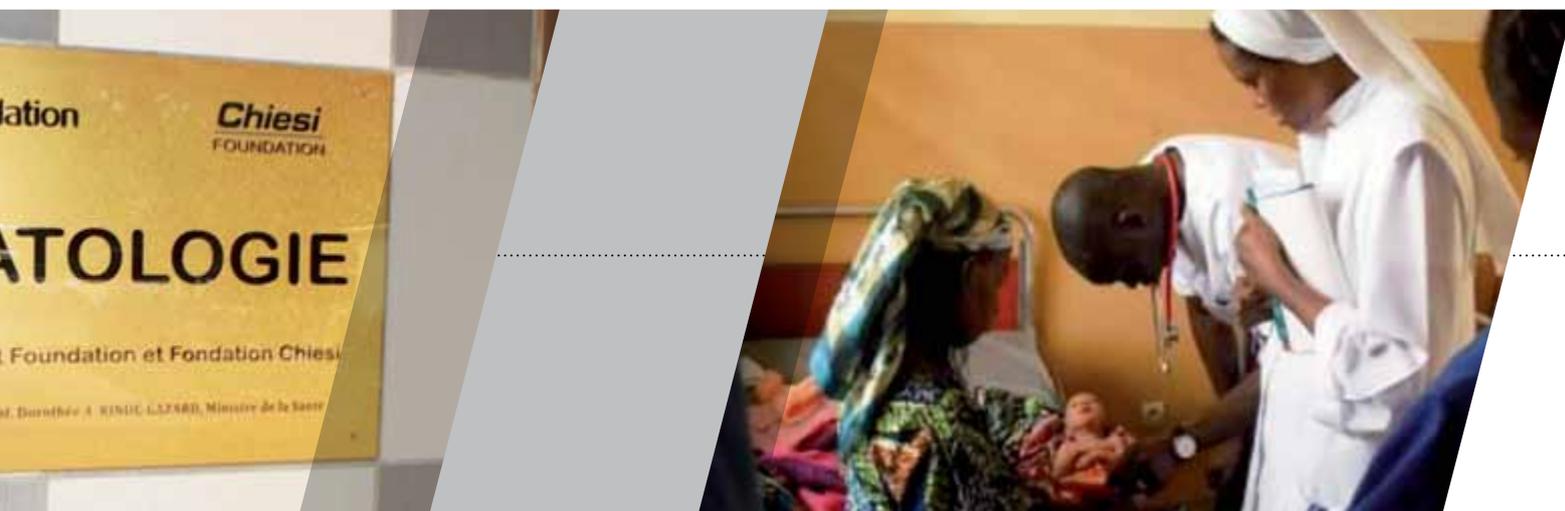
The Chiesi Foundation is supporting various projects in collaboration with patients' associations. In addition, it pays particular attention to co-operation projects in Africa and South America with the objective to improve the economical and social context, health conditions, and access to cure by premature infants and patients affected by asthma and COPD.

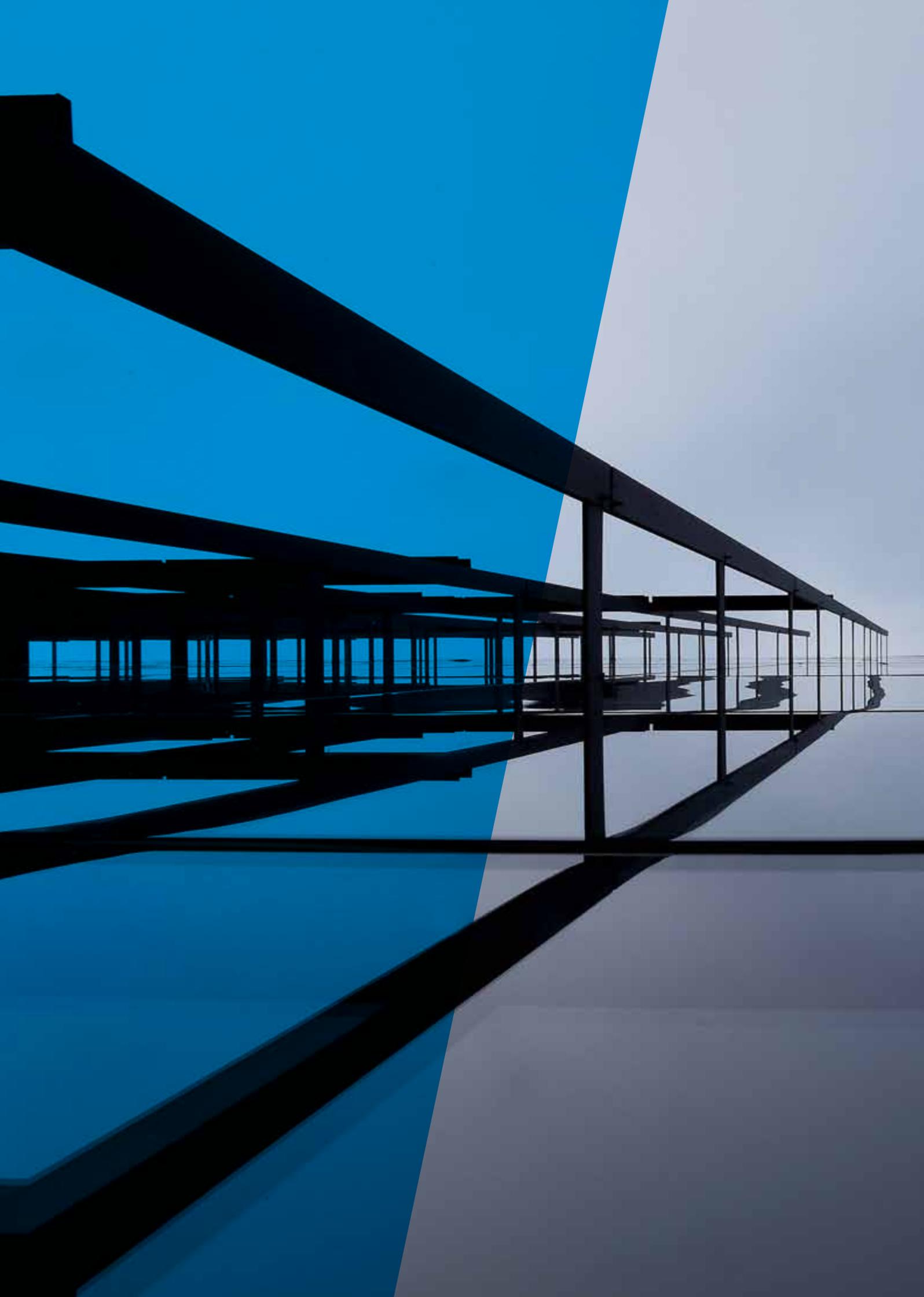
Currently, 4 projects are on-going in Africa and Brazil:

- **Benin:** three-year project for the building of the department of neonatology at San Jean De Dieu Hospital in Tanguietà.
- **Burkina Faso:** three-year collaboration with the Neonatology Unit of the Saint Camille Medical Centre of Ouagadougou.
- **Brazil:** three-year collaboration with the Hospital of Divina Providencia for the enhancement of the social and health status of the community of Marituba, Parà.
- **Republic of Central Africa:** two-year project to build a maternal-infant health-care centre in Bossemptelè.

In 2012, the Chiesi Foundation also supports:

- The Fidenza for Children Association for a project that involves the reconstruction of the House de los ninos, in San Miguelito, Bolivia.
- The Burmese Migrant Worker's Education Organization for a project of infant schooling in Mae Sot, Thailand.









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