

Impact with purpose

Our environmental, social and
governance commitments

An aerial photograph of a dense, lush green forest. The image is framed by teal-colored geometric shapes: a large triangle in the top right corner and a smaller triangle in the bottom left corner. The text "An organisation with purpose" is centered in the middle of the image in a white, bold, sans-serif font.

An organisation with purpose

Introduction



PAULINE CARR
CHAIRMAN



VITO BORRELLO
CHIEF EXECUTIVE OFFICER

At National Pharmacies, we are all about people. From the communities we share, to the people we employ; we stand by our purpose, and our purpose drives our decision making.

Caring for People.

Enabling Health.

Inspiring Wellness.

As a mutual organisation, we are focussed on positive health outcomes for our members (the owners of our organisation) and our customers.

The community spirit of National Pharmacies is our enduring strength. It is what sets us apart from our competitors.

Why have we developed Environmental, Social and Governance (ESG) commitments?

As a community-focussed organisation, we have a responsibility to ensure that we consider our impact. Our size and influence in the industry that we operate, means that we can lead by example.

Setting ESG commitments will help us to constantly improve the way that we work, and find better, more impactful ways of supporting our people and the communities we belong to.

How have our ESG commitments been developed?

We have set ourselves ambitious goals which we feel are aligned with our Purpose. They will require change in the way that we think and operate but will provide us with long-term direction for our choices and actions.

We will measure our success against these commitments regularly and will be transparent in reporting our progress. Importantly, we will consider how we can engage with our almost 850 team members to help us continue on our journey of being purpose-led in everything that we do.

Our Purpose, Vision and Mission

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:



Care



Communicate



Collaborate



Celebrate

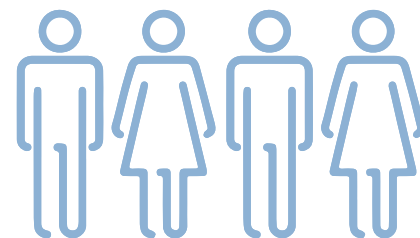
Our ESG commitments – a snapshot

Stream	Current initiatives	Potential future initiatives
People 	Entrenching our Purpose Women in leadership Minimising Lost Time Injuries (LTIs) Aboriginal Pharmacy Student Community Pharmacy Scholarship program Community Pharmacy Regional Placement Scholarship program	Diversity and Inclusion strategy
Planet 	PharmaCycle soft plastics recycling Plastic bag elimination Environmental initiatives	Sustainable energy (carbon evaluation) Paperless workplaces Partnering with green organisations
Giving Back 	KickStart for Kids National Pharmacies Christmas Pageant sponsorship Member benefits Local community group support Free glasses for members kids Automated External Defibrillators for community use	Team member volunteering program
Governance 	Ethical decision making guided by our Purpose Community Service Obligation through National Pharmacies wholesale Audit and risk framework Modern Slavery Return of Unwanted Medicines Program (RUM)	Product range aligned with Purpose



We will continue to support and promote gender equality practices across all of our processes.

People



Entrenching our Purpose	<p>We continue to work with our team members to identify opportunities to embed our Purpose, supported by our Values, in everything we do.</p> <p>We will shortly launch a new Values-driven recognition and reward program and will review our performance appraisal process to ensure our Purpose has been embedded.</p>
Women in leadership	<p>We currently have 58% females in management roles.</p> <p>We will continue to support and promote gender equality practices across all of our processes.</p>
Minimising Lost Time Injuries (LTIs)	<p>As a health destination, we are acutely aware of the impact that injuries can have on our team members.</p> <p>Our Lost Time Injury Frequency rate (as at December 2022) is 1.92.</p> <p>We will continue to mature our proactive safety reporting and identify opportunities to minimise impacts to our team members.</p>
Aboriginal Pharmacy Student Community Pharmacy Scholarship program	<p>We have recently announced a partnership with the University of South Australia, to offer a scholarship to an Aboriginal Pharmacy student.</p> <p>We will offer scholarship funding to a successful candidate, every year, to support tertiary studies in the Pharmacy course.</p>
Community Pharmacy Regional Placement Scholarship program	<p>We have recently announced a partnership with the University of South Australia, to support a regional Pharmacy student with a funded scholarship.</p> <p>We will offer scholarship funding to a successful candidate, every year, to support tertiary studies in the Pharmacy course.</p>
Diversity and Inclusion strategy	<p>We are committed to working with our team members to develop and commence implementation of a Diversity and Inclusion strategy.</p> <p>This activity has been built into our People Plan and will be delivered in mid-2023.</p>

Planet



PharmaCycle soft plastics recycling

We have recently introduced a partnership with PharmaCycle in a number of our stores.

A recycling program of medicinal blister packs is currently under trial with planned future expansion to incorporate a wider set of services and material streams.

Plastic bag elimination

In June 2021 we introduced a move to paper carry bags in our stores, effectively eliminating single-use plastic from our business.

This initiative was suggested by one of our team members, via our innovation program, the Ideas Hub.

Environmental initiatives

We have installed LED lighting in many of our stores, significantly lowering our carbon footprint.

We have installed solar panels at a number of key locations within the network.

Sustainable energy (carbon evaluation)

We are committed to understanding our impact on the environment, through our fleet of stores and vehicles.

We will commence a review of our carbon footprint across the business, to better understand where we can minimise our environmental impact.

Paperless workplaces

We will commence a review of our ways of working, with the aim of minimising or eliminating the use of paper wherever possible.

A majority of our stores (where space enables) have a paper and cardboard recycling program in place.

Partnering with green organisations

In conjunction with understanding our carbon footprint, we will investigate opportunities to partner with organisations who share our purpose-driven approach.

This will be supported by our ethical decision making commitment.



A recycling program of medicinal blister packs is currently under trial with planned future expansion to incorporate a wider set of services and material streams.



Since 2011 we have raised over \$500,000 for Kickstart for Kids in the support of breakfast provision for disadvantaged children.

Giving Back



KickStart for Kids

Since 2011 we have been a foundation partner of KickStart for Kids, having raised over \$500,000 during the eleven-year partnership, in the support of breakfast provision for disadvantaged children.

In 2021 we introduced in-store collections for the Period Poverty project.

During the last 12 months, we have collected and donated over \$31,000 through bottled water sales.

In 2023, we will provide opportunities for team members to volunteer their time to support the program directly.

National Pharmacies Christmas Pageant sponsorship

Since 2018, we have been the naming-rights sponsor of the National Pharmacies Christmas Pageant, one of the largest and most iconic events of its nature in the Southern Hemisphere.

We have proudly re-signed as sponsor for 10 years, taking the pageant through to 100 years of ongoing operation.

Member benefits

As a not-for-profit, member focussed organisation, we invest all profits into our member offer.

Our members (through membership payments) contribute around \$7 million per year.

In return our members receive around \$30 million per year in the form of benefits, savings and new and improved health services.

Local community group support

We support a large number of local community groups, with around \$50,000 per year (\$1,000 per store) provided to local organisations.

Particular emphasis is given to regional communities, with store leaders able to identify community groups who they wish to support.

For every \$41 of sales in our stores, \$5 goes back to sponsorship of local, regional and major initiatives.

Free glasses for members kids

We offer free glasses for all members' kids (under 12 years).

Over 1800 pairs of glasses have been provided since the program commenced in 2019 and over 3000 children eye tests conducted so far.

Automated External Defibrillators (AEDs) for community use

We have recently announced a partnership with Heart of the Nation, an organisation focussed on the provision of AEDs in the community.

A number of our sites have been identified to have an AED installed, with installation currently underway. Additional sites will be included in 2023.

Team member volunteering program

We are committed to investigating options for our team members to volunteer through charitable and partner organisations, as part of our broader Wellbeing Strategy.

Governance



Ethical decision making guided by our Purpose

We have committed to ensuring that our Purpose drives our decision making, across all aspects of the business. This includes people, product, practice, and community considerations.

In addition, our Purpose will inform future decisions around ethical investments.

Community Service Obligation through National Pharmacies wholesale

We are committed to ensuring equitable access to essential medicines, listed on the Pharmaceutical Benefits Scheme, as part of our CSO obligations (particularly in regional areas).

Audit and risk framework

We have a robust internal Policy and Procedure framework in place, across all aspects of the operation.

A Risk Register and Risk Appetite Statement are in place, with the Board and Executive Leadership Team meeting to consider and identify emerging risks every month.

Audit and Risk Committee activities are defined, with external auditors engaged to review financial statements at the end of each financial year.

Internal audit activity is scheduled on an annual basis.

Modern Slavery

We operate in compliance with Modern Slavery legislation and associated reporting, across our supply chain.

Product range aligned with Purpose

We are committed to commencing a review of our product range, to ensure that it aligns with our Purpose.

The review, along with our approach to ethical decision making, will help us to identify opportunities to better align our range.





Return of Unwanted Medicines Program (RUM)

The RUM program enables customers to return unwanted or out of date medicines. This helps to avoid accidental poisoning, medication misuse, and toxic releases to the environment.



We are committed to ensuring equitable access to essential medicines, listed on the Pharmaceutical Benefits Scheme.

Measuring success

Stream	Initiative	Success Measure
People 	Entrenching our Purpose	Recognition program launched Purpose embedded in performance cycle
	Women in leadership	Gender equality embedded in all people processes
	Minimising Lost Time Injuries (LTIs)	Proactive hazard identification and safety reporting in place
	Aboriginal Pharmacy Student Community Pharmacy Scholarship program	Scholarship program launched
	Community Pharmacy Regional Placement Scholarship program	Scholarship program launched
Planet 	PharmaCycle soft plastics recycling	Scheme embedded in all sites
	Plastic bag elimination	Single-use plastic eliminated from operations
	Environmental initiatives	Year-on-year reduction in carbon emissions
Giving Back 	KickStart for Kids	Ongoing sponsorship in place
	National Pharmacies Christmas Pageant sponsorship	Ongoing sponsorship in place
	Member benefits	Increase in membership numbers and benefits returned to members
	Local community group support	Ongoing sponsorship in place
	Free glasses for members kids	Ongoing uptake of offer
	Automated External Defibrillators for community use	AED roll-out completed
Governance 	Ethical decision making guided by our Purpose	Purpose embedded in all initiatives
	ESG obligations	Transparent reporting against our ESG commitments
	Policy and Procedure framework	Cyclical review of all internal Policies and Procedures (maximum two years)
	Meeting governance	Executive and Board meeting schedule met each year



We will measure our success against these commitments and will be transparent in reporting our progress.

Friendly Society Medical Association Limited

ABN 69 088 347 602

Registered Office

52 Gawler Place Adelaide SA 5000
PO Box 3640 Rundle Mall SA 5000

✉ membersupport@nationalpharmacies.com.au

🔍 www.nationalpharmacies.com.au

