

Modern Slavery Act Report

1. Introduction

This report, prepared pursuant to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act (Canada)* (the “**Act**”), pertains to London Drugs Limited (“**London Drugs**”). London Drugs maintains a commitment to prevent and reduce the risk of forced and child labour with respect to our stores, our vendors, our business partners and our supply chain network. Our customers expect London Drugs, our vendors, business partners and suppliers to adhere to applicable human rights, employment standards and labour laws.

This report is prepared for the 2025 fiscal year ending December 31, 2025.

2. Steps taken in 2025 to prevent and reduce the risk of forced labour and child labour

In 2025, London Drugs has taken the following steps to prevent and reduce the risk that forced labour or child labour is used in the production of products imported into Canada by London Drugs. More details on these actions are set out in the Report.

a. Governance and Training

i. Code of Conduct

We foster a culture that prioritizes honesty and integrity in all aspects of our business. London Drugs’ Code of Conduct set out principles that will enable London Drugs directors, officers and employees to act in a manner which reflects and embodies those central characteristics and ensure all our actions are ethical, legal and responsible. To reinforce these values, all staff are required to annually acknowledge their compliance with the Code of Conduct.

ii. Vendor Leadership Questionnaire

For brands that go the extra mile towards greater sustainability, we also provide a questionnaire that helps us better understand their benefits. This questionnaire covers various areas valued by London Drugs including fair workplace practices. We will compare some of the companies that we feel have shown leadership in this area and one of them will be selected as the winner of London Drugs’ Sustainability Vendor of the Year. Review our Vendor Leadership Questionnaire here [Feb-12-VENDOR-LEADERSHIP-QUESTIONNAIRE1.xlsx](#)

iii. Responsible Purchasing Policy

The Responsible Purchasing Policy is a framework that enables London Drugs to serve our customers better through innovation and continued involvement in the communities we service, while proactively managing supply chain risks and fiscal responsibility. The Responsible Purchasing Policy is part of London Drugs’ commitment to respecting and promoting human rights in partnership with our vendors. As we continue to review our processes, practices and policies to identify opportunities for improvement London Drugs will consider whether vendors should be required to commit to the Policy as part of their partnership with London Drugs. A copy of Responsible Purchasing Policy can be reviewed here [2023_04_LD_Responsible_Purchasing_Policy2](#)

b. Human Rights Strategy

- i. London Drugs completed facility (factory) compliance audits within our supply chain. The audits are utilized to confirm that suppliers providing products to London Drugs adhere to fair labour practices and specifically prohibit involuntary labour practices and use of underage labour.

3. Structures, Activities and Supply Chains

a. Structure

Founded in 1945 as a small drugstore in Vancouver, British Columbia, London Drugs is incorporated in Canada. It operates 78 retail pharmacies in Western Canada and has its head office in Richmond, BC. Renowned for its creative approach to retailing, the company employs more than 9,000 people and remains committed to innovation and superior customer service. London Drugs has established itself as a reputable and caring Canadian company that supports Canadian brands and continues to position itself for future growth and development.

b. Activities

London Drugs has stores in more than 35 major markets throughout British Columbia, Alberta, Saskatchewan, and Manitoba. The pharmacy is still the heart of our business, but today we also offer a full-service computer department, cosmetics ranging from lip gloss to high-end face creams, furniture, cameras, high quality photo finishing and hi-tech electronics. We sell our products online in Canada only. All told, we serve over 45 million customers each year, and we are still growing.

"Believe in Better" is our commitment to making a positive impact on the world and the Western Canadian communities we operate in. Some of the ways we honour our commitment are through our recycling centres, stocking stuffer program for seniors, creating shelf space for local business, Orange Shirt day participation, Pink Shirt Day participation, Christmas Toy Drive and cancer screening initiatives.

c. Supply Chain

London Drugs globally sources products which also includes its private label products from Canada, the US and Asia. London Drugs has developed its own private label products that are sold or made available throughout its stores and ecommerce platform.

London Drugs works with vendors outside of Canada and the US to source its private label products for which it is the Importer of Record. The majority of the products we import include food, non-food, and pharmaceutical products for our private label brands.

4. Company policies and due diligence processes in relation to forced labour and child labour

London Drugs has developed formal policies, code of conduct for employees and compliance standards that uphold the rights of customers, employees and as well as workers across London Drugs' supply chain. London Drugs is committed to integrating sustainability criteria into purchasing decisions and engaging with vendors to maximize environmental and social improvements in our supply chains.

a. Code of Conduct and our ethical work environment

London Drugs' Code of Conduct set out principles that will enable London Drugs and its employees to act in a manner which reflects and embodies those central characteristics and ensure all our actions are ethical, legal and responsible. The Code of Conduct is reviewed annually and updated as necessary.

b. Recognized Third Party Certifications

London Drugs looks to add products that have third party certifications representing a higher standard of labeling, where a company or product must meet certain criteria to qualify. These third parties may be government or private organizations that are independent of influence from industry. With these labels we can usually be sure some product testing or qualification has taken place. Requirements and processes are also usually quite transparent. Fairtrade Canada is one of the third-party certifications we look for when reviewing products for London Drugs that indicate that the product was manufactured and produced under fair trade practices.

c. Vendor Leadership Questionnaire

This questionnaire for London Drugs vendors is designed to identify where vendors are going above minimum standards and are demonstrating leadership in their own operations related to ethical, social and environmental standards. This questionnaire covers areas including fair workplace practices.

d. Responsible Purchasing Policy

The purpose of this policy is to align London Drugs purchasing practices with its goals of environmental, social, and economic sustainability by:

- Using the core labour conventions of the International Labour Organization (ILO), Canadian laws and other applicable environmental and ethical standards to set reasonable minimum standards for vendors with respect to fair labour practices and human rights.
- Rewarding leadership and innovation among vendors who contribute to healthy, fair and safe workplaces and practice environmental stewardship.

e. Vendor Responsibility Code

The Vendor Responsibility Code requires London Drugs' vendors and their sub-contractors to comply with International Labour Organization (ILO) core labour conventions and agree that third-party audits will be conducted to verify their compliance. We require our vendors to make commitments such as:

- All work shall be voluntary, and workers shall be free to leave upon reasonable notice.
- Persons under the age of 15 (or 14 where the law of the country of manufacture allows) shall not be employed.
- Workers will be provided with a safe and healthy work environment. Conditions in all work and residential facilities shall be safe, clean, and consistent with all applicable laws and regulations regarding occupational health and safety.

5. Identifying Forced Labour and Child Labour Risks

London Drugs does not produce goods, but London Drugs recognizes that its global supply chain and the industries in which it operates carry a risk of forced labour and child labour, particularly in Asia. London Drugs has partnered with a third-party manufacturing audit company in Asia. Our third-party expert conducts audits of the facilities London Drugs orders products from to ensure that our suppliers' sourcing policies comply with our own and to identify potential operational and ethical risks. Audits are conducted at the outset of working with a new vendor and new audits are conducted every two to three years to ensure compliance is being maintained. In its audits, London Drugs evaluates areas such as health and safety, environmental management, child labour and young workers, working hours and labour practices.

London Drugs' audits conducted by our third-party expert assess and confirm that these factors are adhered to:

- Workers at the facilities are not exploited and comply with applicable labour laws and regulations
- Facilities meet applicable health and safety laws and regulations
- Workers are properly compensated
- Working hours are consistent with local laws and standards
- Facilities comply with applicable minimum age standards

If an audit identifies a compliance issue, which may include but is not limited to forced labour and child labour, London Drugs will take corrective action which may include suspending the relationship with that supplier, working with the supplier to determine whether satisfactory remediation of the compliance issue is possible and terminating the relationship with that supplier.

6. Remediation of any forced labour or child labour

At London Drugs, we may receive reports of forced or child labour from our facility audits. We respond immediately to any reports that highlight these practices.

Our Vendor Responsibility Code requires our vendors to monitor the compliance of their operations and verify that employment is freely chosen and that the age of the employees complies with applicable laws and regulations. Vendors further declare that their sub-contractors will comply with the Vendor Responsibility Code. A false declaration, unwillingness to provide third-audit information or lack of a corrective action plan may result in corrective action by London Drugs which may include termination or suspension of its relationship with the vendor.

a. Remediation of loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour in its activities and supply chains

To date, there have been no identified or reported instances of loss of income to vulnerable families that resulted from measures taken to eliminate the use of forced labour or child labour in our activities and supply chains.

b. Training provided to employees on forced labour and child labour

Employees adhere to our Code of Conduct which is reviewed on a yearly basis and forms part of London Drugs' annual compliance training program that is mandatory for all London Drugs employees. Where employees work directly with suppliers, they are instructed to familiarize themselves with the

Vendor Responsibility Code and Responsible Purchasing Policy, and to ensure suppliers understand what is expected of them.

c. Assessing effectiveness to ensure that forced labour and child labour are not being used in our business and supply chains

We continually assess the effectiveness of our actions to report on year-to-year progress of London Drug's capability to respond to risks in our operations, business activities, and supply chain. We are committed to working towards improving our efforts in this area. We also carry out continual assessments for the suppliers we do business with to establish their base risk level, which enables us to detect activities likely to breach our Vendor Responsibility Code.

We are committed to preventing and fighting all forms of forced labour and child labour in the London Drugs' activities and supply chains. As such, we will continue to regularly review our processes, practices and policies in order to identify opportunities for improvement.

7. Approval and Attestation

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.



Clint Mahlman
President and Chief Operating Officer
LONDON DRUGS LIMITED

Date: April 15, 2026