

2021

Environmental, Social and Governance (ESG) Report



Walgreens Boots Alliance

#WeAreWBA



We are an integrated healthcare, pharmacy and retail leader serving millions of customers and patients every day, with a 170-year heritage of caring for communities. Our purpose is to create more joyful lives through better health.

This annual report covers our Environmental, Social and Governance (ESG) performance for the fiscal year ended Aug. 31, 2021, and our ongoing initiatives and efforts in Corporate Responsibility.

OVERVIEW

| | |
|---|--------------------|
| Message from Our Leaders | 3 |
| Q&A with Our CSR Committee Chair | 4 |
| Our Purpose, Vision, Values | 5 |
| At a Glance: WBA | 5 |
| Highlights and Recognition | 6 |
| Our Approach to Corporate Responsibility | 7 |
| Our Commitments | 8 |
| Progress Dashboards | 9 |
| Our Approach to ESG Reporting | 13 |
| Sustainable Development Goals (SDG) Mapping | 14 |
| ESG Materiality | 15 |
| Stakeholder Engagement | 18 |
| FOCUS: Health Equity | 25 |

HEALTHY COMMUNITIES

| | |
|--|--------------------|
| Highlights | 30 |
| Healthcare Access, Awareness and Education | 31 |
| Medication Adherence | 32 |
| Opioid Abuse Prevention | 37 |
| Partnerships for Good | 41 |
| Giving Back: Corporate Donations and Supporting Causes | 42 |
| | 47 |

HEALTHY AND INCLUSIVE WORKPLACE

| | |
|---|--------------------|
| Highlights | 50 |
| Diversity, Equity and Inclusion | 51 |
| Case Study: Skills for Chicagoland's Future | 52 |
| Employee Health and Well-Being | 60 |
| | 61 |

HEALTHY PLANET

| | |
|--|--------------------|
| Highlights | 66 |
| Energy and Emissions | 67 |
| Waste and Plastics | 68 |
| Case Study: Recycle at Boots Take-Back Program | 73 |
| | 77 |

SUSTAINABLE MARKETPLACE

| | |
|---|--------------------|
| Highlights | 78 |
| Sustainability Progress in Our Owned Brands | 79 |
| Our Owned Brands at a Glance | 80 |
| Sourcing | 81 |
| Ingredients and Materials | 82 |
| Packaging, Labeling and Transparency | 85 |
| Brands with Purpose: No7 Beauty Company | 88 |
| Highlights of No7 Beauty Company Sustainability | 91 |
| | 92 |

GOVERNANCE

| | |
|--|---------------------|
| Corporate Governance and Risk Management | 93 |
| Code of Conduct and Ethics | 94 |
| Safety | 95 |
| Information Security | 95 |
| Patient and Customer Privacy | 99 |
| | 100 |

APPENDICES

| | |
|---|---------------------|
| About This Report | 101 |
| GRI Content Index | 102 |
| Sustainability Accounting Standards Board (SASB) Index | 103 |
| Task Force on Climate-related Financial Disclosures (TCFD) Response | 114 |
| United Nations Global Compact Index | 115 |
| Management Assertion Table | 116 |
| Assurance Report | 118 |
| Basis of Preparation | 120 |
| Legal Notice | 126 |

All images in this Report were shot while following COVID-19 protocols and safety precautions that were in place at the time the photos were taken.



Message from Our Leaders

(GRI 102-14)



MORE INFO



We invite you to read further about our leadership diversity efforts in our latest global [WBA Diversity, Equity & Inclusion Report](#).

We are delighted to share our latest WBA Environmental, Social and Governance Report with you and to celebrate and acknowledge the huge effort and impact of this vital work.

As we work to reimagine healthcare in a new era, we are humbled by the critical role Walgreens Boots Alliance is playing in combating the global pandemic.

Working on the front lines, our team members administered more than 34.6 million COVID-19 vaccinations and more than 10 million tests as of the end of fiscal 2021. Every day, we see how hard our team members work and we are proud of each of them and inspired by their resilience.

It's been an extraordinary year, one in which we continued to show who we are as a company:

- We are a company that strives to ensure healthcare is accessible and equitable for everyone, no matter their race, ethnicity or location.
- We are a company that celebrates and embraces diversity, and we hold ourselves accountable to make sure we deliver on our corporate diversity goals.
- We are a company that understands how reducing our carbon footprint will not only make the planet healthier, but will make us, our patients and our customers healthier, too.
- We are a company that innovates to make sure the packaging of our owned brand products is more sustainable.

For WBA, our corporate responsibility pillars – Healthy Communities, Healthy Planet, Healthy and Inclusive Workplace and Sustainable Marketplace – are at the heart of our purpose to create more joyful lives through better health. It's what we believe. It's what we do. It's who we are.

Our purpose is evident throughout this fiscal 2021 ESG Report, as we share the ongoing progress we've made on our sustainability targets and initiatives, our diversity, equity and inclusion goals and our work to ensure health equity for all.

We partnered with hundreds of community organizations and rolled out an ambitious Vaccine Equity Initiative to combat vaccine hesitancy and ensure lifesaving immunizations were reaching communities that struggle to access healthcare. Learnings from this work will inform our future health equity efforts.

We know that climate change is caused by human activities and we know it has negative impacts on human health. All companies must do their part to safeguard a liveable planet, and that is particularly important for us as a healthcare company. We have committed to reducing our carbon emissions by 30 percent by 2030 compared with 2019, and for the first time we are including a Task Force for Climate-Related Financial Disclosures (TCFD) response. Regarding plastics, we are also publicly reporting our commitments and data on packaging in our owned brands for the first time.

In DE&I, we took an industry-leading approach, announcing ambitious goals to increase the proportion of women and people of color in leadership roles and linking a portion of incentive pay to performance on these goals. In this report you can read about this performance, how we drive inclusive practices in recruiting and hiring and how we are building a high-performance culture and a winning team.

Our efforts in corporate sustainability are being increasingly recognized by external stakeholders. In 2021, WBA joined the 100 Best Corporate Citizens list for the first time, and was included as a component of the Dow Jones Sustainability North America Index for a second consecutive year.

We know that none of this work would have been possible without the continued leadership of Ornella Barra, the Chair of the WBA CSR Committee, whose passion and dedication help advance our ESG agenda.

We are proud of the work we've accomplished and are excited to build and progress even more as we continue to live our purpose, and strive to stay courageous, connected, committed and curious throughout all areas of our company.

January 26, 2022

Stefano Pessina
Executive Chairman
Walgreens Boots Alliance, Inc.

Rosalind Brewer
Chief Executive Officer
Walgreens Boots Alliance, Inc.



Q&A with Our CSR Committee Chair

(GRI 102-14)

“
Day in and day
out, I am inspired
by our team
members’ passion
and dedication.”

During the second year of the pandemic, what stood out for you in WBA’s response?

As a pharmacist by background, it is inspiring for me to see our nearly 35,000 pharmacists operating at the top of their profession, being the trusted professional that millions of people have turned to for testing, vaccinations and trusted counsel.

Our U.S. Vaccine Equity Initiative was astounding. We partnered with hundreds of community and government organizations, and we conducted more than 1,200 vaccination clinics, providing more than 200,000 vaccines, mostly in communities of color. We administered millions more vaccines in medically underserved communities where our pharmacies are located.

Operating on the front lines of patient care, we knew we had an important role to play in this phase of fighting the pandemic. We helped build trust in the vaccines through a marketing campaign with support from trusted Black and Hispanic influencers.

In the UK, Boots supported the National Health Service rollout of COVID-19 vaccinations, with vaccination sites in 55 stores by the end of August. To address access issues, Boots team members were specially trained to support people with hidden disabilities who might need extra assistance to receive the vaccine.

What is next for WBA and health equity?

Since 2013, we have supported Vitamin Angels’ efforts to provide vitamins and minerals to undernourished women and children worldwide, and we are building on that with a new prenatal vitamin program in Chicago.

The \$21 million we raised through Red Nose Day in 2021 supports programs for children so they can lead healthier lives. Through Get a Shot. Give a Shot. we have helped provide more than 70 million immunizations to some of the world’s most vulnerable communities through the UN Foundation’s Shot@Life campaign.

Other initiatives include our diabetes and pediatric asthma programs in communities of color in the Chicago area, HIV self-testing in Thailand, and safe spaces for victims of domestic abuse in our pharmacies in the UK, Ireland and Chile.

We know that climate change is a contributor to health inequities as extreme weather events and drought contribute to unsafe air and drinking water, and to food insecurity. That is just one reason we are doing our part to address climate change through our new target to reduce our greenhouse gas emissions.

What were some important achievements for WBA as a corporate citizen during fiscal 2021?

We cannot drive change in our workplace or in our communities without transparency. We set ourselves ambitious targets for diversity in leadership; we held ourselves accountable by tying part of incentive pay to our performance. I have always been passionate about professional and leadership development for women and minority groups, and it has been immensely gratifying to see us meeting these targets and deepening our commitment to diversity, equity and inclusion.

What are WBA’s beauty brands doing to advance the sustainability agenda?

We continue to strive to meet our customers’ expectations for responsibly sourced products that contribute to a healthy planet and community well-being. I feel immensely proud of the significant progress that has been made across our beauty brands this year.

We launched the No7 Beauty Company in April 2021 as a consumer led beauty business with bold commitments to sustainability, including halving the overall impact of products we place on the market by 2030. Boots and No7 Beauty Company launched an innovative take-back program for hard-to-recycle cosmetic containers. Liz Earle achieved CarbonNeutral certification for its operations and its Holiday 21 gifting range also achieved CarbonNeutral product certification. Soap & Glory and the Boots gift range 'A Little Something' became our latest brands to achieve Cruelty Free International Leaping Bunny certification, following Botanics and Liz Earle. No7 also launched its flagship Unstoppable Together campaign in the U.S. and UK focused on empowering women and also completely redesigned its iconic 50-milliliter jar to be more sustainable.

What comes next for WBA and corporate responsibility?

I’d say continuing to work together and taking a step further in our contribution to build up healthy communities, a healthy planet, a sustainable marketplace and a healthy and Inclusive workplace. Day in and day out, I am inspired by our team members’ passion and dedication. Through their initiatives and example, they truly embody our purpose to help people lead more joyful lives through better health. WBA wants to become an even more consumer-focused healthcare company. This objective comes with taking a leading role in health equity issues and increasingly educating and empowering our customers to make smarter environmental choices.



Ornella Barra

Chief Operating Officer, International, Walgreens Boots Alliance, Inc.
Chair of the Corporate Social Responsibility Committee

Our Purpose, Vision and Values

(GRI 102-16)

OUR PURPOSE: More joyful lives through better health.

OUR VISION: To be the leading partner in reimagining local healthcare and well-being for all.

OUR VALUES: Walgreens Boots Alliance takes seriously its aim of creating joyful lives through better health, reflected in our core values:



COURAGEOUS

Challenging the status quo, addressing conflict directly and driving informed risk taking



CONNECTED

Reflecting the communities we serve, understanding the needs of others and innovating together



COMMITTED

Leading with integrity, building on our legacy and striving boldly toward the future



CURIOS

Continuously learning and adapting, following the science and the data and creating paths where none existed

At a Glance: WBA

(GRI 102-2, 102-3, 102-4, 102-9, 103-1, 103-2, 103-3, 201-1)

Walgreens Boots Alliance is an integrated healthcare, pharmacy and retail leader serving millions of customers and patients every day, with a 170-year heritage of caring for communities. A trusted, global innovator in retail pharmacy with approximately 13,000 locations across the U.S., Europe and Latin America, WBA plays a critical role in the healthcare ecosystem. The company is reimagining local healthcare and well-being for all as part of its purpose – to create more joyful lives through better health.

WBA had sales of \$132.5 billion in the fiscal year ended Aug. 31, 2021. The company's two financial reporting segments are United States and International and our retail brands include Walgreens, Duane Reade, Boots, Farmacias Benavides and Farmacias Ahumada.

WBA has multiple portfolios of highly regarded and long-established product brands. Our No7 Beauty Company business unit believes in creating the best beauty and skincare for everyone, enriching communities and sustaining our planet. Its brands are No7, Soap & Glory, Liz Earle, Botanics, Sleek MakeUP and YourGoodSkin. Other owned brands include our Boots health and beauty lines such as Boots Pharmaceuticals over-the-counter remedies and Soltan sun care;

and numerous Walgreens products across a range of brand names and categories including Nice! food and beverages, Walgreens over-the-counter products and Complete Home household goods.

More information about our segments and our owned brands can be found on our corporate [website](#) and in our [Annual Report](#).

WBA has a complex international supply chain involving relationships with numerous suppliers in areas such as pharmaceuticals, consumer products, owned brands sourcing, business services, supply chain services, goods for our operations and more.

Our principal executive offices are located in Deerfield, Illinois, USA.



More than 315,000¹ employees



A presence in nine¹ countries

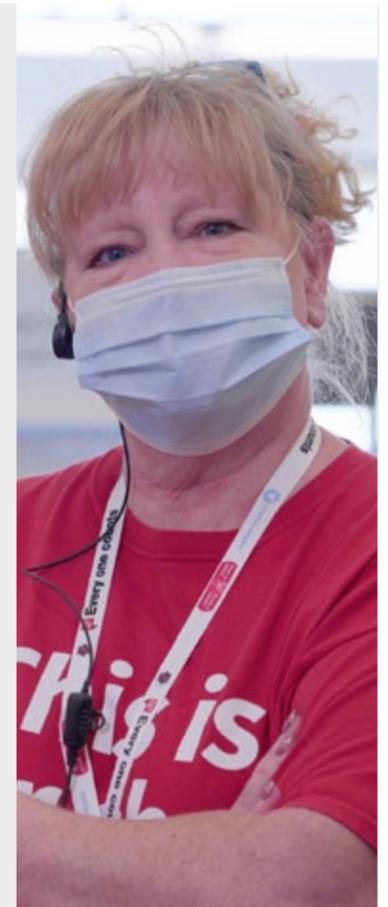


More than 13,000¹ stores in the U.S., Europe and Latin America



One of the world's largest purchasers of prescription drugs

¹As of Aug. 31, 2021.



Highlights and Recognition

GRI 413-1

Walgreens

Walgreens provided more than 34 million COVID-19 vaccinations in fiscal 2021, including more than 15 million doses in high social vulnerability index areas and more than 200,000 at off-site clinics in underserved areas

Boots

Boots is one of the UK's leading COVID-19 test providers with more than 3.7 million COVID-19 tests administered to date, the majority in partnership with the National Health Service (NHS)



WBA increased proportion of women in leadership roles globally by 2.3 percentage points



WBA reduced global carbon emission by 14.9 percent emission from baseline of 2019

Boots UK and No7 Beauty Company launched an innovative in-store program - Recycle at Boots - to make it easier for consumers to give a second life to hard-to-recycle health, beauty and wellness items. The program is now available in over 700 stores



For the third year running, Boots UK - Macmillan Cancer Support partnership was voted Most Admired Corporate-NGO partnership in the C&E Barometer. Boots UK has raised £19.9 million (\$26 million ¹) for Macmillan Cancer Support, thanks to team members, customers and suppliers²



Through our partnership with The Hygiene Bank, Boots UK and No7 Beauty Company have donated more than 680,000 toiletries and essentials to people living in hygiene poverty

No7 launched Unstoppable Together, a multi-year campaign in the U.S. and the UK that aims to help women defy stereotypes and enable them to reach their full potential

WBA employees reported more than 91,571 volunteer hours³

Walgreens raised more than \$21 million for Red Nose Day in the USA bringing the total raised to more than \$240 million since 2016



WBA joins 100 Best Corporate Citizens list

WBA received a score of B- on its climate change disclosure to CDP during fiscal 2021, slightly lower than our previous score of B in fiscal 2020

WBA is a component of the Dow Jones Sustainability North America Index

1,550+ tons

Walgreens has safely disposed of more than 1,550 tons (1,406 metric tonnes) of unwanted prescriptions²



Soap & Glory and the Boots gift range A Little Something achieved Cruelty Free International Leaping Bunny status



WBA owned brands launched a global Supplier Sustainability Program. More than 100 of our highest spend owned-brand product suppliers have signed up to the program and completed assessments



<1%

Boots UK sent less than 1 percent of operational waste to landfill for a 3rd year running³

¹Based on £19.9 million at rate 1.287274 consisting of £19.3 million b/f from 2020 and £0.6 million from 2021 activity. ²Accumulated total over life of program, as of Aug. 31, 2021. ³During fiscal 2021.



Our Approach to Corporate Responsibility

(GRI 101, 102-4, 102-15, 102-29, 102-46, 103-1, 103-2, 103-3)

A healthy and inclusive planet for all

Through dispensing medicines, improving access to a wide range of health services, providing high quality health and beauty products and offering anytime, anywhere convenience across its digital platforms, WBA is shaping the future of healthcare. WBA has more than 315,000 team members and a presence in nine countries through its portfolio of consumer brands: Walgreens, Boots, Duane Reade, the No7 Beauty Company, Benavides in Mexico and Ahumada in Chile. Additionally, WBA has a portfolio of healthcare-focused investments located in several countries, including China and the U.S.

The company is proud of its contributions to healthy communities, a healthy planet, an inclusive workplace and a sustainable marketplace.

We deliver healthcare and support communities through both our day-to-day operations and our business values. These essential roles shape our approach to sustainability, which is central to fulfilling our purpose to help people live more joyful lives through better health. Healthcare is at the center of our ESG framework, reflecting our operations and our corporate vision to be the leading partner in reimagining local healthcare and well-being for all. Our corporate responsibility efforts are embedded in our business strategy, which includes commitments to serve the needs of each neighborhood and create greater access for every person in every community addressing all dimensions of physical, emotional and mental health.

Our ESG strategy includes permanent, ongoing consultations with a wide range of stakeholders who tell us that we can have a profound impact on the world by working to improve health access and affordability, with a particular emphasis on health equity. They and we are also increasingly aware of the links between the environment, climate change, equity and health. Our sustainability targets on emissions, waste and plastics all support a healthy planet and healthy communities.

The COVID-19 pandemic confirmed our impact on healthcare and health equity. We worked tirelessly to deliver more than 34 million vaccines and more than 10 million COVID-19 tests across all of our geographies, quickly adding pharmacy staff and building out logistics and infrastructure.

In the U.S., we rapidly designed and implemented more than 1,200 off-site vaccine equity clinics and launched a major marketing and community campaign to tackle vaccine hesitancy and access issues in communities of color. In the UK we partnered with the government to support testing and vaccinations and introduced telehealth options for people sheltering at home during the pandemic. You can read more about these initiatives in the Health Equity and Healthy Communities sections of this report.

Throughout, we continued to provide essential products and services and worked to keep our people and our customers safe.

WBA operates in a fast-changing global business, health and social landscape that was especially fluid during the past two years. We have adapted our business offerings and strategy, as well as our ongoing ESG programs, to meet these changing needs.

Amid growing consumer demand for sustainable products, we reintroduced our portfolio of beauty and skincare products as the No7 Beauty Company, together with a 2030 sustainability agenda. You can read more about sustainability in our owned brands in the Sustainable Marketplace section of this report.

We continue to build on the longstanding history of corporate citizenship built over more than a century in our legacy businesses Boots and Walgreens.

Priority Areas

Our report is organized into sections matching our priority areas: Healthy Communities, Healthy and Inclusive Workplace, Healthy Planet and Sustainable Marketplace. On the following pages we explain our approach and overarching commitments in each priority area. We are committed to transparent and accountable reporting on our sustainability goals and targets. Our progress is shown on a dashboard for each priority area.

Additional detailed disclosures and information are then included in each section.

We believe that strong corporate governance is an essential element to achieving our overall objectives and acting as a responsible organization. In the Governance section of this report we include disclosures and progress related to our robust approach to pharmacy, product and workplace safety; information security and data privacy.

WBA's Health-Centered ESG Strategy - Our Commitments

Our ESG strategy is concentrated on four focus areas – healthy communities, healthy planet, sustainable marketplace, and healthy and inclusive workplace. These pillars help us deliver on our purpose of creating more joyful lives through better health.



¹30% decrease in Scope 1 and Scope 2 emissions by fiscal 2030 vs fiscal 2019.

Healthy Communities Progress Dashboard

We engage with local communities to improve societal health and well-being through:



Programs and campaigns to improve access to affordable, quality healthcare and awareness about critical health issues, with a specific focus on health equity



Partnerships to help support people living with cancer, empower young people and combat hygiene poverty



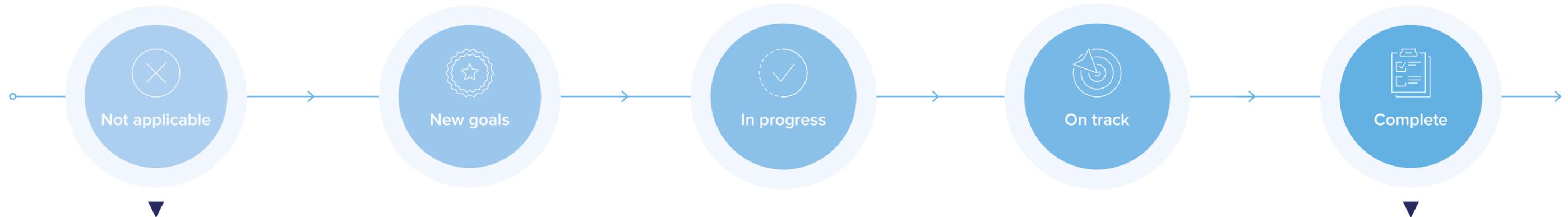
Efforts to help combat opioid abuse and prevent overdose-related deaths

Walgreens: Donate **\$5M** worth of flu shot vouchers by fiscal 2024
\$4.5M worth of flu vouchers donated

WBA: Help provide a total of **100M** immunizations for children in developing countries by fiscal 2024, with Get a Shot. Give a Shot. and the United Nations Foundation
70M+ provided

Walgreens: Contribute more than **\$25M** to the Susan G. Komen and The Leukemia & Lymphoma Society by fiscal 2024
\$21.2M raised

WBA: Help **500M** women and children by providing vitamins and minerals through Vitamin Angels by fiscal 2025¹
300M+ provided



WBA: Raise **€5M** for the European Organisation for Research and Treatment of Cancer (EORTC) by fiscal 2023
Following the divestiture of the Alliance Healthcare business, this partnership was transferred to AmerisourceBergen

Boots UK: Boots UK gave all of its pharmacists the time to complete training to become a Boots Macmillan Information Pharmacist (BMIP), doubling the number of BMIPs to more than **4,200** during fiscal 2021

Boots UK and No7 Beauty Company: During fiscal 2021, Boots UK and No7 Beauty Company donated more than **680,000** products to those living in hygiene poverty

¹This goal was updated and increased during fiscal 2021. The previous goal was to reach 400M women and children by fiscal 2023.

Healthy and Inclusive Workplace Progress Dashboard

We strive to treat our people with dignity and respect. We are working to:

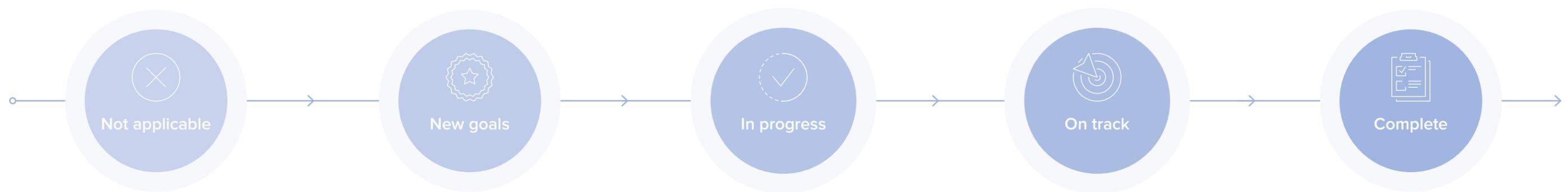


Proactively support the personal health and well-being of our employees



Deliver on our commitment to offer equal opportunities and foster a diverse, equitable and inclusive culture for all through strong employment, pay and recruitment practices, policies and procedures

Walgreens: Hire **5,000** U.S. veterans through the Helping Veterans with Educational and Retail Opportunities (HERO) program by November 2023
More than 680 hired as of Aug. 31, 2021



| | | | |
|---|---|---|--|
| <p>WBA: 3 percentage point increase in women in leadership across the company globally in fiscal 2021, compared with previous year¹ Achieved an increase of 2.3 percentage points</p> | <p>Walgreens: Increase spending with Tier 1 diverse suppliers to \$500M in fiscal 2021 (an increase of approximately \$53M from fiscal 2020)² Achieved supplier diversity spend of \$521.5M</p> | <p>WBA: Ensure 100 percent compliance of diverse candidate interview slates and interview panels for leadership roles³ Met in fiscal 2021</p> | <p>WBA: United States segment: 2 percentage point increase in people of color in leadership, in fiscal 2021, compared with previous year⁴ Achieved an increase of slightly more than 2 percentage points</p> |
|---|---|---|--|

¹New target for fiscal 2022 is an additional 3 percentage point increase in women in leadership across the globally, compared with fiscal 2021. ²New target for fiscal 2022 is to achieve \$625M in spending with Tier 1 diverse suppliers. ³The same target is now in place for fiscal 2022. ⁴New target for fiscal 2022 is an additional 2 percentage point increase in people of color in leadership in the United States segment, with 1.2 percentage points attributed to the combined representation of Hispanics/Latinos and Blacks/African Americans.

Healthy Planet Progress Dashboard

We are determined to protect the planet through programs in our operations and by engaging suppliers on environmental issues. We are committed to:



Reduce energy consumption and emissions



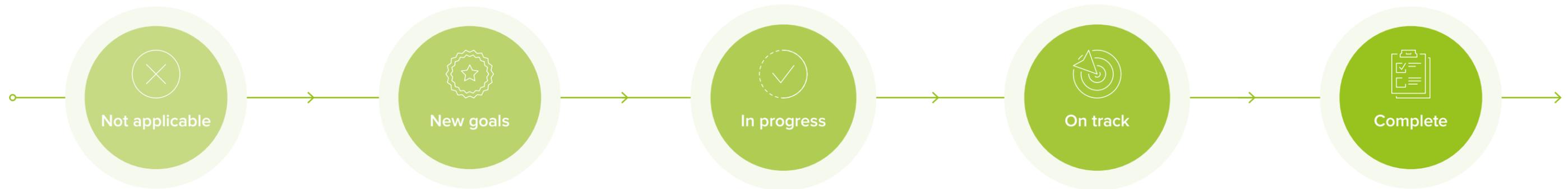
Reduce waste, increasing re-use and recycling and collaborating to help create an increasingly circular economy

Boots UK: Reduce food waste, as part of WRAP Food Waste Reduction Roadmap collaboration, by **50 percent** by 2030 from 2015¹

While the impacts of the COVID-19 pandemic are still being felt and food waste has increased as a result, the ambition remains on track and focus remains on finding appropriate donation routes

WBA: WBA global carbon emissions reduction target: **30 percent** reduction in CO₂e by the end of fiscal 2030 compared with 2019 baseline²

Achieved 14.9 percent reduction in fiscal 2021 compared with fiscal 2019



Boots UK: Be **100%** plastic-free in online deliveries by the end of calendar 2021³
As of the end of calendar 2021 this target was at 99.8% with the exception of 1 item of packaging used for c30,000 orders per annum for which a Bioplastic alternative has been sourced

¹We will continue to explore appropriate donation routes for short dated chilled food lines as well as maintain efforts to manage fluctuating supply and demand during COVID. ²We will report annual progress and review the target on a regular basis to determine whether it should be updated. ³We will continue to look into alternative paper based packaging solutions for these c30,000 orders and also conduct a line review of the category Non Conveyable Items with a view to remove packaging from lines where possible.

Sustainable Marketplace Progress Dashboard

We aim to do business fairly and with integrity and are taking actions to:



Provide a platform of transparency into our owned brand products, including ingredient and material level information, and ensuring product safety



Continue to improve traceability of ingredients and materials of our owned brand products to reduce their environmental impact and protect healthy ecosystems and reduce climate change impact



Continue to drive responsible sourcing practices throughout our supply chain, protecting human rights and engaging with suppliers around ethical and environmental issues

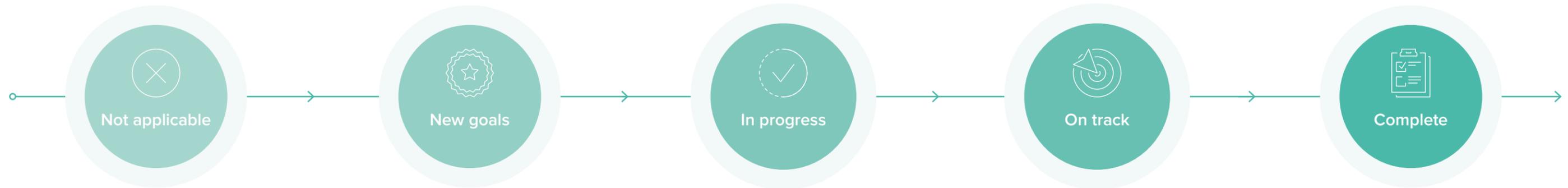


Reduce the negative impacts of plastics in our owned brand products

Walgreens owned brand packaging 2030 targets: 30 percent reduction in plastics packaging compared with fiscal 2020, **100 percent** plastics packaging recyclable, reusable or compostable, and **30 percent** average recycled content across plastics packaging portfolio

Walgreens owned brands: Source 100 percent of palm oil from RSPO certified sources (physically certified and credits) by end of fiscal 2023, and increase the proportion that is physically certified by **5 percent** each following year

Boots UK and No7 Beauty Company owned brands: Reach The UK Plastics Pact 2025 goals, 30 percent reduction in plastic packaging compared with 2018, 100 percent of plastic packaging reusable or recyclable by consumers, achieve **30 percent** average recycled content across plastic packaging
Boots UK's most recent progress report showed 65 percent of packaging is reusable, recyclable or compostable



Boots UK owned brands and No7 Beauty Company brands: 75 percent physically certified palm oil and palm oil derivatives by fiscal 2021¹
53 percent reached during fiscal 2021, with mechanisms in place to achieve the 75 percent goal in the coming months

WBA: Eliminate chemicals on our Restricted Substances List (RSL) from certain categories of owned brand products by fiscal 2021
100 percent of in-scope owned brand products in compliance

¹This goal is being widened to all owned brands.

Our approach to ESG reporting

(GRI 102-54, 102-56)

WBA continues to enhance the transparency and credibility of its environmental, social and governance (ESG) disclosures through the use of widely accepted sustainability reporting standards that provide confidence in our ongoing corporate responsibility efforts and progress. Boundaries for information within this report are evaluated based on the location and level of impact WBA has on each ESG material topic. Details on the boundary for each topic can be found in the relevant sections of the report.

External assurance enhances the credibility and transparency of information reported. Deloitte & Touche LLP conducted a review of select WBA specified disclosures, GRI specified disclosures and SASB specified disclosures within this report in accordance with attestation standards established by the American Institute of Certified Public Accountants. Deloitte's assurance report is available on pages [118-119](#).

GRI

We have reported using the Global Reporting Initiative (GRI) standards for six years and our fiscal 2021 report has been prepared in accordance with the GRI Standards: Core option.

The GRI Content Index at the back of this report reflects the ESG material topics identified in our most recent materiality assessment, addressing the ESG issues where the company has the most impact. This report aligns with the GRI reporting principles of stakeholder inclusiveness, sustainability context, materiality and completeness. How the company applies these principles can be found in the Stakeholder Engagement, Our Approach to Corporate Responsibility, ESG Materiality and About This Report sections.

SASB

Since 2020, our annual ESG reports include disclosures from the Sustainability Accounting Standards Board (SASB). In our SASB Index, we report on the sector-specific disclosure topics contained in the Drug Retailers Standard. The boundary on our disclosures in the Drug Retailers standard is applied to our business and U.S. pharmacy operations. By including SASB's industry-specific standards, we aim to provide decision-useful sustainability information to investors.

TCFD

New in fiscal 2021, we have reinforced our commitment to transparency and ongoing improvement of ESG reporting by including disclosures on our climate-related performance and strategies in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Many of the disclosures appear in our CDP Climate responses due to alignment between the frameworks.

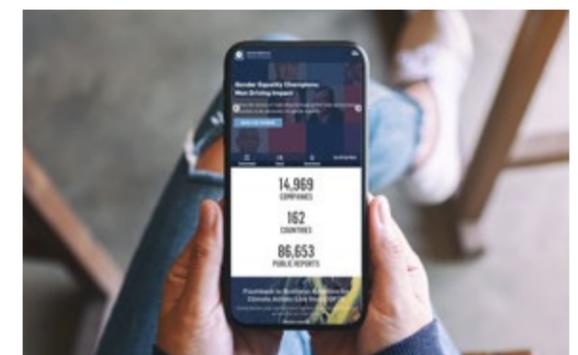
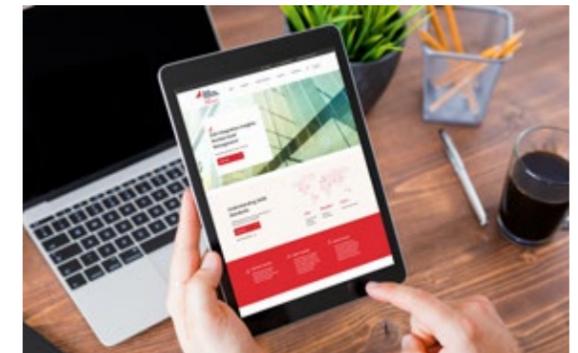
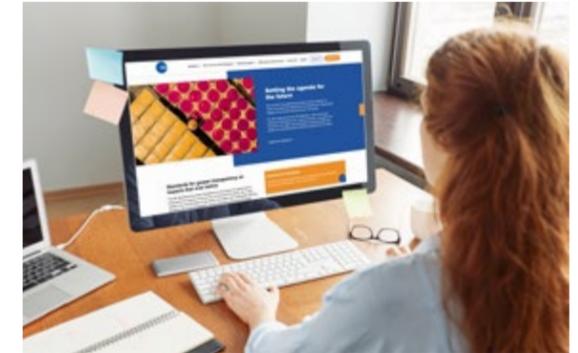
UNGC

WBA is a participant of the United Nations Global Compact (UNGC), a voluntary leadership platform of responsible business practices.

This report constitutes our annual Communication on Progress as required for UNGC participants. In addition to our chief executive's statement of continued support, which can be found on page [3](#), throughout this report we provide descriptions of practical actions we have taken to implement the UNGC's 10 principles in the areas of human rights, labor, environment and anti-corruption. An index is provided on page [115](#). We also measure our outcomes and progress on our ESG targets.

The UNGC is a call for companies to align their operations and strategies with 10 universally accepted principles in the areas of human rights, labor, environment and anti-corruption, and to take action in support of UN goals and issues embodied in the Sustainable Development Goals (SDGs).

The SDGs are 17 goals agreed to by all UN member nations that comprise an urgent call for action in a shared blueprint for peace and prosperity for people and the planet. We have mapped the goals to our ESG disclosures in our table of material ESG topics and throughout this report. We are particularly focused on SDG 3, Good Health and Well-being. This focus has been sharpened by COVID-19 and is aligned with our business operations and strategy, our expertise, our vision and our area of influence.



24 topics mapped to the 17 Sustainable Development Goals (SDGs)

| | 1 NO POVERTY | 2 ZERO HUNGER | 3 GOOD HEALTH AND WELL-BEING | 4 QUALITY EDUCATION | 5 GENDER EQUALITY | 6 CLEAN WATER AND SANITATION | 7 AFFORDABLE AND CLEAN ENERGY | 8 DECENT WORK AND ECONOMIC GROWTH | 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | 10 REDUCED INEQUALITIES | 11 SUSTAINABLE CITIES AND COMMUNITIES | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 13 CLIMATE ACTION | 14 LIFE BELOW WATER | 15 LIFE ON LAND | 16 PEACE, JUSTICE AND STRONG INSTITUTIONS | 17 PARTNERSHIPS FOR THE GOALS | |
|---|--------------|---------------|------------------------------|---------------------|-------------------|------------------------------|-------------------------------|-----------------------------------|---|-------------------------|---------------------------------------|---|-------------------|---------------------|-----------------|---|-------------------------------|---|
| 1 Access to affordable and quality healthcare | | | ● | | | | | | | | | | | | | | ● | |
| 2 Product safety | | | | | | | | | | | | ● | | | | | ● | ● |
| 3 Reduce negative impacts of plastic | | | | | | | | ● | ● | | | ● | | | | | | ● |
| 4 Responsible and ethical supply chains | | | | | | | | ● | | | | | | | | | ● | ● |
| 5 Employee health, safety and well-being | | | ● | | | | | ● | | | | | | | | | | ● |
| 6 Diversity, equity and inclusion | | | | | ● | | | ● | | | | | | | | | | ● |
| 7 Data privacy and security | | | | | | | | | | | | | | | | | ● | ● |
| 8 Waste management | | | ● | | | ● | | | ● | | | ● | ● | ● | ● | | | ● |
| 9 Human rights | | | | | ● | | | ● | | ● | | | | | | | ● | ● |
| 10 Prescription drug abuse | | | ● | | | | | | | | | | | | | | | ● |
| 11 Consumer health education and marketing | | | ● | | | | | | | | | | | | | | | ● |
| 12 Community engagement and partnerships | ● | ● | ● | | | | | | | | ● | | | | | | | ● |
| 13 Energy use and climate impacts | | | ● | | | | ● | ● | ● | | | ● | ● | ● | ● | | | ● |
| 14 Employee wages and hiring practices | ● | | | | ● | | | ● | | ● | | | | | | | | ● |
| 15 Product packaging | | | | | | | | | ● | | | | | ● | ● | | | ● |
| 16 Environmental impacts of materials | | | | | | | | | ● | | | ● | | | | | ● | ● |
| 17 Product labeling and transparency | | | | | | | | | | | | ● | | | | | ● | ● |
| 18 Cancer care and prevention | | | ● | | | | | | | | | | | | | | | ● |
| 19 Corporate governance | | | | ● | ● | | | | | | | | | | | | ● | ● |
| 20 Product end-of-life | | | | | | | | | ● | | | ● | | | | | | ● |
| 21 Customer responsibility | | | | | | | | | | | | | | | | | | ● |
| 22 Chemical use and management | | | | | | | | | | | | ● | | | | | | ● |
| 23 Supplier diversity and inclusivity | | | | | ● | | | ● | | ● | | | | | | | ● | ● |
| 24 Innovation and digitalization | | | | | | | | | | | | | | | | | | ● |



ESG Materiality

(GRI 102-15, 102-21, 102-29, 102-42, 102-43, 102-44, 102-46, 102-47, 103-1, 103-2, 103-3)

WBA's latest ESG materiality assessment was completed during fiscal 2021. We systematically surveyed a wide range of global stakeholders to understand the issues they see emerging over the next decade that will potentially impact WBA and their interaction with the company. Through this exercise we also gauged how the changing context of the pandemic, racial equity issues and rising concerns about climate change and harmful plastic waste were affecting views of ESG impacts throughout our operations.

The assessment included surveys with close to 300 internal and external stakeholders, followed up by approximately 45 interviews, as well as discussion sessions with employee groups. External stakeholder groups included in the assessment were non-governmental organizations, stockholders, academics, government agencies, community representatives and organizations, suppliers, media and industry groups. In addition, we surveyed some 6,000 customers in the U.S., UK, Chile, Mexico, Norway and Thailand. Those surveyed were asked to consider a time horizon of up to 10 years. International sustainability non-profit 'Forum for the Future' advised us on the assessment and we also used Datamaran's software analytics tool and online horizon scanning portal to review and analyze topics for our industry and stakeholders.

We analyzed the customer surveys separately as well as included them in the overall assessment. The customer analysis showed that sustainability is a common concern across all of our markets, especially plastics, although less so in the U.S. Affordable access to quality healthcare is a top concern to customers across our markets along with employee safety, particularly due to the COVID-19 pandemic.

The 32 topics included in the materiality assessment are shown in the matrix on page 16, and divided into three areas of importance from very high to moderate. In the table on page 17 we provide definitions of the 24 topics in the two higher-importance areas of the matrix, and map these topics to GRI disclosures.

Among the new topics in our materiality matrix are plastics, human rights, product end of life, and talent and development. Topics that rose in overall importance and impact include diversity, equity and inclusion; waste; and energy use and climate impacts. As a result of the new materiality mapping, we have added a new GRI disclosure to our report for fiscal 2021: GRI 412 Human Rights Assessment.

This materiality work came at the same time as the company rapidly adapted to urgent social demands related to COVID-19 and to the racial equity movement. This pivot included stepped up, real-time engagement with stakeholder groups and accelerated, crisis responses. This is reflected in the Stakeholder Engagement section on pages 18-24, the Health Equity focus story on pages 25-29 and the Diversity, Equity and Inclusion section on pages 52-59 of this report.

WBA conducts a materiality assessment at least every three years, in keeping with best practices in sustainability reporting, to understand our impacts, encourage insightful stakeholder dialogue, inform our sustainability strategy and form the basis for our ESG reporting. Prior to 2020, our previous materiality assessment was done in fiscal 2018.

Our overall mission as a business, and our competitive strategy, remain central to our process of defining our material ESG issues. Due to the scale of our operations, we can have a significant economic impact in the countries and regions where we do business. Our economic performance is the bedrock of our ESG commitments because it enables us to promote health, well-being and sustainability through employment, investment, initiatives and corporate giving.

The GRI Content Index at the back of this report provides a guide for readers to find disclosures related to the material topics. Our definition of material for ESG purposes is distinct from the definition of that term that may be used by the company for other purposes.



ESG materiality matrix

This matrix shows the issues deemed material to our company from an ESG perspective. Shading indicates very high, high and moderate priority topics, and color coding indicates how each topic aligns with our priority areas.

- Healthy Communities
- Healthy and Inclusive Workplace
- Healthy Planet
- Sustainable Marketplace
- Governance and Economic



¹Importance rankings are based on the weighted average from four sources of stakeholder input: Consumer survey (50%), Internal stakeholder survey (20%), External stakeholder survey (20%), Datamaran inputs (10%).



Mapping of ESG material topics

In the following table we define our material ESG topics - the very high and high priority issues on the matrix - and map them to the corresponding GRI Topic Specific Standards, which are included in this report¹:

| Material Topic | Definition | Corresponding GRI Topic Specific Standard(s) |
|---|--|--|
| 1 Access to affordable and quality healthcare | Supporting customers, employees and communities to easily access affordable, quality prescriptions, immunizations and health services, with a focus on equity | This issue does not map directly to a GRI Topic Specific Standard |
| 2 Product safety | Ensuring that products sold, including their ingredients, meet rigorous safety standards and maximizing pharmacy dispensing safety | GRI 416: Customer Health and Safety |
| 3 Reduce negative impacts of plastic | Reducing the negative impacts of plastics and plastic packaging in our owned brand products as well as plastic and plastic wastes from our operations | GRI 306: Effluents and Waste GRI 301: Materials |
| 4 Responsible and ethical supply chains | Driving good practices across WBA's supply chain through monitoring, assessments and engaging suppliers around environmental and social issues | GRI 414: Supplier Social Assessment |
| 5 Employee health, safety and well-being | Offering benefit packages, workplace conditions and other support systems to help ensure the health, safety and well-being of all WBA employees | GRI 401: Employment GRI 403: Occupational Health and Safety 2018 GRI 404: Training and Education |
| 6 Diversity, equity and inclusion | Attracting diverse employees, increasing opportunities for all staff through transparent career progression plans and promoting an agile and flexible working culture | GRI 405: Diversity and Equal Opportunity |
| 7 Data privacy and security | Working to protect WBA customers' and employees' data and privacy, and investing in the security of information technology systems | GRI 418: Customer Privacy |
| 8 Waste management | Responsibly and sustainably managing waste at stores, offices and other facilities, including reducing, reusing, recycling and composting in accordance with circular economy principles | GRI 306: Effluents and Waste |
| 9 Human rights | Protecting the fundamental rights and freedoms inherent to all human beings to help ensure they are able to live with dignity, freedom, equality, justice and peace | GRI 412: Human Rights Assessment |
| 10 Prescription drug abuse | Investing in or supporting external community solutions, and/or providing programs, information or other support to communities and individuals in the U.S. and elsewhere, to fight prescription drug abuse | This issue does not map directly to a GRI Topic Specific Standard |
| 11 Consumer health education and marketing | Improving health outcomes by driving medication adherence through our business operations; partnering with nonprofit groups and government agencies on campaigns to empower patients to take control of their own health, with a focus on equity | This issue does not map directly to a GRI Topic Specific Standard |
| 12 Community engagement and partnerships | Working with or otherwise supporting nonprofit organizations, community groups and other external organizations to foster their positive impact on society or the environment | GRI 413: Local Communities |

| Material Topic | Definition | Corresponding GRI Topic Specific Standard(s) |
|--|---|---|
| 13 Energy use and climate impacts | Combating the urgent threat of climate change through a global WBA emissions reduction target; disclosing governance, strategy, assessment and management around climate-related risks and opportunities | GRI 302: Energy GRI 305: Emissions |
| 14 Employee wages and hiring practices | Executing leading hiring practices and offering compensation to WBA employees at all levels and locations, including equal pay across genders and a living wage | GRI 202: Market Presence |
| 15 Product packaging | Working to reduce the environmental impact of sold products and offering consumers product and packaging disposal information | GRI 301: Materials |
| 16 Environmental impacts of materials | Working with suppliers to help ensure that raw materials are sourced in the most environmentally appropriate way possible, or eliminated or replaced where environmental impact cannot be reduced | GRI 308: Supplier Environmental Assessment |
| 17 Product labeling and transparency | Collecting and tracking product information from suppliers, and providing consumers with the information they care about in a clear, accessible and thorough way | GRI 417: Marketing and Labeling |
| 18 Cancer care and prevention | Raising awareness about cancer risk factors and prevention, creating innovative and meaningful support for people living with cancer and affected by cancer, working with organizations that advance research, supporting prevention programs and reducing sales of products that are known or at risk to be carcinogenic | This issue does not map directly to a GRI Topic Specific Standard |
| 19 Corporate governance | Ensuring WBA is led internally with the highest standards of governance, and that all employees, officers and directors practice sound ethics | Covered in General Disclosures (Governance) GRI 205: Anti-corruption |
| 20 Product end-of-life | Offering WBA customers and patients options for product and packaging disposal that reduce environmental impact | GRI 301: Materials |
| 21 Customer responsibility | Meeting or surpassing customer expectations and the requirements to create a positive experience and build customer loyalty | This issue does not map directly to a GRI Topic Specific Standard |
| 22 Chemical use and management | Selecting safe materials, eliminating ingredients deemed to be a risk, and helping to ensure safe use throughout their life cycle, including sourcing, transport, storage, use and production | This issue does not map directly to a GRI Topic Specific Standard |
| 23 Supplier diversity and inclusivity | Procuring products and services from a diverse supplier base and engaging with small and diverse suppliers to support them in building capacity | GRI 405: Diversity and Equal Opportunity |
| 24 Innovation and digitalization | Processes, initiatives and activities aimed at the advancement of products and services through new technology, particularly in healthcare and pharmacy | This issue does not map directly to a GRI Topic Specific Standard |

¹In addition to the GRI Topic Specific Standards mapped to the CSR material topics in the table, we report on the following, which we consider fundamental to our social license to operate and to our efforts to be a good corporate citizen - GRI 201: Economic Performance; GRI 203: Indirect Economic Impacts; GRI 206: Anti-competitive Behavior; and GRI 415: Public Policy.



GET IN TOUCH

We maintain an open door at all times for stakeholder feedback on our ESG reporting and strategy. Substantive issues brought to our attention by stakeholders are escalated to our CSR Committee. One way to reach us is by email at CSR@wba.com

Stakeholder Engagement

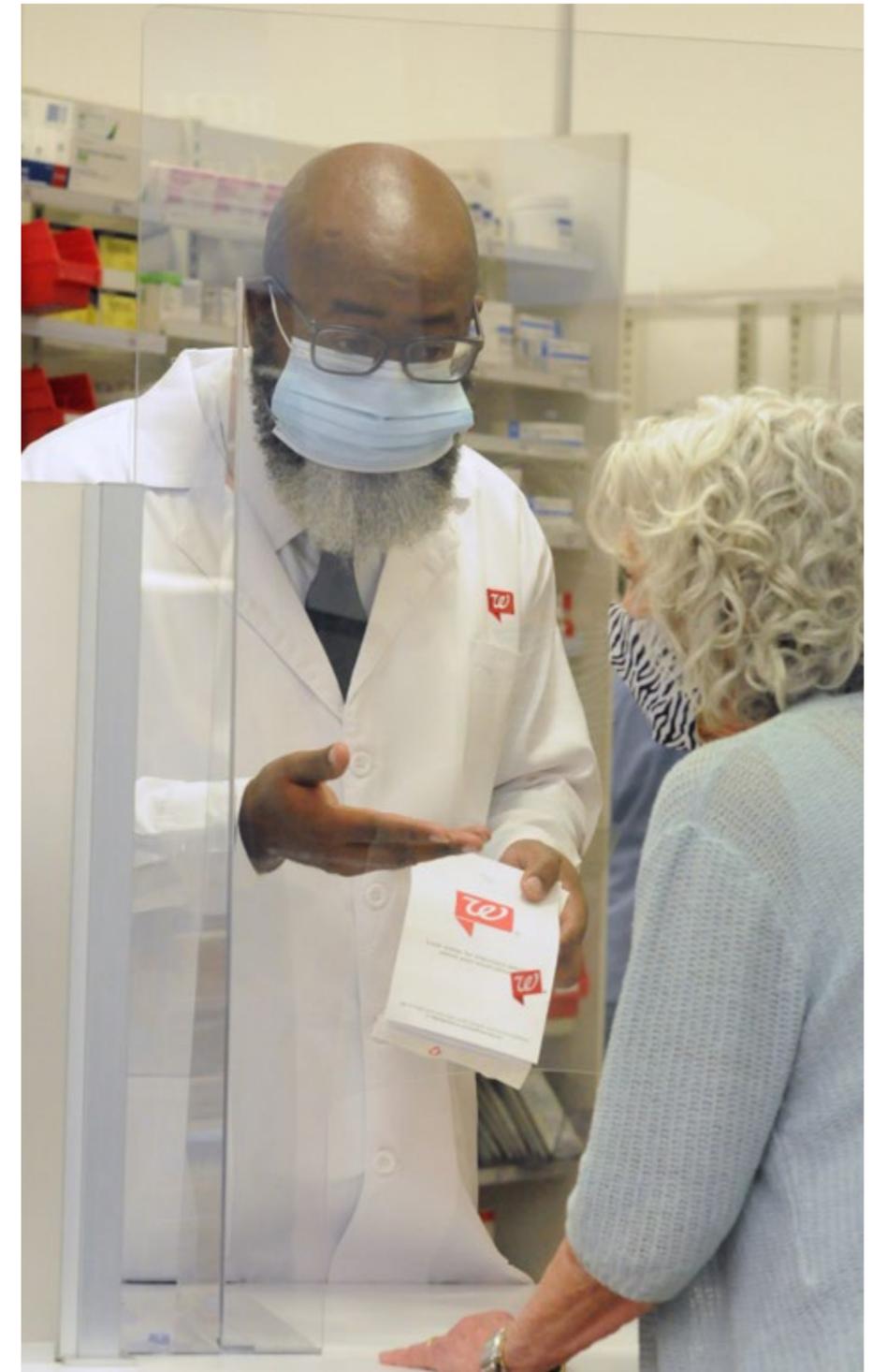
(GRI 102-11, 102-12, 102-13, 102-21, 102-29, 102-40, 102-42, 102-43, 102-44, 102-46, 103-2)

Engaging and collaborating with our stakeholders helps us to address the most relevant environmental, social and governance (ESG) issues for our company and to deliver products and services that make positive impacts throughout our lines of businesses. We regularly consult with our internal and external stakeholders across a range of sectors, geographies and organization types and sizes, to seek their feedback on our performance in the areas where we have the greatest economic, environmental and social impact.

Stakeholders impacted by our business and who influence our business – such as customers, stockholders and nonprofit groups – frequently approach us with issues. During fiscal 2021, we engaged stakeholders proactively on numerous matters where we feel we can have significant impact and where we are aware of evolving societal expectations. This proactive engagement included topics such as health equity, vaccine equity, plastic packaging, beauty industry sustainability, diversity, equity and inclusion. Intensified engagement reflecting the urgency of the pandemic and of the racial equity movement are reflected in the table and throughout this report.

In fiscal 2021, we continued to work with the Walgreens External Advisory Council, which was established in fiscal 2019 to advise our U.S. retail pharmacy business on corporate responsibility matters. The council - made up of experts who have a broad range of knowledge on corporate responsibility and health related topics - met in May 2021 with the president of Walgreens and discussed the evolving landscape of ESG leadership, sustainability target setting and Walgreens unique opportunities for contributions, among other topics.

The tables in this section describe the form and frequency of engagement with key categories of stakeholders during fiscal 2021, their expectations, matters they raised and actions we have taken.



| ENGAGEMENT WITH NON-GOVERNMENTAL ORGANIZATIONS (NGOs) | | |
|---|---|---|
| Mechanism For Engagement | Expectations/Issues That Arose Through Engagement | Actions Taken |
| <ul style="list-style-type: none"> – At a minimum, quarterly meetings with key charity partners – Formal yearly feedback with key charity partners and regular meetings with cancer charity partners – Regular and ad-hoc meetings, as well as conference participation with NGOs; frequency varies from business to business and from group to group – Response to issue campaigns by organizations – Surveys on issues ranging from packaging to chemicals | <ul style="list-style-type: none"> – Emissions reduction targets, climate impacts – COVID-19 response, including vaccine and testing access and employee and customer safety – Diversity and inclusion, including community health equity – Supplier diversity – Recycling and food waste – Product safety, labeling, ingredients and transparency – Community engagement and partnerships – Cancer cure and prevention – Plastics and packaging | <ul style="list-style-type: none"> – Announced carbon emissions reduction target – Vaccine equity initiative in the U.S., including hundreds of off-site vaccination events in underserved communities and a marketing campaign addressing vaccine hesitancy – Ongoing work on healthcare accessibility and affordability, such as digital solutions, high-touch consultations with vulnerable patients with chronic conditions, and partnerships on healthcare services – Made donations to community groups and nonprofits related to COVID-19 needs – Actively addressing specific health disparities through programs in underserved areas of Chicago – Boots UK and No7 Beauty Company in-store take-back program for hard-to-recycle packaging and products – Boots UK and Boots Ireland work with NGOs on climate action roadmaps and ambitions – Boots UK and No7 Beauty Company work on UK plastic packaging reporting and food waste reporting with WRAP and other entities – Continued partnerships with charity organizations and cancer groups; ongoing facilitation of collaboration between cancer groups – Expanded mental health training for employees and pharmacists and mental health services for patients and customers, in the U.S. and the UK – WBA joined the Roundtable on Sustainable Palm Oil (RSPO) at a company-wide level, committing to reporting on use of certified palm oil in all of its operations – Boots UK and Boots Ireland continued dementia awareness and support program – Completing plastics surveys |

| ENGAGEMENT WITH STOCKHOLDERS, INVESTORS, LENDERS | | |
|---|--|--|
| Mechanism For Engagement | Expectations/Issues That Arose Through Engagement | Actions Taken |
| <ul style="list-style-type: none"> – Annual stockholders meeting – Quarterly earnings call with analysts – Frequent dialogue through our investor relations and corporate governance teams – Annual submission of CDP Climate Change questionnaire – Annual submission of S&P Global Corporate Sustainability Assessment (CSA) | <ul style="list-style-type: none"> – Climate risk disclosure and Task Force on Climate-Related Financial Disclosures (TCFD) reporting – Emissions reduction targets – Opioid risk mitigation – Diversity, equity and inclusion – Executive compensation – Director tenure – Incorporation of ESG metrics into compensation programs | <ul style="list-style-type: none"> – WBA announced a new company-wide target to reduce Scope 1 and Scope 2 emissions by 30% by fiscal 2030, compared with fiscal 2019 – Continued Walgreens opioid abuse prevention programs – Published second global WBA DE&I Report – Compensation linked to DE&I targets – Adopted TCFD reporting |





| ENGAGEMENT WITH INTERNAL STAKEHOLDERS | | |
|--|--|---|
| Mechanism For Engagement | Expectations/Issues That Arose Through Engagement | Actions Taken |
| <ul style="list-style-type: none"> – Twice annual employee feedback surveys – Annual employee performance reviews and appraisals – Annual pay analysis against key roles – Ethics, safety, compliance, development and other trainings and resources (frequency varies by business and role) – Employee benefits programs and platforms – Daily company and business communications through email, intranet and bulletin boards – Quarterly town hall meetings with senior leaders – Brave Conversations -- listening, learning, and building empathy from the lived experiences of others – Monthly meetings with field leaders who champion CSR in their areas – Employee charitable funds | <ul style="list-style-type: none"> – Employee wages and hiring practices – including those linked to COVID-19 – Employee health, safety and well-being, particularly COVID-19 concerns – Diversity, equity and inclusion – Access to healthcare – Virtual access to resources | <ul style="list-style-type: none"> – Raised U.S. and UK minimum wage – COVID-19 response, including employee health, safety, benefits and financial assistance incentives for receiving COVID-19 vaccination – Additional COVID-19 response included incentives for employees to get vaccinated, a one-time bonus for pharmacists and a pharmacy technician certification award – U.S. additional behavioral health benefits and chronic illness support – Engaged employees in skills-based mental health trainings and webinars, including expansion of Mental Health First Aid training for pharmacists and critical roles – Offered self-paced learning and development tools, launched Boots management capability drive, and renewed accredited pharmacist apprenticeship programs – Responses to racial equity movement, including holding listening sessions, creating executive messages committing to improved DE&I performance, Leadership Accountability Model, continued unconscious bias training, progress on board diversity, linking DE&I performance to incentive pay, and working with governments and communities on healthcare equity – Employee engagement campaigns coordinated with Business Resource Groups (BRGs) on World Environment Day, World Day for Cultural Diversity, pharmacists' recognition days and weeks, Black History Month, Pride months and others – Transitioned and centralized wellness resources and employee assistance program into an online platform – Supported employees and retirees experiencing hardship with grants from the Walgreens Benefit Fund and Boots Benevolent Fund – Training for store employees in the UK on sustainable practices, and introducing CSR lead roles to stores |

| ENGAGEMENT WITH SUPPLIERS | | |
|--|--|--|
| Mechanism For Engagement | Expectations/Issues That Arose Through Engagement | Actions Taken |
| <ul style="list-style-type: none"> – WBA Global Supplier Sustainability Program – Annual supplier conferences – Quarterly joint business plan meetings with select suppliers – Submission of surveys and questionnaires – Events and training with diverse suppliers – Regular engagement with waste management and energy suppliers through mechanisms including implementation of best practices and disaster response | <ul style="list-style-type: none"> – Sustainability practices and requirements in the supply chain – Supplier diversity – Responsible and ethical supply chains – Plastic packaging, recycling and waste management – Prescription drug abuse – Energy use and climate impacts – Product safety – Chemicals and ingredients of concern | <ul style="list-style-type: none"> – Implementation of WBA's owned brand global Supplier Sustainability Program to assess risks and vendor sustainability practices – Implemented singular owned brand global minimum product sustainability requirements and launched sustainability hub – WBA joined the Roundtable on Sustainable Palm Oil (RSPO) at a company-wide level, committing to reporting on use of certified palm oil in all of its operations – Boots UK and No7 Beauty Company in-store take-back program for hard-to-recycle packaging and products – Relunched and rebranded the No7 Beauty Company with public sustainability commitments – Ongoing supplier ethical compliance assessments, including engaging with suppliers to improve when issues are detected – Continued training on ethical and sustainable sourcing – Ongoing Walgreens supplier diversity program, including capacity building program for diverse suppliers in the Midwest – Implemented goal to increase spending with diverse suppliers – Continued partnership on safe medication disposal kiosks – Participation in sustainability surveys and questionnaires – Delivered presentations at supplier conferences – Managed energy use through demand response programs to avoid blackouts during wildfires; partnered with utilities during storms to get power and water to local communities – Collaborated with product suppliers on promotions supporting charity partnerships – Collaborated with utilities providers to help them understand their environmental footprint |



| ENGAGEMENT WITH ACADEMICS | | |
|---|---|---|
| Mechanism For Engagement | Expectations/Issues That Arose Through Engagement | Actions Taken |
| <ul style="list-style-type: none"> – Ongoing partnerships with world-class research facilities and organizations on health and well-being research – Regular guest speaker slots – Presentations at scientific meetings several times a year – Participation in roundtable sessions about climate change and health, including with academic groups – Research collaborations with industry groups, healthcare companies, pharmaceutical companies, commercial laboratories and universities | <ul style="list-style-type: none"> – COVID-19 vaccines and testing – Product safety – Chemical use and management – Responsible and ethical supply chains – Consumer health education and marketing – Access to affordable and quality healthcare | <ul style="list-style-type: none"> – Collaboration with Aegis Sciences Corporation on access to COVID-19 diagnostic testing; contributing to the surveillance of transmissible variants – Ongoing promotion of safe medication use and regimen adherence – Participation in panels at conferences, participation in surveys and academic research projects |



| ENGAGEMENT WITH COMMUNITIES | | |
|--|--|--|
| Mechanism For Engagement | Expectations/Issues That Arose Through Engagement | Actions Taken |
| <ul style="list-style-type: none"> – Proactive outreach to hundreds of community and grassroots organizations on vaccine equity issue – Daily, through our retail pharmacies and CSR initiatives – Annual campaigns with charity partners – Daily response to issues raised on social media – Employee charitable funds | <ul style="list-style-type: none"> – COVID-19 response <ul style="list-style-type: none"> – especially vaccine equity and vaccine hesitancy – Diversity, equity and inclusion – Prescription drug abuse – Access to affordable and quality healthcare – Supporting people in crisis – Employment opportunities, especially for underserved communities | <ul style="list-style-type: none"> – Vaccine equity initiative in the U.S., including hundreds of off-site vaccination events in underserved communities and a marketing campaign addressing vaccine hesitancy – Boots UK education campaigns on COVID-19 vaccines and initiatives to address vaccine hesitancy factors – COVID-19 response including customer safety measures, ensuring supplies of essential items, testing sites, and information campaigns with our trusted, expert pharmacists – Actively addressing specific health disparities through programs in underserved areas of Chicago – Responses to racial equity movement, including listening sessions and executive commitment to improved DE&I performance – Supported employees and retirees experiencing hardship with grants from the Walgreens Benefit Fund and Boots Benevolent Fund – Continued unconscious bias training – Continued Walgreens opioid abuse prevention programs – Ongoing community health events and flu shot vouchers – Continued HIV testing collaborations in Thailand and in the U.S. – Copay support for patients in the U.S., medication discount programs in Chile, generic products pricing reviews in Mexico – Continued Walgreens programs for hiring of veterans and people with disabilities; Walgreens and Boots UK programs for training and hiring young people from underserved communities; ongoing Ban the Box employer in the U.S. and the UK, helping former incarcerated people find work – Managed energy use through demand response programs to avoid blackouts during wildfires; partnered with utilities during storms to get power and water to local communities – Provided vital and essential products to some of the most vulnerable in the UK through The Hygiene Bank |

| ENGAGEMENT WITH PEERS AND INDUSTRY GROUPS | | |
|---|--|--|
| Mechanism For Engagement | Expectations/Issues That Arose Through Engagement | Actions Taken |
| <ul style="list-style-type: none"> – Ad-hoc meetings and regular dialogue through membership organizations – Meetings and dialogue through trade and industry bodies – Collaborative work on specific projects | <ul style="list-style-type: none"> – Climate risk disclosure – Chemicals stewardship – Data privacy and security – Product labeling and ingredient transparency – Packaging – Plastics – ESG strategy – Access to healthcare | <ul style="list-style-type: none"> – WBA joined in Retail Industry Leaders Association (RILA) response to the U.S. Securities and Exchange Commission’s request for public input on potential climate risk disclosures. Walgreens continued collaboration with the RILA Zero Waste Committee – Boots UK continued working with the British Retail Consortium (BRC) across five key pathways to support the industry’s climate action roadmap – WBA joined the Roundtable on Sustainable Palm Oil (RSPO) at a companywide level, committing to reporting on use of certified palm oil in all of its operations – WBA ongoing engagement with the Palm Oil Transparency Coalition (POTC) – No7 Beauty Company engagement with Cosmetics Europe on range of public policy proposals including EU Green Deal – No7 Beauty Company vice chairs UK Cosmetic, Toiletry and Perfumery Association (CTPA) Sustainability Committee including supporting development of CTPA sustainability strategy – Continued information security efforts including training – No7 Beauty Company continued to work with the Industry Council for Packaging and the Environment (INCPEN) to advise UK government on EPR regulations reform – Work with group of U.S. peers on coordinated approach to tracking packaging information and product ingredient information from vendors – Work with consumer product companies to influence Extended Producer Responsibility (EPR) legislation – Boots UK and No7 Beauty Company commitments to UK Plastics Pact |

| ENGAGEMENT WITH GOVERNMENT BODIES AND AGENCIES | | |
|---|---|---|
| Mechanism For Engagement | Expectations/Issues That Arose Through Engagement | Actions Taken |
| <ul style="list-style-type: none"> – Frequent engagement at all levels of government due to COVID-19 – Regular meetings with government agencies – Weekly or more frequent dialogue with membership associations – Consultative responses at national and international levels – Quarterly industry panels | <ul style="list-style-type: none"> – COVID-19 response, especially vaccine hesitancy and equitable access to vaccines – Drug pricing and affordability – Access to affordable and quality healthcare – Climate risk disclosure – Packaging, including Extender Producer Responsibility (EPR) – Waste management – Prescription drug abuse – Tobacco sales – Transparency – Employee health, well-being and safety | <ul style="list-style-type: none"> – Vaccine equity initiative in the U.S., including hundreds of vaccination events in underserved communities and a marketing campaign addressing vaccine hesitancy – Boots UK education campaigns on COVID-19 vaccines, and initiative to address vaccine hesitancy factors for disabled persons – COVID-19 responses for our communities, including safety measures in operations and pick-up and delivery options – WBA joined in Retail Industry Leaders Association (RILA) response to the U.S. Securities and Exchange Commission’s request for public input on potential climate risk disclosures – Ongoing advocacy on drug pricing and other healthcare issues – Ongoing advocacy in the U.S. on expanded pharmacist roles – Continued energy and fuel efficiency investments and waste reduction programs coordinated with U.S. government programs such as SmartWay and WasteWise – Work with government departments on design of Extended Producer Responsibility (EPR) systems for packaging – Boots UK engagement with government initiative to help young people into meaningful work opportunities |





| ENGAGEMENT WITH CUSTOMERS, INCLUDING CONSUMERS, PATIENTS, PHARMACISTS AND PHARMACY BENEFIT MANAGERS (PBMs) | | |
|---|--|---|
| Mechanism For Engagement | Expectations/Issues That Arose Through Engagement | Actions Taken |
| <ul style="list-style-type: none"> – Always-on Walgreens and Boots UK customer satisfaction surveys – Most weekdays, through our corporate website and business websites – Daily, through social media – Daily, through our retail pharmacies and CSR initiatives – LinkedIn Live events with company leadership | <ul style="list-style-type: none"> – COVID-19 response, especially vaccine and testing availability and safety – Community partnerships – Diversity and inclusion – Access to affordable and quality healthcare – Product labeling and transparency – Data privacy and security – Packaging – Plastics – Energy use and climate impacts – Sustainable products | <ul style="list-style-type: none"> – COVID-19 vaccine equity initiative in the U.S., including hundreds of off-site vaccination events in underserved communities and a marketing campaign addressing vaccine hesitancy – Launched myWalgreens including giving customers the ability to donate their reward points as cash to causes they support – COVID-19 customer safety measures, ensuring supplies of essential items, testing sites, expanded vaccine hours without appointments and information campaigns – Relaunched and rebranded the No7 Beauty Company with public sustainability commitments – Boots UK and No7 Beauty Company in-store take-back program for hard-to-recycle packaging and products – Be More – Boots.com product search filter to help UK customers shop more sustainable products – Continued unconscious bias training – Continued copay support for patients – Ongoing community health events and flu shot vouchers – Continuation of HIV testing collaboration – Continued implementation of package label enhancements on owned brand products – Continued information security efforts including training |

| ENGAGEMENT WITH MEDIA | | |
|---|--|--|
| Mechanism For Engagement | Expectations/Issues That Arose Through Engagement | Actions Taken |
| <ul style="list-style-type: none"> – Media releases, social media posts, announcements and corporate storytelling most weekdays – Quarterly streaming of earnings call with analysts – Media tours, outreach and interviews on an ad-hoc basis – Always on monitoring of media hotline – Submissions for CSR awards and recognition programs – Health education and awareness campaigns on social media – Presence at industry events and conventions, such as British Beauty Week and Black Women’s Expo – LinkedIn Live events with company leaders | <ul style="list-style-type: none"> – COVID-19 vaccine equity and vaccine hesitancy – COVID-19 response, including vaccination availability and scheduling, testing, wages and hiring practices, and safety practices – DE&I, including U.S. diversity data – Plastics and packaging – Consumer health education and marketing – Product safety – Community engagement and partnership | <ul style="list-style-type: none"> – COVID-19 vaccine equity initiative in the U.S., including hundreds of off-site vaccination events in underserved communities and a marketing campaign addressing vaccine hesitancy – No7 Beauty Company held Unstoppable Together free, virtual job summit in partnership with FORTUNE magazine and others, addressing the issue of women’s employment issues during the pandemic – Launched No7 Beauty Company with an engaging event, with media partner, and published public sustainability commitments 2020 CSR Report – Second global WBA DE&I Report published in September 2021 with increasingly granular diversity data, especially on U.S. employees and leadership – Released U.S. diversity data in EEO-1 reports in September 2021 – COVID-19 response including customer safety measures, ensuring supplies of essential items, testing sites, and information campaigns with our trusted, expert pharmacists – Responses to racial equity movement including executive commitment to improved DE&I performance, work with communities on health disparities – Media and social media outreach on annual cause marketing campaigns and awareness campaigns – Ongoing Walgreens Flu Index and flu marketing campaign, continued flu vouchers |



Memberships and associations

(GRI 102-13, 103-2)

WBA and its businesses participate in a number of non-governmental and advocacy organizations, industry associations, organizations and networks. This collaboration is central to our corporate responsibility and ESG agenda, as we believe we cannot make meaningful change on our own. Select memberships, participations and associations include:

- AHC Group
- American Pharmacists Association
- American Society of Health-System Pharmacists (ASHP)
- Beyond 34: Scaling Circularity for a Sustainable Economy
- British Beauty Council
- British Retail Consortium (BRC)
- Business for Societal Impact (formerly the London Benchmarking Group (LBG))
- Business in the Community (BITC)
- Business in the Community Ireland (BITCI)
- Business Roundtable - WBA CEO Rosalind Brewer is a member
- CDP, nonprofit that runs the global disclosure system for managing environmental impacts
- Circular Economy Task Force Steering Group
- Company Chemists Association (CCA)
- The Consumer Goods Forum (CGF)
- The CSR Board
- Cosmetic, Toiletry and Perfumery Association (CTPA)
- Cosmetics Europe
- EuroCommerce
- Global Reporting Initiative (GRI)
- Industry Council for Packaging and the Environment (INCPEN)
- International Federation of Pharmaceutical Wholesalers (IFPW)
- IFPW Foundation
- National Association of Chain Drug Stores (NACDS)
- National Council for Behavioral Health
- Palm Oil Transparency Coalition (POTC)
- Pharmacy Technician Certification Board (PTCB)
- Retail Energy Forum
- Retail Industry Leaders Association (RILA)
- Roundtable on Sustainable Palm Oil (RSPO)
- Sustainability Accounting Standards Board (SASB)
- Sustainable Beauty Council (SBC), an initiative launched by the British Beauty Council
- The Business Council
- The Sustainability Consortium
- Sustainable Packaging Coalition
- Sustainable Packaging Initiative for CosmEtics (SPICE)
- UK Research & Innovation's Smart Sustainable Plastics Packaging Challenge Fund Advisory Group
- United Nations Global Compact (UNGC)
- U.S. Chamber of Commerce Foundation
- U.S. Department of Energy (DOE) Better Buildings Challenge
- U.S. Environmental Protection Agency (EPA) SmartWay Program
- Waste & Resources Action Programme (WRAP)





FOCUS:
Health Equity

(GRI 103-1, 103-2, 103-3, 203-1, 203-2, 413-1)

Disparities in care lead to disparities in health. Communities and patients experiencing health disparities face more barriers to health and wellness services and poorer health outcomes.

WBA aims to be deliberate in our approach to health equity and tackle the root causes of this problem, starting with communities. We believe that achieving health equity is in everyone's interest and are committed to improving outcomes for everyone by focusing on three pillars: access, partnership, and education.

In September 2020, Boots Customer Insights and Future of Pharmacy teams undertook qualitative customer surveys to explore the potential health inequalities that might be present in patients who are economically deprived, with a focus on those living in areas of social deprivation or with high ethnic diversity. As healthcare is becoming increasingly person-centric, holistic and focused on maintaining wellness, these insights were sought to help us understand how to best support the future needs of people in this demographic.

In December 2020, after almost a year of COVID-19 testing and preventative measures, WBA began planning for a global vaccine rollout. We knew our pharmacists would be at the center of helping the world fight the pandemic.

As the rollout got underway, Walgreens began administering vaccines in long-term care facilities. Boots UK and Boots Ireland began discussions with the National Health Service and the Health Service Executive, respectively, on their vaccine programs. We knew we had to protect those who were suffering disproportionately from COVID-19: Black and Brown communities. According to the U.S. Centers for Disease Control (CDC), Black and Brown people were almost three times as likely as non-Hispanic whites to be hospitalized with COVID-19 and twice as likely to die from it.

Experience was on our side. Our implementation of flu vaccines over the years uniquely positioned us to tackle this challenge. Our longstanding partnerships with community organizations helped us spread the word and establish trust.

Our store locations in the U.S. and Puerto Rico are embedded in communities - with approximately 78 percent of the U.S. population living within five miles of one of our retail pharmacies. This means we are uniquely situated to have an impact on almost every community in the country.

As of the end of fiscal 2021, 73 percent of Walgreens stores were conducting COVID-19 testing, and of those, 53 percent were in high social vulnerability index areas as identified by the CDC.

Despite the virus' disproportionate toll on Black and Brown communities, many struggled to access vaccinations or were hesitant due to longstanding mistrust of the healthcare system and government officials. To protect communities of color against the virus, we knew we had to address both issues of access and vaccine hesitancy.

Walgreens established a Vaccine Equity Task Force, which rapidly implemented the following programs and initiatives:



Held more than 1,200 vaccine clinics in locations identified as medically underserved by the CDC's Social Vulnerability Index (SVI), bringing the vaccine into communities that needed it most



Elevated the expert, caring voices of our trusted pharmacists, who are embedded in their communities



Set up mobile clinics to hold vaccination events in underserved areas in 18 cities across the U.S.



Launched the "This is Our Shot" marketing campaign with influencers and celebrity advocates to encourage vaccination



Launched a culturally relevant communications plan with the help of trusted community members to disseminate facts and statistics about the vaccination through panel discussions, fact sheets, a prime time special on NBC and a video series, ["The Vaccine: In Our Words,"](#) that shared perspectives about vaccine importance from experts and stakeholders



Making a difference: In outreach

(GRI 103-2, 413-1)

Walgreens could not do this on its own. Armed with CDC data on vulnerable communities, the business worked to understand trusted relationships in these communities, and collaborated with partner organizations to help administer vaccines.

From national organizations with local ties, such as the Chicago Urban League, to faith-based organizations, such as the First Ladies Health Initiative, Walgreens worked with more than 650 community organizations on vaccine events - many of which were existing partners from years of supporting community programs and health initiatives.

Making a difference: In transportation

(GRI 103-2, 203-1, 413-1)

One of the biggest factors influencing health equity is transportation. To improve accessibility for vulnerable populations who may struggle getting to vaccine appointments, we partnered with Uber to offer up to 10 million free rides to and from vaccination sites in socially vulnerable communities.



Making a difference: In outcomes

(GRI 103-3, 203-2)

As of September 2021, WBA administered more than 202,000 doses in vaccine equity clinics across the U.S.

Walgreens internal data shows business initiatives closed the vaccine equity gap for people of color. Using proprietary methodology, Walgreens measured the percentage of COVID-19 vaccinations provided to non-white populations in metro areas with a high socially vulnerable index and compared it to the percentage of non-white populations in the corresponding geography.

Walgreens aimed to match the population percentage by 90 percent. As of July 27, 2021, Walgreens exceeded its goal with a 99 percent match, compared with 75 percent on April 1, 2021, and 53 percent on March 1, 2021.

Boots addresses health equity

(GRI 103-2, 413-1)

In the UK, one of the main drivers affecting health equity is access to healthcare for marginalized communities, including those with disabilities. Through support of the Hidden Disabilities Sunflower scheme, patients with autism, chronic pain, dementia and visual or hearing impairments could wear a sunflower lanyard to alert Boots team members that they may need extra assistance to receive the vaccine. As part of the national vaccination process, the Sunflower Scheme worked with the NHS and vaccine providers to highlight the scheme.

In January 2021, the first Boots UK mass COVID-19 vaccination site opened in Halifax. The goal was to administer 1,000 vaccines per week. Just one month later, there were 11 vaccine sites in Boots stores throughout the UK. By the end of fiscal 2021, 63.8 percent of the U.K. population had been fully vaccinated, thanks in part to Boots UK's support of the National Health Service rollout.

For Boots Ireland, summer 2021 was a summer of firsts. In mid-June, the pharmacy administered its first COVID-19 vaccine in Dublin. That began a rollout of vaccine jabs through 81 pharmacies throughout the Republic of Ireland. July saw the addition of COVID-19 rapid antigen tests in 14 of its stores, building upon the 18 stores where PCR tests were available.



Health equity: Beyond COVID-19

(GRI 103-1, 103-2, 103-3, 203-1, 203-2, 413-1)

WBA's commitment to health equity did not start with the COVID-19 vaccination and will not end with it. To continue the understanding around how to address health equity, Boots UK in 2021 set up a dedicated Health Equity Stakeholder Group to help establish forward-looking strategy. We also showcased our commitment in the following ways:

Health Equity Incubator

The Walgreens Chicago Health Equity Incubator pilot began in Chicago in August 2020 with one store. Three months later, it expanded to 15 more stores on the South and West sides of Chicago. The purpose of the incubator is to address health disparities through pharmacist provided patient - and community-centered healthcare services.

The initial pilot focused on impacting patient outcomes with three interventions:



Diabetes:

The disparities in diabetes prevalence among people of color are almost double that of non-Hispanic whites, with roughly 12.1 percent of adult Black Americans diagnosed with diabetes compared to 7.4 percent of adult white Americans. To try and combat these disparities, Walgreens used predictive analytics to identify patients most likely to become non-adherent, and provided early, proactive intervention to identify and address barriers in order to improve patient health outcomes. The incubator efforts resulted in interventions provided to more than 10,400 patients by the end of August, and preliminary analyses indicate that the health equity diabetes intervention improved medication adherence. On-time refills for patients in the Incubator stores (percent refilling within seven days of due date) were significantly better compared to control locations, and diabetes patients saw statistically significant improvements in optimal adherence (average adherence above 80 percent).



Pediatric asthma:

In the U.S., 18 percent of Black children have asthma compared to roughly 9 percent of white children. That disparity prompted Walgreens to track the asthma medication ratio, calculated by totaling the units of daily inhalers – preventative inhalers used to control asthma – and dividing by total number of daily and rescue inhalers. When that ratio is low and the patients have other high risk factors – such as comorbidities, pharmacists contact the patient to have a conversation about adherence and correct inhaler use, with a goal to avoid frequent emergency room visits. Asthma patients with a new inhaler prescription are also counseled to ensure they understand why their provider prescribed the medication and proper use. Walgreens has completed more than 2,500 pediatric asthma consultations through the end of FY21 to support patients and their guardians.



Targeted Delayed Pickup Outreach:

To support patient medication adherence, every store across the Walgreens chain conducts proactive outreach to patients who have not yet picked up their filled prescriptions. However, recognizing that non-medical factors such as cost and transportation, can contribute to prescription abandonment by patients in vulnerable communities, Walgreens dedicated additional resources to each store in the Chicago Incubator to support existing proactive outreach efforts. Additionally, free same-day delivery was offered to patients to address barriers to pick-up experienced in these locations.



Flu equity

Walgreens is committed to helping protect uninsured and underinsured people from exposure to the flu, which causes tens of thousands of deaths in the U.S. every year. Walgreens pledged to donate \$5 million worth of free flu shot vouchers in the U.S. by 2024, and reached \$4.5 million by the end of fiscal 2021. In fiscal 2021 alone, 117,000 vouchers were distributed equating to \$1.5 million.

Since 2010, Walgreens has provided more than 1.9 million free flu vaccinations to customers who present a voucher, helping to address health disparities for underserved communities.

Like the COVID-19 vaccine, there is hesitancy among certain communities regarding the flu vaccine. Using the playbook from the Vaccine Equity Task Force, Walgreens implemented flu equity outreach via offsite clinics and partnerships with community organizations such as faith-based groups, Historically Black Colleges and Universities (HBCUs) and federally qualified health centers.

Boots offered free flu vaccinations on behalf of the NHS for those eligible, and privately for those who are not eligible for free vaccinations. Boots offered a free vaccination to all its 52,000 team members for the second year running. It also ran a Corporate Flu Vaccination Service for organizations that wish to pay for and then offer their employees a free flu vaccination.

Free COVID-19 tests

Testing for COVID-19 remains one of the most effective ways of keeping safe. However, access and affordability for over-the-counter (OTC) tests can be a barrier for some patients. Walgreens – together with Abbott Laboratories – implemented a four-week pilot program in Philadelphia in June 2021 to hand out free OTC tests for Electronic Benefit Transfer and Supplemental Nutrition Assistance Program (SNAP) holders. Throughout the pilot, 259 OTC units were provided, showing a 330 percent increase from week one to week four.



01 Healthy Communities

In this section we report on our progress on the following commitments:



Programs and campaigns to improve access to affordable, quality healthcare and awareness about critical health issues, with a specific focus on health equity



Efforts to help combat opioid abuse and prevent overdose-related deaths



Partnerships to help support people living with cancer, empower young people and combat hygiene poverty

Fiscal 2021 Healthy Communities Highlights



91,571+

WBA employees reported more than 91,571 volunteer hours



Administered millions of COVID-19 vaccines, completed millions of tests and fulfilled millions of same-day orders



34M

consumers participated in health education initiatives through Walgreens.com



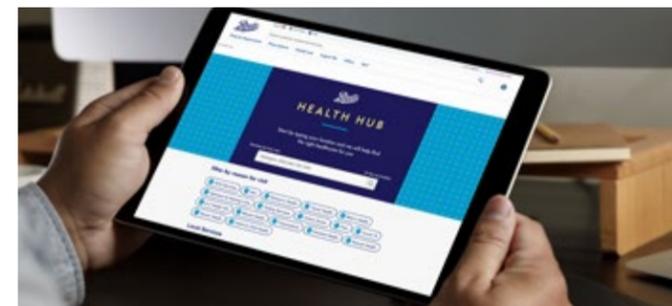
Raised more than \$21 million for Red Nose Day in the USA bringing the total raised to more than \$240 million since 2016



For the third year running, Boots UK - Macmillan Cancer Support partnership was voted Most Admired Corporate-NGO partnership in the C&E Barometer



In partnership with The Hygiene Bank, Boots UK and No7 Beauty Company have donated more than 680,000 toiletries and essentials to people living in hygiene poverty



Boots UK and Ireland launched its new digital health platform, Boots Health Hub

Healthcare Access, Awareness and Education

(GRI 103-1, 103-2, 103-3 203-1, 203-2, 413-1)

Transformational consumer-centric healthcare strategy

GRI 103-1, 103-2, 103-3, 203-1, 203-2

As one of the largest companies in the world dispensing medications, and through our delivery of other healthcare services, WBA is uniquely positioned to make an impact on healthcare access and affordability. Through our business activities, advocacy work and ESG initiatives, we work to improve healthcare access for millions of people, especially in markets with large populations of uninsured and underinsured people.

In October 2021, WBA announced its new consumer-centric healthcare strategy, featuring the launch of Walgreens Health, a new business segment enabled by investments in VillageMD and CareCentrix.

Equitable, personalized, whole-person healthcare for local communities in the U.S. is at the very heart of this new vision and ambition, including an explicit business strategy to create greater access for every person in every community and to serve the specific needs of each neighborhood. Expanded access and price transparency improve adherence to medications and patient outcomes as well as community health resiliency.

This strategy accelerates WBA's path to become a leading provider of local clinical care services, addressing all dimensions of physical, emotional and mental health. We will leverage our consumer-centric technology and pharmacy network to deliver and enable others to deliver value-based care. This will include vaccinations, diagnostic testing, chronic care management and specialty management.

The global pandemic has validated the role of pharmacy in local communities, as we have administered millions of vaccines, completed millions of COVID-19

tests and fulfilled millions of same-day orders. Our pharmacists are trusted, expert voices to help people stay safe and healthy from the virus.

WBA plays an essential role in improving health outcomes and empowering patients to take control of their health through our pharmacy-centric business model, including community pharmacies and digital services. As a touchpoint for millions of patients, our company educates and raises awareness about health issues and conditions, reaching people with vital information that can improve individual health and community resiliency. As we execute on our new healthcare strategy, the number of in-store health services increased significantly year-over-year with 374 new locations.





We use market testing of new products and services, utilization, competitive analysis, health outcomes research and customer feedback to evaluate our approach to these issues.

These are the main ways we are working to transform areas of healthcare to bring critical services to communities, in person and digitally, and to educate and raise awareness:



In our businesses, we are developing innovative, accessible healthcare options with a focus on personalization. We are accelerating our path to become a leading provider of local clinical care services.



In the U.S., our government relations team advocates for drug price transparency, passing on savings to patients at the pharmacy counter and for an enhanced role for pharmacists to help patients find best-priced options.



In the UK, Ireland and Germany, where single-payer systems mean affordability is not as much of an issue, our focus is on increasing access that is convenient to the customer, offering culturally competent care and leveraging the scale of our retail store footprint.



For our own employees, we are committed to providing quality, affordable healthcare and services to manage their conditions and improve health outcomes. Details are included in the Healthy and Inclusive Workplace section of this report.



We drive improved health outcomes through medication adherence, care management and closing gaps in patient healthcare in our business operations.



We engage patients through our retail pharmacies, our trusted brands and our digital tools and partnering with nonprofit groups and government agencies on campaigns to:

- Empower patients to take control of their own health;
- Incentivize healthy behavior, preventive measures and smoking cessation;
- Reduce stigma around conditions such as HIV and dementia;
- Improve access to healthcare and vaccines.

Our performance metrics on these topics are as follows:

| Key Performance Indicator | Fiscal 2021 Performance |
|---|---|
| Number of new in-store health service locations that increase access^{1,2} | Increased 36 percent, driven primarily by expanded primary care and diagnostic lab location through our collaborations with VillageMD and Labcorp. services |
| Number of collaborations with healthcare service providers covered on the Walgreens app through Walgreens Find Care, which help increase access^{1,2} | 58 including services offering diabetes management, telehealth such as virtual primary care doctor visits, pain management, eye exams, laboratory testing, weight loss support, teletherapy for mental health, sleep solutions and more |
| Number of consumers who participate in health education initiatives through clicks on healthcare focused topics on Walgreens.com. These topics include COVID-19, flu, immunizations, Medicare, allergies, diabetes, pain, HIV and others³ | 34 million |

¹This KPI maps to Material Topic 1: Access to Affordable and Quality Healthcare

²Fiscal 2021 performance information is GRI 101-2.5 specified disclosure and is within the Deloitte & Touche LLP review scope as detailed on pages 118-119

³This KPI maps to Material Topic 11: Consumer Health Education and Marketing. Number of clicks has been impacted by COVID-19 topics available on Walgreens.com.





The critical role of pharmacists

(SASB HC-DR-000.D)

Retail pharmacies are often the first place a patient goes for treatment or preventive care. With thousands of retail pharmacies in numerous countries, more than 116,000 healthcare service providers among our employees with nearly 35,000¹ being registered pharmacists, plus a scope of pharmacy services including retail, specialty, medical facility, mail, online and mobile, WBA provides a unique resource.

We see our role as an integral part of the patient’s healthcare team and aim to deepen this partnership to improve patient health outcomes, especially for chronic and complex conditions.

Pharmacists are on the front lines of neighborhood healthcare, providing medication management, administering vaccinations, and partnering with health systems to advance health and wellness.

Innovating to improve healthcare access

(GRI 103-1, 103-2, 103-3)

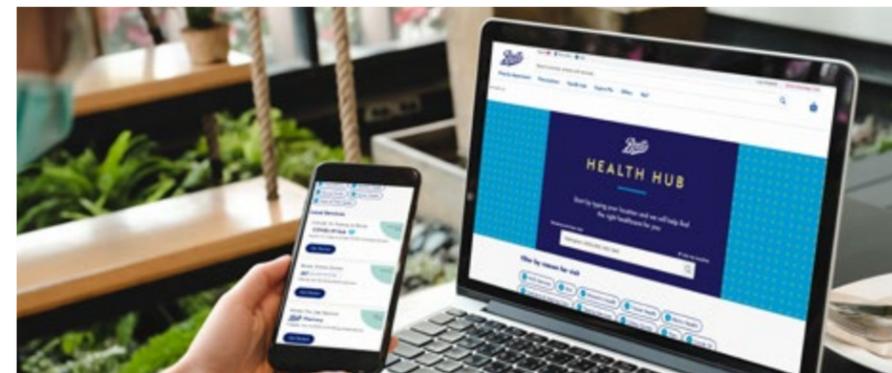
At WBA, we believe that “people + technology” deliver greater care and our teams truly exemplified this philosophy during the height of the pandemic.

We knew that our patients still needed access to healthcare and products, so we created differentiated omni-channel experiences to help patients digitally and in-store. As a result, we saw an increase in digital sales of more than 100 percent.

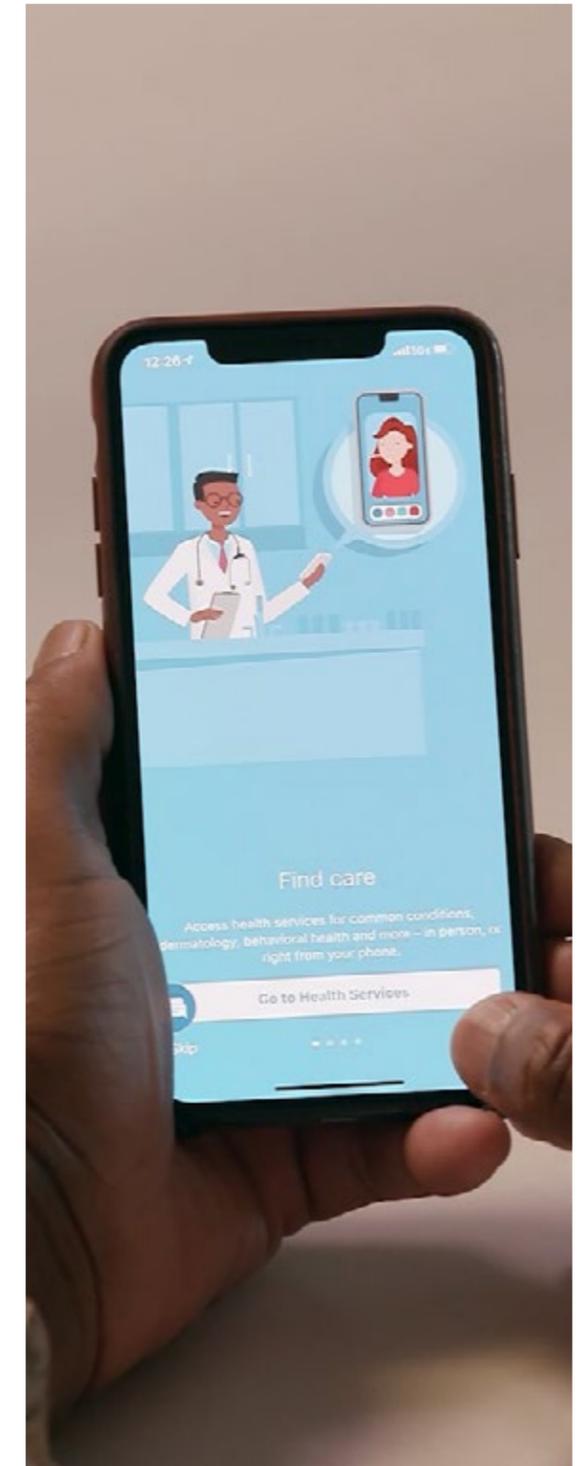
Following the success of the digital health platform, Walgreens Find Care, Boots launched its own digital platform to make healthcare more accessible.

To create a better integrated healthcare experience, we rebranded and launched myWalgreens, which by the end of fiscal 2021 had more than 85 million members. In addition, patients used the Walgreens app to schedule COVID-19 and flu vaccinations.

Boots UK and Boots Ireland released the Boots Health Hub, a digital services platform that gives customers visiting boots.com access to nearly 100 different healthcare services, including healthcare tests, COVID-19 services, vaccinations, prescriptions, Livi’s Online GP consultations and the Boots Online Doctor service. The Boots Online Doctor, a virtual service for more than 45 common healthcare conditions, provides quick access to advice and prescription-only medicine without having to see a GP.



¹Information disclosed is SASB HC-DR-000.D specified disclosure and is within the Deloitte & Touche LLP review scope as detailed on pages [118-119](#)



Addressing the high cost of care

(GRI 103-1, 103-2, 103-3, 203-1, 203-2)

Affordability is primarily an issue for our U.S. business and for our two Latin American retail pharmacy chains, Farmacias Benavides in Mexico and Farmacias Ahumada in Chile.

We know that the high cost of prescription medications can lead to adherence issues as well as prescription abandonment.

Walgreens collaborates with other businesses and organizations in the pharmaceutical supply chain to make medications more affordable and accessible through copay assistance. In fiscal 2021, the Walgreens community-based specialty pharmacies helped approximately 923,000 patients in the U.S. secure more than \$436 million in copay assistance for prescriptions during fiscal 2021.

We flag for our team members at point-of-sale where copay assistance may be available, as well as dedicated centralized support teams that proactively contact patients using our traditional retail pharmacies for copays and plans that meet specific parameters.

Our enterprise triage solution allows us to seamlessly care for patients in the appropriate channel based on limited distribution drug networks, payer restriction and other considerations. We have a focused investment in this solution to consider additional factors, such as if the patient is new to therapy, as well as advanced data analytics and modeling to further reduce friction for our patients and providers.

In Chile and Mexico, where out-of-pocket payments can present a barrier to care, we operate national pharmacy chains and understand the healthcare operations and limitations.

In Chile, the Ahumada Contigo (Ahumada With You) access program, launched in fiscal 2018 with 250 products, has expanded to include more than 700 products that patients affiliated with the public healthcare system can purchase at significantly lower prices at Farmacias Ahumada.

The high-quality generics brand Almus was introduced in our Mexican chain Farmacias Benavides in 2019 and has expanded to 335 products. In fiscal 2021 we worked to confirm that we had an Almus option for all core chronic conditions and reviewed pricing in an attempt to achieve price parity with other brands. In particular we aim to make sure that our pricing is accessible for patients who have all three conditions: diabetes, high cholesterol and high blood pressure.





Advocacy work on drug pricing, expanded role of pharmacists in the U.S.

(GRI 103-2)

In the United States, rising costs are cited as a significant cause by many patients who do not purchase and take their medications as directed, which impacts health outcomes. Walgreens follows two guiding principles on drug pricing: drug prices should be transparent as they move through the supply chain; and savings should be passed on to patients to lower their out-of-pocket costs. Walgreens has advocated for a new Part D pharmacy real-time benefit tool that would provide pharmacists the ability to help patients fully understand where they are in the benefit phases and their out-of-pocket (OOP) costs requirements. The pharmacist can then assist the patient in finding ways to lower their OOP costs, which can increase medication adherence.

Walgreens continues to advocate for policies that expand prescribing authority for pharmacists to improve outcomes and increase accessibility to care. This includes the ability to initiate certain prescriptions, conduct point-of-care testing and provide clinical advice.

Walgreens, Boots UK and other WBA businesses worked extensively with government bodies, using a collaborative approach to deliver and support COVID-19 testing and vaccinations and to disseminate trustworthy information to combat vaccine hesitancy. Our businesses have helped to accelerate the availability of vaccines and have helped reach underserved communities with vaccines. More information on these efforts can be found in the Health Equity section of this report.



Dozens
of Walgreens outcomes studies
can be found on the Center for
Health & Wellbeing Research website.



Walgreens work on adherence is supported by research from the Walgreens Health Analytics Research and Reporting team, which collaborates with academic institutions and scientific researchers on studies to improve patient care while lowering healthcare costs.

We continuously review and update our medication adherence programs based on feedback from customers and our pharmacy staff, research on health outcomes and performance on adherence metrics.

Medication Adherence

(GRI 103-1, 103-2, 103-3, 203-1)
(SASB HC-DR-260b.1)

Our pharmacy businesses play a significant role in improving societal health and well-being by helping patients adhere to medication regimens, close gaps and overcome barriers in care. Poverty, lack of insurance, limited transportation options, inconvenience, complexity of regimens, concerns about interactions with other drugs and food, unawareness of risks of skipping medication or unconscious issues such as forgetfulness can all be factors in medication adherence. Not taking medications as prescribed is associated with adverse health outcomes and rising healthcare costs.

Recognizing that diabetes, high cholesterol and hypertension are prevalent among Americans, we tailored specific programs to help improve outcomes for patients living with these disease states. Across these conditions, Walgreens PDC (Proportion of Days Covered) rates improved by 1 percent in fiscal 2021 compared to fiscal 2020. PDC is a common measurement for adherence referring to the percentage of time a patient has medication available based on refill records.

Walgreens pharmacists work with physicians, health systems, health plans, pharmaceutical companies and patients to remove barriers to taking medications as prescribed, and closing gaps in care for patients. Adherence programs for the most complex treatments and disease state management programs include phone, digital and in-person consultations to address potential side effects and offer remedies, connecting patients to financial assistance to ensure they stay on therapies and providing digital solutions including medication synchronization, delivery, consultations and patient education.

Walgreens is committed to continued education for pharmacists, such as on diabetes management and other chronic conditions. Cholesterol management pharmacist training was implemented during fiscal 2021. It provided pharmacists with foundational knowledge to help improve the health and well-being of patients diagnosed with hyperlipidemia. Pharmacists explored skills and resources to empower patients to track their disease state, improve outcomes, increase adherence to treatment protocols, and lower long-term healthcare costs.

Analytics help us predict the patients most likely to become non-adherent and identify custom ways to reach them and keep them on track. Technology supports our patients through digital tools and our pharmacists through our adherence clinical platform.

Walgreens works to improve medication adherence, close gaps in care and help manage chronic disease through:

Walgreens Patient Care Portal

Helps pharmacists identify patients eligible for Medication Therapy Management Services and medication reviews, prompting pharmacy employees to contact patients, notably with high risks, to connect them with appropriate interventions including:

- Comprehensive disease-state management
- Proactive care for patients taking specialty medications for HIV and chronic inflammatory disease
- New-to-therapy consultations supporting patients with new prescriptions and diagnoses
- Customized patient assistance with obtaining medications or other items via delivery, curbside pickup or drive-thru

Walgreens Advanced Care Program

Applies predictive analytics to identify patients at higher risk for non-adherence, allowing holistic intervention to remove barriers. Through this program, our Health Outcomes Pharmacists and Advanced Care Consultants hold conversations with our patients to close gaps in care and uncover and resolve barriers to medication adherence.

Mobile App

Walgreens free, five-star-rated mobile app provides access to digital resources, such as Rx Alerts, reminding patients to fill and pick up prescriptions.

90-Day Prescriptions

With Walgreens assistance, as of August 2021, 31.9 million patients were enrolled in the 90-day refills program, making medications more convenient.

Save a Trip Refills

Allows customers to align multiple prescriptions to one date. More than 5.6 million patients were enrolled as of Aug. 31, 2021, saving three pharmacy trips a year on average.

Walgreens Express

Patients can prepay for medication and define their next-day delivery or pickup location on mobile devices.

Responding to mental health needs

As self-reported symptoms of anxiety and depression have tripled among U.S. adults since the onset of the pandemic, according to the CDC, Walgreens Boots Alliance reinforced our commitment to mental health services.

In fiscal 2021, more than 1,000 Walgreens pharmacists participated in Mental Health First Aid training aiming to become a greater resource for the one in five people in the U.S. struggling with mental health conditions. For its part, Boots introduced new services aimed to help meet the growing need in the UK.

Walgreens first introduced Mental Health First Aid training for certain team members in the human resources department in 2019, and later made the program available for some pharmacy staff.

Mental Health First Aid is administered by the National Council for Mental Wellbeing, and trains participants in mental health literacy, understanding risk factors and warning signs for mental health and addiction concerns and strategies for how to help someone in both crisis and non-crisis situations. Walgreens, the National Council and American Pharmacists Association spearheaded the initiative to create the training program, which is now available industry-wide for pharmacists.

Boots UK pharmacists in England undergo Zero Suicide Alliance training as part of The Pharmacy Quality Scheme (PQS) within the Community Pharmacy Contractual Framework (CPCF). In addition Boots has more than 180 Mental Health First Aiders in stores and the support office trained to assist team members. Boots partnered with Ieso Digital Health to offer its How Are Things mood and symptom checker through the Boots Health Hub - a digital resource offering a wide range of healthcare and pharmacy services.

The pandemic took a toll on everyone, but especially healthcare workers on the front lines. For our pharmacists, the toll manifested in struggles with mental health and well-being, which is why Boots UK signed the Royal Pharmaceutical Society (RPS) of Great Britain's Inclusion and Wellbeing Pledge, to actively support the health of pharmacists and also to promote more inclusion in the workplace. This pledge also extends to patients and the communities we serve, because we believe that everyone has the right to feel good.

More information for mental health benefits for team members can be found in the Employee Health and Well-being section of this report.

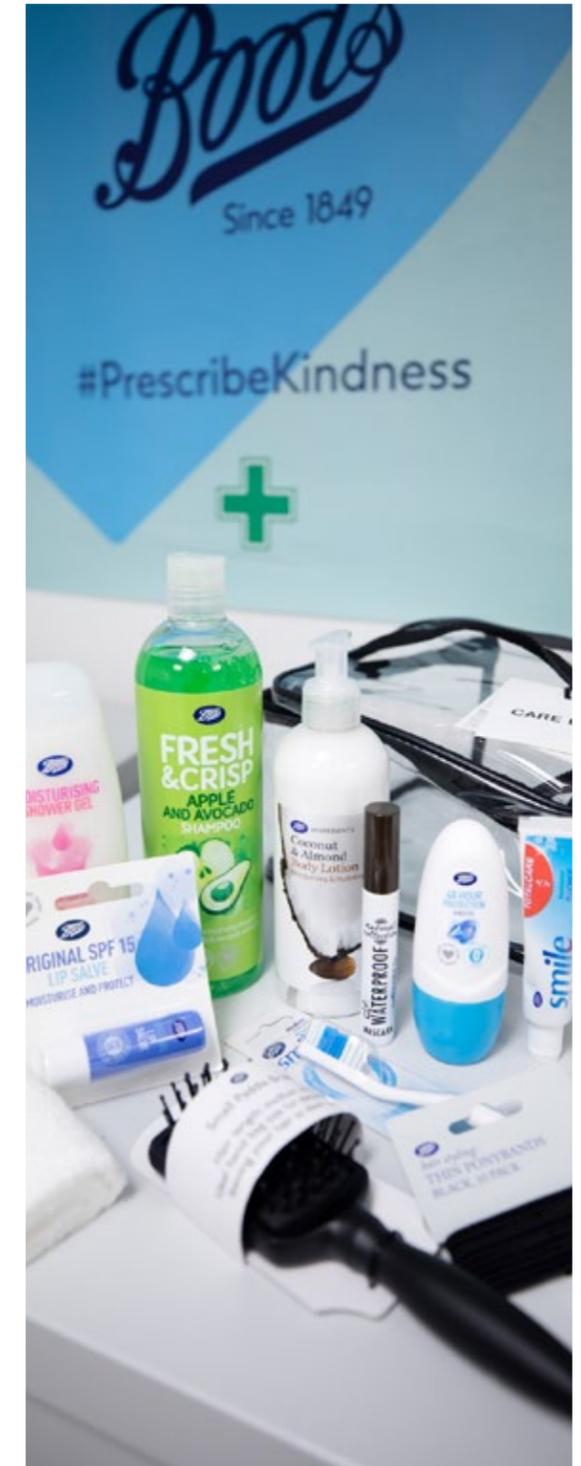
Supporting victims of domestic abuse

Social distancing and lockdown measures during the COVID-19 pandemic offered a new method of control over victims of domestic abuse. Self-isolation created an increased level of uncertainty for people looking to escape an abusive relationship, and made it very difficult for them to seek essential support from their friends, families, and co-workers.

During this challenging time, Boots UK provided a lifeline to some of the most vulnerable in our communities by training more than 19,500 pharmacy team members as part of the UK government's Ask for ANI code-word initiative. It also continued to operate the Safe Spaces Initiative with UK SAYS NO MORE, Hestia's national campaign for domestic abuse and sexual violence. Boots Ireland operates a similar campaign with Safe Ireland, a national social change agency. These initiatives allow those at risk or suffering from abuse to discreetly signal that they need help and access to support, and a trained member of Boots pharmacy team will then offer a private space where they can access support services. Across the UK these initiatives have been accessed an estimated 1,600 times in Boots pharmacies as of Aug. 31, 2021.

For the fifth year, Boots team members also volunteered to support the Wash Bag project, which was initiated by HRH The Duchess of Cornwall. As part of the initiative, team members prepared wash bags filled with toiletries that survivors of sexual assault are given free-of-charge after receiving a forensic examination at a Sexual Assault Referral Centre (SARC). In fiscal 2021, Boots delivered over 6,500 wash bags, helping to provide some degree of comfort and familiarity for victims during a very sensitive time. Since the start of the partnership in 2017, almost 43,000 wash bags have been donated to SARCs across the UK.

During the COVID-19 pandemic, Farmacias Ahumada supported Mask 19 in Chile. Anyone experiencing domestic violence could enter an Ahumada store and request Mask 19, a keyword that activated a protocol in which members of the pharmacy team would then share the victim's contact information with a dedicated hotline providing guidance and support.



Our businesses around the world partner with government agencies and nonprofit organizations on awareness campaigns to educate and support patients with preventive health screenings, free flu shots and other services.

Awareness campaigns, community health education and prevention

(GRI 103-1, 103-2, 103-3, 413-1)

Here are examples of these activities during fiscal 2021:

Community health fairs

Walgreens stores sponsored, participated in or conducted a variety of health-focused community outreach events during fiscal 2021. Participation in these events is an opportunity for Walgreens employees to engage with communities on healthcare issues, build relationships, meet patients where they are and where they feel comfortable, and increase availability and accessibility to services and resources such as flu shots, health screening, and educational information.

First Ladies Health Initiative

Walgreens helps to address health disparities in underserved communities through its 13-year title sponsorship of the First Ladies Health Initiative, which consists of the first ladies of Black megachurches around the country. In fiscal 2021, addressing health disparities around COVID-19 was a major focus for the First Ladies, which partnered with Walgreens on biweekly immunization clinics for both COVID-19 and the flu. In September 2020, Chicago's House of Hope — along with the Walgreens African-American Business Resource Group — hosted All You Need Is Hope, a flu clinic on the South Side of Chicago. More than 500 shots were administered during this clinic.

Throughout the course of the Walgreens sponsorship, more than 400,000 people have been screened for a variety of conditions, including blood pressure, blood glucose, HIV screenings and immunizations, or educated through the initiative. The group provides no-cost medical screenings, educational information and personal contacts to help detect or prevent illnesses that disproportionately impact African-American and Latino communities.



HIV testing in the U.S. and Thailand

In support of National HIV Testing Day on June 27, 2021, Greater Than AIDS and Walgreens, together with OraSure Technologies, provided more than 5,000 donated OraQuick In-Home HIV Tests to 175 health departments and HIV/AIDS service organizations across the U.S.

The Greater Than AIDS/Walgreens National HIV Community Partnership (NHCP) has expanded free HIV testing and information for 11 years. Fiscal 2021 was the second year the partnership donated HIV self-tests, providing an alternative to in-person testing limited by COVID-19, with more than 15,300 distributed through the program since 2020.

By distributing the HIV self-tests to local organizations, the partnership reinforces the role local agencies play in supporting clients through the testing experience with counseling and linkage services, including to PrEP and HIV treatment.

In August 2020, Boots Thailand collaborated with The Department of Disease Control (DDC) and Thailand MOPH-U.S. CDC collaboration (TUC) to launch a demonstration project of HIV self-testing pharmacy-based service model in Bangkok, Thailand. The project provides rapid, private testing to allow people to know faster if they have HIV and get access to treatment. As of December 2021, more than 2,000 free test kits were delivered to interested people or picked up in stores. These led to more than 40 self-reported reactive test results and patients were referred to a hospital for confirmatory testing and treatment.

Dementia awareness

There are currently around 900,000 people living with dementia in the UK, and this figure is projected to rise to 1.6 million by 2040. To help provide a dementia-friendly environment, Boots UK, Boots Opticians and Boots Ireland offer learning tools to help team members understand the common challenges a person living with dementia may encounter in a store environment.

During fiscal 2021, almost 800 additional Boots UK team members completed an e-learning module to become a Dementia Friend; a program developed by the Alzheimer's Society. As of Aug. 31, 2021, Boots UK had more than 28,900 Dementia Friends, with at least one in each Boots store available to support customers and patients. As one of 40 partners on the Dementia: Understand Together campaign, Boots Ireland is the only retailer in Ireland to have offered its awareness module to all of its team members, with almost 2,000 (97 percent) team members having completed the e-Learning module as of Aug. 31, 2021.

Team members who have completed their dementia learning are easily recognizable with their Dementia Friends badges in the UK, and Dementia: Understand Together badges in Ireland, helping people shopping at Boots who live with dementia to feel safe, calm and comfortable.

Smoking cessation

(GRI 103-1, 103-2, 103-3)

Walgreens has de-emphasized tobacco products, stopped selling e-cigarettes and taken steps to address the matter of tobacco sales to minors. Walgreens has a zero-tolerance policy prohibiting the sale of tobacco products to those under 21, and any employee violating the policy is subject to immediate termination. We require age verification from anyone purchasing these products, regardless of age, in all of our U.S. stores. Store employees are trained on this policy and signs notify customers of the ID rule.

Walgreens is committed to having pharmacy play a role in helping people quit tobacco. Walgreens pharmacists are trained to support a patient's attempt to quit. The business also offers digital support tools and prescription and over-the-counter products. In fiscal 2021, we saw an increase in sales of smoking cessation products in our stores, compared with fiscal 2020.

Since its inception in October 2015, and as of Aug. 31, 2021, the [Walgreens quit smoking page](#) has received more than 387,000 visits.

More than 350 team members completed a stop smoking program during fiscal 2021. The program includes a personalized plan, talking to a trained pharmacist and receiving free nicotine replacement therapy patches or gum.





Opioid Abuse Prevention

(GRI 103-1, 103-2, 103-3, 203-1)

The opioid abuse crisis has continued to grow, with COVID-19 a contributing factor. The pandemic has affected mental health and access to treatment for drug abuse and health issues. More than 69,000 people died in the U.S. from opioid overdoses in 2020, a sharp increase from 2019, according to data from the U.S. Centers for Disease Control and Prevention (CDC). The situation - largely driven by illicit fentanyl - continues to devastate families and entire communities.

Our stakeholders expect us to play a significant role in helping to address the U.S. opioid epidemic, given our influence as a leader in the retail pharmacy industry, our scale of operations and our expansive reach across local communities. Walgreens is focused on collaborative solutions, working with government and business partners on drug take back and addiction mitigation initiatives. The WBA board of directors continues to oversee our management of risks related to the dispensing of prescription opioid medication and our multi-million dollar effort to help combat overdose-related deaths.

We have worked with representatives at all levels of government, numerous public agencies, research organizations and industry groups to drive and influence legislation related to prescription opioids.

Walgreens maintains a Good Faith Dispensing policy, which provides the foundation for our pharmacists to understand their roles and responsibilities when dispensing prescriptions for controlled substances. This policy requires a pharmacist to evaluate the patient, the prescriber, the drug, the applicable law and the surrounding circumstances prior to making an appropriate professional decision whether to dispense a prescription for a controlled substance. Walgreens supports our pharmacists' right to refuse to fill controlled substance

prescriptions in accordance with their corresponding responsibility, if, among other reasons, prescribers do not provide sufficient supporting information.

Walgreens supports CDC recommendations by educating patients about naloxone when they are dispensed high doses of certain prescription opioids and who may be at risk of accidental overdose.

During fiscal 2021 Walgreens announced a partnership with US WorldMeds, a Kentucky-based specialty pharmaceutical company to stock Lucemyra (lofexidine) tablets in Walgreens pharmacies across the U.S. Lucemyra is the only FDA-approved, non-opioid, non-addictive treatment for relief of multiple symptoms of opioid withdrawal in adults.

Walgreens continues to participate in the U.S. Drug Enforcement Administration's (DEA) National Prescription Drug Take Back Day, held twice a year, when select Walgreens stores throughout the country serve as a collection point for law enforcement who collect unwanted, unused or expired medication for safe disposal.

On this page are updates on our progress on ongoing initiatives to combat prescription drug abuse.

LIFESAVING OPIOID OVERDOSE ANTIDOTE NALOXONE



AVAILABLE

without a prescription in all Walgreens pharmacies



750,000+

kits dispensed

SAFE MEDICATION DISPOSAL



1,400+

safe medication disposal kiosks in Walgreens locations



1.7M+

take-home safe medication disposal kits shipped to stores since May 2019



1,550 TONS
(1,406 METRIC TONNES)

of unwanted medication safely disposed of since 2016

482 TONS
(437 METRIC TONNES)

disposed of in fiscal 2021

TIME-DELAY, HIGH SECURITY PHARMACY SAFES



ALL

U.S. stores have safes installed



SIGNIFICANTLY REDUCED

pharmacy robberies and burglaries; employee safety improved

Partnerships for Good

(GRI 103-1, 103-2, 103-3, 203-1, 413-1)

Through our long-term partnerships with organizations with healthcare expertise, we tackle important health issues including malnutrition, disease prevention and cancer support. Our collaborations provide healthcare services at national and international levels, including developing countries, enabling us to help improve the lives of hundreds of millions of vulnerable people, especially women and children.

In the area of cancer care, WBA focuses on creating innovative and meaningful support for patients and their loved ones in three ways: assisting people living with cancer, working with organizations that advance research and supporting prevention programs. We work with cancer organizations to train our pharmacists and beauty consultants so they can provide expert advice and support to cancer patients, their families and their caregivers, when they need it most. With many cancer patients experiencing significant delays in receiving diagnosis and treatment during the COVID-19 pandemic, our pharmacies and stores continue to be a trusted, convenient source of care.

We continue to build and deepen our relationships with four organizations that joined the WBA-facilitated Collaboration for Cancer Prevention, Research and Support in 2019: Macmillan Cancer Support, Susan G. Komen (Komen), The Leukemia & Lymphoma Society and the European Organisation for Research and Treatment of Cancer (EORTC). In fiscal 2021, we organized three virtual meetings to continue joint initiatives, developing and supporting innovative cancer research infrastructure, and sharing best practices in patient-centered care with a particular focus on health equity.

We also work with charitable partners that help empower young people to reach their full potential. By providing lifesaving immunizations, vitamins, essential hygiene products and more, we are committed to supporting the health and well-being of future generations.

Through our charitable partnerships we aim to lead by example and be a catalyst for others to do good. To maximize our impact, we created several initiatives that our team members, customers, patients, suppliers and local communities are empowered to support. These programs generate enthusiasm, increase team member satisfaction and engagement, and build customer loyalty.



Susan G. Komen and The Leukemia & Lymphoma Society (LLS)

(GRI 103-2, 203-1, 413-1)

Walgreens collaborates with Komen and LLS to enable research in tough-to-treat cancers and increase access to care. In 2019, Walgreens pledged to contribute more than \$25 million to the two organizations over a five-year period.

During 2021, the second year of its pledge, Walgreens adapted its annual fundraising activities to the COVID-19 pandemic. In addition to continuing the Raise Hope, End Cancer in-store fundraiser where customers donate at checkout, Walgreens also introduced donations through the myWalgreens benefit program, allowing members to donate their Walgreens Cash rewards through the Walgreens mobile app and desktop. During fiscal 2021, Walgreens raised more than \$10.3 million for these life-changing cancer charities, bringing progress toward the goal to \$21.2 million.

For the seventh year, Walgreens team members participated in the annual LLS Light The Night fundraising events. Helping protect those who are immunocompromised and more vulnerable to the COVID-19 pandemic, the event took place virtually, with more than 650 team members from across the U.S. uniting to share photos, videos and personal stories alongside people living with cancer. Walgreens teams raised more than \$189,000 to help fund LLS lifesaving research initiatives and support services for blood cancer patients. Additionally, \$1.4 million was raised during in-store fundraising campaigns.

In partnership with LLS, Walgreens has 68 LLS-certified blood cancer pharmacies as of Aug. 31, 2021, with specially trained pharmacists to help patients manage side effects and adhere to medications.



Be The Match

(GRI 103-2, 203-1, 413-1)

Every three minutes, someone is diagnosed with a life-threatening blood cancer. For these cancers, a cure exists in the form of a blood stem cell transplant. To help increase the number of blood cancer patients matched to their lifesaving donor, Walgreens collaborated with Be The Match. During fiscal 2021, close to 400 people joined the Be The Match registry as part of Walgreens campaign.

Red Nose Day

(GRI 103-2, 203-1, 413-1)

Children in the U.S. are facing higher levels of hunger, homelessness and a growing learning gap due to the widespread ripple effects of the COVID-19 pandemic. Together with Comic Relief U.S., the founding nonprofit, Walgreens supported Red Nose Day for the seventh year. Continuing to emphasize the health and safety of team members and customers, Walgreens welcomed the return of Digital Red Noses, bringing people together virtually to spread awareness, raise funds and support children in need.

New in fiscal 2021, customers could donate through the myWalgreens app and desktop, in addition to donating in Walgreens stores and online at Walgreens.com. Through team member, customer and supplier contributions, Walgreens raised more than \$21 million for Red Nose Day during the fiscal 2021 campaign, benefiting grantee partner organizations that help underserved children both domestically and internationally to stay safe, healthy, educated and empowered.

Vitamin Angels

(GRI 103-2, 203-1, 413-1)

Since 2013, Vitamins Angels has been our trusted partner to help address child and maternal health in marginalized communities. As of Aug. 31, 2021, the award-winning partnership has provided more than 300 million undernourished children and expectant mothers with life-changing vitamins and minerals in all 50 U.S. states and more than 65 countries around the world. In October 2021, WBA and Vitamin Angels announced a new goal to reach a combined total of 500 million women and children by August 2025.

Walgreens donates 1 percent of sales of select vitamins and supplements, including owned brand vitamins, to Vitamin Angels, reaching \$12.4 million in total donations during fiscal 2021.

Get a Shot. Give a Shot.

(GRI 103-2, 203-1, 413-1)

Walgreens and the United Nations (UN) Foundation's Shot@Life campaign continue to collaborate to provide vaccines globally through the Walgreens Get a Shot. Give a Shot. program. Over eight years, Walgreens has helped provide more than 70 million lifesaving polio and measles vaccines to children in developing countries by donating to the UN Foundation for every immunization administered at Walgreens and Duane Reade pharmacies and clinics. WBA has committed to help provide a total of 100 million immunizations for children in developing countries by 2024.





£644k

During our 12th year of partnership £644k (\$829k) has been raised for Macmillan Cancer Support, thanks to the efforts of Boots UK team members, customers and suppliers, taking the cumulative total to £19.9m (\$26m¹).

Macmillan Cancer Support

(GRI 103-2, 203-1, 413-1)

Macmillan Cancer Support estimates that almost 50,000 people are 'missing' a cancer diagnosis due to the COVID-19 pandemic. Helping to provide accessible and trusted support in local communities, Boots UK gave all of its pharmacists the time to complete training to become a Boots Macmillan Information Pharmacist (BMIP), doubling the number of BMIPs to more than 4,200 during fiscal 2021. The bespoke training helps pharmacists understand the holistic needs of people living with and affected by cancer, support those receiving end-of-life care, and provide specialist information and support. Boots Macmillan Beauty Advisor (BMBAs) training was also updated during fiscal 2021, in collaboration with Boots Research and Development team, the University of Manchester and Macmillan Cancer Support to help patients experiencing the visible side effects of cancer treatment.

Boots UK's BMIPs and BMBAs are estimated to have collectively conducted almost 100,000 in-store and virtual conversations and consultations. The online consultations were developed to help support people sheltering at home during the pandemic and are delivered via digital healthcare providers LIVI Connect and boots.com.

BBC Children in Need

(GRI 103-2, 203-1, 413-1)

During fiscal 2021, Boots UK and Boots Opticians team members and customers raised £750,000 (\$1.02 million) to support BBC Children in Need. As its 17-year partnership draws to a close, Boots UK, with the help of customers, team members and suppliers, has raised a cumulative total of £14.5 million (\$19.7 million), which has helped fund BBC Children in Need projects that improve the lives of disadvantaged children and young people in communities across the UK.

The Hygiene Bank

(GRI 103-2, 203-1, 413-1)

Boots UK began working with its new strategic CSR partner The Hygiene Bank in fiscal 2020 and continued to expand its work on hygiene poverty - the inability to afford basic hygiene and personal grooming products - during fiscal 2021.

A survey commissioned by Boots UK and The Hygiene Bank found 69 percent of teachers have observed hygiene poverty in students, and the issue has been amplified following the COVID-19 pandemic. To tackle the growing issue, Boots UK partnered with The Hygiene Bank to create educational resources for primary and secondary school students to help them understand hygiene poverty.

Boots in-store donation points for The Hygiene Bank grew to 400 from 245, and customers are encouraged to donate new, unused and in-date toiletries, including hygiene, beauty and personal care essentials. Customers can also donate directly to the charity by purchasing newly launched online vouchers on boots.com. In fiscal 2021, when schools and communities were most in need, Boots UK enacted its You Donate = We Donate program, donating four full-sized products for every kilogram that customers donated to The Hygiene Bank.

During fiscal 2021, Boots UK and No7 Beauty Company donated more than 680,000 products to those living in hygiene poverty, supporting over 155 local communities and over 775 charities across the UK. Since the beginning of the partnership, customers have donated more than 18 metric tonnes of toiletries in Boots stores.



¹Based on £19.9m at rate 1.287274 consisting of £19.3m b/f from 2020 and £0.6m from 2021 activity.



Baan Gerda

(GRI 103-2, 203-1, 413-1)

During fiscal 2021, Boots Retail Thailand donated 792,000 Thai baht (\$25,500) to its charity partner Baan Gerda through donation boxes located in all Boots stores across Thailand. Baan Gerda supports children and orphans infected with HIV across Thailand and since the partnership began in 2010, Boots Thailand has helped raise approximately 19.5 million Thai baht (\$628,000) for Baan Gerda.

In-person volunteering at Baan Gerda's home for children was not possible during 2021 due to continued COVID-19 restrictions, so Boots Thailand team members organized a drawing competition instead. The three winners each received a donation to help cover their school costs.



The Irish Cancer Society

(GRI 103-2, 203-1, 413-1)

Despite COVID-19 social distancing guidelines, Boots Ireland experienced its most successful fundraising year to date in partnership with the Irish Cancer Society. For the fourth year, Boots Ireland was the main sponsor of Daffodil Day, and it welcomed the return of its annual Night Walk event, where fundraisers completed a 5km walk at a time and location of their choice.

Thanks to the support of team members, customers, patients and local communities, Boots Ireland raised more than €370,000 (\$442,000) for the Irish Cancer Society's Night Nursing Service during fiscal 2021, which provides end-of-life care for cancer patients. Since the partnership began in 2012, Boots Ireland has raised more than €2.2 million (more than \$2.6 million), equating to more than 6,600 nights of care.

Along with supporting the Night Nursing Service, Boots Ireland has more than 190 Boots Irish Cancer Society Information Pharmacists and over 60 Boots Cancer Beauty Advisors in stores to help support and advise people living with cancer. Over 2,000 team members have also completed a new e-Learning module, which focuses on the partnership, cancer terminology, the services available at both Boots Ireland and the Irish Cancer Society, and how to support people living with cancer.

Thailand's National Cancer Institute

(GRI 103-2, 203-1, 413-1)

Since 2016, Boots Thailand has worked in partnership with the National Cancer Institute (NCI) to provide underprivileged individuals with specialist cancer care, education and resources. During fiscal 2021, Boots Thailand organized its Let's Feel Good event for cancer patients at the Boots Thailand support office. The event focused on holistic cancer treatment and featured an art therapy workshop and a knowledge sharing session, to help give patients a greater understanding of how to combine alternative natural treatment, nutritional therapy and mental well-being with conventional cancer care.

As of Aug. 31, 2021, Boots Thailand has donated an accumulated 1.5 million Thai baht (\$48,000) to the National Cancer Institute. Funds raised during fiscal 2021 totaled 1 million Thai baht (\$32,000).

Fundación Alma

(GRI 103-2, 203-1, 413-1)

During fiscal 2021, Farmacias Benavides, WBA’s retail pharmacy chain in Mexico, raised more than 258,000 Mexican pesos (\$12,600) for Fundación Alma, a charity that supports uninsured or underinsured women living with cancer through funding for reconstructive surgery, prosthetics, psychological assistance or other aid. Due to the COVID-19 pandemic, Benavides was not able to participate in its traditional road-race fundraising activities for Fundación Alma, but adapted by encouraging customers and patients to round up the cost of their purchases and donate the additional amount to the foundation. Customers could also purchase pink reusable bags with profit from those sales going to the foundation.

Since 2014, Farmacias Benavides has raised more than 8 million Mexican pesos (\$392,000) for Fundación Alma. As of August 31, 2021, Benavides has helped fund more than 100 reconstructive surgeries and more than 700 prostheses through its partnership with Fundación Alma.

Fundación Arturo López Pérez and Damas de Café

(GRI 103-2, 203-1, 413-1)

Since 2012, Farmacias Ahumada, WBA’s retail pharmacy chain in Chile, has worked with the Fundación Arturo López Pérez (FALP), a comprehensive cancer diagnosis, treatment, research and teaching center. During fiscal 2021, Ahumada donated 9 million Chilean pesos \$12,150 for the center, which helped support patients who have experienced delays with their cancer treatment due to the COVID-19 pandemic.

In recognition of Chile’s Children’s Day on August 8, Ahumada team members also donated toys to the Luis Calvo Mackenna Hospital in Santiago for children who are receiving treatment for cancer. To facilitate the donation, Ahumada’s CSR team partnered with Damas de Café, an all-female volunteer organization dedicated to supporting low-income families who have children diagnosed with cancer.





DISCOVER

Additional corporate giving data is available in the CSR section of our [website](#).

Giving Back: Corporate Donations and Supporting Causes

(GRI 103-1, 103-2, 103-3, 201-1, 203-1, 413-1)

Through corporate donations, fundraising and volunteering, WBA's businesses and team members give back to the communities where we are proud to operate. By investing in our communities, we maintain trust and support our brands' reputations.

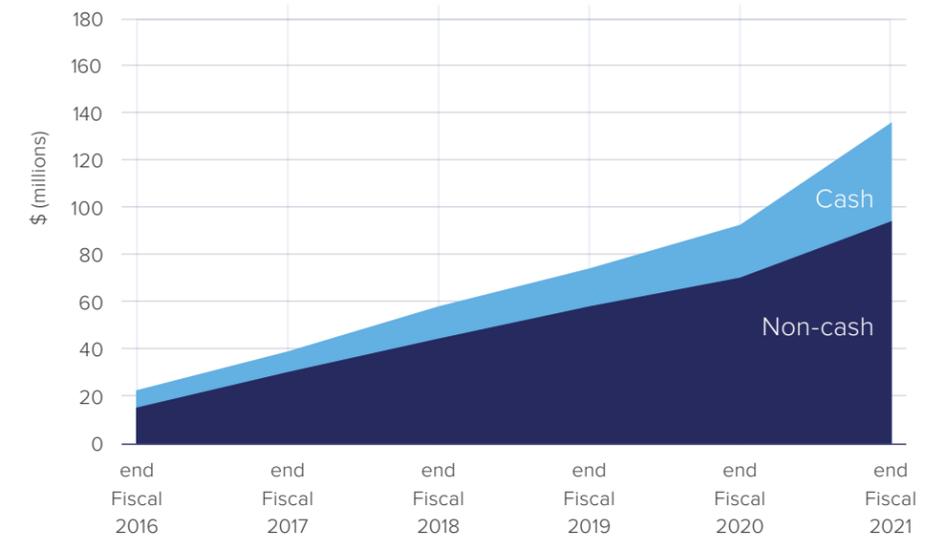
Our corporate giving strategy is focused on donating to organizations with health programs that align to our core business and CSR priorities, as well as groups that work on social welfare and education issues. The need for product donations is higher than ever, due to COVID-19 as well as to natural disasters and humanitarian crises, many of which are linked to climate change. In fiscal 2021, our donations of products, including hygiene products, personal protective equipment and medical supplies was higher than previously.

The company has strong processes and policies in place to thoughtfully manage community investments, with an aim to maximize impact. Walgreens uses a community investment management system that aims to ensure best practices, transparency, alignment with business units, compliance and consistent reporting across the organization.

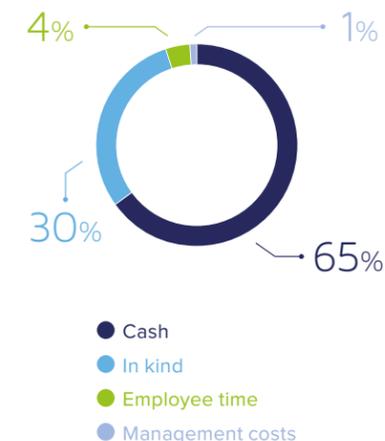
Due to COVID-19, combined with an increased need for testing, our employee volunteering time decreased in fiscal 2021. However, we are as committed as ever to our communities, and many of our team members work on the frontline in their roles. Our team members reported more than 91,571 volunteer hours for fiscal 2021¹.

As shown in the charts in this section, the company's direct contributions totaled \$69.3 million in fiscal 2021. Our overall corporate giving increased in fiscal 2021 compared with fiscal 2020, mostly due to a donation to the Walgreens Assistance, Inc. Fund. Our accumulated giving for the six-year period from fiscal 2016, the first year that WBA collected company-wide data, totals \$231 million. We collect and report community data in line with the model and methodology of Business for Societal Impact (formerly London Benchmarking Group).

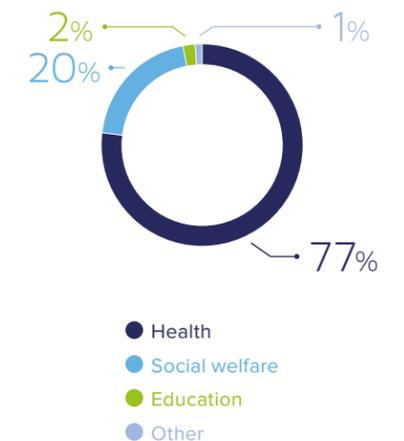
Corporate giving - cumulative since fiscal 2016¹



How the company contributed in fiscal 2021



Areas impacted by the company's fiscal 2021 contributions



¹Fiscal 2019-2020 include Walgreens employee volunteering hours for all activities, with and without a fundraising component. Fiscal 2016-2018 include Walgreens employee volunteering hours for fundraising activities only.



Supporting causes

(GRI 103-1, 103-3, 203-1, 413-1)

WBA's businesses are proud to support our long-term partner organizations through a number of fundraising campaigns each year. Our businesses, community affairs and corporate responsibility teams, retail pharmacies and business resource groups (BRGs) consult with our community and charity partners when deciding to participate in fundraising.

During the pandemic, we continued to step up and work to eradicate the growing health inequities experienced by children, families and underserved communities when they needed it most. In many cases, we adapted our fundraising campaigns and programs so our team members, customers and patients could show their support virtually due to social distancing guidelines.

Below are details on the amounts raised through some of our most significant campaigns during fiscal 2021:

\$21 million
Red Nose Day

£750,000 (\$1.02 million)
BBC Children in Need

\$6.8 million
Local Scannables

£644,000 (\$877,836)
Macmillan Cancer Support

\$10.3 million
LLS and Komen

\$1.4 million
LLS Light The Night Walks

€377,000 (\$451,130)
Irish Cancer Society

1.2 million Mexican pesos (\$63,000)
Rosa Fuerte

\$12.4 million
Vitamin Angels

\$100,000
American Red Cross

Donations through the myWalgreens app

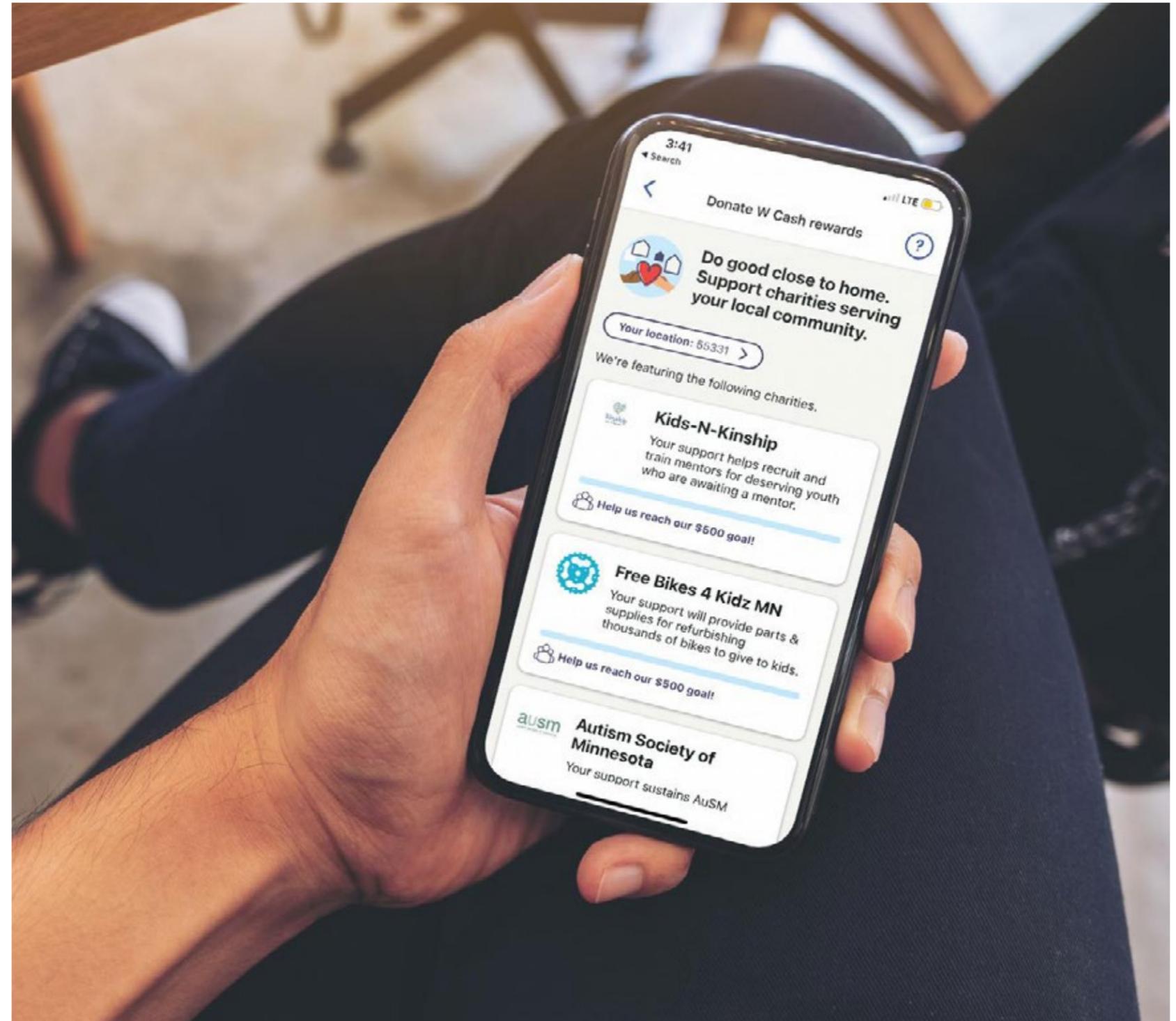
(GRI 103-2, 103-3, 203-1)

During fiscal 2021, Walgreens implemented a new donation tool to help advance the health and well-being of communities across the U.S. and Puerto Rico.

Using the Walgreens app or online capability on Walgreens.com, customers can donate their Walgreens Cash rewards (loyalty rewards accumulated through Walgreens purchases) to local, regional and national nonprofit organizations. Nearly 600 charities are being supported throughout the U.S. and Puerto Rico at any given time, allowing customers nationwide to have a large-scale impact.

Walgreens features a rotation of different local nonprofit organizations each quarter to customers based on their preferred store location. This empowers customers to support a variety of causes that are making an impact in their communities, as well as understand the important work these nonprofits are doing in their local area.

From the launch of the app donation feature in March 2021 and the end of August 2021, more than 45,000 customer and employee myWalgreens members donated close to \$200,000 to close to 1,000 charities using the tool.





02

Healthy and Inclusive Workplace

In this section we report on our progress on the following commitments:



Proactively support the personal health and well-being of our employees



Deliver our commitment to equal opportunities and foster a diverse, equitable and inclusive culture for all through strong employment, pay and recruitment practices, policies and procedures



Continue to improve our robust approach to health, safety and data privacy, actively caring for our employees and customers

Fiscal 2021 Healthy and Inclusive Workplace Highlights



Increased

proportion of women in leadership roles globally by 2.3 percentage points



Increased

people of color in leadership roles in the U.S. by 2.4 percentage points



Increased

utilization of self-paced learning tools by nearly 20,000 employees

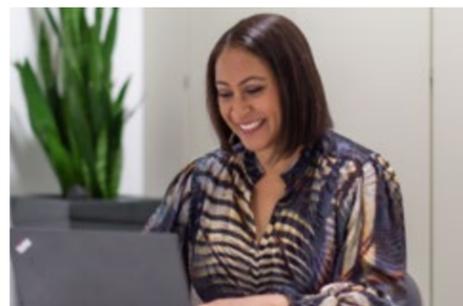


Increased

board diversity



WBA published second global DE&I Report



Unconscious bias training program delivered in 13 languages to more than 91,000 employees



Increased

U.S. diverse supplier spending, surpassing \$500 million goal by \$21.5 million

13 Business Resource Groups (BRGs) with close to a total of 3,700 team members were active throughout Fiscal 2021

Diversity, Equity and Inclusion

(GRI 102-8, 103-1, 103-2,
103-3, 405-1, 413-1)

Our diversity, equity and inclusion (DE&I) strategy

GRI 103-1, 103-2

Fostering a diverse, equitable and inclusive organization is an essential part of WBA's business strategy. As a global, pharmacy-led health and beauty company, our vision is to be the leading partner in reimagining local healthcare and well-being for all. With this comes a duty to our team members, patients, customers and communities to be a catalyst for meaningful change. To truly understand and serve our customers and patients, we must reflect them. We are taking bold, intentional actions to drive change in our company by building talented, diverse teams and inclusive brands and services, all while continuously learning.

With more than 315,000 team members in nine countries, our workplace encompasses a broad range of backgrounds, cultures, experiences, perspectives and insights. It is our responsibility to create an environment where everyone feels respected, valued and empowered to bring their authentic selves to work. We can accomplish this by having DE&I at the center of everything we do.

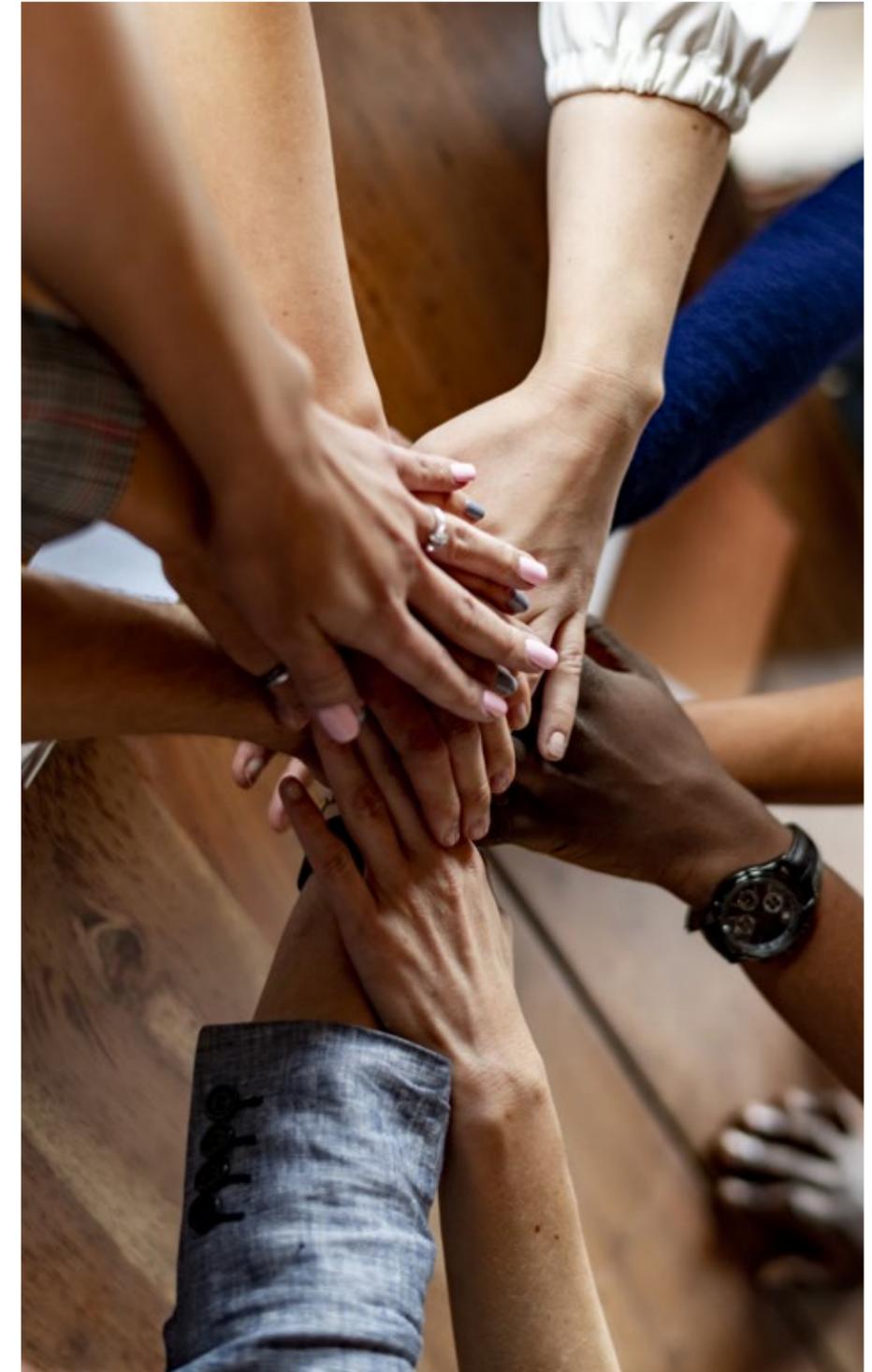
Our board of directors is deeply engaged on DE&I issues and provides oversight and governance related to our initiatives and public commitments in this area. During 2021, WBA focused on the company-wide advancement of DE&I through evolved leadership accountability, better data and insights, and elevation of our business resource groups (BRGs) to support inclusive business decision making, supplier diversity and ongoing organizational education.

As a global company, we have deepened our efforts on DE&I outside of the U.S., including a dedicated, senior DE&I professional in our International segment. Additionally, Boots introduced a DE&I Steering Group made up of senior leaders from the UK and Ireland who meet monthly to hold themselves accountable for change. While our strategy is global, our execution is local, and we are empowering our leaders to listen, learn and take meaningful action based on their local cultures, regulations and customers.

Global Inclusion Council

GRI 103-2

Since fiscal 2019, our Global Inclusion Council (GIC), made up of 21 leaders from across WBA, has advised on DE&I initiatives, shared local experiences and provided regional ambassadorship for DE&I. GIC members help WBA accelerate the pace and adoption of diverse, equitable and inclusive practices, and provide guidance to execute against our DE&I strategy. During fiscal 2021, the GIC established a supplier diversity subcommittee that is assisting with the international expansion of the supplier diversity program to our Boots UK division.



Leadership accountability model performance

GRI 103-2, 103-3

To help deliver on our commitment to foster diverse and inclusive teams, WBA has implemented a leadership accountability program by segment and global function. The program holds leaders responsible for undertaking diversity and inclusion efforts focused on increasing representation of people of color and women within leadership levels.

In the table to the right are the fiscal 2021 targets, our performance and our commitments to be undertaken in fiscal 2022:

| Target | Performance | Further action |
|--|---|---|
| Increase representation of women in leadership roles (senior director or the equivalent, and above) globally by 3 percentage points over the prior year | Increased 2.3 percentage points | Fiscal 2022 target is for another 3 percentage point increase |
| Increase representation of underrepresented racial and ethnic groups in U.S. leadership roles (senior director or the equivalent, and above) by 2 percentage points over the prior year | Increased 2.4 percentage points | Fiscal 2022 target is for another 2 percentage point increase. Within that, 1.2 percentage points of the increase must be attributed to the combined representation of Hispanics/Latinos and Blacks / African Americans |
| Ensure 100 percent compliance of diverse candidate interview slates and interview panels for leadership roles | Achieved targets | Fiscal 2022 targets are the same as they were for fiscal 2021 |
| Spend \$500 million with Tier 1 diverse suppliers in the U.S., an increase of approximately \$53 million from the previous year | Supplier diversity spend in fiscal 2021 was \$521.5 million | Target to increase supplier diversity spending to \$625 million in fiscal 2022 |



Board and senior leadership diversity¹

During fiscal 2021, we welcomed Roz Brewer as our new CEO. She is currently one of two African American women CEOs of a Fortune 500 company and her appointment illustrates our promise to seek top talent from underrepresented groups at every level of the company—from the boardroom to the storeroom.

As of Aug. 31, 2021, the WBA senior management team was comprised of three men and three women, and included three people of color. The WBA board of directors also continued to diversify its ranks during fiscal 2021 and is 75 percent white, 16.7 percent Black or African-American and 8.3 percent Hispanic or Latino. Five of 12 board members are women, and the board also includes LGBTQ+ representation.

Reporting

Demonstrating our commitment to transparency and accountability, we published our second global [WBA Diversity, Equity and Inclusion Report](#), covering fiscal years 2020 and 2021. The report can be found on the WBA website.

Further, for the first time, WBA published our EEO-1 data covering U.S. employees as of the end of calendar 2020. This can be found on our [website](#). The EEO-1 report is a mandatory annual submission to the U.S. Equal Employment Opportunity Commission (EEOC). Large private sector employers are required to submit demographic workforce data, including data by race/ethnicity, sex and job categories. EEOC job categories do not match WBA's workforce organization, therefore the diversity percentages in the EEO-1 report do not match the diversity data we publish in this report and in our DE&I Report.

In the UK, our businesses that are subject to the government's Gender Pay Gap Regulations publish annual reports. During fiscal 2021, Boots UK published its fourth [Gender Pay Gap Report](#), which included actions taken towards further reducing the pay gap, encouraging and supporting female team members across the organization, and inspiring everyone to reach their full potential.

Women make up more than three quarters of Boots UK's workforce and as of April 2020, its report showed a median gender pay gap of 2.1 percent. This is an improvement from the previous year's median pay gap of 3.5 percent and remains significantly better than the median national average of 15.5 percent, which is based on estimates from the Office of National Statistics' Annual Survey of Hours and Earnings 2020.



¹Board and senior leadership diversity disclosure is GRI 405-1 specified disclosure and is within the Deloitte & Touche LLP review scope as detailed on pages [118-119](#)

Diversity data

(GRI 102-8, 405-1)

The following charts and tables show the diversity of our team members globally, and in the U.S¹:

Diversity of WBA employees globally as of Aug. 31, 2021

| Employee category | All (%) | Age group (%) | | | Gender (%) | | |
|--|------------|---------------|-----------|-----------|------------|-----------|-----------------|
| | | <30 | 30-50 | >50 | M | F | UD ² |
| Manager ³ | 7 | 10 | 68 | 22 | 45 | 55 | 0 |
| Non-managers ³ | 93 | 42 | 37 | 20 | 28 | 72 | 0 |
| All employees | 100 | 40 | 40 | 20 | 29 | 71 | 0 |
| Senior director and above ^{4,5} | | | | | 65 | 35 | |
| Pharmacist | | | | | 38 | 62 | |

Racial and ethnic diversity of employees in our U.S. workforce as of Aug. 31, 2021

| | People of color (%) | White (%) | Undisclosed (%) |
|--|---------------------|-----------|-----------------|
| Total U.S. workforce ³ | 50 | 49 | 1 |
| Managers ³ | 32 | 67 | - |
| Non-managers ³ | 51 | 48 | 1 |
| Senior director and above ⁴ | 22 | 78 | - |

¹Percentages may not sum to 100 percent due to rounding.

²Totals showing zeros reflect rounding of amounts lower than 0.5 percent. UD = undisclosed.

³Fiscal 2021 data is GRI 405-1 specified disclosure and is within the Deloitte & Touche LLP review scope as detailed on pages [118-119](#).

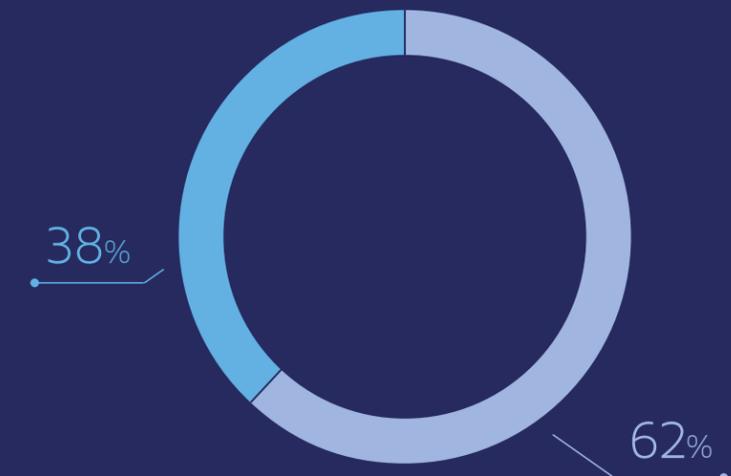
⁴Senior director and above includes employees in these job levels in the U.S. and the equivalent job levels in our businesses in other geographies. This row of data does not fall within Deloitte & Touche LLP's review scope.

⁵All WBA board of director members are over age 50.

Walgreens specific data

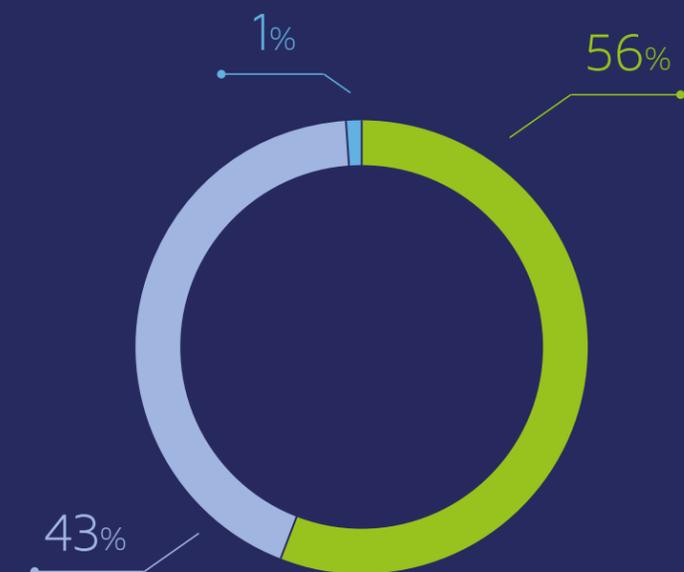
Walgreens pharmacists by gender

- Female
- Male



Walgreens pharmacists by race and ethnicity

- White
- People of Color
- Undisclosed



Unconscious bias to conscious inclusion

GRI 103-2

To help tackle unconscious bias, we deployed a global, company-wide, online Managing Unconscious Bias course. Delivered in 13 languages, the program helps team members reflect on and manage unconscious biases, and gain insights into how bias influences our daily behavior. As of Aug. 31, 2021, more than 91,000 team members completed the training.

Following the online course, we developed a Global Inclusion in Action capability program and have started to deploy the leader workshop to our senior leaders internationally. The module facilitates a learning journey of empathy, allyship and championship, covering key topics such as equity and privilege awareness. Team member modules are being developed and will be rolled out in fiscal 2022.

Marketing for Change

GRI 103-1, 103-2, 103-3

In response to the global racial equity movement, we introduced Marketing for Change, a permanent action board of diverse global marketers from across Walgreens, Boots UK and No7 Beauty Company dedicated to putting DE&I at the center of our marketing efforts. As a transformational force for change, Marketing for Change focuses on building brands that represent the communities we serve, investing in diverse marketing talent and empowering our organization through education. During fiscal 2021, the board launched and executed a number of strategic DE&I initiatives and deepened WBA's partnerships with organizations that nurture diverse talent and launched an internal speaker series on the importance of DE&I in marketing.



Supplier diversity

(GRI 103-1, 103-2, 413-1)

WBA set a target for spending with diverse Tier 1 direct suppliers in the U.S. of \$500 million in fiscal 2021, an increase of \$53 million compared with fiscal 2020. We exceeded our target by more than \$21 million. To ensure accountability, we tied this goal to a bonus program, encouraging team members and leaders with purchasing authority and decision influence to consider diverse and small businesses in contracting opportunities.

Working with business leaders, our supplier diversity program aims to ensure we provide equitable opportunities and source goods and services from enterprises owned by women, people of color, veterans and service-disabled veterans, people with disabilities and LGBTQ+ people, as well as businesses owned by people who are socially or economically disadvantaged. We continue to report increasingly nuanced data within the business to allow us to expand our focus on certain diverse classifications. In fiscal 2021, Walgreens supported more than 570 diverse suppliers.

In fiscal 2021, we further integrated supplier diversity into Walgreens' procurement and retail products processes and systems. We doubled the number of supplier diversity ambassadors who support and implement our strategy within their respective functions.

We also work with our Tier 1 suppliers to help them increase utilization of diverse suppliers in their own supply chains. In fiscal 2021, Walgreens continued its partnership with the Women's Business Development Center, sponsoring the third retail capacity building program. Designed to help minority-owned suppliers grow into the mass retail market, there have been over 70 graduates since the program launch.



Providing leadership opportunities for veterans

GRI 103-2, 413-1

Since 2018, the Walgreens Helping Veterans with Educational and Retail Opportunities (HERO) program has been providing career and educational opportunities for U.S. veterans. The program helps veterans transition leadership skills learned through military service into a retail management career through training and on-the-job mentorship.

Despite the impact of the COVID-19 pandemic, more than 680 shift leads and assistant store manager trainees across the U.S. have been hired into the program as of Aug. 31, 2021. This progresses Walgreens goal to hire 5,000 U.S. veterans to the program within five years from launch.



Helping young people from all backgrounds gain professional experience

GRI 103-1, 103-2, 413-1

WBA partners with numerous organizations, schools and universities to help provide meaningful job opportunities for young people and to support pharmacy training for students from diverse backgrounds. Young people are the future and essential to the continued transformation and growth of our company.

The following are examples of some of these training and scholarship programs:



Walgreens diversity donation

During fiscal 2021, Walgreens awarded close to \$1 million in scholarships for pharmacy students for the 2021-2022 school year. The goal of the Walgreens Diversity Donation is to increase the enrollment of underrepresented students in schools and colleges of pharmacy, and to promote diversity and inclusion within institutional culture.



Boots UK and The Prince's Trust

Since 2019, Boots UK has worked in partnership with The Prince's Trust with the intention of empowering the next generation. Together, they help support young people in communities across the UK to get into work by providing accessible, inclusive and meaningful opportunities that help young people develop their skills, confidence and self-esteem, regardless of background. Read more about how Boots UK supports youth employment in the Employee Health and Well-being section of this report.



Skills for Chicagoland's Future

For the seventh year, Walgreens continued to support Skills for Chicagoland's Future, a nonprofit organization helping to tackle unemployment in Walgreens' home city of Chicago. As part of its partnership, Walgreens has committed to providing youths from 18 to 26 years old from low-income, high-risk neighborhoods with long-term skills and tools to grow their careers.

As of Aug. 31, 2021, Walgreens has hired more than 200 people in various store positions across the Chicago area through the partnership. This includes a number of pharmacy technicians that Walgreens helped to train and mentor for a career path in retail management through the Skills' Beyond the Diploma: Pivot to Success program.

Business Resource Groups (BRGs)

GRI 103-2

Our 22 Business Resource Groups (BRGs) and chapters are helping team members meet at the corner of inclusion, community, education and engagement. Formed and led by volunteer team members, our BRGs represent a dimension of diversity that encompasses age, gender, race/ethnicity, sexual orientation and gender identity, disability and military veteran status, as well as environmental sustainability.

Not only do our BRGs help our people build connections with those with similar interests, background and experiences, but they also enable members to learn, collaborate and demonstrate leadership skills.

With close to 3,700 members in the U.S., UK, Germany and Asia as of Aug. 31, 2021, our BRGs help WBA connect more closely to the multicultural and multifaceted communities we serve. As the everyday champions driving real change, they help advance a culture of inclusion at WBA, while supporting and aligning with business imperatives.



African American Leadership
Walgreens Boots Alliance



AsianConnect
Walgreens Boots Alliance



Disability Inclusion
Walgreens Boots Alliance



Environmental Sustainability
Walgreens Boots Alliance



Latino Professionals
Walgreens Boots Alliance



Next Gen Empowerment
Walgreens Boots Alliance



Pride Alliance
Walgreens Boots Alliance



W-Vets
Walgreens Boots Alliance



Women of WBA
Walgreens Boots Alliance



Shades of the World
Walgreens Boots Alliance



InclusivIT
Walgreens Boots Alliance



MOSAIC
Walgreens Boots Alliance



Black, Asian and Minority Ethnic
Walgreens Boots Alliance



Tackling health inequities and racism

The COVID-19 pandemic has had a disproportionate effect on Black, Hispanic and Indigenous communities, and has amplified how systemic racism has led to health disparities in communities of color. While we intensified our efforts to improve healthcare access and equity during the global crisis, our BRGs also took meaningful action:

- Our African-American Leadership (AAL) and Women of WBA - U.S. BRGs hosted an intersectional panel on vaccine hesitancy in Black and Brown communities. The Black, Asian and Minority Ethnic (BAME) BRG in the UK organized a similar event.
- Our AAL, AsianConnect, Shades of the World and MOSAIC BRGs hosted a collaborative discussion about racial inequity and mental health.
- In the midst of the “Stop Asian Hate” movement, our AsianConnect BRG sponsored a panel discussion to raise awareness about increasing violence against Asian communities and ways to extend allyship to our Asian team members and friends.



Increasing understanding

As an essential element of our WBA community, our BRG leaders and members provided a number of opportunities for their peers to share their experiences, while broadening their networks and perspectives and building a true sense of community.

- Our Pride Alliance BRG hosted a session to help team members understand the language used to define gender and sexual identities in the LGBTQ+ community.
- Helping to provide a first-hand view of the experiences of individuals attempting to immigrate to the U.S for asylum, our Latino Professional BRG sponsored an educational program: Immigration at the Border.
- With many team members managing their own health conditions and disabilities, our disAbility Alliance BRG hosted virtual networking sessions on disability topics for team members to share their personal journeys and learn about different conditions.
- To celebrate World Environment Day, our Environmental Sustainability BRGs came together to discuss sustainability across the U.S., UK and Asia.
- The Women of WBA BRGs implemented seven-week, self-guided Learning Journeys covering career defining hurdles, including developing your personal brand, building confidence and improving negotiation skills. Additionally, the Women of WBA-UK launched Lean In Circles, where small groups of women mentor and inspire one another, share skills and experiences, and celebrate each other’s successes.





CASE STUDY

Skills for Chicagoland's Future

Walgreens has continued to build on its long-standing partnership with the nonprofit Skills for Chicagoland's Future that aims to address hiring disparities and barriers to employment in Walgreens' home city of Chicago. At a time when the pandemic caused more than 400,000 people in Illinois to lose their jobs in 2020, its mission — to get unemployed and underemployed Chicagoland residents back to work — has never felt more important.

Partnering for a seventh year with the nonprofit, Walgreens is helping to build bridges between job candidates and employers in a city where unemployment in some neighborhoods is as high as 30 percent — well above the national average. As part of its partnership, Walgreens has committed to providing youths from 18 to 26 years old from low-income, high-risk neighborhoods with long-term skills and tools to grow their careers. As of Aug. 31, 2021, Walgreens has hired more than 200 people in various store positions across the Chicago area through the partnership. This includes a number of pharmacy technicians Walgreens helped to train and mentor for a career path in retail management, through Skills' Beyond the Diploma: Pivot to Success program.

"I always wanted to work in a pharmacy so I applied for the Walgreens position. The Skills program helped with my resume and the interview process - it prepared me for my job," said Janesha Blakeley, RxTech at Walgreens. As the pandemic's economic impact is expected to have far-reaching impacts, Walgreens is committed to continuing to collaborate with like-minded partners like Skills for Chicagoland's Future to accelerate economic mobility for unemployed and underemployed job seekers.



WALGREENS OFFERS A COMPREHENSIVE BENEFITS PACKAGE TO FULL-TIME EMPLOYEES THAT GENERALLY INCLUDES¹:

Comprehensive medical and other healthcare benefits, including the 365 Get Healthy Here and Life365 Well-being and Employee Assistance Programs (EAP)

Employer match of 401(k) contributions

Paid time off and holidays

Paid disability leave

Paid parental leave

Employee stock purchase program

Life insurance

Employee discount

Employee Health and Well-being

(GRI 102-8, 102-41, 103-1, 103-2, 103-3, 401-2, 403-6, 404-1, 404-2)

Employee health and benefits¹

(GRI 103-1, 103-2, 103-3, 401-2, 403-6)

At WBA, our brand heritage is built on improving the health and well-being of our communities. To fulfill that purpose, we must start by supporting the health and well-being of our employees, as they are also members of our communities and directly influence our ability to care for customers.

All of WBA's businesses manage benefits and, where applicable, healthcare for employees at the national level, as laws and regulations vary by geography. Here, we cover our two largest employers: U.S.- based Walgreens and Boots UK, which together account for more than 94 percent of our 315,000 direct employees across retail locations, support offices, fulfillment centers, opticians business, and related roles.

Our businesses continuously evaluate their wellness offerings through measurement of utilization, competitive benchmarking and bi-annual employee surveys.

Employees enrolled in a Walgreens medical plan are offered access to a newly integrated digital platform combining the 365 Get Healthy Here wellness program and Life365 employee assistance program. Through the platform, Walgreens awarded myWalgreens cash, \$0 Rx Copay, Quit Tobacco support program, up to five free counseling sessions, tracking tools for personal health goals, and more. Dependents of those enrolled in the plan also receive access to select benefits.

Part-time U.S. Walgreens employees are eligible for a number of benefits including 401(k) employer match, Prescription Savings Club, annual flu shots, 365 Get Healthy Here, Life365 employee assistance program, the PerkSpot employee discount program and others.

Boots UK offers a comprehensive range of benefits to full- and part-time employees. Using a flexible program, employees personalize benefits across health and well-being, travel, lifestyle and financial categories. In addition to insurance and time off, Boots UK provides benefits such as an employee assistance program, loyalty awards, pension programs and an employee discount.

Supporting employees in crisis

(GRI 403-5, 403-6)

COVID-19 continues to impact the way we work and live. During fiscal 2021, as government restrictions loosened and more people returned to work, Boots provided a framework to line managers to evaluate risk for vulnerable employees, provide necessary accommodations and engage in proactive, compassionate conversations with employees determined to be high-risk. Line managers were provided with detailed guidance and resources on managing specific COVID-19 related situations. Walgreens held Team Talks to guide managers and directed team members to resources on a specific COVID-19 information section on the company intranet.

We also recognize that many crises have financial impacts. Further, supporting employees' financial health greatly impacts their overall well-being, from mitigating stress to enabling healthy choices.

Between the pandemic and compounding crisis of climate change and related natural disasters, our employee financial assistance programs were especially essential in fiscal 2021.

The Walgreen Benefit Fund in the U.S. and the Boots Benevolent Fund in the UK - both funded by charitable donations - assist current employees and retirees experiencing financial hardship.

During fiscal 2021, the U.S. team provided \$1.2 million in aid to over 1,000 applicants. The UK fund supported 150 employees with more than £130,000 (\$172,000) in grants as of August 31, 2021. The Boots Benevolent Fund also committed to increasing the percentage of team members supported financially from 0.33 percent to 1 percent over a 5-year period beginning in fiscal 2021.

Separately, our businesses quickly mobilized to provide disaster relief to impacted team members. For more than 20 employees in Veracruz, Mexico who lost their homes to Hurricane Grace, Farmacias Benavides provided payments of 10,000 Mexican pesos (\$491) each and allowed all employees to donate through payroll, raising more than 160,000 Mexican pesos (\$7,859) in additional funds.

When Germany was devastated by floods, Alliance Healthcare Deutschland GmbH and GEHE Pharma Handel GmbH initiated a local donation program for employees to contribute to the charitable organization, Aktion Deutschland Hilft e.V (Germany's Relief Coalition), supporting flood victims. The business offered to match employee contributions, leading to a total of €25,000 (\$28,372) in donations.

¹Information disclosed is GRI 403-8 specified disclosure and is within the Deloitte & Touche LLP review scope as detailed on pages [118-119](#)

Mental health support for employees

(GRI 103-2, 103-3, 403-5, 403-6)

At WBA we take a holistic approach to wellness by focusing on the physical, financial and emotional well-being of our teammates. The COVID-19 pandemic has exacerbated issues within each of these categories, and dramatically impacted mental health, leading us to amplify our existing mental and behavioral health offerings.

Both Walgreens and Boots UK continued to put emphasis on building specialized expertise around mental health through expansion of Mental Health First Aid Training. The Walgreens program, in partnership with the National Council for Behavioral Health and American Pharmacists Association (APhA), committed to train select team members - including more than 300 human resources partners - to help them better assist employees in crisis and non-crisis situations. This builds on the mental health services offered through Walgreens medical plans and the allotment of behavioral health visits team members and their families can use at no cost. In fiscal 2021, Boots also expanded Mental Health First Aider training to critical roles such as the pharmacy help desk.

To promote personal well-being and drive team members to mental health resources, the company engaged employees in awareness and prevention moments throughout the year. Additionally, we responded to increased employee interest in mental health topics by providing skills-based webinars and presentations in partnership with LifeWorks, our employee assistance partner, and Colleague Health, Boots UK's occupational health provider.



During fiscal 2021, Walgreens integrated its 365 Get Healthy Here and Life365 platforms to create a comprehensive site for employee health and well-being. By combining the employee assistance platform with the well-being site, Walgreens reduced hesitancy and stigma associated with seeking out mental health assistance. The platform integration emphasized social connectedness during the COVID-19 era with opportunities to share gratitude, offer encouragement, award recognition and upload photos.

The Boots UK well-being steering group pulls representatives from across the business to manage the structure of employee health and well-being initiatives focused on leadership, management capability, specialist support, personal well-being and design of work.

To equip leaders with the skills and resources to confidently care for employees, during fiscal 2021 Boots embedded well-being topics into learning and development programs for all employee levels and launched a Care-led Leadership Podcast Series. In July, 133 senior leaders participated in seven virtual sessions to help strengthen their mental health awareness skills. Newly appointed leaders underwent training where building mentally healthy workplaces was a key topic.

For all employees, Boots offered the HUG Inspire program to promote initiating well-being conversations with team members using the business' newly accredited customer care training model, HUG (Hello, Understand, Go the Extra Mile). More than 33,000 employees took the core module between May and July 2021.

Boots UK leverages data on workplace absence, health referrals, employee survey results, program engagement and other factors to measure success of wellness initiatives.

Freedom of association and collective bargaining agreements

(GRI 102-41)

WBA respects and upholds the right of workers in conformity with local law to be members of trade unions of their own choosing and to bargain collectively, in accordance with the appropriate local laws.

All WBA segments, businesses and the corporate functions are required to keep up-to-date written policies defining the rights of each employee to trade union membership where statutorily or legally required, according to our internal human resources policy.

As of Aug. 31, 2021, 7.5 percent of our employees across the globe were covered by collective bargaining agreements.





Employee training and development, and human capital management

(GRI 103-1, 103-2, 103-3, 404-1, 404-2)

Learning and development are key to supporting employee fulfillment. We also recognize that growth and diversification of roles directly benefits our company and encourages retention through visible career paths.

We extend training opportunities across our organization, through community development programs and apprenticeships. During fiscal 2021, our full-time equivalent employees received an average of 32.28 hours of training per person.

Our internal functions and community organizations work collaboratively in aligning business needs with gaps in the workforce to upskill existing and potential employees in topics from specialist areas to soft skills. Essential training is integrated into WBA onboarding and personalized for individual roles.

We collect quantitative and qualitative feedback on program success through completion rates, reflection surveys, retention and knowledge checks. WBA has also integrated learning and development into the company's performance management, evaluating employees annually (at a minimum) according to a purpose-led model.

To help develop leaders, Walgreens continued to grow programs focused on identifying talent and coaching leaders to reach the next level of management. This includes:

- Walgreens Leader Essentials program - with more than 10,200 participants - expanded in fiscal 2021 to train new people managers in support office and field roles;
- The EDGE program - with 116 completions - to build executive presence, business acumen and diverse networks among high-potential leaders; and
- The Launch Forward Program - for high-potential leaders is in its second year - to enhance leadership development through mentoring circles led by executive leadership.

For all employees, Walgreens renewed its micro-learning tool, which offers bite-sized, on-demand learning resources. Fiscal 2021 saw a significant increase in use, with more than 27,000 employees engaging with self-paced learning tools.

Walgreens University continued to offer training, leadership development and career advancement programs to employees at all levels. In fiscal 2021, Walgreens expanded the number of virtual trainings, opening up courses to a more inclusive geographic audience – not just those near Walgreens

campuses. During the fiscal year, more than 2,000 employees participated in both in-person and live virtual sessions for skills development, an increase of roughly 400 from the previous year. Walgreens University also partners with academic institutions to offer tuition discounts to employees. Since launching the partnership in 2013, Walgreens University has provided employees with more than \$9 million in tuition discounts.

In addition to continuing Walgreens accredited Pharmacy Technician Training apprenticeship program, the business launched the Front-End program, which gives store managers an abbreviated, customized program that allows them to sit for the Pharmacy Technician Certification Exam.

Boots launched a management capability drive in fiscal 2021. Guided by the results of WBA's annual employee survey, the program offered a series of leader development modules to assist managers in leading change, building team resilience and strengthening communication skills. Professional development modules were personalized across roles in pharmacy, opticians, beauty, leadership, retail and support office.

Boots also advanced programs for young people and new professionals. The business continued to offer summer pharmacy placements for third-year MPharm students and foundation training roles offering a structured, year-long learning experience for trainee pharmacists. As part of Boots UK's award-winning apprenticeship program, in fiscal 2021 the business offered more than 600 apprenticeship opportunities, far exceeding the goal of 400.

In fiscal 2021, Boots UK partnered with The Prince's Trust to support the Kickstart program for 16 to 24-year-olds currently on Universal Credit and at risk of long-term unemployment. The business offered six-month paid placements to 55 young people, giving them the skills and experience to jumpstart their careers. Also through partnership with the Prince's Trust, Boots engaged in the World of Work and Million Makers programs, which provide employability training and funding resources for young people with business ideas.

Employee engagement and retention

(GRI 103-2, 103-3, 202-1)

We understand listening to our employees is the most effective way to foster a great place to work – which translates directly to our business success.

Since September 2019, WBA has conducted a bi-annual global employee engagement survey, Our Voice. Our Future. Results from the survey are taken seriously by the leadership team, which collectively commits to responding and taking action.

To maintain the ability of WBA to attract and retain talent, the compensation department conducts an annual pay analysis against key roles. For high-performing pharmacy technicians, Walgreens invests further to ensure compensation reflects our commitment to outstanding employees, offering pay increases to the midpoint of an employee’s pay range by market.

At the end of fiscal 2021, Walgreens announced it will increase starting hourly wage for all team members to \$15, with implementation taking place in phases before November 2022. To further recognize team members, the business awarded pharmacists a one-time bonus of \$1,250 for full-time and \$1,000 for part-time employees. Additionally, pharmacy technicians who are certified or become certified to administer flu and COVID-19 vaccines will receive a \$1,000 reward throughout a six-month retention period.

In April of 2021, Boots UK applied the national minimum wage increase to its payroll, offering a base pay that remains more than 5 percent above the national requirement. Approximately two-thirds of the Boots UK workforce saw a pay increase of 2 percent or more from the adjustment.



Employee data

(GRI 102-8)

The tables show our employees by employment type and our employee turnover rate:

Employees by gender and employment type^{1,2} as of Aug. 31, 2021

| Employment type | All (%) | Permanent (%) | Temporary (%) | Part-time (%) | Full-time (%) |
|--------------------------|------------|---------------|---------------|---------------|---------------|
| Male | 29 | 29 | 28 | 24 | 32 |
| Female | 71 | 71 | 72 | 76 | 68 |
| Undisclosed ³ | 0 | - | 0 | 0 | - |
| All employees | 100 | 100 | 100 | 100 | 100 |

Employee Turnover^{1,2} within FY21

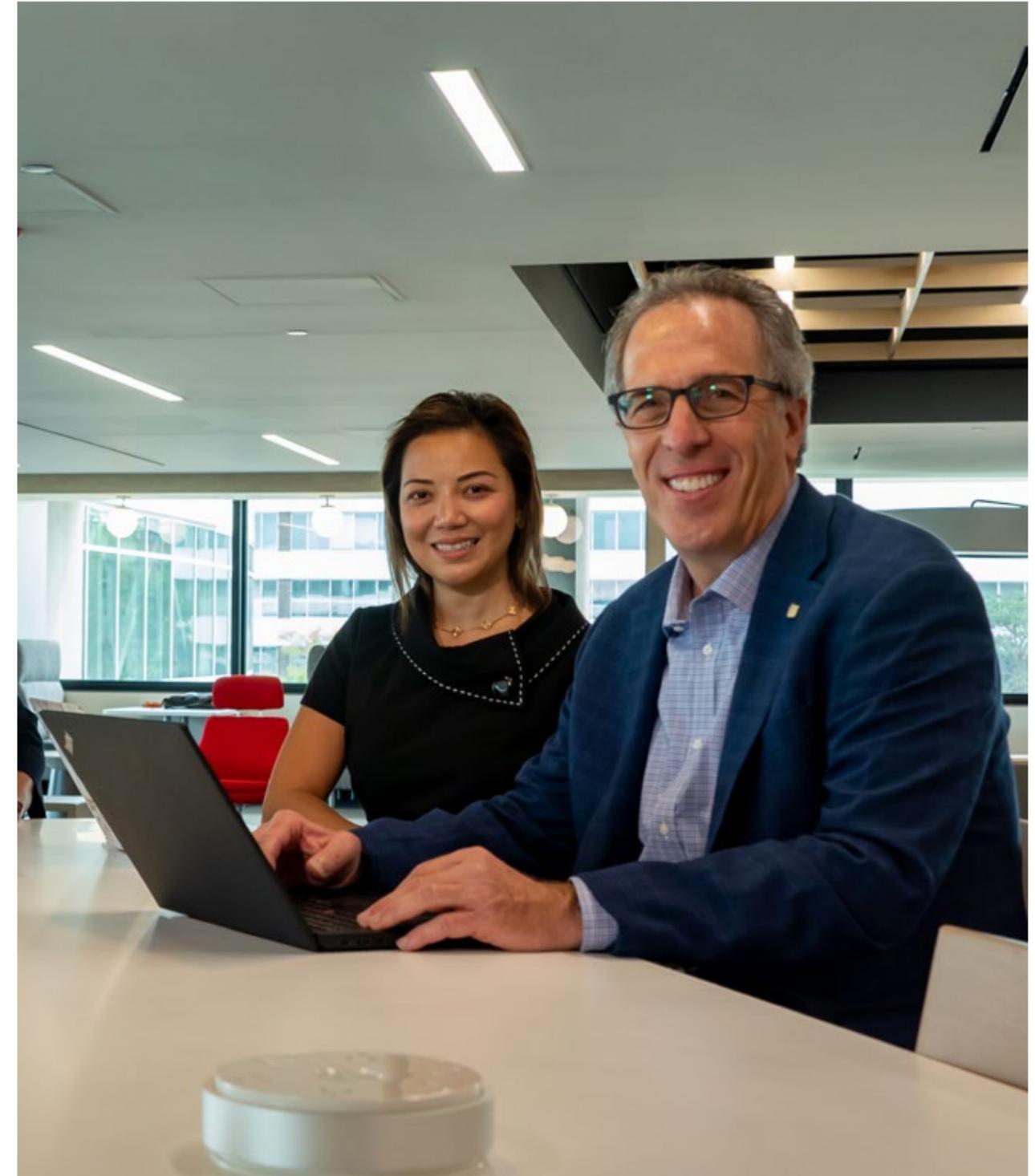
| | Voluntary Turnover (%) | Involuntary Turnover (%) | Total Employee Turnover (%) |
|----------------------------------|------------------------|--------------------------|-----------------------------|
| United States | 43 | 7 | 50 |
| International⁴ | 27 | 3 | 30 |
| WBA | 40 | 6 | 47 |

¹Employees of fully owned WBA businesses; does not include employees of companies in which WBA has equity method investments.

²Does not include contractors because they are not included in our employee figures. Most of our activities are performed by employees, and seasonal variations do not cause significant variation in our employment figures.

³Totals showing zeros reflect rounding of amounts lower than 0.5%.

⁴Boots UK and Republic Of Ireland.





03

Healthy Planet

We are determined to protect the planet through programs in our operations and by engaging suppliers on environmental issues. We are committed to:



Reduce energy consumption and emissions



Reduce waste, increasing re-use and recycling and collaborating to help create an increasingly circular economy

Fiscal 2021 Healthy Planet Highlights



WBA announced its first enterprise-wide, global carbon emissions reduction target: 30% decrease in Scope 1 and Scope 2 emissions by fiscal 2030 vs fiscal 2019

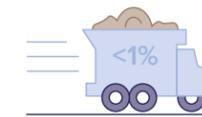


WBA carbon emissions down 14.9 percent in fiscal 2021 compared with fiscal 2019



WBA recycling rates: approximately 60 percent recycled, up 6 percentage points from our baseline year of fiscal 2019

WBA began reporting against the Task Force for Climate-Related Financial Disclosures (TCFD) recommendations with intent to implement a robust climate scenario analysis



<1%

For the third year in a row, less than 1 percent of Boots UK waste went to landfill



Our Liz Earle Beauty Company skincare brand became a certified CarbonNeutral company and its Holiday 21 gifting range also achieved certified CarbonNeutral product certification



6.3%

of energy consumed across WBA was from renewable sources

Energy and Emissions

(GRI 103-1, 103-2, 103-3, 302-1, 302-2, 302-4, 305-1, 305-2, 305-3)
(SASB HC-DR-130a.1)

Our carbon emissions target

(GRI 103-1)

At WBA, we believe climate change is caused by human activities and poses an imminent threat to human health and the health of our planet. We are acutely aware of climate-related impacts to our communities and our global community, including disasters such as wild-fires and floods, along with other impacts. We are also committed to actively expanding our understanding of climate-related risks and opportunities. Our climate is in crisis and requires swift action by corporations to do our part in reducing our footprint.



With this in mind, WBA set its first global emissions reduction target, committing to reduce our absolute Scope 1 and Scope 2 emissions 30 percent by the end of fiscal 2030 compared with our baseline year of fiscal 2019. The development of this goal was informed and guided by science-based methodology and builds on ongoing work by our businesses to reduce emissions.

We plan to achieve our emissions reduction target primarily through a continued focus on energy efficiency at Walgreens, our largest business entity, with nearly 9,000 retail pharmacy locations across the U.S. and in Puerto Rico. Walgreens will continue to invest in energy efficiency projects and energy management systems.

Boots UK will likewise continue energy efficiency programs and aims to eliminate the use of natural gas in new locations. While Walgreens and Boots operations represent more than 90 percent of our Scope 1 and Scope 2 carbon footprint, our other businesses will also continue to contribute to efforts to reduce emissions.

In the first two years of the goal, fiscal 2020 and fiscal 2021 we have achieved a carbon emissions reduction of (8.3)% and (14.9)% respectively, compared with the baseline year. Details are provided in the progress section below. Given this significant progress, we expect to continue reviewing and revising our target to make sure it remains relevant.

Supporting the UK's wider net zero transition, Boots UK previously pledged to collaborate with other UK retailers on a roadmap for the industry to achieve complete net zero emissions by 2040, including net zero Scope 2 emissions by 2030 and Scope 1 by 2035. The 77 retailers who are signatories to the British Retail Consortium's Climate Change Statement are focused on five key pathways: greenhouse gas emissions, renewable energy, sustainable sourcing, colleague interaction and low carbon logistics.

Our beauty brands are also working to address this issue. The No7 Beauty Company was launched in fiscal 2021 with broad sustainability goals. Within the No7 Beauty company portfolio, the Liz Earle Beauty Company skincare brand became a certified CarbonNeutral company, having evaluated and reduced the carbon footprint of its business operations and offsetting its remaining carbon emissions. In addition, its holiday 2021 gifts are all certified as CarbonNeutral products.





Climate reporting

As we continue to participate in the broader global effort to manage environmental impact across sectors and industries, we recognize the nature of climate reporting is evolving. Investors, regulators and consumers are requesting comprehensive disclosures and transparency around how companies manage their impact.

At WBA, we see this as a good and necessary step in driving accountability and action against the climate crisis. In fiscal 2021, Walgreens engaged on this issue directly by joining the Retail Industry Leaders Association's (RILA) [public comment](#) to the U.S. Securities and Exchange Commission (SEC) to inform potential mandatory climate reporting.

To answer these expectations, our company is expanding disclosures on how it is managing climate change risks and opportunities. Our fiscal [2021 Annual Report on Form 10-K](#) includes a discussion of climate change risk. Additionally, in this ESG Report we are for the first time reporting against the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations. To meet these guidelines, we are actively analyzing scenarios to identify and assess climate-related risks and opportunities, as well as evolving our governance, strategy, risk management, metrics and targets accordingly. This includes beginning a climate scenario analysis, the results of which will be reported in our fiscal 2022 report.

WBA continues to submit climate change disclosures to CDP on an annual basis. The company received a score of B- during fiscal 2021 on its CDP submission, slightly lower than our previous score in fiscal 2020 of B. CDP submissions in the climate category are rated on a scale of A to D- for completeness, assessment of environmental issues and risks and the extent to which a company has implemented actions, policies and strategies to address these. We anticipate a more favorable score in future submissions due to the inclusion of our long-term carbon reduction target and completion of a Carbon Scenario Analysis, which were not yet public at the time of the CDP submission.

Our progress

(GRI 103-1, 103-3, 305-1, 305-5)
(SASB HC-DR-130a.1)

Most of our Scope 1 emissions - directly from sources controlled by the company - and Scope 2 emissions - resulting from purchased electricity, heat and steam consumed by the company - are related to energy use for light and heating. We also report business travel and downstream transportation and distribution categories in our management of Scope 3 emissions - indirect emissions that are a consequence of company activities but occur from sources not owned or controlled by the company.

In fiscal 2021 WBA's total carbon footprint based on our stated scope on page [70](#) was 1.7 million metric tonnes of CO₂e (carbon dioxide equivalent), down 14.9 percent from our baseline year of fiscal 2019, mainly due to our energy efficiency projects in U.S. retail pharmacy locations and to the increased proportions of energy from renewable sources in the power grids on which we purchase.

Of the fiscal 2021 emissions, 88 percent were from energy - including 89 percent electricity and 10 percent natural gas within energy emissions. Separately, 11 percent were from product delivery and the remaining 1 percent from business travel.



DISCOVER

The tables and charts in this section show details of our emissions data. Additional details are available in the CSR section of our [website](#).

Emissions Data

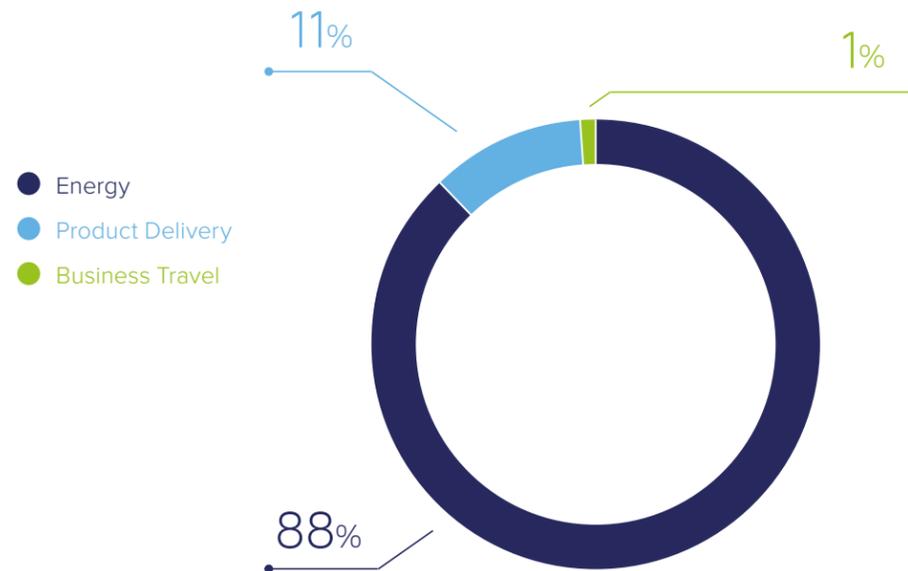
(GRI 305-1, 305-2, 305-3)
(SASB HC-DR-130a.1)

Total company CO₂e emissions by source¹

(000 metric tonnes)

| | Fiscal 2021 | Fiscal 2020 | Fiscal 2019 | % change from fiscal 2019 |
|-------------------------|--------------|-------------|-------------|---------------------------|
| Energy | 1,505 | 1,629 | 1,781 | -15.5 |
| Product Delivery | 184 | 179 | 180 | 2.2 |
| Business Travel | 15 | 28 | 42 | -63.6 |
| Total | 1,704 | 1,836 | 2,002 | -14.9 |

CO₂e emissions by source, fiscal 2021¹



CO₂e emissions from energy, by type¹ (000 metric tonnes)

| | Fiscal 2021 | Fiscal 2020 | Fiscal 2019 | % change from fiscal 2019 |
|--------------------|--------------|-------------|-------------|---------------------------|
| Electricity | 1,336 | 1,493 | 1,631 | -18.1 |
| Gas | 151 | 121 | 133 | 13.5 |
| Other | 18 | 15 | 17 | 5.9 |
| Total | 1,505 | 1,629 | 1,781 | -15.5 |

CO₂e emissions by Scope^{1,2} (000 metric tonnes)

| | Fiscal 2021 | Fiscal 2020 | Fiscal 2019 | % change from fiscal 2019 |
|--------------------------|--------------|-------------|-------------|---------------------------|
| Scope 1 Emissions | 325 | 301 | 313 | 4 |
| Scope 2 Emissions | 1,324 | 1,480 | 1,617 | -18.1 |
| Scope 3 Emissions | 56 | 56 | 73 | -23.3 |
| Total | 1,704 | 1,836 | 2,002 | -14.9 |

CO₂e emissions from business travel (metric tonnes)

per thousand employees, by segment and for the company¹

| | Fiscal 2021 | Fiscal 2020 | Fiscal 2019 | % change from fiscal 2019 |
|----------------------|-------------|-------------|-------------|---------------------------|
| United States | 38 | 81 | 108 | -64.8 |
| International | 81 | 119 | 204 | -60.3 |
| Total | 48 | 78 | 157 | -69.4 |

¹Fiscal 2021 data is a WBA specified disclosure and is within the Deloitte & Touche LLP review scope as detailed on pages 118-119.

²Scope 1 emissions include those resulting from heat and electricity produced by our on-site plant in Beeston, Nottingham, UK, except for the portion sold to third parties or to the grid, which was 14,000 metric tonnes in fiscal 2021, and 33,000 metric tonnes in fiscal 2020 and 32,000 metric tonnes in fiscal 2019. Scope 2 emissions calculated using a market-based method were 1,277,000 metric tonnes in fiscal 2021, and 1,427,000 metric tonnes in fiscal 2020 and 1,556,000 metric tonnes in fiscal 2019. WBA currently reports on business travel and downstream transportation and distribution Scope 3 emissions. Scope 1, 2, and 3 as defined by the Greenhouse Gas Protocol.



Managing energy use

(GRI 103-2, 103-3, 302-4)

During fiscal 2021, WBA focused efforts on better understanding areas of risk and opportunity by closely monitoring energy efficiency performance for each business on weekly, monthly and annual cadences.

As energy accounts for most of our emissions, we work to improve efficiency and reduce our overall carbon footprint through management of equipment and systems across retail locations, distribution centers and fleets. WBA's businesses invest in energy-efficient lighting, heating, ventilation and air conditioning (HVAC) units and refrigerators, engage and educate employees around energy consumption, invest in photovoltaic systems, use alternative energy management programs and participate in demand-response curtailment programs during peak periods.

During fiscal 2021, Walgreens continued rolling out a robust energy management system (EMS) to monitor optimal performance of devices and provide initial insight into climate-stressed locations. These EMS installations – now in 2,500 retail pharmacies with the goal to expand across our U.S. retail locations over the next three years – complement years of progress installing more energy-efficient indoor and outdoor lighting and HVAC units. Walgreens LED Initiative was formally recognized during the 2021 Illuminating Engineering Annual Conference for piloting the Connected Life Safety and Basket Tagging projects, which qualified for the 'Other Integrated Systems and Lighting' category. In addition to the energy savings delivered through the conversion of fluorescent fixtures to LED, advanced controls enabled dimming to achieve proper light levels and daylight harvesting for fixtures near windows and doors.

Boots UK also continued installation of metering systems for more accurate weekly and monthly consumption, completing an additional 357 store installations in fiscal 2021.

In addition to managing energy in our stores, distribution centers within our Walgreens business in California have enrolled in the Low Carbon Fuel Standard (LCFS) energy program. The rebate structure improves technology for operations machinery including forklift trucks, pallet jacks and pickers to help reduce GHG emissions and improve air quality.

Responding to climate events

(GRI 103-2)

With a large retail footprint, we understand our role and responsibility in managing energy use within our communities, particularly amid increased extreme weather and climate events. Due to Walgreens rollout of its advanced EMS, the business was able to double the size of its demand response program during fiscal 2021. Walgreens assisted in demand reduction to reduce stress on the grid, preventing potential blackout situations during wildfires in California, and worked with local utilities to get water to communities without power after storms.

As a company providing essential services, WBA is also responsible for ensuring the resiliency of our operations in climate-stressed environments. The business deployed generators and rehabbed uninterruptible power systems in communities in California and Puerto Rico to ensure sustained power supply. In Florida, Walgreens improved retail store infrastructure to withstand severe storms.

Renewable energy

(GRI 302-1)
(SASB HC-DR-130a.1)

Where strategically feasible, WBA looks to power our operations through certified renewable energy from wind, solar or hydro. During fiscal 2021, 6.3 percent of electricity consumed across WBA was from renewable sources. In the Republic of Ireland, 100 percent of our Boots stores are powered by certified renewable energy and in the UK, 98 percent of our stores are certified renewable.

Walgreens is revisiting its solar strategy in the coming years. Currently, rooftop solar panels are installed at 240 stores.

Additionally, as part of the leadership agenda, our Walgreens business works with utilities to help them understand their environmental impact and influence a cleaner marketplace.

Fleet efficiency and electric vehicle charging points

(GRI 103-2, 103-3, 302-2, 302-4, 305-3)

WBA fiscal 2021 emissions from product delivery increased by 2.2 percent compared with our baseline year of fiscal 2019, and business travel emissions decreased 63.6 percent in the same period primarily due to the impact of COVID-19 on travel.

To improve fleet efficiency, Boots UK outsourced delivery systems to be managed by Alliance Healthcare logistics operations. Through Alliance Healthcare, Boots will introduce additional alternative fuel trials and collaborate with vehicle manufacturers on this exploration. Also during fiscal 2021, Boots UK began replacing its trailers with the goal to complete 152 updates over three years. The new trailers allow for increased capacity, meaning fewer vehicles, decreased maintenance and less tire rubber.

The Walgreens truck fleet has participated since 2005 in the U.S. Environmental Protection Agency's SmartWay Program, which helps measure fuel efficiency in the fleet and understand the supply chain's total impact on the environment. The Walgreens fleet improved fuel efficiency by 2.6 CO₂ grams per mile in calendar 2020 compared with calendar 2019. In fiscal 2021, Walgreens began optimizing its routes for a reduction in overall miles. The business also continued to test and implement new technologies to increase aerodynamics and fuel efficiency, including adjusting gear ratios on freightliner trucks, resulting in a projected .9 percent fuel savings.

In addition to managing emissions in its own fleet, Walgreens currently offers customers 541 electric vehicle charging stations across 412 stores. In partnership with Volta, the business plans to significantly expand the number of charging stations offered in 2022.

Carbon-footprint related initiatives in Mexico

Farmacias Benavides is involved in a number of environmental initiatives related to reducing or offsetting carbon emissions, including working with Reforestación Extrema to plant 200 trees since fiscal 2019, renovating air conditioning equipment at 140 pharmacies, sponsoring a shared bicycle program and diverting milk formula waste from landfill to be used in the production of animal feed.





Waste and Plastics

(GRI 103-1, 103-2, 103-3, 306-1, 306-2, 306-3, 306-4, 306-5, 308-1)

Waste management is an important issue for WBA and our stakeholders, who expect that we do what is reasonably within our control to avoid waste associated with our operations and to minimize any adverse impacts of waste through responsible management and increasing circular economies. WBA continues to make our business more sustainable by rethinking designs, reducing consumption, recycling, composting, re-using materials and global measurement of our waste generation and disposal.

This section of our report covers waste management, waste reduction and recycling efforts, zero waste to landfill programs in certain areas of operation and efforts to reduce the negative impact of plastic waste in our retail stores and distribution operations. Our work on plastic packaging in our owned brands is covered in the Packaging, Labeling and Transparency section of this report, under Sustainable Marketplace.

Waste is a local issue and as such, it is managed differently across geographies to enhance positive impacts. In the UK, the government-backed waste hierarchy provides a framework that promotes waste avoidance, recycling and recovery methods over disposal in landfill. Boots UK also engages environmental management systems and standards to drive a culture of zero waste by effectively managing all unique types of waste. In the U.S., the Environmental Protection Agency (EPA) Non-Hazardous Materials and Waste Management Hierarchy is used to ensure proper approaches are taken to different kinds of waste. Across the world, WBA's businesses engage with various vendor partners to help ensure best practices are used when disposing of waste.

Collaboration with and feedback from industry groups is key to resolving waste issues, especially due to continued uncertainties in the global recycling market. Through organizations such as the Retail Industry Leaders Association (RILA) in the U.S., Walgreens is supporting efforts to increase recycling and re-use in the retail industry. Walgreens is a member of the RILA Sustainability and Zero Waste Committees that promote collaboration on key issues such as energy use, greenhouse gas emissions reduction, waste generation reduction and the circular economy.

Another example of our collaboration on waste reduction efforts is WBA's continued sponsorship of and participation in the U.S. Chamber of Commerce



Foundation's Beyond 34: Scaling Circularity for a Sustainable Economy, which aims to improve low U.S. municipal recycling rates.

Employee training and engagement is key to further progress on our environmental targets. More than 14,000 Boots UK employees have completed the Boots Environmental Experts (BEE) online training since it was introduced in fiscal 2020. At Walgreens, our CSR Champions are provided with information on active waste-related programs such as zero waste to landfill and Beyond the Bag in addition to their CSR training module courses, which include waste.



DISCOVER

Additional waste data is available in the CSR section of our [website](#).

Waste data

(GRI 306-3, 306-4, 306-5)

Across all of its businesses, WBA generated 619,000 metric tonnes of waste in fiscal 2021, decrease of 8 percent from the baseline year of fiscal 2019, primarily due to waste reduction programs at Walgreens.

Waste by method of disposal¹

(000 metric tonnes)

| | Fiscal 2021 | Fiscal 2020 | Fiscal 2019 | % change from fiscal 2019 |
|--------------------------------|-------------|-------------|-------------|---------------------------|
| Landfill | 247 | 261 | 307 | -19.5% |
| Incinerated² | - | - | - | Not applicable |
| Recycled³ | 372 | 345 | 369 | 0.8% |
| | 619 | 606 | 676 | -8.4% |

In fiscal 2021 WBA was responsible for 619 metric tonnes of waste, a reduction of 8.4 percent from our baseline year of fiscal 2019. Waste sent to landfill was 247 metric tonnes, a reduction of 19.5 percent and recycling increased from 369 to 372 metric tonnes or 0.8 percent.

The fiscal 2021 recycling rates at our segments were as follows:

- United States segment 59 percent
- International segment 74 percent

Additionally, 100 percent of all waste diverted and directed to disposal, is handled off-site.

During fiscal 2021, less than 1 percent of the total waste generated by WBA was considered hazardous, and of that, 57 percent was recycled, 34 percent was incinerated and 9 percent went to appropriate landfills in accordance with federal, state and local regulations.

¹Fiscal 2021 data disclosed is GRI 306-1 and WBA specified disclosure are within Deloitte & Touche LLP review scope as detailed on pages [118-119](#)

²Without heat recovery.

³Includes 17,000 tonnes of materials recovered via incineration with heat recovery.



Diverting and reducing waste

(GRI 103-2, 103-3, 306-1, 306-2, 308-1)

WBA businesses continue to divert and reduce waste through a number of ongoing programs, as well as new initiatives, in fiscal 2021.

The Walgreens support center and WBA global headquarters in Deerfield, Illinois implemented a zero waste to landfill program. This included modernization and simplification of waste disposal equipment, partnership with a waste-to-energy partner and new signage on recycling, composting and waste containers to help employees dispose of items properly.

The support office program was built on five years of successful waste diversion at 18 Walgreens distribution centers and related facilities in the U.S. and Puerto Rico. In fiscal 2021, around 94 percent of waste from distribution centers was diverted from landfill. The distribution centers exceeded their goal of increasing recycling volume by 5 percent between fiscal 2019 and fiscal 2021.

The Orlando Distribution Center continued a partnership with NuCycle on a waste diversion project. Last fiscal year, over 113 tons of mixed packaging slated to landfill was diverted to NuCycle and turned into energy cubes.

Moving materials out of landfill is one of our priorities and we have made strides at our distribution centers, which helps drive Walgreens towards zero waste.

For the third year in a row, less than 1 percent of Boots UK operational waste went to landfill, with a further reduction in fiscal 2021, to 0.63 percent. The reduction in the amount of operational waste is limited in scope to Boots UK owned operations and does not include some third-party owned office locations. At Walgreens, three distribution centers and 211 stores are no longer sending operational waste to landfill. Walgreens distribution centers continue to develop waste prevention activities aligned with membership in the U.S. Environmental Protection Agency (EPA) WasteWise program, a voluntary solid waste reduction program.

Additional Walgreens achievements and initiatives in fiscal 2021 to divert items from landfill or to reduce waste include the following:



Walgreens works diligently to divert from landfill unsold or discontinued products such as food, toiletries and household items. The business works with numerous partners to donate and liquidate a wide variety of products. In fiscal 2021, Walgreens donated 10 million pounds of product and liquidated 7.7 million pounds.



Saved an estimated 87 miles per day of receipt paper and reduced waste by shifting to digital customer receipts.



Eliminated 617,000 pounds of waste through reusable product display structures in retail pharmacies.



Walgreens supports Loop's state-of-the-art circular reuse system. Loop was designed to bring together brands and retailers to enable a shift from disposal to durable containers in the retail product supply chain, whereby manufacturers own their packaging in the long term. Walgreens plans to continue its relationship with Loop in fiscal year 2022 by participating in an in-store pilot through which customers will be able to purchase branded products in durable containers, which will be returned to the stores and subsequently to the brands for reuse.



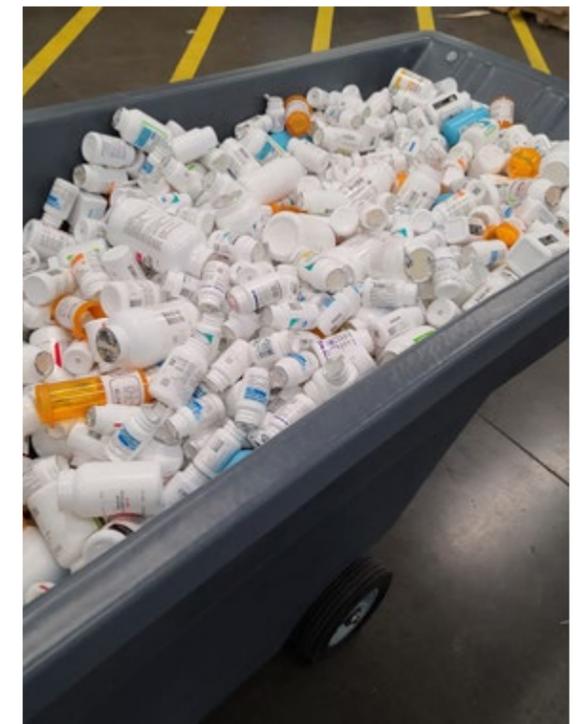
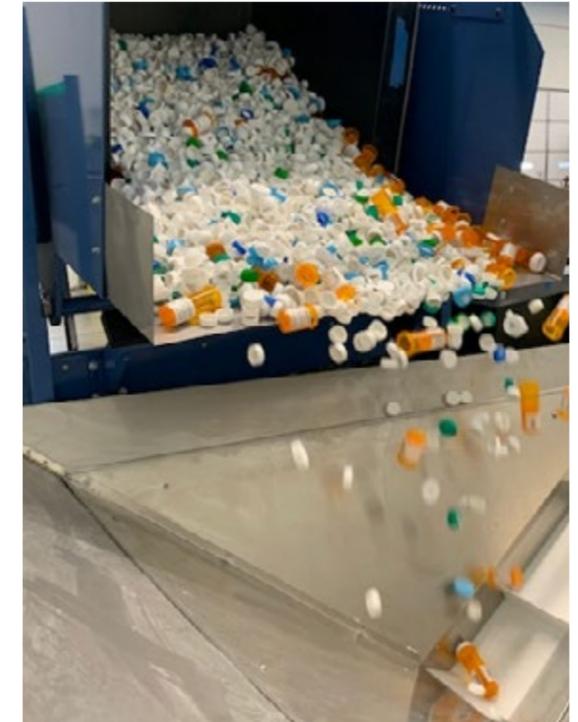
More than 28,500 red noses were used to create 19 Buddy Benches. These red benches are a place where students can sit when they need extra support or a "buddy" to talk with at school. Several benches were unveiled at schools during fiscal 2021, allowing the spirit of Red Nose Day to live on and support students. The Red Nose Day charity fundraising campaign was virtual again in 2021 due to COVID-19, so no physical red noses were sold but Walgreens continued collecting and recycling red noses.



Launched a pharmacy stock bottle and bottle cap recycling program in fiscal 2021 at the Walgreens central fill pharmacy location in Arizona, with plans to expand to a second location in Texas. Stock bottles are the plastic containers medications arrive in before they are dispensed for patients.

Since partnering with DHL EnviroSolutions in 2019, the integration solution has helped Boots UK to conduct audits, hold existing suppliers accountable, provide input on potential suppliers and share insights about the recycling industry. DHL EnviroSolutions has identified opportunities to improve waste processes for a variety of different types of waste and recycling, including plastic films and pallets. Currently, the partnership is also exploring opportunities to improve processes and recycling for other wastes, such as confidential waste.

In fiscal 2019, Boots UK signed up for the Food Waste Reduction Roadmap and Step Up to the Plate pledge, led by sustainability and waste nonprofit group WRAP. The collective goal of these initiatives is to reduce food waste by 50 percent by 2030, in line with SDG target 12.3.



Progress on plastics

(GRI 103-2, 306-1, 306-2, 308-1)

Walgreens is a member of the Consortium to Reinvent the Retail Bag, a collaboration with major retailers and nonprofit organizations to identify, test and implement design solutions and models that sustainably serve the purpose of the current retail bag. In fiscal 2021, several pilots were launched by the founding members and Walgreens is reviewing the learnings to apply to our business.

Boots continued multiple waste reduction programs through fiscal 2021, including:



At retail checkout, customers are now provided the option of unbleached bags made from Forest Stewardship Council (FSC) certified 100 percent recycled brown paper printed with water-based ink. By switching to paper, Boots has exceeded its goal of eliminating 2 million pounds of plastic from store operations each year.



Boots pharmacies use recycled paper bags for most medication pick up at stores, and plastic bags made of compostable material for medications dispensed from a central facility.



Boots UK has made significant progress in removing all plastic packaging from 99.8% of online deliveries. Plastic delivery bags and filler material have been replaced with 100% recycled and FSC paper based alternatives, and plastic tape for paper based tape. Contributing to this effort are automated packaging machines to reduce the volume of packaging required. The remaining orders are large baby items which are currently being packed in a starch based compostable packaging.



Ongoing partnership with POPAI, an industry body that supports manufacturers of point of sale and marketing materials, and engagement with Sustain, a web-based sustainability tool measuring the environmental impact of in-store display units produced for Boots UK stores. The first UK retailer to ask all suppliers of these units to submit a Sustain rating prior to production, Boots UK reviews Sustain ratings and works with manufacturers to reduce each unit's environmental impact.

Reducing plastic waste in other businesses

(GRI 103-2, 306-2)

Programs designed to reduce plastic waste across our global businesses were continued and launched in fiscal 2020.

Farmacias Benavides in Mexico introduced reusable cloth bags available for purchase in an effort to eliminate conventional plastic bag use in pharmacies. Through our No Bag campaign Boots Thailand continue to encourage customers to bring their own reusable bags when shopping. Any customers who need to purchase a bag are asked to donate 1 Baht to support the National Cancer Institute.



Progress on water

(GRI 103-1, 103-2, 103-3)

Due to climate change, water availability is becoming less predictable, with implications for human health and food security. We understand the importance of this topic and that our stakeholders increasingly expect transparent reporting around water issues. As outlined on page 82, our continued rollout of WBA's owned brand global Supplier Sustainability Program will provide us with an understanding of environmental and social issues relevant to our product categories, including water. We plan to report on this and water use in our retail stores, distribution centers and support offices in our Walgreens and Boots UK businesses in accordance with GRI in future reports.





CASE STUDY

Recycle at Boots Take-Back Program

(GRI 103-1, 103-2, 103-3, 306-1, 306-2, 417-1)

With only 9 percent of the world’s plastic being recycled, we feel the urgency of the waste crisis and are doing our part to advance plastic recycling and reuse. As a large beauty retailer in the UK, Boots particularly felt the need to help customers recycle beauty product packaging, containers and similar items that are often made of composite materials and end up in landfill because they cannot be recycled in household waste recycling programs.

In September 2020, Boots UK and No7 Beauty Company launched an innovative in-store program - Recycle at Boots - to make it easier for consumers to give a second life to hard-to-recycle health, beauty and wellness items. The program began with recycling drop-off points at 50 Boots stores and was so successful that it has been expanded to 700 stores across the UK. At the 50 pilot stores during the first 12 months of the program, more than 54,000 registered users deposited more than half a million items for recycling, diverting more than 15 metric tonnes of plastic waste from landfill.

At the in-store drop points, customers can deposit any brand of container or packaging from health, beauty and wellness products, with an emphasis on items such as make-up palettes, compacts, mascara tubes, lipsticks and other items that are not compatible with UK curbside recycling. Due to health and safety reasons, some products are not allowed for deposit, such as perfume bottles, medicine blister packs, hair dyes and razor blades.

As they deposit an item, customers are invited to scan the product using the Scan2Recycle technology. The device will then provide information about recycling the product. For example, the customer might learn that a particular product could be deposited for household waste recycling, and in this way they are educated about recycling. Or, the customer might receive a notification that the item was rejected for recycling, so that they know not to deposit the same item in the future.

After scanning the item and depositing it, customers are immediately rewarded with loyalty points to spend in-store.

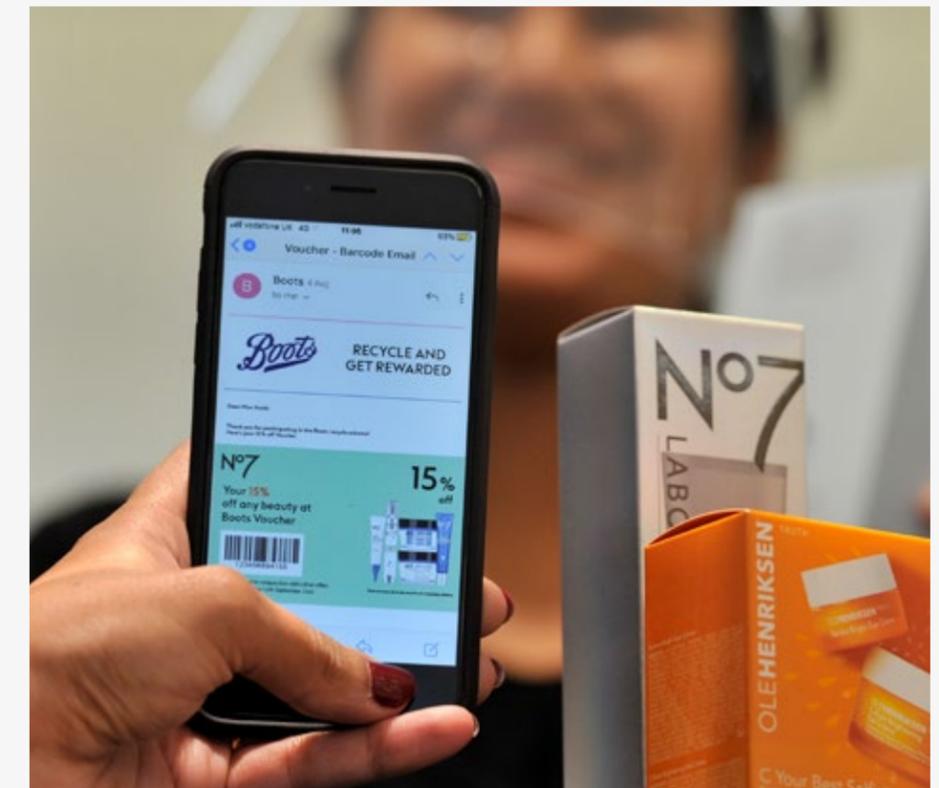
Boots is the first retailer to use the Scan2Recycle technology, created by Metrisk Ltd. The two companies worked closely together in developing the program, with the ambition to create a transparent and scalable solution for

recycling health beauty and wellness products. Prior to this, Scan2Recycle technology was untested in the context of take-back programs.

The deposited materials are recycled by waste contractor MYGroup, who invested significantly in capabilities to handle difficult-to-recycle materials and to use them to manufacture high-quality board for construction applications and other items.

In addition, Boots transports the deposited material on reverse distribution routes to reduce cost and carbon impact.

Boots has also been sharing learnings from the scheme with other companies and industry groups, and hopes to see the same levels of accessibility and transparency rolled out across the industry. Boots has worked with nonprofit recycling label organization On Pack Recycling Label (OPRL) to develop criteria for take-back waste programs across industries. This criteria sets out strong standards around accessibility and transparency for take-back programs to meet in order to be credible and receive OPRL recognition that items deposited in the program are effectively recycled.



04

Sustainable Marketplace

We aim to do business fairly and with integrity and to provide transparency around ingredients and packaging:



To continue to improve traceability of ingredients and materials of our owned brand products to reduce their environmental impact and protect healthy ecosystems and reduce climate change impact;



To continue to drive responsible sourcing practices throughout our supply chain, protecting human rights and engaging with suppliers around ethical and environmental issues;



To provide a platform of transparency into our owned brand products, including ingredient and material level information; and



To reduce the negative impacts of plastics in our owned brand products

Sustainable Marketplace Highlights



WBA joined the Roundtable on Sustainable Palm Oil at a global, company-wide level, committing to sustainable palm oil targets for its owned brands.

Boots UK and No7 Beauty Company launched an innovative in-store program - Recycle at Boots - to make it easier for consumers to give a second life to hard-to-recycle health, beauty and wellness items. The program is now available in over 700 stores.



WBA owned brands launched a global Supplier Sustainability Program. More than 100 of our highest spend owned-brand product suppliers have signed up to the program and completed assessments.

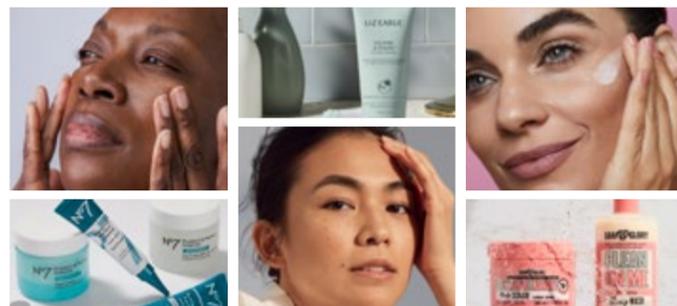


WBA committed to plastic reduction targets for its U.S. owned-brand products in addition to its UK-based products, and began publicly reporting on its progress toward these goals.



Our UK-based owned brands reduced and eliminated plastic packaging from numerous products and increased the use of recyclable and recycled plastic packaging.

WBA has met its goal of eliminating chemicals on our [Restricted Substances List \(RSL\)](#) from certain categories of owned brand products.



No7 BEAUTYCOMPANY

No7 Beauty Company was launched together with headline 2030 sustainability goals.



Soap & Glory and the Boots gift range A Little Something achieved Cruelty Free International Leaping Bunny status.

WBA owned brands launched updated global sustainability minimum requirements for suppliers and a Product Sustainability Hub web portal where suppliers provide packaging and product information.

No7 launched Unstoppable Together, a multi-year campaign in the US and the UK that aims to help women defy stereotypes and enable them to reach their full potential.



Sustainability Progress in Our Owned Brands

(GRI 102-9, 103-1, 103-2, 103-3)

Our approach

(GRI 103-1, 103-2, 103-3)

WBA's owned brands made significant progress during fiscal 2021 on sustainability in our products and supply chains, as we continue to strive to meet customers' expectations for responsibly sourced products that contribute to a healthy planet and community well-being. Through the implementation and development of new tools and programs to engage with suppliers, we are increasingly proactive in fostering sustainability in our supply chains.

We continually develop and update our product lines and categories to adjust ingredients and packaging to meet our own evolving standards as well as changing demands. We also recognize that sustainability is increasingly important to potential new hires and our current employees, who are responsible for driving a purposeful approach in stores and across our owned brands.

WBA is committed to working with vendors who share common principles of fair and honest business, demonstrate a commitment to maintaining safe working conditions and fully comply with all legal requirements and with the labor, health and safety standards of those countries in which processes take place.



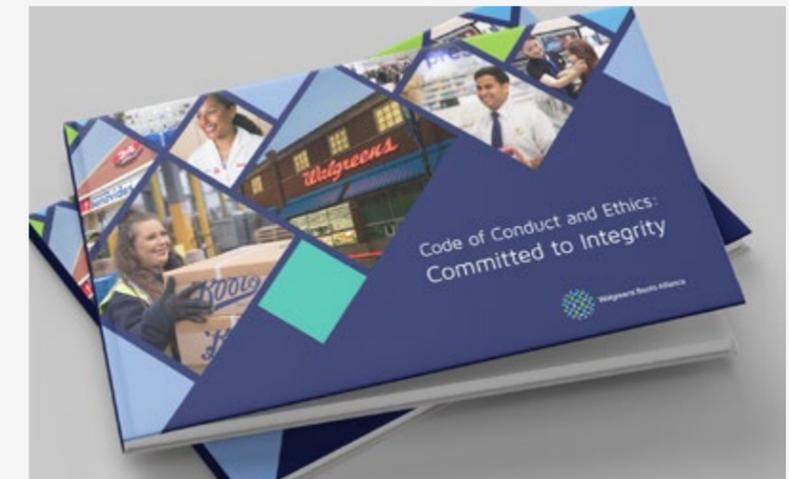
The foundational standards and core principles that guide our approach to responsible sourcing and sustainable materials, ingredients and packaging can be found in the following documents, which are on our corporate website.

Our [Code of Conduct and Business Ethics](#) provides foundational standards for all business aspects at WBA, including supply chain management.

Our [Supplier Code of Conduct](#) outlines our core principles for supplier conduct, including compliance with laws and regulations, terms and conditions of employment, discrimination, harassment and retaliation, wages and benefits, child labor, health and safety, sustainable development and environmental protection, data privacy and anti-corruption and bribery. We expect suppliers to operate in accordance with these principles and to be open and transparent to our assessment of their compliance with the code.

Our [2021 Modern Slavery and Human Trafficking Statement](#) sets out our commitment to eradicating these abhorrent practices, our policies and governance regarding these issues, and our actions taken during fiscal 2021.

Our [Human Rights Policy Statement](#) contains our explicit commitment to respect human rights under international standards and to protect labor and workplace rights.



Our Owned Brands at a Glance

(GRI 102-9)

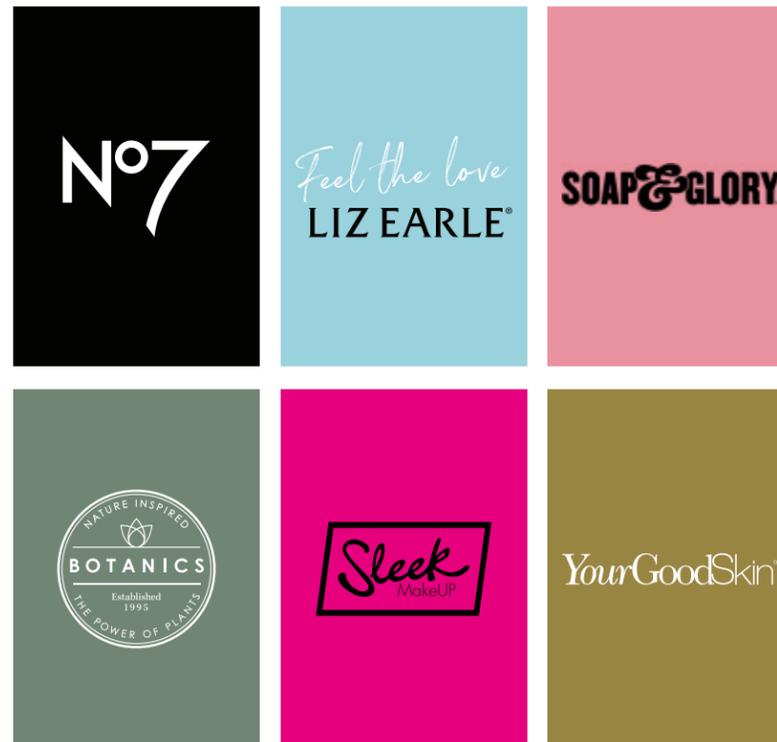
WBA and its businesses have many product brand portfolios, covering a diverse range of categories. Some of these products are sold only through our own stores and e-commerce sites. Others, such as our No7 Beauty Company beauty and skincare lines, are available at numerous retailers. We are focused on sourcing and packaging these consumer goods safely, responsibly, ethically and sustainably.

Our owned brands at a glance

NO7 BEAUTY COMPANY

No7 Beauty Company is a group of highly respected skincare and beauty brands, some of which have been beloved products since the 1930s. We know that by creating the best in beauty for everyone, enriching communities and sustaining our planet we are making a difference.

N^o7 BEAUTYCOMPANY



WALGREENS OWNED BRANDS

Walgreens owned brands are synonymous with quality and strive to live up to our century-old code: honest goods sold to honest people by honest methods. These brands and products include a wide variety of goods in numerous categories.



BOOTS OWNED BRANDS

From healthcare and beauty essentials to quality sunscreen, Boots owned brands enable people to live more joyful lives through better health.



Sourcing

(GRI 103-1, 103-2, 103-3, 308-1, 308-2, 412-2, 413-1, 414-1, 414-2)

WBA implemented and progressed a number of tools and programs during fiscal 2021 to further its commitments to increase the sustainability of its owned brand products and packaging. The company also continued its rigorous ethical assessments program to combat the risk of modern slavery and other such practices in the supply chain.

Through our increasingly proactive supplier sustainability engagement, we aim to transform from an approach centered in risk assessment and management to a program in which we leverage our influence to drive sustainably through our supply chain and, in turn, through the industry. We are increasing the level of collaboration with suppliers, and through shared knowledge we also hope to create a space for sustainable innovation in our supply chains.



Supplier Sustainability Program

(GRI 103-1, 103-2, 103-3, 308-1, 414-1)

WBA's owned brand global Supplier Sustainability Program was launched in April 2021, aiming to enhance our sustainability agenda and drive improvements across the entire supply chain through an online platform for data collection, analysis, reporting and scoring. The program uses THESIS, developed by nonprofit organization The Sustainability Consortium, a holistic sustainability assessment tool set to gauge supplier practices, performance and management on energy, water, ethics and more. For example, the system captures whether a supplier has a chemicals policy in place, or an emissions reduction target. One advantage of the tool is that it is also used by other large retailers, which minimizes survey fatigue among vendors.

The product category specific assessments in THESIS allow our teams to benchmark our suppliers' sustainability performance and by proxy our WBA owned brand sustainability performance. These quantifiable, comparative supplier sustainability results will provide WBA owned brand sourcing teams with the information necessary to select the best product suppliers with sustainability agendas and targets that complement our own.

More than 100 of our highest spend owned-brand product suppliers have signed up to the program and have completed their THESIS assessments identifying their environmental and social initiatives and opportunities. This includes suppliers based in Asia, Europe and the Americas, across many of our product categories, from health and wellness, to beauty and personal care, household and food.

We plan to leverage our tier 1 owned brand supplier assessment data to identify any potential high risk areas or sustainability hot spots, engaging on sustainability issues with suppliers further down the supply chain.

In fiscal 2022, we plan to encourage large national brand vendors that supply to Walgreens to complete THESIS assessments; additionally the tool will be rolled out to more owned-brand suppliers and included as part of onboarding for new product suppliers.





Ethical assessments, modern slavery, human rights

(GRI 103-1, 103-2, 103-3, 308-1, 308-2, 412-2, 413-1, 414-1, 414-2)

Under the minimum requirements of our ethical trading standards program, we expect suppliers to operate in accordance with the core principles outlined in our [Supplier Code of Conduct](#) and to be open and transparent to our assessment of their compliance with the code.

Through our ethical sourcing program, led by teams of ethical trading experts with the support of auditors and a small number of pre-approved third-parties, we ensure owned brand suppliers are aware of and compliant with WBA ethical standards and expectations. This is achieved through a rigorous onboarding process for all owned brand suppliers that was enhanced during fiscal 2021 and is supported by a supplier training webinar designed to explain our ethical standards and assessment requirements, share opportunities for suppliers to improve social and environmental compliance, and provide a forum for suppliers to raise questions. 100 percent of owned brand suppliers¹, new and existing, along with GNFR suppliers onboarded to our purchase order system via Global Risk Management Solutions (GRMS), are screened using social criteria¹. Supplier training webinars are held regularly in English, Mandarin and Spanish.

During fiscal 2021, 23 supplier training webinars were held in English, with a total of 336 suppliers completing the training. Additionally, five webinars were held in Mandarin, with 142 suppliers completing the training.

We monitor owned brand supplier compliance by assessing factory social and environmental performance using a detailed grading matrix based on internationally recognized standards, including the Ethical Trading Initiative Base Code and International Labor Organization Conventions and Recommendations. Factories with identified noncompliances are required to complete corrective action plans to resolve the issue. Factories are re-assessed using a risk-based approach focused on improvement and compliance.

As the COVID-19 pandemic limited our ability to conduct onsite assessments in areas heavily impacted by the pandemic, we developed additional approaches to monitor supplier compliance, including self-assessment questionnaires, reviews of third-party audit reports, remote confirmation of the resolution of identified noncompliances, and remote virtual audits.

We publicly report our owned brands suppliers' compliance with our ethical standards. The table on this page provides a breakdown of our fiscal 2021 ethical compliance assessments on new and existing suppliers for Boots UK, Walgreens and No7 Beauty Company owned brands.

As the table on this page shows, no zero-tolerance issues were detected during the fiscal year¹. For sites with critical issues, suppliers have been required to develop and implement immediate remedial action plans to address identified non-compliances. Verification of actions taken are monitored via submission of appropriate evidence and through on-site re-assessment.

| | Fiscal 2021 | % of total |
|--------------------------|-------------|-------------|
| Satisfactory | 364 | 38.8% |
| Needs improvement | 424 | 45.2% |
| Critical | 150 | 16% |
| Zero-tolerance | — | — |
| | 938 | 100% |

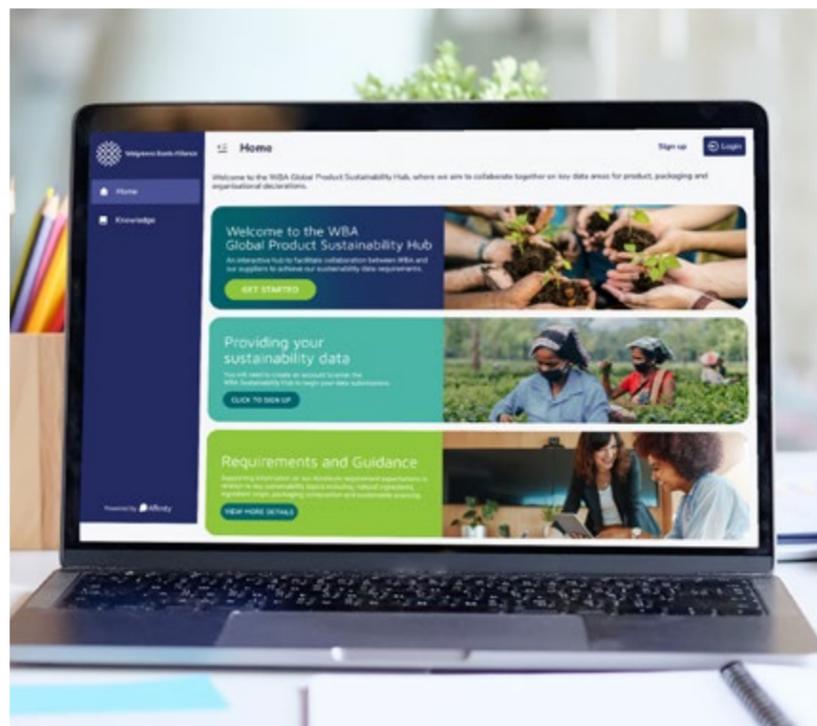
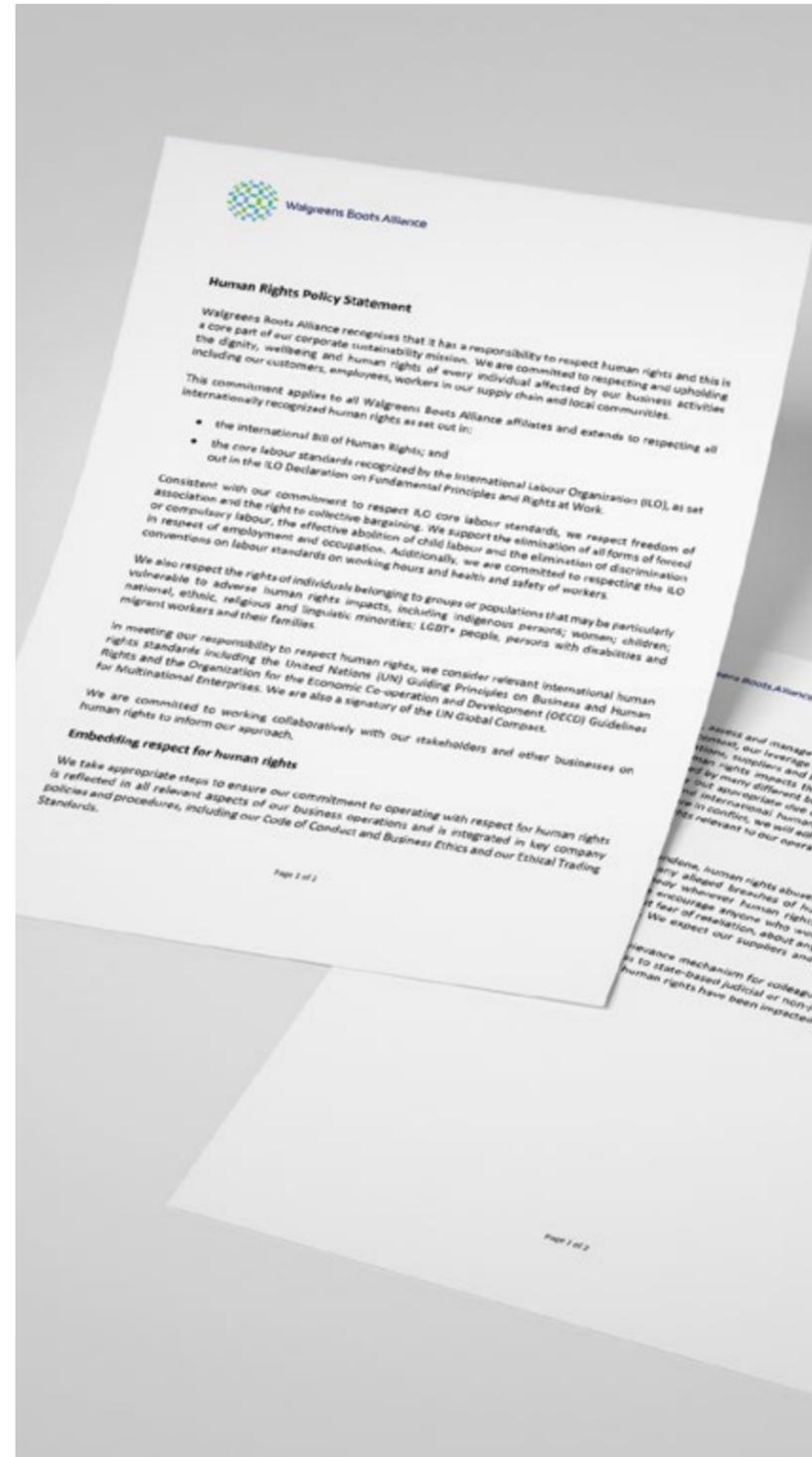
Satisfactory and Needs Improvement: Meets our ethical trading standards expectations but could require differing levels of remedial corrective actions.

Critical: Falls below the expectations of our ethical trading standards and requires immediate remedial action to address the critical noncompliances to enable new or ongoing business relationships.

Zero-Tolerance: Issues identified that are not accepted or tolerated by our business and are related to incidents of the following but not limited to: child labor, convict/indentured/forced labor, corporal punishment, slavery and human trafficking, acts of bribery. In all cases, we view these issues as zero-tolerance.



¹GRI 414-1 and 414-2 specified disclosures are within Deloitte and Touche LLP review scope as detailed on pages [118-119](#)



Our [2021 Modern Slavery and Human Trafficking Statement](#) details our approach to suppliers when we identify critical noncompliance issues and zero-tolerance violations such as child labor, forced labor, human trafficking and others. WBA's policy on critical non-compliance issues is to require immediate remedial action to address the non-compliances as well as completion of a corrective action plan and re-assessment. WBA's policy on zero-tolerance violations is to terminate the business relationship with the site where the violation occurred and to suspend the supplier and its other sites pending a full investigation of the supplier and its supply chain. If the supplier is directly implicated in the zero-tolerance violation, or if further violations are found, the business relationship with the supplier will be terminated.

When country-specific allegations of forced labor are raised, we perform due diligence to identify and mitigate the risk of forced labor in our supply chain. We also engage with industry peers to share best practices in risk prevention, detection, and mitigation. During fiscal 2021 we helped U.S. Customs and Border Protection as part of a review they carried out to better understand the complexities of retail supply chains and effective ethical sourcing practices in support of their approach to prevent items made with forced labor from being imported into the United States.

We highly value internal training on our Modern Slavery and Human Rights Statement to mitigate modern slavery risk. Our training course covered all business units in fiscal 2021 except for our joint venture in Germany. More than 2,500 team members who work in procurement, compliance or related areas were in scope for the training. Completion rate was 87 percent in the fiscal year, and greater than 90 percent in some key geographies including Chile, Thailand, China and the UK.

During fiscal 2022 we plan to build on our Human Rights Policy Statement, published in January 2021, with a program to risk map and horizon scan across all areas where we operate, including our wider supply chain as well as our owned brands supply chain and our operations in multiple geographies.

The online platform used for WBA's new Supplier Sustainability Program will also enable us to understand more about our supply chain including identifying modern slavery and human rights risks, as it will start to capture environmental and social information in second and third tier and raw material suppliers. Please read more about the Supplier Sustainability Program earlier in this section.



Ingredients and Materials

(GRI 103-1, 103-2, 103-3, 308-1, 412-2, 412-3, 416-1, 417-2)

Product Sustainability Hub and minimum requirements

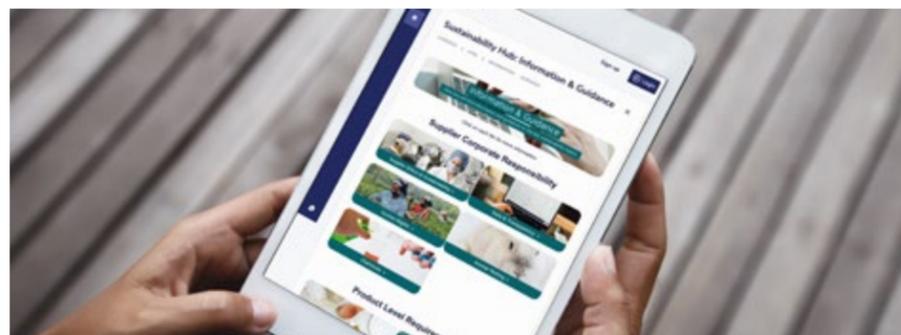
(GRI 103-1, 103-2, 103-3, 308-1, 417-2)

WBA created a single set of global minimum sustainability standards with established objectives and requirements for our owned brand products, packaging and components in Asia, the U.S. and the UK. These requirements, adopted in fiscal 2021, ramp up our standards across the board to demand more sustainability in ingredients and packaging for our owned brand products.

To ensure that the new minimum standards are met, our global sustainability team created a harmonized vendor portal specifications system called the Product Sustainability Hub. The requirements are available to suppliers on the hub, an interactive platform where we gather product level sustainability data and disclosures. Suppliers must acknowledge the minimum requirements and share information about the source of key raw materials and declarations on sustainability requirements. Some examples of information collected are: data and certifications on animal testing, palm oil, plastics (including single-use plastics), wood, pulp, paper, cotton, high-risk minerals and other materials.

The platform is improving transparency by enabling near real time reporting on a global level of key product sustainability attributes.

For high risk commodities, the Sustainability Hub will be used to collect information on country of origin and the level of certification received for each commodity.



Responsible minerals sourcing

(GRI 103-1, 103-2, 412-3, 412-2)

WBA strives to limit the use of mica and talc in a number of our owned brand product categories due to the high risk of forced or child labor in the extraction of these minerals. We are working to ensure that any high-risk or conflict minerals in our products are obtained only from ethical sources and suppliers. This goal is consistent with our ethical code of conduct and the Organization for Economic Cooperation and Developments' (OECD) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and its supplements.

In fiscal 2021, WBA developed and posted in the Product Sustainability Hub a responsible minerals sourcing position statement, setting out our expectation that suppliers fully disclose the use of all mineral-based raw materials and component ingredients in finished products.

WBA prohibits the use of conflict minerals - tantalum, tin, tungsten and gold - where they have direct or significant influence on the manufacturing of finished products. To the extent that any conflict minerals are used as raw materials or component ingredients in finished WBA owned brand products, the company requires that suppliers ensure that these minerals are obtained from conflict-free sources or sources that are certified by a third-party audit program.

Chemical use and management

(GRI 103-1, 103-2, 103-3, 416-1)

Our Chemical Policy Statement details how we assess and restrict the use of certain chemicals or ingredients in baby, personal care, beauty and household cleaning products within our owned brands, sold in our stores and online through our chemicals management program.

We also publish our [Restricted Substances List \(RSL\)](#) for chemicals or ingredients in the above-mentioned categories. We aim to address customer concern about the safety of some chemicals that are not restricted by law. In addition, when our own product safety analysis comes to a stricter conclusion than regulatory bodies, a substance is placed on our RSL.

We launched the RSL in calendar 2018, with a commitment to bring all in-scope products and categories into 100 percent compliance by the end of calendar 2021. We have achieved that compliance and are now preparing next steps to continue meeting customer expectations. We continue to analyze proposed new categories and substances both for the RSL and for our internal monitoring. Our aim is to drive innovation in finding safer chemical alternatives and transparency for our customers.

SPECIFIC REQUIREMENTS FOR MICA, TALC AND COBALT ARE AS FOLLOWS:

MICA:

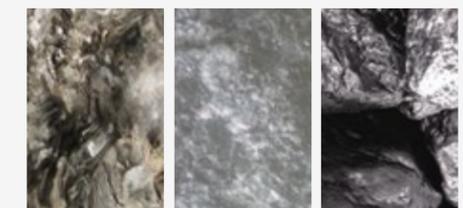
By Sept. 1, 2022, we expect all mica in any of our finished products to be sourced from a member of the Responsible Mica Initiative, a member of the Responsible Minerals Initiative, or a supplier that provides an appropriate independent third-party audit report or certificate to demonstrate that responsible sourcing practices are aligned with the OECD Guidance.

TALC:

We demand our suppliers exercise appropriate due diligence to ensure that any talc used is not sourced from illegal mines.

COBALT:

Cobalt is prohibited to be used in our cosmetic products. We set our expectation with suppliers for hard goods to exercise appropriate due diligence to ensure that any cobalt used is not sourced from illegal mines in The Democratic Republic of the Congo (DRC).



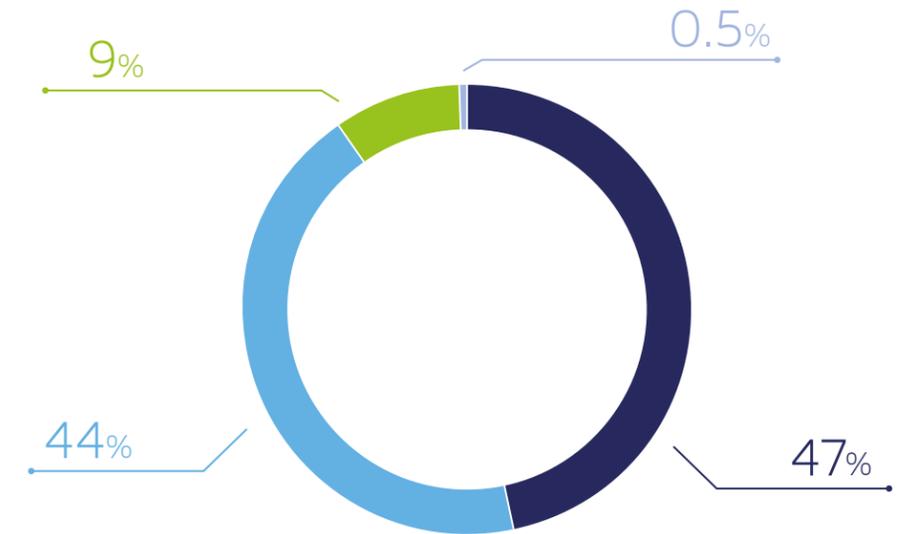
Palm oil

(GRI 103-2, 103-3)

Many of our owned brand products contain palm oil and derivatives. We are committed to help incentivize a sustainable palm oil industry in order to combat deforestation, preserve habitat for wildlife and protect the rights of workers. The implementation of the Product Sustainability Hub during fiscal 2021 is allowing us to gather more comprehensive information on sustainable palm oil certifications. The information to the right shows our progress and initiatives during fiscal 2021.

100% of Palm Oil in Boots UK and No7 Beauty Company was Certified in Calendar 2020

- Palm oil derivatives certified using credits
- Palm oil derivatives physically certified
- Palm oil used as an ingredient physically certified
- Palm oil used as an ingredient certified using credits



WBA

WBA joined the Round Table on Sustainable Palm Oil (RSPO), having been a member as Boots UK for many years, and will file annual communication on progress by 2023.

WBA agreed to a group-wide commitment on sustainable palm oil with the RSPO.

WBA is a member of the Palm Oil Transparency Coalition (POTC), working to remove deforestation and exploitation from palm oil production.

11.3 overall score on the 2021 WWF Palm Oil Buyers Scorecard.



No7 Beauty Company and Boots UK owned brands

During fiscal 2021, Boots UK and No7 Beauty Company filed annual communication on progress to the RSPO covering calendar 2020.

In calendar 2020, the proportion of palm oil and physically certified derivatives rose to 52 percent from 40 percent a year earlier, after a supplier verified a key ingredient was not made from palm oil. We are on track to achieve our previous target of 75 percent physically certified palm oil in the coming months.

All ingredients are assessed for palm oil content and certification. We engage with suppliers who use uncertified palm oil to encourage movement to physically certified palm oil.

Boots UK is a member of the Retailers' Palm Oil Group, supporting the RSPO's sustainable palm oil mission.



Walgreens owned brands

Walgreens surveyed palm oil in owned brands, establishing a baseline to inform an increase of sustainable palm oil in our products.

Walgreens committed to achieve 100 percent certified RSPO palm oil by the end of fiscal 2023, via physically certified palm oil and credits. Thereafter, we intend to increase the physically certified portion by 5 percentage points per year.

We intend to report Walgreens owned brands palm oil certification percentages in our fiscal 2022 ESG Report.

Wood, pulp and paper

(GRI 103-3)

In calendar year 2020, Boots UK owned brands and No 7 Beauty Company brands achieved 96 percent use of credibly certified wood pulp and paper in owned brand products and in goods not for resale, such as receipt paper and catalogs. Considering paper and pulp in packaging, the percentage is 45 percent, based on baseline data collected for the first time. Certified wood pulp and paper come from responsibly managed forests using FSC or PEFC certification.

Boots UK received the highest rank - 3 Trees - from WWF-UK's 2019 Timber Scorecard, the latest published ranking. The evaluation assesses business sourcing and performance during the procurement of timber products and the public commitments and transparency of the business.

During fiscal 2021, Walgreens conducted a wood, paper and pulp usage supplier survey for its owned brands packaging. Based on responses from suppliers representing 73 percent of owned brand items, 19 percent of wood, paper and pulp in packaging was sustainably sourced from FSC or PEFC certified sources. The survey did not include our paper products, but we plan to collect this information in future surveys.



Shea

(GRI 103-1, 413-1)

Some of our skincare and beauty brands, such as Liz Earle, use shea butter widely in their products, as a moisturizer. WBA has been a member of the nonprofit Global Shea Alliance (GSA) since fiscal 2019, supporting its mission to promote industry sustainability, quality practices and standards around shea butter. Working with the GSA allows us to help to support women who harvest shea in Ghana and to give back to communities that work in the shea industry.

During fiscal 2021, we continued to support the Timtooni Cooperative of 800 women who pick shea nuts in 10 rural communities outside Tamale in northern Ghana. Our support for the cooperative has included helping to build a warehouse and aiding the cooperative to identify additional buyers in order to become more resilient. In partnership with a nonprofit organization in Ghana, we aim to empower the harvesters and understand their needs.





Packaging, Labeling and Transparency

(GRI 103-1, 103-2, 103-3, 301-2, 301-2, 306-2, 306-3, 417-1)

Packaging in our owned brands

(GRI 103-1, 103-2, 103-3, 301-2, 306-1, 306-2, 306-3, 417-1)

The issue of packaging waste is a growing societal concern, and at WBA we are doing our part to address the negative impacts of waste from packaging. Because of limitations on recycling and circularity, plastic packaging is a particular emphasis. We have made significant progress in the past two years on surveying suppliers for our U.S. owned brands to establish baseline data to report packaging material weight and to be able to measure reduction in the future.

No company can tackle the plastics issue on its own, so WBA collaborates with a number of organizations seeking industry-wide solutions. On packaging issues, we work with groups including the Sustainable Packaging Coalition and Retail Industry Leaders Association.

WBA has established public goals around plastic packaging for its owned brands, with our UK-based brands working toward 2025 targets and the U.S.-based brands working toward the same targets for 2030. The first table on this page shows these goals and where we stand on our progress as of the end of calendar 2020. The second table shows weights for all packaging materials in our owned brands. This data is reported on a calendar-year basis due to the UK Plastics Pact reporting schedule. In future reports we plan to shift to a fiscal-year reporting schedule aligned with our other ESG performance data.

| Requirement set for suppliers through WBA's Product Sustainability Hub | Long-term target | UK owned brands progress in calendar 2020 ^{1,2} | Walgreens owned brand progress in calendar 2020 ³ |
|--|--|---|---|
| Optimize the amount of plastic used and minimize the number of different plastics in the design of packaging components. | UK owned brands: reduce plastic packaging by 30% by 2025 compared with 2018. U.S. owned brands: reduce plastic packaging by 30% by 2030 compared with 2020. | Total weight of all plastic packaging: 5,454 metric tonnes, including primary, secondary and tertiary packaging. | Total weight of all plastic packaging 10,352 metric tonnes. This is our baseline year and the figure is based on response from suppliers. |
| Maximize the potential for plastic to be reused or recycled by consumers. | UK owned brands: 100% of plastic packaging is reusable or recyclable by consumers by 2025. U.S. 100% of plastic packaging is reusable or recyclable by consumers by 2030. | 60% | We plan to report for fiscal 2022. |
| Use post-consumer recycle (PCR) wherever feasible, aiming for at least 30% minimum (by weight). | UK owned brands: 30% average recycled content is achieved across all plastic packaging by 2025. U.S. owned brands: 30% average recycled content is achieved across all plastic packaging by 2030. | 7% | We plan to report for fiscal 2022. |
| Seek to eliminate materials that hinder recyclability and unnecessary single use components and materials. | All problematic or unnecessary single-use packaging is eliminated in the UK by 2025 and in the U.S. by 2030. | Worked with UK Plastics Pact to identify and eliminate problematic materials including PETG, polystyrene and PVC. | We plan to report for fiscal 2022. |

| Packaging material in owned brand products (includes primary, secondary and tertiary packaging) for calendar 2020 ¹ | Metric tonnes ³ |
|--|----------------------------|
| Glass | 1,491 |
| Metal | 1,229 |
| Wood/paper fiber (not including pallets) | 30,576 |
| Plastic ⁴ | 15,806 |

¹Includes owned brands Walgreens, Boots and No7 Beauty Company.

²Our UK packaging and plastics reporting data is relatively complete as it has been collected for a number of years.

³Walgreens data is based on supplier survey responses covering 72 percent of owned brand items, 28 percent is estimated.

⁴GRI 306-3 specified disclosures for plastic only are within Deloitte & Touche LLP review scope as detailed on pages [118-119](#)



Product redesign and new guidelines to meet goals

(GRI 103-2, 103-3, 301-1, 301-2, 306-2)

Our UK-based owned brands continued reducing plastic content in packaging and products while progressing toward achieving UK Plastics Pact targets. As described in the table on page 88, all new and relaunched products have guidelines around the type and amount of plastic in packaging. This includes the continued phasing in of Post Consumer Recyclate (PCR), requiring PCR in all packaging, at a minimum of 30 percent, where technically and commercially feasible.

No7 Beauty Company invested in research and development of new packaging for some of its most iconic products. For example, No7 products in 50 milliliter jars are moving into a bespoke glass jar. This change will bring about an 82 percent reduction in plastic and eliminate hundreds of tons a year of PETG, a problematic plastic.

The new No7 jar sustainability attributes are as follows:

| Sustainability goal or attribute | Former No7 Jar | New No7 Jar |
|---|--|--|
| Use 100% recyclable plastic in packaging by 2025 | Not recyclable | 100% recyclable |
| Eliminate problematic plastics | PETG plastic cap, which is considered a problematic plastic | No problematic plastic |
| 30% average recycled content across all plastic packaging | No post consumer recycled plastic | 30% recycled plastic in the lid of the jar |
| Reduce carbon emissions | The carbon footprint of existing packaging (jar & cap) was 0.90 kg CO2e per 50ml jar* | The carbon footprint of the new packaging (jar and cap) is 0.32 kg CO2e per 50ml jar, at least 60% lower compared to the previous packaging. |
| Reduce energy use and waste | Metallized caps were manufactured through a process involving high energy use and high waste | No metallized caps |

*Results based on a life cycle assessment in 2021 using SPICE (Methodology and) eco-design Tool. The Sustainable Packaging Initiative for Cosmetics (SPICE) is a pre-competitive initiative that develops collective solutions toward sustainable packaging for cosmetics.

Another significant packaging sustainability project in fiscal 2021 was the relaunch of No7 cosmetics packaging (e.g. lipsticks, compacts, foundation, mascara and more with less plastic by weight, more post-consumer recycled content, and higher recyclability. During fiscal 2020, we started working with key packaging suppliers to make the following innovative changes, which will be in market fiscal 2022:



Steel weights were removed from products, eliminating 23 metric tonnes of steel per year. Savings were re-invested in PCR plastic.



Compacts and lipstick cases that had zero PCR plastic, now contain 25 to 30 percent PCR.

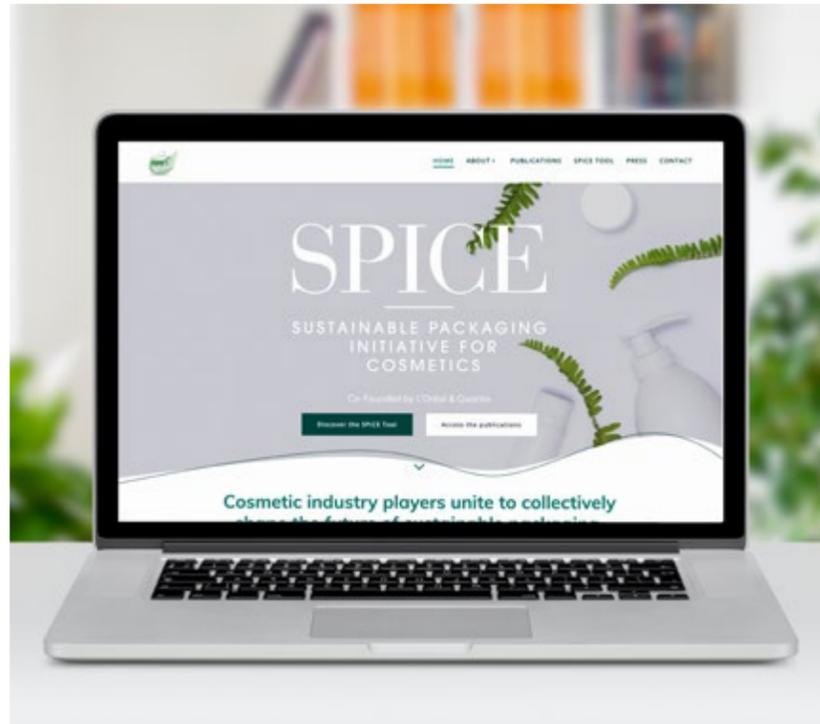


Recyclability claims for No7 product packaging are carefully vetted against multiple criteria, including ability to collect, sort, clean, re-process and having an end market for the recycled material.

Plastic was almost entirely removed from secondary packaging for Boots UK 2020 owned brand holiday gifts. Secondary packaging is the decorative gift box for products such as perfume, make-up or toiletry sets. For these gift items, plastic used in secondary packaging for the 2020 holiday season was 1.36 metric tonnes, down from more than 400 metric tonnes the previous season, and the percent of plastic in packaging for all products was well under a tenth of a percent, compared with 15 percent previously. In addition, all material used in secondary packaging for the 2020 holiday season was recyclable.

No7 Beauty Company brand, Liz Earle, continued to make significant strides in sustainable packaging, including eliminating unnecessary cartons and boxes, saving 26.2 metric tonnes of virgin plastic per year by moving skin repair moisturizers to glass jars and making the Cleanse & Polish product available in easy-to-recycle plastic tubes made using 55 percent PCR plastic.





WBA Collaboration

WBA collaborates with a number of organizations and with government entities, seeking industry-wide solutions on packaging and plastics issues, including the following:

- EPR Regulations**
 WBA companies are closely following the development of Extended Producer Responsibility (EPR) rules for packaging in different geographies around the world. In the UK, we are working with government departments on the design of EPR systems, and we also engage on the issue through our membership in the Industry Council for Packaging and the Environment (INCPEN). We support well designed and efficient EPR systems for packaging waste.
- Sustainable Packaging Coalition**
 WBA is a member of this independent, nonprofit-led organization. We participate in learning events with the coalition and are implementing its How2Recycle label on an increasing number of our products.
- SPICE**
 No7 Beauty Company has joined SPICE - a collaborative initiative - and is using its methodology to assess the environmental impact of cosmetics packaging across the product's life cycle.



Labeling

(GRI 103-1, 103-2, 103-3, 306-2, 417-1)

WBA is committed to increasing product transparency for consumers and continues to evaluate methods for standardized, consumer-friendly and enhanced labeling information.

WBA vendor agreements stipulate that vendors must meet regulatory requirements for labeling of ingredients on our owned brand products. In addition, to meet customer expectations, we have enhanced clarity of information on the labels of many of these products.

Under the updated minimum standard requirements put in place during fiscal 2021, new and refreshed WBA owned brand items must carry a How2Recycle label, for U.S. products, or an On-Pack Recycling Label (OPRL) for UK products. There are exceptions for practical considerations such as space on packaging. These labels are designed to provide customers with clear advice on how to recycle. In the UK, WBA has representation on the OPRL technical advisory committee, where it is helping to work on industry-wide solutions involving recycling.

Brands with Purpose: No7 Beauty Company

(GRI 103-1, 103-2, 103-3, 417-1)

WBA's No7 Beauty Company was launched in April 2021, as a consumer-led beauty business creating trusted, affordable beauty brands for every skin type, ethnicity, age and texture. No7 Beauty Company's collection of iconic, global beauty brands includes No7, Liz Earle, Botanics, Soap & Glory, Sleek MakeUP and YourGoodSkin.

Our No7 beauty brand are the allies of unstoppable women everywhere, committed to giving them the support, confidence and momentum to live life on their terms. In support of their brand purpose, No7 launched [Unstoppable Together](#), a brand and cultural platform and multi-year campaign focused on helping support women defy stereotypes and enabling them to reach their full potential.

Due to the COVID-19 pandemic, four times more women left the workforce than men, resulting in an unprecedented She-cession. With a 'SHEcovery' as the campaign's initial priority, No7 has partnered with [The Female Quotient](#) in the US and [The Female Lead](#) in the UK – leading organisations focussed on advancing gender equality – in support of this goal.

Highlights of the award-winning Unstoppable Together campaign in fiscal 2021 included a free virtual Job Summit and offering \$100,000 worth of free coaching sessions covering topics such as interview skills, networking in the new normal and how to pivot to a new career. No7 have also partnered with [AllBright](#) – the leading global careers network for women – to create the No7 X AllBright SheCcovery Course Collection, giving women exclusive access to tools and resources to help support in their working lives.

Sustainability Commitment

Placing its leading insights into customer shopping behaviors at the heart of its strategy, No7 Beauty Company will continue to develop products through world-class innovation and sustainable sourcing practices. Guided by a bold roadmap, it pledges to achieve the following three overarching sustainability goals by 2030:



At least **50%**

of our global sales will come from healthier, more sustainable products and services



1/2

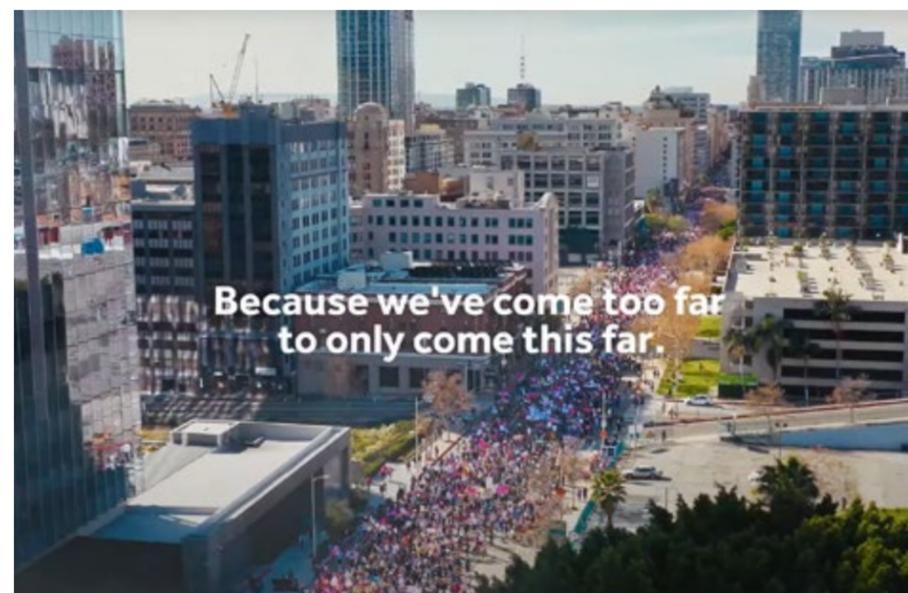
of the overall impact of new products we place on the market compared to 2019



X2

the value we create for society, compared to 2019

We look forward to reporting on details and progress on these ambitions in future ESG Reports.



Some highlights of No7 Beauty Company sustainability initiatives and achievements during fiscal 2021 include the following:



Cruelty Free INTERNATIONAL



SOAP & GLORY

Soap & Glory became our latest brand to achieve Cruelty Free International Leaping Bunny certification¹, following Botanics, Liz Earle and the Boots gift range 'A Little Something'. The Leaping Bunny label is the globally recognizable gold standard for cruelty free cosmetics.



No7 launched Unstoppable Together, a U.S. and UK multi-year campaign that aims to help women defy stereotypes and enable them to reach their full potential.



WBA was among the founding members of the Sustainable Beauty Coalition, an initiative launched by the British Beauty Council. The global head of sustainability for No7 Beauty Company sits on the coalition's steering committee, supporting its mission to accelerate the sustainability efforts of the UK beauty sector.



Liz Earle became a certified CarbonNeutral company, having evaluated and reduced the carbon footprint of its business operations and offsetting its remaining carbon emissions. In addition, its holiday 2021 gifts are all certified as CarbonNeutral products.



Botanics launched its first sustainability report, which is available [here](#).



No7 Beauty Company brands made significant steps to reduce plastic packaging. Read more about this work in the Packaging, Labeling and Transparency section of this report.



No animal testing is undertaken by WBA. We do not conduct animal testing on our owned brand products or on ingredients used in these products. Our longstanding Product Testing Policy Statement is available [here](#).



Liz Earle became a new member of the Union for Ethical BioTrade (UEBT), committing to sourcing ingredients from biodiversity in a way that respects people and nature.

¹The Cruelty Free International Leaping Bunny is the best assurance that a company has made a genuine commitment to help end animal testing. Brands must meet rigorous criteria which apply globally and extend over and above laws governing animal testing and include ongoing independent audits.

05

Governance

WBA is committed to transparency in all its CSR activities and in reporting performance against our goals. Our CSR strategy is central to our business purpose and is overseen by the WBA CSR Committee and reports on a bi-annual basis to the WBA Nominations and Governance Committee. The Nomination & Governance Committee oversees the CSR agenda on behalf of the WBA Board and receives regular updates on the full range of activities undertaken by the Company including but not limited to:



Conducting a WBA-wide materiality assessment at least every three years



Monitoring and communicating about CSR-related long-term strategic partnerships and their impact



Monitoring WBA's engagement with external stakeholders and other interested parties with regard to CSR-related matters



Ensuring the integration of CSR processes with the WBA's broader business, social and environmental risk management program and reputation management priorities



Ensuring that WBA is taking the appropriate measures to undertake and implement CSR projects successfully



Ongoing review of CSR-related policies and publication of policy statements



Review and benchmark best practice in key CSR areas by appropriate external reports



Continuing external assurance by Deloitte & Touche LLP of reported data and disclosures



Participate regularly in various external CSR disclosure surveys

Corporate Governance and Risk Management

(GRI 102-15, 102-17, 102-18, 102-20, 102-22, 102-23, 102-24, 102-26, 102-29, 102-30, 102-31, 102-32, 103-1, 103-2, 103-3)

Overview

At WBA, we actively care for our employees and customers, and seek to continuously improve our robust approach to safety and privacy.

In this section of the report, we cover our corporate and CSR governance, risk management, code of conduct and ethics, workplace safety, patient safety and product safety, information security and privacy.

Our approach

WBA believes that strong corporate governance is an essential element to achieving our overall objectives and acting as a responsible organization.

The WBA board of directors is committed to sound corporate governance and our governance structure helps enable the board to fulfill its fiduciary duties to our stockholders and helps ensure the long-term success of the company. The board exercises oversight of the company's strategic, operational and financial matters, including the elements and dimensions of major risks facing the company.

Having appropriate oversight and governance of our CSR program is critical to its success. Our CSR Committee plays a leading role in providing this oversight and governance. The CSR Committee is chaired by our Chief Operating Officer International Ornella Barra and includes senior executives from our key businesses as well as the legal, human resources, accounting, marketing, public affairs and communications functions. The CSR Committee meets regularly and, among other obligations, is charged with reviewing our CSR program and with overseeing our CSR policy statements. The Committee also selects and approves our CSR commitments and targets (both internal and external) and oversees our progress toward achieving those commitments and targets. In addition, the Committee also formally approves our annual ESG report.

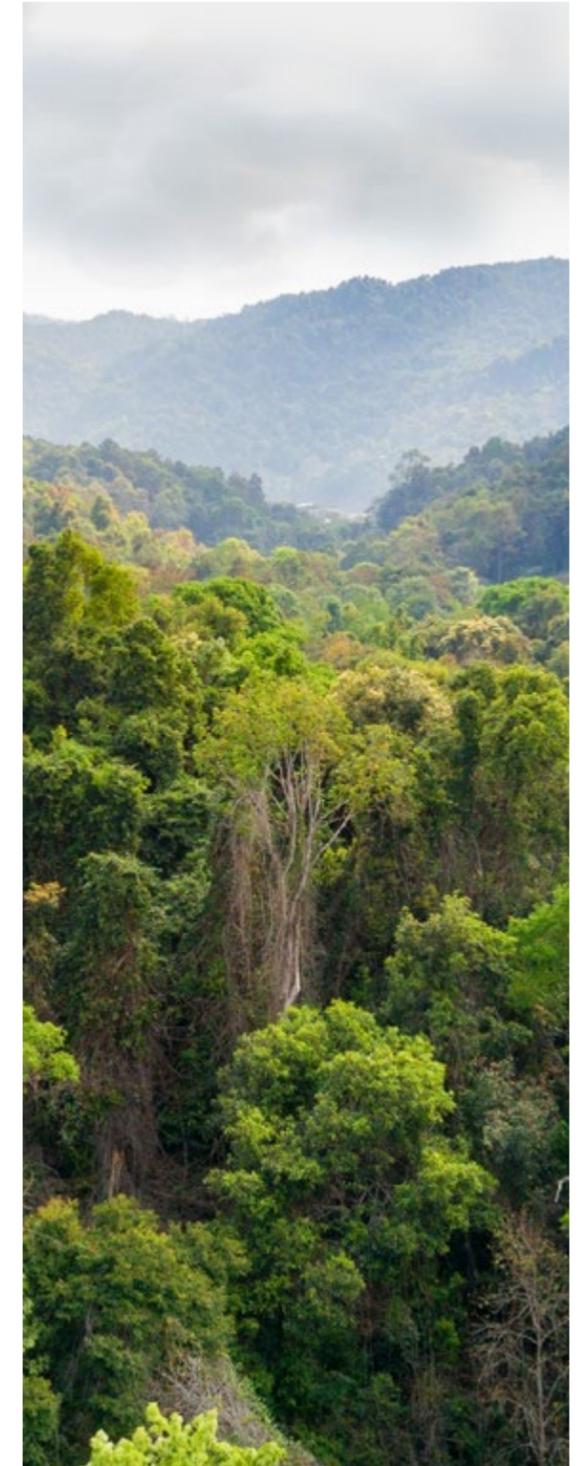
At the board level, the Nominating and Governance Committee reviews, at least twice a year, our policies and activities regarding sustainability, CSR and ESG reporting and assesses our management of risks in those areas. The members of the Nominating and Governance Committee are all independent directors.

Our [Corporate Social Responsibility Policy Statements](#) are available on our website. These statements shape our approach to our sustainability and CSR activities and help ensure that our segments and businesses are working within comparable parameters.

The company's Enterprise Risk Management program maintains a summary of key risks and related mitigation. We continually enhance our risk mitigation activities, and when risks are identified above a certain threshold, the company develops action plans to mitigate them with clear allocation of responsibilities and timescales for completion, and works to ensure that progress toward implementing these plans is monitored and reported. More information on the risk management process and the material risks is included in WBA's most-recently filed [Annual Report on Form 10-K](#).

As reported in our Form 10-K, among the many factors that could materially and adversely affect our business and financial results, are the long-term effects of global climate change.

These effects 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. 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 associated costs.



Code of Conduct and Ethics

(GRI 102-17, 103-1, 103-2)

The WBA [Code of Conduct and Ethics](#) is our compass. It guides us, as a company, as a team and as individuals, to make ethical decisions that stay true to our values while abiding by the laws and regulations in the places where we do business.

We updated our Code during fiscal 2021, to support us in doing what's right in the fast paced, dynamic environments we operate in today. The Code also supports strong governance of our behaviors and our approach to CSR.

The Code extends to our board of directors, company officers, team members, team members of our subsidiaries, officers and employees of any business in which WBA or a subsidiary has a controlling interest, and parties acting on behalf of WBA or its subsidiaries, including consultants, agents, suppliers, intermediaries or representatives.

More information on our [Corporate Governance Guidelines](#) and the Code of Conduct, including mechanisms for reporting suspected violations of the Code and concerns about ethics, can be found on our corporate website.

Safety

(GRI 103-1, 103-2, 103-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 416-1, 417-1)

Workplace safety

(GRI 103-1, 103-2, 103-3, 403-1, 403-2, 403-3, 403-7)

WBA is committed to creating and upholding safe environments for employees, customers, contractors, suppliers and patients across our business operations including retail, wholesale and corporate offices. We continuously work to improve our robust management of health and safety, sometimes exceeding local legislative requirements, guided by the WBA Health, Safety and Environmental Committee and WBA Health, Safety and Environmental (HSE) Policy.

We encourage open dialogue and constructive feedback from our stakeholders to help ensure we achieve best practices. We also require that all segments, businesses and the corporate function have formal governance processes in place for health and safety matters in the business operations for which they are responsible.

To create a safe and productive workplace, employees across our businesses are offered avenues to report incidents including calling a toll-free, confidential hotline, submitting an online report, emailing the compliance officer and contacting human resources.





While Walgreens has well-established vaccination safety protocols, the massive and rapid roll-out of the COVID-19 vaccines, and the cold storage needs for some, led to additional safety support. This includes:

Safety procedures around handling of dry ice deliveries to keep vaccines at ultra-cold temperatures, including special gloves and training

Procedures around keeping vaccines at ultra-cold temperatures and replenished safely

Purchasing and installing carbon dioxide monitors in select locations to alert team members should hazards related to dry ice occur; training pharmacy teams on monitoring carbon dioxide levels, permissible exposure limits and protocol for handling alarms

When administering vaccinations, immunizers wear gloves, three-ply disposable face masks and face shields; patients are required to wear a mask

More than 36,000 Walgreens pharmacy technicians have become certified immunizers, receiving OSHA training on bloodborne pathogens and exposure control to reduce risk of needle stick injury

COVID-19 safety response

(GRI 103-1, 103-2, 103-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6)

COVID-19 did not change our philosophy on safety, which continues to be a top priority. Due to the unprecedented nature of COVID-19, we created new governance teams, policies and procedures, and changes to day-to-day responsibilities of our Environmental, Health and Safety (EHS) team.

During fiscal 2021, Walgreens' task force and pandemic response team launched numerous safety-related initiatives related to COVID-19 vaccinations while continuing to implement trainings, conduct disease monitoring and surveillance, and establish and communicate COVID-19 employee compensation tools and support. The pandemic response team continued to respond to related cases through clinical intake, tracking and contact tracing, field response, record keeping and legal notifications.

Walgreens acted in compliance with Centers for Disease Control and Prevention (CDC) and Occupational Safety and Health Administration (OSHA) guidelines, and local recommendations and mandates, updating company policies and practices as guidelines evolved.

Personal protective equipment (PPE) requirements, cleaning policies and safety procedures were created and enforced across stores and our other locations for the safety of employees and customers. PPE delivered to pharmacy locations during fiscal 2021 included more than 126 million wipes, more than 11 million ounces of cleaners, more than 2 million masks, more than 53 million ounces of hand sanitizer and more than 12 million vinyl gloves.

For more than 6,300 COVID-19 testing sites across the U.S. and Puerto Rico, Walgreens established standards including procedures, training, operational flows, applicable PPE and hazardous exposure management and disposal requirements. We fostered a culture of safety through FAQ's and through addressing concerns promptly. We established medical and regulatory compliance reviews for all diagnostic testing models and provided additional resources to support all safety requirements.

Boots UK teams across all levels continued to focus on COVID-19 responses related to safety. They held regular calls to address changing needs of different parts of the business including stores, warehouses and corporate offices, as the pandemic evolved. Teams were managed through the Boots UK crisis management governance structure with oversight by executives.

Boots UK maintains working relationships with UK councils and enforcement bodies, asking their safety primary authority council for assured advice on an ad-hoc basis. Assessments conducted by primary authorities resulted in assured advice for COVID-19 risk assessment and controls.

Safety campaigns

(GRI 103-2, 103-3, 403-1, 403-2, 403-3, 403-5, 403-7)

Through trainings and focus on safety culture, Walgreens has achieved employee and customer accident incident reductions in retail stores over a six-year period ended Aug. 31, 2021.

Walgreens has continued its ongoing, chain-wide initiative to reduce stockroom risk of incidents and as of the end of fiscal 2021 more than 26 percent of Walgreens locations had converted to a Safety Focused Stockroom environment. Incidents that occur in stockrooms are often more severe due to the use of ladders and an element of this safety program is to have all items stored on shelves no more than six feet high.

Through its Customer Care Advocate Program, Walgreens proactively offers support to customers who have reported an in-store incident. In fiscal 2021, program advocates connected with more than 5,700 customers and hosted more than 17,000 calls.

Walgreens also has in-store sharps kiosks available to customers at certain locations.

In fiscal 2021, Boots UK saw a 12 percent reduction in employee reportable injury accidents and a 4 percent reduction in employee RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) reportable injury accidents.

Boots UK Burton warehouse continued to modernize the customer order picking process in fiscal 2021. The warehouse continued to add cobots - robots that work alongside people to collect items throughout the facility - driving further risk reduction in picking injuries. Boots also continued to extend its Toolbox Talks video platform to reinforce safe behaviors in warehouses.

In Boots stores, routine safety inspections were moved onto a digital platform, enabling a real-time view of compliance.



Customer and patient safety: pharmacy dispensing¹

(GRI 103-1, 103-2, 103-3, 416-1, 417-1)
(SASB HC-DR-260b.2)

Dispensing and distribution of pharmaceuticals is the most significant part of our business, with more than 67 percent of our sales in fiscal 2021 coming from the sale and distribution of prescription medications and pharmacy-related services. Millions of people every day count on us to safely deliver and dispense medications. WBA is committed to the safe dispensing of medicines in our pharmacies and patient safety lies at the heart of our management of pharmacy operations. We strive to be the industry leader by continuously seeking ways to minimize risks to patients in our dispensing and pharmacy services and advice.

In fiscal 2021, we enhanced and updated our clinical decision support software and provided pharmacists with a new training around how to appropriately manage clinical considerations in patient drug therapy.

All WBA pharmacy dispensing businesses annually review and evaluate pharmacy operations for compliance with our Pharmacy Operations Governance Policy. Each operating business completes a letter of representation highlighting whether there are areas of noncompliance in business procedures, and includes an action plan stating when those areas will be rectified. During fiscal 2021, the WBA Patient Safety Forum continued to convene representatives from all pharmacy dispensing businesses to share best practice operations, facilitate a culture of openness and shared learning and develop innovative patient safety solutions. The forum includes Walgreens' vice president of pharmacy quality, compliance and patient safety, WBA's vice president and director of international public affairs, senior vice president and chief compliance and ethics officer, and vice president of governance, risk and compliance; and Boots UK's chief pharmacist, among others.

Annual pharmacy operations reviews include the following, as well as other items:



Monitoring procedures for the professional qualifications of pharmacists and employees in pharmacy-related positions



Processes to facilitate compliance with professional development requirements for pharmacy staff



Processes to help ensure concerns about pharmacy professionals' fitness to practice are referred to the appropriate regulatory body



Compliance with safe storage, preparation, dispensing, compounding, sale and supply of medicinal products

Mechanisms for compliance with standard operating procedures covering dispensing, pharmacist control checks, patient counseling, record keeping, management of controlled drugs and narcotics, medicines date checking, quality assurance, error management and other issues



Recording, management and reporting of dispensing errors, including a formal review process and action planning to minimize the risk of such errors occurring

¹GRI 416-1 and SASB HC-DR-260b.2 required disclosures are within the Deloitte & Touche LLP review scope as detailed on pages [118-119](#)



Our state-of-the art pharmacy systems are designed around the safe dispensing of medications. Our standardized dispensing processes detail each step in the fulfillment process, from receipt of prescription through consultation and dispensing of the medication. There are multiple digital safety checks including bar code scanning, safety enhancing automation processes and digital safety alerts utilizing cutting edge technology. To help ensure patient safety, our prescription labels are designed to meet both regulatory requirements and our internal standards. Descriptions of medications are affixed to each prescription dispensed and each prescription is dispensed with a patient leaflet that informs patients of the name and use of the medication, potential adverse reactions, information about drug interactions, safe medication disposal and other important health information. This information is available in 21 different languages and additional services are available for visually impaired patients.

All WBA businesses must have documented processes in place to facilitate the collection of key performance metrics on health and safety, including pharmacy incidents. Safety performance is supported by robust systems, procedures and monitoring to reduce and prevent incidents, such as through Continuous Quality Improvement (CQI) programs.

Our CQI programs support and uphold our longstanding Patient Safety Culture by empowering and encouraging all team members to report pharmacy incidents, near misses and overall safety opportunities to the Patient Safety Research Foundation, a patient safety organization listed with the Agency for Healthcare Research and Quality (AHRQ). Multiple safety data sources are reported and analyzed and opportunities for process, systems, physical environment and educational materials are constantly evaluated. Technology and process solutions as well as ongoing team member activities and training are developed based on the results of the evaluation.

Walgreens continues to maintain National Association of Boards of Pharmacy (NABP) accreditation for Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) and Community Pharmacy. The Community Pharmacy Accreditation recognizes the pharmacy for an advanced level of patient care services, quality and safety. In addition, Walgreens has current chain-wide Community Based Specialty (CBS) URAC accreditation as well as ACHC accreditations for select CBS sites. URAC and ACHC are independent third-party organizations that provide healthcare accreditations based on rigorous standards and reviews.

Product Safety

GRI 103-1, 103-2, 103-3, 416-1, 417-1

At WBA, product safety is a priority. We ensure our owned branded products - which include health, beauty, home and cleaning products, food, paper goods and other categories - are rigorously analyzed for compliance with all applicable laws and regulations along with our own high safety and quality standards. We understand our customers expect to feel confident in the transparency and safety of the products they purchase.

Our product safety and quality programs are incorporated at every stage of our owned brand products lifecycle, from product development through customer purchase and use. We require vendors and factories for our owned brand products to use a third-party product testing lab that we select to validate safety and quality before our products reach shelves.

Our vendors are expected to implement best practices, including clearly defined and well-documented good manufacturing and quality processes, training and record keeping. Through our rigorous supplier and vendor qualification process and factory assessment process, we can evaluate our vendors' and factories' ability to deliver consistent, safe, and quality products. An industry standard Good Manufacturing Practices (GMP) audit is a minimum requirement for production facilities, in all regulated and non-regulated product categories.

We have established a multi-stage product-testing program to ensure products are tested during the production through on-shelf availability. Our program builds in required and periodic testing from independent, third-party laboratories validating that safety compliance and applicable regulatory standards have been satisfied, including but not limited to: analytical tests (chemical/composition), performance tests (durability/functionality), packaging validation (labeling) and flammability standards.

Our cross-functional leadership team is accountable for ensuring customer feedback is actively reviewed and analyzed. If we learn about an issue with one of our products, our quality incident process is activated and we systematically investigate and, when necessary, quickly withdraw the product from our stores and e-commerce platforms. If a product has been determined to need a withdrawal from the market, we ensure it isn't sold by issuing a lock on the product at our distribution centers, point of sale at the store and online. We take our customers' safety seriously and commit to provide information access for any recalled Owned Brand product. These details are available any time on our websites.



Information Security

(GRI 103-1, 103-2, 103-3)
(SASB HC-DR-230a.1)

We place the utmost importance on ensuring the integrity of data and the protection of our customers, patients, employees and company information. The company's security processes and controls for information technology (IT) systems and resources, our business, and employees, contractors and third parties help ensure that confidentiality, integrity and availability of our IT are maintained.

The Global Chief Information Security Officer oversees the security of the company's computer systems, data, networks and other assets, with oversight from the board of directors' Audit Committee. The company conducts multiple information security audits and vulnerability assessments on different sections of our IT systems, data and networks, on at least an annual basis. WBA also has an information security incident response team and maintains a data security event plan to effectively manage and respond to information security incidents.

Our global information security policies, which are based on industry frameworks such as the National Institute of Standards and Technology and the International Organization for Standardization, set the compliance guidelines for our people, processes and systems. At the request of our business partners, WBA also engages with HITRUST, a third-party organization, to conduct an assessment of the security and privacy controls around Walgreens patient data. HITRUST Certification is valid for two years and was last renewed in 2021. WBA works with an independent assessor to

conduct interim assessments to ensure continued adherence to HITRUST requirements. Additionally, Walgreens is subject to an annual Payment Card Industry (PCI) assessment that is performed by an external assessor and includes a review of our policies and procedures to protect Walgreens customer credit card data.

Building and nurturing a culture of security is key to protecting information. New employees receive training on a variety of issues, including security and privacy. This training is embedded in our security fundamentals training, which is refreshed on an annual basis. This training applies to pharmacists, pharmacy technicians, retail team members and team members at our support offices.

We also build awareness about phishing through regular campaigns to our employees with company emails. Training and information is available to employees on our corporate intranet sites. Additionally we use posters to engage employees on the importance of being alert to cybersecurity risks.





Patient and Customer Privacy¹

(GRI 103-1, 103-2, 103-3)
(SASB HC-DR-230a.1)

As a global healthcare leader and retailer, personal information is provided to WBA through purchases, filling prescriptions, enrolling in promotional and loyalty programs, registering on our websites, or otherwise communicating with us. We are committed to protecting customer privacy and data with leading data protection standards.

The Global Chief Privacy Officer oversees the privacy of WBA's patient, consumer, and employee data, with oversight from the board of directors' Audit Committee. We conduct privacy impact assessments and data protection impact assessments on an annual basis, and results are routinely shared with the Audit Committee.

We are transparent with our customers about how we use their data. Our posted statements on our websites include information about data usage and safeguards. We post our policies around individual rights requests from customers who are California residents, regarding the use and deletion of their personal information. We comply with EU and UK law on data protection and privacy. Our policy is to notify all data subjects of any impermissible disclosure, in accordance with the applicable laws.

In the U.S., where approximately 80 percent of the WBA personal health data resides, our Health Insurance Portability and Accountability Act (HIPAA) privacy rule compliance program incorporates administrative, technical, and physical safeguards. Under our HIPAA policy we receive written authorization from the data subject where required, and all collection and processing is limited to the stated purpose. We also have a program to receive, investigate and respond to privacy complaints.

Annual privacy training is mandatory for applicable team members, including pharmacy, retail and support office. Applicable U.S. contractors are legally obligated to receive privacy training. In Europe, supplemental privacy training is sent regularly to privacy champions throughout our businesses.

We also have policies and procedures in place that govern data transfers to third parties, including appropriate methods and controls, such as standard contractual clauses.

¹Fiscal 2021 data is included within the scope of Deloitte & Touche LLP review as detailed in the assurance report on pages [118-119](#)



GET IN TOUCH

We welcome feedback on the contents of this report as well as on our ESG strategy. Please contact us at CSR@wba.com.

About This Report

(GRI 102-46, 102-48, 102-49, 102-50, 102-51, 102-52, 102-53, 102-56)

WBA has reported on a wide range of Environmental, Social and Governance (ESG) topics since 2015. Our reporting is focused on our highest priority and most material ESG topics — those that we believe are the most relevant to our business and important to our stakeholders.

Our fiscal 2021 ESG Report reflects our ongoing healthcare-centered ESG strategy, as explained in Our Approach to Corporate Responsibility section found on page [7](#) and details our performance on ESG topics. This report outlines our agile and holistic response to emerging issues affecting society, our business and the healthcare and retail industries, including COVID-19 and the racial equity movement.

This report covers data and progress from fiscal 2021, the 12 months ended Aug. 31, 2021, and includes content from our ongoing global operations. The prior report from fiscal 2020 was published on Jan. 27, 2021 and can be found on the [CR section](#) of our corporate website. We plan to continue to report on an annual basis in the future.

As published in the ESG Materiality section, found on pages [15-17](#) of this report, in fiscal 2021 we completed a new materiality assessment: a process that involves consulting with a wide variety of external and internal stakeholders to identify and prioritize the environmental, social and governance topics most material to our business across our value chain. We leverage these material issues to prioritize our disclosures and effectively communicate to our stakeholders. We will continue to adjust our strategy to meet stakeholder expectations and to address evolving environmental, social and governance market challenges.

Our ESG Report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option. The Report also includes the Sustainability Accounting Standards Board (SASB) Index, providing disclosures against relevant SASB Standards, and our first qualitative Task Force on Climate-related Financial Disclosures (TCFD) disclosure, building on our responses to the CDP Climate questionnaire in previous years. The Report also serves as our annual United Nations Global Compact Communication on Progress.

Deloitte & Touche LLP reviewed specified indicators within this report in accordance with attestation standards established by the American Institute of Certified Public Accountants. Their assurance report can be found on pages [118-119](#).

Data management process

(GRI 102-56)

We have a company-wide approach to recording, measuring and reporting ESG performance, including a set of reporting criteria and a set of ESG measures and performance indicators. Across all of our businesses we capture data on corporate giving, carbon emissions, energy use, waste by disposal, water use, employee retention and diversity, and use the data to inform and assist in the development of individual ESG programs. In addition, in the United States segment we capture data on employee race and ethnicity, and for our owned brands we collect data on palm oil and packaging.

The data presented within this report reflect the ongoing operations of the company during fiscal 2021 and were produced in accordance with the Walgreens Boots Alliance ESG Performance Data Basis of Preparation, which can be found on pages [120-125](#) of this report. Our Statement of Greenhouse Gas (GHG) Emissions for fiscal 2021 and its external assurance from Deloitte & Touche LLP can also be found in the same area of our website Corporate Responsibility area of the company's corporate website.

ESG performance data are collected comprehensively on an annual basis. All submissions by individual businesses are prepared by local finance teams and local CSR champions and are reviewed by senior finance leaders.

In fiscal 2016, WBA collected environmental and social data across its operations for the first time, forming the baseline for our fiscal 2017 and fiscal 2018 CSR Reports. In our fiscal 2019 report, we re-set baselines for our environmental performance metrics because we included for the first time energy and waste data from 1,932 Rite Aid stores acquired the previous year. This was done in order to provide meaningful comparatives as required by the GHG Protocol.

On June 1, 2021, the company completed the sale of the majority of the company's Alliance Healthcare business as well as a portion of the company's retail pharmacy international businesses in Europe ("discontinued operation") to AmerisourceBergen Corporation. Unless otherwise specified, disclosures in this report reflect continuing operations only. Certain prior period data, primarily related to discontinued operations, have been restated to conform to the current period presentation.

Every effort is made to ensure that we report accurate data, and our processes are designed to support this. In cases where we become aware of updates to data from previous years, we consider providing updated data in subsequent reports if the changes result in a discrepancy that is material. In these cases, we provide details in footnotes to our data tables.



GRI Content Index

(GRI 102-54, 102-55)

Walgreens Boots Alliance has carried out an ongoing exercise to align our ESG reporting to the GRI Sustainability Reporting Standards (GRI Standards). This report has been prepared in accordance with the GRI Standards: Core option. This GRI Content Index reflects the material CSR topics that emerged in our most recent complete ESG materiality assessment, which was concluded during fiscal 2021.



| GRI Disclosure | | References and responses |
|-----------------------------------|--|---|
| GRI 101: FOUNDATION 2016 | | |
| | Reporting Principles and Requirements | Our Approach to CR; pages 7-14 |
| GENERAL DISCLOSURES | | |
| GRI 102: General Disclosures 2016 | | |
| ORGANIZATIONAL PROFILE | | |
| 102-1 | Name of the organization | Walgreens Boots Alliance, Inc. |
| 102-2 | Activities, brands, products, and services | 2021 Annual Report ; pages 1-12 |
| 102-3 | Location of headquarters | At a Glance: WBA; page 5 |
| 102-4 | Location of operations | At a Glance: WBA; page 5 2021 Annual Report ; pages 1, 5-7 Walgreens Boots Alliance Website |
| 102-5 | Ownership and legal form | 2021 Annual Report ; pages 1-4 |
| 102-6 | Markets served | 2021 Annual Report ; pages 5-12 |
| 102-7 | Scale of the organization | 2021 Annual Report ; pages 1, 5-12 |
| 102-8 | Information on employees and other workers | Employee Health and Well-being; pages 61-65 Diversity, Equity and Inclusion; pages 52-59 2021 Annual Report ; pages 10-12 |



| GRI Disclosure | | References and responses |
|---------------------------------------|---|---|
| ORGANIZATIONAL PROFILE (cont.) | | |
| | | Walgreens Website Boots UK Website |
| 102-9 | Supply chain | At a Glance: WBA; page 5 Sustainability Progress in Our Owned Brands; pages 80-81 2021 Annual Report ; pages 1-33 |
| 102-10 | Significant changes to the organization and its supply chain | 2021 Annual Report ; pages 1-33 |
| 102-11 | Precautionary principle or approach | Direct Response: Walgreens Boots Alliance does not have a policy regarding the precautionary principle or approach. We are involved with a number of externally developed initiatives, as listed in the Stakeholder Engagement section of this Report. |
| 102-12 | External initiatives | Stakeholder Engagement; pages 18-24 |
| 102-13 | Membership of associations | Stakeholder Engagement; pages 18-24 |
| STRATEGY | | |
| 102-14 | Statement from senior decision-maker | Message from Our Leaders; page 3 Q&A with Our CSR Committee Chair; page 4 |
| 102-15 | Key impacts, risks, and opportunities | Our Approach to CR; pages 7-14 ESG Materiality; pages 15-17 Corporate governance and risk management; page 94 2021 Annual Report ; pages 1, 14-32 |
| ETHICS AND INTEGRITY | | |
| 102-16 | Values, principles, standards, and norms of behavior | Our Vision, Purpose and Values; page 5 |
| 102-17 | Mechanisms for advice and concerns about ethics | Corporate governance and risk management; page 94 Code of Conduct and Ethics; page 95 Walgreens Boots Alliance Code of Conduct and Business Ethics ; pages 35-36 |
| GOVERNANCE | | |
| 102-18 | Governance structure | Corporate governance and risk management; pages 94 2022 Proxy Statement ; pages 12-14, 18, 33-34, 39-44 |
| 102-20 | Executive-level responsibility for economic, environmental, and social topics | Corporate governance and risk management; page 94 2022 Proxy Statement ; page, 40 |

| GRI Disclosure | | References and responses |
|---------------------------|--|--|
| GOVERNANCE (cont.) | | |
| 102-21 | Consulting stakeholders on economic, environmental, and social topics | ESG Materiality; pages 15-17 Stakeholder Engagement; pages 18-24 Corporate Governance Guidelines ; section 22 |
| 102-22 | Composition of the highest governance body and its committees | Corporate governance and risk management; page 94 2022 Proxy Statement ; pages 12-14, 20-32, 41-47 |
| 102-23 | Chair of the highest governance body | Corporate governance and risk management; page 94 2022 Proxy Statement ; pages 18-20, 41-44 |
| 102-24 | Nominating and selecting the highest governance body | Corporate governance and risk management; pages 94 2022 Proxy Statement ; pages 18-21 |
| 102-25 | Conflicts of interest | 2022 Proxy Statement ; pages 50-52 Corporate Governance Guidelines ; section 16 |
| 102-26 | Role of highest governance body in setting purpose, values, and strategy | Corporate governance and risk management; page 94 2022 Proxy Statement ; pages 35-36, 40 |
| 102-27 | Collective knowledge of highest governance body | Corporate Governance Guidelines ; sections 12-13 |
| 102-28 | Evaluating the highest governance body's performance | 2022 Proxy Statement ; pages 48, 66-68 Corporate Governance Guidelines ; sections 17-19 |
| 102-29 | Identifying and managing economic, environmental, and social impacts | Our Approach to CR; pages 7-14 ESG Materiality; pages 15-17 Stakeholder Engagement; pages 18-24 Corporate governance and risk management; page 94 |
| 102-30 | Effectiveness of risk management processes | Corporate governance and risk management; page 94 2022 Proxy Statement ; pages 36, 40 |
| 102-31 | Review of economic, environmental, and social topics | Corporate governance and risk management; page 94 |
| 102-32 | Highest governance body's role in sustainability reporting | Corporate governance and risk management; page 94 |
| 102-33 | Communicating critical concerns | 2022 Proxy Statement ; pages 37, 48 |
| 102-36 | Process for determining remuneration | 2022 Proxy Statement ; pages 15-16, 63-83 |
| 102-37 | Stakeholders involvement in remuneration | 2022 Proxy Statement ; pages 15-16, 37-38, 52-53, 57, 60, 63-65 |



| GRI Disclosure | | References and responses |
|-------------------------------|--|--|
| STAKEHOLDER ENGAGEMENT | | |
| 102-40 | List of stakeholder groups | Stakeholder Engagement; pages 18-24 |
| 102-41 | Collective bargaining agreements | Employee Health and Well-being; pages 61-65 |
| 102-42 | Identifying and selecting stakeholders | ESG Materiality; pages 15-17 Stakeholder Engagement; pages 18-24 |
| 102-43 | Approach to stakeholder engagement | ESG Materiality; pages 15-17 Stakeholder Engagement; pages 18-24 |
| 102-44 | Key topics and concerns raised | ESG Materiality; pages 15-17 Stakeholder Engagement; pages 18-24 |
| REPORTING PRACTICE | | |
| 102-45 | Entities included in the consolidated financial statements | 2021 Annual Report ; pages 1-4 |
| 102-46 | Defining report content and topic boundaries | Our Approach to CR; pages 7-14 ESG Materiality; pages 15-17 Stakeholder Engagement; pages 18-24 About This Report; page 101 |
| 102-47 | List of material topics | ESG Materiality; pages 15-17 |
| 102-48 | Restatements of information | About This Report; page 101 |
| 102-49 | Changes in reporting | About This Report; page 101 |
| 102-50 | Reporting period | About This Report; page 101 |
| 102-51 | Date of most recent report | About This Report; page 101 |
| 102-52 | Reporting cycle | About This Report; page 101 |
| 102-53 | Contact point for questions regarding the report | About This Report; page 101 |
| 102-54 | Claims of reporting in accordance with the GRI Standards | Our Approach to CR; pages 7-14 GRI Content Index; pages 102-112 |
| 102-55 | GRI content index | GRI Content Index; pages 102-112 |
| 102-56 | External assurance | About This Report; page 101 Assurance Report; page 118-119 |

| GRI Disclosure | | References and responses |
|---|--|--|
| MATERIAL TOPICS | | |
| GRI 200 ECONOMIC STANDARDS SERIES | | |
| ECONOMIC PERFORMANCE | | |
| GRI 103: Management Approach 2016 | | |
| 103-1 | Explanation of the material topic and its Boundary | At a Glance: WBA; page 5 ESG Materiality; pages 15-17 |
| 103-2 | The management approach and its components | At a Glance: WBA; page 5 Our Approach to CR; pages 7-14 ESG Materiality; pages 15-17 |
| 103-3 | Evaluation of the management approach | At a Glance: WBA; page 5 Our Approach to CR; pages 7-14 ESG Materiality; pages 15-17 |
| GRI 201: Economic Performance 2016 | | |
| 201-1 | Direct economic value generated and distributed | At a Glance: WBA; page 5 Giving Back: Corporate Donations and Supporting Causes; pages 47-49 2021 Annual Report ; pages 1, 34, 42, 105-117 |
| MARKET PRESENCE | | |
| GRI 103: Management Approach 2016 | | |
| 103-1 | Explanation of the material topic and its Boundary | At a Glance: WBA; page 5 ESG Materiality; pages 15-17 |
| 103-2 | The management approach and its components | Our Approach to CR; pages 7-14 Stakeholder Engagement; pages 18-24 Employee Health and Well-being; pages 61-65 |
| 103-3 | Evaluation of the management approach | Our Approach to CR; pages 7-14 ESG Materiality; pages 15-17 Employee Health and Well-being; pages 61-65 |
| GRI 202: Market Presence 2016 | | |
| 202-1 | Ratios of standard entry level wage by gender compared to local minimum wage | Direct Response: Ratio of our standard entry-level hourly wage to local minimum wage varies depending on minimum wage standards by location. For our U.S. Walgreens business operating in all 50 states, we increased the starting hourly wage for all team members to \$15.00 an hour, taking in effect in phases beginning in October 2021 and expected to be fully implemented by Nov. 1, 2022. The company consistently reviews wages guidelines to make updates where needed. In April of 2021, Boots UK applied the national minimum wage increase to its payroll, offering a base of pay that remains more than 5 percent above the national requirement. Approximately two-thirds of the Boots UK workforce saw a pay increase of 2 percent or more from the adjustment. |



| GRI Disclosure | | References and responses |
|--|--|--|
| MARKET PRESENCE (cont.) | | |
| | | Standard entry level wage does not vary by gender. In addition, we strive to work with suppliers who maintain WBA's commitment to fair wages and hours for all workers. |
| INDIRECT ECONOMIC IMPACTS | | |
| GRI 103: Management Approach 2016 | | |
| 103-1 | Explanation of the material topic and its Boundary | At a Glance: WBA; page 5 Our Approach to CR; pages 7-14 ESG Materiality; pages 15-17 Focus Story: Health Equity; pages 25-29 Healthcare Access, Awareness and Education; pages 32-40 |
| 103-2 | The management approach and its components | Our Approach to CR; pages 7-14 ESG Materiality; pages 15-17 Focus Story: Health Equity; pages 25-29 Healthcare Access, Awareness and Education; pages 32-40 Opioid Abuse Prevention; page 41 Partnerships for Good; pages 42-46 |
| 103-3 | Evaluation of the management approach | Our Approach to CR; pages 7-14 ESG Materiality; pages 15-17 Focus Story: Health Equity; pages 25-29 Healthcare Access, Awareness and Education; pages 32-40 Partnerships for Good; pages 42-46 |
| GRI 203: Indirect Economic Impacts 2016 | | |
| 203-1 | Infrastructure investments and services supported | Focus Story: Health Equity; pages 25-29 Healthcare Access, Awareness and Education; pages 32-40 Opioid Abuse Prevention; page 41 Partnerships for Good; pages 42-46 Giving Back: Corporate Donations and Supporting Causes; pages 47-49 |
| 203-2 | Significant indirect economic impacts | Focus Story: Health Equity; pages 25-29 Healthcare Access, Awareness and Education; pages 32-40 |
| ANTI-CORRUPTION | | |
| GRI 103: Management Approach 2016 | | |
| 103-1 | Explanation of the material topic and its Boundary | ESG Materiality; pages 15-17 Sourcing; pages 82-84 Code of Conduct and Ethics; page 95 |

| GRI Disclosure | | References and responses |
|--|--|---|
| ANTI-CORRUPTION (cont.) | | |
| 103-2 | The management approach and its components | Our Approach to CR; pages 7-14 Sourcing; pages 82-84 Code of Conduct and Ethics; page 95 Walgreens Boots Alliance Code of Conduct and Business Ethics ; pages 31-33 |
| 103-3 | Evaluation of the management approach | Our Approach to CR; pages 7-14 Sourcing; pages 82-84 Walgreens Boots Alliance Code of Conduct and Business Ethics ; pages 31-33 |
| GRI 205: Anti-corruption 2016 | | |
| 205-2 | Communication and training about anti-corruption policies and procedures | Direct Response: The Code of Conduct and Ethics extends to all WBA officers and employees no matter where they are located in the world. A WBA employee is any employee of Walgreens Boots Alliance, Inc. or any of its subsidiary companies. The Code also extends to any officers and employees of a business or company in which Walgreens Boots Alliance, Inc. or any of its subsidiaries has a controlling interest. It also extends to other parties acting on behalf of Walgreens Boots Alliance, Inc. or any of its subsidiaries, such as consultants, agents, intermediaries or other representatives of WBA, including our board of directors. WBA strives to maintain high ethical standards and requires its employees and others doing business with WBA, including its consultants, agents, intermediaries, and representatives, to comply with all applicable anti-bribery and corruption laws and other regulations that prohibit bribery, solicitation of bribery and the payment of kickbacks. Each WBA business and corporate function is accountable for implementation of the company's policy on this issue, including ensuring ongoing, tailored communication for relevant employees. Each business and corporate function must also ensure that appropriate training is available to employees and associated persons whose roles involve risk related to this area. Our board of directors expects directors to act ethically at all times and to adhere to the Code and other applicable policies. We expect our suppliers to adopt responsible processes and practices and the quality of goods or services provided to us to meet the standards set out in the Code and applicable policies. It is WBA's intention to source from suppliers who can satisfy our standards with regard to anti-corruption or who have given a commitment to achieve these standards within an agreed time frame. Sourcing responsibly is our approach to achieving these standards with suppliers, the principles of which are set out below. Procurement decisions are made on the basis of ethical standards, quality, service, price, delivery, best value and other similar factors. We will observe high ethical standards in all our dealings with suppliers. Any corrupt, improper or unethical behavior in dealings with suppliers is prohibited. |
| ANTI-COMPETITIVE BEHAVIOR | | |
| GRI 103: Management Approach 2016 | | |
| 103-1 | Explanation of the material topic and its Boundary | ESG Materiality; pages 15-17 Code of Conduct and Ethics; page 95 |



| GRI Disclosure | | References and responses |
|--|---|---|
| ANTI-COMPETITIVE BEHAVIOR (cont.) | | |
| 103-2 | The management approach and its components | Our Approach to CR; pages 7-14 ESG Materiality; pages 15-17 Code of Conduct and Ethics; page 95 Walgreens Boots Alliance Code of Conduct and Business Ethics ; page 15 |
| 103-3 | Evaluation of the management approach | Our Approach to CR; pages 7-14 ESG Materiality; pages 15-17 Walgreens Boots Alliance Code of Conduct and Business Ethics ; page 15 |
| GRI 206: Anti-competitive Behavior 2016 | | |
| 206-1 | Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | Direct Response: We disclose all material litigation, including matters related to competition law, as required in our annual and quarterly reports filed with the SEC. We make these reports publicly available under "SEC Filings" at investor.walgreensbootsalliance.com. |
| GRI 300 ENVIRONMENTAL STANDARDS SERIES | | |
| MATERIALS | | |
| GRI 103: Management Approach 2016 | | |
| 103-1 | Explanation of the material topic and its Boundary | ESG Materiality; pages 15-17 Waste and Plastics; pages 73-76 Sustainability Progress in Our Owned Brands; pages 80-81 |
| 103-2 | The management approach and its components | Our Approach to CR; pages 7-14 Stakeholder Engagement; pages 18-24 Waste and Plastics; pages 73-76 Sustainability Progress in Our Owned Brands; pages 80-81 Packaging, Labeling and Transparency; pages 88-90 |
| 103-3 | Evaluation of the management approach | Our Approach to CR; pages 7-14 Waste and Plastics; pages 73-76 Sustainability Progress in Our Owned Brands; pages 80-81 Packaging, Labeling and Transparency; pages 88-90 |
| GRI 301: Materials 2016 | | |
| 301-1 | Materials used by weight or volume | Packaging, Labeling and Transparency; pages 88-90 |
| 301-2 | Recycled input materials used | Packaging, Labeling and Transparency; pages 88-90 |
| ENERGY | | |
| GRI 103: Management Approach 2016 | | |
| 103-1 | Explanation of the material topic and its Boundary | ESG Materiality; pages 15-17 Energy and Emissions; pages 68-72 |

| GRI Disclosure | | References and responses |
|--|--|--|
| ENERGY (cont.) | | |
| 103-2 | The management approach and its components | Our Approach to CR; pages 7-14 Stakeholder Engagement; pages 18-24 Energy and Emissions; pages 68-72 |
| 103-3 | Evaluation of the management approach | Our Approach to CR; pages 7-14 Energy and Emissions; pages 68-72 |
| GRI 302: Energy 2016 | | |
| 302-1 | Energy consumption within the organization | Energy and Emissions; pages 68-72 |
| 302-2 | Energy consumption outside of the organization | Energy and Emissions; pages 68-72 |
| 302-4 | Reduction of energy consumption | Energy and Emissions; pages 68-72 |
| EMISSIONS | | |
| GRI 103: Management Approach 2016 | | |
| 103-1 | Explanation of the material topic and its Boundary | ESG Materiality; pages 15-17 Energy and Emissions; pages 68-72 |
| 103-2 | The management approach and its components | Our Approach to CR; pages 7-14 Stakeholder Engagement; pages 18-24 Energy and Emissions; pages 68-72 |
| 103-3 | Evaluation of the management approach | Our Approach to CR; pages 7-14 Energy and Emissions; pages 68-72 |
| GRI 305: Emissions 2016 | | |
| 305-1 | Direct (Scope 1) GHG emissions | Energy and Emissions; pages 68-72 |
| 305-2 | Energy indirect (Scope 2) GHG emissions | Energy and Emissions; pages 68-72 |
| 305-3 | Other indirect (Scope 3) GHG emissions | Energy and Emissions; pages 68-72 |
| EFFLUENTS AND WASTE | | |
| GRI 103: Management Approach 2016 | | |
| 103-1 | Explanation of the material topic and its Boundary | Our Approach to CR; pages 7-14 ESG Materiality; pages 15-17 Waste and Plastics; pages 73-76 Packaging, Labeling and Transparency; pages 88-90 |



| GRI Disclosure | | References and responses |
|--|--|---|
| EFFLUENTS AND WASTE (cont.) | | |
| 103-2 | The management approach and its components | Our Approach to CR; pages 7-14 ESG Materiality; pages 15-17 Stakeholder Engagement; pages 18-24 Waste and Plastics; pages 73-76 Sustainability Progress in Our Owned Brands; pages 80-81 Packaging, Labeling and Transparency; pages 88-90 Brands with Purpose: No7 Beauty Company; pages 91-92 |
| 103-3 | Evaluation of the management approach | Our Approach to CR; pages 7-14 ESG Materiality; pages 15-17 Waste and Plastics; pages 73-76 Packaging, Labeling and Transparency; pages 88-90 |
| GRI 306: Effluents and Waste 2020 | | |
| 306-1 | Waste generation and significant waste-related impacts | Waste and Plastics; pages 73-76 Packaging, Labeling and Transparency; pages 88-90 |
| 306-2 | Management of significant waste-related impacts | Waste and Plastics; pages 73-76 Packaging, Labeling and Transparency; pages 88-90 |
| 306-3 | Waste generated | Waste and Plastics; pages 73-76 Packaging, Labeling and Transparency; pages 88-90 |
| 306-4 | Waste diverted from disposal | Waste and Plastics; pages 73-76 |
| 306-5 | Waste directed to disposal | Waste and Plastics; pages 73-76 |
| SUPPLIER ENVIRONMENTAL ASSESSMENT | | |
| GRI 103: Management Approach 2016 | | |
| 103-1 | Explanation of the material topic and its Boundary | At a Glance: WBA; page 5 Our Approach to CR; page 7 ESG Materiality; pages 15-17 Waste and Plastics; pages 73-76 Sustainability Progress in Our Owned Brands; pages 80-81 Sourcing; pages 82-84 Ingredients and Materials; pages 85-87 |
| 103-2 | The management approach and its components | Our Approach to CR; page 7 Stakeholder Engagement; pages 18-24 Waste and Plastics; pages 73-76 Sustainability Progress in Our Owned Brands; pages 80-81 Sourcing; pages 82-84 Ingredients and Materials; pages 85-87 |

| GRI Disclosure | | References and responses |
|--|--|--|
| SUPPLIER ENVIRONMENTAL ASSESSMENT (cont.) | | |
| 103-3 | Evaluation of the management approach | Our Approach to CR; page 7 ESG Materiality; pages 15-17 Waste and Plastics; pages 73-76 Sustainability Progress in Our Owned Brands; pages 80-81 Sourcing; pages 82-84 Ingredients and Materials; pages 85-87 |
| GRI 308: Supplier Environmental Assessment 2016 | | |
| 308-1 | New suppliers that were screened using environmental criteria | Waste and Plastics; pages 73-76 Sourcing; pages 82-84 Ingredients and Materials; pages 85-87 |
| 308-2 | Negative environmental impacts in the supply chain and actions taken | Sourcing; pages 82-84 |
| GRI 400 SOCIAL STANDARDS SERIES | | |
| EMPLOYMENT | | |
| GRI 103: Management Approach 2016 | | |
| 103-1 | Explanation of the material topic and its Boundary | ESG Materiality; pages 15-17 Employee Health and Well-being; pages 61-65 |
| 103-2 | The management approach and its components | Our Approach to CR; page 7 Stakeholder Engagement; pages 18-24 Employee Health and Well-being; pages 61-65 |
| 103-3 | Evaluation of the management approach | Our Approach to CR; page 7 Employee Health and Well-being; pages 61-65 |
| GRI 401: Employment 2016 | | |
| 401-2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees | Employee Health and Well-being; pages 61-65 |
| OCCUPATIONAL HEALTH AND SAFETY | | |
| GRI 103: Management Approach 2016 | | |
| 103-1 | Explanation of the material topic and its Boundary | Our Approach to CR; page 7 ESG Materiality; pages 15-17 Employee Health and Well-being; pages 61-65 Safety: Workplace, Products and Pharmacy Dispensing; pages 95-98 |



| GRI Disclosure | | References and responses |
|---|---|--|
| OCCUPATIONAL HEALTH AND SAFETY (cont.) | | |
| 103-2 | The management approach and its components | Our Approach to CR; page 7 ESG Materiality; pages 15-17 Stakeholder Engagement; pages 18-24 Employee Health and Well-being; pages 61-65 Safety: Workplace, Products and Pharmacy Dispensing; pages 95-98 |
| 103-3 | Evaluation of the management approach | Our Approach to CR; page 7 ESG Materiality; pages 15-17 Employee Health and Well-being; pages 61-65 Safety: Workplace, Products and Pharmacy Dispensing; pages 95-98 |
| GRI 403: Occupational Health and Safety 2018 | | |
| 403-1 | Occupational health and safety management system | Safety: Workplace, Products and Pharmacy Dispensing; pages 95-98 |
| 403-2 | Hazard identification, risk assessment, and incident investigation | Safety: Workplace, Products and Pharmacy Dispensing; pages 95-98 Direct Response: Each WBA segment, business and corporate function must designate a director from its management or operating committee, to hold specific responsibility for management of all health, safety and environmental matters in its operations. The director must ensure that ongoing comprehensive risk assessments are carried out on all work-related activities that carry health, safety and environmental risks, and that all mitigating controls required by these assessments are implemented promptly as appropriate. Each segment, business and corporate function must have written, fit-for-purpose health, safety and environmental standards – informed by local legislative requirements - that cover the areas of risk relevant to its operations as well as a compliance program that includes regular health, safety and environmental audits. Every business must have in place processes for investigating accidents and near misses to ensure that the root causes of health, safety and environmental incidents are fully identified and addressed. In addition to internal investigative processes, the Occupational Safety and Health Administration (OSHA) in the U.S. assess risks, recommends improvements and enforces industry standards. In the UK, primary authorities are consulted on health and safety and environmental matters, for which they may provide assured advice. As outlined in employee handbooks, policies and contracts of employment, all employees, agency staff, consultants and onsite contractors must engage fully in the management of health, safety and environmental matters of segments, businesses and corporate functions. Any concerns about misconduct or hazardous conditions that may threaten workplace safety should always be reported. WBA does not tolerate retaliation against anyone who raises a legal or ethical concern, reports misconduct in good faith or participates in an investigation. |
| 403-3 | Occupational health services | Safety: Workplace, Products and Pharmacy Dispensing; pages 95-98 |
| 403-4 | Worker participation, consultation, and communication on occupational health and safety | Safety: Workplace, Products and Pharmacy Dispensing; pages 95-98 |

| GRI Disclosure | | References and responses |
|---|---|---|
| OCCUPATIONAL HEALTH AND SAFETY (cont.) | | |
| 403-5 | Worker training on occupational health and safety | Employee Health and Well-being; pages 61-65 Safety: Workplace, Products and Pharmacy Dispensing; pages 95-98 |
| 403-6 | Promotion of worker health | Employee Health and Well-being; pages 61-65 Safety: Workplace, Products and Pharmacy Dispensing; pages 95-98 |
| 403-7 | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | Safety: Workplace, Products and Pharmacy Dispensing; pages 95-98 |
| 403-8 | Workers covered by an occupational health and safety management system | Direct Response: WBA has implemented key elements of a health, safety and environmental system in all markets covering all employees. Safety management systems, internal and external auditing processes are in place in several larger markets covering all employees ¹ . Omission Part of Disclosure Omitted: Workers who are not employees, and an annual internal or external audit process of the management system. Reason for Omission: Information unavailable Explanation for Omission: Safety arrangements are commonly in place but are not always structured as recognized safety management systems, and in at least one market they do not always cover non-employee workers. An annual internal and external audit process of the management system is not applied across all markets. Systems and approaches are evolving in some markets. Legal agreements limit and exclude certain responsibilities for record keeping or annual training in some markets ¹ The Direct Response and Omission are included within the scope of Deloitte & Touche LLP review as detailed in the assurance report on pages 118-119 . |
| TRAINING AND EDUCATION | | |
| GRI 103: Management Approach 2016 | | |
| 103-1 | Explanation of the material topic and its Boundary | Employee Health and Well-being; pages 61-65 |
| 103-2 | The management approach and its components | Stakeholder Engagement; pages 18-24 Employee Health and Well-being; pages 61-65 |
| 103-3 | Evaluation of the management approach | Employee Health and Well-being; pages 61-65 |
| GRI 404: Training and Education 2016 | | |
| 404-1 | Average hours of training per year per employee | Employee Health and Well-being; pages 61-65 |
| 404-2 | Programs for upgrading employee skills and transition assistance programs | Employee Health and Well-being; pages 61-65 |



| GRI Disclosure | | References and responses |
|--|--|--|
| DIVERSITY AND EQUAL OPPORTUNITY | | |
| GRI 103: Management Approach 2016 | | |
| 103-1 | Explanation of the material topic and its Boundary | Our Approach to CR; page 7 ESG Materiality; pages 15-17 Diversity, Equity and Inclusion; pages 52-59 CSR Policy Statements, Diversity, Equity and Inclusion Policy Statement |
| 103-2 | The management approach and its components | Our Approach to CR; page 7 ESG Materiality; pages 15-17 Stakeholder Engagement; pages 18-24 Diversity, Equity and Inclusion; pages 52-59 CSR Policy Statements, Diversity, Equity and Inclusion Policy Statement 2022 Proxy Statement ; pages 10, 14, 21, 37-38 |
| 103-3 | Evaluation of the management approach | Our Approach to CR; page 7 ESG Materiality; pages 15-17 Diversity, Equity and Inclusion; pages 52-59 CSR Policy Statements, Diversity, Equity and Inclusion Policy Statement 2022 Proxy Statement ; pages 10, 14-15, 21, 37-38 |
| GRI 405: Diversity and Equal Opportunity 2016 | | |
| 405-1 | Diversity of governance bodies and employees | Diversity, Equity and Inclusion; pages 52-59 2022 Proxy Statement ; pages 12, 22 2021 Proxy Statement ; page 10 |
| HUMAN RIGHTS ASSESSMENT | | |
| GRI 103: Management Approach 2016 | | |
| 103-1 | Explanation of the material topic and its Boundary | Our Approach to CR; pages 7-14 ESG Materiality; pages 15-17 |
| 103-2 | The management approach and its components | Sourcing; pages 82-84 |
| 103-3 | Evaluation of the management approach | Sourcing; pages 82-84 |
| GRI 412: Human Rights Assessment 2016 | | |
| 412-2 | Employee Training on Human Rights Policies or Procedures | Sourcing; pages 82-84 Ingredients and Materials; pages 85-87 |
| 412-3 | Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening | Ingredients and Materials; pages 85-87 |

| GRI Disclosure | | References and responses |
|--|--|---|
| LOCAL COMMUNITIES | | |
| GRI 103: Management Approach 2016 | | |
| 103-1 | Explanation of the material topic and its Boundary | Our Approach to CR; page 7 ESG Materiality; pages 15-17 Focus Story: Health Equity; pages 25-29 Partnerships for Good; pages 42-46 Giving Back: Corporate Donations and Supporting Causes; pages 47-49 |
| 103-2 | The management approach and its components | Our Approach to CR; page 7 ESG Materiality; pages 15-17 Stakeholder Engagement; pages 18-24 Focus Story: Health Equity; pages 25-29 Partnerships for Good; pages 42-46 Giving Back: Corporate Donations and Supporting Causes; pages 47-49 Diversity, Equity and Inclusion; pages 52-59 |
| 103-3 | Evaluation of the management approach | Our Approach to CR; page 7 ESG Materiality; pages 15-17 Stakeholder Engagement; pages 18-24 Focus Story: Health Equity; pages 25-29 Partnerships for Good; pages 42-46 Giving Back: Corporate Donations and Supporting Causes; pages 47-49 Diversity, Equity and Inclusion; pages 52-59 Sourcing; pages 82-84 Direct Response: For all our major programs we conduct regular analyses to review our methods, activities, impact and return on resource investment. Based on these reviews, we decide to continue, modify or discontinue programs. Community engagement is reviewed in aggregate by operating segments quarterly, to determine alignment with our CSR strategy. |
| GRI 413: Local Communities 2016 | | |
| 413-1 | Operations with local community engagement, impact assessments, and development programs | Highlights and Recognition; page 6 Focus Story: Health Equity; pages 25-29 Healthcare Access, Awareness and Education; pages 32-36 Partnerships for Good; pages 42-46 Giving Back: Corporate Donations and Supporting Causes; pages 47-49 Diversity, Equity and Inclusion; pages 52-59 Sourcing; pages 82-84 Ingredients and Materials; pages 85-87 Direct Response: Substantially all of our operations have implemented local community engagement. The WBA CSR framework gives our businesses across the world the flexibility to engage with local communities based on the relevant social, environmental and economic context. Our businesses engage with local and national organizations that share our purpose, values and ethics in order to understand where they can have the biggest impact. Engagement channels differ from business |



| GRI Disclosure | | References and responses |
|---|---|--|
| LOCAL COMMUNITIES (cont.) | | |
| | | to business. Impact assessments are generally conducted for key national CSR programs and are delivered jointly with the partnering organization. The Healthy Communities section of this report contains a number of examples of the impact of such programs. Many programs have impacts felt on national or global levels, but are enacted most thoughtfully in the communities we serve. In the U.S., Walgreens engagement with local community development programs is decentralized and based on local needs. Employees are involved with local organizations and participate in health-related events and support local causes of greatest priority. Walgreens representatives frequently participate in forums and consortiums to contribute to community consultations and research, which often focus on health disparities and social inequities of vulnerable groups. In the UK, Boots works with long-term national partners to support local communities. |
| SUPPLIER SOCIAL ASSESSMENT | | |
| GRI 103: Management Approach 2016 | | |
| 103-1 | Explanation of the material topic and its Boundary | Our Approach to CR; page 7 ESG Materiality; pages 15-17 Sustainability Progress in Our Owned Brands; pages 80-81 Sourcing; pages 82-84 2020 Modern Slavery and Human Trafficking Statement |
| 103-2 | The management approach and its components | Our Approach to CR; page 7 ESG Materiality; pages 15-17 Stakeholder Engagement; pages 18-24 Sustainability Progress in Our Owned Brands; pages 80-81 Sourcing; pages 82-84 2020 Modern Slavery and Human Trafficking Statement |
| 103-3 | Evaluation of the management approach | Our Approach to CR; page 7 ESG Materiality; pages 15-17 Sourcing; pages 82-84 2020 Modern Slavery and Human Trafficking Statement |
| GRI 414: Supplier Social Assessment 2016 | | |
| 414-1 | New suppliers that were screened using social criteria | Sourcing; pages 82-84 |
| 414-2 | Negative social impacts in the supply chain and actions taken | Sourcing; pages 82-84 2020 Modern Slavery and Human Trafficking Statement |

| GRI Disclosure | | References and responses |
|---|---|---|
| PUBLIC POLICY | | |
| GRI 103: Management Approach 2016 | | |
| 103-1 | Explanation of the material topic and its Boundary | ESG Materiality; pages 15-17 |
| 103-2 | The management approach and its components | Our Approach to CR; page 7 ESG Materiality; pages 15-17 |
| 103-3 | Evaluation of the management approach | Our Approach to CR; page 7 ESG Materiality; pages 15-17 |
| GRI 415: Public Policy 2016 | | |
| 415-1 | Political contributions | 2022 Proxy Statement ; page 40 Policy Engagement and Political Activities page of Investor Relations section on www.walgreensbootsalliance.com . |
| CUSTOMER HEALTH AND SAFETY | | |
| GRI 103: Management Approach 2016 | | |
| 103-1 | Explanation of the material topic and its Boundary | Our Approach to CR, page 7 ESG Materiality; pages 15-17 Safety: Workplace, Products and Pharmacy Dispensing; pages 95-98 |
| 103-2 | The management approach and its components | Our Approach to CR, page 7 ESG Materiality; pages 15-17 Stakeholder Engagement; pages 18-24 Ingredients and Materials; pages 85-87 Safety: Workplace, Products and Pharmacy Dispensing; pages 95-98 |
| 103-3 | Evaluation of the management approach | Our Approach to CR, page 7 ESG Materiality; pages 15-17 Ingredients and Materials; pages 85-87 Safety: Workplace, Products and Pharmacy Dispensing; pages 95-98 |
| GRI 416: Customer Health and Safety 2016 | | |
| 416-1 | Assessment of the health and safety impacts of product and service categories | Ingredients and Materials; pages 85-87 Safety: Workplace, Products and Pharmacy Dispensing; pages 95-98 |
| MARKETING AND LABELING | | |
| GRI 103: Management Approach 2016 | | |
| 103-1 | Explanation of the material topic and its Boundary | Our Approach to CR, page 7 Packaging, Labeling and Transparency; pages 88-90 |



| GRI Disclosure | | References and responses |
|---|--|--|
| MARKETING AND LABELING (cont.) | | |
| 103-2 | The management approach and its components | Our Approach to CR; page 7 Stakeholder Engagement; pages 18-24 Packaging, Labeling and Transparency; pages 88-90 |
| 103-3 | Evaluation of the management approach | Our Approach to CR; page 7 Packaging, Labeling and Transparency; pages 88-90 |
| GRI 417: Marketing and Labeling 2016 | | |
| 417-1 | Requirements for product and service information and labeling | Case Study: Take Back Program; page 77 Packaging, Labeling and Transparency; pages 88-90 Brands with Purpose: No7 Beauty Company; pages 81-82 Safety: Workplace, Products and Pharmacy Dispensing; pages 95-98 |
| 417-2 | Incidents of non-compliance concerning product and service information and labeling | Ingredients and Materials; 85-87 |
| CUSTOMER PRIVACY | | |
| GRI 103: Management Approach 2016 | | |
| 103-1 | Explanation of the material topic and its Boundary | Our Approach to CR; page 7 ESG Materiality; pages 15-17 Sustainable Marketplace; pages 78-92 Information Security; page 99 Patient and Customer Privacy; page 100 |
| 103-2 | The management approach and its components | Our Approach to CR; page 7 ESG Materiality; pages 15-17 Stakeholder Engagement; pages 18-24 Information Security; page 99 Patient and Customer Privacy; page 100 |
| 103-3 | Evaluation of the management approach | Our Approach to CR; page 7 ESG Materiality; pages 15-17 Information Security; page 99 Patient and Customer Privacy; page 100 |
| GRI 418: Customer Privacy 2016 | | |
| 418-1 | Substantiated complaints concerning breaches of customer privacy and losses of customer data | Direct Response: For the portion of our pharmacy business that operates in the U.S., we publicly report breaches to the United States Department of Health and Human Services Office for Civil Rights (OCR). Click here for a link to the OCR breach reporting portal. For the portion of our pharmacy business that operates outside the U.S., including in the European Economic Area, we report data breaches to the relevant data protection authorities in compliance with law ¹ . Omission Part of Disclosure Omitted: Data disclosure incidents not related to pharmacy |

| GRI Disclosure | | References and responses |
|--|--|--|
| CUSTOMER PRIVACY (cont.) | | |
| | | Reason for Omission: Information unavailable Explanation for Omission: Due to a lack of common definitions for reporting customer data disclosure incidents across industries and multiple jurisdictions, there is a concern that reporting customer data disclosure incidents could be confusing or misleading, especially as it applies to our businesses that operate on a business-to-business service model and in retail. ¹ The Direct Response and Omission are included within the scope of Deloitte & Touche LLP review as detailed in the assurance report on pages 118-119 . |
| ACCESS TO AFFORDABLE AND QUALITY HEALTHCARE | | |
| GRI 103: Management Approach 2016 | | |
| 103-1 | Explanation of the material topic and its Boundary | Our Approach to CR; page 7 ESG Materiality; pages 15-17 Focus Story: Health Equity; pages 25-29 Healthcare Access, Awareness and Education; pages 32-36 |
| 103-2 | The management approach and its components | Our Approach to CR; page 7 Stakeholder Engagement; pages 18-24 Focus Story: Health Equity; pages 25-29 Healthcare Access, Awareness and Education; pages 32-36 Partnerships for Good; pages 42-46 |
| 103-3 | Evaluation of the management approach | Our Approach to CR; page 7 Focus Story: Health Equity; pages 25-29 Healthcare Access, Awareness and Education; pages 32-36 |
| CONSUMER HEALTH EDUCATION AND MARKETING | | |
| GRI 103: Management Approach 2016 | | |
| 103-1 | Explanation of the material topic and its Boundary | ESG Materiality; pages 15-17 Focus Story: Health Equity; pages 25-29 Healthcare Access, Awareness and Education; pages 32-36 |
| 103-2 | The management approach and its components | Our Approach to CR; page 7 Stakeholder Engagement; pages 18-24 Focus Story: Health Equity; pages 25-29 Healthcare Access, Awareness and Education; pages 32-36 Opioid Abuse Prevention; page 41 Partnerships for Good; pages 42-46 |
| 103-3 | Evaluation of the management approach | Our Approach to CR; page 7 Focus Story: Health Equity; pages 25-29 Healthcare Access, Awareness and Education; pages 32-36 Partnerships for Good; pages 42-46 |



| GRI Disclosure | | References and responses |
|--|--|---|
| PRESCRIPTION DRUG ABUSE | | |
| GRI 103: Management Approach 2016 | | |
| 103-1 | Explanation of the material topic and its Boundary | ESG Materiality; pages 15-17 Opioid Abuse Prevention; page 41 |
| 103-2 | The management approach and its components | Our Approach to CR; page 7 Stakeholder Engagement; pages 18-24 Healthcare Access, Awareness and Education; pages 32-36 Opioid Abuse Prevention; page 41 Walgreens Boots Alliance website, How We're Battling the Opioid Epidemic in the United States |
| 103-3 | Evaluation of the management approach | Our Approach to CR; page 7 Opioid Abuse Prevention; page 41 Walgreens Boots Alliance website, How We're Battling the Opioid Epidemic in the United States |
| CANCER CURE AND PREVENTION | | |
| GRI 103: Management Approach 2016 | | |
| 103-1 | Explanation of the material topic and its Boundary | ESG Materiality; pages 15-17 Partnerships for Good; pages 42-46 |
| 103-2 | The management approach and its components | Our Approach to CR; page 7 Stakeholder Engagement; pages 18-24 Partnerships for Good; pages 42-46 |
| 103-3 | Evaluation of the management approach | Our Approach to CR; page 7 Partnerships for Good; pages 42-46 |
| CUSTOMER RESPONSIBILITY | | |
| GRI 103: Management Approach 2016 | | |
| 103-1 | Explanation of the material topic and its Boundary | At a Glance: WBA; page 5 Our Approach to CR; page 7 ESG Materiality; pages 15-17 Safety: Workplace, Products and Pharmacy Dispensing; pages 95-98 |
| 103-2 | The management approach and its components | At a Glance: WBA; page 5 Our Approach to CR; page 7 Stakeholder Engagement; pages 18-24 Safety: Workplace, Products and Pharmacy Dispensing; pages 95-98 Patient and Customer Privacy; page 100 |
| 103-3 | Evaluation of the management approach | Our Approach to CR; page 7 Safety: Workplace, Products and Pharmacy Dispensing; pages 95-98 Patient and Customer Privacy; page 100 |

| GRI Disclosure | | References and responses |
|--|--|---|
| CHEMICAL USE AND MANAGEMENT | | |
| GRI 103: Management Approach 2016 | | |
| 103-1 | Explanation of the material topic and its Boundary | Our Approach to CR; page 7 ESG Materiality; pages 15-17 Ingredients and Materials; pages 85-87 Direct Response: As described in the Ingredients, Materials and Traceability section of this report, our chemicals management is focused on specific categories of our owned brand products. |
| 103-2 | The management approach and its components | Our Approach to CR; page 7 ESG Materiality; pages 15-17 Stakeholder Engagement; pages 18-24 Ingredients and Materials; pages 85-87 CSR Policy Statements, Chemical Policy Statement |
| 103-3 | Evaluation of the management approach | Our Approach to CR; page 7 ESG Materiality; pages 15-17 |
| INNOVATION AND DIGITALIZATION | | |
| GRI 103: Management Approach 2016 | | |
| 103-1 | Explanation of the material topic and its Boundary | Our Approach to CR; page 7 ESG Materiality; pages 15-17 Healthcare Access, Awareness and Education; pages 32-36 |
| 103-2 | The management approach and its components | Our Approach to CR; page 7 ESG Materiality; pages 15-17 Stakeholder Engagement; pages 18-24 Healthcare Access, Awareness and Education; pages 32-36 |
| 103-3 | Evaluation of the management approach | Our Approach to CR; page 7 ESG Materiality; pages 15-17 Healthcare Access, Awareness and Education; pages 32-36 |
| TOBACCO SALES | | |
| GRI 103: Management Approach 2016 | | |
| 103-1 | Explanation of the material topic and its Boundary | Our Approach to CR; page 7 ESG Materiality; pages 15-17 Healthcare Access, Awareness and Education; pages 32-36 |
| 103-2 | The management approach and its components | Our Approach to CR; page 7 ESG Materiality; pages 15-17 Stakeholder Engagement; pages 18-24 Healthcare Access, Awareness and Education; pages 32-36 |
| 103-3 | Evaluation of the management approach | Our Approach to CR; page 7 ESG Materiality; pages 15-17 Healthcare Access, Awareness and Education; pages 32-36 |

SASB Index

The Sustainability Accounting Standards Board (SASB) is an independent standards-setting organization that promotes disclosure of material sustainability information to meet investor needs. The table below is WBA's SASB Index, which includes disclosures as part of the drug retailers industry, which includes companies that operate retail pharmacies and distribution centers that supply retail stores.

| Drug Retailers Standard | | | | |
|-----------------------------|---|-------------------------|--------------|---|
| Topic | Metric | Category | Code | Response |
| ACCOUNTING METRICS | | | | |
| Energy Management in Retail | (1) Total energy consumed, (2) Percentage grid electricity, (3) Percentage renewable | Quantitative | HC-DR-130a.1 | (1) 17,756,787 GJ ¹ (2) 69.7% ¹ (3) 4.7% ¹ Energy and Emissions; pages 68-72 |
| Data Security and Privacy | Description of policies and practices to secure customers' protected health information (PHI) records and other personally identifiable information (PII) | Discussion and analysis | HC-DR-230a.1 | Patient and Customer Privacy; page 100 |
| Patient Health Outcomes | First fill adherence rate | Quantitative | HC-DR-260b.1 | Walgreens first fill adherence rate, the percentage of patients with prescriptions who refilled medications at Walgreens at least one time after the initial fill, was 52.6 percent in fiscal 2021. The rate was calculated by reviewing a random sample of 100,000 new-to-therapy patient prescriptions from the following drug classes - antidiabetics, statins, or antihypertensive drugs - removing patients on insulin from the sample. Healthcare Access, Education and Awareness; page 37 |

| Drug Retailers Standard | | | | |
|---------------------------|---|-------------------------|--------------|---|
| Topic | Metric | Category | Code | Response |
| ACCOUNTING METRICS | | | | |
| Patient Health Outcomes | Description of policies and practices to prevent prescription dispensing errors | Discussion and analysis | HC-DR-260b.2 | Safety; pages 97-98 |
| ACTIVITY METRICS | | | | |
| Activity Metrics | Number of pharmacy locations ¹ | Quantitative | HC-DR-000.A | Fiscal 2021 Annual Report identifies 12,996 retail stores of which 12,856 have pharmacies |
| | Total area of retail space ¹ | Quantitative | HC-DR-000.B | Retail space of 13 million square meters |
| | Number of prescriptions filled ¹ | Quantitative | HC-DR-000.C | The United States Segment filled 827.5 million prescriptions (including vaccinations) in fiscal 2021. Adjusted to 30-day equivalents, prescriptions filled were 1.2 billion in fiscal 2021. |
| | Number of pharmacists ¹ | Quantitative | HC-DR-000.D | Healthcare Access, Awareness and Education, page 34 |



¹Fiscal 2021 data is included within the scope of Deloitte & Touche LLP review as detailed in the assurance report on pages [118-119](#).

TCFD Response

The Task Force on Climate-related Financial Disclosures (TCFD) provides a framework of recommended voluntary disclosures for reporting on climate-related risks and opportunities – categorized by Governance, Strategy, Risk Management, and Metrics and Targets.

To address the evolving information needs of our stakeholders, we have provided a TCFD response below which builds on existing TCFD-aligned disclosures in our annual [CDP Climate Change Reports](#).

| Recommended Disclosures | References |
|--|--|
| Governance | |
| Disclose the organization’s governance around climate-related risks and opportunities | |
| Describe the board’s oversight of climate-related risks and opportunities | 2021 CDP Response (C1.1, C1.1a, C1.1b, C1.2a, C2.2) |
| Describe management’s role in assessing and managing climate-related risks and opportunities | 2021 CDP Response (C1.2, C1.2a,C2.2) |
| Strategy | |
| Disclose the actual and potential impacts of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning where such information is material | |
| Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term | 2021 CDP Response (C2.1a, C2.1b, C2.2, C2.2a, C2.3b, C2.4) |
| Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning | 2021 CDP Response (C2.2a, C2.3b, C2.4a, C3.1, C3.3, C3.4) |
| Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario | 2021 CDP Response (C3.2b, C3.3, C3.4) |

| Recommended Disclosures | References |
|---|---|
| Risk Management | |
| Disclose how the organization identifies, assesses, and manages climate-related risks | |
| Describe the organization’s processes for identifying and assessing climate-related risk | 2021 CDP Response (C2.1, C2.1a, C2.1b, C2.2, C2.2a) |
| Describe the organization’s processes for managing climate-related risks | 2021 CDP Response (C2.1, C2.1a, C2.2, C2.2a, C2.2b) |
| Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management | 2021 CDP Response (C2.1, C2.1a, C2.1b, C2.2, C2.2a) |
| Metrics & Targets | |
| Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material. | |
| Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process | 2021 CDP Response (C4.1, C4.1a, C4.1b), WBA-SGHG |
| Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks | 2021 CDP Response (C6.1, C6.2, C6.3, C6.5, C6.10, C7.1a, C7.2, C7.5, C7.6a, 7.9a), WBA-SGHG |
| Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets | 2021 CDP Response (C4.1, C4.1a, C4.1b, C4.3, C4.3a, C4.3b, C4.3c, C4.5a) |

United Nations Global Compact Index

The United Nations Global Compact (UNGC) is a voluntary initiative based on CEO commitments to implement universal sustainability principles and to take steps to support UN goals. Walgreens Boots Alliance has been a signatory member of the UNGC since 2020 and supports the initiative's ten principles on human rights, labor, environment and anti-corruption. WBA's Letter of Commitment can be found [here](#).

| UNGC Principles | Disclosure |
|--|--|
| HUMAN RIGHTS | |
| Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and | <ul style="list-style-type: none"> • Sustainable Marketplace, pages 78-92 • Healthy and Inclusive Workplace, pages 50-65 • WBA Code of Conduct and Business Ethics • 2021 Modern Slavery and Human Trafficking Statement • WBA Human Rights Policy Statement • WBA Supplier Code of Conduct |
| Principle 2: Make sure that they are not complicit in human rights abuses. | |
| LABOR | |
| Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; | <ul style="list-style-type: none"> • Sustainable Marketplace, pages 78-92 • Healthy and Inclusive Workplace, pages 50-65 • WBA Code of Conduct and Business Ethics • 2021 Modern Slavery and Human Trafficking Statement • WBA Human Rights Policy Statement • WBA Supplier Code of Conduct • WBA CSR Policy Statements |
| Principle 4: The elimination of all forms of forced and compulsory labour; | |
| Principle 5: The effective abolition of child labour; and | |
| Principle 6: The elimination of discrimination in respect of employment and occupation. | |

| UNGC Principles | Disclosure |
|---|---|
| ENVIRONMENT | |
| Principle 7: Businesses should support a precautionary approach to environmental challenges; | <ul style="list-style-type: none"> • Healthy Planet, pages 66-77 • 2021 CDP Climate Change submission, which covers fiscal 2020 |
| Principle 8: Undertake initiatives to promote greater environmental responsibility; and | <ul style="list-style-type: none"> • WBA Supplier Code of Conduct • WBA CSR Policy Statements |
| Principle 9: Encourage the development and diffusion of environmentally friendly technologies. | |
| ANTI-CORRUPTION | |
| Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery. | <ul style="list-style-type: none"> • WBA Code of Conduct and Business Ethics • Ethical Sourcing, pages 83-84 • WBA Supplier Code of Conduct • WBA CSR Policy Statements |



Management Assertion Table

Management of Walgreens Boots Alliance (“WBA”) is responsible for the completeness, accuracy and validity of the Specified Disclosures referenced below for the period or date indicated below. Management is also responsible for the collection, quantification and presentation of the information included in the 2021 Environmental, Social and Governance (“ESG”) Report and for the selection of the criteria, which management believes provide an objective basis for measuring and reporting on the Specified Disclosures. Management of Walgreens Boots Alliance asserts that the sustainability disclosures referenced below (the WBA specified disclosures, Global Reporting Initiative (“GRI”) specified disclosures, and the Sustainability Accounting Standards Board (“SASB”) specified disclosures collectively the “Specified Disclosures”) for the period or date indicated below, are presented in accordance with the criteria set forth below.

| Specified Disclosures prepared in accordance with WBA Basis of Preparation (the “WBA Criteria”) as presented at pages 120-125 | | |
|---|---|-------------------------|
| Specified Disclosure | WBA Criteria | ESG Report reference |
| HEALTHY PLANET (FOR THE FISCAL YEAR ENDED AUGUST 31, 2021) | | |
| 1. Total Company CO2e emissions, by source | Total emissions by source (energy, product delivery and business travel) | Page 70 |
| 2. CO2e emissions from energy, by type | Total emissions from energy by type: electricity (direct and indirect), gas (indirect), and other (combined heat and power, oil and liquefied petroleum gas) Total emissions from business travel, by type: road, air and rail | Page 70 |
| 3. Scope 1 CO2e emissions except for the portion sold to third parties or to the grid | Total CO2e emissions from scope 1 except for the heat and electricity produced by our on-site plant in Beeston, Nottingham, UK, sold to third parties or to the grid | Page 70 |
| 4. CO2e emissions from business travel, per 1,000 employees, by division and for the Company | Total CO2e emissions from business travel per 1,000 employees | Page 70 |
| 5. Waste by method of disposal | Total Waste by method of disposal: landfill, incinerated and recycled (includes materials recovered via incineration with heat recovery) Total Waste by content: hazardous and non-hazardous | Page 74 |

| Specified Disclosures prepared in accordance with the GRI Sustainability Reporting Standards (the “GRI Standards”): | | |
|---|--|--|
| GRI Specified Disclosures (for the fiscal year ended August 31, 2021) | | ESG Report reference |
| 1. GRI 101-2.5: Access to Affordable and Quality Healthcare | GRI 101-2.5: (Management’s Approach) Total number of new in-store health service locations and total number of collaborations with healthcare service providers covered on the Walgreens app through Walgreens Find Care that increase access to healthcare. | Page 33 |
| 2. GRI 416-1: Safety of Products and Services | GRI 416-1: Assessment of the health and safety impacts of product and service categories. | Page 97 |
| 3. GRI 414-1 and GRI 414-2: Responsible and Ethical Supply Chains | GRI 414-1: New suppliers that were screened using social criteria and GRI 414-2: Negative social impacts in the supply chain and actions taken. | Page 83 |
| 4. GRI 401-2 and GRI 403-8: Employee Health, Safety, and Well-Being | GRI 401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees and GRI 403-8: Workers covered by an occupational health and safety management system. | Pages 61 ; 108 |
| 5. GRI 418-1: Data Privacy and Security | GRI 418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data. | Page 111 |
| 6. GRI 306-3: Waste Management | GRI 306-3: Waste generated. | Page 74 |
| GRI Specified Disclosure (for the year ended December 31, 2020) | | |
| 1. GRI 306-3: Plastics and Packaging | GRI 306-3: Waste generated. | Page 88 |
| GRI Specified Disclosure (as of August 31, 2021) | | |
| 1. GRI 405-1: Diversity, Equity, and Inclusion | GRI 405-1: Diversity of governance bodies and employees. | Pages 54-55 |



Specified Disclosures prepared in accordance with Sustainability Accounting Services Standards Board (“SASB”) Drug Retailers Sustainability Accounting Standards (the “SASB Standards”):

SASB Specified Disclosures

| Accounting Metrics – Energy Management in Retail (for the fiscal year ended August 31, 2021) | | ESG Report reference |
|---|--|-----------------------------|
| Specified Disclosure | SASB Sustainability Accounting Standard | |
| 1a. HC-DR-130a.1 | HC-DR-130a.1: (1) Total amount of energy consumed in Gigajoules (GJ) (2) Percentage (%) grid electricity of total energy consumed (3) Percentage (%) of renewable electricity of total energy consumed | Page 113 |
| Accounting Metrics – Data Security & Privacy (as of August 31, 2021) | | |
| 2. HC-DR-230a.1 | HC-DR-230a.1: Description of policies and practices to secure customers' protected health information (PHI) records and other personally identifiable information (PII) | Page 100 |
| Accounting Metrics – Patient Health Outcomes (as of August 31, 2021) | | |
| 3. HC-DR-260b.2 | HC-DR-260b.2: Description of policies and practices to prevent prescription dispensing errors | Pages 97-98 |
| Activity Metrics (as of August 31, 2021) | | |
| 4. SASB HC-DR-000.A | SASB HC-DR-000.A: Number of pharmacy locations | Page 113 |
| 5. SASB HC-DR-000.B | SASB HC-DR-000.B: Total area of retail space | Page 113 |
| 6. SASB HC-DR-000.C | SASB HC-DR-000.C: Number of prescriptions filled | Page 113 |
| 7. SASB HC-DR-000.D | SASB HC-DR-000.D: Number of pharmacists | Page 34 |

Assurance Report

(GRI 102-56)



INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Board of Directors, Stockholders and Stakeholders
Walgreens Boots Alliance, Inc.
Deerfield, Illinois

We have reviewed management of Walgreens Boots Alliance, Inc.'s (the "Company" or "WBA") assertion that the sustainability disclosures identified below and referenced in Management's Assertion section of the accompanying WBA 2021 Environmental, Social, and Governance Report (the "WBA 2021 ESG Report") (the WBA specified disclosures, Global Reporting Initiative ("GRI") specified disclosures, and the Sustainability Accounting Standards Board ("SASB") specified disclosures collectively the "Specified Disclosures") for the period or date indicated below, are presented in accordance with the criteria set forth in Management's Assertion section of the accompanying WBA 2021 ESG Report:

WBA Specified Disclosures for the fiscal year ended August 31, 2021:

1. Total Company CO₂e emissions, by source
2. CO₂e emissions from energy, by type
3. Scope 1 CO₂e emissions except for the portion sold to third parties or to the grid
4. CO₂e emissions from business travel, per 1,000 employees, by division and for the Company
5. Waste by method of disposal

GRI Specified Disclosures for the fiscal year ended August 31, 2021:

1. GRI 101-2.5: Access to Affordable and Quality Healthcare
2. GRI 416-1: Safety of Products and Services
3. GRI 414-1 and GRI 414-2: Responsible and Ethical Supply Chains
4. GRI 401-2 and GRI 403-8: Employee Health, Safety and Well-being
5. GRI 418-1: Data Privacy and Security
6. GRI 306-3: Waste Management

GRI Specified Disclosure for the year ended December 31, 2020:

1. GRI 306-3: Plastics and Packaging

GRI Specified Disclosure as of August 31, 2021:

1. GRI 405-1: Diversity, Equity, and Inclusion

SASB Specified Disclosures for the fiscal year ended August 31, 2021:

1. Energy Management in Retail
 - HC-DR-130a.1. (1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable
2. Data Security & Privacy
 - HC-DR-230a.1. Description of policies and practices to secure customers' protected health information (PHI) records and other personally identifiable information (PII)
3. Patient Health Outcomes
 - HC-DR-260b.2. Description of policies and practices to prevent prescription dispensing errors
4. Activity Metrics
 - HC-DR-000.A Number of pharmacy locations
 - HC-DR-000.B Total area of retail space
 - HC-DR-000.C Number of prescriptions filled
 - HC-DR-000.D Number of pharmacists

The Company's management is responsible for its assertion. Our responsibility is to express a conclusion on management's assertion based on our review.



Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA) in AT-C section 105, *Concepts Common to All Attestation Engagements*, and AT-C section 210, *Review Engagements*. Those standards require that we plan and perform the review to obtain limited assurance about whether any material modifications should be made to management's assertion in order for it to be fairly stated. A review is substantially less in scope than an examination, the objective of which is to obtain reasonable assurance about whether management's assertion is fairly stated, in all material respects, in order to express an opinion. Accordingly, we do not express such an opinion. We believe that our review provides a reasonable basis for our conclusion.

In performing our review, we have complied with the independence and other ethical requirements of the Code of Professional Conduct issued by the AICPA. We applied the Statements on Quality Control Standards established by the AICPA and, accordingly, maintain a comprehensive system of quality control.

The procedures we performed were based on our professional judgment. In performing our review, we performed analytical procedures and inquiries. For a selection of the Specified Disclosures, we performed tests of mathematical accuracy of computations, compared the specified information to underlying records, or observed the data collection process.

The preparation of the Specified Disclosures in the WBA 2021 ESG Report requires management to establish and interpret the criteria, make determinations as to the relevancy of information to be included, and make estimates and assumptions that affect reported information. Measurement of certain disclosures includes estimates and assumptions that are subject to significant inherent measurement uncertainty resulting, for example, from accuracy and precision of conversion factors or estimation methodologies used by management. Obtaining sufficient, appropriate review evidence to support our conclusion does not reduce the inherent uncertainty in the amounts and Specified Disclosures. The selection by management of different but acceptable measurement methods, input data or model assumptions may have resulted in materially different amounts or Specified Disclosures being reported.

Information outside of the Specified Disclosures referenced in Management's Assertion section of the WBA 2021 ESG Report, including linked information, was not subject to our review, including the alignment to United Nations ("UN") Sustainable Development Goals and the Task Force on Climate-related Financial Disclosures ("TCFD") Disclosure Index and, accordingly, we do not express a conclusion or any form of assurance on such information. Further, any information relating to forward looking statements, targets, goals and progress against goals, was not subject to our review and, accordingly we do not express a conclusion or any form of assurance on such information.

Based on our review, we are not aware of any material modifications that should be made to management of the Company's assertion that the Specified Disclosures referenced in Management's Assertion section of the accompanying WBA 2021 ESG Report for the period or date indicated therein, are presented in accordance with the criteria set forth in Management's Assertion section of the accompanying WBA 2021 ESG Report.



Chicago, IL
January 26, 2022



Basis of Preparation

FISCAL 2021 ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) DATA

PART I: BASIS OF PREPARATION

Organization and scope

The Company's operations are organized into two segments: US and International. WBA's external performance reporting includes all subsidiaries in which the Company holds a controlling interest. Excluded from the scope of this reporting are entities in which the Company does not have a controlling interest.

The main areas that are excluded when reporting ESG information externally are:

- Divestments - Businesses that are no longer subsidiaries of the Company at the fiscal year end due to divestment in the reporting year are excluded from current year ESG reporting scope;
- Business acquisitions - Businesses acquired during the reporting year are excluded from the current year ESG reporting scope. The complete dataset is reported once data for a full year are available;
- Equity method investments - Equity method investments are excluded from the Company's external ESG reporting scope.;
- Franchise operations – Franchise operations run by third parties where a WBA business is the franchisor are excluded from the Company's external ESG reporting scope.;
- Outsourced activities – These Outsourced activities are excluded from the ESG reporting scope, except where the outsourcer's activities are dedicated to the Company's business and where the associated impacts may be significant to our ESG performance,. e.g.For example, third-party product deliveries made exclusively for WBA. The Company's Code of Conduct and Business Ethics set out the principles for dealing with, and the requirements for, suppliers.

Every effort is made to ensure that the Company reports accurate data and that processes are designed to support this. In cases where the Company becomes aware of updates to the previous year's data, it will consider restating data where the changes result in a discrepancy that is material to this ESG report. In these cases, the Company provides details in footnotes to the data tables.

On June 1, 2021 the Company completed the sale of the majority of the Company's Alliance Healthcare business as well as a portion of the

Company's retail pharmacy international businesses in Europe ("discontinued operation") to AmerisourceBergen Corporation. Unless otherwise specified, disclosures in this report reflect continuing operations only. Certain prior period data, primarily related to discontinued operations, have been reclassified to conform to the current period presentation.

Use of multiple frameworks

The Company has used both standard and non-standard frameworks in its reporting process. For select metrics and KPIs, WBA developed its own standard definitions for reporting its performance data and KPIs (Refer Part II).

The Company is reporting the material topics, identified during the fiscal year 2021 materiality assessment. The Company follows the Global Reporting Initiative's definition of materiality, which is different to the definition used for filings with the Securities and Exchange Commission (SEC). Issues deemed material for purposes of this report may not be considered material for SEC reporting purposes.

The Company reports utilizing frameworks including the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB), the UN Sustainable Development Goals, and, the Taskforce for Climate-related Financial Disclosures (TCFD).

For Scope 1 and 2 GHG emissions, the information has been prepared in accordance with the World Resources Institute/World Business Council for Sustainable Development Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Revised Edition (the GHG Protocol). As described in the GHG Protocol: Corporate Standard, GHG emissions reported under Scope 3 GHG emissions are optional for reporting. The Company is reporting on two of the fifteen Scope 3 categories: Business travel and downstream transportation and distribution (cars, aircraft, trains or by sea) for operations outsourced to third parties where deliveries are made exclusively for WBA businesses. Collectively, the Corporate Accounting and Reporting Standard, Revised Edition and Corporate Value Chain (Scope 3), Accounting and Reporting Standard are referred to as the GHG Protocol in this document.

Reporting of metrics and data

The Company has documented definitions and procedures related to ESG data and metrics to ensure completeness and consistency. These procedures provide for the use of estimation and extrapolation techniques in instances in which data is not practicable to source. The Company reviews definitions and procedures on an annual basis.

END OF SECTION



PART II - DEFINITIONS OF WBA ESG PERFORMANCE METRICS

WBA reports ESG performance data in total and for certain metrics by segment, consistent with its financial reporting. The Company captures, analyzes and reports data at a detailed level to provide a clear understanding of contributing factors to ESG performance. WBA's framework of ESG priorities covers the following key areas:

| | |
|---|---|
| <p>Healthy Communities</p> | <p>Contributions are analyzed as follows:</p> <ul style="list-style-type: none"> • Cash (charitable and other donations) and non-cash (employee time, in-kind donations and management costs) • Focus of the organizations contributed to: health, social welfare, education, other (for example, relating to arts, culture, emergency relief, economic development) • Employee time (volunteer hours). Please note employee time relates to volunteering hours during paid working time only. |
| <p>Healthy Planet</p> | <p>The three significant sources of CO2e emissions are energy, product delivery and business travel. Emissions are analyzed as follows:</p> <ul style="list-style-type: none"> • Total emissions by source (energy, product delivery and business travel) • Scope (Scopes 1, 2 and 3) • Emissions from energy by type: electricity (direct and indirect), gas (indirect), and other (combined heat and power, oil and liquefied petroleum gas) • Emissions from business travel, by type: road, air and rail • In addition to the above analysis, the Company also discloses the metric, CO2e emissions from business travel per 1,000 employees. <p>Waste is analyzed as follows:</p> <ul style="list-style-type: none"> • By method of disposal: landfill, incinerated and recycled (includes materials recovered via incineration with heat recovery) • By content: hazardous and non-hazardous |
| <p>Healthy and Inclusive Workplace</p> | <ul style="list-style-type: none"> • Employee Turnover • Diversity of employees (including age group, gender, and leadership level for WBA; race and ethnicity for Retail Pharmacy USA; and gender and race and ethnicity for U.S. pharmacists) • Employee category (manager, non-manager and senior director and above) • Employment Type (permanent, temporary, full-time, part time) • Percentage of employees under a collective bargaining agreement |



1. HEALTHY COMMUNITIES

Cash donations

- **Charitable cash donation:** Cash donated directly by the Company in support of community projects to organizations officially created or legally registered for charitable purposes. Donations from employees, customers and suppliers are not included.
- **Other cash donation:** Cash donated directly by the Company in support of community projects to organizations other than those officially created or legally registered for charitable purposes. Donations from employees, customers and suppliers are not included.

Non-cash donations

- **Employee time:** Defined as the value of time employees have volunteered to spend on community projects and social welfare programs during paid working time. Employee time is valued at an average staff salary rate and includes employer's employment taxes, healthcare, social security and Medicare contributions, pension contributions and employer matching 401K contributions.
- **In-kind donations:** These are products, equipment, the use of premises or other non-cash items donated to community programs. They include product donations, generally valued at their cost price, gift vouchers and the provision of space at vacant properties to charitable organizations. Also captured is advertising space in Company magazines (e.g. Boots Health & Beauty magazine) that benefits both the charity and the business. Fifty percent of the advertising costs are included, in line with the London Benchmarking Group (LBG) global standard.
- **Management costs:** These are defined as the value of costs incurred planning and managing community projects and social welfare programs and consist of direct expenditure as well as an allocation of relevant overhead and expenses.

Geographic Areas impacted by the Company's donations

- **Local** A local organization is defined as an organization whose work does not meet the definition of national or international organization.
- **National** A national organization is defined as an organization whose work is focusing on the entire country. For US purposes the entire country is defined as the sizeable majority (more than 75 percent) of the states.
- **International** An international organization is defined as an organization whose work is focusing on more than one country.

Organizations supported by the Company's contributions

- **Health** projects include donations made to not-for-profit hospitals, health organizations and other health-related activities.
- **Social welfare** projects include donations made to organizations focused on issues such as homelessness, legal support, domestic violence, the elderly and people with disabilities.
- **Education** projects include donations made to schools, colleges, universities or other projects or organizations that promote education, training or development programs.
- **Other projects** include donations made to organizations or activities not covered by categories above, such as the arts, culture, emergency relief and economic development.

Access to Affordable and Quality Healthcare

- Number of new in-store health service locations that increase access
- Number of collaborations with healthcare service providers covered on the Walgreens app through Walgreens Find Care

Consumer Health Education and Marketing

- Number of consumers who participate in health education initiatives through clicks on healthcare focused topics on Walgreens.com

Opioid Abuse Prevention

- Number of Naloxone kits dispensed
- Total number of take home safe medication disposal kits sent from distribution centers to stores for customer distribution

2. HEALTHY PLANET

2.1 Waste

Waste reporting is typically reliant on data provided by waste contractors within a country. Normally, waste data measurement is based on metric tonnage as provided by third-party contractors. For sites where the third party's contract is based on an agreed standard metric tonnage per volume collected, the rate applicable for the year is used as the basis of calculation. For sites where contractor data are unavailable (for example, stores within shopping centers where the Company's business does not manage the waste contract), estimates are used based on actual data from a store or warehouse of an equivalent size.

- **Total waste generated** is defined as sum of Hazardous and Non-Hazardous waste sent to Landfill, Incineration with and without Heat Recovery, and Recycled.



- **Waste sent to landfill** is defined as waste produced by WBA operations and sent to landfill for disposal.
 - **Waste sent to incineration** is defined as waste produced by WBA operations and sent to incineration, without heat recovery, for disposal.
 - **Materials recovered via incineration** are defined as waste produced by WBA operations and sent to incineration via a contractor where energy recovered from the process is used to generate electricity or heat.
 - **Materials recycled** are defined as waste produced by WBA operations and sent off-site for recycling.
 - **Hazardous waste** as defined by local applicable legislation at the point of generation
 - **Non-hazardous waste** as defined by local applicable legislation at the point of generation
- Key performance indicators - waste
1. Hazardous waste as % of total waste
 2. Waste recycled as % of total waste generated
 3. Total waste generated per \$ sales (tonnes per \$million sales)

2.2 Carbon emissions

Total CO₂e emitted (in metric tonnes) is calculated using activity data (e.g. amount of fuel used) and applying relevant conversion factors following the Greenhouse Gas (GHG) Protocol recommendation and using the most accurate calculation approach available. To reach the most accurate emissions estimations, the latest available specific locally sourced factors are applied, where reasonable. Key performance indicators - emissions

Key performance indicators - emissions

4. Electricity - green tariff as % of total used (based on kWh)
5. CO₂ emissions from business travel, per 1,000 employees
6. CO₂ tonnes from product delivery per \$million sales

2.2.1 Conversion factors

- For standard tariff electricity, country specific CO₂e conversion factors published by the International Energy Agency (IEA) are used, apart from WBA's largest territories, the U.S. and the UK. U.S. data are converted using Environmental Protection Agency (EPA) Emissions & General Resource Integrated Database (eGRID) specific CO₂e factors that take into consideration where the electricity was produced within the country. UK data are converted using the UK Department for Environment, Food & Rural Affairs (DEFRA) CO₂e factors.
- For passenger air travel, the latest available DEFRA factors are used across all Segments.

- For all other metrics, conversion factors are applied based on business location. The United States Segment follows the U.S. Environmental Protection Agency (EPA) published factors. The International Segment follows DEFRA published factors. Note: where CO₂e factors are not available, CO₂ factors are applied as a proxy.
- Conversion factors are updated annually to reflect the factors published by the IAE, EPA and DEFRA that are in effect as of 31 August of the reporting year.

2.2.2 Energy

- **Electricity** - The calculation of CO₂e from electricity is based on the following factors:
 - **Standard tariff** - Consumption data are converted using the relevant conversion factors as described above. Where data on electricity consumed are not available, an estimate is made based on annual expenditure on electricity. Estimates are based on stores or properties of an equivalent size.
 - **Green tariff** - This is country specific and entered individually by the business. Generally, in cases where the standard tariff is already subsidized, this is accounted for using the grid average conversion factor.
 - **Onsite Combined Heat & Power ("CHP") plant** - This is specific to the Company's onsite energy plant in Beeston, Nottingham, UK and based on a calculation defined by the GHG Protocol that uses actual electricity and heat output figures.
 - **Gas and other** - Consumption data are converted using the relevant conversion factors as described above. Where data on actual consumption (in mWh) are unavailable, an estimate is made based on annual expenditure.

2.2.3 Outbound product delivery

This covers the resulting CO₂e emissions from delivery of products to stores and to customers. This includes deliveries by own-fleet vehicles and for operations outsourced to third parties where deliveries are made exclusively for WBA businesses and backhaul deliveries for other companies. This excludes deliveries from third-party suppliers to Company warehouses, cross-dock centers or direct to stores. The amount of CO₂e emitted is calculated using activity data and applying the relevant conversion factors as described above.

- **Own-fleet vehicles** (including leased vehicles):
 - **Drivers with fuel cards** - fuel consumed captured by third-party fuel billing
 - **Drivers without fuel cards** - distance captured



- **Third-party vehicles** - where the delivery is made exclusively for a WBA business, captured by either third-party kilometer data or third-party liters of fuel used.

2.2.4 Business travel

The amount of CO₂e emitted from travel undertaken by employees for work or business purposes is calculated using activity data and converted to emissions applying relevant conversion factors as described in section 2.2.1.

- **Road travel** – car travel undertaken by employees for business purposes
 - Employees with fuel cards - captured by third-party fuel billing
 - Employees without fuel cards - captured by Company expense systems, using kilometers travelled
- **Air travel** – calculated using third-party (e.g. travel service provider) data on kilometers travelled other than for non-commercial flights, which are calculated using third-party data on fuel consumed
- **Rail travel** - calculated using third-party (e.g. travel service provider) kilometer data

2.2.5 Carbon emissions by scope

The amount of total CO₂e emitted from energy, product delivery and business travel categorized into scopes as defined by the GHG Protocol.

- **Scope 1:** Direct GHG emissions occurring from sources that are owned or controlled by the Company are emissions from self-generated electricity and self-generated heat or steam; and, from combustion of natural gas and oils in owned or controlled boilers and furnaces, owned vehicles used for product delivery and owned cars or aircraft used for business travel. Fugitive emissions resulting from the use of refrigeration and air conditioning equipment are not included as the Company evaluates their effects on its operations.
- **Scope 2:** Indirect GHG emissions are emissions from the generation of purchased electricity, purchased heat or purchased steam consumed.
- **Scope 3:** Indirect GHG emissions that are a consequence of the activities of the Company but occur from sources not owned or controlled by the Company. WBA currently reports on business travel and downstream transportation and distribution, which are the most relevant sources of emissions. These are emissions from third-party product delivery and business travel undertaken by vehicles (cars, aircraft or trains) not owned by the Company.

3. HEALTHY AND INCLUSIVE WORKPLACE

Employee: An employee is a person employed by WBA on a full- or part-time basis, for an indefinite or fixed term.

Employee Turnover

- **Voluntary Turnover:** Employees who have left the Company voluntarily (not transfers) as a percent of the average active and leave headcount of employees for the reporting period. The reporting period is based on the prior 12 months. Interns, as identified by job title, are excluded from turnover.
- **Involuntary Turnover:** Employees who have left the Company (not transfers) as a percent of the average, active and leave headcount of employees for the reporting period. The reporting period is the same as above. Some reasons that are not included in turnover, which coincides with industry standards for defining turnover are the following: Permanent reduction in force, Employee death, Store or department closures.

Employees by gender

- **Men:** total number of employees who identify themselves as male.
- **Women:** total number of employees who identify themselves as female.
- **Undisclosed:** total number of employees who have not disclosed their gender.

Employees by age group

- **Employees under 30 years old:** the number of employees who are younger than 30 years old at period end.
- **Employees between 30 – 50 years old:** the number of employees who are between 30 and 50 years old at period end including 30 and 50 year old employees.
- **Employees over 50 years old:** the number of employees who are older than 50 years old at period end.

Employee category

- **Manager employees:** the number of employees who have at least one direct report. This definition is a subset of the manager population included in U.S. regulatory reporting.
- **Non-manager employees:** the number of employees who do not have any direct reports.
- **Senior director and above:** U.S. employees at the senior director job level and above, and the equivalent job titles within these levels in other geographies.



Employment Type

- **Permanent:** An employee employed on an indefinite basis or for an indeterminate period of time.
- **Temporary:** An employee employed on a fixed term or temporary contract.
- **Full-time:** Employees working more than 30 hours per week.
- **Part-time:** Employees working less than 30 hours per week.

Collective bargaining

- **Employees under a collective bargaining agreement:** the number of employees who are part of a collective bargaining agreement. Collective bargaining is defined as negotiation of wages and other conditions of employment by an organized body of employees.

Race, ethnicity of Retail Pharmacy USA employees

- **People of color:** the number of employees who identify themselves as belonging to an ethnic or racial minority.

4. SUSTAINABLE MARKETPLACE

Palm Oil: The percentage of Palm Oil in Boots UK and No7 Beauty Company certified using the following methods

- Palm Oil derivatives using credits
- Palm Oil derivatives physically certified
- Palm Oil used as an ingredient physically certified
- Palm Oil used as an ingredient certified using credits

Packaging Materials in owned brand products: The metric tonnes of materials used in owned brand primary, secondary and tertiary packaging

- Metal
- Glass
- Pulp/Paper (excluding pallets)
- Plastic



Legal Notice

Forward-looking statements

All statements in this report that are not historical, including goals for and projections of future results, the expected execution and effect of our corporate social responsibility strategies and initiatives and the amounts and timing of their expected impact, constitute forward-looking statements that are based on current societal, market, competitive and regulatory expectations. These forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties and assumptions, known or unknown, which could cause actual results to vary. These statements speak only as of the date they are made and Walgreens Boots Alliance undertakes no obligation to update publicly any forward-looking statement included in this report, whether as a result of new information, future events, changes in assumptions or otherwise. Please see Walgreens Boots Alliance's latest Form 10-K and subsequent SEC filings for a discussion of risk factors as they relate to forward-looking statements.

Trademarks

Walgreens Boots Alliance, the Walgreens Boots Alliance logo and the other trade names listed below are trademarks or registered trademarks of Walgreens Boots Alliance and/or its affiliates in the U.S. and other countries.

WALGREENS BOOTS ALLIANCE is a trademark owned by Walgreens Boots Alliance, Inc.

COMPLETE HOME, GET A SHOT. GIVE A SHOT., NICE!, SAVE A TRIP REFILLS, W REDI, WALGREENS ADVANCED CARE, WALGREENS, WALGREENS EXPRESS, WALGREENS FIND CARE and WALGREENS FLU INDEX are trademarks owned by Walgreen Co.

BOOTS, BOOTS PHARMACEUTICALS, BOOTS SOLTAN, BOTANICS THE POWER OF PLANTS, CLEAN ON ME, NO7, SLEEK MAKEUP, SOAP & GLORY and YOURGOODSKIN are trademarks owned by The Boots Company PLC.

DUANE READE is a trademark owned by Duane Reade.

LIZ EARLE is a trademark owned by Liz Earle Beauty Co. Limited.

FARMACIAS BENAVIDES is a trademark owned by Farmacias Benavides, S.A.B. DE C.V.

AHUMADA CONTIGO and FARMACIAS AHUMADA are trademarks owned by Farmacias Ahumada, S.A.

Third-party trademarks mentioned are the property of their respective owners. The use of words such as “partnered,” “partnering,” “partner” and variations of such words in this CSR report is not intended to and shall not be construed to imply that a legal partnership relationship exists between Walgreens Boots Alliance and any other company.

Exchange rates basis of preparation

Foreign currency amounts have been presented in U.S. dollars for consistency, having been translated at the average exchange rate for the 12 months ending August 31, 2021. The most significant rates are 1.38 U.S. dollar per British pound sterling and 1.18 U.S. dollar per euro.

Funds raised in British pounds sterling or in euros over multi-year periods were converted to U.S. dollars using average exchange rates for the reporting periods in which the funds were raised.

Photo credits

[Cover](#): Photo © Vitamin Angels

©2022 Walgreens Boots Alliance, Inc. All rights reserved

Website: www.walgreensbootsalliance.com

Contact us

WALGREENS BOOTS ALLIANCE, INC.

108 Wilmot Road
Deerfield, IL 60015
USA
+1 (847) 315-3700

www.walgreensbootsalliance.com



Walgreens Boots Alliance