

“Transparency serves as a unifying factor for our employees”



Before Maria Paola Chiesi took over her current role as Vice Chair of the Board of Directors of the internationally operating Chiesi Group, she spent nine years as Head of Shared Value & Sustainability at Chiesi Farmaceutici, where she was responsible for monitoring and measuring the Group’s environmental and social impact. Inspired by this experience, she initiated the process of transforming Chiesi into a Benefit Corporation, which strengthened the company’s position by obtaining the B Corp certification.

By Thomas Scheiwiller with Maria Paola Chiesi

ABOUT: MARIA PAOLA CHIESI

Since 1995 Maria Paola Chiesi has been working at Chiesi Farmaceutici. In 2015 she took over the role of Director of Shared Value & Sustainability and in 2021 was appointed president of the Chiesi Foundation. In 2023, Maria Paola has been elected Vice-Chair of the Board of Directors. She holds a Degree in Medicinal Chemistry and Pharmacological Sciences and a Master in Business Administration (MBA).

How would you describe what is special about Chiesi Farmaceutici in a few sentences?

The uniqueness of our company lies in its foundation within a family deeply entrenched in values such as integrity, ethics, and purpose. Our company’s purpose resonates with the personal values and goals of our employees, fostering a sense of belonging and shared mission within our teams. This translates in lived practice rather than a simple code to be respected, ignored, or breached.

We prioritize a value-driven approach always focusing on the long-term vision while delivering on our mission daily. Thus, we consider and embrace future generations by design. In our value system, purpose takes precedence, with financial considerations serving as a means to support that purpose. We strive for growth that encourages innovation and inclusivity, understanding that our financial resources are nourishment for our overarching mission.

Can you give us a bit of context about the decision to become a B Corp certified business? Are there specific benefits that you can share?

Our work in neonatology has brought us close to the most fragile patients: premature infants. This unique proximity to them and their families, unlike other therapeutic areas where we operate, has fostered in us a heightened sensitivity, which aligns seamlessly with our previously mentioned core values. This led to the inception of the Chiesi Foundation, aimed at enhancing basic access in LMICs. Not being a for profit organization, the work of the Chiesi Foundation compelled us to ponder our impact and how to measure it, defining impact as the societal change we

strive to enact. Then, we started thinking of extending this paradigm to the company as well.

We thus solidified our commitment by legally establishing ourselves as a Benefit Corporation in Italy and the US in 2018, followed by achieving the status of Société à Mission in France in 2021.

Then, we explored ways to measure and analyze our overall impact. Recognizing the B Corp certification as the most rigorous and scientific system, in 2019, we pursued certification for the first time.

These initiatives sparked a company-wide improvement plan, engaging all employees and fostering strong motivation and a shared sense of purpose. Additionally, we observed a notable increase in both individual and team creativity, alongside a newfound sense of accountability. This holistic approach not only aligns with our core values but also enables us to drive positive societal change while cultivating a more fulfilling work environment for our staff.

How do you get shared value and sustainability integrated in your business?

At the beginning of our journey, back in 2015, we viewed sustainability through the lens of CSR (Corporate Social Responsibility). However, we found this approach unsatisfactory as it did not address the dimension of impact, which we consider crucial, as I mentioned earlier. In fact, we moved towards focusing on analyzing our impact, and we transitioned towards the concept of Shared Value, which is created when both social challenges and business opportunities are being addressed together, connecting a company success with social progress. According to this, we then developed sustainability plans inherently integrated into the business strategies.

Our most recent step taken towards this direction is to have merged the functions of Shared Value & Sustainability and Strategy into a single department.

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What is your take on the ever-increasing sustainability-related regulation: does it help you achieve your goals?

Sustainability-related regulations and emerging standards are highly valued, especially when it comes to standardizing measurement practices. Until recently, there was a lack of clarity on what metrics to measure and how to do so effectively in the realm of sustainability. Establishing common measurement criteria and language is essential for thorough analysis, benchmarking against peers, and continuous improvement. Moreover, it plays a pivotal role in fostering awareness.

However, we must ensure these tools don't become a mere compliance exercise or a superficial checklist that is time-consuming and absorbs significant resources without generating a clear impact. They should not serve as a smokescreen or justification for corporates to do "their part". Additionally, the rules must integrate specific features for every sector to be truly effective and relevant. Only then can they genuinely help corporates in adopting and fostering sustainable business practices.



Since becoming a B Corp, our approach to transparent communication has significantly evolved.



How does Chiesi balance the economic profitability, the investment in R&D, and the shared value and sustainability approach?

A clear example of this can be found in our carbon minimal pMDI (pressurized metered-dose inhalers). Since one of the greatest contributors to our GHG emissions comes from the propellant gas contained in some of our devices for inhalation drugs for chronic respiratory diseases such as asthma and COPD, reducing emissions from these therapies, and thus the impact we have on the planet, is a key focus. This is why, we announced in 2019 the development of the first carbon minimal pMDI containing a low global warming potential propellant. This solution aims to achieve a 90% reduction in carbon footprint, requiring an investment of more than €350 million. At the same

time, we are also continuing to invest in Dry Powder Inhaler (DPI) technology to make sure we provide all the therapeutic options that asthma and COPD patients need both now and in the future.

Also, we can find several examples in our rare disease business side, where we continuously invest in R&D to develop new treatments. In fact, since its establishment in 2020, the rare disease business unit increased its portfolio from two to ten products, representing a significant increase in access to therapy in only four years. We are currently supporting two research programs that aim to develop differentiated large molecule therapeutics for neurological disorders and systemic disorders with central nervous system involvement, which, if successful, may open a new frontier in medical care and overcome significant unmet patient needs.

Could you briefly summarize how the way you report to and communicate with the outside world has changed over the last few years and extrapolate a bit into the future?

Since becoming a Benefit Corporation and obtaining B Corp certification, our approach to transparent communication of financial, business, and sustainability metrics and results has significantly evolved. This shift is driven not only by legal and certification requirements but also by the immediate benefits we've observed. Among our communication efforts, we share annually our Impact Report, a key requirement of the Benefit Corporation legal status, as well as our Sustainability Report, which we've been producing since 2017, trying to align with CSRD disclosure requirements even before its entry into force.

We've significantly increased internal communication of results and objectives, as transparency serves as a unifying factor for our employees and fosters trust, enhancing a sense of belonging. Additionally, we've recently embarked on direct interactions with stakeholders through stakeholder engagement initiatives/laboratories. This approach goes beyond mere communication or listening; it involves co-creation, leveraging the company's expertise and the stakeholders' needs. This expanded stakeholder engagement encompasses all areas of impact, surpassing our previous engagement efforts solely in the healthcare space.



Our company's purpose resonates with the personal values and goals of our employees.



What would your recommendations to other companies be if they wanted to go "the Chiesi way"?

- **Innovate:** Companies also need to be open to new ideas and challenges. Embracing fresh perspectives, be it from diverse talent pools or emerging trends, fuels innovation. At the same time, investing in innovation becomes imperative for companies seeking to thrive in today's dynamic landscape.
- **Collaborate:** involve all your employees, along with stakeholders and partners (value chain), in this journey. Doing so increases the chance of fostering a cultural shift that collectively guides the company towards a prosperous future, while ensuring a positive impact on the planet and society.
- Integrate **environmental** but also social considerations and KPIs to monitor social and environmental performance into business discussions, at the same level of financial performance. Connect your managers' remuneration to social/environmental results, not just financial ones.
- **Understand Your Impact:** Our commitment to social and environmental responsibility, as well as integrity, has been ingrained in our mission since our inception 85 years ago. Chiesi recognizes that we operate within a broader context, where global challenges such as climate change and healthcare accessibility directly affect us. We acknowledge our role and responsibility in addressing these challenges.

ABOUT CHIESI FARMACEUTICI

Chiesi is an international, research-focused biopharmaceuticals group that develops and markets innovative therapeutic solutions in respiratory health, rare diseases, and specialty care. With over 85 years of experience, Chiesi is headquartered in Parma (Italy), operates in 31 countries, and counts more than 6,500 employees.



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