

2023 Modern Slavery and Human Trafficking Statement

Introduction

As a global corporate citizen, Walgreens Boots Alliance (WBA) recognizes its responsibility to address and mitigate the risk of modern slavery and human trafficking in its operations and supply chains. This statement sets out our commitment to eradicating these abhorrent practices and describes the actions we have taken through the end of our fiscal year, August 31, 2023.

Structure, Business and Supply Chains

A description of WBA's structure, values, divisions and product brands can be found in our Annual Report and in our annual Environmental, Social and Governance (ESG) Report, both on our [website](#). ESG is embedded in our drive to operate both a sustainable and profitable enterprise and is at the core of our everyday work. Our ESG Committee, chaired by Chief Operating Officer, International, Ornella Barra, reports to the WBA Board of Directors' Nominating and Governance Committee. The ESG Committee meets regularly to review our ESG program, policy statements and progress toward achieving our 12 ESG commitments, including our commitment to drive responsible sourcing practices throughout our supply chain, protecting human rights and engaging with suppliers around ethical and environmental issues.

WBA's permanent working group on modern slavery reports to the ESG Committee and is tasked with driving ongoing improvements and a consistent approach to the issue. The group is made up of representatives from across our businesses and led by a senior leader. We recognize that the goal to eliminate modern slavery can be achieved only through long-term partnership and collaboration between businesses, nonprofit groups and governments. We are proud of our membership in organizations such as United Nations Global Compact, the Sustainable Procurement Pledge and the Palm Oil Transparency Coalition that work toward this common goal.

Policies

This statement meets the requirements of the UK Modern Slavery Act 2015 and the California Transparency in Supply Chains Act of 2010.

The WBA [Code of Conduct and Business Ethics](#) available on the Governance section of our website, provides the foundational standards for all aspects of our business and applies to all of our employees and operations globally.

The Code makes clear our commitment that: "(we) will also strive to ensure that slavery and

human trafficking is not taking place within any of our supply chain business partners and will not tolerate such activities either within the supply chain or within any part of WBA's business." The Code further sets forth the responsibility of every employee to help ensure all of WBA's global activities meet our high standards for behavior and business ethics, and establishes accountability for compliance with law and policy.

These issues are also addressed in our [Human Rights Policy Statement](#) and in our [Supplier Code of Conduct](#), which are published on our corporate website and which state our opposition to the exploitation of workers through any form of forced or bonded labor, slavery, human trafficking or other labor practices that involve harsh or inhumane treatment.

With regard to our own labor practices, the WBA [Code of Conduct and Ethics](#) and our corporate values of trust and inclusion set forth our standards for a diverse and inclusive workplace that provides a safe and healthy environment and that complies with or exceeds local law. The WBA Global Human Resources Policy requires an effective program be in place to help address the reporting, investigation, and disposition of any potential modern slavery claims within our own business while also ensuring compliance with labor laws involving migrant and foreign national workers.

As we are a global company with businesses in many countries, local policies may provide additional guidance and detail on these issues. However, any local policies must meet or exceed the standards required by WBA.

Regarding potential violations or concerns within our supply chains or our own workforce, our Code of Conduct and Business Ethics provides confidential reporting helplines managed by external service providers that can be used to report any concerns. These contact points are available 24 hours a day, seven days a week and in several languages. Any reports are thoroughly investigated.

Supply Chain Due Diligence

As described above, WBA's permanent working group on modern slavery considers more fully our company's risk of exposure to these practices and risk mitigation activities and oversees an ongoing action plan targeting the highest risk operations through a phased approach.

WBA works with multiple service providers to facilitate risk and compliance due diligence reviews of business partners globally. These reviews may include active monitoring for adverse media regarding modern slavery and other issues.

Our commitment to eliminating modern slavery starts with focusing intensely on our owned brands supply chain where we source from over 1500 approved supplier sites in more than 40 different countries as we believe this is where we can have the greatest impact. This includes maintaining and continually assessing and enhancing our well-established program of supplier assessment, which is delivered through our own ethical trading auditors or a small number of pre-approved third-party assessment bodies. Our ethical trading experts

across the globe meet on a regular basis to ensure the program remains effective and drives best practices throughout our supply chain.

The assessment program, developed over 10 years, helps ensure our owned brand suppliers are fully aware of our standards and expectations. This is achieved through a rigorous onboarding process which includes supplier manuals mandating suppliers to comply with applicable sourcing requirements throughout their supply chain (from raw materials to final production), contractual provisions that require our suppliers to follow applicable policies, including the supplier manuals, technical agreements, and mandatory ethical compliance assessments. Our onboarding process is supported by a supplier training webinar designed to explain our ethical standards and assessment requirements, share opportunities for suppliers to improve social and environmental compliance, and provide a forum for suppliers to raise questions. Supplier training webinars are held regularly in English, Mandarin and Spanish. During fiscal year 2023, 281 trainings sessions were completed by 172 suppliers, of that 196 were hosted in English, 3 in Spanish and 82 in Mandarin.

Goods not for Resale (GNFR) refers to products or services used to support business operations. Our businesses in the United States, the United Kingdom and Internationally partner with external providers to support our assessment of ethical standards compliance within our GNFR supply chain. This assessment focuses on new and existing GNFR suppliers. New suppliers with qualifying spend above our review threshold are assessed prior to onboarding and then actively monitored for a minimum of one year. For existing suppliers, the top 300 suppliers in the USA and top 100 in the UK, which represent the bulk of annual GNFR spend are monitored on an ongoing basis.

During fiscal 2023, we conducted a risk mapping and horizon scanning exercise to identify potential risks across all areas where we operate including our wider supply chain, own brands supply chain and operations in multiple geographies which will enable us to better identify modern slavery and human rights risks within our supply chain. We have also further strengthened our approach to supply chain transparency for products containing cotton due to the ongoing risk of forced labor, suppliers are now required to provide beyond tier 1 supply chain information.

WBA has a risk-based auditing program for all owned brand suppliers who must agree to both announced and unannounced onsite audits, and provide evidence of their related compliance programs, which should include a process for assessing the ethical standards of their own supply chains. Analysis of our assessment program shows levels of compliance with our ethical trading standards are significantly higher for existing sites than for new sites. This reflects increasing understanding and commitment from our supply chain to maintaining our standards.

Assessment results are shared monthly with the WBA senior management team. We also have in place a formal escalation process whereby any modern slavery “Zero Tolerance” violations or other serious violations of our standards which we become aware of are reported to the senior management team within 24 hours, along with the results of any investigations.

In fiscal year 2023, we conducted more than 1000 ethical compliance assessments on new and existing suppliers for our Walgreens, Boots UK and No7 Beauty Company owned brands. Our assessment ratings are defined by the severity and/or number of incidents of noncompliance identified during the assessment process, these are currently defined as:

- Satisfactory and Needs Improvement: Meets our ethical trading standards expectations but could require differing levels of remedial corrective actions
- Critical: Falls below the expectations of our ethical trading standards and requires immediate remedial action to address the critical incidents of noncompliance to enable new or ongoing business relationships
- Zero Tolerance: Issues identified that are not accepted or tolerated by our businesses and are related to incidents of the following but not limited to:
 - Child Labor
 - Convict/Indentured/Forced Labor
 - Corporal Punishment
 - Slavery and Human Trafficking
 - Acts of Bribery

In all cases we view these issues as Zero Tolerance.

The following table provides a breakdown of assessments and outcomes during fiscal year 2023.

	Fiscal Year 2023	Fiscal Year 2023%
Satisfactory	477	46.3%
Needs Improvement	415	40.2%
Critical	137	13.3%
Zero Tolerance	2	0.2%
Total	1031	100%

As the table shows, two zero tolerance violations were detected during fiscal 2023, both were identified at potential new sites therefore we declined to begin business with either of those two sites.

Our policy in cases of Zero Tolerance violations is to terminate the business relationship with the site where the violation occurred and to suspend the supplier and its other sites pending a full investigation of the supplier and its supply chain. If the supplier is directly implicated in the Zero Tolerance violation, or if further violations are found, the business relationship with the supplier will be terminated. For suppliers where we identify critical noncompliance issues, they are required to develop and implement immediate remedial action plans to address the identified non-compliances, verification of the effectiveness of the actions taken are monitored via submission of evidence and through on-site re-assessments. In the small number of cases where suppliers are unwilling to work with us to

achieve compliance within an agreed time frame, we maintain the right to end the business relationship and cancel outstanding purchase orders. However, simple termination of a contract relationship may not always be the most appropriate response. We recognize that in the event of noncompliance, withdrawal of our business may cause severe hardship to those employed and we will therefore attempt to work with our vendors through a remediation program to achieve ongoing compliance.

We want to work with suppliers who are open and transparent, so in order to reinforce this commitment, we request that our owned brand suppliers agree to our right of unannounced assessments at any time that they are operating.

Training and Awareness

In fiscal 2020 we implemented our company-wide training initiative to drive ethical sourcing practices across our business and expanded this training to include select WBA employees globally in human resources, our International division and owned brands, including management. Training includes the human rights impact of modern slavery, our compliance hotline and reinforces the WBA expectations to meet our company standards. During fiscal 2023 more than 900 team members who work in procurement, compliance or related areas were in scope of this training and we achieved an overall completion rate of 93 percent.

In our United States segment, relevant employees, including management, are required to complete an annual online training course that meets the requirements of the California Transparency in Supply Chains Act of 2010.

Effectiveness and Performance Indicators/Monitoring

We recognize that the risks from modern slavery change, and as such our approach to preventing modern slavery is expected to be reviewed annually by the WBA permanent working group on modern slavery. This approach will monitor and review:

- Effectiveness of risk assessment processes
- Staff training programs
- Assessment programs (where applicable); and
- Reporting and escalation processes.

This statement is made pursuant to the relevant legal requirements of the United States (including the individual states and territories therein) and the United Kingdom, and covers the UK subsidiaries listed [here](#).

Ornella Barra

Chief Operating Officer, International, Walgreens Boots Alliance, Inc and
Chair of the Environmental, Social and Governance (ESG) Committee

(updated January 2024)