

**REMARKABLE
AGILITY
ANNUAL
REPORT
2020**



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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

REMARKABLE AGILITY

WELCOME TO THIS ANNUAL REPORT, SETTING OUT ALL THAT THE PSCI HAS DONE IN THIS EXTRAORDINARY YEAR OF 2020.

Before we begin, all of us at the PSCI want to acknowledge the enormous impact that the Covid-19 pandemic has had on the everyday lives of people around the world. Many of us have lost loved ones, struggled in isolation, been kept from family and friends, had to change the way we work, or lost our livelihoods as a result of this devastating virus.

The pandemic also led to huge professional challenges for our pharmaceutical industry and its supply chain. Our member companies have had to find new ways to rapidly identify and qualify the suppliers we need for the new vaccines. Vaccine manufacturing technology requires high levels of biosafety, and we have supported suppliers to develop their competence. Lockdowns all over the world led to suppliers reducing or suspending production, testing our resilience and business continuity plans to their utmost. And we had to do all this at a time when we couldn't travel to visit suppliers as we would normally do. Our member companies have responded creatively and energetically, and on [page 11](#) you can – for example – read more about how we have pioneered remote auditing technology.

I am particularly proud of the way the PSCI itself has adjusted, showing remarkable agility to continue seamlessly online. Both of our traditionally face-to-face member events were held online with informative sessions spread over more days, with high-quality streaming of content (we all became experts in lighting and camera angles thanks to our technology partners WTV) and clever ideas to facilitate parallel sessions, drop-ins, and coffee chats. Our regular program of monthly Committee and Sub-Team calls continued largely unaffected, already being hosted online, and in the following sections you can read about all the work the Committees have been doing, including a new curriculum for supplier training ([page 13](#)), a comprehensive set of environmental and human rights impact assessments ([page 14](#)), and the formation of a new India Sub-Team ([page 18](#)).

As with any disruption, challenge also creates opportunities. We replaced our in-person supplier conferences with eight days of training targeted in the India and China time zones. The uptake was very good, and we reached far more suppliers than would have been possible in person, peaking at 565 attendees for some sessions. Feedback was positive and we expect that some element of livestreaming will become a permanent part of our training model.

All over the world, governments and civil society have continued to pursue sustainability policies with a growing desire to “build back better” following the pandemic. We have seen new environmental developments in many countries with – for example – the updated Wastewater Regulations proposed in India and a new EU Chemicals Strategy for Sustainability. There are moves all over the world to increase transparency and focus on human rights in the supply chain, meaning that the work of the PSCI is more relevant than ever.

In response, we updated our strategy in 2020 for the next three years. I was pleased to lead that project and you can read the results on [page 8](#). I know Manjit will say more about this in his closing remarks.

On that note, I would like to close by thanking my colleagues on the Board this year and wishing Manjit every success in his year as Chair. The PSCI continues to grow rapidly, and to keep up with that expansion we have increased the Board from five to seven participants. Welcome Zelia, Vicki, Rikke, and Lamy – it's good to have you onboard.

Leading the PSCI through 2020 has been an extraordinary experience and not what I expected when I joined the Board. I am grateful to have had the chance and I very much look forward to continued growth and impact as the new strategy guides our way over the next three years.

CAROLINE O'BRIEN

2020 PSCI CHAIR

Global Quality Audit, AsiaPac Director, AstraZeneca



All of us at the PSCI want to acknowledge the enormous impact that the Covid-19 pandemic has had on the everyday lives of people around the world. Many of us have lost loved ones, struggled in isolation, been kept from family and friends, had to change the way we work, or lost our livelihoods as a result of this devastating virus.

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THE PSCI GREW WITH **5** MORE MEMBERS **P.28**

103 MORE AUDITS AND **P.22**

210 MORE SAQs ON OUR SHARED PLATFORMS **P.22**

LAUNCHED A NEW **3 YEAR STRATEGY** WITH AMBITIOUS GOALS **P.8**

GREW OUR BOARD FROM 5 to 7 **P.6**

2020 AT A GLANCE

Developed **REMOTE AUDITING GUIDANCE** to support members during the Covid-19 pandemic **P.11**



LAUNCHED THE LINK FOR SUPPLIERS



PUBLISHED THREE POSITION STATEMENTS on Covid-19, PiE/AMR, and the Musi River Revitalization Initiative **P.19 - 20**



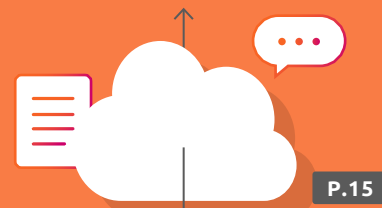
HAD OVER **1,700** CAPABILITY-BUILDING INTERACTIONS WITH SUPPLIERS, ALL FREE OF CHARGE: **P.12**

Over 700 attended our virtual conferences in China and India

Over 850 attended 14 topic-specific webinars

Over 200 have completed our e-learning tool helping suppliers understand the PSCI Principles

LAUNCHED THE MEMBER ENGAGEMENT DASHBOARD TO TRACK ENGAGEMENT AND PROMOTE TRANSPARENCY **P.15**



CREATED AN INDIA SUB-TEAM **P.18**



THE PRINCIPLES

THE PSCI PRINCIPLES ARE THE FOUNDATION OF ALL WE DO. THEY ARE OUR BLUEPRINT FOR RESPONSIBLE PRACTICE, SETTING OUT OUR EXPECTATIONS FOR FIVE RELEVANT TOPICS.

All members of the PSCI, whether Full or Associate, commit to supporting and upholding the Principles. 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 first agreed by the PSCI’s founding members in 2006 and remained unchanged until 2019, when we updated them. This was the first of what will become a regular and periodic process of review and update.

The updated Principles can be found, in full, [here](#).

As you will read on [page 8](#) the PSCI created and launched a new strategy during 2020.

As part of this process, we took valuable inputs from stakeholders and our Advisory Panel, all of which will inform the next cycle of revision. They highlighted:


- The growing importance of **Biosafety**.
- The need to **explicitly emphasize Climate Change**.
- The criticality of **Business Resilience**.

We’ve also added three foundational commitments to support the Principles: **Human Rights**, **Environmental Sustainability**, and **Responsible Business**.



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




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 STRUCTURE

THE PSCI HAS COME A LONG WAY SINCE OUR FOUNDING BY SIX MEMBER COMPANIES IN 2005.

Today, the PSCI is led and driven by representatives from 45 member companies, who work together to inform, guide, and drive our activities towards our vision.

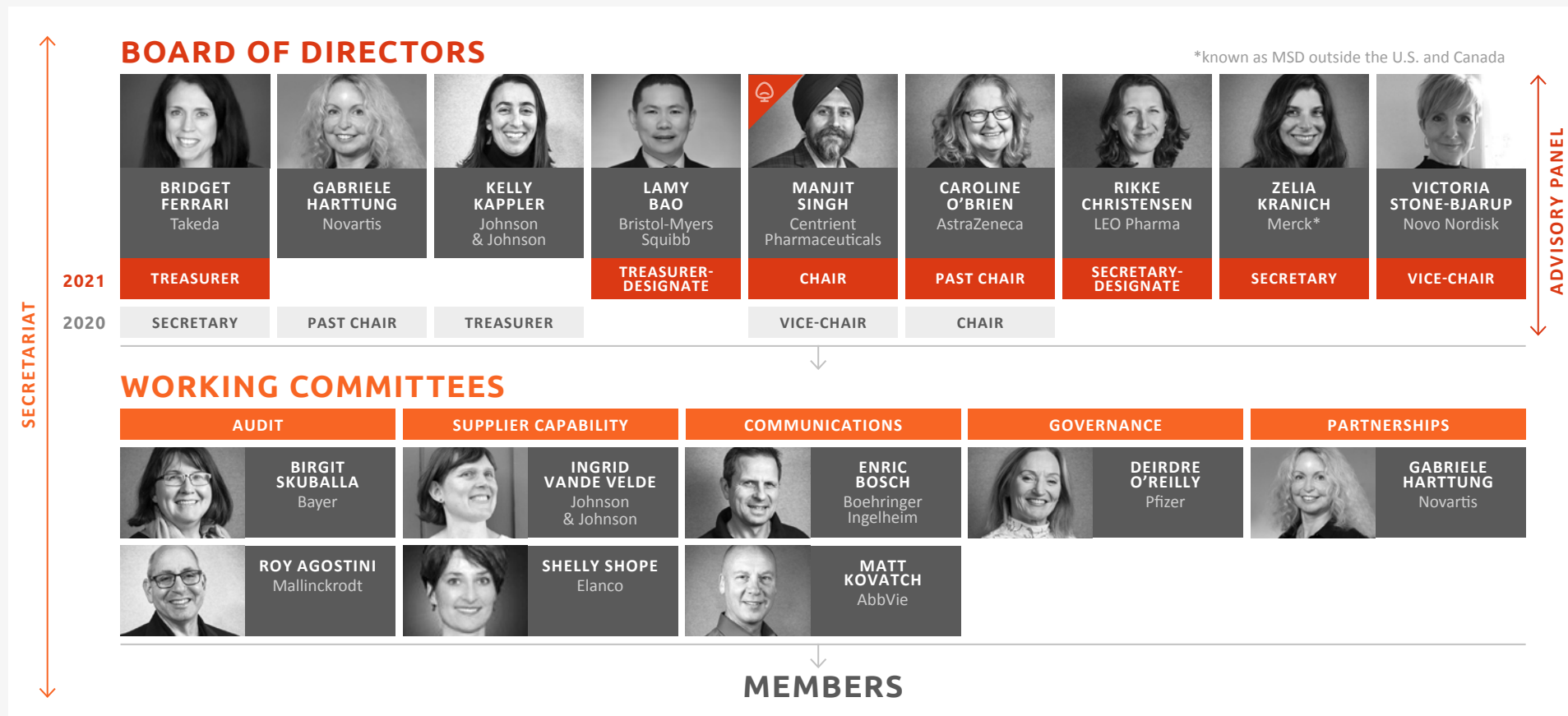
The PSCI is a non-profit organization incorporated in the USA. We are led by an elected Board made up of representatives from our member companies. In 2020, we extended the

Board from five to seven members to include the new positions of Treasurer-designate and Secretary-designate who then move into the Treasurer and Secretary roles in the second year of their tenure. We already adopt this practice with the Vice Chair and Chair, finding that it enhances continuity within the Board.

Our five permanent Committees drive the PSCI's projects forward. The Committees are supported by topic-specific Sub-Teams that bring together members on activities such as Audit Sharing, and specific topics such as Industrial Hygiene or Human Rights and Labor. The PSCI is advised and challenged by an Advisory Panel (page 24) of subject matter and industry experts.

The Board would like to record its thanks to all the members of the Committees and Sub-Teams, especially the individuals who lead them, particularly in the face of the unprecedented challenges presented by the Covid-19 pandemic.

The Board and Committees are supported by a professional Secretariat provided by specialist consultancy Carnstone Partners Ltd.



THE PSCI STRATEGY

2018-2020 ACHIEVEMENTS

At our 2020 AGM, the PSCI formally agreed its new three-year strategy to deliver our dynamic vision for excellence in safety, environmental, and social outcomes for the whole of the global pharmaceutical and healthcare supply chain. As part of the process, we reviewed progress against the previous three-year plan.

KEY ACHIEVEMENTS 2018-2020

- Grew membership from 26 to 45
- 336 audits shared on the PSCI platform, with a huge increase in audits from core manufacturing suppliers
- Introduced Associate membership with 16 members
- Introduced the Advisory Panel
- Published three Annual Reports
- Launched The Link for members and suppliers with 2,000+ users
- Expanded Auditor Training
- More than doubled our supplier Capability Building program
- Created 15 Sub-Teams
- Developed the Member Accountability Survey to track impact
- Established the Partnerships Committee and launched four new partnerships
- Introduced standard due diligence processes for new members
- Updated the PSCI Principles
- Established the peer to peer mentoring program



As one who was part of the creation of the 2018-2020 strategy, I'm very pleased by all that the PSCI has achieved over the last three years, particularly the growth in membership, the number of audits shared on the platform, and invaluable resources we provide to members, suppliers, and all those who play a part in the global pharmaceutical supply chain. Our vision was for excellence in safety, environmental, and social outcomes in the supply chain, and there is clear evidence that we achieved that excellence and will continue to do so.



BIRGIT SKUBALLA
Head of HSE Audit & Supplier Management, Bayer

73%+

MEMBERSHIP GROWTH

336 →

AUDITS SHARED ON THE PSCI PLATFORM

3 ↑

ANNUAL REPORTS PUBLISHED

2,000+

USERS OF THE LINK FOR MEMBERS AND SUPPLIERS

100%+

SUPPLIER CAPABILITY INCREASE

15 ✓

NEW SUB-TEAMS CREATED

THE PSCI STRATEGY

THE PSCI STRATEGY 2021-2023

Our 2021-2023 strategy continues many established themes and adds three new strategic themes of regionalization, training, and innovation. We are clear in our purpose to bring together our members to define, establish, and promote responsible supply chain practices, human rights, environmental sustainability, and responsible business. To support delivery of the strategy, we made some enabling changes to our organizational structure, as mentioned on [page 6](#).

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

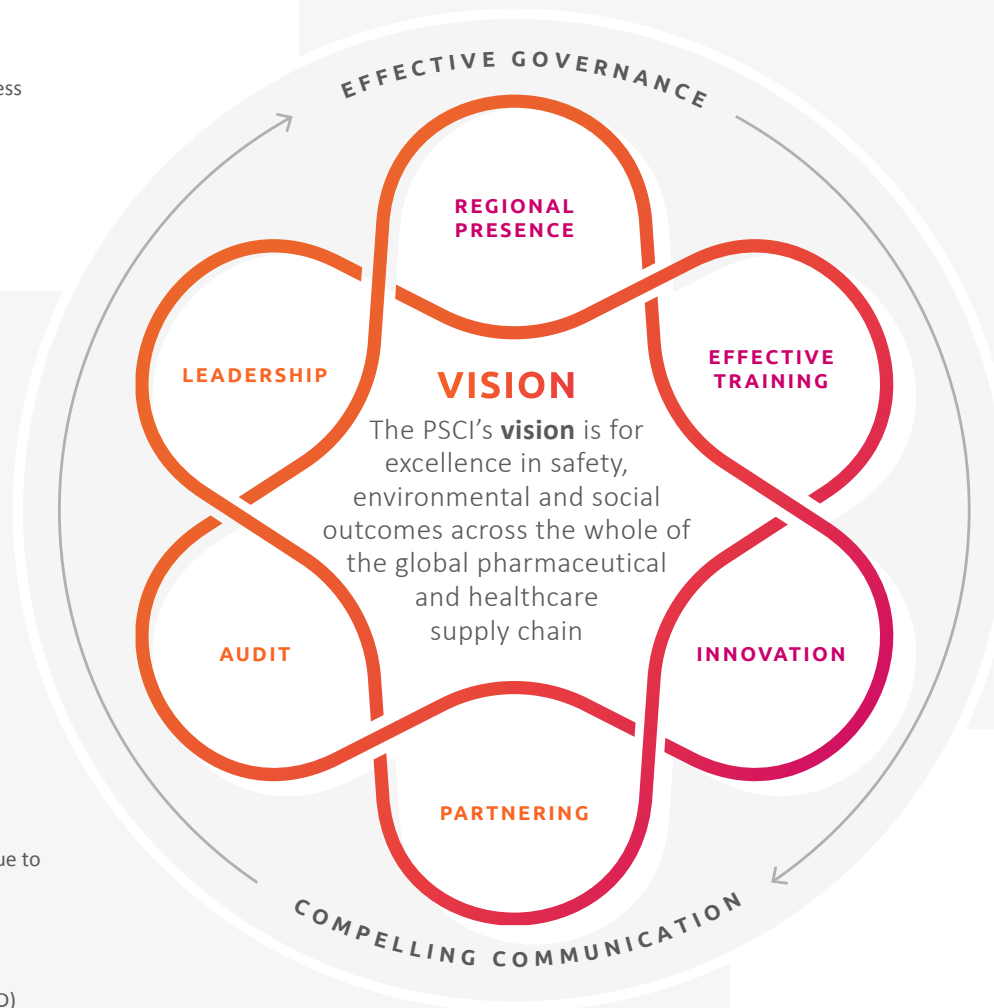
AUDIT

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)

ESTABLISHED STRATEGIC THEMES



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

NEW STRATEGIC THEMES

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

THE PSCI STRATEGY

THE 2021-2023 STRATEGY AT A GLANCE

5 THINGS THAT HAVE STAYED THE SAME

1

The importance of standardized and shared audits.

2

Excellent face-to-face supplier capability development, when circumstances allow.

3

Partnerships and regional presence in China and India.

4

Demonstrating and reporting our impact.

5

Essential underlying work on communications, governance, and partnerships.

5 THINGS THAT HAVE BEEN ADDED

1

Including structured online training to blend with our face-to-face training.

2

Finding ways to run innovation projects involving groups of PSCI members.

3

Growing and expanding The Link for Suppliers to exchange credentials and access our online learning.

4

New regional presence(s).

5

Enabling organizational changes.



I'm delighted to see that the PSCI is maintaining its focus on audit sharing and supplier capability building – both critical elements of the PSCI program. Extensive supplier training and interaction, coaching, and mutual sharing of best practices is – in my view – the single biggest opportunity for the organization to improve environmental health, safety, and social standards in the supply chain and I'm excited to see what the PSCI does next in this area.”



INGRID VANDE VELDE
Senior Manager EHS&S External Supply EMEA - ASPAC, Johnson & Johnson



AUDIT

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

Our Audit Committee works through four Sub-Teams (**SAQ/Audit & Audit Guidance**, **Audit Sharing**, **Auditor Training**, and **Audit Impact**) and 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 enabling and promoting the sharing of audit reports between members.

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.

CONTINUALLY IMPROVING OUR AUDIT RESOURCES

Audit sharing is at the heart of the PSCI’s work and 2020 created challenges and opportunities for our members in terms of their audit programs. Three key resources support the work of the Audit Committee:



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



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



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

We regularly review and refresh these tools as needed and 2020 saw two rounds of updates to the Audit Guidance in April and October. These updates were heavily influenced by the Covid-19 pandemic, and included changes as follows:

- Accommodating revised SAQ and Audit Protocols.
- Definitions of full and partial remote audits.
- Guidance on remote and partly remote audit reporting.
- Recommended practices for suppliers and auditors undertaking remote audits.
- Details on the duration and process activities of a PSCI audit.

AUDIT SHARING

The Audit Committee supports and drives the use of our custom-built online audit 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. So, we are pleased to report improvements in both the relevance of audits shared, and a steadily rising number of audits shared on the platform (see [page 22](#)).

ADAPTING AUDITS IN RESPONSE TO COVID-19

This year we launched a supplier self-initiated audit (SSIA) pilot and also introduced remote audits in addition to the established on-site PSCI Audits.

The **self-initiated audit (SSIA) program** allows 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's 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

In response to travel restrictions caused by the Covid-19 pandemic, many members adopted remote audits. While not the same as on-site audits, members found that they could check documentation, interview site personnel, and even conduct virtual site tours by using suitable technology. The Audit Committee furthermore hosted discussions with members and audit firms to gather their views on conducting remote audits and provided advice and best practice to our wider membership. The Committee agreed that when conducted against the PSCI framework, remote audits could be shared on the PSCI platform.

The PSCI audit program remains a core activity for us now and in the future and we have set ourselves ambitious growth objectives for sharing audits. During the next year we will continue to provide guidance on remote audits and work to increase the use and sharing of PSCI audits online, while offering ongoing auditor training and support.

↑ **15**

REMOTE AUDITS SHARED IN 2020

“Promoting consistency, quality, and innovation in all aspects of supplier evaluation and audit has always been one of the key strategies for the PSCI. In order to overcome site visit limitations during the pandemic, the Audit Committee has summarized best practices and useful suggestions as well as adapted our auditing protocols around remote audits based on our conversations with different members. I'm proud of the turnaround of these updates and the efforts members have put into it. And I'm sure it will come in handy for members.”



ROY AGOSTINI
Director, EHS, Mallinckrodt

WORKING WITH THIRD-PARTY AUDIT FIRMS

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 are pleased to have approved three additional firms in 2020 to perform PSCI audits:

- EHS Excellence (USA)
- Eurofins (India)
- Greenment (China)

VIRTUAL AUDITOR TRAINING

 **4**

DAYS OF TRAINING

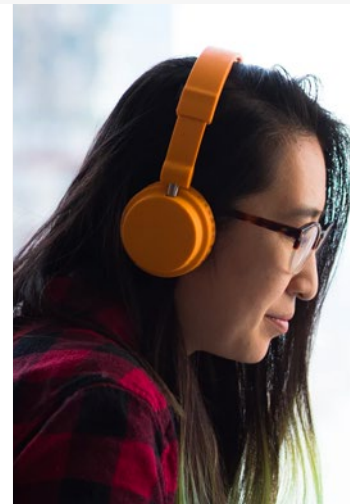
The Audit Committee engages regularly with approved audit firms and this year held our first-ever virtual auditor trainings, with a focus on topics relevant to India. These trainings are free to attend and open to PSCI-approved audit firms, member companies, and their auditors and suppliers. Over four days approximately 250 attendees attended virtual sessions and took exams on the following topics:

- PSCI Audit Updates
- Labor & Human Rights
- Emergency Preparedness and Response
- Process Safety
- Environmental Protection and PiE/AMR
- General Safety, Industrial Hygiene, High-risk work

 **250**

VIRTUAL SESSION ATTENDEES

In 2021, the Audit Committee will launch a more structured approach to engaging with third-party auditors, including updating the application process for firms wishing to become PSCI-approved, and creating an annual engagement process for pre-existing firms. These steps support the Committee's objective to create a community of excellent auditors. The Committee will also develop metrics to measure success against its wider growth objectives.



“Kudos to the PSCI Team for putting up such an interactive session for the Auditors, Suppliers, and other stakeholders... We look forward to many more educational sessions from industry experts... and I can see that PSCI is on the right road to be accepted as a premier global standard.”

VIRTUAL AUDITOR TRAINING ATTENDEE

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 has eight Sub-Teams, themed around the topics in the PSCI Principles. This allows the widest possible range of subject matter experts from within member companies to contribute by creating customized conferences, webinars, and extensive online tools that we offer to suppliers free of charge.

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 objective:

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 Communications Committee).

VIRTUAL SUPPLIER CONFERENCES

We continue to work to raise standards and engagement with suppliers in key sourcing locations. Due to the travel and in-person gathering restrictions imposed by the Covid-19 pandemic, we adapted our in-person supplier trainings to multi-day virtual conferences. Across four days in September and October, these 51 virtual training sessions – reaching over 700 suppliers based in India and China – introduced the PSCI and our Principles, and featured dedicated sessions on Ethics, Human Rights & Labor, Health and Safety, Environment, and Management Systems.

These free events continue to be hugely popular with suppliers, and this year's virtual offering allowed us to more than double our reach, showing their clear value to suppliers looking to develop responsible business practices.

The conferences were led by the PSCI and our members, particularly those on our China and India Sub-Teams, but also included presentations by suppliers and industry experts such as the ILO Global Business Network on Forced Labour.

INDIA

Highlights include:

- Ensuring business continuity in the face of the Covid-19 pandemic, ensuring a healthy and safe workplace for employees
- Insights and updates on the draft "India REACH"
- Tools to develop a culture of safety

CHINA

Highlights include:

- Presentations on chemical analysis and whole effluent toxicity (WET) testing
- An introduction to the EU General Data Protection Regulation (GDPR)
- Supplier case studies on safety and process safety management

51
VIRTUAL TRAINING SESSIONS

700+
SUPPLIER ATTENDEES

MOVING TOWARDS A MASTER CURRICULUM FOR SUPPLIER TRAINING

The Supplier Capability Committee seeks for the PSCI to become a driving force for continuing professional development (CPD) and skills development for suppliers to the pharmaceutical industry. To achieve this goal, the committee created a four-tiered learning model with the ultimate aim of progressively offering a range of materials reflecting the PSCI Principles tailored for different levels of maturity.

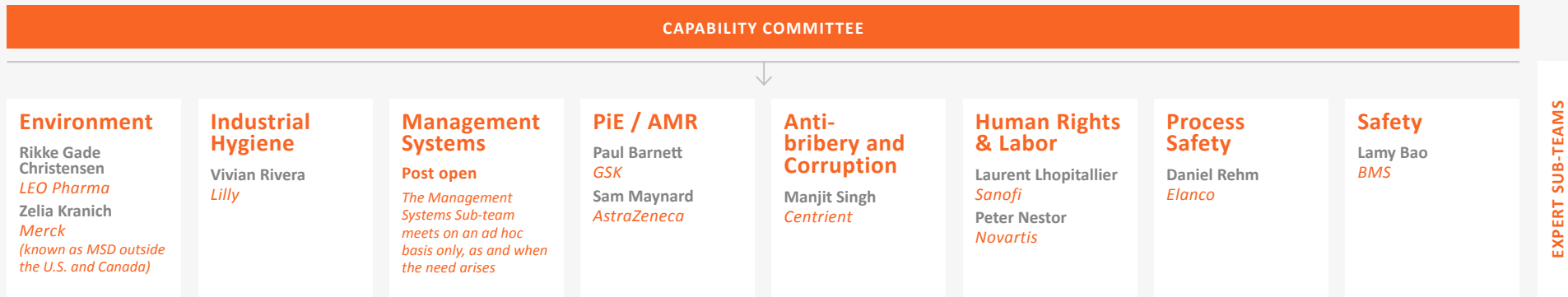
Not only will individuals be able to develop their own capacity, but organizations can also self-assess their status against the PSCI’s framework maturity model launched in 2018.

In 2020, based on the PSCI framework maturity model, the Capability Committee began developing individual maturity models and content plans for each of the topics in the Principles. Six of eight Maturity Models and four content plans have been completed, with two further content plans drafted. Once finished the content plans will be combined to create a master curriculum for learning and development on the PSCI Principles.

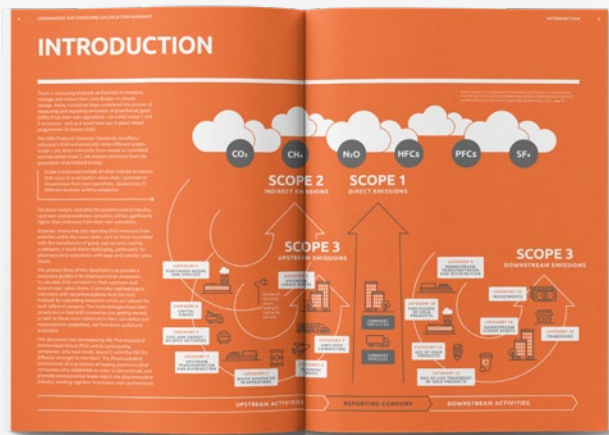
In 2020, 14 **foundational ‘primers’** were created including on pharmaceuticals in the environment, climate change, water, and sustainable packaging. In addition, 10 specialized content webinars were delivered on topics such as wastewater treatment technologies, responsible sourcing of raw materials, and process safety in hazardous reactions.



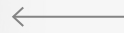
SUPPLYING EXPERTISE



The Supplier Capability Committee oversees eight separate expert groups (Sub-Teams) that offer an unparalleled opportunity for industry experts to collaborate and advance good practices.



For example, this year the Environment Sub-Team worked with the Pharmaceutical Environment Group to publish a guidance for the pharmaceutical industry on calculating Scope 3 emissions.



The Committee also organized and hosted 14 webinars on a range of topics, reaching over 850 viewers in real time.

TOP 5 WEBINARS FOR 2020

- 1** Updates to PSCI Audit Guidance
- 2** PiE/AMR
- 3** Industrial Hygiene
- 4** Using the Ecodesk platform
- 5** Process Safety

The Sub-Teams also collaborate with each other on shared projects. The Environment and Human Rights and Labor Sub-Teams undertook impact assessments to identify the potential human rights and environmental impacts of 14 raw materials important to the pharmaceutical industry.



An organizational change in 2021 will see these Teams providing subject matter expertise to all Committees. Focus will also be given to launching an Environmental Survey to help members calculate Scope 3 emissions within their supply chains.

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 our strategy and to track our impact. It also reviews and validates ways of working, seeking to share and replicate best practice and uncover opportunities to improve.

The Governance Committee has responsibility for the following:

- Delivering our strategy (under delegation from the Board): overseeing our strategic objectives and ensuring real world impact.
- Horizon scanning: benchmarking our work against others' and detecting upcoming legislation and changes.
- Member accountability: holding our members to account against the membership requirements and our shared objectives.

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.

As a result, the Committee launched the Member Engagement Dashboard, a summary of members' engagement available for all members to see and designed to increase transparency and encourage participation. The dashboard records members' level 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 contributions to hosting events. It also demonstrates that members are meeting our core membership expectations as defined above.

The dashboard was released in November 2021 and is updated regularly. 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 trigger dates during the year.



Dashboard shown for illustrative purposes only

MEMBER-LED AND MEMBER-DRIVEN

The PSCI’s work progresses through regular meetings with member participants. We estimate that during 2020, our Board, five Committees, and 15 Sub-Teams came together for approximately 250 meetings plus two major all-member meetings during the year. The Covid-19 pandemic may have changed these meetings from in-person to virtual, but the engagement of our members and their commitment to the PSCI was only reaffirmed.

As part of enabling the PSCI to continue working effectively, the Governance Committee updated the bylaws to allow us to hold a virtual AGM, and to expand the Board from five to seven members to support our new strategy (see [page 8](#)).

THE PSCI ADVISORY PANEL

In 2020, the Advisory Panel played a critical role in the development of the incoming strategy, providing valuable insight to support our ambitious vision for the future. Overall, the Advisory Panel consists of experts from various industries and topic areas who challenge and support the Board, acting as a sounding board and alerting the PSCI to emerging issues and risks. With two additional members joining, the Panel’s expertise in business ethics and anti-microbial resistance has grown and you can hear directly from the Advisory Panel on [page 24](#).

DRIVING IMPACT

A key role of the Governance Committee is to understand and demonstrate the impact of the PSCI’s work within supply chains. We now have a good range of measures to demonstrate our outputs (see [pages 22-23](#)) each year, and continued to invite our members to self-report on the impact of the PSCI in their organizations, and their progress in embedding the Principles across their activities. Responses are framed against our four-step maturity model, allowing members to see where they stand on their journey to becoming a leader in responsible supply chain management, as well as allowing the PSCI to see our role in driving this change across the industry.

In 2020, the Governance Committee took on further responsibilities. The Committee will now take on formal responsibility for evaluating the PSCI’s performance against the 2021-2023 strategy, under delegation from the Board, to ensure we deliver real world impact. It will also include horizon scanning for upcoming legislation or similar initiatives, acting as a “forward radar” for the Board. Finally, it will develop further measures to track impact among suppliers, complementing the member maturity evaluations described above.

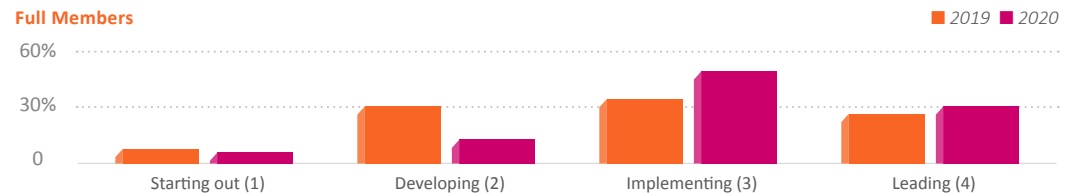
STRATEGY PERFORMANCE

HORIZON SCANNING

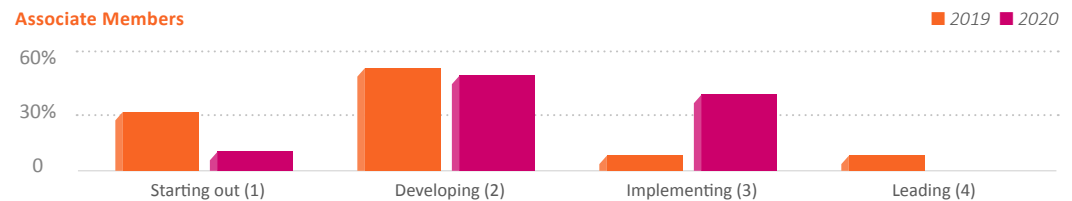
MEMBER ACCOUNTABILITY

Senior leader awareness and engagement in the PSCI

A high proportion of senior leaders in member companies are active advocates for responsible supply chain practices through the PSCI.



Average score in 2019 – 2.81; 2020 – 3.06



Average score in 2019 – 1.92; 2020 – 2.3

1 Starting out: Senior leaders unaware of the PSCI and PSCI Principles not yet integrated into our company’s approach. **2 Developing:** PSCI is influencing our company’s approach to responsible procurement, but senior leaders largely unaware. **3 Implementing:** Senior leaders are aware of the PSCI and how it has influenced our approach to responsible procurement. **4 Leading:** Senior leaders are advocates for PSCI and are actively promoting PSCI Principles across functions.



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 (see right). 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

The Partnerships Committee is the newest Committee within the PSCI, established in 2019 to build external partnerships with organizations that share our vision of excellence across the pharmaceutical and healthcare supply chain.

During 2020 we continued developing our partnerships with key regional organizations in China and launched our first regional partnership in India. These partnerships are supported by two regional Sub-Teams, ensuring that local know how and expertise feeds into the relationships and their projects.

The PSCI enjoys a wide range of partnerships with national, regional, and global organizations that can be categorized into four unique types:



You can see a full list of our current partners on [page 25](#). We regularly review all our of partnerships to ensure a good cross-reference of organizations and partnership types, and fill in the gaps where we see clear opportunities for collaboration. Where new partnerships are identified, the Partnerships Committee supports a light-touch process of approval and set up, ensuring expectations are clear on both sides and the necessary agreements are in place.

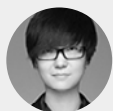
CHINA AND INDIA

A key pillar of our Partnerships Strategy is maintaining and developing collaborations in China and India, two critical supply markets. We are pleased to partner with CPEMA and RDPAC in China, both pharmaceutical trade associations with hundreds of members collectively, and share our knowledge and insights and advice on best practice. CPEMA continues to use our SAQ template to develop its own audit checklist, which had led to the introduction of the PSCI Principles to hundreds of Chinese companies.

In India, we launched our first regional partnership 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. We are in the early stages of engagement and look forward to building our relationship further in 2021.



IPE is delighted to partner with the PSCI on the journey of supporting Chinese suppliers to be more sustainable with our publicly-accessible environmental database. We look forward to continuing working with the PSCI on key environmental issues, from compliance to GHG emissions reductions, and building a more sustainable pharmaceutical supply chain in China. ”



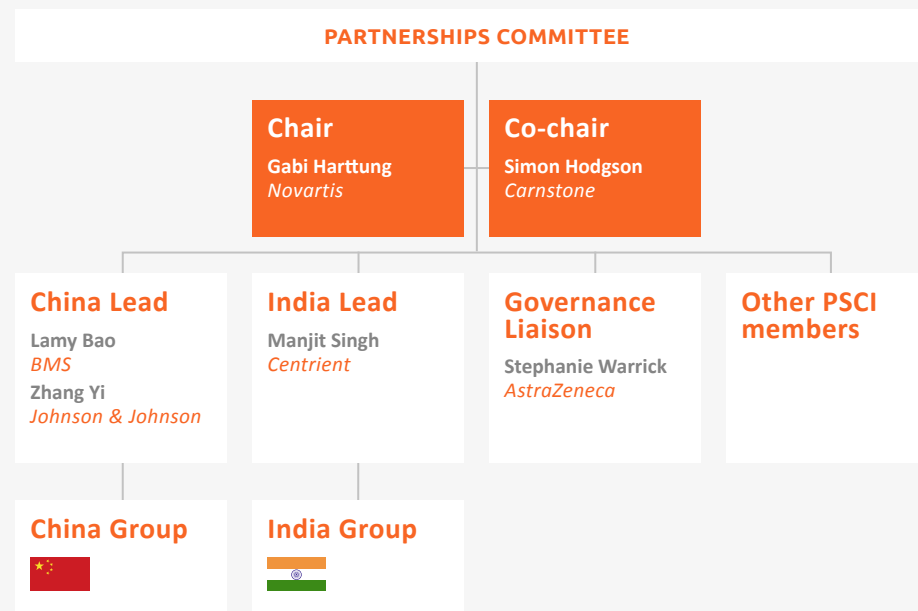
XIN XU
Green Choice Senior Outreach Officer,
Institute of Public and Environmental
Affairs



The PSCI's growing presence at the regional level is crucial in terms of building suppliers' capacity and connecting with local stakeholders to better understand the context and the expectations of our supply chain. ”



LAMY BAO
EHS Associate Director External
Manufacturing, Bristol-Myers Squibb



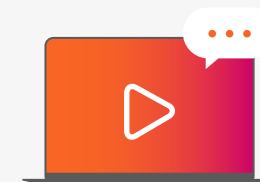
LEVERAGING THE REGIONAL MODEL

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. Here are some of the activities they undertook in 2020:

WEBINARS

China: Webinars in Mandarin on combustible dust and respiratory protection.

India: A webinar on the new Indian Labor Codes and emerging human rights risks.



VIRTUAL SUPPLIER CONFERENCES

Both Sub-Teams played a major role in the delivery of our first-ever virtual Supplier Conferences, which were held online due to travel restrictions imposed by the Covid-19 pandemic. Across four days, these 51 virtual training sessions for suppliers based in India and China introduced the PSCI and our Principles, and featured dedicated sessions on Ethics, Human Rights and Labor, Safety, and Industrial Hygiene. The virtual nature of the conferences combined with the local expertise of Sub-Team members significantly increased our reach to suppliers in both regions compared to previous years.



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. Hyderabad is a global center for pharmaceutical manufacturing, but population and industrial growth have led to serious challenges with water quality in the city’s Musi River and the famous Hussein Sagar Lake. The State Government has embarked upon an ambitious program of clean up and restoration, which the PSCI is pleased to support, encouraging our suppliers in the region to the highest standards of wastewater management. In 2020 we published a position statement and actively promoted our tools and resources to suppliers in the areas. The offer for suppliers to access our free capability building resources specifically around wastewater treatment, including webinars, conference trainings, and calculation tools was accepted by many. We plan to share our progress and the uptake of the resources with the Telangana State Government and others working in the region to support efforts to restore the Musi River back to full health. You can read the full statement [here](#).

The India Sub-Team hopes to contribute to other State-run sustainability initiatives and was pleased to be invited to contribute their thoughts on forthcoming policies related to PiE/AMR to the Indian Government.

PSCI Position Statement on the Revitalisation of the Musi River in Hyderabad, India

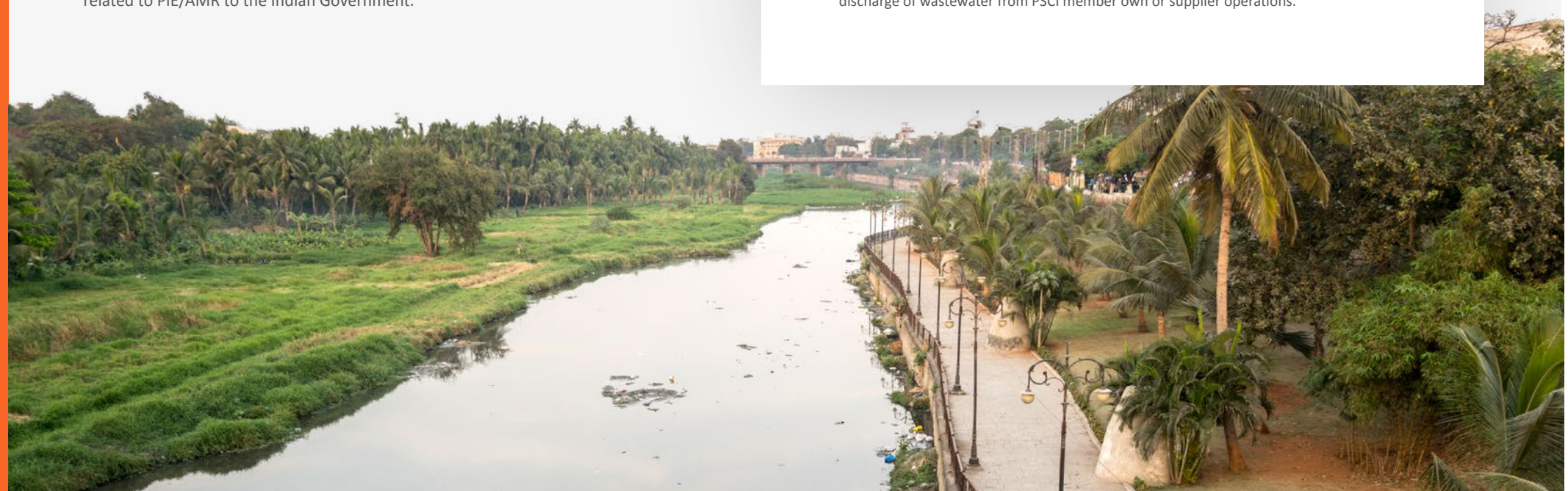
23rd September 2020

The Pharmaceutical Supply Chain Initiative (PSCI) is pleased to support the work of the Telangana State Government to revitalize the Musi River.

The Musi River is a vital water source to the Hyderabad area in Telangana State, Southern India. The world-heritage Hussain Sagar lake, also called the “heart of the world”, flows into the Musi River and used to be enjoyed by locals and tourists alike for its beauty and amenity. Yet, there have been numerous reports of polluted effluents and poor wastewater management practices affecting the Hussein Sagar lake and the Musi River watershed, impacting local communities over a period of many years.

To counter this, the State of Telangana has started an initiative to revitalize the Musi River watershed. The PSCI supports the efforts of the State of Telangana to reduce pollution of the Musi River, specifically in the immediate vicinity of the two drainage canals that flow into Hussain Sagar where a number of PSCI member suppliers’ operations are situated.

There are many aspects to State of Telangana’s Musi River Revitalization Initiative, including better treatment of domestic sewage, improving the amenity of the Musi River banks and controlling pollution from all of Hyderabad’s rapidly growing industries. The PSCI’s specific contribution to this Initiative is to address any pollution of Hussain Sagar caused by the discharge of wastewater from PSCI member own or supplier operations.



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:

- Employees at member companies
- Suppliers
- External partners and collaborators
- Potential member companies

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 coordinating face-to-face and written communications with our stakeholders.

DELIVERING OUR STRATEGY

The Communications Committee supports the following strategic objectives:

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.

EFFECTIVE TRAINING

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

MAKING A STATEMENT

The Communications Committee is the guardian of our external profile and is always seeking opportunities to connect the PSCI with relevant debates and discussions. 2020 signalled a step-change in our approach with the publication of two statements on topics of material importance to our members and the wider pharmaceutical and healthcare industries: Covid-19 and pharmaceuticals in the environment and anti-microbial resistance (PiE/AMR).



Pharmaceuticals in the Environment and Anti-microbial Resistance (PiE/AMR)

Pharmaceuticals in the environment (PiE) are an important issue and the subject of increasing focus by the media, governments, NGOs, and the wider public. In recognition of this growing importance, the PSCI has a dedicated Sub-Team working on the PiE issue. This Sub-Team aims to provide members and suppliers with materials and training to help improve their capability in managing their environmental emissions of pharmaceuticals during manufacturing operations.

This includes a four-part PiE webinar series, an AMR webinar, technical seminars on managing the release of active pharmaceutical ingredients (APIs) in the environment, and a predicted non effect concentration (PNEC) calculator.

The India Sub-Team also led the publication of a statement on our support for the Telangana State Government's efforts to improve water quality in the Musi River basin in Hyderabad, as shared on [page 19](#).



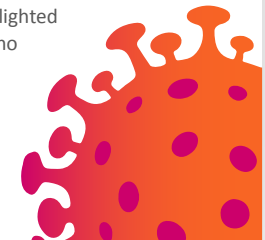
Covid-19

Covid-19 is having profound impacts on billions of people and thousands of businesses, including the members of the PSCI.

Our member companies are at the forefront of the fight against the disease, working to develop tests, treatments and continuing to deliver medicines around the world. At the same time, Covid-19 has challenged the integrity of their supply chains, affected their workforces, and disrupted their practices. They have responded with careful analysis and innovative management.

The PSCI's role during this time is to recognize the new reality, support our members during their response, and at the same time continue with our core mission to build responsible and resilient pharmaceutical supply chains.

Covid-19 demonstrates the importance of transparent, robust, and flexible supply chains. It has highlighted our collective dependence on key workers who are often overlooked in the global economy. In these, and other ways, it validates the importance of the PSCI's mission.





SPREADING THE WORD

We are pleased to enjoy a 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. Here are a few of the ways we engaged in 2020.

- **Festival of Pharma:** The PSCI Chair, Caroline O'Brien, provided the keynote speech on redefining supply chain resiliency; and members of our PiE/AMR Sub-Team presented on an Introduction to PiE/AMR.
- **Quarterly Blog Series:** We published a quarterly blog series on topics such as responsible supply chain management, PiE/AMR, and calculating Scope 3 emissions.
- **CPhI Pharma Awards:** Enric Bosch, Boehringer Ingelheim, acted as a member of the Judging Panel.

We are grateful to members who have advocated for the PSCI across a range of channels and events in 2020, including the following:

- Anti-microbial Industry (AMR) Alliance; by Enric Bosch, Boehringer Ingelheim.
- The Professional Committee on Toxicity Identification and Risk Prevention and Control of Chemical Pollutant Discharge, Shanghai Society of Environmental Sciences; presented by Lamy Bao, BMS (pictured below).



- LiF (the trade association for the research-based pharmaceutical industry in Sweden), Taking Responsibility for the Value Chain; by Charlotte af Klercker, Sobi.
- Financier Worldwide, Business and human rights: a match made in third-party risk management; by Peter Nestor, Gabriele Harttung, and Andrea Orani, Novartis.

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 began a Stakeholder Mapping exercise to ensure we are engaging with the key organizations, companies, and associations across various sectors who share our vision.

Here are few other ways we engaged with stakeholders:

PSCI Des principes 원칙
Principios Prinzipien
सद्धिांतों Principios
I principi 原则 原則

The PSCI Principles are now available in 9 languages.



WeChat: In partnership with the China Sub-Team, we launched a WeChat channel to enable better,

direct communication of our events and resources with stakeholders in China.

LINKING MEMBERS AND SUPPLIERS TOGETHER

The Link is our custom-built platform for members to engage with PSCI activities. In 2020, we launched a parallel version for suppliers in line with our vision of continuously improving the sector's responsible supply chain practices. "The Link for Suppliers" improves our ability to promote events and resources to suppliers in a targeted way, making suppliers aware of the range of tools available, and engage in dialogue that ultimately creates a community of suppliers. It allows suppliers to:



- Connect with the PSCI community of members and suppliers.
- Manage audit permissions through an audit sharing dashboard.
- Develop responsible supply chain management practices with PSCI resources.

We look forward to continuing to update our platforms for members and suppliers to create community and drive best practice.

THE IMPORTANCE OF ANTITRUST COMPLIANCE

In partnership with the Board, the Communications Committee developed a two-minute video to reinforce our approach to respecting competition and antitrust regulations. The video introduces the PSCI Antitrust Policy and key examples of how we can continue to collaborate responsibly and effectively. The video forms part of a set of tools to help ensure compliance with the policy, which is included at Committee meetings as a standing item and supported by an annual commitment exercise made by members.

OUR IMPACT

REACH

| PSCI IN PERSON | 2019 | 2020 |
|---|------|------|
| Conference attendees ¹ | 400+ | 700+ |
| Webinar attendees | 400 | 850 |
| Member meeting attendees ² | 180+ | 230+ |
| Total approved 3rd party audit firms | 12 | 15 |
| 3rd party auditors trained ³ | 40 | 120 |
| Member companies | 40 | 45 |

¹ Our virtual supplier conferences in China and India each welcomed over 350 attendees.
² Both of our main member meetings were held virtually due to the travel restrictions imposed by the Covid-19 pandemic.
³ We held our first-ever virtual Auditor Trainings in 2020, which allowed us to significantly increase the number of auditors trained.

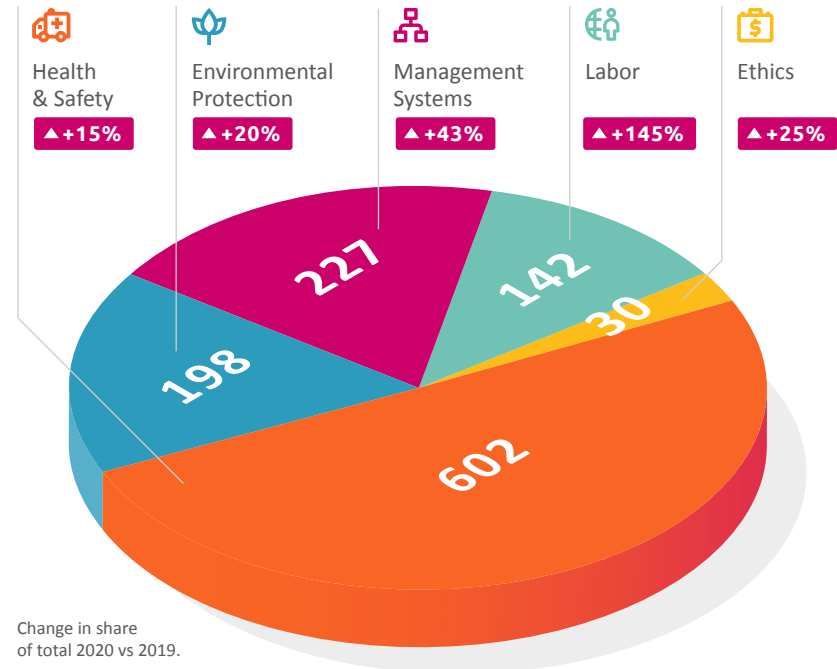
| PSCI ON THE WEB | 2019 | 2020 |
|---|------|------|
| Unique web visitors | 35K+ | 37K+ |
| Followers on social media | 941 | 2K |
| Twitter followers | 201 | 265 |
| LinkedIn followers | 731 | 1149 |
| WeChat followers | - | 592 |
| Top 5 Resources Downloaded from 2018-2020 | | |

- 1 Industrial Hygiene (IH) Introductions Training slides on fundamentals of IH \downarrow 12.3K
- 2 Best Management Practices for Leak and Spill Control \downarrow 8.2K
- 3 Basic Information for OEL PBOEL-HHC IPI and API \downarrow 8.1K
- 4 2017 India Conference Presentation Pack Early Bird Dekra \downarrow 7.4K
- 5 Dust Explosion Data - How to Identify and Communicate the Hazard \downarrow 7.2K

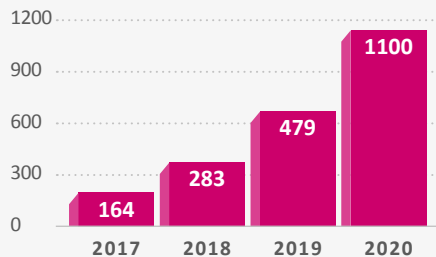
AUDIT SHARING

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

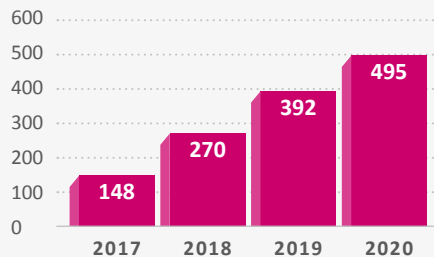
2020 AUDIT FINDINGS



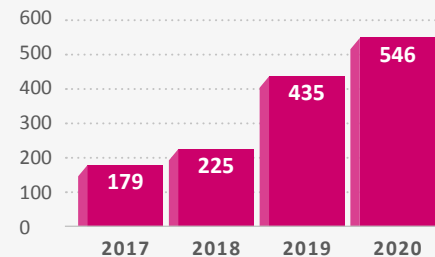
Number of suppliers on PSCI platform



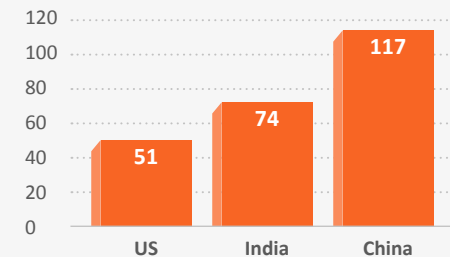
Number of audits on PSCI platform



Number of SAQs on PSCI platform



Principal audit countries



* Note: In previous years we've reported only on the number of stand-alone SAQs on our Audit Platform. Since 2019, we've updated the methodology to better reflect the number of SAQs on the platform, including those which were submitted in tandem with a completed audit report.

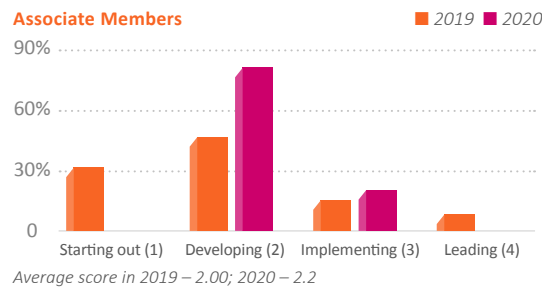
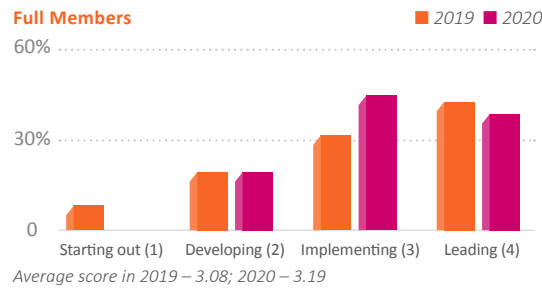
Cumulative number of audits on the platform 2015-2020

OUR IMPACT

For the third 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 28](#).

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

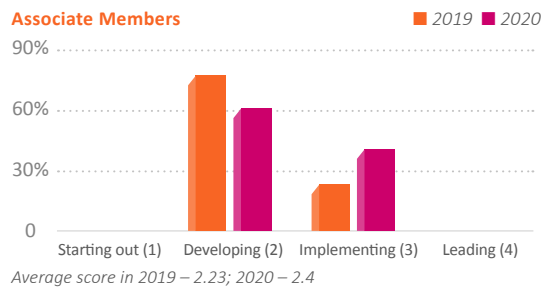
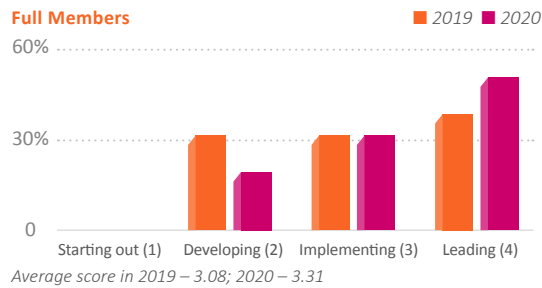
A large proportion of members, particularly Associate members, continue to be fully convinced of the power of a collaborative approach to responsible supply chain management.



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

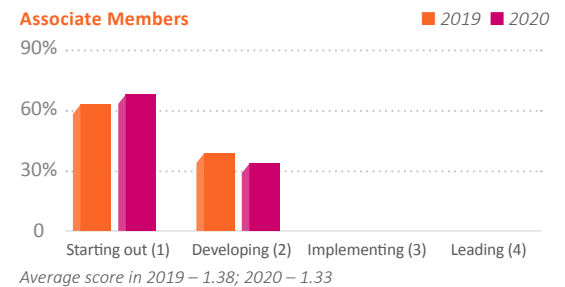
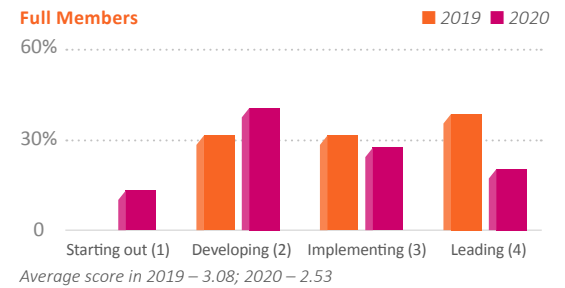
Associate members continue draw on PSCI resources and have reported an increase in their active contribution to the development of these resources.



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

Full members continue to report publicly on their supply chain compliance and commitment 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.

OUR ADVISORY PANEL

Our Advisory Panel challenges our thinking, helps us consider strategic questions, and scans the horizon for future developments. The Panel members played a key role in the development of our 2021-2023 strategy and we are grateful for their input and expertise to help drive the PSCI towards the achievement of our vision. In 2020, we welcomed two new panel members: Klaus Moosmayer, Chief Ethics, Risk and Compliance Officer at Novartis, and Fiona Reynolds, CEO at the Principles for Responsible Investment.



Hillary Amster | The Copper Mark
Director of Assurance and Impact

“Industry collaborations have become a key tool for the business sector to address sustainability issues. Over the years I’ve seen some thrive and others fail, but the PSCI is without doubt in the former category – its longevity and growth are proving its value.”



NEW MEMBER

Fiona Reynolds | CEO
Principles for Responsible Investment

“I’m pleased to join the PSCI Advisory Panel to support the organization on addressing sustainability issues in the global pharmaceutical and healthcare sector.”



Magdalena Kettis | Nordea
Head of Thematic Engagement

“Nordea is pleased to continue its dialogue with the PSCI on the critical issue of pharmaceutical pollution and responsible drug manufacturing. Production of antibiotics for human and animal use continues to contribute to the issue of anti-microbial resistance – one of our major threats to health and wealth. We recognize that the industry has committed to work collaboratively to address this issue and has developed tools to promote good wastewater effluent management throughout the supply chain. The PSCI scaling up its efforts in this area as described in its position statement on PiE/AMR and the collaboration with the Musi River clean-up initiative is commendable.”



Sarah Steingruber | Advisor
Global health and transparency

“The Covid-19 pandemic has made it clear that the work of the PSCI is both timely and necessary. The PSCI’s approach to collective action is a remarkable example of best practice. Its efforts to improve standards across the whole pharmaceutical industry in critical sourcing markets (not only their direct suppliers) can contribute to more reliable and resilient local supply chains and better access to medicines across the globe.”



Gerald Pachoud | Pluto & Associates
Managing Partner

“The PSCI has seen many positive developments in recent years, including a new priority placed on human rights. With an active specialist team delivering training and projects, this organization can have a real impact on this critically important topic.”



Sophie Ogilvy | Transparency International
Business Integrity Programme Director

“I’m happy to continue advising the PSCI as part of the Advisory Panel. The Strategy Review –which I was pleased to be involved in–has set the strategy that this organization needs. I’m particularly excited to see how the organization will develop its regional model and use partnerships to deliver impactful activities in key sourcing markets.”



Rosina Wickert | Johnson & Johnson
VP Janssen Supply Procurement

“It’s excellent to see the PSCI continue its work to improve the environment and lives of workers in the supply chain. Responsible procurement adds value to our companies and the PSCI plays a vital role in helping member companies harness that value.”



NEW MEMBER

Klaus Moosmayer | Novartis
Chief Ethics, Risk and Compliance Officer

“Novartis is proud to be a member of the PSCI and I’m looking forward to helping the organization drive ethical practices throughout the supply chain. We must use our collective leverage to reach deeper and—together—spread good practices beyond the first tier.”

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 17](#).



- 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



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



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



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



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



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



SafeBridge Consultants

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

safebridge.com



DEKRA

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

dekra.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



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 conferences, including Industrial Green Chemistry World (IGCW).

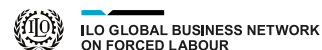
industrialgreenchem.com



China Pharmaceutical Enterprises Association (CPEMA)

The China Pharmaceutical Enterprises Association (CPEMA) 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



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

FINANCIALS

All the financial data on this page is taken from the PSCI financial statements for the years ended 31st December 2018, 2019, and 2020.

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 nonfinancial contributions made by Full Members. Revenues in 2020 were \$810,900, an increase of 11% from the previous year. Expenditure is incurred in the organization and management of the PSCI and on projects and events to promote responsible supply chain practices.

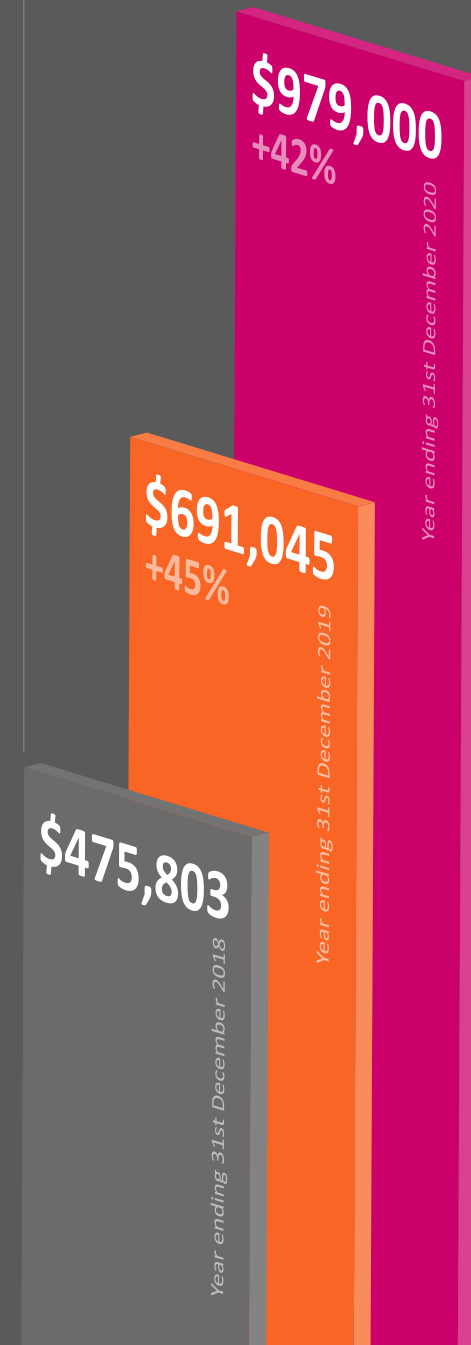
Expenditure in 2020 was \$979,000, an increase of 42% from the previous year. This reflects a significant increase in activity, including expanding the reach of our supplier conferences using a professional virtual event delivery partner, new projects such as the raw materials risk assessment, an anti-bribery and corruption benchmarking project, and the continued professionalization of our communications through the use of external consultants. We also ran one-off activities in response to the Covid-19 pandemic, including developing guidance for members on remote auditing. The difference between revenue and expenditure was supplied from the PSCI reserves, which remain healthy at the end of 2020.

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 PSCI Board comprises five (now 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 Autumn¹. The finances are overseen by the PSCI's Treasurer with support from our independent accountants, BDO.

TOTAL REVENUE FROM MEMBERSHIP FEES



TOTAL OPERATING EXPENSES



¹In 2020, the Spring Meeting and Annual General Meeting were held virtually, in accordance with our updated bylaws, due to the Covid-19 pandemic.

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 or do not have the resources to participate as a Full member due to their size.



DAN WANG (DELIA),

Associate Director, WuXi STA EHS System Leader;
STA Pharmaceutical Co., Ltd (WuXi STA), a
subsidiary of WuXi AppTec

WuXi STA is delighted to join the PSCI in order to exchange ideas, share field observations, and discuss best practices and benchmarking. Our goal is to contribute to industry guidance aimed to ensure safe and healthy workplaces and promote global sustainability and we know we can achieve this through the PSCI. ”

19 Members

2015 19 Full Members

2018 25 Full Members

2020 29 Full Members

34 Members

9 Associate Members

45 Members

16 Associate Members

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THE YEAR AHEAD

IT IS A GREAT HONOR TO CHAIR AN INITIATIVE OF ONE'S PEERS, AND I AM VERY PLEASED TO BE ELECTED TO THE LEADERSHIP OF THE PSCI BOARD.

I am particularly pleased to be the first PSCI Chair based in India. That is a personal milestone, but more importantly a very visible indicator of the global nature of the PSCI, and an acknowledgement of the importance of India and China to the sector's future growth.

Over recent years we have steadily increased our focus on and presence within these two markets. China and India represent 40% of the shared supplier audits on our platform and the PSCI now has a very good track record of running successful events for suppliers in the region. We have developed in-country partnerships to extend our reach, with our partners promoting PSCI content and tools to a much wider group of Chinese and Indian companies. We have established member Sub-Teams in both regions, and in 2020 we were pleased to support the Telangana State Government in their efforts to improve water quality in the Musi River basin in Hyderabad.

All of these activities and more will continue under our new three-year strategy, which explicitly commits us to establishing a strong regional model and governance structures. In doing so, we want to be careful to retain the uniquely global nature of the PSCI with one set of standards and tools applied worldwide. But by amplifying the voice of Indian and Chinese colleagues, we think we can more effectively influence those markets, tailoring our messages and responding quickly to local concerns.

There are other important elements in our new strategy that I look forward to seeing develop during the next three years. One important goal is to extend our range of tools offered to members (and through them, the wider industry), including moving our supplier self-assessment questionnaire online and developing an online tool to collect sustainability data. The shared audit program remains a core activity for us now and in the future and we have set ourselves ambitious growth objectives. During the next year we will continue to accommodate remote audits and work to increase the use and sharing of PSCI audits online.

We have a big vision for excellence in supplier training with a new structured curriculum catering for suppliers at all levels of maturity across all the topics in the PSCI Principles.

We will be blending online and in-person learning and finding ways to measure the progress of suppliers using our new detailed maturity models.

In fact, measuring our impact generally is high on our agenda. As this report shows we have a good handle on our activity (input) and our outputs, but the key question is to understand the change in the industry as a result. Our plans include supplier surveys, member benchmarks, and better data analytics from our online community platform, The Link.

We very much welcome partnership in the pursuit of our goals, and I would like to express thanks to all our Partners listed on [page 25](#). Growing our network of relationships will be another feature of the next three years.

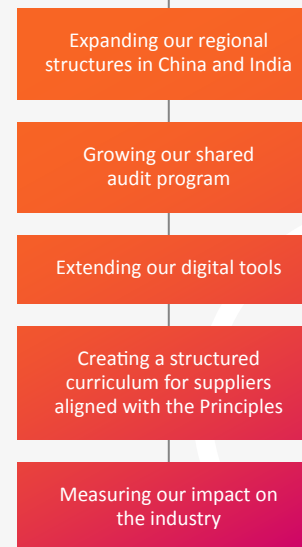
The vision at the heart of our new strategy is for excellence in safety, environmental, and social outcomes across the whole supply chain. We invite you to join us in making that a reality.

MANJIT SINGH

2021 PSCI CHAIR

Associate Director of Corporate Sustainability, Centrient Pharmaceuticals

ROADMAP



2021



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Start the journey to a more sustainable future

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 @PSCIinitiative

 PSCI

 [Subscribe to our newsletter](#)

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Carnstone Partners Ltd is an independent consultancy specializing in corporate responsibility and sustainability with a long track record in running industry groups.

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