



National Pharmacies

MODERN SLAVERY STATEMENT 2022

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MODERN SLAVERY STATEMENT

This Modern Slavery Statement (Statement) has been developed to ensure compliance with the Commonwealth Modern Slavery Act 2018 (the Act) which came into force in 2019. The Act requires FSMA to provide a statement identifying the actions taken to ensure Modern Slavery is not taking place in its operations or supply chains during the reporting period. This is FSMA’s third Statement.

This Modern Slavery Statement addresses the reporting required under the Act using valuable input from a wide range of internal stakeholders and suppliers.

This Statement covers:

Friendly Society Medical Association Limited (FSMA), trading as National Pharmacies, and its wholly owned subsidiary National Pharmacies Australia Pty Ltd (FSMA Group).

National Pharmacies Australia Pty Ltd is a dormant company which holds a wholesale dealers licence, which is not used, and has minimal financial transactions.

As a part of FSMA’s overall commitment to supporting human rights around the world, it stands against all forms of Modern Slavery and will work to ensure Modern Slavery will not find a foothold in its supply chains and business operations.

Throughout this Statement, the reference to “Modern Slavery” includes slavery, servitude, forced or compulsory labor, and human trafficking. In addition, the reference to “extended workforce suppliers” and “extended workforce,” includes suppliers and supplier employees.



Our Business Structure and Operations

FSMA is a public company mutual organisation which, together with its controlled entity National Pharmacies Australia Pty Ltd carries on business in Australia in providing Retail Community Pharmacy services, as a Community Service Obligation (CSO) Distributor and as an Optical Dispenser. FSMA has approximately 835 employees across Australia.

In summary FSMA's operations are as follows:

- FSMA operates 45 community pharmacies across Australia in South Australia, Victoria and New South Wales.
- FSMA's CSO Distributor operations involve the distribution of Pharmaceutical Benefits Scheme (PBS) Medicines to community pharmacies in South Australia and Victoria in accordance with the Commonwealth Government CSO funding pool arrangements. FSMA's CSO Distributor operations are based in Hendon in South Australia.
- FSMA provides optical dispensary services to the public in conjunction with its community pharmacy operations. It currently provides optical dispensary services from 20 premises across South Australia.
- 2021-22 saw another year of disruption through COVID-19 which made FSMA's commitment and focus on human rights issues, including Modern Slavery risks, even more important. As in 2020-21, FSMA Group continued to work with its partners and suppliers to take steps to identify and address the risks of Modern Slavery in its operations and supply chain.

Our year in a snapshot

Business highlights 2021/22



In 2022 FSMA has updated its brand to align with the organisation's new Purpose, Vision, Mission and Values while maintaining its heritage.

Our Purpose
Caring for People.
Enabling Health.
Inspiring Wellness.

Our Vision
To be the destination of choice for professional and innovative health and wellness solutions.

Our Mission
We will nurture trusted relationships, provide an unrivalled customer experience and make sustainable choices.

OUR VALUES

Commitment to excellence through our values:

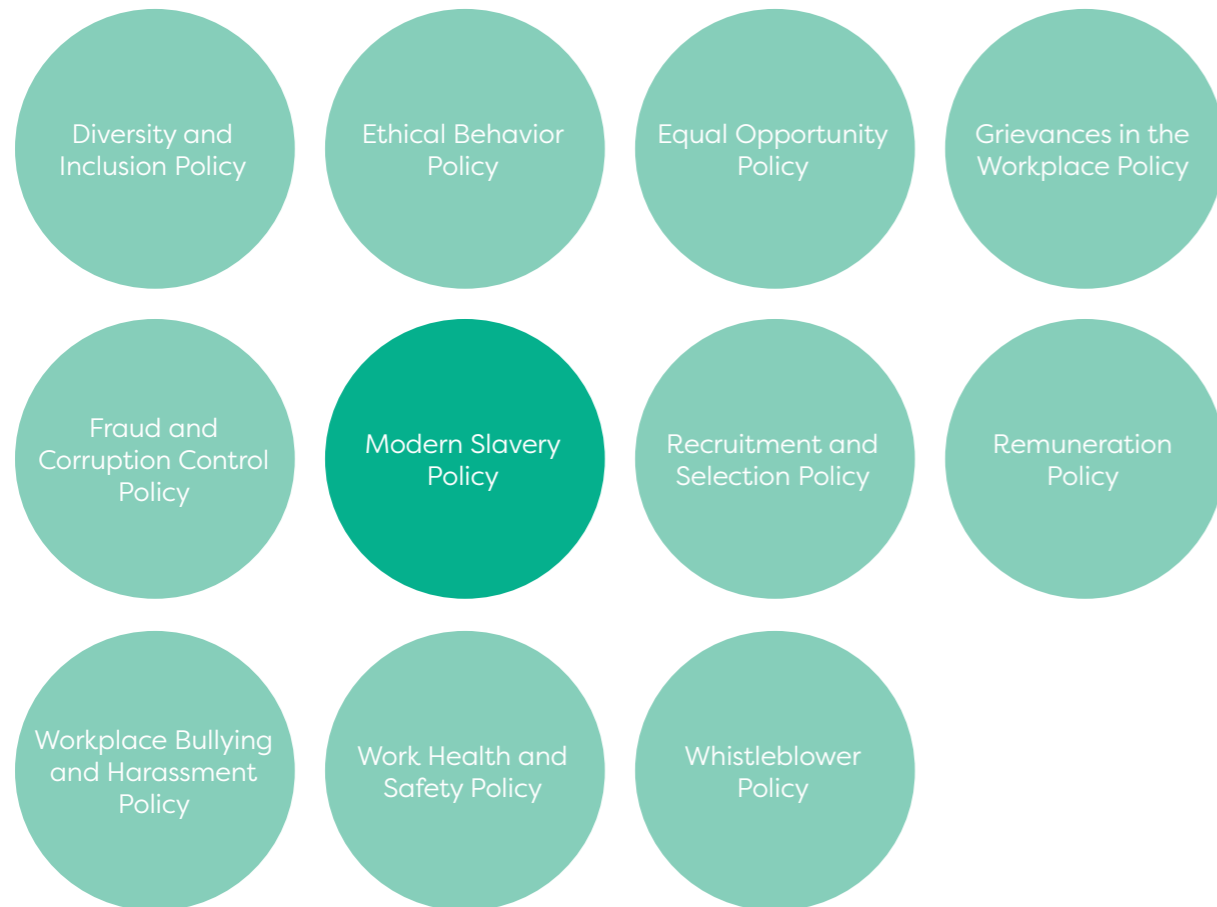


Our Governance

The FSMA Board is responsible for overseeing the performance and operations of the FSMA group, sets the values and governance framework and monitor's FSMA's culture and compliance with its code of conduct.

The Board is assisted by two Board committees and the Executive Leadership Team in discharging its responsibilities.

FSMA promotes a supportive safe culture of honest and ethical behavior, employee wellbeing and corporate compliance and good corporate governance. FSMA has the following internal policies in place which address the below principles:



Our People

Most of FSMA's people are employed directly and on permanent contracts and are covered by Awards and Agreements. This lowers Modern Slavery risks within its direct team. Therefore, operational risk assessments are focused on the areas of the business that use contracted or third-party labour providers. As there is less direct visibility and control over these workers and their employment terms, these suppliers continue to be monitored.

2022 Highlights

Implementation of Modern Slavery Compliance Platform

A purpose-built fully automated platform has been implemented to efficiently assess Modern Slavery risks presented by suppliers on a recurring basis. The assessment templates included a risk scoring framework.

Supplier Risk Assessment Process

The Modern Slavery risk assessments were sent to all tier one suppliers and other selected suppliers from key areas of the business.

Risk Ratings

The responses from each supplier were analysed and the suppliers were categorised into High Risk, Medium Risk and Low Risk suppliers.

Issues and Remediation

The analysis identified Modern Slavery related issues and gaps in the supply chain and action plans were created to remediate the issues.

Where a supplier did not return the questionnaire, several follow up actions were taken including:

- email reminder notifications
- supplier business meetings where Modern Slavery activities were presented
- review of suppliers' Modern Slavery Statements that had been submitted to the Australian Border Force website

Modern Slavery Assessment Details

FSMA continually assesses Modern Slavery risk in its supply chains. In 2022, it extended supplier risk assessments by completing a supply chain Modern Slavery risk assessment that included components specific to Modern Slavery.

The assessment processes involve review and analysis to identify higher-risk areas of FSMA's business based on external reports and standards, country and sector risk profiles, and input from experts in this area. In addition, to assess supplier-specific risk, the industry, work type, geography, and supplier reputation, among other factors, are also considered.

As a result of FSMA's 2022 supply chain risk assessments, it worked with individual business units within FSMA and its entities to address identified risks and establish appropriate risk mitigation controls.

FSMA continued its work in other higher-risk areas of its supply chain based on previous risk assessments.

The ongoing supplier risk assessment tool was further expanded and adjusted to capture unique risks in the extended workforce supplier base.

Assessment Analysis

As part of the assessment process, suppliers complete a self-assessment questionnaire about their working conditions, their supply chain details, their policies and management systems. The process also includes supplier background checks and an examination of labour-related issues that appear in publicly available data bases.

Issues and Remediation Detail

All issues that are identified are documented and reviewed. Extensive and documented follow ups are conducted to address these issues and the issues are monitored on a regular

basis till closure. In certain cases, the decision may be made to no longer pursue a relationship or to terminate the current relationship with a supplier.

All issues identified during the 2022 assessment cycle have either been closed or have an identified remediation action plan.

Issue Details

As part of FSMA's supply chain assessment one supplier indicated they were aware of Modern Slavery within their supply chain. After consultation with the supplier, FSMA is satisfied that they have an extensive remediation program in place including education, policies, conducting 232 external Human Rights Audits (SMETA 4 pillar) and ensuring compliance by the supplier with their human rights policies.



ISSUES IDENTIFIED	ISSUES CLOSED	PLANNED REMEDIATION
1	1	1



Assessing the Effectiveness of Actions Taken to Address Modern Slavery Risks

The implementation of a purpose built fully automated platform has significantly improved the effectiveness of reviewing, identifying, and addressing Modern Day Slavery within FSMA's supply chains although it is acknowledged that best practice in identifying, monitoring, and addressing Modern Slavery is a matter that will continue to evolve.

FSMA remains committed to developing its standards and processes to operate in line with best practice.

FSMA is confident that the initial measures it has implemented have served as a foundation to raise the awareness in the business to the risk of Modern Slavery.

Future Commitments

FSMA will continue to build on the initial initiatives that it has implemented over the coming year.

- This will include expanding its Modern Slavery Committee to review its supply chain in relation to suppliers and contracts of its various services across the business.
- The implementation of a new contractor management system incorporating Modern Slavery Assessment prior to onboarding.
- FSMA will continue to raise awareness around Modern Slavery with its suppliers through the annual supplier and awards event. Supplier Awards will include compliance to Modern Day Slavery and completion of any associated surveys.

Approval of this Statement

This Statement has been approved by the Board of FSMA on 12 December 2022 and is hereby signed by the Chairman of the Board.

Pauline Carr
FSMA Chairman

Additional Information

[CODE OF CONDUCT](#)

[ANNUAL REPORT 2022](#)

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