

PSCI Position Statement on Human Rights

10 December 2021

The Pharmaceutical Supply Chain Initiative (PSCI) is committed to support all its members in implementing the United Nations' Guiding Principles on Business and Human Rights (UNGPs) and to ensure the organization's actions are aligned with the UNGPs. We develop training materials, webinars, and tools to bring the principles to life together with our members.

The UN Guiding Principles are the key framework for Business & Human Rights. They are based on the International Bill of Human Rights and the ILO Core Labor Rights Conventions and provide guidance for States and companies to prevent, address, and remedy human rights abuses committed in business operations. We recognize that all companies have the corporate responsibility to respect human rights according to the UNGPs.

Responsible business and supply chain practices are at the core of the PSCI and can be found in the PSCI Principles for Responsible Supply Chain Management. These Principles are the blueprint for responsible business conduct, setting our expectations for five relevant topics: Ethics, Human Rights & Labor, Health & Safety, Environment, and Management Systems. The Principles are also supported by three foundational commitments, including Human Rights. Hence, our commitment to the UNGPs is fully aligned with our purpose to bring together members to drive excellence in safety, environmental, and social outcomes across the whole of the pharmaceutical and healthcare supply chain.

Among all human rights which should be respected, for ease of implementation, the PSCI has developed standards on six issues that are most common in supply chains: (1) Freely Chosen Employment, (2) Child Labor and Young Workers, (3) Non-Discrimination, (4) Fair Treatment, (5) Wages, Benefits, and Working Hours, and (6) Freedom of Association. The standards set our expectations on these issues. As our member companies are committed to respect human rights, the PSCI expects that suppliers should be committed to respect human rights including labor rights according to the UNGPs and treat all people who may be impacted by their operations with dignity and respect. Our webinar on operationalizing the PSCI Human Rights Principles provides further guidance.

For all our members, we offer a maturity assessment against the six common Human Rights & Labor issues and seven further human rights topic areas. Based on our <u>Maturity Model</u>, companies can identify if their program is Starting, Developing, Implementing or Leading. We also provide a <u>Learning Plan</u> containing guidance, tools, and resources to enable our members to improve. The Learning Plan covers all the Principles and specifically the implementation of the UNGPs.

All PSCI members are expected to support and incorporate the PSCI Principles into their key operational policies and supplier documents and agreements. Therefore for Human Rights & Labor, PSCI members are expected to reflect the UNGPs in their key operational policies and processes and implement UNGP requirements. Together with our members, we understand that society and business are best served by responsible business behaviours and practices. With our training materials, webinars, and tools we aim not only to ensure the upholding of our Principles, but also to support all our members in implementing the United Nations' Guiding Principles on Business and Human Rights in their supply chain.