Risk Factors Comparison 2023-10-12 to 2022-10-13 Form: 10-K

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In addition to the other information in this report and our other filings with the SEC, you should carefully consider the risks described below, which could materially and adversely affect our business operations, financial condition and results of operations ~~. COVID- 19 amplifies and exacerbates many of the risks we face in our business operations, including those discussed below~~ . These risks are not the only risks that we face. Our business operations could also be affected by additional factors that are not presently known to us or that we currently consider to be immaterial. Risk Factor Summary The following summary is intended to enhance the readability and accessibility of our risk factor disclosures. We encourage you to carefully review the full risk factors discussed below in their entirety for additional information. Some of the factors that could materially and adversely affect our business, financial condition or results of operations include: Risks Relating to Our Business • **Changes in** ~~Global health developments and~~ economic **conditions could** ~~uncertainty resulting from COVID- 19 have~~ adversely **affect consumer buying practices** ~~impacted, and may continue to adversely impact, our business, results of operations, cash flows and financial position~~ . • Reductions in third- party reimbursement levels, from private or governmental agency plans, and potential changes in industry pricing benchmarks for prescription drugs could materially and adversely affect our results of operations. • A shift in pharmacy mix toward lower margin plans, products and programs could adversely affect our results of operations. • We derive a significant portion of our sales in the U. S. Retail Pharmacy segment from prescription drug sales reimbursed by a limited number of pharmacy benefit management companies. • We could be adversely affected by a decrease in the introduction of new brand name and generic prescription drugs as well as increases in the cost to procure prescription drugs. • Consolidation and strategic alliances in the healthcare industry could adversely affect our business operations, competitive positioning, financial condition and results of operations. • **The U. S. Healthcare segment faces various risks related to the provision of healthcare services that could result in a material adverse effect on our business operations, results of operations and financial condition. • The U. S. Healthcare segment may face risks related to payor contracts, including if existing payors modify or discontinue their contracts with us or there are changes in the payor mix of patients or reimbursement methodologies, which could have a negative impact on our business, financial condition and results of operations. •** Our business results depend on our ability to successfully manage ongoing organizational change and business transformation and achieve cost savings and operating efficiency initiatives ~~. • Changes in economic conditions could adversely affect consumer buying practices~~ . • The industries in which we operate are highly competitive and constantly evolving and changes in market dynamics could adversely impact us. • If we do not ~~successfully~~ **continuously** develop and maintain a relevant omni- channel experience for our customers, our businesses and results of operations could be adversely impacted. • If the merchandise and services that we offer fail to meet customer needs, our sales may be adversely affected. • Our substantial international business operations subject us to a number of operating, economic, political, regulatory and other international business risks. • **Our business is subject to evolving global ESG regulatory requirements and expectations.** We may be unable to achieve our **ESG** ~~environmental, social and governance~~ goals. ~~WBA Fiscal 2022 Form 10- K13Risks~~ --- **Risks** Related to Our Operations • Disruption in our global supply chain could negatively impact our businesses. • We outsource certain business processes to third- party vendors that subject us to risks, including disruptions in business and increased costs. • We use a single wholesaler of branded and generic pharmaceutical drugs as our primary source of such products. • ~~Failure~~ **Changes** to **management** ~~retain and recruit~~ , **including turnover of** ~~or~~ **our** ~~failure to~~ **top executives** ~~manage succession of~~ , ~~key personnel~~ could have an adverse ~~impact~~ **effect** on our **business** ~~future performance~~ . • We may be unable to keep existing store locations or open new locations in desirable places on favorable terms, which could materially and adversely affect our results of operations. • Our **failure to attract and retain qualified team members, increases in wage and benefit costs, changes in laws and other labor issues could materially adversely affect our financial performance. • Our** business and operations are subject to risks related to climate change. **WBA Fiscal 2023 Form 10-** ~~Risks~~ **K13Risks** Relating to Our Business Strategy • We may not be successful in executing elements of our business strategy, which may have a material adverse impact on our business and financial results. • Our growth strategy is partially dependent upon our ability to identify and successfully complete acquisitions, joint ventures and other strategic partnerships and alliances. • ~~Businesses acquired as part of our U. S. Healthcare segment could experience losses or liabilities that would result in a material adverse effect on our business operations, results of operation and financial condition. •~~ The anticipated strategic and financial benefits of our relationship with ~~AmerisourceBergen~~ **Cencora** may not be realized. • From time to time, we may choose to divest certain assets or businesses as we execute our strategy and our ability to engage in such transactions will be subject to market conditions beyond our control which will affect our ability to transact on terms favorable to us or at all. • From time to time, we make investments in companies over which we do not have sole control and some of these companies may operate in sectors that differ from our current operations and have different risks. Cybersecurity, Data Privacy and Information Security Risks • A significant disruption in our information technology and computer systems or those of businesses we rely on could harm us. • Privacy and data protection laws increase our compliance burden and any failure to comply could harm us. • We and businesses we interact with experience cybersecurity incidents and might experience significant computer system compromises or data breaches. • We are subject to payment- related and other financial services risks that could increase our operating costs, expose us to fraud or theft, subject us to potential liability and potentially disrupt our business operations. Financial and Accounting Risks • We have significant outstanding debt; our debt and associated payment obligations could significantly increase in the future if we incur additional debt and do not retire existing debt. • As a holding company, we are dependent on funding from our operating subsidiaries to pay dividends and other ~~obligations~~ **distributions** . • Our quarterly results may fluctuate significantly based on seasonality and other factors. • We have a substantial amount of goodwill and other intangible assets which could, in the future, become impaired and result in material non- cash charges to our results of operations. • We are exposed to risks associated with foreign currency exchange rate fluctuations. • We could be adversely impacted by changes in assumptions used in calculating pension assets and liabilities. Risks from Changes in Public Policy and Other Legal and Regulatory Risks • Changes in the healthcare industry and regulatory environments may adversely affect our businesses. • We are exposed to risks related to litigation and other legal proceedings. • A significant change in, or noncompliance with, governmental regulations and other legal requirements could have a material adverse effect on our reputation and profitability. • We could be adversely affected by violations of anti- bribery, anti- corruption and / or international trade laws. • We could be adversely affected by product liability, product recall, personal injury or other health and safety issues. • We could be subject to adverse changes in tax laws, regulations and interpretations or challenges to our tax positions. ~~WBA Fiscal 2022 Form 10- K14~~ Risks Related to Our Structure and Organization • Certain stockholders may have significant voting influence over matters requiring stockholder approval. • Conflicts of interest, or the appearance of conflicts of interest, may arise because certain of our directors and officers are also owners or directors of companies we may have dealings with. • Our certificate of incorporation and bylaws, Delaware law or our agreements with certain stockholders may impede the ability of our stockholders to make changes to our Board or impede a takeover. • We cannot guarantee that our stock repurchase program will be fully implemented or that it will enhance long- term stockholder value. **WBA Fiscal 2023 Form 10- K14 Our performance has been, and may continue to be, adversely impacted by changes in global, national, regional or local economic conditions and consumer confidence. These conditions can also adversely affect our key vendors and customers. External factors that affect consumer confidence and over which we exercise no influence include unemployment rates, inflation, levels of personal disposable income, levels of taxes and interest and global, national, regional or local economic conditions, health epidemics or pandemics (such as** COVID- 19 **),** ~~has~~ - **as** ~~severely impacted~~ **well as looting** , **vandalism** ~~and may continue to severely impact~~ , **acts** ~~the economies~~ of **war** ~~the U. S., the UK and other countries around the world. As a result, governmental authorities imposed a variety of restrictions on people and businesses and public health authorities offered regular guidance on health and safety, all of which had an adverse impact on footfall in our~~ - **or** ~~stores, general~~ **terrorism. Changes in** economic ~~activity~~ **conditions** and consumer ~~behavior~~ **confidence could adversely affect consumer preferences, purchasing power** and spending patterns **, which could lead to a decrease in overall consumer spending as well as in prescription drug and health services utilization and which could be exacerbated by the increasing prevalence of high- deductible health insurance plans and related plan design changes** . **In addition to general levels of inflation that we have experienced, we are also subject to risk of specific inflationary pressures on product prices due to, for example, the continuing impacts of** COVID- 19 ~~has created significant volatility~~ , ~~uncertainty and economic disruption in every region in which we operate, all of which have adversely affected and may continue to adversely affect our business, financial condition and results of operations. COVID- 19 and~~ related **global** ~~measures have impacted and may continue to impact many aspects of our business, financial condition and results of operations in a number of ways, including but not limited to our growth, product costs,~~ supply chain disruptions **,** and the ~~potential~~ **uncertain economic and geopolitical environment. We are experiencing and may continue to experience increases in the price of input costs, such as transportation and energy costs. We might also suffer from supply disruptions from supplier exits as higher costs may become unaffordable** for ~~inventory spoilage~~ **certain suppliers. In addition** , ~~labor shortages and~~ **central banks may continue to increase interest rates or conduct other monetary policies to counter inflation, which could negatively affect our borrowing** costs **and those of our** ~~, operating costs, logistics constraints, customer~~ **customers** ~~demand for our products~~ and **suppliers** ~~industry demand generally~~ , ~~consumer spending, our liquidity,~~ **as well as exchange rates and** ~~the~~ **other macroeconomic factors** ~~price of our securities, our ability to access capital markets, and the global economy and financial markets generally~~ . **If inflation continues to increase** ~~Our stores are open and operational~~ , ~~however, any future illness or absence of a substantial number of employees could require that~~ we ~~temporarily close one or more of our stores. We have experienced and may experience in the future, disruptions in store and distribution centers operations, including the temporary closure of certain stores. We have incurred and continue to incur additional costs to protect the health and well- being and meet the needs of our customers and team members. These measures~~ may not be **able to adjust prices** ~~sufficient~~ **sufficiently** to ~~prevent~~ **offset the effect without negatively impacting consumer demand or our gross margin. In addition, it may increase costs and cause changes in provider behavior in our U. S. Healthcare segment as hospitals and** ~~the~~ **other** ~~spread~~ **providers attempt to maintain revenue levels in an effort to adjust to their own economic challenges. If we are unable to increase the prices** of ~~COVID- 19 among~~ **our products and services to** our customers ~~and employees. Illness~~ **to offset inflationary cost trends** , ~~absenteeism,~~ or ~~other workforce disruptions~~ **if we are unable to achieve cost savings to offset such cost increases, we** could ~~negatively~~ **fail to meet our cost expectations, and our profits and operating results could be adversely affected. Our ability to price our products competitively to timely reflect higher input costs is critical to maintain and grow our sales. Furthermore, reduced or flat consumer spending may drive us and our competitors to offer additional products at promotional prices. Increased cost volatility trends may also impact the business and financial situation of our customer or suppliers, which could in turn** affect **the demand or supply, respectively, by such parties. Future inflationary and deflationary trends are beyond our control, and we may not be able to sufficiently mitigate any impact on our business and financial situation. All of these factors could materially and adversely impact** our business operations ~~. Further~~ , ~~the shift to a remote working environment and other policies has, and will continue to have, impacts on our business, including increased costs related to information technology infrastructure and the ability of our business and that of our suppliers to work with the same productivity. The increase in remote work arrangements has increased certain operational risks, including but not limited to cybersecurity risks, and could adversely affect our ability to manage our business. The extent of the impact of COVID- 19 on our future operational and financial performance is currently uncertain and will depend on many factors outside our control,~~

~~including, without limitation, the development and availability of effective treatments and vaccines, the imposition of public safety measures, and the impact of COVID- 19 on the global economy. Potential negative impacts of these external factors include, but are not limited to, material adverse effects on demand for our products and services; our supply chain and sales and distribution channels; our ability to execute strategic plans; impairments; and our profitability and cost structure. To the extent COVID- 19 adversely affects our business, results of operations and~~ financial condition **and results** ~~, it may also have the effect~~ of **operations** ~~exacerbating the other risks discussed in this " Risk Factors " section~~ . ~~WBA Fiscal 2022 Form 10- K15~~ The substantial majority of the prescriptions we fill are reimbursed by third- party ~~payers~~ **payors** , including private and governmental agency ~~payers~~ **payors** . The continued efforts of health maintenance organizations, managed care organizations, ~~PBM~~ **PBMs** ~~companies~~ , governmental agencies, and other third- party ~~payers~~ **payors** to reduce prescription drug costs and pharmacy reimbursement rates, as well as litigation and other legal proceedings relating to how drugs are priced, may adversely impact our results of operations. In the U. S., plan changes with rate adjustments often occur in January and our reimbursement arrangements may provide for rate adjustments at prescribed intervals during their term. In addition, the timing and amount of periodic contractual reconciliations payments can vary significantly and may not follow a predictable path. Further, in an environment where some ~~PBM~~ **PBMs** clients utilize narrow or restricted pharmacy provider networks, some of these entities may offer pricing terms that we may not be willing to accept or otherwise restrict our participation in their networks of pharmacy providers. In addition, many ~~payers~~ **payors** in the U. S. are increasingly considering new metrics as the basis for reimbursement rates. It is possible that the pharmaceutical industry or regulators may evaluate and / or develop an alternative pricing reference to replace average wholesale price, which is the pricing reference used for many of our contracts. In addition, many state Medicaid fee- for- service programs have established pharmacy network payments on the basis of actual acquisition cost, which could have an impact on reimbursement practices in other commercial and governmental arrangements. Future changes to the pricing benchmarks used to establish pharmaceutical pricing, including changes in the basis for calculating reimbursement by third- party ~~payers~~ **payors** , could adversely affect us. **WBA Fiscal 2023 Form 10- K15** Our U. S. Retail Pharmacy segment seeks to grow prescription volume while operating in a marketplace with continuous reimbursement pressure. A shift in the mix of pharmacy prescription volume towards programs offering lower reimbursement rates could adversely affect our results of operations. For example, our U. S. Retail Pharmacy segment has experienced a shift in pharmacy mix towards 90- day at retail in recent years ~~and more recently during COVID- 19~~ , and specialty pharmacy represents a significant and growing proportion of prescription drug spending in the U. S. and a larger proportion of our revenues. Our 90- day at retail offering for patients with chronic prescription needs typically is at a lower margin than comparable 30- day prescriptions, and specialty pharmacy sales are generally also lower margin. Our U. S. Retail Pharmacy segment also has experienced a shift in pharmacy mix towards Medicare Part D prescriptions in recent years, and that trend may continue. Preferred Medicare Part D networks have increased in number in recent years; however, we do not participate in all such networks. We have accepted market competitive reimbursement rates in order to secure preferred relationships with Medicare Part D plans serving senior patients with significant pharmacy needs. We also have worked to develop and expand our relationships with commercial third- party ~~payers~~ **payors** to enable new and / or improved market access via participation in the pharmacy provider networks they offer. If we are not able to generate additional prescription volume and other business from patients participating in these programs that is sufficient to offset the impact of lower reimbursement, or if the degree or terms of our participation in such preferred networks declines from current levels in future years, our results of operations could be materially and adversely affected. We derive a significant portion of our sales in the U. S. Retail Pharmacy segment from prescription drug sales reimbursed through prescription drug plans administered by a limited number of ~~PBM~~ **PBMs** ~~companies~~ . ~~PBM~~ **PBMs** ~~companies~~ typically administer multiple prescription drug plans that expire at various times and provide for varying reimbursement rates, and often limit coverage to specific drug products on an approved list, known as a formulary, which might not include all of the approved drugs for a particular indication. Changes in pricing and other terms of our contracts with ~~PBM~~ **PBMs** ~~companies~~ can significantly impact our results of operations. There can be no assurance that we will continue to participate in any particular ~~PBM~~ **PBMs** ~~company' s~~ pharmacy provider network in any particular future time period or on terms reasonably acceptable to us. If our participation in the pharmacy provider network for a prescription drug plan administered by one or more of the large ~~PBM~~ **PBMs** ~~companies~~ is restricted or terminated, we expect that our sales would be adversely affected, at least in the short- term. If we are unable to replace any such lost sales, either through an increase in other sales or through a resumption of participation in those plans, our operating results could be materially and adversely affected. If we exit a pharmacy provider network and later resume participation, there can be no assurance that we will achieve any particular level of business on any particular pace, or that all clients of the ~~PBM~~ **PBMs** ~~company~~ will choose to include us again in the pharmacy network for their plans, initially or at all. In addition, in such circumstances we may incur increased marketing and other costs in connection with initiatives to regain former patients and attract new patients covered by such plans. ~~WBA Fiscal 2022 Form 10- K16~~ The profitability of our pharmacy businesses depends upon the utilization of prescription drugs. Utilization trends are affected by, among other factors, the introduction of new and successful prescription drugs as well as lower- priced generic alternatives to existing brand name drugs. Inflation in the price of drugs also can adversely affect utilization, particularly given the increased prevalence of high- deductible health insurance plans and related plan design changes. New brand name drugs can result in increased drug utilization and associated sales, while the introduction of lower priced generic alternatives typically results in relatively lower sales, but relatively higher gross profit margins. Accordingly, a decrease in the number or magnitude of significant new brand name drugs or generics successfully introduced, delays in their introduction, or a decrease in the utilization of previously introduced prescription drugs, could materially and adversely affect our results of operations. In addition, if we experience an increase in the amounts we pay to procure pharmaceutical drugs, including generic drugs, our gross profit margins would be adversely affected to the extent we are not able to offset such cost increases. Any failure to fully offset any such increased prices and costs or to modify our activities to mitigate the impact could have a material adverse effect on our results of operations. Also, any future changes in drug prices could be significantly different than our expectations. **WBA Fiscal 2023 Form 10- K16** Many organizations in the healthcare industry, including ~~PBM~~ **PBMs** ~~companies~~ , have consolidated in recent years to create larger healthcare enterprises with greater bargaining power, which has resulted in greater pricing pressures. If this consolidation trend continues, it could give the resulting enterprises even greater bargaining power, which may lead to further pressure on the prices for our products and services. If these pressures result in reductions in our prices, our businesses would become less profitable unless we are able to achieve corresponding reductions in costs or develop profitable new revenue streams. **,and decrease market acceptance of our services and care delivery model.We do not control the providers and other healthcare professionals in our U.S.Healthcare segment with respect to the practice of medicine and the provision of healthcare services,and the risk of liability,including through unexpected medical outcomes,is inherent to the healthcare industry.The businesses acquired as part of the U.S.Healthcare segment have also entered and intend to continue to enter risk- based contracts with payors,pursuant to which they contract with payors to receive a fee for professional services based on the number of patients assigned or attributed to U.S.Healthcare** providers and assume the financial responsibility for the healthcare expenses of such patients ~~.The amounts we receive from our healthcare businesses for services provided to patients are determined by a number of factors~~ , ~~including the payor mix of our patients and the reimbursement methodologies and rates utilized by our patients' plans.~~ These contracts may also include arrangements that contemplate sharing certain of the savings generated with respect to U.S.Healthcare segment' s patients' costs of care back with the payor ~~.Under a fee- for- service arrangement,we collect fees directly from the payor as services are provided.Reimbursement rates are generally higher for value- based arrangements than they are under traditional fee- for- service arrangements,and value- based arrangements provide us with an opportunity to capture additional surplus we create by investing in population health services to better manage a particular patient' s care,which,in turn,should reduce the total cost of care~~ .To the extent that patients require more care than is anticipated or the cost of care increases,aggregate compensation amounts may be insufficient to cover the costs associated with treatment.If medical costs and expenses exceed estimates,except in very limited circumstances,our healthcare businesses will not be able to increase the fee received under these risk agreements during their then- current terms and could suffer losses with respect to such agreements,which may adversely impact the growth,profitability and liquidity of **our U.S.Healthcare segment** Our Board of Directors approved the plans to increase the Transformational Cost Management Program described in" Management' s discussion and analysis of financial condition and results of operations" in Part II, Item 7 as part of an initiative to reduce costs and increase operating efficiencies. There can be no assurance that we will realize, in full or in part, the anticipated benefits of these programs. Our financial goals assume a level of productivity improvement, including those reflected in the Transformational Cost Management Program and other business optimization initiatives. If we are unable to implement the programs or deliver these expected productivity improvements, while continuing to invest in business growth, or if the volume and nature of change overwhelms available resources, our business operations, financial condition and results of operations could be materially and adversely impacted. ~~Our performance has been, and may continue to be, adversely impacted by changes in global, national, regional or local economic conditions and consumer confidence. These conditions can also adversely affect our key vendors and customers. External factors that affect consumer confidence and over which we exercise no influence include unemployment rates, inflation, levels of personal disposable income, levels of taxes and interest and global, national, regional or local economic conditions, health epidemics or pandemics (such as COVID- 19), as well as looting, vandalism, acts of war or terrorism. Changes in economic conditions and consumer confidence could adversely affect consumer preferences, purchasing power and spending patterns, which could lead to a decrease in overall consumer spending as well as in prescription drug and health services utilization and which could be exacerbated by the increasing prevalence of high- deductible health insurance plans and related plan design changes. In addition to general levels of inflation that we have experienced, we are also subject to risk of specific inflationary pressures on product prices due to, for example, the continuing impacts of COVID- 19, related global supply chain disruptions, and the uncertain economic and geopolitical environment. If inflation continues to increase, we may not be able to adjust prices sufficiently to offset the effect without negatively impacting consumer demand or our gross margin. Furthermore, reduced or flat consumer spending may drive us and our competitors to offer additional products at promotional prices. All of these factors could materially and adversely impact our business operations, financial condition and results of operations. WBA Fiscal 2022 Form 10- K17~~ The level of competition in the retail pharmacy, healthcare services and pharmaceutical wholesale industries is high. Changes in market dynamics or actions of competitors or manufacturers, including industry consolidation and the emergence of new competitors and strategic alliances, could materially and adversely impact us. Disruptive innovation, or the perception of potentially disruptive innovation, by existing or new competitors could alter the competitive landscape in the future and require us to accurately identify and assess such changes and if required make timely and effective changes to our strategies and business model to compete effectively. All of our businesses face intense competition from multiple existing and new businesses, some of which are aggressively expanding in markets we serve. We continue to develop our offerings to respond to market dynamics; however, if our customers are not receptive to these changes, if we are unable to expand successful programs in a timely manner, or we otherwise do not effectively respond to changes in market dynamics, our businesses and financial performance could be materially and adversely affected. Specialty pharmacy represents a significant and growing proportion of prescription drug spending in the U. S., a significant portion of which is dispensed outside of traditional retail pharmacies. Because our specialty pharmacy business focuses on complex and high- cost medications, many of which are made available by manufacturers to a limited number of pharmacies (so- called limited distribution drugs), that serve a relatively limited universe of patients, the future growth of this business depends to a significant extent upon expanding our ability to access key drugs and successfully penetrate key treatment categories. Accordingly, it is important that we and our affiliates compete effectively in this evolving and highly competitive market, or our business operations, financial condition and results of operations could be materially and adversely affected. To better serve this evolving market, the Company wholly owns and operates AllianceRx

Walgreens. Certain clients of AllianceRx Walgreens were and are not obligated to contract through AllianceRx Walgreens, and have in the past, and may in the future, enter into specialty pharmacy and other agreements without involving AllianceRx Walgreens. Certain clients have chosen not to renew their contracts through AllianceRx Walgreens which impacts gross sales. If AllianceRx Walgreens is not able to compete effectively in this evolving and highly competitive market and successfully adapt to changing market conditions, our business operations, financial condition and results of operations could be materially and adversely affected. **WBA Fiscal 2023 Form 10- K19** The portion of total consumer expenditures with retailers occurring online and through mobile applications has continued to increase and has accelerated significantly ~~during~~ **in the recent years following** COVID- 19. The pace of this increase could further accelerate in the future. Our business has evolved from an in- store experience to interaction with customers across numerous channels, including in- store, online, mobile and social media, among others. Omni- channel and differentiated retail models are rapidly evolving and we must keep pace with changing customer expectations and new developments by our competitors. We must compete by offering a consistent and convenient shopping experience for our customers regardless of the ultimate sales channel and by investing in, providing and maintaining digital tools for our customers. If we are unable to ~~make,~~ improve ~~,~~ or develop relevant customer- facing technology in a timely manner that keeps pace with technological developments and dynamic customer expectations, our ability to compete and our results of operations could be materially and adversely affected. In addition, if our online activities or our other customer- facing technology systems do not function as designed, we may experience a loss of customer confidence, data security breaches, lost sales, or be exposed to fraudulent purchases, any of which could materially and adversely affect our business operations, reputation and results of operations. The success of our retail pharmacy businesses depends on our ability to offer a superior shopping experience, engaging customer service and a quality assortment of available merchandise that differentiates us from other retailers, including enhanced health and beauty product offerings. We must identify, obtain supplies of, and offer to our customers attractive, innovative and high- quality merchandise on a continuous basis. It is difficult to predict consistently and successfully the products and services our customers will demand. If we misjudge the demand for products and services we sell or our customers' purchasing habits, we may be faced with sales declines, excess product inventories and missed opportunities for products and services we chose not to offer, which could materially and adversely impact our results of operations. ~~WBA Fiscal 2022 Form 10- K18~~ Our substantial international business operations are subject to a number of risks, including, without limitation, compliance with a wide variety of foreign laws and regulations; potential difficulties in managing foreign operations, mitigating credit risks in foreign markets, enforcing agreements and collecting receivables through foreign legal systems; varying regional and geopolitical business conditions and demands; tax and trade policies, tariffs and other government regulations affecting trade between the U. S. and other countries; fluctuations in currency exchange rates; the impact of recessions and economic slowdowns in economies outside the U. S.; **impact of war (such as the conflict in Ukraine)** and the instability of foreign economies, governments and currencies and unexpected regulatory, economic or political changes in foreign markets. These factors can also adversely affect our ~~payers~~ **payors** , vendors and customers in international markets, which in turn can negatively impact our businesses. We cannot assure you that one or more of these factors will not have a material adverse effect on our business operations, results of operation and financial condition. We recognize the rising importance of **ESG** ~~environmental, social, and governance~~ matters among our team members, customers, and certain shareholders and are committed to upholding a culture dedicated to corporate responsibility. We have established certain goals that allow us to better communicate and align to our **ESG** ~~environmental, social, and governance~~ strategy. However, these goals are subject to risks and uncertainties, which are outside of our control and might prohibit us from meeting the goals. Further, there is a risk that team members, customers, or certain shareholders might not be satisfied with our goals or strategy and efforts to meet the goals. Some of the risks that we are subject to include, but are not limited to: our ability to execute our operational strategy within the timeframe or costs projected; the availability or cost of renewable energy, materials, goods, and / or services required, and evolving regulations or requirements that change or limit our ability to set standards or gather information from our supplier partners or third party contractors. Failure to meet our goals could negatively impact public perception of our company with interested stakeholders. **ESG** ~~Environmental, social, and governance~~ matters are also increasingly important to current and potential employees. In order to retain and attract talent we know that it is critical that we clearly communicate our **ESG** ~~environmental, social, and governance~~ strategy, and a delay or inability to meet our goals on time could impact our reputation as a desirable place to work. With increased interest from certain shareholders, an inability to meet our goals could also have a negative impact on our stock price. These impacts could make it more difficult for us to operate efficiently and effectively and could have a negative effect on our business, operating results and financial conditions **. WBA Fiscal 2023 Form 10- K20 We are subject to evolving ESG rules and regulations, including the SEC' s recently proposed climate- related reporting requirements, and similar proposals by other international regulatory bodies. These changing rules and regulations are likely to result in, increased compliance costs driven by developing and acting on initiatives for proposed or adopted ESG rules and regulations, and collecting, measuring and reporting ESG- related information** . The products we sell are sourced from a wide variety of domestic and international vendors, and any future disruption in our supply chain or inability to find qualified vendors and access products that meet requisite quality and safety standards in a timely and efficient manner could adversely impact our businesses. The loss or disruption of such supply arrangements for any reason, including **from** ~~for issues such as~~ COVID- 19 or other health epidemics or pandemics, labor disputes, loss or impairment of key manufacturing sites, inability to procure sufficient raw materials, quality control issues, ethical sourcing issues, a supplier' s financial distress, natural disasters, looting, vandalism or acts of war (such as the conflict in Ukraine) or terrorism, trade sanctions or other external factors over which we have no control, could interrupt product supply and, if not effectively managed and remedied, have a material adverse impact on our business operations, financial condition and results of operations. We outsource certain business and administrative functions and rely on third parties to perform certain services on our behalf. We rely on these third parties to meet our quality and performance requirements and to timely perform as expected. If our continuing relationship with certain third-party providers is interrupted, or if such third- party providers experience disruptions or do not perform as anticipated, or we experience problems with any transition, we may experience operational difficulties, reputational harm, and increased costs that could materially and adversely affect our business operations and results of operations. ~~WBA Fiscal 2022 Form 10- K19~~ The Company and ~~AmerisourceBergen~~ **Cencora** are parties to various agreements and arrangements, including a pharmaceutical distribution agreement between the Company and ~~AmerisourceBergen~~ **Cencora** pursuant to which we source branded and generic pharmaceutical products from ~~AmerisourceBergen~~ **Cencora** in the U. S. and an agreement which provides ~~AmerisourceBergen~~ **Cencora** the ability to access generic pharmaceutical products through our global sourcing enterprise. These agreements were amended in June 2021 in connection with the Alliance Healthcare Sale. Pursuant to those amendments, the U. S. distribution agreement was extended through 2029 and the parties committed to pursue additional opportunities in sourcing and distribution. The parties also agreed that Alliance Healthcare UK will remain the distribution partner of Boots until 2031. As of the date of this report, ~~AmerisourceBergen~~ **Cencora** distributes substantially all of our branded and generic pharmaceutical products. Consequently, our business may be adversely affected by any operational, financial or regulatory difficulties that ~~AmerisourceBergen~~ **Cencora** experiences, including those resulting from COVID- 19 **supply chain disruptions or global macroeconomic uncertainty** . For example, if ~~AmerisourceBergen~~ **Cencora** ' s operations are seriously disrupted for any reason, whether due to a natural disaster, pandemic, labor disruption, regulatory action, computer or operational systems or otherwise, it could adversely affect our business and our results of operations. Our distribution agreement with ~~AmerisourceBergen~~ **Cencora** is subject to early termination in certain circumstances and, upon the expiration or termination of the agreement, there can be no assurance that we or ~~AmerisourceBergen~~ **Cencora** will be willing to renew the agreement or enter into a new agreement, on terms favorable to us or at all. If such expiration or termination occurred, we believe that alternative sources of supply for most generic and brand- name pharmaceuticals are readily available and that we could obtain and qualify alternative sources, which may include self- distribution in some cases, for substantially all of the prescription drugs we sell on an acceptable basis, such that the impact of any such expiration or termination would be temporary. However, there can be no assurance we would be able to engage alternative supply sources or implement self- distribution processes on a timely basis or on terms favorable to us, or effectively manage these transitions, any of which could adversely affect our business operations, financial condition and results of operations. **WBA Fiscal 2023 Form 10- K21** Our **success depends, to a large degree on the integration of our new Chief Executive Officer. The** ability **of the new Chief Executive Officer to quickly adapt to and understand our business, operations, and strategic plans will be critical to the Company and our management' s ability to make informed decisions about our near term strategic direction and operations. Leadership transitions can be inherently difficult to manage, and an inadequate transition may cause disruption to our business due to, among other things, diverting management' s attention away from the Company' s financial and operational goals or causing a deterioration in morale. In addition, while our Board strives to mitigate the risk through a robust management succession planning process, if we are unable** to attract ~~, engage, develop~~ and retain qualified **candidates to become our new Global Chief Financial Officer in a timely manner, as well as retain our key senior executives, our ability to meet our financial and operational goals and strategic plans may be adversely impacted, as well as our financial performance. The loss of any member of our senior management could materially adversely affect our ability to execute our business plan and strategy, and we may not be able to find** ~~and~~ - **an** ~~experienced employees~~ **adequate replacement on a timely basis, or** at all ~~levels~~ **. Further** , **future** ~~including in executive~~ **executives** ~~and~~ **may view** ~~other~~ -- **the** ~~key~~ **business differently than current members of management, and over time may make changes to our** strategic ~~positions~~ **focus** , ~~is essential~~ **operations, business plans** ~~for~~ - **or** ~~us to meet~~ **financial guidance and outlook, with corresponding changes in how we report** our ~~objectives. Competition among potential employers might result~~ **results of operations. We can make no assurances that we would be able to properly manage any shift** in **focus** ~~increased salaries, benefits or other employee- related costs, or in our~~ - **or** ~~failure~~ **that any changes** to ~~recruit and retain employees which~~ **our business would ultimately prove successful. Any of these factors** could ~~have a materially adverse impact on~~ **negatively affect our strategy and execution, and** our business ~~operations~~ , financial condition ~~and~~ **or** results of operations **may** ~~. Additionally, any failure to adequately plan for and manage succession of key management roles or the failure of key employees to successfully transition into new roles could have a material adverse effect on our business and results of operations. While we have succession plans in place and employment arrangements with certain key executives, these do not guarantee the services of these executives will continue to~~ be **adversely affected** ~~available to us~~ . We compete with other retailers and businesses for suitable locations for our stores. Local land use and zoning regulations, environmental regulations and other regulatory requirements may impact our ability to find suitable locations and influence the cost of constructing, renovating and operating our stores. In addition, real estate, zoning, construction and other delays may adversely affect store openings and renovations and increase our costs. Further, changing local demographics at existing store locations may adversely affect revenue and profitability levels at those stores. The terms of leases at existing store locations may adversely affect us if the renewal terms of, or requested modifications to, those leases are unacceptable to us and we are forced to close or relocate stores. If we are unable to maintain our existing store locations or open new locations in desirable places and on favorable terms, our results of operations could be materially and adversely affected. WBA Fiscal ~~2022~~ **2023** Form 10- ~~K20~~ **K22 Our ability to continue to conduct and expand our operations depends on our ability to attract and retain qualified team members globally. Our ability to meet our labor needs, including our ability to find qualified personnel to fill positions that become vacant at our existing stores, distribution centers and corporate offices, while controlling our associate wage and related labor costs, is generally subject to numerous external factors, including the availability of a sufficient number of qualified persons in the work force of the markets in which we operate, unemployment levels within those markets, prevailing wage rates, changing demographics, health and other insurance costs and adoption of new or revised employment and labor laws and regulations. Additionally, our ability to successfully execute organizational changes, including our enterprise strategy and management transitions within the Company' s**

senior leadership, and to effectively motivate and retain team members are critical to our business success. We compete for talent with other retail and non- retail businesses, including, for example, health and wellness businesses, and invest significant resources in training and motivating our team members. Increased competition among potential employers at all levels, including senior management and executive levels, could result in increased team member costs or make it more difficult to recruit and retain team members. For example, we have experienced difficulties attracting and retaining qualified pharmacists which has reduced the quality of service we provide to our customers in our U. S. Retail Pharmacy segment and our financial performance has been adversely affected as a result. In addition, if our costs of labor or related costs increase for other reasons or if new, revised, or novel interpretations of existing labor laws, rules or regulations or healthcare laws are adopted or implemented that further increase our labor costs, our financial performance could be materially adversely affected. The long- term effects of global climate change present both physical risks (such as extreme weather conditions or rising sea levels) and transition risks (such as regulatory or technology changes), which are expected to be widespread and unpredictable. These changes could over time affect, for example, the availability and cost of products, commodities and energy (including utilities), which in turn may impact our ability to procure goods or services required for the operation of our business at the quantities and levels we require. In addition, many of our operations and facilities around the world are in locations that may be impacted by the physical risks of climate change, and we face the risk of losses incurred as a result of physical damage to stores, distribution or fulfillment centers, loss or spoilage of inventory and business interruption caused by such events. **Current or future insurance arrangements may not provide protection for costs that may arise from such events, particularly if such events are catastrophic in nature or occur in combination.** We also use natural gas, diesel fuel, gasoline and electricity in our operations, all of which could face increased regulation as a result of climate change or other environmental concerns. Regulations limiting greenhouse gas emissions and energy inputs may also increase in coming years, which may increase our costs associated with compliance and merchandise. These events and their impacts could otherwise disrupt and adversely affect our operations and could materially adversely affect our financial performance. We engage in strategic initiatives to, among other reasons, maximize long- term shareholder value, expand on our consumer- centric approach, strengthen our partnerships with local healthcare providers and improve health outcomes. These strategic initiatives may not result in improvements in future financial performance. We cannot provide any assurance that we will be able to successfully execute these strategic initiatives, or that these initiatives will not result in additional unanticipated costs. The failure to realize the benefits of any strategic initiatives or successfully structure our business to meet market conditions could have a material adverse effect on our business, financial condition, cash flows, or results of operations. **WBA Fiscal 2023 Form 10- K23 Our growth strategy is partially dependent upon our ability to identify and successfully complete and integrate acquisitions, joint ventures and other strategic partnerships and alliances.** A significant element of our growth strategy is to identify, pursue and successfully complete and integrate acquisitions, joint ventures and other strategic partnerships and alliances that either expand or complement our existing operations **. For example, in fiscal 2022, the Company acquired controlling equity interests in VillageMD, Shields and CareCentrix. Acquisitions and integration of large, diverse and independent businesses is complex, costly and time- consuming** . Acquisitions and other strategic transactions involve numerous risks **and challenges** , including **but not limited to** difficulties in successfully integrating the operations and personnel, navigating the necessary regulatory approval requirements, distraction of management from overseeing, and disruption of, our existing operations, difficulties in entering markets or lines of business in which we have no or limited direct prior experience, the possible loss of key employees and **difficulties in retaining relationships with existing or new** customers **and suppliers** , and difficulties in achieving the synergies we anticipated. Any failure to select suitable opportunities at fair prices, conduct appropriate due diligence, acquire and successfully integrate the acquired company, including particularly when acquired businesses operate in new geographic markets or areas of business, could materially and adversely impact our growth strategies, financial condition and results of operations. Our ability to integrate and retain qualified and experienced employees from acquired businesses at all levels, including in executive and other key strategic positions, is essential for us to meet our growth strategy and successfully complete acquisition, joint ventures and other strategic partnerships and alliances. These transactions may also cause us to significantly increase our interest expense, leverage and debt service requirements if we incur additional debt to pay for an acquisition or investment, issue common stock that would dilute our current stockholders' percentage ownership, or incur asset write- offs and restructuring costs and other related expenses that could have a material adverse impact on our operating results. Acquisitions, joint ventures and strategic investments also involve numerous other risks, including potential exposure to assumed litigation and unknown environmental and other liabilities, as well as undetected internal control, regulatory or other issues, or additional costs not anticipated at the time the transaction was completed. **In addition** ~~WBA Fiscal 2022 Form 10- K21 Healthcare businesses acquired as part of our U. S. Healthcare segment could experience losses or liabilities~~ , ~~including medical liability claims, causing us to incur significant expenses and requiring us to pay significant damages if not covered by insurance. These businesses have in~~ the **full benefits** ~~past been subject to medical liability claims in the ordinary course~~ of ~~business, and although we carry insurance covering medical malpractice claims, including professional liability insurance, in amounts we believe are appropriate in light of~~ the **transactions** ~~risks attendant to our business, successful medical liability claims could resulting in substantial damage awards that exceed the limits of our insurance coverage. Professional liability insurance is expensive and insurance premiums may increase significantly in the future, particularly as we expand our services. As a result, adequate professional liability insurance~~ may not be **realized, including, among others,** ~~available to our providers or to us in~~ the **synergies,** ~~future at acceptable costs~~ - **cost savings or revenue growth that are expected. These benefits may not be achieved within the anticipated time frame** or at all. ~~Any claims made against us or our acquired~~ **The failure to meet the challenges involved in integrating the** businesses ~~that are not fully covered by insurance could be costly to defend against, result in substantial damage awards against us~~ and ~~divert the attention of our management and our providers from our operations, which could harm our business. In addition, any claims may~~

~~significantly harm our business or reputation. In addition, the businesses acquired as part of our U. S. Healthcare segment expose us~~ to **realize** ~~risks that are inherent in~~ the ~~provision~~ **anticipated benefits** of **the transactions** ~~healthcare services. If patients, clients or partners assert liability claims against us, any ensuing litigation, regardless of outcome,~~ could result in a **material adverse impact on our business and results of** ~~substantial cost to us, divert management' s attention from~~ operations , and decrease market acceptance of our...... our U. S. Healthcare segment . As of August 31, ~~2022~~ **2023** , we beneficially owned approximately ~~25~~ **15** . ~~4~~ **9** % of the outstanding ~~AmerisourceBergen~~ **Cencora** common stock and had designated one nominee for election to ~~AmerisourceBergen~~ **Cencora** ' s board of directors. The Company accounts for its investment in ~~AmerisourceBergen~~ **Cencora** using the equity method of accounting, subject to a two- month reporting lag, with the net earnings attributable to the investment classified within the operating income of the Company' s U. S. Retail Pharmacy segment. The financial performance of ~~AmerisourceBergen~~ **Cencora** , including any charges which may arise relating to its ongoing opioid litigation matters, will impact the Company' s results of operations. Additionally, a substantial and sustained decline in the price of ~~AmerisourceBergen~~ **Cencora** ' s common stock could trigger an impairment evaluation of our investment. Further, our ability to transact in ~~AmerisourceBergen~~ **Cencora** securities is subject to certain restrictions set forth in our agreements with ~~AmerisourceBergen~~ **Cencora** and arising under applicable laws and regulations, which in some circumstances could adversely impact our ability to transact in ~~AmerisourceBergen~~ **Cencora** securities in amounts and at the times desired. These considerations may materially and adversely affect the Company' s financial condition and results of operations. ~~WBA Fiscal 2022 Form 10- K22~~ We have, from time to time, divested certain assets or businesses in order to redeploy capital into our core strategies. The success of such transactions in the future will be subject to market conditions, availability of financing and other circumstances beyond our control. ~~For instance, on June 28, 2022, we announced our decision to maintain the Boots and No7 Beauty Company businesses under existing ownership. This marked the conclusion of the review that began in January 2022 in line with our strategic priorities.~~ In the future, we may intend to relaunch a process for the sale of ~~the~~ **certain** businesses or contemplate other opportunities to monetize our interest in these businesses. In addition, we have recently divested of a portion of our interests in **Cencora** ~~AmerisourceBergen (See Part II, Item 7, Investment in AmerisourceBergen for further information)~~ and **fully divested our interests in** Option Care Health, Inc. and may choose to divest more of our **investment** interests in the future. However, our ability to divest these or any of our other assets, will be subject to global financial markets and market instability which may severely impact the ability to divest, divestiture terms, financing availability and other considerations for potential buyers. **WBA Fiscal 2023 Form 10- K24** From time to time, we make debt or equity investments in companies that we may not control or over which we may not have sole control. Some of the businesses in which we have made non-controlling investments operate in markets or industries that are different from our primary lines of business and / or operate in different geographic markets than we do. Investments in these businesses, among other risks, subject us to the operating and financial risks of the businesses we invest in and to the risk that we do not have sole control over the operations of these businesses. We rely on the internal controls and financial reporting controls of these entities and their failure to maintain effectiveness or comply with applicable standards may materially and adversely affect us. **Ineffective internal controls could cause investors to lose confidence in our reported financial information that could negatively impact the trading price of our securities and our access to capital.** Investments in entities over which we do not have sole control, including joint ventures and strategic partnerships and alliances, present additional risks such as having differing objectives from our partners or the entities in which we are invested, becoming involved in disputes, or competing with those persons. **In addition, any difficulties in assimilating business into our system of financial controls could cause us to fail to meet our financial reporting obligations.** We rely extensively on our computer systems to manage our ordering, pricing, point- of- sale, pharmacy fulfillment, inventory replenishment, customer loyalty programs, finance and other processes. Our systems are subject to damage or interruption from power outages, facility damage, computer and telecommunications failures, computer viruses, security breaches including credit card or personally identifiable information breaches, vandalism, theft, natural disasters, catastrophic events, human error and potential cyber threats, including malicious codes, worms, phishing attacks, denial of service attacks, ransomware and other sophisticated cyber- attacks, and our disaster recovery planning cannot account for all eventualities. If any of our systems are damaged, fail to function properly or otherwise become unavailable, we may incur substantial costs to repair or replace them **for which insurance coverage may not be wholly sufficient** , and may experience loss or corruption of critical data and interruptions or disruptions and delays in our ability to perform critical functions, which could materially and adversely affect our businesses and results of operations. In addition, we are currently making, and expect to continue to make, substantial investments in our information technology systems and infrastructure, some of which are significant. Implementing new systems carries significant potential risks, including failure to operate as designed, potential loss or corruption of data or information, changes in security processes, cost overruns, implementation delays, disruption of operations, and the potential inability to meet business and reporting requirements. We rely on strategic partners and other service providers to help us with certain significant information technology projects and services. Information technology projects or services frequently are long- term in nature and may take longer to complete and cost more than we expect and may not deliver the benefits we project once they are complete. Any system implementation and transition difficulty may result in operational challenges, reputational harm, and increased costs that could materially and adversely affect our business operations and results of operations. We also could be adversely affected by any significant disruption in the systems of third parties we interact with, including strategic and business partners, key ~~payers~~ **payors** and vendors. WBA Fiscal ~~2022~~ **2023** Form 10- ~~K23~~ **K25** The regulatory environment surrounding data security and privacy is increasingly demanding, with the frequent imposition of new and changing requirements across businesses and geographic areas. We are required to comply with increasingly complex and changing data security and privacy regulations in the jurisdictions in which we operate that regulate the collection, use and transfer of personal data, including the transfer of personal data between or among countries. In the U. S., for example, HIPAA imposes extensive privacy and security requirements governing the transmission, use and disclosure of health information by covered entities in the healthcare industry, including healthcare providers such as pharmacies. In addition, the California Consumer Privacy Act, which went into effect on January 1, 2020, imposes stringent requirements on the use and treatment of " personal information " of California residents, and other jurisdictions have enacted, or are proposing similar laws related to the protection of personal data. Outside the U. S., for example, the European Union' s General Data Protection Regulation, which became effective in May 2018, greatly increased the jurisdictional reach of European Union data protection laws and added a broad array of requirements for handling personal data, including the public disclosure of significant data breaches, and provides for greater penalties for noncompliance. Other countries have enacted or are considering enacting data localization laws that require certain data to stay within their borders. Compliance with changes in privacy and information security laws and standards may result in significant expense due to increased investment in technology and the development of new operational processes. Failure to comply with these laws **may** ~~subjects~~ **subject** us to potential regulatory enforcement activity, fines, private litigation including class actions, and other costs. We also have contractual obligations that might be breached if we fail to comply. A significant privacy breach or failure to comply with privacy and information security laws could have a materially adverse impact on our reputation, business operations, financial position and results of operations. The protection of customer, employee and Company data is critical to our businesses. Cybersecurity and other information technology security risks, such as a significant breach or theft of customer, employee, or company data, could create significant workflow disruption, attract media attention, damage our customer relationships, reputation and brand, and result in lost sales, fines or lawsuits. Throughout our operations, we receive, retain and transmit certain personal information that our customers and others provide to purchase products or services, fill prescriptions, enroll in promotional programs, participate in our customer loyalty programs and banking and credit programs, register on our websites, or otherwise communicate and interact with us. In addition, aspects of our operations depend upon the secure transmission of confidential information over public networks. We also depend on and interact with the information technology networks and systems of third- parties for many aspects of our business operations, including ~~payers~~ **payors** , strategic partners and cloud service providers. These third parties may have access to information we maintain about our company, operations, customers, employees and vendors, or operating systems that are critical to or can significantly impact our business operations. Like other global companies, we and businesses we interact with have experienced **and expect to continue to experience** threats to data and systems, including from vandalism or theft of physical systems or media and from perpetrators of random or targeted malicious cyber- attacks, computer viruses, worms, phishing attacks, bot attacks or other destructive or disruptive software and attempts to misappropriate customer information, including credit card information, and cause system failures and disruptions. Compromises of our data security systems or of those of businesses with which we interact that result in confidential information being accessed, obtained, damaged or used by unauthorized or improper persons, have in the past and could in the future adversely impact us. Any such compromise could harm our reputation and expose us to regulatory actions, customer attrition, remediation expenses, and claims from customers, financial institutions, payment card associations and other persons, any of which could materially and adversely affect our reputation, business operations, financial condition and results of operations. In addition, security incidents may require that we expend substantial additional resources related to the security of information systems and disrupt our businesses. The risks associated with data security and cybersecurity incidents have increased during COVID- 19 given the increased reliance on remote work arrangements. WBA Fiscal ~~2022~~ **2023** Form 10- ~~K24~~ **K26** We accept payments using a variety of methods, including cash, checks, credit and debit cards, gift cards and mobile payment technologies such as Apple Pay ™, and we may offer new payment options over time. Acceptance of these payment options subjects us to rules, regulations, contractual obligations and compliance requirements, including payment network rules and operating guidelines, data security standards and certification requirements, and rules governing electronic funds transfers. These requirements and related interpretations may change over time, which has made and could continue to make compliance more difficult or costly. For certain payment methods, including credit and debit cards, we pay interchange and other fees, which could increase over time and raise our operating costs. We rely on third parties to provide payment processing services, including the processing of credit cards, debit cards, and other forms of electronic payment. If these companies become unable to provide these services to us, or if their systems are compromised, it could disrupt our business. The payment methods that we offer also subject us to potential fraud and theft by persons who seek to obtain unauthorized access to or exploit any weaknesses that may exist in the payment systems. If we fail to comply with applicable rules or requirements, or if data is compromised due to a breach or misuse of data relating to our payment systems, we may be liable for costs incurred by payment card issuing banks and other third parties or subject to fines and higher transaction fees, or our ability to accept or facilitate certain types of payments could be impaired. In addition, our reputation could suffer and our customers could lose confidence in certain payment types, which could result in higher costs and / or reduced sales and materially and adversely affect our results of operations. Additionally, we offer branded credit cards, money (wire) transfer services and sell prepaid debit, credit and gift cards ~~at certain business units~~ . These products and services require us to comply with global anti- money laundering laws and regulations. Failure to comply with these laws and regulations could result in fines, sanctions, penalties and damage to our reputation. We have outstanding debt and other financial obligations. As of August 31, ~~2022~~ **2023** , we had approximately $ ~~11~~ **9** . ~~7~~ **1** billion of outstanding indebtedness, including short- term debt. Our debt level and related debt service obligations could have negative consequences, including: • requiring us to dedicate significant cash flow from operations to amounts payable on our debt, which would reduce the funds we have available for other purposes; • making it more difficult or expensive for us to obtain any necessary future financing; • reducing our flexibility in planning for or reacting to changes in our industry and market conditions and making us more vulnerable in the event of a downturn in our business operations; ~~and~~ • exposing us to interest rate risk given that a portion of our debt obligations and undrawn revolving credit facilities is at variable interest rates **; • a potential downgrade of our credit ratings; and • our ability to pursue certain operational and strategic opportunities** . We may incur or assume significantly more debt in the future, including in connection with acquisitions, strategic investments or joint ventures. If we add new debt and do not retire existing debt, the risks described above could increase. Incurrence of additional debt by us and changes in our operating performance could also adversely affect our credit ratings. Any actual or anticipated downgrade of our credit ratings, including any announcement that our ratings are under review for a downgrade or have been assigned a negative outlook, could adversely affect our cost of funds, liquidity, financial covenants, competitive position and access to capital markets and increase the cost of existing facilities, which could materially and adversely affect our business operations, financial condition, and results of operations. We also could be adversely impacted by any failure to renew or replace, on terms acceptable to us or at all, existing funding arrangements when they expire, and any failure to satisfy applicable covenants. **WBA Fiscal 2023 Form 10- K27** Our long- term debt obligations include covenants that may adversely affect our ability, and the ability of certain of our subsidiaries, to incur secured indebtedness or engage in certain types of transactions. In addition, our existing credit agreements require us to maintain as of the last day of each fiscal quarter a ratio of consolidated debt to total capitalization not to exceed a certain level. Our ability to comply with these restrictions and covenants may be affected by events beyond our control. If we breach any of these restrictions or covenants and do not obtain a waiver from the lenders, then, subject to applicable cure periods, our outstanding indebtedness could be declared immediately due and payable. This could have a material adverse effect on our business operations and financial condition. **We are** ~~WBA Fiscal 2022 Form 10- K25 The Company is~~ a holding company with no business operations of ~~its~~ **our** own. ~~Its~~ **Our** assets primarily consist of direct and indirect ownership interests in, and ~~its~~ **our** business is conducted through, subsidiaries which are separate legal entities. As a result, ~~it is~~ **we are** dependent on funding from ~~its~~ **our** subsidiaries, including Walgreens and international subsidiaries, to pay dividends and meet ~~its~~ **our** obligations. **Our** ~~The Company' s~~ subsidiaries may be restricted in their ability to pay cash dividends or to make other distributions to **us** ~~the Company~~, which may limit the payment of cash dividends or other distributions to the holders of **our** ~~the Company's~~ common stock. ~~Credit facilities and other debt obligations of the Company, as well as statutory provisions, may further limit the ability of the Company and its subsidiaries to pay dividends.~~ Payments to **us** ~~the Company~~ by ~~its~~ **our** subsidiaries are also contingent upon ~~its~~ **our** subsidiaries' earnings and business considerations. Future dividends to **us** ~~the Company~~ will be determined based on earnings, capital requirements, financial condition **, and other debt obligations, fines and / or adverse rulings by courts or arbitrators in legal or regulatory matters, changes in federal, state or foreign income tax law, adverse global macroeconomic conditions, and changes to our business model. The Company currently intends to continue to pay quarterly dividends to our stockholders, subject to capital availability. However, its ability to pay dividends will depend on our ability to generate sufficient cash flows from operations in the future. Future dividends will be determined based on earnings, capital requirements, financial condition, credit facilities and other debt obligations, fines and / or adverse rulings by courts or arbitrators in legal or regulatory matters, changes in federal, state or foreign income tax law, adverse global macroeconomic conditions, changes to the Company' s business model** and other factors considered relevant by **the Company' s Board of Directors. Our Board may, at** its ~~Board~~ **discretion, decrease or entirely discontinue our quarterly dividend payment at any time. Any reduction in the amount** of ~~Directors~~ **dividends we pay to stockholders could negatively impact our reputation and investor confidence in us and may have an adverse effect on the trading price of our common stock**. Our operating results have historically varied on a quarterly basis, including increased variability during COVID- 19, and may continue to fluctuate significantly in the future. For instance, our businesses are seasonal in nature, with the second fiscal quarter (December, January and February), which falls during the holiday season, typically generating a higher proportion of retail sales and earnings than other fiscal quarters. In addition, both prescription and non- prescription drug sales are affected by the timing and severity of the cough, cold and flu season, which can vary considerably from year to year. Other factors that may affect our quarterly operating results, some of which are beyond the control of management, include, but are not limited to **;** the impact and duration of COVID- 19 ~~,~~ **and other pandemics;** the timing of the introduction of new generic and brand name prescription drugs; inflation, including with respect to generic drug procurement costs; ~~seasonality, including~~ the timing and severity of the cough, cold and flu season; changes or rates of change in ~~payer~~ **payor** reimbursement rates and terms; the timing and amount of periodic contractual reconciliation payments ~~,~~ **;** fluctuations in inventory, energy, transportation, labor, healthcare and other costs; significant acquisitions, dispositions, joint ventures and other strategic initiatives; asset impairment charges, including the performance of and impairment charges related to our equity method investments; the relative magnitude of our LIFO provision in any particular quarter; foreign currency fluctuations; market conditions, widespread looting or vandalism; and many of the other risk factors discussed herein. Accordingly, we believe that quarter- to- quarter comparisons of our operating results are not necessarily meaningful and investors should not place undue reliance on the results of any particular quarter as an indication of our future performance. **WBA Fiscal 2023 Form 10- K28** As of August 31, ~~2022~~ **2023**, we had $ ~~22~~ **28** . ~~3~~ **2** billion of goodwill and $ ~~10~~ **13** . ~~7~~ **6** billion of other intangible assets on our Consolidated Balance Sheets. We evaluate this goodwill and other indefinite- lived intangible assets for impairment annually during the fourth quarter, or more frequently if an event occurs or circumstances change that could more likely than not reduce the fair value of a reporting unit or indefinite- lived intangible asset below its carrying value. As part of this impairment analysis, we determine fair value for each reporting unit using both the income and market approaches. ~~We determine fair value of indefinite- lived intangible assets using the relief from royalty method and excess earnings method of the income approach. Definite- lived intangible assets are evaluated for impairment if an event occurs or circumstances change that indicate the carrying amount may not be recoverable.~~ Estimated fair values could change if, for example, there are changes in the business climate, changes in the competitive environment, adverse legal or regulatory actions or developments, changes in capital structure, cost of debt and equity, capital expenditure levels, operating cash flows, or market capitalization ~~, whether due to COVID- 19 or otherwise~~. There can be no assurance that impairments will not occur, and any impairment may have a material impact on our financial condition and results of operations. ~~WBA Fiscal 2022 Form 10- K26~~ We operate or have equity method investments in several countries across the globe which expose us to currency exchange rate fluctuations and related risks, including transaction currency exposures relating to the import and export of goods in currencies other than a businesses' functional currencies as well as currency translation exposures relating to profits and net assets denominated in currencies other than the U. S. dollar. We present our financial statements in U. S. dollars and have a significant proportion of net assets and income in non- U. S. dollar currencies, primarily the British pound sterling, as well as a range of other foreign currencies. Our results of operations and capital ratios can therefore be sensitive to movements in foreign exchange rates. Due to the constantly changing currency exposures to which we are subject and the volatility of currency exchange rates, we cannot predict the effect of exchange rate fluctuations upon our future results of operations. In addition, fluctuations in currencies relative to the U. S. dollar may make it more difficult to perform period- to- period comparisons of our reported results of operations. A depreciation of non- U. S. dollar currencies relative to the U. S. dollar could have a significant adverse impact on our results of operations. We may from time to time, in some instances, enter into foreign currency contracts or other derivative instruments intended to hedge a portion of our foreign currency fluctuation risks, which subjects us to additional risks, such as the risk that counterparties may fail to honor their obligations to us, that could materially and adversely affect us. Additionally, we may (and currently do) use foreign currency debt to hedge some of our foreign currency fluctuation risks. The periodic use of such hedging activities may not offset any or more than a portion of the adverse financial effects of unfavorable movements in foreign exchange rates over the limited time the hedges are in place. We cannot assure you that fluctuations in foreign currency exchange rates will not materially affect our consolidated financial results. We operate certain defined benefit pension plans in the UK, which were closed to new entrants in 2010, as well as smaller plans in other jurisdictions. The valuation of the pension plans' assets and liabilities depends in part on assumptions, which are primarily based on the financial markets as well as longevity and employee retention rates. This valuation is particularly sensitive to material changes in the value of equity, bond and other investments held by the pension plans, changes in the corporate bond yields which are used in the measurement of the liabilities, changes in market expectations for long- term price inflation and other macroeconomic factors, and new evidence on projected longevity rates. Funding requirements and the impact on the statement of earnings relating to these pension plans are also influenced by these factors. Adverse changes in the assumptions used to calculate the value of pension assets and liabilities, including lower than expected pension fund investment returns and / or increased life expectancy of plan participants, or regulatory change could require us to increase the funding of its defined benefit pension plans or incur higher expenses, which would adversely impact our results of operations and financial position. **WBA Fiscal 2023 Form 10- K29** Political, economic and regulatory influences are subjecting the healthcare industry to significant changes that could adversely affect our results of operations. In recent years, the healthcare industry has undergone significant changes in an effort to reduce costs and government spending. These changes include an increased reliance on managed care; cuts in certain Medicare and Medicaid funding in the U. S. and the funding of governmental ~~payers~~ **payors** in foreign jurisdictions; consolidation of competitors, suppliers and other market participants; and the development of large, sophisticated purchasing groups. In addition, on August 16, 2022, President Biden signed into law the **IRA** ~~Inflation Reduction Act of 2022~~, which, among other things, includes policies that are designed to have a direct impact on drug prices and reduce drug spending by the federal government ~~, which shall take effect in 2023~~. For example, the **IRA** ~~Inflation Reduction Act~~ requires drug manufacturers to pay rebates to Medicare if they increase prices faster than inflation for drugs used by Medicare beneficiaries. The mechanics of the rebate calculation would mimic those of the Medicaid rebate, but the expansion of inflation- based rebates may further complicate pricing strategies, particularly as to the launch of our new products. The **IRA** ~~Inflation Reduction Act of 2022~~ could have the effect of reducing the prices we can charge and reimbursement we receive for our products, thereby reducing our profitability. ~~WBA Fiscal 2022 Form 10- K27~~ We expect the healthcare industry to continue to change significantly in the future. Some of these potential changes, such as a reduction in governmental funding for certain healthcare services or adverse changes in legislation or regulations governing prescription drug pricing, healthcare services or mandated benefits, may cause customers to reduce the amount of our products and services they purchase or the price they are willing to pay for our products and services. We expect continued governmental and private ~~payer~~ **payor** pressure to reduce pharmaceutical pricing, and these pressures could be further exacerbated if ~~payer~~ **payor** deficits or shortfalls increase ~~due to COVID- 19 or otherwise~~. Changes in pharmaceutical manufacturers' pricing or distribution policies and practices as well as applicable government regulations, including, for example, in connection with the federal 340B drug pricing program, could also significantly reduce our profitability. We operate in a highly regulated and litigious environment. We are involved in legal proceedings, including litigation, arbitration and other claims, and investigations, inspections, audits, claims, inquiries and similar actions by pharmacy, healthcare, tax and other governmental authorities, including those contained in Note 11. Commitments and contingencies, to the Consolidated Financial Statements included in Part II, Item 8 for further information. For example, in January 2019, Walgreen Co., on behalf of itself, its subsidiaries and certain identified affiliates, resolved matters regarding certain dispensing practices by entering into, among other things, a Corporate Integrity Agreement with the Office of Inspector General of the United States Department of Health and Human Services. The Corporate Integrity Agreement has a five- year term and provides that Walgreen Co. shall, among other things, continue the compliance program it created to address compliance with federal healthcare program requirements, provide annual certifications of compliance and provide training and education for certain covered employees. Failure to meet the Corporate Integrity Agreement obligations could have material adverse consequences for us, including reputational harm and monetary penalties for each instance of non-compliance. In addition, in the event of a breach or deliberate violation of the Corporate Integrity Agreement, we could be excluded from participation in federal healthcare programs, or subjected to other significant penalties, which could seriously harm our results of operations, liquidity and financial results. Legal proceedings, in general, and securities, derivative action and class action and multi- district litigation, in particular, can be expensive and disruptive. Some of these suits may purport or may be determined to be class actions and / or involve parties seeking large and / or indeterminate amounts, including punitive or exemplary damages, and may remain unresolved for several years. For example, we ~~are~~ **have been** a defendant in numerous litigation proceedings relating to opioid matters, including federal multidistrict litigation that consolidated numerous cases filed against an array of defendants by various plaintiffs such as counties, cities, hospitals, Indian tribes, and others, as well as numerous lawsuits brought in state courts. **As previously disclosed, we have reached settlement agreements in some proceedings, including for example Multistate Opioid Settlement Frameworks (the " Settlement Frameworks "). The Company has now resolved its litigation with all states, territories, tribes and 99. 5 % of litigating subdivisions within participating states and political subdivisions included in the Multistate Settlement Agreement or in separate agreements. The Company remains a defendant in multiple actions in federal courts alleging claims generally concerning the impacts of widespread opioid abuse, which have been commenced by various plaintiffs.** Additionally, the Company has received from the Department of Justice and the Attorney Generals of numerous states subpoenas, civil investigative demands and / or other requests concerning opioid matters. The Company ~~incurs~~ **has incurred** and expects to continue to incur significant expense in order to resolve those and other opioids- related matters, including through settlement agreements. From time to time, the Company is also involved in legal proceedings as a plaintiff involving antitrust, tax, contract, intellectual property and other matters. See Note 11. Commitments and contingencies, to the Consolidated Financial Statements included in Part II, Item 8 for further information. **WBA Fiscal 2023 Form 10- K30** The Company' s financial results may also be adversely affected by the litigation and other legal proceedings of companies in which it has an equity method investment. For example, ~~AmerisourceBergen~~ **Cencora** is involved in litigation and legal ~~proceeding~~ **proceedings** , including those relating to opioid matters. Any unfavorable outcome or settlement related to these proceedings could have a material adverse effect on the Company' s financial results. Like other companies in the retail pharmacy, healthcare services and pharmaceutical wholesale industries, the Company is subject to extensive regulation by national, state and local government agencies in the U. S. and other countries in which it operates. There continues to be a heightened level of review and / or audit by regulatory authorities of, and increased litigation regarding business, compliance and reporting practices of the Company and other industry participants. As a result, the Company regularly is the subject of government actions of the types described above. In addition, under the qui tam or " whistleblower " provisions of the federal and various state false claims acts, persons may bring lawsuits alleging that a violation of the federal anti- kickback statute or similar laws has resulted in the submission of " false " claims to federal and / or state healthcare programs, including Medicare and Medicaid. After a private party has filed a qui tam action, the government must investigate the private party' s claim and determine whether to intervene in and take control over the litigation. These actions may remain under seal while the government makes this determination. ~~WBA Fiscal 2022 Form 10- K28~~ We cannot predict with certainty the outcomes of these legal proceedings and other contingencies, and the costs incurred in litigation can be substantial, regardless of the outcome. Substantial unanticipated verdicts, fines and rulings do sometimes occur. As a result, we could from time to time incur judgments, enter into settlements or revise our expectations regarding the outcome of certain matters, and such developments could harm our reputation and have a material adverse effect on our results of operations in the period in which the amounts are accrued and / or our cash flows in the period in which the amounts are paid. In addition, as a result of governmental investigations or proceedings, the Company may be subject to damages, civil or criminal fines or penalties, or other sanctions, including the possible suspension or loss of licensure and / or suspension or exclusion from participation in government programs. The outcome of some of these legal proceedings and other contingencies could require us to take, or refrain from taking, actions which could negatively affect our operations. Additionally, defending against these lawsuits and proceedings may involve significant expense and diversion of management' s attention and resources. We operate in complex, highly regulated environments around the world and could be materially and adversely affected by changes to applicable legal requirements including the related interpretations and enforcement practices, new legal requirements and / or any failure to comply with applicable regulations. Our retail pharmacy and health and wellness services businesses are subject to numerous country, state and local regulations including licensing, billing practices, utilization and other requirements for pharmacies and reimbursement arrangements. The regulations to which we are subject include, but are not limited to: country and state registration and regulation of pharmacies and drug discount card programs; dispensing and sale of controlled substances and products containing pseudoephedrine; applicable governmental ~~payer~~ **payor** regulations including Medicare and Medicaid; data privacy and security laws and regulations including HIPAA; the ACA or any successor thereto; laws and regulations relating to the protection of the environment and health and safety matters, each of which continues to evolve, including those governing exposure to, and the management and disposal of, hazardous substances; regulations regarding food and drug safety including those of the U. S. Food and Drug Administration (" FDA ") and Drug Enforcement Administration (" DEA "), trade regulations including those of the U. S. Federal Trade Commission, and consumer protection and safety regulations including those of the Consumer Product Safety Commission, as well as state regulatory authorities, governing the availability, sale, advertisement and promotion of products we sell as well as our loyalty and drug discount card programs; anti- kickback laws; false claims laws; laws against the corporate practice of medicine; and foreign, national and state laws governing healthcare fraud and abuse and the practice of the profession of pharmacy. For example, in the U. S., the DEA, FDA and various other regulatory authorities regulate the distribution and dispensing of pharmaceuticals and controlled substances. We are required to hold valid DEA and state- level licenses, meet various security and operating standards and comply with the federal and various state controlled substance acts and related regulations governing the sale, dispensing, disposal, holding and distribution of controlled substances. The DEA, FDA and state regulatory authorities have broad enforcement powers, including the ability to seize or recall products and impose significant criminal, civil and administrative sanctions for violations of these laws and regulations. On August 16, 2022, President Biden signed into law the **IRA** ~~Inflation Reduction Act of 2022~~ , which, among other things, includes policies that are designed to have a direct impact on drug prices and reduce drug spending by the federal government, which shall take effect in 2023. We are also governed by foreign, national and state laws of general applicability, including laws regulating matters of working conditions, health and safety and equal employment opportunity and other labor and employment matters as well as employee benefit, competition and antitrust matters. In addition, we could have significant exposure if we are found to have infringed another party' s intellectual property rights. **WBA Fiscal 2023 Form 10- K31 Some of our businesses are also subject to federal and state laws and regulations that may impact our relationships**

with healthcare providers and customers, including laws on self- referrals, beneficiary inducements, false claims, fee-splitting, telemedicine, corporate practice of medicine, dispensing, packaging, fulfillment, and distribution of controlled substances, other pharmaceutical products and medical devices, medical malpractice, consumer protection, product liability, narrow networks, provider tiering programs, provider contracts, overpayments, reimbursement of out- of-network claims, and licensure. Changes in laws, regulations and policies and the related interpretations and enforcement practices may alter the landscape in which we do business and may significantly affect our cost of doing business. The impact of new laws, regulations and policies and the related interpretations and enforcement practices generally cannot be predicted, and changes in applicable laws, regulations and policies and the related interpretations and enforcement practices may require extensive system and operational changes, be difficult to implement, increase our operating costs and require significant capital expenditures. Untimely compliance or noncompliance with applicable laws and regulations could result in the imposition of civil and criminal penalties that could adversely affect the continued operation of our businesses, including: suspension of payments from government programs; loss of required government certifications; loss of authorizations to participate in or exclusion from government programs, including the Medicare and Medicaid programs in the U. S. and the National Health Service in the UK; loss of licenses; and significant fines or monetary penalties. Any failure to comply with applicable regulatory requirements in the U. S. or in any of the countries in which we operate could result in significant legal and financial exposure, damage to our reputation and brand, and have a material adverse effect on our business operations, financial condition and results of operations. ~~WBA Fiscal 2022 Form 10- K29~~ We are subject to laws concerning our business operations and marketing activities in foreign countries where we conduct business. For example, we are subject to the U. S. Foreign Corrupt Practices Act (the " FCPA "), U. S. export control, anti- money laundering and economic and trade sanction laws, and similar anti-corruption and international trade laws in certain foreign countries, such as the UK Bribery Act, any violation of which could create substantial liability for us and also harm our reputation. Violations of these laws and regulations or any other anti-bribery, anti- corruption or international trade laws may subject us to penalties, sanctions, including civil and criminal fines, disgorgement of profits, and suspension or debarment of our ability to contract with governmental agencies or receive export licenses. From time to time, we may face audits or investigations by one or more domestic or foreign governmental agencies relating to our international business activities, compliance with which could be costly and time- consuming, and could divert our management and key personnel from our business operations. An adverse outcome under any such investigation or audit could damage our reputation and subject us to fines or other penalties, which could materially and adversely affect our business operations, financial condition, and results of operations. We could be adversely impacted by the supply of defective or expired products, including the infiltration of counterfeit products into the supply chain, errors in re- labeling of products, product tampering, product recall and contamination or product mishandling issues. Through our pharmacies and specialist packaging sites, including through services provided by third- party healthcare providers, we are also exposed to risks relating to the products and services we offer. Errors in the dispensing and packaging of pharmaceuticals, including related counseling, and in the provision of other healthcare services could lead to serious injury or death. Product liability or personal injury claims may be asserted against us and mandatory or voluntary product recalls may apply to us with respect to any of the retail products or pharmaceuticals we sell or services we provide, particularly with regard to our private branded products that are not available from other retailers. For example, from time to time, the FDA issues statements alerting patients that products in our supply chain may contain impurities or harmful substances, and claims relating to the sale or distribution of such products may be asserted against us or arise from these statements. Our healthcare clinics also increase our exposure to professional liability claims related to medical care. We could suffer significant reputational damage and financial liability if we, or any affiliated entities or third- party healthcare providers that we do business with, experience any of the foregoing health and safety issues or incidents, which could have a material adverse effect on our business operations, financial condition and results of operations. **WBA Fiscal 2023 Form 10- K32** As a large corporation with operations in the U. S. and numerous other jurisdictions, from time to time, changes in tax laws or regulations may be proposed or enacted that could adversely affect our overall tax liability. There can be no assurance that changes in tax laws or regulations, both within the U. S. and the other jurisdictions in which we operate, **such as the proposed 15 % global minimum tax under the Organisation for Economic Co- operation and Development (" OECD ") Pillar Two, Global Anti- Base Erosion Rules,** will not materially and adversely affect our effective tax rate, tax payments, financial condition and results of operations. **As** ~~Similarly, changes in tax laws and regulations that impact our customers and counterparties or the economy generally may also impact our financial condition and results~~ of **August 31, 2023, among the jurisdictions where the Company** ~~operations~~ **operates , only the UK has enacted legislation adopting the Pillar Two Rules, effective in fiscal 2025** . Tax laws and regulations are complex and subject to varying interpretations, and we are subject to regular review and audit by both domestic and foreign tax authorities. Any adverse outcome of such a review or audit could have a negative impact on our effective tax rate, tax payments, financial condition and results of operations. In addition, the determination of our income tax provision and other tax liabilities requires significant judgment, and there are many transactions and calculations where the ultimate tax determination is uncertain. The ultimate tax determination may differ from the amounts recorded in our financial statements and may materially affect our results of operations in the period or periods for which such determination is made. Any significant failure to comply with applicable tax laws and regulations in all relevant jurisdictions could give rise to substantial penalties and liabilities. Any changes in enacted tax laws, rules or regulatory or judicial interpretations; or any change in the pronouncements relating to accounting for income taxes could materially and adversely impact our effective tax rate, tax payments, financial condition and results of operations. ~~WBA Fiscal 2022 Form 10- K30~~ As of August 31, Stefano Pessina, our Executive Chairman (together with his affiliates, the " SP Investors "), had sole or shared voting power, directly or indirectly, over an aggregate of approximately 17 % of our outstanding common stock. The SP Investors have agreed to, for so long as they have the right to designate a nominee for election to the Board, to vote all of their shares of common stock in accordance with the Board' s recommendation on matters submitted to a vote of the Company' s stockholders (including with respect to the election of directors). The SP Investors' significant interest in our common stock potentially could determine the outcome of matters submitted to a vote by our stockholders. The influence of the SP Investors could result in the Company taking actions that other stockholders do not support or failing to take actions that other stockholders support. In addition, issuances or sales of our common stock (or the exercise of related registration rights), including sales of shares by our directors and officers or key investors, including the SP Investors and certain other former Alliance Boots stockholders, are subject to restrictions in the case of shares held by persons deemed to be our affiliates and to certain obligations pursuant to the Company Shareholders Agreement (as defined herein). As a result, the market price of our common stock could be adversely affected. Conflicts of interest, or the appearance of conflicts of interest, could arise between our interests and the interests of the other entities and business activities in which our directors or officers are involved. For example, potential conflicts of interest could arise if a dispute were to arise between the Company and other parties to the shareholders agreement (the " Company Shareholders Agreement ") with certain SP Investors. Mr. Pessina, our Executive Chairman, indirectly controls Alliance Santé Participations S. A. (" ASP "), a privately- held company which is a party to the Company Shareholders Agreement, and he and his spouse Ornella Barra, our Chief Operating Officer, International serve as directors of ASP. There are other arrangements between affiliates of Mr. Pessina and the Company, with required disclosures included in the Company' s annual proxy statement, including with respect to Alliance Healthcare Italia SpA, which is an entity indirectly owned and controlled by Mr. Pessina (and in which, until April 2022, the Company held an indirect 9 % interest), which operates Boots branded stores in Italy. Conflicts of interest, or the appearance of conflicts of interest, or similar issues could arise in connection with these or other transactions in the future. While our contractual arrangements place restrictions on the parties' conduct in certain situations, and related party transactions are subject to independent review and approval in accordance with our related party transactions approval procedures and applicable law, the potential for a conflict of interest exists and such persons may have conflicts of interest, or the appearance of conflicts of interest, with respect to matters involving or affecting both companies. **WBA Fiscal 2023 Form 10- K33** Certain provisions of our certificate of incorporation and bylaws, as well as provisions of the Delaware General Corporation Law (the " DGCL "), could make it difficult for stockholders to change the composition of the Board or discourage, delay, or prevent a merger, consolidation, or acquisitions that stockholders may otherwise consider favorable. These provisions include the authorization of the issuance of " blank check " preferred stock that could be issued by the Board, limitations on the ability of stockholders to call special meetings, and advance notice requirements for nomination for election to the Board or for proposing matters that can be acted upon by stockholders at stockholder meetings. We are also subject to the provisions of Section 203 of the DGCL, which prohibits us, except under specified circumstances, from engaging in any mergers, significant sales of stock or assets, or business combinations with any stockholder or group of stockholders who own 15 % or more of our common stock. Under the Company Shareholders Agreement, the SP Investors are entitled to designate one nominee to the Board (currently Stefano Pessina) for so long as the SP Investors continue to meet certain beneficial ownership thresholds and subject to certain other conditions. Pursuant to the Company Shareholders Agreement, the SP Investors have agreed that, for so long as they have the right to designate a nominee to the Board, they will vote all of their shares of common stock in accordance with the Board' s recommendation on matters submitted to a vote of our stockholders (including with respect to the election of directors). While these provisions do not make us immune from takeovers or changes in the composition of the Board, and are intended to protect our stockholders from, among other things, coercive or otherwise unfair tactics, these provisions could have the effect of making it difficult for stockholders to change the composition of the Board or discouraging, delaying, or preventing a merger, consolidation, or acquisitions that stockholders may otherwise consider favorable. ~~WBA Fiscal 2022 Form 10- K31~~ In June 2018, our Board of Directors approved a new stock repurchase program authorizing the repurchase of up to $ 10 billion of our common stock. The repurchase program does not have an expiration date and we are not obligated to repurchase a specified number or dollar value of shares, on any particular timetable or at all. There can be no assurance that we will repurchase stock at favorable prices. Activity under this program was suspended in July 2020 and there can be no assurance whether or when activity will resume. If resumed, the repurchase program may be suspended or terminated at any time and, even if fully implemented, may not enhance long- term stockholder value.