

The Modern Slavery Act 2015 (*“the Act”*) came into effect on 29 October 2015 and requires those entities carrying on a business or part of a business in the UK, supplying goods or services, and having annual turnover of £36 million or more to disclose information regarding the steps they have taken to eradicate slavery and human trafficking from their supply chain as well as within their own organization during the previous financial year. McKesson Corporation publishes this Statement on its corporate website in the name and on behalf of McKesson Global Procurement & Sourcing Limited (*“MGPSL”* or *“we”*) for the fiscal year ended 31 March 2016:

UK Modern Slavery Act (*“MSA”*) Statement

We are committed to good corporate citizenship and the highest ethical standards. To fulfil these requirements, we establish and maintain systems and controls to ensure that slavery and related human trafficking do not form part of the supply chain.

OUR BUSINESS AND ORGANIZATION

As a leading global healthcare company McKesson delivers pharmaceuticals, medical supplies, healthcare services and information technology that make healthcare safer while reducing costs. In the UK, the sourcing and procurement organization delivers value by establishing global partnerships and developing new service solutions with our manufacturer suppliers focused on both generic and brand pharmaceutical products. In addition, we manage a global private label strategy with focus on generic, over-the-counter and medical surgical products. We work with global suppliers across a number of different fields including businesses with operations in US, Europe and Asia.

OUR VALUES AND TRAININGS

We are committed to sourcing quality products from suppliers who share our ethical values. Everything we do is driven by our [ICARE principles](#), which are: Integrity, Customer-first, Accountability, Respect and Excellence.

Our [Code of Conduct](#) provides important guidelines for our interactions with customers, suppliers and other business partners, and one another. Our ICARE principles are central to the Code of Conduct and are at the heart of every decision we make. Our colleagues are encouraged to raise concerns; this includes violations of our Code of Conduct, our company policies, and the laws of the countries in which we operate. We have sophisticated reporting mechanisms in place to collect and relay information regarding potential violations to appropriate company resources for review and follow up action.

We conduct web-based and/or face to face training for employees to emphasize the importance of acting with integrity and in line with our ICARE principles and Code of Conduct.

OUR SUPPLY CHAIN AND DUE DILIGENCE

Some of our suppliers are located in countries that may be more vulnerable to human rights abuses than others. That is why we make several efforts to implement our zero-tolerance policy for such abuses through the following measures:

- We clearly communicate our expectations to suppliers to ensure adherence of our values and ethical standards.

- We establish appropriate policies and processes within our businesses to make sure that the products we sell meet the highest standards.
- We utilise both internal and external resources to evaluate the factories of our suppliers based in higher risk countries and audit them against recognised industry standards.
- We require compliance provisions and agreement with our McKesson Supplier Sustainability Principles in our contracts.

For our sustainable logistics and quality management systems, we have designed and implemented a number of processes to assess suppliers of the products introduced into the supply chain. The focus areas included in the assessment process include, but are not limited to, Commercial, Compliance and Quality Assurance. Our supplier agreements include language that requires our supplier to obey national and regional statutory requirements in the country in which they are operating, including any applicable national laws regarding human trafficking, forced labour and other forms of modern slavery.

If remediation is required, we work with our suppliers to improve their standards with corrective action plans and on-going reviews to make sure our standards are maintained. We aim to build relationships with our suppliers to ensure adherence to our values and ethical standards.

OUR EFFECTIVENESS

We carry out periodic supplier audits and, where issues are identified, we work with the supplier to ensure improvements are made. These audits include interviews with workers and the management, inspections of production sites and document reviews. Audit findings or non-conformances are prioritized based on risk. Should a critical issue be identified, we would require a timely response from the supplier, and if a supplier failed to adequately remediate the issue, the relationships would be re-evaluated and, if necessary, terminated. We continuously evaluate our monitoring program to ensure our actions are consistent with industry norms, and we believe our efforts to date have been effective in preventing slavery and human trafficking from infecting our supply chain.

This Statement is made pursuant to Section 54 of the Modern Slavery Act 2015 and constitutes our slavery and human trafficking statement for the previous financial year (FY16).

London, September 2016



Jack Fragle
President

McKesson Global Procurement & Sourcing Limited