



Alliance Boots

Code of Conduct and Business Ethics

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Message from Executive Chairman

We are pleased to share this important personal message and to issue to all employees this Code of Conduct and Business Ethics for Alliance Boots which has been approved by the Board of Alliance Boots. This Code draws upon and supercedes the standards of business conduct and codes of conduct previously issued by Alliance Boots, following the merger between Alliance UniChem and Boots in July 2006.

This Code sets out the ethics, principles and standards which must be consistently upheld and which each part of the Group and its corporate function is required to adopt and apply in all business dealings.

Trust is one of our core business values and is a principal foundation for the ongoing success of Alliance Boots – trust of our customers, employees, partners and the communities we serve. This trust is earned and built upon through our consistent commitment to uncompromising high standards of integrity, service and partnership as the cornerstones of all aspects of our business activity.

The Code of Conduct and Business Ethics is an integral part of the Group's governance requiring consistent high standards of business behaviour. The effective implementation of this Code is of the highest priority for all of us and is something we should all understand, believe in and rigorously apply. The Code is obligatory without exception and everyone within Alliance Boots is accountable for upholding its requirements. Where conduct falls short of these standards, this could lead to disciplinary action and even dismissal.

The Code will be reviewed annually and will be revised and updated by the Social Responsibilities Committee and Board of Alliance Boots as appropriate to take account of developments, changes and best practice.

Although the Code is detailed, if employees find they are unsure what to do in a specific situation, we would strongly encourage them to speak up and seek appropriate guidance. If employees have a concern that the Code is not being complied with, we would ask them to raise this matter with appropriate management. Processes have also been put in place for this to be done confidentially as explained in the Code under the Disclosure sub-section. If there are any general questions regarding the Code, these should be directed to the Company Secretary of Alliance Boots.

It is only by acting collectively with a shared vision and shared values that we can continue to thrive and grow as an evermore successful Group and this involves each one of us taking personal responsibility for the conduct of our business. We invite all employees to join in fully embracing both the letter and spirit of this Code as we continue to work together to create an even greater Group which we can all be increasingly proud of.

Stefano Pessina, Executive Chairman

4 June 2008



Our core principles and business ethics

Core principles

We are a leading international pharmacy-led health and beauty group offering a range of quality products and services to our customers.

Alliance Boots core values are partnership, trust, service, entrepreneurship and simplicity. The principles of honesty, integrity and respect for one another, which underpin trust, must characterise every aspect of our business activity. The principles of openness, teamwork and professionalism must lie at the heart of everything we do.

We are committed to meeting our responsibilities to our stakeholders including owners, customers, employees, partners and the wider community in growing the Group and creating sustainable long-term value.

We are committed to improving the quality of life of the communities we serve and supporting the communities in which we do business. We are committed to ensuring proper regard is taken of social and environmental considerations and concerns in our operations and that the environmental impact of our activities is reduced wherever possible and practicable.

All our Business Units and corporate function must maintain effective systems of internal control and exercise care in the application of our assets and resources. The funds and assets of all Group companies are to be utilised solely for lawful and proper business purposes and all transactions involving such funds or assets must be correctly described and fully recorded and properly authorised.

Required standards and compliance

Our Code of Conduct and Business Ethics describes the standards for ethical business practice which Alliance Boots applies to all its operations and which go beyond strict legal requirements.

All employees, consultants and agents acting for Alliance Boots are required to conform with the provisions of this Code, regardless of location.

Each Business Unit's senior management must take active responsibility for ensuring that the Code is applied and observed in their Business Unit. Implementation of the Code provisions will be monitored and validated on an ongoing basis including through Alliance Boots internal audit functions and as part of the regular compliance self-certification processes.

Business Units may translate and adapt this Code for local use provided that the provisions remain equally comprehensive and provided that this does not result in any inconsistency with or lessening of any of the principles, standards or obligations stated in this Code. An advance copy of any adaptations must be forwarded for approval to the Company Secretary of Alliance Boots prior to being adopted.

If a situation arises where it is unclear what the appropriate, ethical course of conduct should be, the matter must be raised by the employee with their immediate manager, and with senior management as appropriate, so that the necessary guidance can be obtained.

Breaches of this Code and other Group policies may have serious adverse consequences for the Group including damaging its reputation. Breaches and non-observance of the Code and other Group policies will result in appropriate remedial action being taken including disciplinary action and possibly dismissal for employees and termination of other relationships where appropriate.



Employees will be asked to complete a form of acknowledgement to confirm they are aware of and understand this Code.

Conflicts of interest

All employees should avoid any real or apparent conflict between their personal interests and those of the Group.

Employees must disclose to higher management any conflict or potential conflict of interest.

The obligation of disclosure and of avoiding conflicts of interest applies not only to situations directly involving an employee but also to situations involving any spouse, partner or other member of his immediate family which would have to be disclosed if they involved the employee directly.

Some examples of where a conflict of interest would arise would be if any employee:

- placed a contract on behalf of a Group company with a supplier who was managed by a close friend or family member;
- worked as a consultant in a private capacity for a supplier or customer of a Group company;
- carried on a business in their own time of a similar nature to their own work in the Group;
- had a personal or financial interest in any business that has transactions or dealings with a Group company where the employee can influence decisions by the Group company about the dealings with that business; or
- obtaining a personal financial gain or advantage (other than normal remuneration) in business transactions or dealings involving any Group company.

Except as may be permitted under any individual's contract of employment with a Group company, the ownership of shares, stocks or other securities or interests in any company whose business activity involves the manufacture, sale or distribution of pharmaceuticals or other products or services which are in direct competition with any Group company, or involves activities against their interests, should be avoided. Ownership of less than 1% of the shares of a publicly quoted company is not considered an issue in this context.

Conflicts of interest may also arise through spouses, partners, children and family trusts. Employees should take reasonable measures to ensure that they are made aware of and comply with these requirements.

No employee shall use inside information gained through employment with Alliance Boots for his own advantage or for that of a friend or relative or any other person.

No employee shall personally exploit a corporate opportunity such as the purchase of property or investment in an enterprise in which any Group company has an existing interest of any kind whatsoever, or in which the employee has reason to believe that any Group Company may have a prospective interest.

Confidentiality

Information about the Group, which is not publicly available, must be handled with discretion and must not be given to others unless they are employees who need to know it in order to do their job or are third parties who the Group has authorised to receive it.

Employees must not share confidential business information outside of Alliance Boots. Confidential information must only ever be disclosed or used for the benefit of the Group and as required by employees in performing their employment duties. Employees must be especially mindful of the risk of unintentional disclosure via telephone, fax, email or simply by discussing business related



matters in public. Except for the Group's retained professional advisers, confidential information must only be disclosed where an agreement is in place under which the recipient agrees to preserve the confidentiality of the information.

Employees must hold confidential material they may have access to in their employment in the strictest confidence including, but not limited to, business plans and strategies, sales and merchandising data, distribution techniques, employee records, customer and client lists, technical data, pricing products and services information, senior management succession details, prospective acquisitions or divestments, or other trade secrets. This duty continues even after employment with Alliance Boots ends.

Alliance Boots also respects the confidential information of other companies and their employees. Disclosure of other companies' confidential information, whether obtained directly or from third parties, could form the basis for legal action. If employees inadvertently come into possession of such information which they reasonably believe to be the confidential information of a third party they should report it immediately to their line manager and ultimately to the Company Secretary of Alliance Boots

No offer of employment should be made to any person in the expectation of obtaining that person's specific knowledge of a former employer's confidential information, nor shall any new employee be placed in a position that would lead them to disclose or make improper use of a former employer's confidential information.

Information concerning competitors will be accepted only where there is reasonable belief that both receipt and use of the information is lawful.

Unauthorised disclosure could place the Group at an actual or potential commercial disadvantage, may result in the summary dismissal or other disciplinary action against the individual concerned and could constitute a serious breach of criminal law.

Acceptance of entertainment, hospitality and gifts

Business related entertainment and hospitality such as occasional invitations to lunch, dinner, theatre, a sporting or cultural event, and the like, is generally appropriate if it is of a reasonable nature and is in the course of a meeting or another occasion, the purpose of which is to hold bona fide business discussions or to foster better business relations.

No hospitality or entertainment should be provided or accepted, and no gift should be given or accepted, in circumstances where it may have, or could be seen as having, a material effect on any business transaction which has been, or may be, entered into by or on behalf of the Group, without prior written approval of the Company Secretary of Alliance Boots

The offering or giving of gifts should be avoided and employees are also not encouraged to receive business gifts.

The receipt of gifts of more than nominal value, or entertainment that is more than routine and social, can appear an attempt to influence the recipient. It may be interpreted as an inducement to grant a favour in return and may put the recipient at a disadvantage in business dealings or under an obligation that could distort judgement.

Gifts of money or equivalent must never be made or accepted.

The acceptance or giving of any gifts may be approved only if it is reasonable and ethical to do so, is modest in amount, is not intended to gain unfair business advantage, does not violate any law and is properly accounted for.



Before accepting any level of hospitality beyond lunch, dinner, theatre, a day's sporting or cultural event in the country in which the employee is employed, the employee's line manager should be notified who should ensure that the hospitality is reasonable, modest in value and for the benefit of the Group's businesses before written approval is given. Where hospitality is accepted, travel and accommodation costs should, wherever possible and feasible, be met by employees, unless otherwise agreed with the employer, or if paid by the provider of the hospitality, notified to and approved by the employer.

Employees must not accept gifts such as merchandise or products, personal services or favours (other than modest hospitality covered above) that are valued at more than £100 or local currency equivalent, nor in excess of £250 annually without first notifying and obtaining written approval from the relevant Alliance Boots Executive Director responsible for their Business Unit or corporate function and in the case of Alliance Boots Directors through the Company Secretary of Alliance Boots

In the event that, culturally, refusal of a more lavish gift would give cause for serious offence, such gifts may be accepted on the approval in writing of the Managing Director of the Business Unit or the Company Secretary of Alliance Boots for corporate employees and on the basis that the gift will become the property of the relevant company unless it decides otherwise.

Receipts of gifts and hospitality should be acknowledged on the relevant company headed paper or by email within seven days.

A central record should be kept and maintained by each Business Unit and the corporate function of any gift or hospitality, offered and declined, offered and accepted, as well as any given.

Competition and competitor relationships

We believe strongly in free and open competition. The aim of all Group companies is to compete vigorously and fairly in the marketplace. All Business Units and the corporate function are required to comply fully with laws governing free and fair competition.

Collusion with competitors is strictly prohibited. Such behaviour may contravene competition laws and have serious adverse consequences for the Group including serious damage to reputation and the imposition of heavy financial penalties.

It is the responsibility of each Business Unit and the corporate function to ensure it complies fully with all competition laws and regulations governing its operations. No Group business is allowed to abuse its position in any market where it has a dominant position.

It is specifically prohibited to attempt to restrict or distort competition by:

- inducing a customer or competitor to breach a contract with a third party;
- obtaining unauthorised access to confidential information;
- securing an unfair competitive advantage;
- operating, or attempting to agree, illegal price-fixing agreements;
- undertaking other unacceptable activities or practices which could damage the Group's reputation.
- sharing sensitive information with competitors

Employees must avoid any actual or perceived anti-competitive conduct. Such conduct would include agreements or joint actions with competitors regarding prices, bids, product or territory allocations, selection of customers or suppliers, or limits on distribution and agreements on minimum resale prices.

Employees must be scrupulous in observing legal and ethical standards in seeking information about competitors. There are accepted means for obtaining such information. If in doubt employees must consult their line manager or responsible Executive Director.



Any employee found to be engaging in, or attempting to engage in, any conduct which falls short of these standards required by Alliance Boots will be subject to disciplinary action, including dismissal.

Reference should also be made to more detailed competition compliance policies issued by the Group.

Disclosure of concerns, speaking up and 'whistleblowing'

The Group encourages any employee who suspects wrongdoing at work - whether by their employing company or another employee - to raise their concern. Although the vast majority of employees are honest and act reasonably, no organisation is immune to acts of dishonesty and other misconduct.

Incidents of misconduct, fraud and dishonesty damage employee morale and business reputation but could remain undetected for some time without someone voicing their concern. Everyone can play their part in raising concerns and all employees are encouraged to do so. If employees have concerns there are several alternative ways they can report these.

Alliance Boots is committed to an open working environment in which employees feel able to voice their concerns.

Employees can speak directly to their line manager, talk to an independent and trusted senior manager or can make contact with the Director of Internal Audit and Risk Management.

In some cases, employees may feel they want to remain anonymous and in the UK employees can ring the free to call, confidential independent service ExpoLink 0800 374199 where individuals will not be asked for their name but will be given a reference number so they can ring back again later to be updated of the outcome.

Employees can also make contact confidentially with the Company Secretary of Alliance Boots who is the designated officer for Alliance Boots by writing to Alliance Boots, Sedley Place, 361 Oxford Street, London W1C 2JL, UK or by telephone on +44 (0)207 495 8880.

All genuine concerns however raised will be investigated properly and the identity of the person raising the concern will be kept confidential, or in the case of ExpoLink in the UK will be kept anonymous. When the investigation has been completed, the person who raised the concern will be informed of the outcome directly, or in the case of the ExpoLink service by the person calling back with their reference number.

Concerns might relate to some unlawful conduct or non-observance of this Code, be it harassment, bullying, dishonest activity, accounting or other irregularity

Anyone raising a concern in good faith will not be criticised or penalised in any way even if it is shown, after investigation, that they were mistaken. Any form of reprisal or victimisation against anyone who has raised a genuinely held concern is forbidden and will not be tolerated and will itself be treated as a serious disciplinary matter. If a concern was to be raised maliciously then that would be a serious disciplinary matter.

The whistleblowing procedure is not intended for use where an employee is unhappy with their personal employment position, for example lack of promotion or a smaller than expected wage increase - the Group's grievance procedures are available in those cases.



Our Employees

Equal opportunities, respect, dignity & understanding

Our people will be treated with respect, dignity and understanding. We will clearly explain our vision, values and the standards we require. We will fairly reward individual endeavour and value diversity. We will provide the necessary encouragement and opportunity to develop careers. We will involve our employees and will welcome and encourage their input.

People will be recruited for their aptitude, skills, experience and ability. All employees will have equal opportunities in their employment. Discrimination on grounds of race, national origin, gender, age, disability, marital status, sexual orientation, religion or belief, or any other unlawful reason is not permitted.

Each employee is responsible for upholding and implementing the Group's equal opportunity policy in the workplace and any other policy dealing with such matters.

Health & safety

We are committed to conducting our business with the utmost concern for the health and safety of our employees, customers and the general public. Alliance Boots will always comply fully with all applicable laws and regulations relating to workplace health and safety and environmental protection for the benefit of our employees, customers and other members of the general public.

We are committed to ensuring that our policies on health and safety conform to best practice and encourage open dialogue and constructive feedback.

It is the responsibility of every employee to help ensure that their working environment is both healthy and safe. Each employee is required to be careful about their own health and safety, as well as the health and safety of all those who may be affected by their behaviour.

All employees must follow instructions and guidelines dealing with such matters and co-operate with those responsible for ensuring that all applicable health and safety requirements are observed.

Each Business Unit and the Corporate Office must designate a Director with specific responsibility for health and safety matters. That person must ensure that a written statement, describing the Business Unit's policy, organisation and arrangements concerning the health and safety of its employees, which complies with Group policy and local legal requirements, is prepared and fully communicated.

Lessons must be learnt and shared from minor incidents and 'near misses' in order that similar but possibly more serious accidents in the future can be avoided. Any employee who is aware of a potentially dangerous situation should report it to their line manager or a senior officer of the company without delay.

Drugs and alcohol

Employees must not distribute, possess or use illegal or unauthorised drugs on Alliance Boots premises or in a manner that may affect safety or the performance of their work responsibilities.

Employees whose behaviour, judgement or performance is impaired by drugs or alcohol will be prohibited from entering Alliance Boots premises or engaging in company business and may be subject to disciplinary action.



Harassment, discrimination and abusive behaviour

Alliance Boots values and is committed to a working environment that is free of verbal or physical harassment and abuse. We will treat one another with courtesy, dignity and respect, regardless of race, gender, age, disability, marital status, sexual orientation or religious belief.

Conduct that creates an intimidating, hostile, or offensive working environment or unreasonably interferes with an individual's work performance will not be tolerated. We do not tolerate abusive behaviour of any form in the workplace.

Examples of such behaviour include:

- Threatening behaviour, intimidation, harassment, assaults or violence;
- Sexual or racial harassment;
- Abuse of position such as to cause distress to subordinates.

There will be no victimisation for truthfully reporting abusive behaviour or participating in an investigation of a complaint.

Employment records

Confidentiality not only applies to business information, but to the personal information of Alliance Boots employees, former employees, job applicants, trainees or other persons.

Alliance Boots will observe all relevant data protection and other laws relating to personal information. Compliance is expected with the Data Protection Act in the United Kingdom and with any other local Data Protection legislation.

Information from an employee's records will only be disclosed to those who have a substantial and legitimate need to know, or as required by law. Employees have the opportunity to review their own personal data held by the Company and to correct any errors found. Employee medical records are private and confidential and will only be disclosed with the employee's written consent or as required by law.

All Business Units and the Corporate function must ensure personal data is collected, processed, stored and transferred with adequate precautions to ensure confidentiality and is accessible only to individuals with legitimate reasons to know about or have access to it. Individuals will when appropriate be asked for their consent to the collection, processing, transfer and storage of their personal data.

Employment of closely related persons

It is important that individuals are not and do not appear to be improperly influenced or unfairly treated by the existence of close personal relationships.

Alliance Boots property and information

All equipment, supplies and confidential information to which employees have access in the course of their work are Alliance Boots property and are provided for use in conducting Alliance Boots business.

Employees must use such property responsibly for business purposes. Limited and reasonable personal use of an Alliance Boots telephone, computer or other equipment may be acceptable but



this is a privilege that Alliance Boots reserves the right to control and monitor in accordance with local data protection laws.

Theft or misuse of property

Any employee found to be engaging in, or attempting, theft, fraud or misuse of any property of Alliance Boots or personal property of other employees will be subject to strict disciplinary action, including dismissal. Alliance Boots also reserves the right to refer such matters to public authorities for possible criminal prosecution.

Employee theft, fraud or misuse of Alliance Boots property can take many forms. Examples include, but are not limited to: stealing supplies, equipment, documents, cash or other property; misusing telephones, computers, photocopy or facsimile machines or other equipment; submitting falsified time sheets or expense claims; using proprietary information or other assets without authority; retaining any personal benefit from a customer or supplier that properly belongs to Alliance Boots.

Company records preparation & retention

Alliance Boots is required by law to prepare full and accurate financial statements.

Alliance Boots is committed to fulfilling its obligations to provide full, fair, timely and understandable financial statements and other disclosures to the public and governments internationally in all jurisdictions, as required by legislation and local law.

In order to safeguard the best interests of Alliance Boots and its owners and stakeholders, all Business Units and the Corporate function must keep accurate and complete books and records of transactions, assets and liabilities. Business Unit's books, records and accounts (whether in paper or electronic form) and including financial, tax, contract and corporate, environmental, health and safety, and employee records must fully and accurately reflect the Business Unit's transactions and business dealings in every aspect.

Business Units must maintain records retention and disposal procedures to ensure that company records are maintained, stored and, when appropriate, destroyed in accordance with Alliance Boots's needs and in lawful compliance with applicable laws. Employees must be familiar with the specific requirements of their business and location as well as with applicable Group procedures.

Employees must consult with their manager before disposing of any records about which they have any questions.

If a Business Unit becomes involved or looks likely to be involved in a lawsuit or in a government inquiry or investigation, or if it is or is about to be served with a subpoena for documents or information, all potentially relevant records in any form must be preserved and any periodic document disposal processes must be stopped immediately.

Any employee who knowingly fails to record any fund or asset of Alliance Boots, or who knowingly makes any improper or inaccurate entry on Alliance Boots books and records, or wrongfully destroys records will be subject to disciplinary action, including dismissal and may also face potential criminal liability.

Destruction or falsification of records to avoid disclosure in a legal proceeding may constitute a criminal offence, with severe penalties for both the company and the employee. Employees must contact the appropriate legal department or the Company Secretary of Alliance Boots if they are uncertain of their responsibilities under this Code.

E-mail, voice mail and the internet



All communications and information transmitted by, received from, created or stored in Alliance Boots computer, telecommunications and information systems (collectively "systems") are Alliance Boots property.

Employees must respect the copyright of all computer software used and strictly adhere to all relevant laws and regulations regarding the use and copying of such software.

Every employee is responsible for using Alliance Boots systems properly and in accordance with Alliance Boots policies.

While Alliance Boots systems are intended for business purposes, employees may be permitted, as a privilege, to use those systems for limited non-business purposes, provided that such usage does not interfere with the employee's obligations to Alliance Boots or disturb either other employees or the general affairs of Alliance Boots. All company emails must have an appropriate disclaimer and all personal email communications should be stated and clearly indicated as such.

Employees must exercise the same care, caution and etiquette in sending e-mail messages as they would in normal written business communications. We will not tolerate abusive, or unprofessional e-mail.

Employees must not abuse access to the internet for personal or improper purposes.

Employees must never use Alliance Boots systems or equipment to send or intentionally receive, retrieve or store:

- (i) information that is abusive, harassing, sexually explicit, discriminatory or offensive;
- (ii) information that involves an increased virus dissemination risk;
- (iii) copyrighted materials, trade secrets or similar materials without proper authority or infringing the rights of third parties; or
- (iv) messages or files for any illegal or unethical purpose, or for any purpose that violates Alliance Boots policies or may lead to liability or cause harm to Alliance Boots.

Privacy & monitoring of group facilities

Alliance Boots complies with the privacy and data protection standards applicable to employees' respective countries of employment.

Employees' usage of Alliance Boots telephones, e-mail and internet facilities will be subject to monitoring in compliance with lawful best practice and evidence of abuse will result in disciplinary action, including dismissal. For example, Alliance Boots may monitor employee use for legitimate business purposes, to prevent suspected illegal conduct or other misuse or to ensure that customers and other business contacts are being properly responded to. Alliance Boots cannot guarantee the confidentiality of employees' usage of Alliance Boots systems. E-mail and voice mail messages and internet usage are potentially subject to interception and to disclosure to third parties in the course of litigation or an investigation.

Intellectual property

Employees must safeguard Alliance Boots proprietary information, trade secrets and intellectual property (including copyrights, trademarks and patents) in the same way that they must protect all other important Alliance Boots assets.

All documents, files, records and reports acquired or created in the course of employment with Alliance Boots are the property of Alliance Boots. Employees may only remove originals or copies of such property from Alliance Boots offices for the sole purpose of performing their duties to Alliance Boots, and they must return such records at any time upon request.



Employees involved in acquisition and divestiture activities may be required to sign individual non-disclosure agreements.

Alliance Boots periodically possesses intellectual property, trade secrets and/or confidential or proprietary information belonging to others, such as copyrighted information obtained pursuant to a licence agreement or obtained in the course of a proposed acquisition. Employees must ensure that the use of any such materials is lawful and in accordance with the terms of any applicable agreement



Our key relationships and partners

Customers

Our customers are the reason we exist and are at the heart of everything we do. Our teams are committed to delivering products and services that help people look and feel their best. We constantly look for innovative and better ways to deliver our products and services. We will provide a professional, friendly and responsive service. We respect the privacy of our customers' personal information and act appropriately and quickly in relation to any complaints. We are committed to providing customers with accurate information on which they can make an informed decision.

Repeat purchases by customers depends upon them receiving a high level of service. We must be fully responsive to enquiries and ensure that customers are not misled when they are being provided with information. Making deceptive or knowingly misleading statements is prohibited.

Shareholders

We are fully committed to delivering value to our shareholders who own the business.

In order to enhance shareholder value, we will be clear, open and transparent in our financial reporting and we will maintain high standards of corporate governance and act in conformity with the recognised best practice and guidance.

Suppliers

Group businesses deal with a wide range of suppliers of goods and services. They include professional advisers and consultants. All suppliers are an important resource and should be treated with fairness at all times.

Alliance Boots will comply with the laws of all the countries where we do business.

Alliance Boots is committed to ensuring compliance with the principles of the United Nations Universal Declaration of Human Rights and, specifically, Alliance Boots supports and respects international human rights within the Group's sphere of influence. We are committed to ensuring that Alliance Boots is not complicit in human rights abuses.

It is Alliance Boots intention to source from suppliers who can satisfy our standards with regards to labour and welfare conditions, health and safety and environmental management or who have given a commitment to achieve these standards within an agreed time-frame.

Procurement decisions are made on the basis of ethical standards, quality, service, price, delivery, best value and other similar factors.

We will observe high ethical standards in all our dealings with suppliers. Any corrupt, improper or unethical behaviour in dealings with suppliers is prohibited.

Public and government officials & employees

Many laws impose strict rules governing business relationships, contract negotiations and contract terms with government agencies and their officials. All employees engaged in business with a



governmental body, agency or official must know and abide by those rules, violations of which may result in harsh penalties for Alliance Boots, and even criminal prosecution.

Employees must also conduct themselves in a manner that avoids any dealings that might be perceived as attempts to influence public officials in the performance of their official duties. Accordingly, unless allowed under applicable local law, employees must not give or receive gifts or pay for meals, refreshments, travel or lodging for government employees or officials.

Many laws restrict companies that do business with the government from hiring as an employee or retaining as a consultant a present or former government employee other than secretarial, clerical, or other similar grade employees. These restrictions also cover informal arrangements for prospective employment under certain circumstances.

Employees must therefore obtain written clearance from the Company Secretary of Alliance Boots before discussing proposed employment or retention with any current or any former government employee who left government employment within the past two years

Official requests for information or facility visits

Alliance Boots co-operates fully with all government departments or agencies in meeting requests for information or facility visits in connection with government investigations. Local legal departments should co-ordinate the response to the request with the appropriate department.

Employees who are contacted, by government regulators, agents or investigators, by lawyers who do not represent Alliance Boots or by other third parties seeking company information or documents concerning investigations or potential or actual litigation should immediately notify the appropriate legal department.

Immediate notification to the legal department is critical when requests are made in the form of a legal document requiring a response by a specified date.

Contacts with the media & the financial community

Alliance Boots is committed to delivering accurate and reliable information to the media and other members of the public. We are committed to responding to all public, media and other enquiries appropriately.

All public disclosures including forecasts, press releases, speeches and other communications, will be honest, accurate, timely and representative of the facts.

Enquiries from the news media which are local and not material to the Group should be handled appropriately by the Business Unit locally. Enquiries which relate to the Group or which are local but material to the Group, should be referred to and handled by Alliance Boots Corporate Affairs Department, who can be contacted on 0115 949 4668.

Enquiries from financial institutions, financial analysts and commentators or other members of the financial community should be referred to and handled by the Alliance Boots Investor Relations Department.

Healthcare laws and regulations

Alliance Boots is committed to full healthcare law compliance internationally. All Business Units must comply with all laws relating to the commercialisation and distribution of healthcare products and the conduct of business in the healthcare industry.



Business Units and their employees will ensure that they do not knowingly engage in unlawful trade in their products and that their business practices are directed at supporting only legitimate trade in their products.

Alliance Boots fully supports the aims of governments and regulators in seeking to eliminate all forms of illegal pharmaceutical trade. Such trade deprives governments of revenues, promotes criminality, misleads consumers into buying products of dubious quality and hampers efforts to block underage sales. It also harms Alliance Boots brands, devalues the investment in local operations and distribution networks and undermines the regulatory regimes governing the legitimate industry.

All documents prepared by any Business Unit in connection with sales of its goods, whether export or domestic, must be accurate and complete and give a proper view of the transaction. All such documents must be retained in accordance with the approved records management policy for possible inspection by tax, customs or other authorities.

Business Units must have in place proper controls and procedures directed towards ensuring compliance with this policy, to include:

- effective 'know your customer' controls;
- guidelines aimed at achieving supplies to end markets and regions that are consistent with legitimate demand in those areas;
- procedures for investigating and, where appropriate, suspending or terminating sales to customers suspected of knowing or reckless involvement in illegal trade activities.

Facilitation payments

Facilitation payments, sometimes called 'speed' or 'grease' payments, are generally defined as small payments made to secure or expedite the performance by a low-level official of a routine or necessary action to which the person making the payment has legal or other entitlement. Business Units, their employees and agents are prohibited from making facilitation payments (directly or indirectly) where this would be in breach of any applicable law.

In countries where such payments are not prohibited by law, they are in any event not encouraged and all Business Units must strive to eliminate them.

Bribery and corruption

Corruption can cause distortion in markets and harms economic, social and political development, particularly in developing countries.

Bribery is a common form of corruption. and includes any gift, payment or other benefit to which the recipient is not legally entitled and which is offered in order to secure an improper business or other advantage.

Bribery is illegal, and any Alliance Boots employee who elicits, participates in or condones a bribe, kickback, or other unlawful payment or attempts to participate in any such activity, will be subject to strict disciplinary action, including dismissal. Alliance Boots also reserves the right to refer such matters to public authorities for possible criminal prosecution.

Business Units must ensure employees do not, directly or indirectly, give or receive any gift, payment or other benefit to any person for the purposes of securing or providing any improper business or other advantage.

Money Laundering



Money laundering is the process of concealing the identity of illegally obtained money so that it can be transformed from “dirty” money into “respectable” money or other assets.

Alliance Boots will not engage in any transaction which they know or suspect involves the proceeds of criminal activity.

All Business Units will pursue practices directed towards ensuring that their activities do not inadvertently contravene relevant money laundering legislation.

Most jurisdictions impose laws making it a criminal offence to engage in money laundering activity by entering into transactions involving assets which are known to be derived from criminal activity.

All Business Units are required to take steps to minimise the risk of inadvertent participation in transactions involving the proceeds of criminal activity and should be alert to circumstances which ought to give rise to a suspicion of money laundering activity.

Business Units must also put in place processes for the early detection of any dishonest involvement in money laundering activity by employees.



Our wider community

Supporting the community

Improving the quality of life in the communities we serve is our business.

Alliance Boots is committed to supporting the communities in which we do business. We do this by making donations of technical skills and expertise, medicine, time, money and resources to a wide variety of charitable programmes. We believe in a “global in scope, local in focus” approach.

The environment

Alliance Boots believes that good environmental practice is good for business, a fundamental corporate responsibility and a key contributor to sustainable development and that sound environmental management goes beyond observing strict legal requirements and preventing pollution.

Alliance Boots recognises that its businesses have an impact on the environment principally through transportation, the use of energy, packaging and waste management.

Alliance Boots is committed to maintaining safe and environmentally sound operations and respecting the welfare of animals. We are committed to ensuring the environmental impact of its operations is reduced as far as practicable.

Alliance Boots will set objectives and targets in relation to those activities where our operations principally affect the environment and will measure and report our performance and progress on these annually. Further details of these objectives are set out in the Alliance Boots environment policy.

The Chair of the Board Social Responsibilities Committee of Alliance Boots will report quarterly to the Board on the environmental performance of our businesses compared with targets and subject to external validation as appropriate.

The Managing Directors of each Business Unit are accountable for ensuring compliance with this policy and with any environmental regulations applicable to their Business Unit. They will be responsible for delivering progress against Alliance Boots’ corporate targets, identifying any other environmental issues relevant to their business operations, and ensuring appropriate priorities, objectives and targets are set. Progress will be regularly reported to the Board.

All our employees, suppliers and contractors have a valuable part to play in implementing our policy within their day to day activities. Keeping environmental considerations, alongside other important business considerations such as safety, quality and value, at the heart of what we do, will ensure we conduct our operations in a socially and environmentally responsible manner.

Charitable contributions

Business Units are entitled to make contributions to charitable organisations and provide non commercial sponsorships, provided that they are not made to secure any improper business or other advantage, do not give rise to any conflict of interest and are otherwise permissible under all applicable laws.

Business Units should not make any charitable contributions unless they have taken steps to verify the recipient’s reputation or status as a charitable organisation (for example, in jurisdictions where charities are required to register, that they are duly registered).



Charitable contributions must be authorised and approved by the Business Unit Managing Director and appropriate selection criteria applied regarding the charity itself and the nature of the donation.

All charitable contributions and non-commercial sponsorships provided by a Business Unit must be recorded in the company's books of account and notified to the Company Secretary of Alliance Boots and, where required by local law, placed on the public record.

Political donations & activities

It is Alliance Boots policy not to make donations to political parties. We do, however, ensure our views are expressed to governments in an appropriate and effective manner on matters that affect our business and our customers.

Any political activity and participation in electoral politics by our employees must occur strictly in an individual and private capacity and not on behalf of Alliance Boots. Employees may not use company time, property, equipment or funds to conduct or promote personal political activity.