

# Annual Report 2021

Exceptional  
Advancement

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## Vision

The PSCI's vision is for excellence in safety, environmental, and social outcomes across the whole of the global pharmaceutical and healthcare supply chain.

# Exceptional Advancement

Manjit Singh / 2021 PSCI Chair

Associate Director of Corporate Sustainability, Centrient Pharmaceuticals

## I am delighted to introduce the PSCI's Annual Report and the stories in it.

2021 was a year of spectacular growth; growth in our membership (which rose from 45 to 53) but – much more importantly – growth in our activity. Despite the second year of the Covid-19 pandemic, which limited our ability to travel, every aspect of the PSCI's program developed and grew. We listed 109 new audits and 114 supplier self-assessments on our sharing platform, increasing transparency and reducing the burden on suppliers. We hosted 17 webinars to make suppliers aware of key issues and best practices. We released eight 'maturity models' – simple tools to allow suppliers to self-improve their practices under each of our Principles. As you read this Report you will see these and many other examples.

One aspect which was particularly pleasing to me was the exponential growth in our supplier training. We held our second set of fully virtual Supplier Conferences, focused on supporting pharmaceutical and healthcare suppliers in China and in India. Over the seven half-day sessions we registered 1646 separate devices with our busiest session peaking at 329. We followed up some of these by phone and found that some suppliers had broadcast the whole event into a conference room for

20 of their staff to attend virtually! I was personally involved in the India sessions and I was very pleased with the level of interest and engagement from our virtual audience.

But growth is only the beginning of the story. A key question for my colleagues on the Board is "How do we know all this work is having an impact?"

How can we be sure that suppliers are changing their social and environmental practices in line with our

**OUR SUPPLIER TRAINING SAW EXPONENTIAL GROWTH**



“  
Despite the second year of the Covid-19 pandemic, which limited our ability to travel, every aspect of the PSCI's program developed and grew.”



”  
Manjit Singh  
2021 PSCI Chair

vision of excellence? Our Governance Committee has been spending time this year looking at that question, tracking changes in supplier audits, looking at how suppliers download and use our materials, and recording their feedback. We plan to do more of this next year, but the initial results are encouraging.

We can see changes to the quality and outcomes of supplier audits and steady growth in supplier engagement.

We want to recognize these suppliers for their engagement with the PSCI through our events, resources, and audit performance over time, and acknowledge the actions they are taking to develop their practices. We have created an initial framework to define engagement and look forward to rolling this out fully in 2022. Many suppliers are now requesting membership, which is itself an encouraging sign.

I have greatly enjoyed my year as Chair of the PSCI. I have appreciated the professional and energetic contributions of my fellow Board members and have watched with great pride the growth of the organization and the impact it has upon our entire industry.

# 2021 at a Glance

New members

8 P28

Total membership

53

Finalization  
of master  
supplier learning  
curriculum

P10



Audits on the  
PSCI platform

605 ✓



Audits  
uploaded

116 ↑

Audits  
shared

109 ↗

Audits downloaded

3000+ ↓

P13

#PSCIBeatsAMR  
Launched our first-  
ever social media  
campaign to raise  
awareness about  
Pharmaceuticals  
in the Environment  
(PIE) and Anti-  
Microbial Resistance  
(AMR).

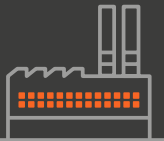
Social media  
impressions

265k



P21

Scope  
3



Topic Team created

Focussing on Scope 3  
greenhouse gas emissions

P10

Over 2800 capability-building  
interactions with suppliers, particularly  
via our Supplier Conferences:

P14

Half-days

7

Sessions

30



Attendees

20000+

Human Rights position

Built on our approach to public  
positions with the launch of our  
position statement on Human Rights

P20

INTERNATIONAL  
HUMAN  
RIGHTS  
DAY



Celebrating Human Rights Day - position  
statement on human rights

At the PSCI, we're committed to supporting all our members to  
implement the United Nations' Guiding Principles on Business and  
Human Rights (UNGPs) as part of our mission to drive excellence in  
pharmaceutical supply chains.

Impact Sub-Team created

Identifying impact under five workstreams:

- 1 Data mining
- 2 Supplier feedback
- 3 Focus groups
- 4 Maturity models
- 5 Analytics of supplier engagement



P17

17

expert  
webinars  
with over  
850  
attendees

P23

# Understanding the PSCI

The PSCI is a membership group of companies in the pharmaceutical and healthcare sector that commit to working together towards a common vision of excellence in our supply chains.

## Principles

The foundational commitment of all members is to the **PSCI Principles**. They are our blueprint for responsible practice, setting out our expectations for five relevant topic areas. Members integrate them into their own supplier codes and uphold them in their operations, aiming for continual improvement by advancing supplier performance over time.

You can read more about them on the next page.

## Membership

The PSCI continues to enjoy growth in its **membership** and is currently led and driven by representatives from 53 member companies (find out more on [page 28](#)).

## Strategy

The Board has set a clear three-year **Strategy** and a program of work to support it (find out more on [page 8](#)).

## Vision

The PSCI's vision is for excellence in safety, environmental, and social outcomes across the whole of the global pharmaceutical and healthcare supply chain.



## Board

The PSCI is a non-profit organization incorporated in the USA. We are led by an elected **PSCI Board** made up of representatives from our member companies (find out more on [page 9](#)).

**The Board would like to record its thanks to all the members of the Committees and Topic Teams and those who lead them.**

## Committees

Our program is driven by five working **Committees** made up of members. The Committees drive our program of audit standardization and sharing and our supplier capability building work (among other things). The work of our Committees is described on pages [12](#) to [21](#).

## Topic Teams

The Committees are supported by expert **Topic Teams** covering content varying from Environmental Protection to Process Safety. You can learn more about their work through our short video [here](#).

The Board and Committees are supported by a professional Secretariat provided by specialist consultancy Carnstone Partners Ltd. The Board would like to note its thanks to Carnstone. You can find out more about how we work in a short video [here](#).

## The PSCI Principles

First agreed in 2006, the PSCI Principles are our blueprint for responsible practice, setting out our expectations for five relevant topic areas.

Members integrate them into their own supplier codes and uphold them in their operations, aiming for continual improvement by advancing supplier performance over time.

The Principles were updated for the first time in 2019 and will again be reviewed and updated in 2022. We're excited that this next process will involve an open consultation so external stakeholders can share their suggestions.

You can see the full Principles [here](#) and watch a short video about them [here](#).





### Ethics

- Anti-bribery and corruption
- Fair competition
- Animal welfare
- Data privacy and security
- Patient safety and access to information
- Avoidance and management of conflicts of interest



### Human Rights & Labor

- Freely chosen employment
- No child labor
- Legal treatment of young workers
- Non-discrimination
- Fair treatment
- Wages, benefits, and working hours
- Freedom of association



### Health & Safety

- Worker protection
- Process safety
- Proper control of hazardous substances
- Emergency preparedness and response
- Communication of hazard information
- Biosafety



### Environment

- Environmental authorizations and reporting
- Management of waste and emissions
- Spills and releases prevention
- Resource efficiency
- Sustainable sourcing and traceability
- Managing the release of pharmaceuticals into the environment



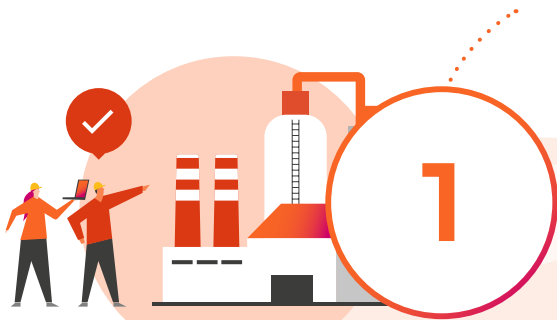
### Management Systems

- Commitment and accountability
- Legal and customer requirements
- Risk management
- Documentation
- Training and competency
- Continual improvement
- Identification of concerns
- Effective communication

**Foundational commitments: Human Rights, Environmental Sustainability, Responsible Business**

## Our Modes of Impact

How does the PSCI make a positive impact towards the creation of sustainable supply chains?



### Audit Program

Our Audit Guidelines set the global standard for a range of audits for suppliers in the pharma and healthcare sector. Our audits reflect the PSCI Principles and are carried out by approved audit firms or PSCI member auditors. Via our shared audit platform, members and suppliers can gain efficiencies on audits and we can track supplier maturity and improvement over time.

### Capability Building

We offer world leading capability training at the global and regional level using knowledge from the biggest companies in the pharma and healthcare sector. Members and suppliers at any level of maturity can access our tools, resources, and conferences to upskill themselves and continuously improve.



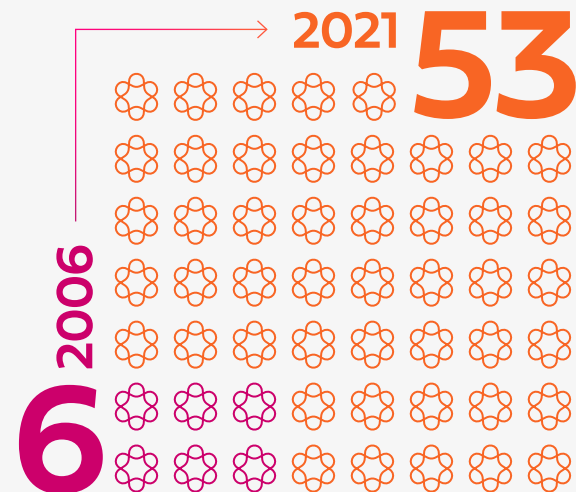
### Special Projects

Our robust governance structure and sector coverage enables us to develop collective responses and actions on specific topics such as high risk materials or the Musi River Revitalization Initiative.

## Our History

The PSCI was founded in 2006 by six companies who all held a common vision for responsible supply chain practices and shared audits. Since our founding, we have grown both in size and scale of ambition from six members in 2006, to 18 in 2015, and 53 in 2021. Our two-tiered membership model, launched in 2016, allowed us to be more inclusive by offering an option for smaller companies or those at the start of the journey to learn from peers. We also updated our membership criteria for both Full and Associate levels to include companies that manufacture medical products or provide materials or scientific research to the pharmaceutical, biotech, or medical device industries.

The scale of our ambition has grown in line with our member numbers and our new three-year strategy launched in 2020 established our plan to become the top membership body driving excellence in safety, environmental, and social outcomes across the global pharmaceutical and healthcare supply chain. You can see that strategy on [page 8](#) and read more throughout this Report on our achievements so far.



# The PSCI Strategy 2021-2023

The PSCI's Strategy is to achieve our vision through six key actions areas shown below. Each has a distinct number of objectives set for the next three years.

## Effective Governance

1. Be a respected and influential entity
2. Build effective mechanisms to measure progress against this strategy and the PSCI's impact
3. Overhaul the committee structure to support and drive the strategy
4. Establish structures for the next ten years, including exploring permanent staffing

## Leadership

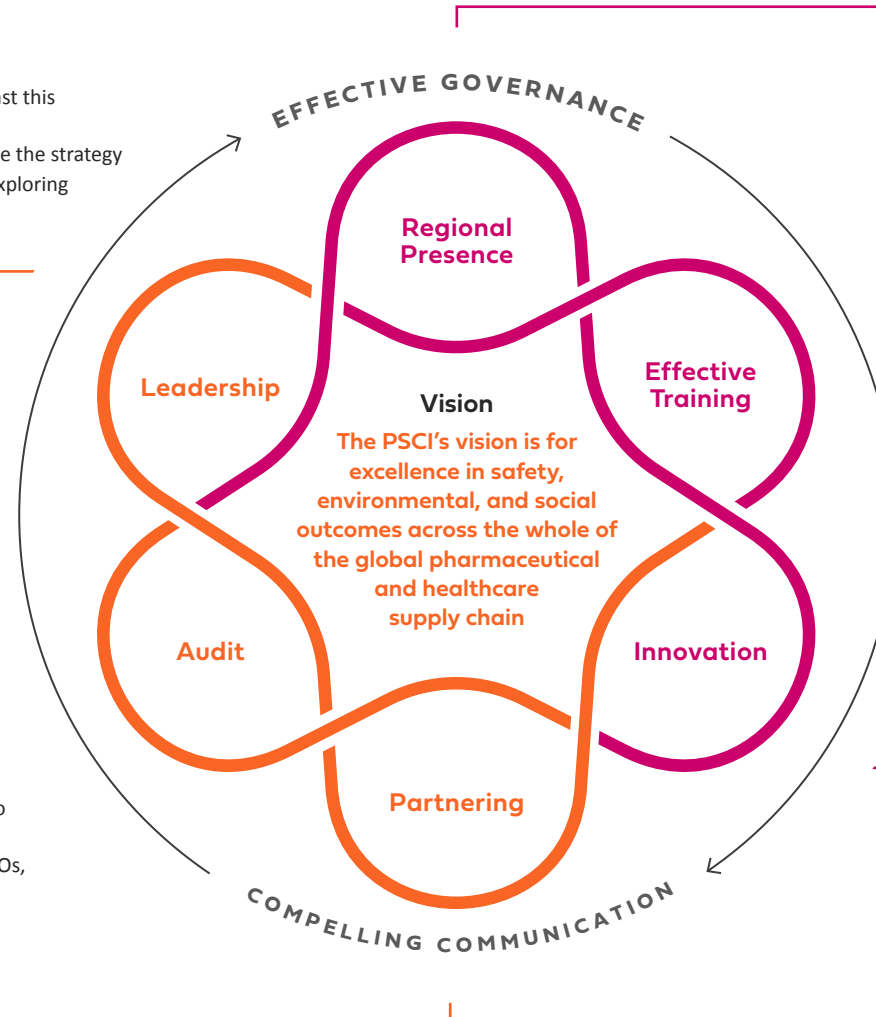
1. Establish PSCI tools as the industry standard
2. Demonstrate PSCI as a force for change in the sector
3. Develop and deploy new tools for new issues as they arise in our sector

## Audit

1. Promote consistency, quality, and innovation in all aspects of supplier evaluation and audit
2. Exponential growth in the number of suppliers sharing information via the PSCI
3. Create a community of excellent auditors

## Partnering

1. Evaluate existing partnerships and continue to extend our reach
2. Increase engagement with governments, INGOs, and IGOs
3. Build partnerships to support supplier continuing professional development (CPD)



## Regional Presence

1. Be a global organization with strong regional presence
2. Establish clear regional governance
3. Evaluate the China and India pilots and extend to other regions

## Effective Training

1. Offer world leading supplier capability building online and in-person
2. Deliver online with the best technology and structured learning
3. Build the community and enhance collaboration among members and suppliers
4. Develop supplier recognition for specific projects or programs

## Innovation

1. Establish the tools and governance for the PSCI to deliver collaborative projects
2. Support/develop new collaborative projects

## Compelling Communication

1. Engage with essential partners to build the PSCI's reputation
2. Develop and maintain professional brand and communications materials
3. Support and maintain excellent community platforms















# Board and Governance

“The PSCI’s governance structure is well designed to achieve its mission and vision. With representatives at the Board-level from different entities within the membership, the decision-makers are able to symbolize a balanced perspective. Moreover, the use of the Advisory Panel to provide outside expertise and knowledge demonstrates a commitment to understanding the key ESG challenges and trends and lends credibility to the organization. The further breakdown to Committees and topic areas allows for in-depth discussions and concrete deliverables to meet the strategic goals.”

**Hillary Amster** Director of Assurance & Impact, The Copper Mark

## Board of Directors












 <b>Bridget Ferrari</b> Takeda	 <b>Lamy Bao</b> Bristol-Myers Squibb	 <b>Zelia Kranich</b> Merck*	 <b>Caroline O'Brien</b> AstraZeneca	 <b>Manjit Singh</b> Centrient Pharmaceuticals	 <b>Victoria Stone-Bjarup</b> Novo Nordisk	 <b>Rikke Christensen</b> LEO Pharma	 <b>Eric Bosch</b> Boehringer Ingelheim	 <b>Ingrid Vande Velde</b> Johnson & Johnson	 <b>Aimee Pasquier</b> Novartis
Treasurer	Treasurer-Designate	Secretary	Past Chair	 Chair	Vice-Chair	Secretary-Designate			
	Treasurer	* known as MSD outside the U.S. and Canada		Past Chair	 Chair	Secretary	Treasurer-Designate	Vice-Chair	Secretary-Designate

2021 2022

ADVISORY PANEL

## Working Committees

Our five permanent Committees are established by the Board and drive the PSCI’s projects forward to achieve our strategy.

Audit	Supplier Capability	Communications	Governance	Partnerships
 <b>Birgit Skuballa</b> Bayer	 <b>Ingrid Vande Velde</b> Johnson & Johnson	 <b>Eric Bosch</b> Boehringer Ingelheim	 <b>Deirdre O'Reilly</b> Viatris	 <b>Gabriele Harttung</b> <sup>3</sup> Novartis
 <b>Roy Agostini</b> Mallinckrodt	 <b>Shelly Shope</b> Elanco	 <b>Matt Kovatch</b> <sup>1</sup> AbbVie		 <b>David McCarthy</b> <sup>4</sup> Pfizer
		 <b>Silke Oeschger-Delautre</b> <sup>2</sup> Dr Reddy's		 <b>Simon Hodgson</b> Carnstone

<sup>1</sup>resigned May 2021 <sup>2</sup>appointed July 2021

<sup>3</sup>resigned September 2021 <sup>4</sup>appointed November 2021

## Members

SECRETARIAT

## Advisory Panel

Our Advisory Panel challenges our thinking, helps us consider strategic questions, and scans the horizon for future developments. Throughout 2021, they helped us continue to consider our long-term ambitions and how best to support and engage our members to achieve our shared vision.



**The Copper Mark**

**Hillary Amster**  
Director of Assurance & Impact



**Pluto & Associates**

**Gerald Pachoud**  
Managing Partner



**Principles for Responsible Investment**

**Fiona Reynolds**  
CEO



**Transparency International**

**Sophie Ogilvy**  
Business Integrity Program Director



**Nordea**

**Magdalena Kettis**  
Active Ownership Director



**Global Health and Transparency**

**Sarah Steingruber**  
Advisor



**Novartis**

**Klaus Moosmayer**  
Member of the Executive Committee and Chief Ethics, Risk & Compliance Officer



**Johnson & Johnson**

**Rosina Wickert**  
VP Janssen Supply Procurement



Interview with

### Klaus Moosmayer

**Member of the Executive Committee and Chief Ethics, Risk & Compliance Officer at Novartis**

**What level of impact do you think the PSCI is having on the industry?**

*As a believer in collective action to build trust with society, I think that the PSCI is a prime platform for collaboration within our industry on topics which matter most for society and our supply chain: Ethics, Human Rights & Labor, Health & Safety and Environment. By agreeing on joint standards and by driving specific initiatives on the ground, as for example the Musi River Initiative, the PSCI walks the talk on ESG and makes the efforts of its members visible and tangible for all stakeholders and the public.*

**“ By agreeing on joint standards and by driving specific initiatives on the ground ... the PSCI walks the talk on ESG and makes the efforts of its members visible and tangible for all stakeholders and the public. ”**

**What do you enjoy most about being a part of the Advisory Panel?**

*At the PSCI Advisory Panel we have a broad variety of professional experience and diversity, and this makes our dialogue rich and meaningful. We have not only a good exchange with the PSCI Secretariat to give our input on strategy and priorities for the PSCI, but as an Advisory Panel member I learn also from my fellow Panel members.*

**Where do you see the PSCI in the future?**

*With the on-the-ground initiatives and audit sharing program, the PSCI has already moved beyond the - also very important - topics of professional exchange and standard setting. I am excited to see the PSCI become the key platform for suppliers and companies to share audits, thereby reducing the burden on suppliers and ensuring quality and consistency through use of the PSCI's tools.*



# Topic Teams

In 2021, the Topic Teams moved out from underneath the Supplier Capability Committee and now provide expert insight and tools to all Committees.

You can learn more about their work using our short video [here](#). The Topic Teams are our hubs of expertise. Each team is led by experienced specialists from member companies and teams work together to create high-quality content and evaluation tools that are shared with other member companies, suppliers, and partners via our webinar program, Supplier Conferences, and position statements.

Each Topic Team develops, proposes, and delivers its own workstream aimed at ensuring our resources reflect the most up-to-date practices to enable our members and suppliers to gain knowledge and advance their own practices. Topic Teams also contribute towards overarching, strategic PSCI projects. You can see a few examples below.

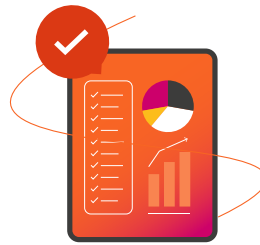
**Expert input into our Supplier Conferences in China and India**

1



**Supporting the Audit Committee to update our Self-Assessment Questionnaire**

2



**Delivering 12 expert webinars**

3



**Finalizing the master curriculum for supplier learning with the Supplier Capability Committee**

4



At the end of 2021, an additional Topic Team was created to focus on the measurement, management, and reduction of Scope 3 greenhouse gas emissions within the pharmaceutical sector.

## Ethics

Manjit Singh *Centrient*

## Human Rights & Labor

Laurent Lhopitallier *Sanofi*  
Peter Nestor *Novartis*

## Process Safety

Daniel Rehm *Elanco*

## Safety

Lamy Bao *BMS*

## PiE/AMR

Paul Barnett *GSK*  
Sam Maynard *AstraZeneca*

## Environment

Rikke Gade Christensen *LEO Pharma*  
Zelia Kranich *Merck\**

## Industrial Hygiene

Vivian Rivera *Lilly*

## Management Systems

Post open\*\*

\* Known as MSD outside the U.S. and Canada

\*\*The Management Systems Topic Team meets on an ad hoc basis only, as and when the need arises

“ The PSCI allows us to develop our suppliers using consistent training and tools. In the Environment Topic Team, we have generated over a dozen training modules that have been provided to a significant number of suppliers over the past two years. These include topics such as: Sustainable Packaging, Product Stewardship, Responsible Sourcing and Scope 3 emissions. These modules are available for all to utilize and are an amazing asset for our supplier engagement strategies.”

Zelia Kranich  
Sustainable Sourcing  
Director, Merck\*

\*Known as MSD outside the U.S. and Canada



# Audit



Collectively, PSCI member companies visit or audit thousands of suppliers every year on ethics, human rights & labor topics, and health, safety, and environmental issues.

Our Audit Committee is responsible for supporting and encouraging audits that reflect our Principles. In doing so, they play a key role in driving responsible supply chain management, ensuring that suppliers have been subject to professional scrutiny.

The Audit Committee's work also drives efficiency for both members and suppliers by sharing audit reports between members. This helps ensure that auditing resources are focused where they're needed.

## Delivering Our Strategy

The Audit Committee supports the following strategic objectives:

### Leadership

- Establish PSCI tools as the industry standard (shared with the Board)

### Audit

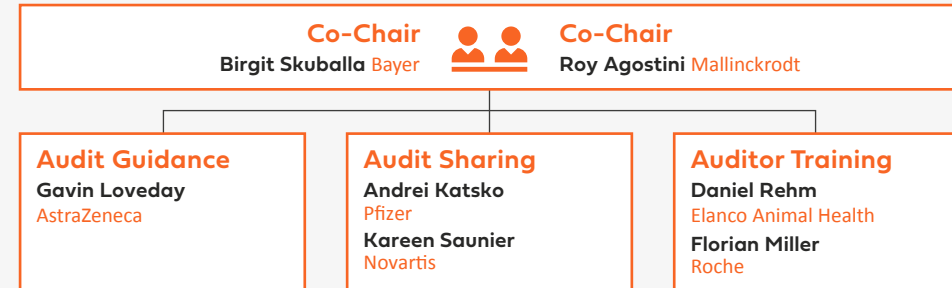
- Promote consistency, quality, and innovation in all aspects of supplier evaluation and audit
- Exponential growth in the number of suppliers sharing information via the PSCI
- Create a community of excellent auditors

### Effective training

- Develop supplier recognition for specific projects or programs (shared with the Capability Committee)

## Audit Committee

The Audit Committee was one of the first established committees in the PSCI and drives the core of our focus on audit quality and sharing. We are pleased that our auditing models and tools, which reflect a comprehensive set of responsibility issues, have become the industry standard. The Committee has three Sub-Teams that each focus on delivering one element of the Audit strategy.



## Continually Improving our Audit Resources



Our **Audit Guidance** provides an overview of the PSCI Audit process for members and auditors using the Template.



UPDATED

Our **Self-Assessment Questionnaires** allow suppliers to assess their own performance in advance of an audit.



UPDATED

Our **Audit Templates** help ensure that important sustainability topics are covered during an audit.

Audit sharing is at the heart of the PSCI's mission and we work to continually improve our audit guidance for members and suppliers. In 2021, we undertook a light refresh of the PSCI Self-Assessment Questionnaire and made a series of updates based on feedback from members and our Topic Teams, including a standardization of the Audit Finding Categorization Method and a clarification of the Categorization of Suppliers.

Category A	Category B	Category C
Service providers and suppliers of non-supply chain goods	Component and material suppliers	Core suppliers and contract manufacturers

This refreshed questionnaire is also in the process of becoming a digital tool on our shared audit platform, The Link, enabling members and suppliers to create and submit questionnaires online. Initial build work started in 2021 and will be launched in 2022.

## Audit Sharing & Innovation

The Audit Committee supports and drives the use of our custom-built online sharing platform. Via the platform, either a member or supplier may upload an audit with sensitive information removed and the other party can give permission for the audit to be shared with other PSCI members. Sharing audits has the potential to unlock enormous efficiency gains for suppliers and members alike. We're pleased to have met our target for increased audit sharing in 2021 and improved the quality of those audits shared on our platform. In the future, we plan to continue driving exponential growth in the audits shared and begin to capture qualitative data on user satisfaction. You can read more about the reach and impact of our shared audit program on [page 22](#).

2021 also saw continued growth in the use of Supplier Self-initiated Audits (SSIA), which was a tool developed by the PSCI to further increase the sharing of audit information. These allow suppliers to commission an audit from an approved third-party firm and share it with members on the PSCI platform. This program is open to all PSCI members and suppliers, remotely or on-site. SSIA offer flexibility to suppliers, provide members with more options, and may reduce the number and scale of future audits. By being able to commission their own audits following the rigorous PSCI audit process we encourage suppliers to proactively identify risks and opportunities.

“The PSCI’s shared audit program is a win-win for everyone. Pfizer harnesses the power of collaboration to maintain contemporary audit tools as the regulatory and risk universe in the biopharmaceutical industry evolves. The standardized template provides transparency on expectations and supports continuous improvement of suppliers’ capabilities by empowering suppliers to conduct robust self-assessments. The PSCI’s platform enables audit reports to be readily downloaded and applied to decision-making. And these shared reports reduce the audit burden for Pfizer and our suppliers, enabling our collective resource to use the insights and focus on driving sustainable improvement through capability building, shared learning, and best practice sharing.”



**Andrei Katsko**  
Global EHS, Pfizer

Audits on PSCI platform

605 ✓

Audits uploaded

116 ↑

Audits shared

109 ↗

Audits downloaded

3000+ ↓

## Building a Community of Excellent Auditors

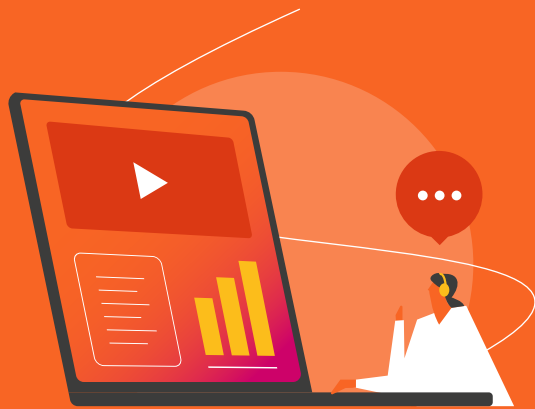
To ensure quality and integrity, PSCI audits are carried out either by qualified internal auditors working at member companies or by approved independent third-party audit firms. We were pleased to approve two new audit firms in 2021: Elevate Limited and AECOM. You can see a full list of approved firms [here](#).

The Audit Committee engages regularly with approved audit firms and PSCI member auditors throughout the year via engagement calls and presentations on updates to the PSCI audit tools. In 2021, we also began the process of developing virtual on-demand training around the following topics. These will launch in 2022 and we look forward to continuing to grow our community of excellent auditors.



“The PSCI Principles offer a continual improvement approach for suppliers to the pharmaceutical and healthcare industry. TÜV Rheinland is honored to be one of the PSCI’s approved audit firms. By supporting the audits and trainings, we’re so glad to see more and more suppliers improve their practices and look forward to continuing to work closely with the PSCI and its members to support responsible supply chain practices through the shared audit program.”

**Bella Ding** Project Manager | S.02 Customized Services Greater China, TÜV Rheinland (Shanghai) Co., Ltd



# Supplier Capability

One of the most sustainable ways to drive responsible practices in our sector is to enable suppliers to improve themselves.

The Supplier Capability Committee uses the expertise in member companies to drive continuous supplier improvement.

The Committee's work supports suppliers directly through training, events, webinars, and online tools; and also enables member companies to better support their suppliers through the provision of resources and sharing of knowledge and best practice.

## Delivering our Strategy

The Capability Committee supports the following strategic objectives:

### Effective Training

- Offer world leading supplier capability online and in-person
- Deliver online with the best technology and structured learning
- Build the community and enhance collaboration among members and suppliers
- Develop supplier recognition for specific projects or programs (shared with the Audit Committee)

## Supplier Conferences

We work to raise standards and engagement with suppliers in key sourcing locations, providing high quality, free learning and development opportunities. Our most popular offering continues to be our Supplier Conferences in China and India. These multi-day conferences introduce the PSCI and our Principles, and feature dedicated sessions on topics like Ethics, Human Rights & Labor, Safety, and Industrial Hygiene.

Half-days

7

Sessions

30

Attendees

2000+

These free events—usually held in-person but hosted virtually this year due to the ongoing Covid-19 pandemic—continue to be hugely popular with suppliers, this year reaching 2000+ supplier attendees with a large growth in India-based attendees. The conferences were led by the PSCI and our members, particularly those on our China and India Sub-Teams, and also included presentations by suppliers and our partners including the Karnataka Drugs & Pharma Manufactures Association.

In 2022, the Committee plans to launch a conference for the 'rest of world' to introduce new supplier audiences to our Principles for responsible supply chain management.

“It's a nice experience and the topics were well explained, very useful to pharma areas.”

India conference attendee

“I hope there will be more conferences in the future as this is a good opportunity for me to learn.”

China conference attendee

## Learning Content

In addition to the training delivered at the Supplier Conferences, the Committee creates a variety of learning content throughout the year, in partnership with the Topic Teams, including webinars on specific topics covered by the PSCI Principles.

Top 5 webinars for 2021  
(by views)

- 1 Indian Labor Law Changes
- 2 Explosion Protection (Part 1)
- 3 Arc Flash Hazard Prevention & New Maturity Model for Safety
- 4 Risk Assessment Tools - Discharge of APIs in sludge and wastewater
- 5 Explosion Protection (Part 2)

## A Maturity Model for Supplier Learning and Development

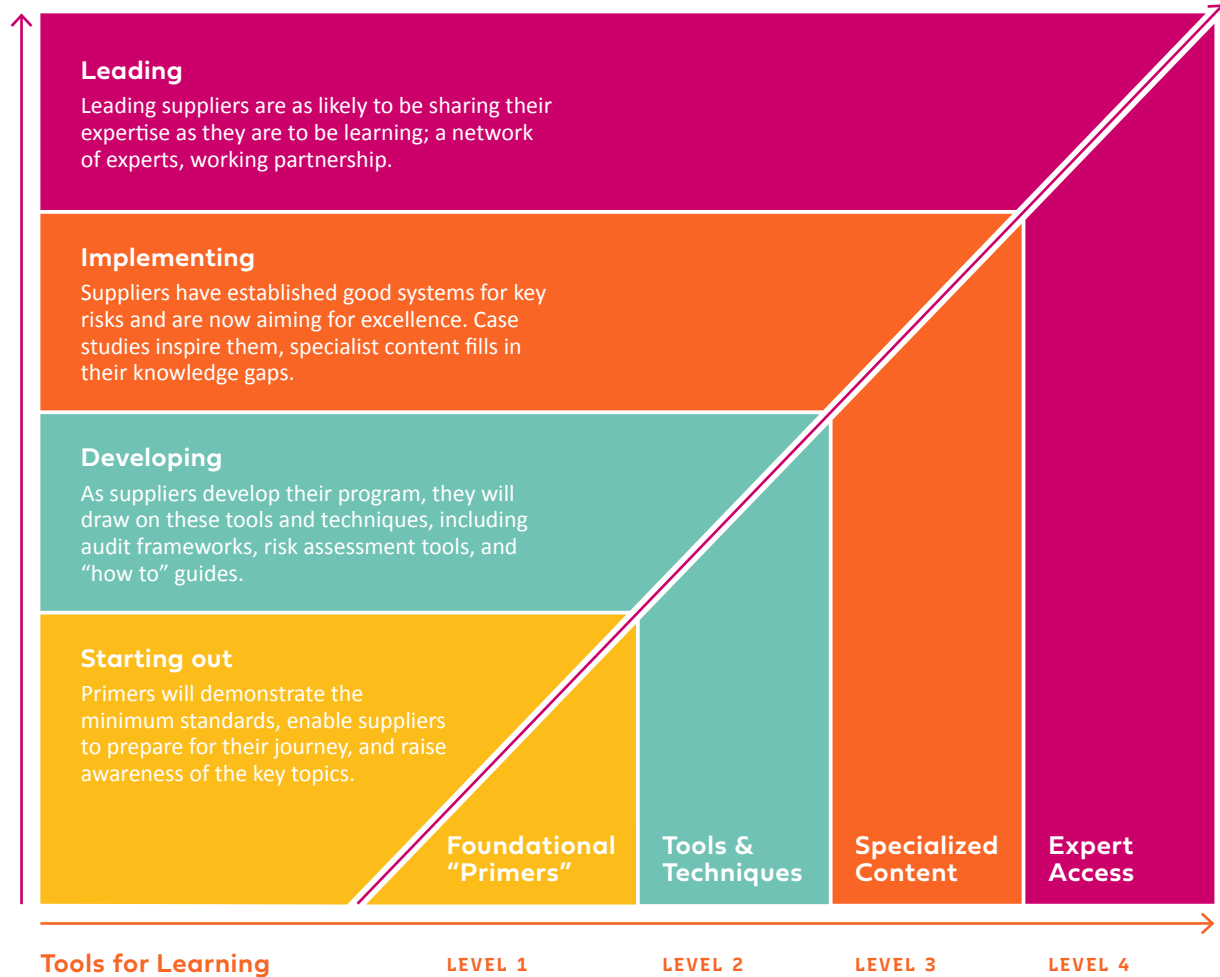
The Supplier Capability Committee seeks for the PSCI to become a driving force for learning and development for suppliers to the pharmaceutical industry. To achieve this goal, the committee uses its established Maturity Model to help suppliers understand the maturity level of their responsible supply chain practices as well as provide corresponding content to help them proceed to the next level. In 2021, the Committee – with the expert input of the Topic Teams – finalized a master curriculum of learning content for all the topics covered by the PSCI Principles.

To support this move towards curriculum development, the Committee is seeking to revise its learning and development strategy in 2022 and engage experts in this area from PSCI member companies to help challenge and build a new strategy.

The Supplier Capability Committee seeks for the PSCI to become a driving force for learning and development for suppliers to the pharmaceutical industry.



Level of Maturity Supplier



## Supplier Recognition

An area of growing focus is the recognition of suppliers that complete our training and develop their responsible supply chain practices through our curriculum. We want to recognize these suppliers for their engagement with the PSCI through our events, resources, and audit performance over time, and acknowledge the actions they are taking to develop their practices. We have created an initial framework to define engagement and look forward to rolling this out fully in 2022.

### RECOGNITION FRAMEWORK



# Governance

The Governance Committee ensures the smooth-running and effective functioning of our activities. It has a key responsibility to evaluate the progress of the PSCI against its strategy and to track impact. It also reviews and validates ways of working, seeking to share and replicate best practice and uncover opportunities to improve.

The Governance Committee ensures that the PSCI has:

- A strong and transparent governance process including roles, responsibilities, and decision-making
- A performance management and accountability system to reach our objectives
- Measures in place to track our impacts
- Clear Bylaws in line with our non-profit status

## Delivering our Strategy

The Governance Committee supports the following strategic objectives:

### Effective Governance

- Be a respected and influential entity (shared with the Board)
- Build effective mechanisms to measure progress against the strategy and the PSCI's impact
- Overhaul the committee structure to support and drive the strategy

### Partnerships

- Establish clear regional governance (shared with the Partnerships Committee)



## Member Engagement

As a member-led initiative, the PSCI is built upon the engagement and contribution of our members. The Governance Committee is the custodian of member accountability, defining [membership expectations](#) and ensuring that members uphold them.

To support this process, the Committee launched the Member Engagement Dashboard, a summary of members' engagement available for all members to see that is designed to increase transparency and encourage participation. The dashboard records members' levels of involvement: the number of committees they support; the number of audits uploaded and shared; their self-reported maturity in terms of responsible procurement, and their attendance at our General Meetings.

The dashboard was first released in November 2020 and fully launched on The Link in 2021. It is discussed with members during a round of annual 1:1 calls (February and March) and members are invited to check and update the content at other specific dates during the year.

### Buddy Program

In 2022, the Committee plans to relaunch our Buddy Program for members to benefit from peer-to-peer mentoring and make the most out of the PSCI membership network.

## Good Governance

The Committee made updates to the PSCI's Standard Operating Procedures (SOPs) and Bylaws that were overwhelmingly approved by members at our AGM. Our updated Bylaws now allow up to two Associate Members on the Board and opens up the Chair pathway to all Full Member companies, not only those whose principal business is the manufacturing of pharmaceuticals, medical devices, or biotech products.

### Standards Operating Procedures

- Included Topic Teams' governance
- Updated the PSCI's vision
- Updated Board quorum to reflect increased Board size
- Updated membership scope
- Included provisions for membership pause
- Adjusted to reflect new budget setting process





## Driving Impact

A key role of the Governance Committee is to understand and demonstrate the impact of the PSCI's work within supply chains. Throughout 2021, the Committee began its new role to evaluate the PSCI's performance against the 2021-2023 strategy, under delegation from the Board, to ensure we deliver real world impact. This focused on two streams of work: peer benchmarking and supplier impact. We also took time to look at our membership structure to better understand the shift in member participation towards our expert Topic Teams.

For this horizon scanning, the Committee heard from PSCI Advisory Panel Member, Hillary Amster, Director of Assurance & Impact at The Copper Mark, to share insights on keeping pace with peers, maintaining and accelerating standards, building capability, and assessing impact.

Off the back of this, the Committee commissioned a formal peer benchmarking review to support the development of the PSCI's strategy beyond 2023. One additional focus for the future will be growing the recognition of PSCI membership with other

stakeholders, including the investor community and sustainability ratings agencies. We hope to ensure that PSCI membership becomes synonymous with responsible supply chain management and our members are recognized for their contribution and achievement of these standards.

### “Data mining and analytics showed interesting and promising insights.”

To begin the process of measuring the impact the PSCI has made on suppliers, we formed an Impact Sub-Team that looks at identifying impact under five workstreams: data mining, supplier feedback, focus groups, maturity models, and analytics of supplier engagement. Data mining and analytics showed interesting and promising insights. In 2022, we'll focus on gathering real-life feedback from suppliers via focus group workshops; as well as explore how we can incentivize and reward engagement with our online platform, The Link, and engage suppliers with our maturity models to better track growth over time.

## Data Mining Workstream

**The Question:** Can we see patterns in audit data that show positive change on suppliers due to their engagement with the PSCI?

**The Scope:** 44 API suppliers that uploaded multiple audits over the last five years

**The Method:** An in-depth qualitative review of 15 audits of five sites in China using the auditor comments and findings in each report

**The Findings:** Improved supplier practice. By learning the expectations embedded in the PSCI audit standard, suppliers have a more comprehensive view of sustainable supply chain practices. Notably, the sample suppliers have built in new risk assessment measures and developed internal policies, particularly around Ethics and Labor



Interview with

## Hillary Amster

### Director of Assurance & Impact, The Copper Mark

#### What is your experience with the PSCI?

*I have been a long-time supporter of the PSCI because I saw from the start the dedication and genuine commitment of both the Board and Secretariat in creating a sustainable and impactful organization. I have continued to support the PSCI because this dedication and commitment have proven to develop over time. Through my participation, I have seen leadership and the Secretariat ask what I believe are “all the right questions” as they continue to implement and act on the commitments they have made since the beginning. It is inspiring to see the industry organically mature on both the issues and solutions.*

#### What level of impact do you think the PSCI is having on the industry?

*I think the impact of the PSCI is tremendous for the industry. As the first initiative dedicated to even exploring these issues within the pharmaceutical supply chain, the PSCI can confidently be credited with raising awareness about what a “responsible supply chain” should look like within the industry. One impact I would highlight is the progress on communication and collaboration between members and suppliers. This demonstrates a level of confidence and trust-building that is absolutely required to produce buy-in and ultimately success in creating responsible supply chains. I’m excited that the PSCI is looking more closely at identifying and analyzing its impact as part of its strategy.*

#### Where do you see the PSCI in the future?

*I see the PSCI on a clear growth trajectory, both in membership and sophistication of issues. This presents great opportunities for impact – engaging more of the industry, strengthening the relationship between members and suppliers, making a difference in the lives of affected stakeholders and the environment. It also presents challenges. Growing too quickly can make managing the diverse membership tricky. Some members will want to push the envelope while others will naturally fall back to the least common denominator. What is important is that the PSCI continues to define its goals, mission, and vision, and adjust what that means over time, even if the timeframe for the various members to share those definitions varies.*



# Partnerships



The Partnerships Committee has the mission to extend the PSCI's reach and impact via partnerships.

The group implements our Partnerships Strategy, concentrating initially on the key markets of India and China. Both are important supply and manufacturing regions for members. Two national Sub-Teams lead this work, enabling locally-based members to inject their local expertise directly.

There are a range of other partnerships from which the PSCI benefits (pages 25-26). The Partnerships Committee ensures that these are effective and have clearly defined points of contact in the PSCI.

## Delivering our Strategy

The Partnerships Committee supports the following strategic objectives:

### Regional presence

- Be a global organization with strong regional presence
- Establish clear regional governance (shared with the Governance Committee)
- Evaluate the China and India pilots and extend to other regions

### Partnering

- Evaluate existing partnerships and continue to extend our reach
- Increase engagement with governments, INGOs, and IGOs
- Build supplier partnerships to support supplier continuing professional development (CPD) (shared with the Capability Committee)

## Partnering for Impact

We select partners based on a convergence of our missions and objectives. We look to share strengths and achieve specific outcomes which will benefit both us at the PSCI as well as the organization with whom we're partnering. Some partnerships are long-term while others are project-based with a shorter duration and time-bound outputs.

We have six types of partnerships: content, innovation, commissioning, advisory, promotional, and audit. In 2021, we extended the remit of the Committee to support and oversee all PSCI partnerships, in addition to continuing to support the work of the regional Sub-Teams in China and India. As a result, we identified five characteristics we look for in partners:

- 1 The arrangement helps meet both parties' strategic objectives
- 2 There are mutual or reciprocal benefits for both parties
- 3 The partner operates/reaches into relevant geographic locations
- 4 The arrangement is not fully/simple remunerated (e.g. the party is not simply paid a fee for the service)
- 5 Both parties declare that they consider each other a partner



“The Swedish Pharmacy Association is an industry organization for Sweden's pharmacies and seeks to support the interests of our members, which includes the promotion of sustainability within the pharmaceutical industry. In 2021, we launched the Well Chosen guide nationally to help customers understand more about the companies that produce their over-the-counter products and whether they meet certain requirements around responsible manufacturing and transparency. One of the criteria for Well Chosen is that the company must be a member of the PSCI. Our ambition is to develop Well Chosen into the world's first sustainability label for medicines. We appreciate the collaboration with the PSCI as we see the PSCI Principles and their ambition to promote supply chain transparency as a vital step towards a more sustainable pharmaceutical industry.”



**Lisa Stern Ödmark**  
Chief Strategist, The Swedish Pharmacy Association

## Leveraging the Regional Model

The work of the Partnerships Committee in China and India is underpinned by the China and India Sub-Teams, led by PSCI members based in these countries who have the local knowledge, expertise, and contacts to develop partnerships on the ground. We began work to create a third regional Sub-Team for Latin America in 2021 and plan to formally launch in 2022, starting with the translation of key PSCI materials into Spanish.



### China Sub-Team

**Barry Bai**  
Elanco Animal Health

**Kelley Jiang**  
Novartis



### India Sub-Team

**Bharat Shevkar**  
Johnson & Johnson

**Manjit Shingh**  
Centrient



## China and India Partnerships

A key pillar of our Partnerships Strategy is maintaining and developing collaborations in China and India, two critical supply markets. We are pleased to continue partnering with CPEA and RDPAC in China, both pharmaceutical trade associations with hundreds of members collectively, and share our knowledge and insights and advice on best practice. In India, we partner with the Karnataka Drugs & Pharma Manufacturers Association (KDPMA). KDPMA is the flagship association of pharmaceutical manufacturers in Karnataka, with 65 members dedicated to promoting cooperation, safeguarding the interests of the industry, and spreading technical, commercial, and industrial knowledge amongst drug and pharmaceutical manufacturers in the state.

**A key pillar of our Partnerships Strategy is maintaining and developing collaborations in China and India, two critical supply markets.**

## Supplier Conferences

Both Sub-Teams played a major role in our Supplier Conferences, the highlight of our capability offering to suppliers in India and China. Across seven half-days, 30 sessions of virtual training were delivered to over 2000 supplier attendees based in India and China. Attendees were introduced to the PSCI and our Principles, and enjoyed dedicated sessions on Ethics, Human Rights & Labor, Safety, Environment, and Industrial Hygiene. The virtual nature of the conferences combined with the local expertise of Sub-Team members continues to significantly increase our reach to suppliers in both regions year-on-year.

Half-days

7



Sessions

30

Supplier Attendees

2000+

## Webinars

### China

- IPE Compliance Guidance
- Hazardous Materials
- Health Assessments of Pharma Compounds

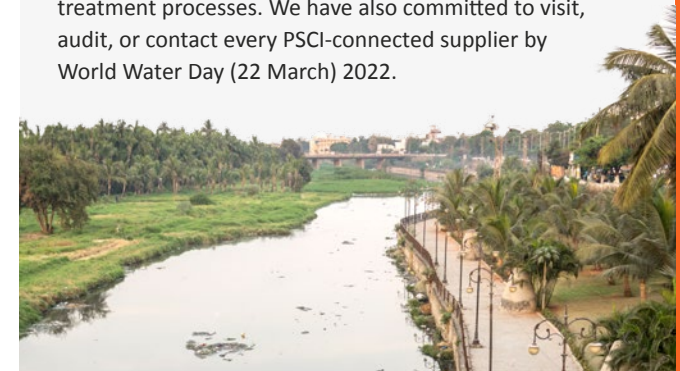
### India

- New Indian Labor Codes
- EHS Regulatory Frameworks



## The Musi River Revitalization Initiative

The India Sub-Team spearheaded our support for the Telangana State Government's efforts to improve water quality in the Musi River basin in Hyderabad. In 2020, we published a [position statement](#) outlining our support and offering locally-based suppliers access to our wastewater treatment resources. We grew on this initial support and throughout 2021 created a database of 100+ suppliers based in Hyderabad to identify those that had links to PSCI members and therefore with whom we actively engage with on their wastewater treatment processes. We have also committed to visit, audit, or contact every PSCI-connected supplier by World Water Day (22 March) 2022.



# Communications

The Communications Committee takes the work being done by the PSCI and shares it beyond our members, ensuring wider audiences hear about the PSCI.

Our key stakeholder audiences include:

- member companies
- suppliers
- auditors
- external partners and collaborators

The Committee is focused on sharing the PSCI's Principles and best practices, and ensuring our brand and profile are well recognized in the industry.

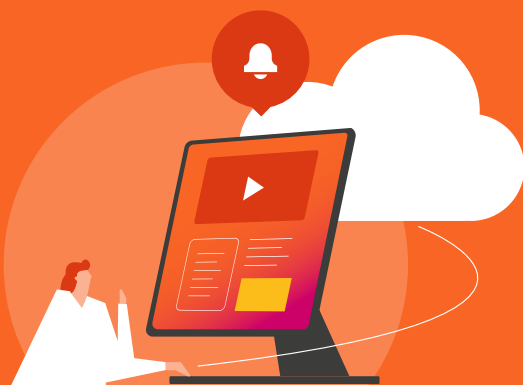
The Committee oversees our brand identity and visual representation, as well as co-ordinating face to face and written communications with our stakeholders.

## Delivering our Strategy

The Communications Committee supports the following strategic objective:

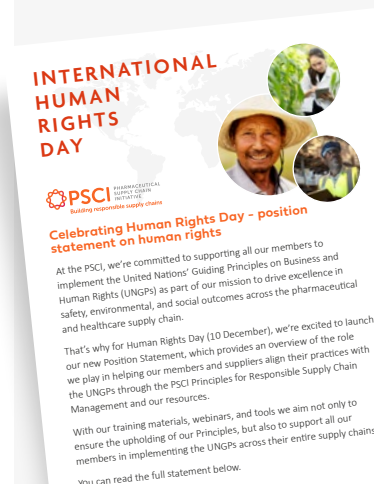
### Compelling Communication

- Engage with the essential partners to build the PSCI's reputation (shared with the Partnerships Committee)
- Develop and maintain professional brand and communications materials
- Support and maintain excellent community platforms



## Building our Reputation

The Communications Committee guards our external profile and consistently seeks opportunities to connect the PSCI with relevant debates and discussions. 2021 built on our approach to public positions with the launch of our position statement on [Human Rights](#), launched on Human Rights Day in December. Written in partnership with the Human Rights & Labor Topic Team, the statement provides an overview of the role we play in helping our members and suppliers align their practices with the UN Guiding Principles on Business and Human Rights.



“The importance of respecting human rights in the pharmaceutical supply chain cannot be overstated and is an increasingly complex area for the industry. That’s why I am so pleased to see the PSCI’s position statement on human rights, outlining their commitment to supporting members to implement the United Nations’ Guiding Principles on Business and Human Rights (UNGPs). The PSCI Principles include human rights as a foundational commitment and the resources and support the PSCI provides to pharma companies and suppliers will have a strong impact on the supply chain for the better.”

**Peter Nestor Global Head of Human Rights, Novartis**

## Spreading the Word

We are pleased to enjoy a long-standing partnership with CPhI, an established pharmaceutical event series that unites over 100,000 pharmaceutical professionals, to spread the word about the PSCI to a wider audience. We do this via a quarterly blog from the PSCI Chair focused on responsible supply chain topics, a judging spot on their annual Pharma Awards Series, and speaking slots at CPhI Conferences in Europe and North America. The PSCI Chair, Manjit Singh, was also a featured contributor to their ‘Future of Indian Pharma’ trends report.



In late 2021, we began discussions with CPhI about further strategic engagement, which we look forward to developing in 2022.

“Supporting sustainable and transparent pharma supply chains is paramount to CPhI, and as a brand we strive to support our communities through championing best practice and industry innovation. Our long-standing partnership with the PSCI has been instrumental in helping us to build knowledge and awareness within the industry for a more sustainable future.”

**Tara Dougal Content Director – Pharma, Informa Markets**

## #PSCIBeatsAMR

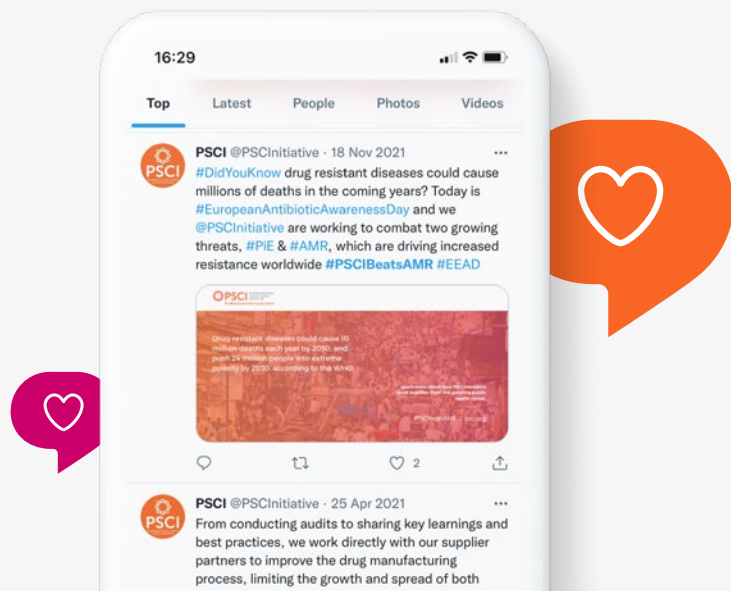
The PSCI has a longstanding commitment to tackle the growing threat of Pharmaceuticals in the Environment (PiE) and Anti-Microbial Resistance (AMR), which is spearheaded by our PiE/AMR Topic Team and partnership with the AMR Industry Alliance. For World Health Day, we launched our first-ever social media campaign to raise awareness about the issue and showcase the resources and tools we have available for our members and suppliers to join in the fight. We continued this campaign throughout the summer and gained over 265,000 impressions and 1,300+ visits to the PSCI website as a result.

### Social media impressions

# 265,000

### PSCI website visits

# 1300+



## Engaging with Stakeholders

We use a variety of methods and channels to engage with our stakeholders from our website to newsletters and videos. Our material stakeholders have widened since we first began and for that reason, we completed a Stakeholder Mapping Exercise to ensure we are engaging with the key organizations, companies, and associations across various sectors who share our vision. We organized our stakeholders into three main groups based on their contribution to helping achieve our mission and vision. Our members and supplier remain our key stakeholders, with auditors, regulators, and senior leadership in members companies completing our first tier. These are followed by two further tiers that include NGOs, peer associations, and industry groups. Our external communications strategy and messaging now reflect these tiers and we have plans for more targeted engagement in 2022.

Tier 1	Tier 2	Tier 3
<b>Essential to the delivery of the strategy</b> <ul style="list-style-type: none"> <li>■ PSCI Members (Full &amp; Associate)</li> <li>■ Senior Management in Member Companies</li> <li>■ Suppliers (members &amp; non-members)</li> <li>■ PSCI Approved Auditors</li> <li>■ Regulators</li> </ul>	<b>Supporting the delivery through proactive engagements</b> <ul style="list-style-type: none"> <li>■ Media</li> <li>■ NGOs</li> <li>■ Other Cross-Pharma Sector Sustainability Groups</li> <li>■ Conference / Event Organizers</li> <li>■ Specialist Content Partners</li> <li>■ Potential Members</li> <li>■ Additional Auditing Companies / Potential PSCI Approved Auditors</li> </ul>	<b>Supporting the delivery through desirable ad hoc engagements</b> <ul style="list-style-type: none"> <li>■ Other Supply Chain Groups</li> <li>■ Industry Groups (biotech, trade, manufacturing)</li> <li>■ Consumer / Patient Groups</li> <li>■ Investors</li> <li>■ Buyers (B2B)</li> <li>■ Operating Partners</li> </ul>

PSCI brand presence	2020	2021
<b>Followers on social media</b>	<b>2006</b>	<b>2721</b>
🐦 Twitter followers	265	292
in LinkedIn followers	1149	1642
👤 WeChat followers	592	787
<b>Engagements with PSCI content on CPhI Online<sup>1</sup></b>	<b>2.1K</b>	<b>18.2K</b>

<sup>1</sup> Engagements are defined as both detailed views and impressions of the quarterly Chair's blog on CPhI Online

## Audit

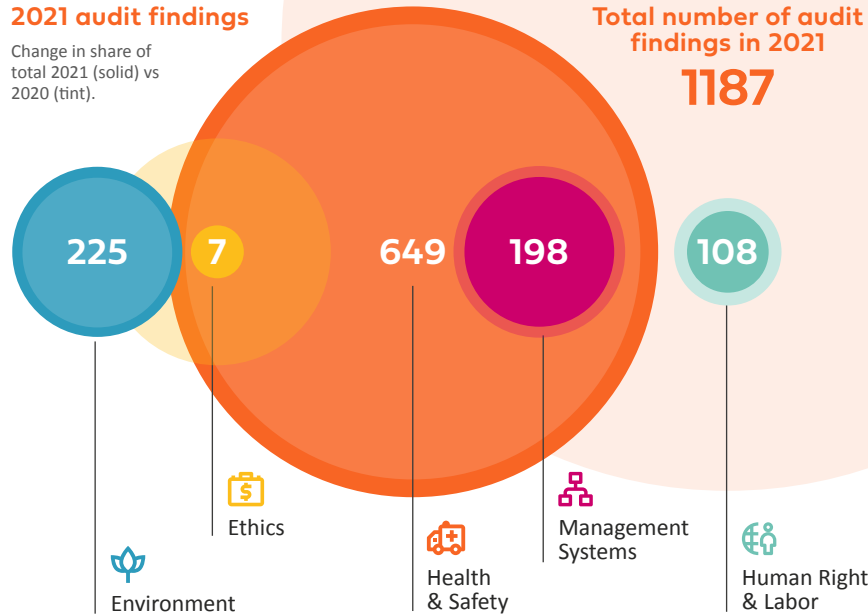
Our shared audit program is at the heart of the PSCI's mission and one of our key modes of impact. We are pleased that our auditing models and tools, which reflect the PSCI Principles, have become the industry standard.

### Audit Sharing

When an audit is conducted, findings are assigned to the topic areas of our Principles. This gives us visibility over how audit findings are changing over time, whether due to improved performance or more detailed auditing processes.

#### 2021 audit findings

Change in share of total 2021 (solid) vs 2020 (tint).



### Main three Audit Findings topics

- 1 Health & Safety:** Occupational Health and Industrial Hygiene
- 2 Environment:** Hazardous Substances, Environmental Risk Management
- 3 Human Rights & Labor:** Wages, Benefits, and Working Hours



Number of audits on the PSCI platform

**605**

Number of audits shared in 2021

**109**

Number of audits uploaded to the PSCI platform in 2021

**116\*** ↑

\* includes remote audits

Number of audits downloaded in 2021

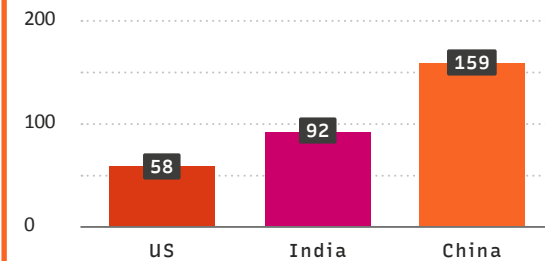
**3000+** ↓

Number of approved audit firms

**16**



### Principal audit countries



Cumulative number of audits on the platform 2015-2021

## Capability Building

Our second mode of impact is capability building, offering world leading training at the global and regional level using knowledge from the biggest companies in the pharmaceutical and healthcare sector. We are pleased that our resources, trainings, and conferences continue to grow in both quantity and quality year-on-year.

### Virtual Supplier Conferences

Half-days	Sessions	Supplier Attendees
7	30	2000+

#### Most attended Supplier Conference Days

- China:** Introduction to the PSCI, Human Rights & Labor, and Environment
- India:** Environment and Industrial Hygiene



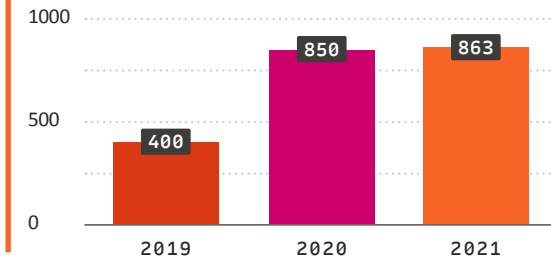
#### Top 5 webinars 2021 (by attendees)

1	Indian Labor Law Changes	89
2	Explosion Protection (Part 1)	87
3	Arc Flash Hazard Prevention & New Maturity Model for Safety	80
4	Risk Assessment Tools - Discharge of APIs in sludge and wastewater	78
5	Explosion Protection (Part 2)	65

#### Top 5 Link resources 2021 (by download)

1	IH introduction training	3.3K
2	Audit Guidance for PSCI Audits	2.9K
3	Best Management Practices for Leak and Spill Control	2.5K
4	The PSCI Principles	2.5K
5	Dust Explosion Data - How to Identify and Communicate the Hazard	2.4K

#### Number of of webinar attendees



#### Number of webinars held

# 17



#### Number of capability building interactions with suppliers

# 2800

#### Number of supplier users on The Link

# 1400

#### Number of resource downloads from the PSCI website

# 185,000

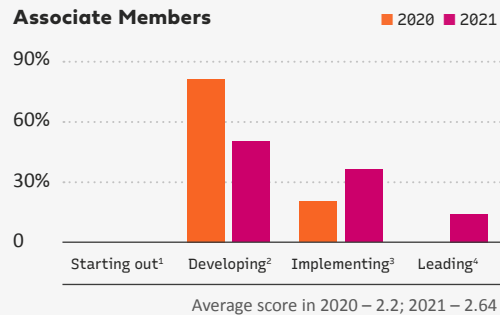
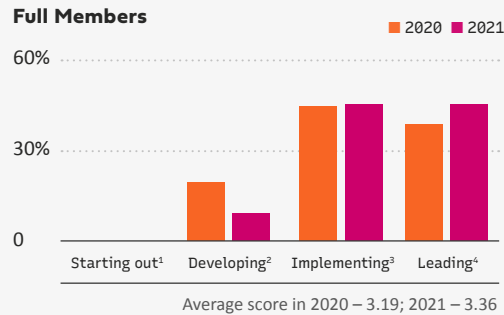
# Our Impact

## Our Impact on the Industry

For the fourth year running, members were asked to self-report on their responsible supply chain practices, with responses providing an insight into their evolving maturity and the PSCI's impact. Their responses showed encouraging improvements across all measured areas. For more information on the distinction between Full and Associate members, visit [page 27](#).

### Being one voice: leveraging the collaborative power of the PSCI when addressing supplier issues

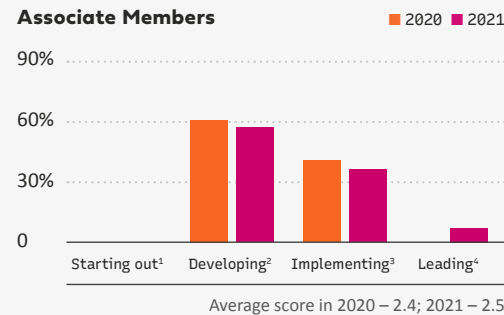
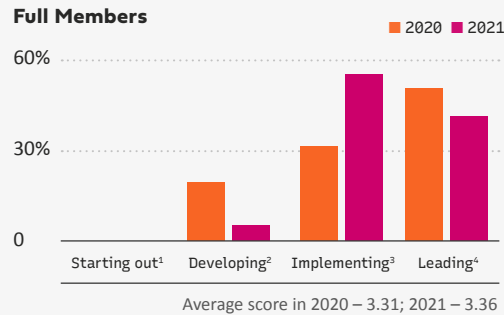
A large proportion of members are fully convinced of the power of a collaborative approach to responsible supply chain management and are actively engaging to create this approach.



**1 Starting out:** We either do not want to address issues collectively or have never faced such issues. **2 Developing:** We occasionally leverage the benefit of PSCI collaboration but we don't consistently provide inputs/resources to support the collaborative effort. **3 Implementing:** Yes, we generally leverage the benefit of PSCI collaboration and we are committed to providing inputs/resources to support the collaborative effort. **4 Leading:** Yes, we believe in collaborative industry-wide solutions and we do what we can to drive such efforts.

### Using and sharing PSCI resources to address supply chain issues

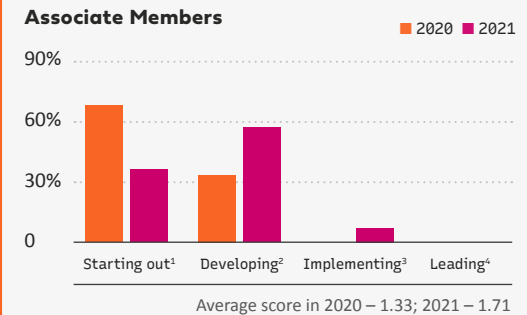
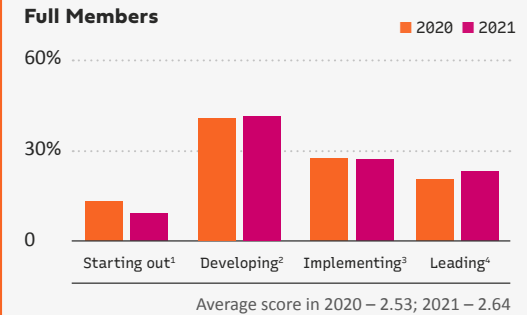
All members continue to draw upon PSCI resources, with a larger proportion of Full Members both contributing towards and benefiting from this peer developed, cutting edge content.



**1 Starting out:** No, not at all. **2 Developing:** Yes, we draw on PSCI information in this way, but we have not contributed any information of our own. **3 Implementing:** Yes, we benefit from shared information in this way and we have also contributed to it. **4 Leading:** We are active and public sharers of information and are committed to helping other member companies benefit from it.

### Publicly reporting on audit data and supply chain compliance, in relation to the Principles

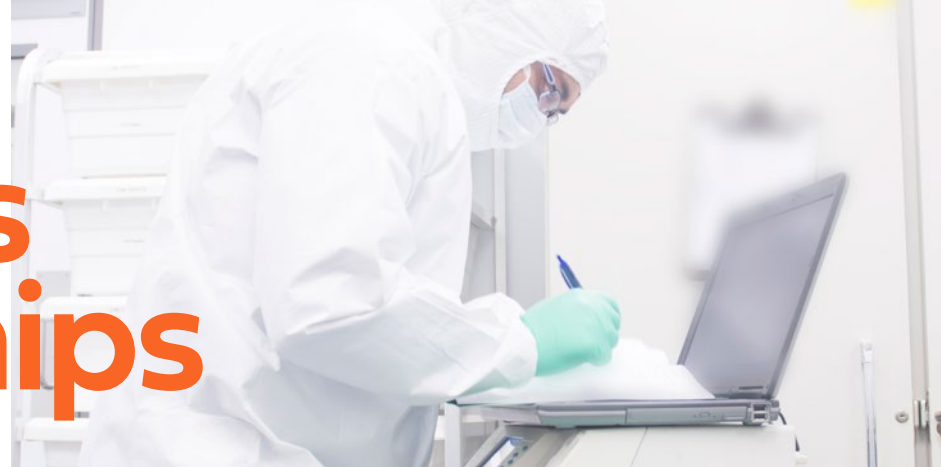
Our members continue to report publicly on their supply chain compliance, with a higher proportion of Associate Members now sharing this data and beginning to include reference to the PSCI Principles.



**1 Starting out:** Company does not publicly report data on supply chain performance. **2 Developing:** Company publicly reports data on supply chain performance, but it is general and high-level. **3 Implementing:** Company publicly reports supply chain data illustrating the state of compliance in the supply chain and including to the PSCI Principles. **4 Leading:** Company publicly demonstrates a) that suppliers conform to the PSCI Principles and b) collaborative supplier relationships.



# Collaborations and Partnerships



We enjoy a range of collaborations and partnerships with organizations that share our vision and help us achieve our strategic objectives.

These are overseen by our Partnerships Committee, as explained on [page 18](#).

Content  Advisory  Promotional  Commissioning



## Arcadis

Arcadis is a global design, engineering, and management consulting company based in the Zuidas, Amsterdam. Arcadis has over three decades of experience evaluating the risks of pharmaceuticals in the environment and developing predicted no effect concentrations (PNECs) for active pharmaceutical ingredients (APIs).

[arcadis.com](http://arcadis.com)



## Institute of Public and Environmental Affairs (IPE)

The Institute of Public & Environmental Affairs (IPE) is a non-profit environmental research organization registered and based in China that aims to collect, collate, and analyze government and corporate environmental information.

[ipe.org.cn](http://ipe.org.cn)



## Swedish Pharmacy Association - Apoteksforeningen

The Swedish Pharmacy Association represents all community pharmacies in Sweden. They have developed a consumer guide for increased transparency, called Valvald. It features pharmaceutical companies that are most transparent in their sustainability work.

[sverigesapoteksforening.se](http://sverigesapoteksforening.se)



## The WET Center

The WET Center is a National Science Foundation (NSF) Industry / University Cooperative Research Center (I/UCRC) led by Temple University with partner sites at the University of Arizona and Arizona State University. The Center was established in 2009 to develop a platform of water treatment technologies and scientific information systems that apply to a wide variety of industrial sectors.

[nsfwetcenter.org](http://nsfwetcenter.org)



## Karnataka Drugs & Pharma Manufactures Association (KDPMA)

Karnataka Drugs & Pharma Manufactures Association (KDPMA) is the flagship association of pharmaceutical manufacturers in Karnataka with 65 members dedicated to promoting cooperation, safeguarding the interests of the industry, and spreading technical, commercial, and industrial knowledge amongst drug and pharmaceutical manufacturers in the state.

[kdpma.org](http://kdpma.org)

- Content
- Advisory
- Promotional
- Commissioning



### The Anti-Microbial Resistance (AMR) Industry Alliance

The AMR Industry Alliance is one of the largest private sector coalitions set up to provide sustainable solutions to curb anti-microbial resistance, with over 100 diagnostics, biotech, generics, and research-based pharmaceutical companies and associations joining forces.

[amrindustryalliance.org](http://amrindustryalliance.org)



### CPhI

The Convention on Pharmaceutical Ingredients (CPhI) is an established pharmaceutical event series that unites over 100,000 pharmaceutical professionals through exhibitions, conferences, and online communities to network, identify business opportunities, and expand the global market.

[cphi.com](http://cphi.com)



### SafeBridge Consultants

SafeBridge Consultants, Inc. provides industrial hygiene, toxicology, and safety services to the pharmaceutical, biotechnology, and fine chemicals industries.

[safebridge.com](http://safebridge.com)



### R&D-based Pharmaceutical Association Committee (RDPAC)

R&D-based Pharmaceutical Association Committee (RDPAC) sits under the China Association of Enterprises with Foreign Investment (CAEFI) and is a non-profit organization made up of 43 member companies with pharmaceutical R&D capability.

[rdpac.org](http://rdpac.org)



### DEKRA

DEKRA is an international service company which develops products and services to ensure long-term safety, quality and environmental protection. These include industrial testing, product testing, certification, environmental protection and qualification.

[dekra.com](http://dekra.com)



### Green ChemisTree Foundation

The Green ChemisTree Foundation is a non-profit foundation that aims to advance know-how on green chemistry amongst industry, academia, research institutes, governmental bodies, and students. It organizes workshops, seminars, and conference, including Industrial Green Chemistry World (IGCW).

[industrialgreenchem.com](http://industrialgreenchem.com)



### China Pharmaceutical Enterprises Association (CPEA)

The China Pharmaceutical Enterprises Association (CPEA) is a national non-profit membership association whose activities include investigation and study, publication and exchange, and the popularization of modern management theory and practice within the pharmaceutical industry.

[cpema.org](http://cpema.org)



### ILO Global Business Network on Forced Labour

The International Labour Organization's (ILO) Global Business Network on Forced Labour (GBNFL) brings together the ILO with businesses of all sizes and sectors, and their networks, from around the globe to eradicate forced labour.

[flbusiness.network](http://flbusiness.network)

# Financials

All the financial data on this page is taken from the PSCI financial statements for the years ended 31st December 2019, 2020, and 2021.

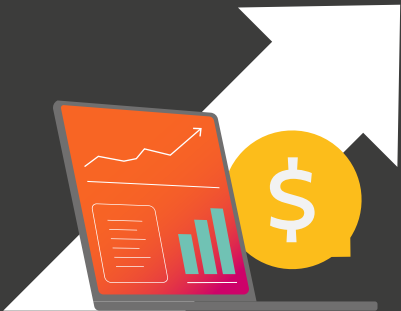
The PSCI is funded by members paying annual subscriptions based on their size and level of commitment. Associate Members pay a financial premium reflecting the greater non-financial contributions made by Full Members. In 2021, the Board approved an update to our fee structure, creating a new top tier fee for companies with annual revenue of \$30b and above which will come into effect in 2023.

Revenues in 2021 were \$969,449, an increase driven by membership growth.

Expenditure is incurred in the organization and management of the PSCI and on projects and events to promote responsible supply chain practices. Expenditure in 2021 was \$944,505 (slightly below the previous year). The Covid-19 pandemic reduced spend on in-person meetings and events, but increased activity in other areas (for example developing remote audit guidance). Overall, as this Report demonstrates, our activity levels continue to climb and at the same time we are gaining efficiency in many of our processes.

The PSCI has not-for-profit status, allowing it to be mission-driven and representative of its members. Unspent membership fees are retained as reserves to be invested into projects and programs in future years. The modest difference between income and expenditure (\$24,944) was transferred to reserves which stand at \$302,187 for 2021 (net assets) – roughly four months' budget.

The PSCI Board comprises seven Directors, including a Treasurer, all of whom are answerable to members at two face-to-face meetings each year, including the PSCI's AGM in the Autumn. The finances are overseen by the PSCI's Treasurer with support from our independent accountants, BDO.



## Total revenue from membership fees

Year ending 31st December 2021

**\$969,449** +20%

Year ending 31st December 2020

**\$810,900** +11%

Year ending 31st December 2019

**\$733,115**

## Total operating expenses

Year ending 31st December 2021

**\$944,505** -3.5%

Year ending 31st December 2020

**\$979,000** +42%

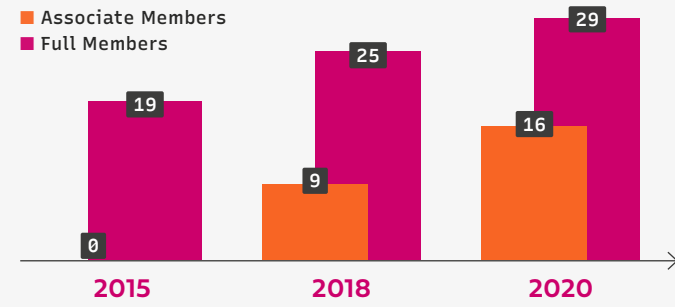
Year ending 31st December 2019

**\$691,045**

# Our Members

The PSCI has two levels of membership: Full and Associate.

**Full membership** is designed for companies that wish to actively participate in the PSCI and take a leadership role by sharing audits and participating on Committees. **Associate membership** is tailored for companies that wish to take a less active role. Typically, these companies are at the start of building their responsible sourcing programs and our hope is that they mature in time to graduate to Full membership.

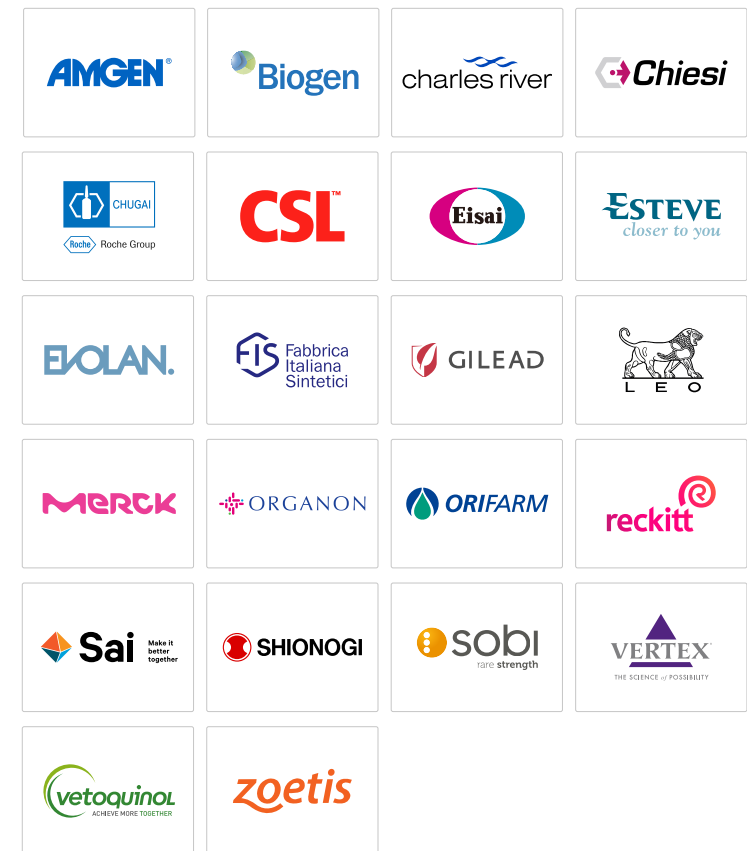


2021 31 Full Members



22 Associate Members

= 53 Members



# The Year Ahead

Victoria Stone-Bjarup / 2022 PSCI Chair

Senior Project Manager & Responsible Sourcing Program Manager, Novo Nordisk

Under the PSCI's Governance structures, the incoming Chair first spends a year in the Vice Chair role, training them to lead the organization as a whole.

Over the past year I have taken responsibility for the PSCI's Topic Teams, acting as the Board liaison with the eight groups of subject matter experts who set our content agenda. These groups meet, usually monthly, often self-organized and regularly have more than 30 people on their calls.

I mention this because I think it is this level of connection and commitment which makes the PSCI what it is. It is truly member-led, not just from my elected colleagues on the Board but properly from the grassroots, as hundreds of individuals from the member companies meet, exchange information, and come up with project ideas to drive the industry forward. It is genuinely inspiring to witness the engagement and commitment of so many people in pursuit of our shared vision.

This Report tells a powerful story of growth as Manjit pointed out: growth in membership, activity, and impact against the backdrop of the ongoing Covid-19 pandemic. Growth is exciting and requires active management, so the resulting adaptations are firmly on our Board agenda for 2022. We need to streamline processes and stay agile; what worked when we hosted four webinars

a year doesn't work for 17, for example. We will keep challenging ourselves to continually evolve and grow our audit sharing program, which is one of the biggest contributions we can make to the industry. We are exploring what it means to be one of the sector's bigger players in supplier learning and development, and the tools we need to assess the effectiveness of that training. And underneath all of this is the constant need to review our governance mechanisms as we continually gain members.

Our challenge for 2022 is to weave these two ideas together: to professionalise, to streamline, and to grow,



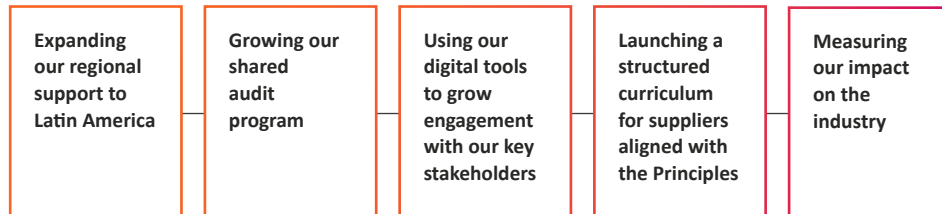
Victoria Stone-Bjarup  
2022 PSCI Chair

“  
It is genuinely inspiring to witness the engagement and commitment of so many people in pursuit of our shared vision.  
”

but never to lose that grassroots, bottom-up, agile and member-driven culture which makes the PSCI so distinctive. It will be my focus, along with my Board colleagues, and I look forward to updating you next year on our progress.

In closing, I would like to express my thanks to all my fellow Board members and the leaders of our Committees and Topic Teams for their valuable, voluntary commitments. In particular, thank you to Manjit for chairing the PSCI in such a considered and careful way, and for being such a large part of the growth we have enjoyed over the past year.

## Roadmap



→ 2022



# Contact

Start the journey to a more sustainable future

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 PSCI

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