Message from the Chair

To our community of members, suppliers, auditors and industry peers,

The last newsletter was sent in December, and the world has changed significantly since then. PSCI has been a fortunate organization, as an international organization with a significant portion of its work delivered virtually. We have been able to pivot and adapt to these changes relatively easily including our first fully online spring meeting in May. This has enabled us to see what is happening for you during these times. As a member-led organization, we rely on the energy and enthusiasm of our members to make this happen.

In this issue we outline our new strategy and plans for the next three years. I am confident that this will enable us to continue providing a valuable service to our members.

I think we can be very proud of what we have achieved and our plans for the remainder of this year, many of which are outlined below. A key activity over the coming months will be setting our strategy for the next three years. I am confident that this will take PSCI in an exciting direction.

PSCI has been in a fortunate position as an international led organization, we rely on the energies of our members, suppliers, audit representatives during a period that’s especially busy many of us. I want to thank all of you who continue to drive our activities and thank you for your feedback on how it was for you.

As we respond to Covid-19’s impact, we have accelerated our plans to digitalize resources, training and best practice sharing for suppliers. For the first time, offering our popular supplier conferences virtually, over the course of eight half-day training courses offered in Mandarin and English.

We have grown our community platform The Link. To sign up or log into your Link account, please click here. ethics and human rights & labor management systems (week c/o 12 October 2020)

Digitalizing our support to suppliers

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- For the first time, offering our popular supplier conferences virtually, over the course of eight half-day training courses offered in Mandarin and English.
- In our regional focus on China and India, the seminars will be offered in Mandarin and English.
- Letting the feedback for our new training and learning module, which guides the development of a new supplier capability building resource in practical terms, will allow us to offer resources at levels suited to different stages of maturity.

To be the first to hear about our plans, please sign up to our newsletter.

EVENTS

UPCOMING

(Including our partner's events)

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>PSCI Webinar: Environment survey (session for suppliers)</td>
<td>20 May 2020</td>
<td>CPhI Virtual Festival of Pharma (including our partners' events)</td>
</tr>
<tr>
<td>PSCI Webinar: Environment survey (session for members)</td>
<td>27 May 2020</td>
<td>CPhI Virtual Festival of Pharma (including our partners' events)</td>
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<td>PSCI Virtual Spring Meeting</td>
<td>13 May 2020</td>
<td>CPhI Virtual Festival of Pharma (including our partners' events)</td>
</tr>
<tr>
<td>PSCI Webinar: Commissioning Human Rights Risk Mapping</td>
<td>19 November 2020</td>
<td>CPhI Virtual Festival of Pharma (including our partners' events)</td>
</tr>
<tr>
<td>PSCI Webinar: Quick Guide to Uploading Audits</td>
<td>15 April 2020</td>
<td>CPhI Virtual Festival of Pharma (including our partners' events)</td>
</tr>
<tr>
<td>PSCI Webinar: Good Practice: Environment and PiE/AMR (session for members)</td>
<td>27 February 2020</td>
<td>CPhI Virtual Festival of Pharma (including our partners' events)</td>
</tr>
<tr>
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OUR POSITION ON PIE AND AMR

In March, we took a position on the important topic of Pharmaceuticals in the Environment (PIE) and Antimicrobial Resistance (AMR). The position includes an overview of relevant measures to help manufacturers and suppliers address key issues, such as our PNEC/PPEC calculation tool and topic-specific webinars designed to develop supplier capability and capability.

To read the statement, click here.

Meanwhile we are taking steps closely with highly regarded organizations defining standards or discarding targets – including the AMR working group for the European Commission and the Global Leftovers Fund (GLF), an initiative of the Pharmaceutical Research and Manufacturers of America (PhRMA), Medicines for Europe, the Association of the European Self-Medication Industry (AESMI) and the International Federation of Pharmaceutical Manufacturers and Associations (IFPMA) – to promote best practice in issues related to PIE and AMR.

REVIEWING AUDIT FINDINGS

We continue to work with our auditors to improve the scope and quality of audits and of our audit results, ensuring that a full range of issues are included, and that these are reviewed in a rigorous way. But, we now have a wealth of data from hundreds of audits conducted and captured to our PSCI Board, allowing us to present evidence-based trends and insights on the year.

In total, we have conducted over 600 audits during 2020, up by almost 30% compared to the previous year. Significantly, the proportion of audits carried out by our members has increased, suggesting an increasing number of member enterprises in these areas, whilst findings in all other topics have remained largely stable.

Our Findings Report: 2020 Annual Audit data

- Off our Site Principles (OP): Health & Safety (H&S) represented over 50% of findings, which is indicative of the level of focus of our member companies on workplace and health issues, as well as operation or operations of audiences.
- Environment and Management Systems each represented 20%.
- Labor and Ethics together represented 15% of findings.
- PSCI member can use these full findings.

PROGRESS THROUGH PARTNERSHIP

Our Partnerships Committee launched in 2019 to further our impact in these important regions. Recent achievements include:

- In China, establishing a partnership with the China Pharmaceutical Humanitarian Association (CPHIA) and the Research & Development Group of the Shanghai Municipal Science & Technology Commission, as well as launching our WeChat channel and translating several key resources into Chinese.
- In India, established a partnership with the Karnataka Drugs & Pharma Manufacturers Association (KDPMA), and has developed responses to environmental issues and legislation – more details on India under Supply Chain News.

SUPPLY CHAIN NEWS AND EMERGING ISSUES

Responding to Covid-19 in supply chains

Like many sectors, the pharmaceutical industry has been experiencing important challenges linked to the Covid-19 crisis. PSCI member companies have been adapting their manufacturing and distribution sites and ensuring safe working environments, whilst keeping the supply chain running, for the benefit of all our membership. Meanwhile, we have data on concerted efforts by our member companies, not just in the topic area appointed as PSCI principle, but also in areas linked to health, such as providing of medical equipment and supplies.

In March, we articulated our position on the important topic of Pharmaceuticals in the Environment (PiE) and Antimicrobial Resistance (AMR) – more details on the topic here. We continue to work with our auditors to improve the scope and quality of audits and of our audit tools, ensuring that a full range of issues are included, and that these are reviewed in a rigorous way. And, we now have a wealth of data from hundreds of audits conducted and captured to our PSCI Board, allowing us to present evidence-based trends and insights on the year.

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The pandemic impacting migrant workers

Migrant workers are often extremely vulnerable to coronavirus as they seek new livelihoods. This novel virus impacts migrant workers' health and economic situations in a particular way. It's estimated that there are over 200 million people who are migrant workers, which is more than the entire population of Germany. Migrant workers are at high risk of falling ill with COVID-19, and there is also a risk of spreading the disease to the local population.

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In India, established a partnership with the Karnataka Drugs & Pharma Manufacturers Association (KDPMA), and has developed responses to environmental issues and legislation – more details on India under Supply Chain News.

Environmental sustainability in India

Our PIFI and India Task Forces have worked collaboratively to prepare a position statement in response to the Indian draft effluent norms for the pharmaceuticals sector, proposed under Environment Protection (Amendment) Rules. It is available on PSCI member site. Additionally, in response to the increasing local awareness of the role Indian companies are taking to protect the environment.

In our 2020 PIFI report, the proportion of PIFI members with an Environmental Management System certified to an international standard has risen substantially, and the average number of findings per audit has decreased year on year. The audit findings are included, and that these are assessed in a rigorous way. And, we now have a wealth of data from hundreds of audits conducted and captured to our PSCI Board, allowing us to present evidence-based trends and insights on the year.

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NEW LOOK WEBSITE, AND PUBLICATION OF OUR ANNUAL REPORT

We hope you’re enjoying our new look website, with clearly accessible information and resources about our work. Meanwhile our latest Annual Report provides a full account of our work and our achievements in 2019, as well as teaching us on our plans for the future.

HELPING OUR MEMBERS ADVANCE

As a successful year, we are planning for our Q2 peer mentoring programme between members. New pairs between two members will choose to share their experiences, best practices and tips on responsible supply chain management.

WELCOMING NEW MEMBERS

We’ve welcomed five new members since December 2019: Abbott and STA Pharmaceutical (joining as Full members) and Sai Life Sciences, Sobi, and Orifarm (joining in Associate status). To support a cleaner water source for the people of Hyderabad and with upcoming facilities in the U.K. and the U.S. To find out more, read Sai Life Sciences’ press release.

Abbott is an American healthcare company, with businesses and products in diagnostics, medical devices, nutritionals, and branded generics medicines. For more details, see here.

Sai Life Sciences is an Indian contract development and manufacturing organization with operations in China and the United States. For more details, see here.

Sobi is a Swedish international biopharmaceutical company operating in nine countries. For more details, see here.

Orifarm is a Danish generics and parallel imports company with operations in Denmark, Czech Republic, Germany, Israel, Italy, and Turkey. For more details, see here.

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