

California Transparency in Supply Chains Act of 2010 Corporate Disclosure

The California Transparency in Supply Chains Act of 2010 (SB 657) goes into effect in the State of California on January 1, 2012. This law is designed to help consumers make better, more informed choices regarding the products they buy and the companies they choose to support by requiring manufacturers and retailers to provide more information regarding their efforts (if any) to address the issues of slavery and human trafficking.

Rite Aid is opposed to slavery and human trafficking. The company has undertaken specific, proactive efforts to ensure that our supply chain operations do not support or tolerate these practices, while acknowledging that the social impact of the goods and services that Rite Aid purchases often lies outside its direct control. The cornerstone of these efforts is Rite Aid's Ethical Sourcing Code of Conduct.

The Ethical Sourcing Code of Conduct clearly outlines Rite Aid's ethical standards and the specific commitments that we demand of our suppliers concerning social responsibility. This Code confirms Rite Aid's commitment to the principle that employment should be freely chosen and not the result of coercion of any kind. It emphasizes the need for Rite Aid's suppliers to comply with any applicable labor laws or regulations affecting a supplier's facilities. This code is provided to each supplier with which we do business and is available to all Rite Aid suppliers through our Supplier Portal at [<https://raportal.riteaid.com/RA/RAPORTAL/RAMN0001.aspx>]

- By continuing to do business with Rite Aid, suppliers acknowledge that they are in compliance and will abide by the provisions of the Ethical Sourcing Code of Conduct.

- New suppliers must agree to and abide by the Supplier Ethical Code of Conduct as part of Rite Aid's supplier qualification process.

Rite Aid's commitment to hiring suppliers that abide by all applicable legal standards is also evident in our standard purchase order language that requires our business partners to acknowledge that the materials they provide to us comply with the laws of the country or countries in which they were produced.

As part of our participation in the Customs-Trade Partnership Against Terrorism (C-TPAT) program, Rite Aid contracts with a third-party audit firm to conduct security audits at selected international manufacturing locations (IMFs) on an announced and unannounced basis. To further enhance our efforts to promote and ensure social responsibility, Rite Aid expanded the scope of these audits to include monitoring of compliance in the following areas:

- forced and child labor
- working conditions
- excessive overtime
- health and safety

In 2012, our third-party audit firm will further expand the scope, timing and number of these social responsibility audits. (Rite Aid does not record the percentage of "surprise" audits or disclose the specific results of its audits.)

Rite Aid has also taken specific steps to increase associate awareness and compliance regarding slavery and human trafficking issues. We have created a policy that outlines the company standards and responsibilities in these areas and what we expect of our associates in identifying potential violations and escalating their investigation. The policy expressly outlines Rite Aid's internal commitment to helping to prevent and eliminate any human trafficking, child labor, and harsh or inhumane treatment in its supply chain. The policy statement can be found at [\[http://www.riteaid.com/www.riteaid.com/w-content/images/company/governance/social-responsibility-policy-12-2011.pdf\]](http://www.riteaid.com/www.riteaid.com/w-content/images/company/governance/social-responsibility-policy-12-2011.pdf).

To implement this policy, we will conduct annual training for associates who have direct responsibility for supply chain management in areas that we believe may harbor the potential for human trafficking, slavery and other socially unacceptable practices. Rite Aid expects its managers, associates and suppliers to uphold our policy and the standards it outlines, along with our Ethical Sourcing Code of Ethics and our Company's Code of Ethics and Business Conduct. The links to these documents are available at [\[http://www.riteaid.com/www.riteaid.com/w-content/images/company/governance/rite-aid-ethical-sourcing-code-of-conduct-12-11.pdf\]](http://www.riteaid.com/www.riteaid.com/w-content/images/company/governance/rite-aid-ethical-sourcing-code-of-conduct-12-11.pdf).

Rite Aid believes these efforts form a comprehensive approach that will help to prevent human trafficking and slavery within our supply chain. Questions and concerns about these efforts may be directed to Rite Aid's Legal Department.