



DIVISION OF  
CORPORATION FINANCE

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

April 23, 2018

Marc S. Gerber  
Skadden, Arps, Slate, Meagher & Flom LLP  
marc.gerber@skadden.com

Re: Rite Aid Corporation  
Incoming letter dated February 8, 2018

Dear Mr. Gerber:

This letter is in response to your correspondence dated February 8, 2018 and March 14, 2018 concerning the shareholder proposal (the "Proposal") submitted to Rite Aid Corporation (the "Company") by the Sisters of St. Francis of Philadelphia and Trinity Health (the "Proponents") for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders. We also have received correspondence on the Proponents' behalf dated March 8, 2018. Copies of all of the correspondence on which this response is based will be made available on our website at <http://www.sec.gov/divisions/corpfin/cf-noaction/14a-8.shtml>. For your reference, a brief discussion of the Division's informal procedures regarding shareholder proposals is also available at the same website address.

Sincerely,

Matt S. McNair  
Senior Special Counsel

Enclosure

cc: Paul M. Neuhauser  
pmneuhauser@aol.com

April 23, 2018

**Response of the Office of Chief Counsel**  
**Division of Corporation Finance**

Re: Rite Aid Corporation  
Incoming letter dated February 8, 2018

The Proposal requests that the Company prepare a sustainability report describing the Company's environmental, social and governance (ESG) risks and opportunities, including customer and worker safety, privacy and security, environmental management, including energy and waste minimization, and supply-chain risks.

We are unable to concur in your view that the Company may exclude the Proposal under rule 14a-8(i)(7). Accordingly, we do not believe that the Company may omit the Proposal from its proxy materials in reliance on rule 14a-8(i)(7).

We are unable to concur in your view that the Company may exclude the Proposal under rule 14a-8(i)(10). Based on the information you have presented, it does not appear that the Company's public disclosures compare favorably with the guidelines of the Proposal. Accordingly, we do not believe that the Company may omit the Proposal from its proxy materials in reliance on rule 14a-8(i)(10).

Sincerely,

William Mastrianna  
Attorney-Adviser

**DIVISION OF CORPORATION FINANCE**  
**INFORMAL PROCEDURES REGARDING SHAREHOLDER PROPOSALS**

The Division of Corporation Finance believes that its responsibility with respect to matters arising under Rule 14a-8 [17 CFR 240.14a-8], as with other matters under the proxy rules, is to aid those who must comply with the rule by offering informal advice and suggestions and to determine, initially, whether or not it may be appropriate in a particular matter to recommend enforcement action to the Commission. In connection with a shareholder proposal under Rule 14a-8, the Division's staff considers the information furnished to it by the company in support of its intention to exclude the proposal from the company's proxy materials, as well as any information furnished by the proponent or the proponent's representative.

Although Rule 14a-8(k) does not require any communications from shareholders to the Commission's staff, the staff will always consider information concerning alleged violations of the statutes and rules administered by the Commission, including arguments as to whether or not activities proposed to be taken would violate the statute or rule involved. The receipt by the staff of such information, however, should not be construed as changing the staff's informal procedures and proxy review into a formal or adversarial procedure.

It is important to note that the staff's no-action responses to Rule 14a-8(j) submissions reflect only informal views. The determinations reached in these no-action letters do not and cannot adjudicate the merits of a company's position with respect to the proposal. Only a court such as a U.S. District Court can decide whether a company is obligated to include shareholder proposals in its proxy materials. Accordingly, a discretionary determination not to recommend or take Commission enforcement action does not preclude a proponent, or any shareholder of a company, from pursuing any rights he or she may have against the company in court, should the company's management omit the proposal from the company's proxy materials.

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**BY EMAIL** (shareholderproposals@sec.gov)

March 14, 2018

U.S. Securities and Exchange Commission  
Division of Corporation Finance  
Office of Chief Counsel  
100 F Street, N.E.  
Washington, D.C. 20549

RE: Rite Aid Corporation – 2018 Annual Meeting  
Supplement to Letter dated February 8, 2018  
Relating to Shareholder Proposal of the Sisters of  
St. Francis of Philadelphia and Trinity Health

Ladies and Gentlemen:

We refer to our letter dated February 8, 2018 (the “No-Action Request”), pursuant to which we requested that the Staff of the Division of Corporation Finance (the “Staff”) of the Securities and Exchange Commission (the “Commission”) concur with the view that Rite Aid Corporation, a Delaware corporation (“Rite Aid”), may exclude the shareholder proposal and supporting statement (the “Proposal”) submitted by the Sisters of St. Francis of Philadelphia and co-filed by Trinity Health from the proxy materials to be distributed by Rite Aid in connection with its 2018 annual meeting of stockholders (the “2018 proxy materials”). The Sisters of St. Francis of Philadelphia and Trinity Health are sometimes referred to collectively as the “Proponents.”

This letter is in response to the letter to the Staff, dated March 8, 2018, submitted on behalf of the Proponents (the “Proponents’ Letter”), and supplements the No-Action Request. In accordance with Rule 14a-8(j), a copy of this letter is also being sent to the Proponents.

**I. The Proposal Deals with Matters Relating to Rite Aid's Ordinary Business Operations.**

The Proponents' Letter mischaracterizes the Staff's prior no-action decisions by suggesting that no shareholder proposal seeking a sustainability report or a report on a company's environmental, social and governance (ESG) performance can be excluded under Rule 14a-8(i)(7). The Staff's analysis under Rule 14a-8(i)(7), however, is more involved than the Proponents' Letter suggests. In particular, when assessing proposals under Rule 14a-8(i)(7), the Staff considers the terms of the resolution and its supporting statement as a whole. *See* Staff Legal Bulletin No. 14C, part D.2 (June 28, 2005) ("In determining whether the focus of these proposals is a significant social policy issue, we consider both the proposal and the supporting statement as a whole."). As described in the No-Action Request, the Staff has declined to concur in the exclusion of proposals that ask the company to produce an ESG or sustainability report only when the proposal's focus is on a significant policy issue such as climate change, rather than on the company's ordinary business operations.

Indeed, as described in the No-Action Request, the Staff has consistently permitted exclusion of shareholder proposals under Rule 14a-8(i)(7) where the proposal focused on matters relating to a company's ordinary business operations, even though the proposal also related to a potential significant policy issue. *See, e.g., Exxon Mobil Corp.* (Mar. 6, 2012) (permitting exclusion under Rule 14a-8(i)(7) of a proposal requesting a report on risks to the company posed by the "environmental, social and economic challenges associated with the oil sands" on the basis that the proposal asked the company to report on "economic challenges"); *PetSmart, Inc.* (Mar. 24, 2011) (permitting exclusion under Rule 14a-8(i)(7) of a proposal requesting that the board require its suppliers to certify that they had not violated certain acts or laws relating to animal cruelty on the basis that "[a]lthough the humane treatment of animals is a significant policy issue . . . the scope of the laws covered by the proposal is 'fairly broad in nature from serious violations such as animal abuse to violations of administrative matters such as record keeping'"); *JP Morgan Chase & Co.* (Mar. 12, 2010) (permitting exclusion under Rule 14a-8(i)(7) of a proposal requesting the adoption of a policy barring future financing of companies engaged in mountain top removal coal mining, a practice that impacted the environment, on the basis that the proposal addressed "matters beyond the environmental impact of JPMorgan Chase's project finance decisions"). Similarly, in this instance, any possibility that the Proposal touches on a potential significant policy issue does not preclude exclusion under Rule 14a-8(i)(7) because, as demonstrated in the No-Action Request, the Proposal focuses on Rite Aid's ordinary business matters (*i.e.*, Rite Aid's customer safety, workplace safety, customer privacy and information security, energy expenses and supplier relationships).

Accordingly, the Proposal is excludable under Rule 14a-8(i)(7) as relating to Rite Aid's ordinary business operations.

## **II. Rite Aid Has Satisfied the Proposal's Essential Objective.**

The Proponents' Letter also takes issue with the Rite Aid disclosures cited in the No-Action Request. However, as described in the No-Action Request, and recently re-affirmed by the Staff in *Pfizer Inc.* (Mar. 1, 2018), the Staff has permitted exclusion under Rule 14a-8(i)(10) where a company has addressed the underlying concerns and satisfied the essential objectives of the proposal, even if the proposal has not been implemented exactly as proposed by the proponent. In *Pfizer*, the proponent requested a report on risks that the company faced as a result of rising pressure to contain prescription drug prices and asked that the report address certain specified risks. In its no-action request, the company cited its public disclosures that related to the set of risk areas identified in the proposal. Despite the fact that the proponent characterized the company's disclosure as "incomplete" and "generic," the Staff granted the company relief to exclude the proposal under Rule 14a-8(i)(10) based on the company's public disclosures relating to the set of risk areas identified in the proposal.

In this instance, Rite Aid's public disclosures address the principal aspects of its environmental, social and governance performance, as requested by the Proposal. Specifically, as described in the No-Action Request, Rite Aid provides details regarding its approach to customer and worker safety, privacy and security, environmental management, including energy and waste minimization, and supply-chain management. In addition, contrary to the assertion in the Proponents' Letter, Rite Aid provides metrics regarding its investments in energy efficiency and waste reduction initiatives on the "Sustainability" page of its website (page 20 of Exhibit B to the No-Action Request). Thus, while Rite Aid's public disclosure may not be as detailed as the Proponents' Letter's characterization of the Proposal, Rite Aid's public disclosures nevertheless adequately address the underlying concern of the Proposal. Accordingly, Rite Aid believes that it has satisfied the Proposal's essential objective and that its public disclosures compare favorably with the Proposal. Therefore, as described in the No-Action Request, the Proposal is excludable under Rule 14a-8(i)(10).

## **III. Conclusion**

For the reasons stated above and in the No-Action Request, we respectfully request that the Staff concur that it will take no action if Rite Aid excludes the Proposal from its 2018 proxy materials. Should the Staff disagree with the conclusions set forth in this letter, or should any additional information be desired in support of Rite Aid's position, we would appreciate the opportunity to confer with

Office of Chief Counsel  
March 14, 2018  
Page 4

the Staff concerning these matters prior to the issuance of the Staff's response.  
Please do not hesitate to contact the undersigned at (202) 371-7233.

Very truly yours,



Marc S. Gerber

cc: James J. Comitale  
Rite Aid Corporation

Tom McCaney, Associate Director, Corporate Social Responsibility  
The Sisters of St. Francis of Philadelphia

Catherine M. Rowan, Director, Socially Responsible Investments  
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**PAUL M. NEUHAUSER**

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March 8, 2018

Securities & Exchange Commission  
100 F Street, NE  
Washington, D.C. 20549

Att: Matt McNair, Esq.  
Special Counsel  
Division of Corporation Finance

Via email to [shareholderproposals@sec.gov](mailto:shareholderproposals@sec.gov)

Re: Shareholder Proposal submitted to Rite Aid Corporation

Dear Sir/Madam:

I have been asked by the Sisters of St. Francis of Philadelphia and Trinity Health (hereinafter referred to jointly as the “Proponents”), each of which is the beneficial owner of shares of common stock of Rite Aid Corporation (hereinafter referred to either as “Rite Aid” or the “Company”), and who have jointly submitted a shareholder proposal to Rite Aid, to respond to the letter dated February 8, 2018, sent to the Securities & Exchange Commission by Skadden, Arps, Slate, Meagher & Flom on behalf of the Company, in which Rite Aid contends that the Proponents’ shareholder proposal may be excluded from the Company's year 2018 proxy statement by virtue of Rules 14a-8(i)(7) and 14a-8(i)(10).

I have reviewed the Proponents’ shareholder proposal, as well as the aforesaid letter sent by the Company, and based upon the foregoing, as well as upon a review of Rule 14a-8, it is my opinion that the Proponents’ shareholder

proposal must be included in Rite Aid's year 2018 proxy statement and that it is not excludable by virtue of either of the cited rules.

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The Proponents' shareholder proposal requests the Company to prepare a sustainability report, including its ESG risks, opportunities and metrics

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#### RULE 14a-8(i)(7)

The Company does not argue that a shareholder proposal asking for a report on its ESG (environmental, social and governance) performance can be excluded by virtue of Rule 14a-8(i)(7). This is not surprising since the Staff has long opined that such a proposal raises a significant policy issue for the registrant, thereby precluding the applicability of (i)(7). See, e.g., *NYSE Euronext* (February 12, 2013); *Chesapeake Energy Corporation* (April 2, 2010).

Instead, Rite Aid focuses not on the overall request, but rather on some examples the Proponents have given of what an ESG, or sustainability, report might contain. (Absent such explanation of the meaning of ESG, a registrant might attempt to attack the proposal as being too vague, as was done by the registrant in the *Chesapeake* letter.) Although there is some variability in the details of what an ESG or sustainability report might contain, nevertheless each of the Proponent's examples would be expected to be included in any such report. For example, the London Stock Exchange has an online publication entitled "Your Guide to ESG Reporting" ([www.lseg.com/esg](http://www.lseg.com/esg)). In that publication is a section entitled "ESG Reporting Guidance" that on pages 16-17 contains a circular pictorial listing of ESG topics that could be expected to be reported on. The listing in the Proponents' shareholder proposal fits neatly into several of these categories. For example, the Proponents list "supply chain", as does the LSE; the LSE lists "Health and Safety", and the Proponents list "customer and worker safety"; one third of the LSE pictorial is called (not surprisingly) "Environmental", with various sub-categories, which corresponds to the Proponents' "environmental management, including energy and waste minimization"; finally the Proponents' privacy and security correspond to the LSE's "customer responsibility".

Similar results can be obtained by examining other compilations of ESG factors. For example, Market Business News has a definition of ESG.

([www.marketbusinessnews.com/financial-glossary/esg-definition](http://www.marketbusinessnews.com/financial-glossary/esg-definition)) listing about fifteen categories, including “Waste & Pollution” and “Resource Depletion” (corresponding to the Proponents’ “environmental management, including energy and water minimization”), “Health and Safety” (corresponding to the Proponents’ “customer and worker safety”); “Working Conditions”, (encompassing the Proponents’ “supply chain”).

In summary, the Proponents’ shareholder proposal focuses on overall sustainability principles. Thus, the final sentence of the Supporting Statement summarizes the Proponents’ request as follows: “a company-wide review of policies, practices and metrics related to ESG performance”. In contrast, the Company improperly pulls out various components of the overarching topic and claims that these various components are each ordinary business matters. But doing so does not enable it to carry its burden of proving the applicability of Rule 14a-8(i)(7) to the Proponents’ shareholder proposal. If it does, no request for a sustainability report could pass muster since every sustainability report will have at least some topics that might be considered ordinary business.

#### RULE 14a-8(i)(10)

Rite Aid asserts that its 20-page puff-piece (its Exhibit B), containing no metrics whatsoever, is the equivalent of the sustainability report requested. However, Exhibit B (i) contains almost no hard information about the present state of the Company and furthermore (ii) does not address “risks and opportunities” as requested by the shareholder proposal.

For example, the first paragraph of the Company’s letter that actually attempts to address the application of the mootness doctrine to the Proponents’ request (second full paragraph, page 9), quotes Rite Aid’s CEO as saying, in essence, that we are terrific and always have been. In a like vein, in the following paragraph, Rite Aid contends that “with respect to worker safety”, it has mooted the Proponents’ request by virtue of the Company’s “dedication” to “creating an experience for all of [its] associates that is easy, exciting and engaging”. Clearly, a non-sequitur.

In contrast to the Company’s quoting of an occasional phrase from its Exhibit B, other corporations have prepared substantive ESG reports. For example, a 2013 article in The Guardian stated that worldwide “[o]ver 11,000 companies now use the GRI framework as the basis of their reporting”.

([www.theguardian.com/sustainable-business/global-reporting-initiative-updates](http://www.theguardian.com/sustainable-business/global-reporting-initiative-updates).) Similarly, the London Stock Exchange reports that 726 English companies and 308 Italian companies reported their ESG performance in 2015. ([www.lseg.com/sites/default/files/content/images/Green-Finance/ESG/2018/February/LSEG-ESG-report-January-2018](http://www.lseg.com/sites/default/files/content/images/Green-Finance/ESG/2018/February/LSEG-ESG-report-January-2018), page 17.) Although the various sustainability reporting frameworks have some variation amongst them, they all attempt to provide a comprehensive ESG report, rather than the few random statements that Rite Aid has pointed to in its Exhibit B. An example of the type of ESG report contemplated by the Proponents' shareholder proposal is the recent report from Bank of America. ([www.about.bankofamerica.com/en-us/what-guides-us/reporting](http://www.about.bankofamerica.com/en-us/what-guides-us/reporting).) Even a cursory glance at that report proves conclusively that the occasional phrases cited from Exhibit B cannot possibly moot the Proponents' request for an ESG *report*, including risks and opportunities.

Finally, as noted in the Supporting Statement, the Proponent have requested that the report contain metrics. None appear in Exhibit B.

For the foregoing reasons, the Company has failed to carry its burden of proving that the Proponents' shareholder proposal is excludable by virtue of Rule 14a-8(i)(10).

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In conclusion, we request that the Staff inform the Company that the SEC Proxy Rules require denial of the Company's no-action letter request. We would appreciate your telephoning the undersigned at 941-349-6164 with respect to any questions in connection with this matter or if the Staff wishes any further information. Faxes can be received at the same number and mail and email addresses appear on the letterhead.

Very truly yours,

Paul M. Neuhauser

cc: Marc S. Gerber  
Tom McCaney  
Cathy Rowan  
Josh Zinner

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February 8, 2018

U.S. Securities and Exchange Commission  
Division of Corporation Finance  
Office of Chief Counsel  
100 F Street, N.E.  
Washington, D.C. 20549

RE: Rite Aid Corporation – 2018 Annual Meeting  
Omission of Shareholder Proposal of The Sisters of  
St. Francis of Philadelphia and Trinity Health

Ladies and Gentlemen:

Pursuant to Rule 14a-8(j) promulgated under the Securities Exchange Act of 1934, as amended, we are writing on behalf of our client, Rite Aid Corporation, a Delaware corporation (“Rite Aid”), to request that the Staff of the Division of Corporation Finance (the “Staff”) of the Securities and Exchange Commission (the “Commission”) concur with Rite Aid’s view that, for the reasons stated below, it may exclude the shareholder proposal and supporting statement (the “Proposal”) submitted by the Sisters of St. Francis of Philadelphia and co-filed by Trinity Health from the proxy materials to be distributed by Rite Aid in connection with its 2018 annual meeting of stockholders (the “2018 proxy materials”). The Sisters of St. Francis of Philadelphia and Trinity Health are sometimes referred to collectively as the “Proponents.”

In accordance with Section C of Staff Legal Bulletin No. 14D (Nov. 7, 2008) (“SLB 14D”), we are emailing this letter and its attachments to the Staff at shareholderproposals@sec.gov. In accordance with Rule 14a-8(j), we are

simultaneously sending a copy of this letter and its attachments to the Proponents as notice of Rite Aid's intent to omit the Proposal from the 2018 proxy materials.

Rule 14a-8(k) and Section E of SLB 14D provide that shareholder proponents are required to send companies a copy of any correspondence that the shareholder proponents elect to submit to the Commission or the Staff. Accordingly, we are taking this opportunity to remind the Proponents that if the Proponents submit correspondence to the Commission or the Staff with respect to the Proposal, a copy of that correspondence should concurrently be furnished to Rite Aid.

## **I. The Proposal**

The resolution contained in the Proposal is set forth below:

**Resolved:** Shareholders request that Rite Aid Corporation prepare a sustainability report describing the company's environmental, social and governance (ESG) risks and opportunities, including customer and worker safety, privacy and security, environmental management, including energy and waste minimization, and supply-chain risks. The report, prepared at reasonable cost and omitting proprietary information, should be published within one year of the 2018 annual shareholders meeting.

## **II. Bases for Exclusion**

We hereby respectfully request that the Staff concur in Rite Aid's view that it may exclude the Proposal from the 2018 proxy materials pursuant to:

- Rule 14a-8(i)(7) because the Proposal deals with matters relating to Rite Aid's ordinary business operations; and
- Rule 14a-8(i)(10) because Rite Aid has substantially implemented the Proposal.

## **III. Background**

On December 13, 2017, Rite Aid received the Proposal, accompanied by a cover letter from the Sisters of St. Francis of Philadelphia dated December 12, 2017, and a letter from Northern Trust Company dated December 12, 2017, verifying the Sisters of St. Francis of Philadelphia's stock ownership as of such date (the "Broker Letter"). On January 22, 2018, Rite Aid received a copy of the Proposal, accompanied by a cover letter from Trinity Health dated January 18, 2018, indicating that it was co-filing the Proposal with the Sisters of St. Francis of Philadelphia, and a

letter from Northern Trust Company dated January 18, 2018, verifying Trinity Health's stock ownership as of such date (the "Second Broker Letter"). Copies of the Proposal, cover letters, Broker Letter and Second Broker Letter are attached hereto as Exhibit A.

**IV. Rite Aid May Exclude the Proposal Pursuant to Rule 14a-8(i)(7) Because the Proposal Deals with Matters Relating to Rite Aid's Ordinary Business Operations.**

Under Rule 14a-8(i)(7), a shareholder proposal may be excluded from a company's proxy materials if the proposal "deals with matters relating to the company's ordinary business operations." In Exchange Act Release No. 34-40018 (May 21, 1998) (the "1998 Release"), the Commission stated that the policy underlying the ordinary business exclusion rests on two central considerations. The first recognizes that certain tasks are so fundamental to management's ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight. The second consideration relates to the degree to which the proposal seeks to "micro-manage" the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment.

The Commission also has stated that a proposal requesting the dissemination of a report is excludable under Rule 14a-8(i)(7) if the substance of the proposal is within the ordinary business of the company. *See* Exchange Act Release No. 34-20091 (Aug. 16, 1983) (the "1983 Release"); *see also Netflix, Inc.* (Mar. 14, 2016) (permitting exclusion under Rule 14a-8(i)(7) of a proposal that requested a report "describing how company management identifies, analyzes and oversees reputational risks related to offensive and inaccurate portrayals of Native Americans, American Indians and other indigenous peoples, how it mitigates these risks and how the company incorporates these risk assessment results into company policies and decision-making," noting that the proposal related to the ordinary business matter of the "nature, presentation and content of programming and film production").

The Proposal seeks a wide-ranging report that would address multiple aspects of Rite Aid's ordinary business operations, including customer safety, worker safety, privacy and security, energy and waste minimization and supply chain matters. Accordingly, the Proposal is excludable under Rule 14a-8(i)(7).

In accordance with the policy considerations underlying the ordinary business exclusion, the Staff has permitted exclusion of proposals under Rule 14a-8(i)(7) that relate to customer safety. In *PPG Industries, Inc.* (Feb. 26, 2015), for example, the proposal requested a report on "options for policies and practices PPG can adopt to

reduce occupational and community health hazards by eliminating the use of lead in paint and coatings . . . .” In granting relief to exclude the proposal, the Staff noted that the proposal “relat[ed] to PPG’s ordinary business operations.” *See also, e.g., Wal-Mart Stores, Inc.* (Feb. 27, 2008) (permitting exclusion under Rule 14a-8(i)(7) of a proposal that requested “a report on the company’s policies on product safety”); *The Home Depot, Inc.* (Jan. 25, 2008) (same); *Family Dollar Stores, Inc.* (Nov. 6, 2007) (permitting exclusion under Rule 14a-8(i)(7) of a proposal that requested a report “evaluating [c]ompany policies and procedures for systematically minimizing customers’ exposure to toxic substances and hazardous components in its marketed products”). In this instance, where customer safety would mostly relate to the physical safety of customers while shopping in Rite Aid stores, the ordinary business nature of the request is even more clear and, in some ways, is more akin to workplace safety (described below).

The Staff also has consistently permitted the exclusion of proposals under Rule 14a-8(i)(7) that relate to workplace safety. In *Pilgrim’s Pride Corp.* (Feb. 25, 2016), for example, the proposal sought a report on the company’s “policies, practices, performance, and improvement targets related to [occupational health and safety].” In granting relief to exclude the proposal, the Staff noted that “the proposal relates to workplace safety.” *See also, e.g., The Chemours Company* (Jan. 17, 2017) (permitting exclusion under Rule 14a-8(i)(7) of a proposal that requested a report on “the steps Chemours has taken to reduce the risk of accidents,” noting that “the proposal relates to workplace safety”); *CNF Transportation Inc.* (Jan. 26, 1998) (permitting exclusion under Rule 14a-8(i)(7) of a proposal that requested that the company adopt a policy of disclosing safety data and claims history in its annual report to shareholders, noting that “the proposal is directed at matters relating to the [c]ompany’s ordinary business operations (i.e., disclosing safety data and claims history)”; *Chevron Corp.* (Feb. 22, 1988) (permitting exclusion under Rule 14a-8(c)(7), the predecessor to Rule 14a-8(i)(7), of a proposal requesting, in part, that the company reassign U.S. nationals employed by the company in the People’s Republic of Angola to other posts outside of the People’s Republic of Angola, noting that the proposal deals with “the protection of the safety of [c]ompany employees”).

In addition, the Staff has consistently permitted the exclusion of proposals under Rule 14a-8(i)(7) relating to a company’s procedures for protecting customer privacy and information security. In *Verizon Communications Inc.* (Feb. 16, 2017), for example, the proposal asked the company to review and report on its “progress toward implementing its various commitments pertaining to privacy, free expression and data security.” In granting relief to exclude the proposal, the Staff noted that “the proposal relates to procedures for protecting customer information.” *See also, e.g., AT&T Inc.* (Feb. 5, 2016) (permitting exclusion under Rule 14a-8(i)(7) of a

proposal that requested a report that would, among other things, “clarify[] the [c]ompany’s policies regarding providing information to law enforcement and intelligence agencies . . . above and beyond what is legally required,” noting that “the proposal relates to procedures for protecting customer information”); *Bank of America Corp.* (Feb. 21, 2006) (permitting exclusion under Rule 14a-8(i)(7) of a proposal that requested a report on “the company’s policies and procedures for ensuring that all personal and private information pertaining to all Bank of America customers will remain confidential in all business operations,” noting that “the proposal relates to procedures for protecting customer information”).

Further, the Staff has consistently permitted exclusion of proposals under Rule 14a-8(i)(7) requesting that a company increase its energy efficiency where the proposal and the supporting statement, when read together, focus primarily on a company’s management of its energy expenses. In *FLIR Systems, Inc.* (Feb. 6, 2013), for example, the proposal sought a report “describing the company’s short- and long-term strategies on energy use management.” In granting relief to exclude the proposal under Rule 14a-8(i)(7), the Staff concluded that “the proposal and supporting statement, when read together, focus primarily on FLIR’s strategies for managing its energy expenses.” See also, e.g., *The TJX Companies, Inc.* (Mar. 8, 2016) (permitting exclusion under Rule 14a-8(i)(7) of a proposal that requested that the company set “quantitative targets . . . to increase renewable energy sourcing and/or production”); *CVS Health Corp.* (Mar. 8, 2016) (same); *Apple Inc.* (Dec. 5, 2014) (permitting exclusion under Rule 14a-8(i)(7) of a proposal that requested an estimate of “the total investment in . . . renewable sources of electricity . . . and the projected costs over the life of the renewable sources,” noting that “the proposal relates to the manner in which the company manages its expenses”); *TXU Corp.* (Apr. 2, 2007) (permitting exclusion under Rule 14a-8(i)(7) of a proposal that requested, among other things, an analysis of potential energy savings that could be generated by energy efficiency actions and an analysis of costs to the company of implementing energy efficiency actions).

The Staff also has permitted the exclusion under Rule 14a-8(i)(7) of proposals concerning decisions relating to a company’s supplier relationships. For example, in *Foot Locker, Inc.* (Mar. 3, 2017), the shareholder proposal requested a report outlining “the steps that the company is taking, or can take, to monitor the use of subcontractors by the company’s overseas apparel suppliers.” In granting relief to exclude the proposal under Rule 14a-8(i)(7), the Staff determined that “the proposal relates broadly to the manner in which the company monitors the conduct of its suppliers and their subcontractors.” See also, e.g., *Kraft Foods Inc.* (Feb. 23, 2012) (permitting exclusion under Rule 14a-8(i)(7) of a proposal that requested a report detailing the ways the company would assess water risk to its agricultural supply

chain and mitigate the impact of such risk, noting that the proposal concerned “decisions relating to supplier relationships . . . [which] are generally excludable under rule 14a-8(i)(7)”); *Alaska Air Group, Inc.* (Mar. 8, 2010) (permitting exclusion under Rule 14a-8(i)(7) of a proposal that requested a report discussing the maintenance and security standards used by the company’s aircraft contract repair stations and the company’s procedures for overseeing maintenance performed by the contract repair stations, as the proposal concerned “decisions relating to vendor relationships [which] are generally excludable under rule 14a-8(i)(7)”); *Dean Foods Co.* (Mar. 9, 2007) (permitting exclusion under Rule 14a-8(i)(7) of a proposal that requested an independent committee review of the company’s standards for organic dairy product suppliers, noting that the proposal related to the company’s “decisions relating to supplier relationships”); *Seaboard Corp.* (Mar. 3, 2003) (permitting exclusion under Rule 14a-8(i)(7) of a proposal that requested a report discussing its suppliers’ use of antibiotics in hog production facilities).

As noted above, the Proposal’s request asks Rite Aid to produce a report that would cover myriad matters of ordinary business, including “customer and worker safety,” “privacy and security,” “energy . . . minimization” and “supply-chain risks.” In addition, the supporting statement proposes “energy reduction” as a “cost saving measure[,]” and lists “product marketing” and “quality of staff-work life” as areas of concern. Indeed, the supporting statement asks that the report “include a company-wide review of policies, practices and metrics related to ESG performance[.]” Such a review, coupled with a report on the topics requested by the Proposal and the concerns expressed in the supporting statement, reflect an attempt to involve shareholders in Rite Aid’s decisions with respect to numerous and varied aspects of Rite Aid’s ordinary business, and is precisely the type of effort that Rule 14a-8(i)(7) is intended to prevent. Decisions as to how Rite Aid manages customer safety, workplace safety, customer privacy and information security, energy expenses and supplier relationships are fundamental to Rite Aid’s day-to-day operations and cannot, as a practical matter, be subject to shareholder oversight. Thus, consistent with the precedent described above, the Proposal is excludable under Rule 14a-8(i)(7).

Rite Aid is aware that, under limited circumstances, the Staff has declined to permit exclusion of proposals asking the company to produce a sustainability report. *See, e.g., SunTrust Banks, Inc.* (Jan. 13, 2010) (declining to permit exclusion under Rule 14a-8(i)(7) of a proposal requesting that the company produce “a sustainability report describing strategies to address the environmental and social impacts of SunTrust’s business”). In those instances, however, the proposal focused on a significant policy issue. We note that the fact a proposal touches upon potential public policy considerations does not preclude exclusion under Rule

14a-8(i)(7). Instead, the question is whether the proposal focuses primarily on a matter of broad public policy versus matters related to the company's ordinary business operations. *See* 1998 Release and Staff Legal Bulletin No. 14E (Oct 27, 2009). The Staff has consistently permitted exclusion of shareholder proposals where the proposal focused on ordinary business matters, even though it also related to a potential significant policy issue. For example, in *PetSmart, Inc.* (Mar. 24, 2011), the proposal requested that the board require suppliers to certify that they had not violated certain laws regulating the treatment of animals. Those laws affected a wide array of matters dealing with the company's ordinary business operations beyond the humane treatment of animals. In granting relief to exclude the proposal, therefore, the Staff noted the company's view "that the scope of the laws covered by the proposal is 'fairly broad in nature from serious violations such as animal abuse to violations of administrative matters such as record keeping.'" Similarly, in this instance, the numerous and varied topics included in the scope of the Proposal's request for information, including "customer and worker safety," "privacy and security," "energy . . . minimization" and "supply-chain risks," make evident that the focus of the Proposal is not on a significant policy issue.

Accordingly, Rite Aid believes that the Proposal may be excluded from its 2018 proxy materials pursuant to Rule 14a-8(i)(7) as relating to its ordinary business operations.

**V. The Proposal May be Excluded Under Rule 14a-8(i)(10) Because Rite Aid Has Substantially Implemented the Proposal.**

Rule 14a-8(i)(10) permits a company to exclude a shareholder proposal if the company has already substantially implemented the proposal. The Commission adopted the "substantially implemented" standard in 1983 after determining that the "previous formalistic application" of the rule defeated its purpose, which is to "avoid the possibility of shareholders having to consider matters which already have been favorably acted upon by the management." *See* 1983 Release and Exchange Act Release No. 34-12598 (July 7, 1976). Accordingly, the actions requested by a proposal need not be "fully effected" provided that they have been "substantially implemented" by the company. *See* 1983 Release.

Applying this standard, the Staff has consistently permitted the exclusion of a proposal when it has determined that the company's policies, practices and procedures or public disclosures compare favorably with the guidelines of the proposal. *See, e.g., Kewaunee Scientific Corp.* (May 31, 2017); *Wal-Mart Stores, Inc.* (Mar. 16, 2017); *Dominion Resources, Inc.* (Feb. 9, 2016); *Ryder Sys., Inc.* (Feb. 11, 2015); *Wal-Mart Stores, Inc.* (Mar. 27, 2014); *Peabody Energy Corp.* (Feb. 25,

2014); *The Goldman Sachs Group, Inc.* (Feb. 12, 2014); *Hewlett-Packard Co.* (Dec. 18, 2013); *Deere & Co.* (Nov. 13, 2012); *Duke Energy Corp.* (Feb. 21, 2012); *Exelon Corp.* (Feb. 26, 2010); *ConAgra Foods, Inc.* (July 3, 2006); *The Gap, Inc.* (Mar. 16, 2001); *Nordstrom, Inc.* (Feb. 8, 1995); *Texaco, Inc.* (Mar. 6, 1991, recon. granted Mar. 28, 1991).

In addition, the Staff has permitted exclusion under Rule 14a-8(i)(10) where a company already addressed the underlying concerns and satisfied the essential objectives of the proposal, even if the proposal had not been implemented exactly as proposed by the proponent. In *Wal-Mart Stores, Inc.* (Mar. 30, 2010), for example, the proposal requested that the company adopt six principles for national and international action to stop global warming. The company argued that its Global Sustainability Report, available on the company's website, substantially implemented the proposal. Although the report referred to by the company set forth only four principles that covered most, but not all, of the issues raised by the proposal, the Staff concluded that the company had substantially implemented the proposal. See also, e.g., *Oshkosh Corp.* (Nov. 4, 2016) (permitting exclusion under Rule 14a-8(i)(10) of a proposal requesting six changes to the company's proxy access bylaw, where the company amended its proxy access bylaw to implement three of six requested changes); *MGM Resorts Int'l* (Feb. 28, 2012) (permitting exclusion under Rule 14a-8(i)(10) of a proposal requesting a report on the company's sustainability policies and performance and recommending the use of the Governance Reporting Initiative Sustainability Guidelines, where the company published an annual sustainability report that did not use the Governance Reporting Initiative Sustainability Guidelines or include all of the topics covered therein); *Alcoa Inc.* (Feb. 3, 2009) (permitting exclusion under Rule 14a-8(i)(10) of a proposal requesting a report that describes how the company's actions to reduce its impact on global climate change may have altered the current and future global climate, where the company published general reports on climate change, sustainability and emissions data on its website); *ConAgra Foods, Inc.* (July 3, 2006) (permitting exclusion under Rule 14a-8(i)(10) of a proposal requesting that the company issue a sustainability report that includes "the company's definition of sustainability, as well as a company-wide review of company policies and practices related to long-term social and environmental sustainability," where the company published a Corporate Responsibility Report on its website that covered the meaning of "sustainability" in three broad areas: social, environment and workplace matters).

Rite Aid has substantially implemented the Proposal, the essential objective of which is to obtain public disclosure of its environmental, social and governance considerations, including customer and worker safety, privacy and security,

environmental management, including energy and waste minimization, and supply-chain risks.

Rite Aid satisfies the Proposal's essential objective through Rite Aid's existing policies and disclosures made publicly available on its website. From the homepage of Rite Aid's website, under the "Corporate Info" heading, users can click the "Governance" page link to be taken to the Governance main page. Under the "Governance" heading, users can click the "Codes of Ethics" link to view Rite Aid's Codes of Ethics page, which offers a link to Rite Aid's Code of Business Ethics and Conduct (the "Code"). From the Governance main page, users can also select the "Sustainability" page link to be taken to additional information regarding Rite Aid's investments in energy efficiency and waste reduction initiatives.<sup>1</sup>

President and CEO John Standley's introduction to the Code notes that "the principles outlined in [the] Code . . . have guided the way [Rite Aid] do[es] business for a long time." Further, the introduction states that Rite Aid "expect[s] . . . that all associates conduct themselves in accordance [the Code]," and also "hold[s] the companies that do business with [Rite Aid] to these same standards."

Included in the Code are standards relating to customer and worker safety. The Code explains that "[i]t is essential that we provide customers with safe products and services" and that "[t]his will fulfill our responsibilities to the public, maintain a competitive position in the marketplace, and retain the confidence of our customers." The Code also conveys Rite Aid's commitment to truth in advertising as an aspect of its service to its customers. With respect to worker safety, Rite Aid dedicates itself to "creating an experience for all of [its] associates that is easy, exciting and engaging." In addition to addressing safety and violence in the workplace, the Code covers aspects of Rite Aid's culture, nondiscrimination policy, harassment policy and wage and hour recording practices. The Code conveys that associates "have the right to work in an environment that is safe and free from threats and acts of violence" and outlines processes for reporting complaints.

In addition, the Code details Rite Aid's practices with respect to privacy and security. With respect to associates, Rite Aid "acquire[s] and retain[s] only the personal information that is necessary for [its] effective operation or as required by law. Access to such information is limited to only those who have an appropriate

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<sup>1</sup> The materials are available at [https://content.riteaid.com/www.riteaid.com/w-content/images/company/governance/20120320\\_COEBook.pdf](https://content.riteaid.com/www.riteaid.com/w-content/images/company/governance/20120320_COEBook.pdf) and <https://www.riteaid.com/corporate/sustainability>, and are attached hereto as Exhibit B.

need to know and will comply with all applicable laws.” More broadly, the Code conveys that it is Rite Aid’s policy to comply with federal HIPAA privacy regulations, including by providing training to associates that have access to protected health information.

With respect to environmental management, the Code states that Rite Aid is “committed to conserving energy, avoiding the unnecessary generation of waste, and carrying out company activities in ways that preserve and promote a clean, safe, and healthy environment.” The Sustainability page of Rite Aid’s website details specific measures that it has taken in recent years, including “upgrading the lighting in over 2,500 stores, 5 distribution centers, and 5 corporate office buildings to more efficient lamps,” “[r]eplacing old, less efficient rooftop HVAC units with higher-efficiency models,” recycling cardboard and fluorescent lamps, “[tightening] control of primary energy-consuming electrical and mechanical equipment at retail stores” and installing “[o]ver 1.3 million square feet of white ‘cool roof’” in its facilities. The Sustainability page also notes that Rite Aid is working with architectural and engineering design firms to develop designs for new stores that “meet or exceed the national building code standards for energy efficiency.”

Finally, Rite Aid has disclosed that it expects its suppliers and vendors “to operate and conduct business in the same fair, ethical manner detailed in [the Code].” In particular, the Code notes that suppliers and vendors must “provide workers a safe environment,” “use clean and environmentally friendly standards,” and are expected to “maintain confidentiality standards set forth by Rite Aid.”

As described above, a proposal is substantially implemented when a company addresses the underlying concerns and satisfies the essential objectives of the proposal, even if the proposal has not been implemented exactly as proposed by the proponent. Here, Rite Aid’s existing public policies and disclosures concerning its environmental, social and governance considerations satisfies the Proposal’s underlying concern and essential objective of obtaining public disclosure of Rite Aid’s environmental, social and governance considerations, including customer and worker safety, privacy and security, environmental management, including energy and waste minimization, and supply-chain risks. Therefore, as in the precedent described above, Rite Aid has substantially implemented the Proposal.

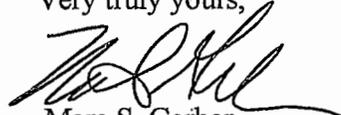
Accordingly, consistent with the precedent described above, Rite Aid believes that the Proposal may be excluded from its 2018 proxy materials pursuant to Rule 14a-8(i)(10) as substantially implemented.

**VI. Conclusion**

Based upon the foregoing analysis, Rite Aid respectfully requests that the Staff concur that it will take no action if Rite Aid excludes the Proposal from the 2018 proxy materials.

Should the Staff disagree with the conclusions set forth in this letter, or should any additional information be desired in support of Rite Aid's position, we would appreciate the opportunity to confer with the Staff concerning these matters prior to the issuance of the Staff's response. Please do not hesitate to contact the undersigned at (202) 371-7233.

Very truly yours,



Marc S. Gerber

Enclosures

cc: James J. Comitale  
Rite Aid Corporation

Tom McCaney, Associate Director, Corporate Social Responsibility  
The Sisters of St. Francis of Philadelphia

Catherine M. Rowan, Director, Socially Responsible Investments  
Trinity Health

EXHIBIT A

(see attached)



THE SISTERS OF ST. FRANCIS OF PHILADELPHIA

December 12, 2017

James J. Comitale  
Corporate Secretary  
Rite Aid Corporation  
30 Hunter Lane  
Camp Hill, PA 17011



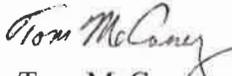
Dear Mr. Comitale:

Peace and all good! The Sisters of St. Francis of Philadelphia have been shareholders in Rite Aid for several years. As responsible shareholders, we believe that what gets measured, gets managed. As a health care company and retailer with a large and diversified supply chain, Rite Aid faces numerous environmental, social and governance (ESG) risks and opportunities.

The Sisters of St. Francis of Philadelphia are therefore submitting the enclosed shareholder proposal requesting the company prepare a comprehensive Sustainability Report covering all relevant ESG factors. I submit it for inclusion in the proxy statement for consideration and action by the stockholders at the 2018 annual meeting in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities and Exchange Act of 1934. A representative of the shareholders will attend the annual meeting to move the resolution as required by SEC rules. Please note that the contact person for this resolution/proposal will be: Tom McCaney, Associate Director, Corporate Social Responsibility. Contact information: 610-716-2766 or [tmccaney@osfphila.org](mailto:tmccaney@osfphila.org).

As verification that we are beneficial owners of common stock in Rite Aid, I enclose a letter from Northern Trust Company, our portfolio custodian/Record holder, attesting to the fact. It is our intention to keep these shares in our portfolio at least until after the annual meeting.

Respectfully Yours,

  
Tom McCaney

Associate Director, Corporate Social Responsibility

Enclosures

## **Sustainability Reporting 2018 – Rite Aid Corporation**

**Resolved:** Shareholders request that Rite Aid Corporation prepare a sustainability report describing the company's environmental, social and governance (ESG) risks and opportunities, including customer and worker safety, privacy and security, environmental management, including energy and waste minimization, and supply-chain risks. The report, prepared at reasonable cost and omitting proprietary information, should be published within one year of the 2018 annual shareholders meeting.

**Supporting Statement:** We believe tracking and reporting on ESG business practices make a company more responsive to a transforming business environment characterized by finite natural resources, changing legislation, concerns over healthcare and safety, and heightened public expectations for corporate accountability. Reporting also helps companies better integrate and gain strategic value from existing sustainability efforts, identify gaps and opportunities in products and processes, develop company-wide communications, publicize innovative practices and receive feedback.

Mainstream financial companies are continuing to recognize the links between environmental, social and governance (ESG) performance and shareholder value. As such, the availability of ESG performance data is growing through a wide range of data providers, such as Bloomberg. Also, investment firms like Goldman Sachs and Deutsche Asset Management are increasingly incorporating corporate, social and environmental practices into their investment decisions.

The United Nations' Principles for Responsible Investment has nearly 1,500 signatories who seek the integration of ESG factors in investment decision making. They collectively hold \$62 trillion assets under management and require information on ESG factors to analyze fully the risks and opportunities associated with existing and potential investments.

We believe that disclosure of sustainability policies, programs and performance can help a company manage sustainability opportunities and risks and that such disclosure is increasingly becoming a competitive advantage. There are many opportunities to reduce the waste stream. Other high impact areas with opportunities for improvement include green cleaning, improving air quality for both staff and customers, water conservation and energy reduction, all of which offer further ways not only to improve sustainability but also cost saving measures. Customer safety, product marketing and quality of care, and quality of staff work life, are also areas of concern. Aligning store operations with Rite Aid's stated mission "To improve the health and wellness of our communities..." can build trust and goodwill with current and potential customers.

The report should include a company-wide review of policies, practices and metrics related to ESG performance using the GRI index and checklist as a reference.



**NORTHERN  
TRUST**

50 S. LaSalle Street  
Chicago IL 60603

December 12, 2017

To Whom It May Concern:

This letter will confirm that the Sisters of St. Francis of Philadelphia hold **900** shares of **Rite Aid Corporation Common Stock (CUSIP 767754104)**. These shares have been held for more than one year and will be held continuously through the time of your next annual meeting.

The Northern Trust Company serves as custodian/record holder for the Sisters of St. Francis of Philadelphia. The above mentioned shares are registered in the nominee name of the Northern Trust Company.

This letter will further verify that Sister Nora M. Nash and/or Thomas McCaney are representatives of the Sisters of St. Francis of Philadelphia and are authorized to act on their behalf.

Sincerely,

Lisa M. Martinez- Shaffer  
Second Vice President



RECEIVED  
RITE AID  
JAN 22 2018  
LEGAL DEPARTMENT

Catherine M. Rowan  
Director, Socially Responsible Investments  
766 Brady Avenue, Apt. 635  
Bronx, NY 10462  
Phone: (718) 822-0820  
Fax: (718) 504-4787

E-Mail Address: [rowan@bestweb.net](mailto:rowan@bestweb.net)

January 18, 2018

James J. Comitale  
Corporate Secretary  
Rite Aid Corporation  
30 Hunter Lane  
Camp Hill, PA 17011

Dear Mr. Comitale:

Trinity Health is concerned not only with the financial returns of its investments, but also with the social and ethical implications of its investments. We believe that a demonstrated corporate responsibility in matters of the environment, social and governance concerns fosters long-term business success.

Trinity Health has been the beneficial owner of Rite Aid Corporation shares continuously for over one year, and will continue to hold these shares through the next annual meeting of the company. A letter of verification of ownership is enclosed.

I am authorized to notify you of our intention to present the attached proposal, "**Sustainability Reporting 2018 – Rite Aid Corporation**" for consideration and action by the stockholders at the next annual meeting. I submit this proposal for inclusion in the proxy statement, in accordance with Rule 14-a-8 of the General Rules and Regulations of the Securities and Exchange Act of 1934. By joining with the Sisters of St. Francis of Philadelphia, the other filer of this proposal (sent to the company on December 12, 2017), Trinity Health is thus surpassing the \$2,000 SEC resolution requirement.

The primary contact for the proposal is Mr. Tom McCaney [tmccaney@osfphila.org](mailto:tmccaney@osfphila.org). Trinity Health is co-filing with the Sisters of St. Francis of Philadelphia this same proposal.

Sincerely,

Catherine Rowan

January 18, 2018



Northern Trust

TO WHOM IT MAY CONCERN,

Please accept this letter as verification that as of January 18, 2018, Northern Trust as custodian held for the beneficial interest of Trinity Health 100 shares of Rite Aid Corporation.

As of January 18, 2018, Trinity Health has held these shares of Rite Aid Corporation continuously for over one year. Trinity Health has informed us it intends to continue to hold the required number of shares through the date of the company's annual meeting in 2018.

This letter is to confirm that the aforementioned shares of stock are registered with Northern Trust, Participant Number 2669, at the Depository Trust Company.

Sincerely,

Ryan Stack  
Trust Officer  
The Northern Trust Company  
50 South La Salle Street  
Chicago, Illinois 60603

NTAC:2SE-18

## **Sustainability Reporting 2018 – Rite Aid Corporation**

**Resolved:** Shareholders request that Rite Aid Corporation prepare a sustainability report describing the company's environmental, social and governance (ESG) risks and opportunities, including customer and worker safety, privacy and security, environmental management, including energy and waste minimization, and supply-chain risks. The report, prepared at reasonable cost and omitting proprietary information, should be published within one year of the 2018 annual shareholders meeting.

**Supporting Statement:** We believe tracking and reporting on ESG business practices make a company more responsive to a transforming business environment characterized by finite natural resources, changing legislation, concerns over healthcare and safety, and heightened public expectations for corporate accountability. Reporting also helps companies better integrate and gain strategic value from existing sustainability efforts, identify gaps and opportunities in products and processes, develop company-wide communications, publicize innovative practices and receive feedback.

Mainstream financial companies are continuing to recognize the links between environmental, social and governance (ESG) performance and shareholder value. As such, the availability of ESG performance data is growing through a wide range of data providers, such as Bloomberg. Also, investment firms like Goldman Sachs and Deutsche Asset Management are increasingly incorporating corporate, social and environmental practices into their investment decisions.

The United Nations' Principles for Responsible Investment has nearly 1,500 signatories who seek the integration of ESG factors in investment decision making. They collectively hold \$62 trillion assets under management and require information on ESG factors to analyze fully the risks and opportunities associated with existing and potential investments.

We believe that disclosure of sustainability policies, programs and performance can help a company manage sustainability opportunities and risks and that such disclosure is increasingly becoming a competitive advantage. There are many opportunities to reduce the waste stream. Other high impact areas with opportunities for improvement include green cleaning, improving air quality for both staff and customers, water conservation and energy reduction, all of which offer further ways not only to improve sustainability but also cost saving measures. Customer safety, product marketing and quality of care, and quality of staff work life, are also areas of concern. Aligning store operations with Rite Aid's stated mission "To improve the health and wellness of our communities..." can build trust and goodwill with current and potential customers.

The report should include a company-wide review of policies, practices and metrics related to ESG performance using the GRI index and checklist as a reference.

EXHIBIT B

(see attached)



# CODE OF BUSINESS ETHICS & CONDUCT



# DO THE RITE THING

MEET **HERB** our friendly canine mascot...  
 leading us to good ethical decisions. Follow HERB as he  
**H**ighlights **E**thically **R**esponsible **B**ehavior



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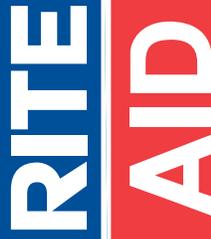
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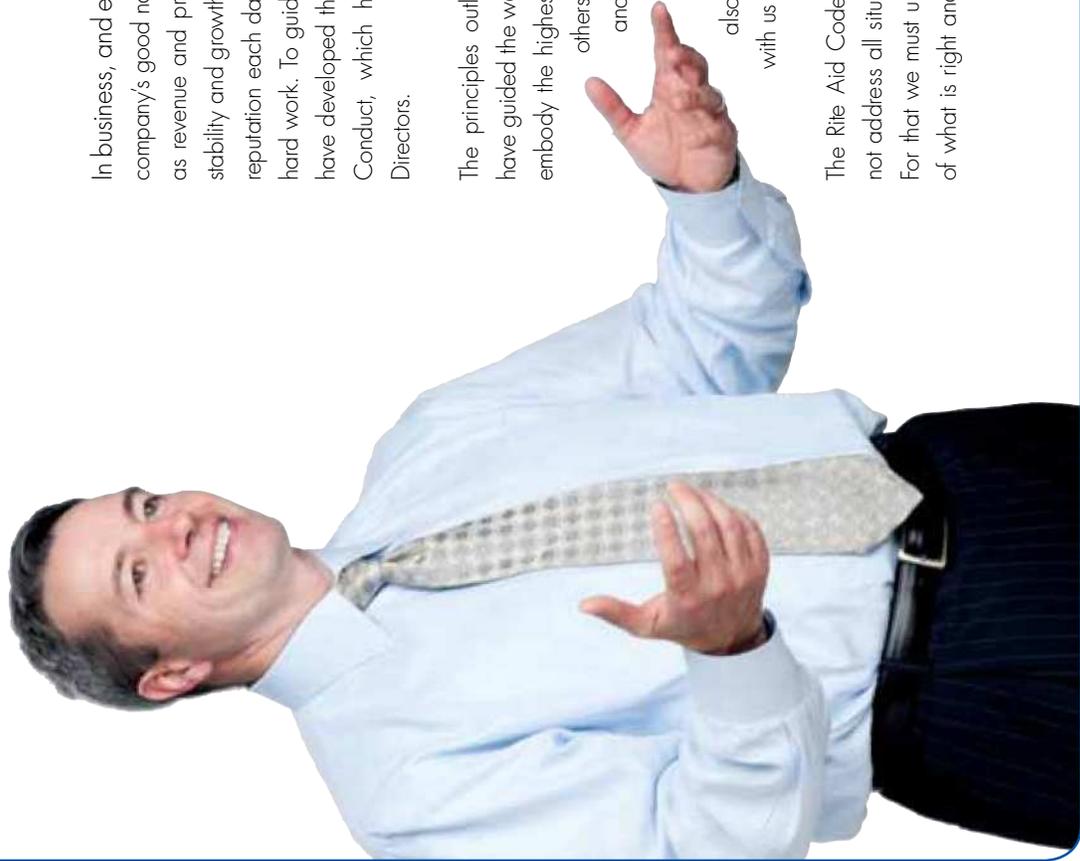
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Employment at Rite Aid is "at will," which means both the associate and Rite Aid have the right to terminate employment at any time, with or without advance notice, and with or without cause. Nothing in this Code should be construed as creating a contract for any length of employment, or any limitation on discipline or alteration of the terms of employment by Rite Aid. Only a corporate officer has the authority to make any contrary agreement, and any such agreement must be in writing and signed by both the corporate officer and the affected associate.

Rite Aid  
 Human Resources Department  
 P.O. Box 3165  
 Harrisburg, PA 17105



# A MESSAGE FROM OUR PRESIDENT & CEO JOHN STANDLEY



In business, and especially in the drug store business, a company's good name and reputation are just as important as revenue and profit in laying the groundwork for future stability and growth. You contribute to our good name and reputation each day through your honesty, dedication and hard work. To guide you in making the right decisions, we have developed the Rite Aid Code of Ethics and Business Conduct, which has been approved by our Board of Directors.

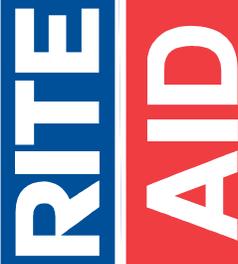
The principles outlined in this Code are not new—they have guided the way we do business for a long time. They embody the highest level of ethics, honor and respect for others. We expect, and our shareholders and regulatory agencies demand, that all associates conduct themselves in accordance with these policies. We also hold the companies that do business with us to these same standards.

The Rite Aid Code of Ethics and Business Conduct does not address all situations or answer all possible questions. For that we must ultimately rely on each associate's sense of what is right and wrong, including a sense of when to

seek guidance from others on the appropriate course of conduct. If you have questions about this information, please refer to existing policies and procedures or speak to your supervisor, a member of senior management, Rite Aid's Executive Vice President of Human Resources, or Rite Aid's General Counsel.

In keeping to the company's core value of demonstrating Integrity in All We Do, our Ethics Committee has also launched a campaign called "HERB" to support and acknowledge ethical behavior. HERB stands for Highlighting Ethically Responsible Behavior. Associates can email [herb@riteaid.com](mailto:herb@riteaid.com) to ask a question or recognize a fellow associate.

Your cooperation and compliance with the Rite Aid Code of Ethics and Business Conduct will help us to provide the most competitive products and the highest level of service to our customers. Our success depends on each and every associate continuing to conduct our business in an ethical manner. Thank you for doing your part to ensure that Rite Aid continues to realize its potential, in both the business that we do and the way that we do business.



# OUR CORE VALUES



## PASSION FOR OUR CUSTOMERS

We create unmatched levels of loyalty through our associates by being passionately committed to our customers and all we serve.



## ENCOURAGEMENT FOR OUR ASSOCIATES

We provide an environment that inspires and motivates the best people to choose to work here...where they can reach their fullest potential. We support personal growth and achievements. We dedicate ourselves to creating an experience for all of our associates that is easy, exciting and engaging.



## WINNING THROUGH TEAMWORK

We work for the good of the company, not just an individual business or function, by freely offering help and assistance to others and seek it when needed. We provide praise and encouragement to fellow associates. Celebrate success...both individual and team.



## COMMITMENT TO DIVERSITY AND RESPECT FOR THE INDIVIDUAL

We display behaviors that clearly show respect for others and with all their diversity. We invest the time to be exposed to different people, places and points of view and respect the dignity and potential of each individual.

## INTEGRITY IN ALL WE DO

We demonstrate high integrity and develop organizations with unquestioned levels of integrity – never compromising on the pressures of the day. We openly consult with others whenever in doubt about any decision or action being the right one.

## ACCOUNTABILITY FOR OUR ACTIONS AND RESULTS

We consistently guide and lead teams to extraordinary results. We are accountable to the standards we set.

## VALUE FOR OUR SHAREHOLDERS

We are fiscally responsible and committed to consistently deliver value for our shareholders.

## CARING NEIGHBORS

We are caring neighbors, involved in community activities in meaningful ways and committed to reflecting the diversity of each community we serve.

# FOLLOW **HERB** TO DO THE **RITE** THING...



**DO THE  
RITE  
THING**

Is it  
Legal?

Does it comply with  
RITE AID policies &  
ethical practices?

If the answers to any of these questions is **"NO"**, don't do it. If you are still unsure, seek help from your Supervisor, HR Manager, Corporate HR department or the Legal department.

Would you take full  
responsibility for  
the outcome of your  
actions?

Does it respect  
our customers,  
associates,  
shareholders &  
community?

**DO THE  
RITE  
THING**

## FOR OUR ASSOCIATES



### ENCOURAGEMENT FOR OUR ASSOCIATES

We provide an environment that inspires and motivates the best people to choose to work here... where they can reach their fullest potential. We support personal growth and achievements. We dedicate ourselves to creating an experience for all of our associates that is easy, exciting and engaging.

### CULTURE & RECOGNITION

At Rite Aid, we strive to create a work environment that is mutually respectful. Culture Change Champions, or associate advocates, are in every district, region, distribution center, and corporate office to ensure that this is achieved. Their purpose is to continually work to support efforts that make your work experience better.

Understanding and practicing our culture is critical to the Company's continued success. Our goal is to create and keep highly satisfied associates and customers. We value a culture of recognition, appreciation, and praise and want to celebrate your successes.

Associates are recognized for their contributions through our Associate Recognition process. Recognition is given peer to peer, management to associates, and associates to management. Everyone is recognized, appreciated, and praised for acting with a spirit of mutual respect for fellow associates and having a passion for customers. One of the highest honors you can receive is a formal compliment and praise from a customer. Associates who receive customer compliments are recognized by their region/group leader.

### ASSOCIATE PRIVACY

We respect your privacy and will acquire and retain only the personal information that is necessary for the Company's effective operation or as required by law. Access to such information is limited to only those who have an appropriate need to know and will comply with all applicable laws.

However, you should have no expectation of privacy with respect to your workstation, including your computer, desk phone, cell phone/PDA, and any other equipment provided to you by the Company. There may be times when your workstation must be accessed for the safety of others or when otherwise deemed appropriate.

### EQUAL EMPLOYMENT OPPORTUNITY & NONDISCRIMINATION

Rite Aid is an equal opportunity employer and is committed to a diverse work environment where individual differences are appreciated and respected. It is our policy to recruit, hire, train, and promote associates regardless of race, color, religion, gender, sexual orientation, gender identity, marital status, national origin, disability, age, genetic information (including genetic tests, counseling, or education and family history of diseases or disorders), military status, veteran status, pregnancy/childbirth or related medical conditions, or any other basis protected by state or federal law.



## COMMITMENT TO DIVERSITY AND RESPECT FOR THE INDIVIDUAL

We display behaviors that clearly show respect for others and with all their diversity. We invest the time to be exposed to different people, places and points of view and respect the dignity and potential of each individual.

## EQUAL EMPLOYMENT OPPORTUNITY & NONDISCRIMINATION (CONT.)

In addition, we will not tolerate discrimination against associates based on any of these characteristics and will make a reasonable accommodation for a known disability of a qualified applicant or associate so long as the accommodation does not impose an undue hardship.

For further information regarding the Company's policy on equal employment opportunity and nondiscrimination, please refer to Policies 1.1 and 1.2.

## HARASSMENT

Harassment based on such factors as race, color, religion, gender, sexual orientation, gender identity, marital status, national origin, disability, age, genetic information (including genetic tests, counseling, or education and family history of diseases or disorders), military status, veteran's status, pregnancy/childbirth or related medical conditions, or any other basis protected by state or federal law is unacceptable and will not be tolerated. Harassment includes verbal, physical, and visual conduct that creates an intimidating, offensive, or hostile work environment or that interferes with work performance.

For further information regarding the Company's policy on harassment, please refer to Policy 4.1.

## WAGE & HOUR

Associates must be paid fairly, timely, and in accordance with applicable federal and state laws. To do so, we must maintain accurate records of work hours for non-exempt associates. If you are classified as non-exempt, you are required to record your entire time worked and must ensure that all of your time worked has been recorded accurately. Adjustments to your time worked can only be made by management and with your knowledge and consent. Falsification of a time record is considered a policy violation and is subject to disciplinary action.

In addition, associates are not permitted to work "off the clock." We will never require, encourage, or suggest that a non-exempt associate perform work without properly recording it.

We all benefit from periodic scheduled breaks throughout our work time. It is important that you follow your state's meal and break guidelines. Supervisors should keep in mind that the meal and break guidelines may be different for minor associates than those over the age of 18. State-by-state guidelines are available on the store portal.

*“Equipment must be operated in a safe manner (with all safety devices in place) and associates must wear personal protective equipment where required.”*



## WORKPLACE SAFETY & VIOLENCE

You have the right to work in an environment that is safe and free from threats and acts of violence. Accordingly, you are responsible for maintaining clean and orderly work facilities that are free from recognized hazards. You must also obey all safety statutes and regulations as well as our safety policies, procedures, rules, and guidelines.

All injuries (no matter how minor) and violations of health and safety policies, laws, or regulations must be reported immediately to your supervisor. In addition, health and safety information must be accurately recorded.

You may not carry weapons or explosives in Company facilities. Similarly, we will not tolerate any level of violence in the workplace or in any work-related setting. Violations of this policy must be reported to your supervisor immediately.

For further information regarding the Company's policy on workplace safety and violence, please refer to Policies 2.1 and 2.2 and the Retail Safety Handbook.

## DRUGS & ALCOHOL

Rite Aid is committed to maintaining high standards of safety, productivity, and reliability and to promoting good health for its associates and customers. To this end, we may require drug tests as permitted by law and have a zero tolerance policy that prohibits the use of illegal drugs and alcohol at work. These measures promote a safe and productive work environment and prevent accidents, injuries, and property damage that may result from the use of illegal drugs and/or alcohol.

If you are taking medication (prescribed or over-the-counter), it is your responsibility to determine if the medication could impair your safe job performance. If a medication may affect your ability to safely perform your job duties, you must report it to your supervisor or Human Resources Manager before beginning work.

If you believe you are dependent on illegal drugs and/or alcohol, you can seek help through our Employee Assistance Program (EAP) (1-800-833-0453 or [www.rieashelp.com](http://www.rieashelp.com)). It is your responsibility to pursue treatment before the substance abuse concern results in unsatisfactory performance, attendance problems, safety risks, and/or a violation of any policy. Substance abuse will not excuse you from discipline related to poor performance or violations of policy, so you are encouraged to seek assistance promptly, before your performance is affected.

If you suspect that another associate is impaired and incapable of performing his/her duties, please immediately report it to your supervisor or human resources manager.

For further information regarding the Company's policy on drugs and alcohol, please refer to Policy 4.7.

## EMPLOYEE ASSISTANCE PROGRAM (EAP)

It is important that we provide our associates with an employee assistance program, which we have done so through a partnership with RIEAS. RIEAS is a confidential resource that can provide assistance for a variety of personal concerns. Consultants are available 24 hours a day, 7 days a week to address immediate concerns as well as work with you on an ongoing basis as needed.

To request assistance or to review the services offered by RIEAS, please call 1-800-833-0453 or visit their website at [www.rieashelp.com](http://www.rieashelp.com).



## WINNING THROUGH TEAMWORK

We work for the good of the company, not just an individual business or function, by freely offering help and assistance to others and seek it when needed. We provide praise and encouragement to fellow associates. Celebrate success...both individual and team.

## ASSOCIATE COMPLAINT RESOLUTION

To facilitate good working relationships, issues and concerns need to be addressed quickly and properly. The following should be reported to your supervisor or Human Resources Manager:

- If you need assistance resolving a conflict.
- If you believe that you have been subjected to a policy violation.
- If you know of or suspect a violation of applicable laws and regulations, the Code, or any other policy.

For additional guidance on the type of violations that should be reported, please refer to Policy 4.17.

If you are not comfortable reporting a conflict or violation to your supervisor or Human Resources Manager, you may call the Rite Call hotline (1-888-RITE-CALL/1-888-748-3225) 24 hours a day, 7 days a week, 365 days a year. The hotline is staffed by an outside, independent third party and can be an anonymous way to report a conflict or violation. Please keep in mind that it may be difficult for us to follow up on your complaint if you do not leave any identifying information. If you wish to follow up on the status of your call, the hotline representative will give you a pin number. Associates who make a good faith report of a suspected violation will not be subject to retaliation.

Reported violations will be promptly investigated and kept confidential to the extent possible. It is imperative that you do not conduct a preliminary investigation on your own. Investigations of alleged violations may involve complex legal issues. If you act on your own, you may compromise the integrity of an investigation and adversely affect both yourself and the Company. If you are part of an internal company investigation, you are expected to fully cooperate and share the information you have knowledge of on a need-to-know basis only.

We intend to use every reasonable effort to prevent the occurrence of conduct that is not in compliance with this Code, company policies, and applicable laws. We will also halt any such conduct that may occur as soon as reasonably possible after its discovery.

If you violate this Code and/or any other company policy, direct or approve infractions, or have knowledge of them and do not report them, you may be subject to disciplinary action, up to and including discharge.

For further information regarding the Company's associate complaint resolution process, please refer to Policy 4.9.

## ASSOCIATE RESPONSIBILITY

We have an obligation to comply with the letter and spirit of the Code and all other policies, to report violations of improper conduct, and to know when to ask for guidance. Your actions should reflect our values, demonstrate ethical leadership, and promote a work environment that upholds our reputation for integrity, ethical conduct, and trust.

If you witness or suspect a violation to this Code, our policies, or any applicable laws and regulations, you have a duty to report that information. You can report it using our Associate Complaint Resolution procedure, by contacting any of the positions listed in the Code or our policies, or by contacting our General Counsel. Failure to report may result in disciplinary action.

Ultimate responsibility to ensure that we comply with the laws and ethical standards affecting our business rests with all of us. However, you do not need to go it alone. We encourage you to seek guidance from your supervisor, Human Resources Manager, or our General Counsel if you are uncertain of what the appropriate conduct is in situations you may encounter.

**DO THE  
RITE  
THING**

# FOR OUR CUSTOMERS & COMMUNITIES WE SERVE



## PASSION FOR OUR CUSTOMERS

We create unmatched levels of loyalty through our associates by being passionately committed to our customers and all we serve.

## SUCCESS IN THE MARKETPLACE

To achieve success, we must depend on the Company's reputation for quality, service, and integrity. The way you deal with customers, competitors, and suppliers molds the Company's reputation, builds long-term trust, and determines our success. We are committed to a policy of vigorous and lawful competition that is based on the merits of our products and services. You must seek to maintain the trust of our customers, competitors, and suppliers by always conducting business in a fair and ethical manner.

## PRODUCT & SERVICE SAFETY

It is essential that we provide customers with safe products and services. This will fulfill our responsibilities to the public, maintain a competitive position in the marketplace, and retain the confidence of our customers.

## TRUTH IN ADVERTISING

You may not make misstatements of fact or give misleading impressions in any advertisement, literature, or other public statements. All statements made in support of our products and services must be true. Questions regarding whether an advertisement or other material meets the requirements of the Code should be directed to the General Counsel.

## TRUTH IN PRESCRIPTION BILLING

We are committed to accuracy in billing for our services to government health programs and private third party payers. Associates who provide pharmacy services or prepare and submit claims for pharmacy services are expected to comply with all federal health care program requirements, including the preparation and submission of accurate billings consistent with the requirements of federal health care programs and the Company's policies and procedures regarding those programs and private payers.

If you fail to comply with federal health care program requirements or with company policies and procedures, you face the possibility of disciplinary action up to and including discharge. You and the Company also face the possibility of civil and criminal fines and other punishment (including imprisonment for individuals) for health care fraud. Anyone convicted of health care fraud also faces the possibility of being placed on the federal exclusion list, which will make them ineligible to participate in federally-funded health care programs.



## TRUTH IN PRESCRIPTION BILLING (CONT.)

You are required to report any suspected violations of federal health care program requirements or of company policies and procedures regarding those programs or billing to any third party payers. Suspected violations should be reported to your supervisor, Human Resources Manager, or the Rite Call hotline (1-888-748-3225/1-888-RITE-CALL). All reports will be maintained in confidence to the extent appropriate and no associate will be retaliated against for making a good faith report. If you fail to report a violation, you face the possibility of disciplinary action, up to and including discharge.

In addition to the federal laws designed to prevent and report fraud, waste, and abuse in billing, many states have several statutes for the same purpose but offering additional protections and penalties. Please refer to the store portal for state-specific postings.

For further information regarding preventing, identifying, and reporting fraud, waste, and abuse, please refer to the Associate Atlas, store portal, and the Fraud, Waste, and Abuse CBT course.

## PATIENT PRIVACY

The federal HIPAA Privacy Regulation provides standards for protecting the medical information of patients, including our associates. It is our policy to conform to those standards.

Through the course of your employment, you may handle Protected Health Information (PHI). PHI is information that can identify an individual and his/her past, present, or future physical and/or mental condition(s). You cannot provide PHI, information regarding patient or associate purchases, or personal information (addresses, phone numbers, etc.) to anyone other than the patient or associate unless a written power of attorney is presented or otherwise as permitted by law. Such information is absolutely private and we have an obligation to protect that privacy.

As stipulated by HIPAA regulations, you will be provided with training in accordance with your access to PHI. Completion of the training will establish that you understand your responsibilities. Violations of privacy regulations or policies will result in disciplinary action.

For further information on HIPAA privacy requirements, please refer to the Associate Atlas, the store portal, and HIPAA-related training modules.

## INTEGRITY IN ALL WE DO

We demonstrate high integrity and develop organizations with unquestioned levels of integrity – never compromising on the pressures of the day. We openly consult with others whenever in doubt about any decision or action being the right one.



## ENVIRONMENTAL POLICIES

We are committed to conserving energy, avoiding the unnecessary generation of waste, and carrying out company activities in ways that preserve and promote a clean, safe, and healthy environment.

The Company has implemented programs to help us maintain this commitment, including a high performance retrofit lighting program, a high efficiency HVAC unit replacement program, waste management programs, and an energy management system that reduces our overall electricity consumption. We also have more energy efficient store design specifications, construction, operation practices, and use more energy efficient equipment.

It is important that we follow all applicable policies and laws and that we make every effort to prevent and report violations to the Risk Management department.

## CARING NEIGHBORS

One of our core values is to be a caring neighbor. This means being a neighborhood drugstore that offers programs and services that help people live healthier, happier lives.

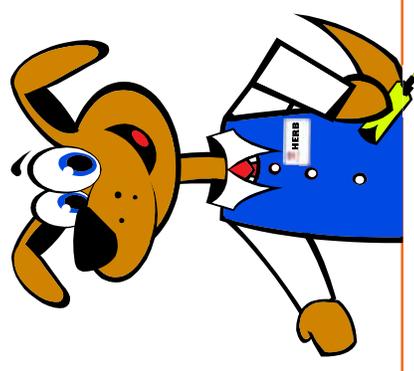
To help our customers live healthier, happier lives, we offer them many health-related programs and cost-savings opportunities within our stores.

To help our communities, we support the Children's Miracle Network through annual Miracle Balloon campaigns nationwide. Since 1994, we have raised more than \$50 million. All of the money raised goes directly to local Children's Miracle Network hospitals in our communities.

The Rite Aid Foundation was founded in 2001 and is our not-for-profit foundation. Since its inception, the Foundation has donated more than \$12.5 million dollars to non-profit organizations across the nation. Grants are awarded for programs focusing on improving the health of at-risk individuals in the communities that we serve. Funding is given annually to these organizations to support their programs.

## CARING NEIGHBORS

We are caring neighbors, involved in community activities in meaningful ways and committed to reflecting the diversity of each community we serve.



**DO THE  
RITE  
THING**

## FOR OUR SHAREHOLDERS



### VALUE FOR OUR SHAREHOLDERS

We are fiscally responsible and committed to consistently deliver value for our investors.

### MEETING SHARED RESPONSIBILITIES

We are all responsible for following the Code, which is released to associates annually and can be found on the Company's website, the corporate intranet, and the store portal. In addition, designated executives must complete an executive acknowledgement and the CEO and financial officers must review and acknowledge the CEO & Financial Officer Code of Ethics.

The Executive Vice President, Human Resources, reporting directly to the President & Chief Executive Officer, has been designated with the responsibility to oversee and monitor compliance with the Code. The Chief Compliance Officer, will periodically report the establishment, implementation, and enforcement of the Code and other program elements to the Board of Directors.

Sales agents, consultants, representatives, and suppliers are required to observe the same standards of conduct when conducting business with or for the Company. If suppliers and consultants have questions, they should contact the General Counsel.

### CONFLICTS OF INTEREST

All work conducted on behalf of Rite Aid must be completed in the best interest of the Company and without any conflicts of interest or the appearance of a conflict of interest. A conflict of interest arises when a person or situation does or could compromise an associate's judgment or ability to conduct business in the best interest of the Company. A conflict of interest may arise whether or not such an action occurred if it creates the appearance of a conflict.

For further information regarding the Company's policy on conflicts of interest, please refer to Policy 4.5.

### CONFIDENTIAL INFORMATION

You may learn information about the Company's business operations, plans, and/or "secrets of success" that are not known to the general public or to competitors. You may also obtain information concerning possible transactions with other companies or receive confidential information concerning other companies that we are under an obligation to maintain as confidential.

*“Customer lists, the terms offered or prices charged to customers and suppliers, and marketing or strategic plans are examples of confidential information.”*

## CONFIDENTIAL INFORMATION (CONT.)

If you possess or have access to confidential information, you:

- Are not permitted to use the information for your benefit or the benefit of persons outside the Company.
- Must guard against the disclosure of that information to other associates unless they need it to carry out business responsibilities and to people outside the Company, including family members and business and/or social acquaintances.
- Must mark information as “confidential,” “proprietary,” or with a similar notation.
- Must maintain it under password protection or in a secure place; it must be under your direct supervision when in use.

Confidentiality agreements are required when we must disclose confidential information to suppliers, consultants, or joint venture participants. These agreements notify the person receiving the information that he/she must maintain the secrecy of such information or face legal consequences. If you need to disclose confidential information to someone outside the Company, you must contact the Legal department to discuss using a confidentiality agreement.

The obligation to treat information as confidential does not end when associates leave the Company. Former associates must return all company documents and other materials containing confidential information upon their separation from the Company and must not disclose this information to a new employer.

For further information regarding the Company’s policy on confidential information, please refer to Policy 4.4.

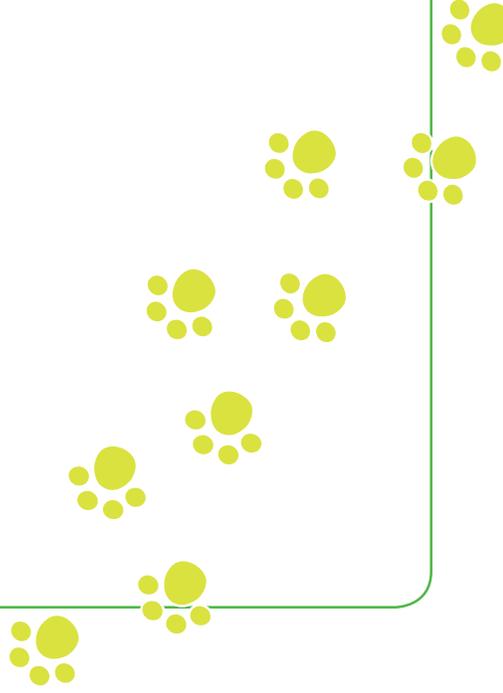
## COMPANY ASSETS & RESOURCES

We have a duty to safeguard company assets and resources and use them for business purposes only. Without the proper authorization, you may not take, loan, sell, damage, or otherwise dispose of company property. You must also take the appropriate measures to ensure against the theft, damage, and misuse of company property. It is also important that you secure your computer systems, computer, and voicemail with passwords.

When using company resources to send email or voicemail or to access the internet, you are acting as a representative of the Company. You may not use company resources in a way that is unlawful, disruptive, or offensive to others and must ensure that messages do not include comments, language, images, or files that you would be embarrassed to have read by persons not intended to receive the message. In addition, you may not use these resources in a wasteful manner. Inappropriate use of company resources may damage the Company’s reputation and expose both you and the Company to legal liability.

All email, voicemail, and personal files stored on company computers are the property of the Company. Therefore, you should have no expectation of personal privacy in connection with these resources. In addition, the Company may review messages sent or received using company computers and communication resources, at its sole discretion.

For further information regarding the Company’s policy on computer and communication resources, please refer to the policies contained in Chapter 5 of the Human Resources Policies & Procedures Manual.



## COMPANY RECORDS & RETENTION

Company records and documents must be completed accurately, truthfully, promptly and, when applicable, properly authorized. Financial activities must be recorded in compliance with all applicable laws and accounting practices. The making of false or misleading entries, records, or documentation is strictly prohibited. You may never create a false or misleading report under the Company's name. In addition, all payments and established accounts must be used for the purpose described by its supporting documents.

Proper record retention and destruction helps us comply with applicable laws and company policies while helping us to manage the cost of storing and maintaining data. Utilizing these processes properly helps us manage the cost of storing and maintaining records and ensures our compliance with applicable laws and policies.

For further information regarding the Company's policy on record retention and destruction, please refer to Policy 5.1.1 and Rite Aid's Record Management Policy and Procedures.

## TRADEMARK COPYRIGHT COMPLIANCE

The Company's name and logo are trademarks, which you must use properly. In addition, you must advise senior management or the Legal department of the inappropriate use of these trademarks.

Similarly, if you use the name, trademark, logo, or printed materials of another company, you must ensure that the use of those materials is done properly and with permission from the Legal department.

Books, articles, drawings, computer software, and other materials may be covered under copyright laws, regardless if they contain a copyright notice. It is a violation of these laws to make unauthorized copies of or plagiarize copyrighted materials. If you do so, both you and the Company may be subject to substantial civil and criminal penalties.

## INSIDER TRADING

You are prohibited from insider trading (buying or selling company securities when you are in possession of material, nonpublic information) and tipping (passing such information on to someone who may buy or sell securities). This applies to the Company's securities and those of other companies if you learn material, nonpublic information about them in the course of completing your job duties.

Information is considered material if: a) there is a substantial likelihood that a reasonable investor would find the information important in determining whether to trade in a security; or b) the information, if made public, would likely affect the market price of a company's securities. Examples of material information include unannounced dividends, earnings, financial results, new or lost contracts or products, sales results, important personnel changes, business plans, possible mergers, acquisitions, divestitures or joint ventures, and important regulatory, judicial, and legislative actions.



## INSIDER TRADING (CONT.)

Information is considered nonpublic unless it has been adequately disclosed to the public, which means that the information must be publicly disclosed and adequate time must have passed for the securities markets to digest the information. Adequate disclosure includes public filings with securities regulatory authorities and the issuance of press releases, which may include meetings with members of the press and the public. A delay of two (2) business days is generally considered a sufficient period for routine information to be absorbed by the market. A longer period of delay may be considered appropriate for more complex transactions.

You may not disclose inside information to anyone, including coworkers, unless the person receiving the information has a legitimate, business-related need to know. Former associates must maintain the confidentiality of that information until it has been adequately disclosed to the public. If there is any question as to whether information regarding the Company or any other companies we have dealings with is material or has been adequately disclosed to the public, you must contact the Legal department.

## ANTITRUST LAWS

Our activities are subject to antitrust and trade regulations, which govern how we interact with competitors, customers, and suppliers. It is important for us to know and understand these laws and regulations and to make sure that we are in full compliance with them. Some of the most serious antitrust offenses involve agreements between competitors to fix prices, to limit product and service availability, and to allocate customers, territories, and markets. Any such agreement, whether formal or informal, may be unlawful and is prohibited.

You must avoid unnecessarily involving yourself in situations from which unlawful agreements may be inferred. For that reason, contact with competitors should be kept to a minimum. You must notify the Legal department before participating in a meeting or event that brings competitors together. All contact with competitors should be conducted as if they were in the public view.

Failure to comply with antitrust laws could subject both you and the Company to criminal fines and jail terms. In addition, the Company may be subject to large civil penalties and treble damages. Questions and concerns must be directed to the Legal department.

## GATHERING COMPETITIVE INFORMATION

You may gather information about the marketplace, including information about our competitors and their products and services. However, there are limits to the ways that this information can be acquired and used. When gathering competitive information, you must abide by the following guidelines:

- Gather information about competitors from sources such as published articles, advertisements, brochures, other non-proprietary materials, surveys by consultants, and conversations with clients (as long as those conversations do not suggest that we are attempting to conspire with our competitors by using the customer as a messenger, by gathering information in breach of a client's nondisclosure agreement with a competitor, or through other wrongful means).

*"The way that  
we do business is  
just as important  
as the business  
that we do."*



### GATHERING COMPETITIVE INFORMATION (CONT.)

- Never misrepresent the Company's identity when attempting to collect competitive information.
- Never attempt to acquire a competitor's trade secrets or other proprietary information through unlawful means such as theft, spying, disclosures made by a competitor's past or present employee, or the breach of a competitor's nondisclosure agreement by a client or other person.
- Refuse to accept information if there is any indication that the information was not lawfully received by the party in possession. If you receive information that is anonymous or is marked confidential, you must contact the Legal department immediately.

The improper gathering or use of competitive information could subject you and the Company to criminal and civil liability. When in doubt as to whether a source of information is proper, contact the Legal department.

### PROHIBITION OF GIFTS TO GOVERNMENT OFFICIALS & EMPLOYEES

The various branches and levels of the government have laws that restrict the giving of gifts, including meals, entertainment, transportation, and lodging, to government officials and employees. You must obtain pre-approval from the Legal department before providing any gift, meal, or anything of value to a government official or employee.

### POLITICAL CONTRIBUTIONS & ACTIVITIES

Laws of certain jurisdictions prohibit the use of company funds, assets, services, or facilities on behalf of a political party or candidate. Payment of company funds to any political party, candidate, or campaign may be made only if permitted under applicable laws and approved in advance by the Legal department.

You will not be paid for any time spent running for public office, serving as an elected official, or campaigning for a political candidate. Nor will you be compensated or reimbursed for a political contribution that you intend to make or have made.

### LOBBYING ACTIVITIES

Laws of certain jurisdictions require registration and reporting by anyone who engages in a lobbying activity. Lobbying includes: a) communicating with any member or employee of the legislative branch of the government for the purpose of influencing legislation; b) communicating with certain government officials for the purpose of influencing government action; or c) engaging in research or other activities to support or prepare such communication.

So that we comply with lobbying laws, you must notify the Legal department before engaging in any activity on behalf of the Company that may be considered lobbying.

# DO THE RITE THING

## FOR OUR BUSINESS PARTNERS



### ACCOUNTABILITY FOR OUR ACTIONS AND RESULTS

We consistently guide and lead teams to extraordinary results. We are accountable to the standards we set.

#### BUSINESS COURTESIES

If you make or are involved in making business decisions for the Company, you must do so using consistent and unbiased standards. Associates interacting with any person who has business dealings with the Company (including suppliers, customers, competitors, contractors, and consultants) must conduct such activities in the best interest of the Company.

You and members of your immediate family may not request or accept gifts in connection with company business beyond that of a nominal or token value (less than \$25) except as set forth below. This includes gifts, payments, consulting fees, loans, or other benefits of value received directly or indirectly from any existing or potential customer, supplier, or competitor. You may accept an occasional meal or outing with suppliers or customers if there is a valid business purpose involved. If you are asked to attend an overnight event with a vendor, you must obtain prior approval from your department's Executive/Senior Vice President. For any gift received over an estimated value of \$25, you must complete and abide by the procedures outlined on the Associate Gift Log.

Any gift that could create or appear to create an obligation to the donor or influence the business relationship with the donor may not be accepted.

You may not furnish or offer to furnish any gifts, entertainment, meals, compensation, credits, or anything of value to a person who has business dealings with the Company (suppliers, purchasers, and competitors), except when authorized by your department's Vice President. If authorized, the item must be reasonable and proper under generally accepted business practices and ethics.

## VENDOR RELATIONSHIPS

We value relationships with suppliers and vendors, knowing that our success is heavily based on mutually successful partnerships. In valuing these relationships, we expect our partners to operate and conduct business in the same fair, ethical manner detailed in our Code of Ethics.

Our business partners must ensure compliance with all laws, follow voluntary, diverse, and fair labor practices, and provide workers a safe environment. Vendors, trading companies, and manufacturers that do business with us must also ensure their workers are not imprisoned, forced, enslaved, exploited for prostitution, or other slavery practices, nor do they use forced child labor. Our partners must use clean and environmentally friendly standards, recognizing the importance of earth-friendly enhancements in facilities both domestic and international.

As a business partner, vendors and suppliers are expected to maintain confidentiality standards set forth by Rite Aid, including all proprietary information shared by the Company. Confidential and proprietary information should be discussed on a business need to know basis only.

Any questions or observed violations of our *Code of Ethics* should be reported to the company either by calling 1-888-RITE-CALL/1-888-748-3225, or by contacting our General Counsel.



Save Up to 20% Online



Corporate Info > Sustainability

# Environmental Responsibility

At Rite Aid, we believe adopting green business principles is a conscientious decision for our business, our community, and the environment.

Over the past five years, we have made significant investments in energy efficiency and waste reduction initiatives. It's our belief at Rite Aid that when we as a company work to conserve resources we are serving both our communities and our shareholders. Here are just a few of the ways we are striving to be a more sustainable company:

By upgrading the lighting in over 2,500 stores, 5 distribution centers, and 5 corporate office buildings to more efficient lamps, we reduced our annual electricity consumption by 63 million KWh

Replacing old, less efficient rooftop HVAC units with higher-efficiency models saves us 14 million KWh per year

In 2011, we recycled 61,000 tons of cardboard and 910,000 fluorescent lamps

Tighter control of primary energy-consuming electrical and mechanical equipment at retail stores reduced electrical consumption by 19 million KWh annually

Over 1.3 million square feet of white "cool roof" has been installed on our facilities, significantly reducing solar heat gain and demand for air conditioning

Live Chat

## Store Design and Architecture

Rite Aid utilizes best-in-class architectural and engineering design firms that employ Building Council LEED™-accredited staff in order to help us develop our new store designs. These new stores and our remodeled buildings meet or exceed the national building code standards for energy efficiency. Our energy-efficient Rite Aid stores include:

Vestibules that create an airlock to minimize heat transfer into and out of the store every time a customer enters and exits

Light-colored single-ply roofing to reduce heat gain in the summer, resulting in reduced demand for air conditioning

Suspended acoustical tile ceilings to reduce the amount of conditioned store space, thereby decreasing energy consumption

Insulated glazing and special films to reduce solar heat gain and demand for air conditioning

Storefront framing window systems engineered to resist heat transfer by thermally separating the interior from the exterior window frame

Strategically placed windows that introduce more natural light into the building