



Walgreens Boots Alliance, Inc.
Statement of Greenhouse Gas (“GHG”) Emissions and Energy Consumption
For fiscal year ended August 31, 2022

Table 1: Scope 1, 2 and 3 GHG emissions

Global CO₂e emissions ('000 metric tonnes)

	Fiscal 2022	Fiscal 2021	Fiscal 2019	% Change Fiscal 2022 compared to Fiscal 2019
Scope 1	298	325	313	(5)%
Scope 1 ¹ (Sales to third parties)	25	14	32	(22)%
Gross Scope 1 ¹	323	339	345	(6)%
Scope 2 location-based	1,218	1,324	1,617	(25)%
Gross Scope 1 & 2 location-based¹	1,542	1,662	1,962	(21)%
Scope 3 ²	61	56	73	(17)%
Gross Scope 1, 2 and 3 location-based¹	1,602	1,718	2,034	(21)%
Scope 2 market-based	1,177	1,277	1,556	(24)%
Gross Scope 1 & 2 market-based¹	1,500	1,616	1,901	(21)%
GRI 305-4: GHG Emissions Intensity ('000 metric tonnes of CO ₂ e per USD million sales)				
Gross Scope 1 & 2 location-based ¹	0.0116	0.0125	0.0163	(29)%

Table 2: Scope 1 & 2 GHG emissions by segment

Scope 1 and 2 CO₂e emissions ('000 metric tonnes)

	Fiscal 2022	Fiscal 2021	Fiscal 2019	% Change Fiscal 2022 compared to Fiscal 2019
Scope 1 CO₂e emissions				
U.S. Retail Pharmacy	254	273	264	(4)%
International	69	65	81	(15)%
Scope 1 ¹	323	339	345	(6)%
Scope 2 location-based CO₂e emissions				
U.S. Retail Pharmacy	1,134	1,233	1,497	(24)%
International	85	90	120	(30)%
Scope 2 location-based	1,218	1,324	1,617	(25)%
Scope 2 market-based CO₂e emissions				
U.S. Retail Pharmacy	1,134	1,233	1,497	(24)%
International	43	44	60	(28)%
Scope 2 market-based	1,177	1,277	1,556	(24)%

¹ Includes Scope 1 emissions resulting from heat and electricity produced by our on-site Combined Heat & Power plant in Beeston, Nottingham, UK and sold to third parties or the grid.

² 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 Walgreens Boots Alliance's businesses



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Table 3: Scope 1 & 2 GHG emissions by gas type

Global emissions

	Fiscal 2022	Fiscal 2021	Fiscal 2019	% Change Fiscal 2022 compared to Fiscal 2019
<i>(’000 of metric tonnes of CO₂e)</i>				
Carbon Dioxide (CO ₂)	1,492	1,611	1,906	(22) %
Methane (CH ₄)	19	19	21	(11) %
Nitrous Oxide (N ₂ O)	31	32	35	(11) %
Gross Scope 1 & 2 location-based	1,542	1,662	1,962	(21) %
<i>(’000 metric tonnes)</i>				
Carbon Dioxide (CO ₂)	1,492	1,611	1,906	(22) %
Methane (CH ₄)	0.75	0.78	0.84	(11) %
Nitrous Oxide (N ₂ O)	0.10	0.11	0.12	(11) %
Gross Scope 1 & 2 location-based	1,493	1,612	1,907	(22) %

Table 4: Statement of energy consumption

Energy consumption in gigajoules

	Fiscal 2022	Fiscal 2021	Fiscal 2019	% Change Fiscal 2022 compared to Fiscal 2019
GRI 302-1: Energy Consumption within the Organization¹				
Non-renewable fuel consumption	4,900,199	5,357,859	5,064,267	(3) %
Renewable fuel consumption	41,126	59,169	61,911	(34) %
Electricity consumption ²	11,977,090	12,323,913	13,355,236	(10) %
Heating consumption	18,404	15,846	3,571	415 %
Total energy consumed	16,936,819	17,756,787	18,484,985	(8) %
Electricity sold	55,384	29,624	53,528	3 %
Heating sold	34,726	19,550	61,521	(44) %
GRI 302-3: Energy Intensity				
Energy consumed per USD million in sales	128	134	154	(17) %
SASB HC-DR-130a.1 Energy Management				
Total energy consumed	16,936,819	17,756,787	18,484,985	(8) %
Percentage grid electricity	71 %	70 %	73 %	(2) %
Percentage renewable ²	5 %	5 %	5 %	(4) %

^{1.} Excludes Cooling consumption. The Company is implementing processes that will allow reporting on Cooling in future reporting.

^{2.} Includes 753,000 GJ, 770,000 GJ and 837,000 GJ of green tariff electricity consumed in fiscal 2022, 2021, and 2019, respectively.

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MANAGEMENT ASSERTION

Management of Walgreens Boots Alliance, Inc. (“Walgreens Boots Alliance” or the “Company”) is responsible for the completeness, accuracy and validity of the specified information included in the Statement of GHG Emissions and Energy Consumption (the “Statement”) for the fiscal year ended August 31, 2022. Management is also responsible for the collection, quantification and presentation of the Statement and for the selection of the criteria, which Management believes provide an objective basis for measuring and reporting.

Management of the Company asserts that the Statement is presented in accordance with the Specified information and criteria as defined in Note 2 Basis of Presentation below. Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Revised Edition, published by the World Resources Institute/World Business Council for Sustainable Development (the “GHG Protocol”).

NOTES TO THE STATEMENT

Note 1. Business

Walgreens Boots Alliance, Inc., a Delaware corporation (“Walgreens Boots Alliance” or the “Company”), 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.

Walgreens Boots Alliance is the largest retail pharmacy, health and daily living destination with approximately 13,000 locations across the United States (“U.S.”) and Europe. Walgreens Boots Alliance has a presence in 9 countries and employs more than 325,000 people. In addition, Walgreens Boots Alliance is one of the world’s largest purchasers of prescription drugs and many other health and well-being products.

The Company’s principal executive offices are located at 108 Wilmot Road, Deerfield, Illinois 60015. Our common stock trades on the Nasdaq Stock Market under the symbol “WBA”.

Note 2. Basis of Presentation

The Statement has been prepared based on a fiscal reporting year that is the same as the Company’s financial reporting period September 1, 2021 to August 31, 2022. A summary of the key disclosure policies is set out in Note 3. Reporting Policies.

Certain amounts in the Statement and associated notes may not add due to rounding. Percentages have been calculated using unrounded amounts for all periods presented.

As described in the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Revised Edition, published by the World Resources Institute/World Business Council for Sustainable Development (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 Walgreens Boots Alliance’s businesses.

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The following specified information included in the Statement is presented in accordance with criteria outlined below.

Specified Information	Criteria
The Statement of Greenhouse Gas (GHG) Emissions in Table 1 and 2	GHG Protocol
Emission Data for relevant GHGs in Table 3	GHG Protocol
Global Reporting Initiative ("GRI") 302-1: Energy Consumption within the organization in Table 4	Disclosure 302-1 Energy consumption within the organization from the GRI Sustainability Reporting Standards: 302 Energy 2016 (GRI Standard)
GRI 302-3: Energy intensity in Table 4 (using net sales)	Disclosure 302-3: Energy intensity from the GRI Standard: 302 Energy 2016
GRI 305-4 GHG Emissions Intensity in Table 1	Disclosure 305-4: GHG Emissions Intensity from the GRI Standard: 304 Emissions 2016
Sustainability Accounting Standards Board ("SASB") HC-DR-130a.1: Energy Consumption within the organization in Table 4	SASB Drug Retailers Sustainability Accounting Standard

Note 3. Reporting policies

Baseline year

In accordance with the GHG reporting policies set out here, the Company has set fiscal 2019 as the GHG baseline year for Scope 1, Scope 2 and Scope 3 emissions, and intends to report emissions against this baseline year going forward. Fiscal 2019 was established as the base year as it represents the first year for which verifiable emissions data is available subsequent to the Company's acquisition of Rite Aid stores in fiscal 2018.

GHG emissions by greenhouse gas

GHG emissions are reported in metric tonnes of carbon dioxide equivalents (“CO₂e”) and include three of the seven GHGs covered by the Kyoto Protocol: carbon dioxide (“CO₂”), methane (“CH₄”) and nitrous oxide (“N₂O”). These three gases are also reported separately. The following three greenhouse gases were omitted from our reporting as they are not a material source of greenhouse gases for the business: Perfluorocarbons (“PFCs”), Sulfur hexafluoride (“SF₆”) and Nitrogen trifluoride (“NF₃”). We believe that Hydrofluorocarbons (“HFCs”) may be material to the Company as they are used within refrigeration and cooling. We are implementing processes that will allow reporting on HFCs in future reporting.

Note: Where CO₂e factors are not available, CO₂ factors are applied as a proxy.

Reporting scope and boundary

GHG emissions have been reported for those entities for which the Company has financial control, as defined by the GHG Protocol. GHG emissions pertaining to the organizational and operational boundaries have been reported for global operations for owned, managed and leased locations including retail stores, specialty pharmacies, retail distribution centers, micro-fulfillment centers, prescription mail service facilities, pharmaceutical distribution centers and principal office facilities.

The Company’s external financial performance report includes all subsidiaries in which the Company holds a controlling interest. The main differences between the Company’s external financial performance report and this Statement, which includes GHG emissions, are as follows:

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- Business acquisitions – Businesses acquired during the reporting year are excluded from the current year reporting scope. The complete dataset is reported once data for a full fiscal year is available;
- 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 GHG reporting scope;
- Equity method investments – Equity method investments are excluded from the Company’s reporting scope;
- Franchise operations – Franchise operations run by third parties where a Walgreens Boots Alliance business is the franchisor are excluded from the Company’s GHG reporting scope;
- Outsourced activities – Outsourced activities are excluded from the GHG 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 GHG performance. For example, third party product deliveries made exclusively for Walgreens Boots Alliance with emissions included in Scope 3. The Company’s Code of Conduct and Ethics set out the principles for dealing with, and the requirements for, suppliers.

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. Disclosures in this report reflect continuing operations only. Certain prior period data, primarily related to discontinued operations, have been recast to conform to the current period presentation.

The Statement includes Scope 1 (direct), Scope 2 (indirect) emissions reported for entities for which the Company has financial control. Scope 3 (other) emissions have been included for two 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 Walgreens Boots Alliance's businesses. Details related to emissions reported, sources, and emissions factors can be found in the GHG Emission Factors table below.

Methodology and reporting process

The Company has implemented a global process to collect, account and report GHG emissions with the Company's Global Reporting team responsible for defining and leading the global process to compile, review and analyze all disclosures. Specific procedures for data collection are applied consistently with the organizational structure of the Company, clearly identifying roles and responsibilities and the reporting timeline.

Individual business level emissions data submissions are prepared by the local finance teams and respective local Environmental, Social and Governance (“ESG”) champions. Prior to submission, the data and supporting commentary are reviewed and approved by a senior finance leader in each business. The submissions are then provided to the Company’s Global Reporting team and to the central ESG management team for further analysis and approval.

Energy data

Energy data cover the resulting CO₂e emissions from energy used to operate our facilities:

- Gathered from invoices/meter readings (manual or electronic)
- Reported for all energy purchased including energy used in stores/pharmacies, distribution centers, manufacturing sites and offices

The carbon footprint, measured in CO₂e metric tonnes, is calculated from the usage data submitted, applying the relevant conversion factors.

Outbound product delivery and downstream transportation and distribution by third parties data

Outbound product delivery data cover the resulting CO₂e emissions from delivery of products to stores and to customers. This includes deliveries by owned-fleet vehicles which are presented within Scope 1 emissions and for operations outsourced to third parties where deliveries are made exclusively for Walgreens Boots Alliance businesses which are presented in Scope 3 emissions. This excludes deliveries from third party suppliers to the Company's warehouses, cross-

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dock centers or direct to stores. The amount of CO₂e emitted is calculated using activity data and applying the relevant conversion factors as described below.

- Gathered from verifiable official records, invoices and expense claims
- Reported for outbound product delivery only

The carbon footprint, measured in CO₂e metric tonnes, is calculated from the data on fuel usage or distance traveled, applying the relevant conversion factors.

Business travel data

Business travel data cover the resulting CO₂e emissions from travel undertaken by employees for work or business purposes, gathered from invoices and expense claims.

The carbon footprint, measured in CO₂e metric tonnes, is calculated from the data on fuel usage or distance traveled, applying relevant conversion factors.

GHG emissions conversion factors

U.S. emissions data, except for passenger air travel, are converted using U.S. 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 emissions data are converted using the UK Department for Environment, Food & Rural Affairs (DEFRA) CO₂e factors.

For the rest of the world, for standard tariff electricity, country specific CO₂e conversion factors published by the International Energy Agency (IEA) are used.

For passenger air travel the latest available DEFRA factors are used across all divisions. For all other metrics, conversion factors are applied on the basis of business location.

Conversion factors are updated annually to reflect the factors published by the IEA, EPA and DEFRA that are in effect as of August 31 of the reporting year. The following table indicates the relevant emission factors applied to current inventories unless otherwise noted.

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GHG Emission Factors table

Emissions source	Emission source type	Emission factor employed
Scope 1	Gas and oil used for heating	EPA, DEFRA and IEA
Scope 1	Gas used in the Combined Heat & Power plant in Beeston, Nottingham, UK	DEFRA
Scope 1	Heat and electricity produced by our on-site Combined Heat & Power plant in Beeston,	DEFRA
Scope 1	Business travel in owned or controlled vehicles	EPA, DEFRA and IEA
Scope 1	Product delivery in owned or controlled fleets, including backhaul deliveries for other companies	EPA, DEFRA and IEA
Scope 2	Indirect emissions from purchased/acquired electricity and purchased/acquired heat or steam consumed in buildings (offices, retail stores and warehouses)	Location-based: EPA, DEFRA and IEA. Market-based: Use of an emissions factor hierarchy following the GHG Protocol <ol style="list-style-type: none"> 1. Utility-specific emission factors 2. Residual mix factors 3. GRID Renewable energy contracts are purchased in the following markets: UK and Republic of Ireland.
Scope 3	Business travel in third party transportation	DEFRA
Scope 3	Downstream transportation and distribution where deliveries are made exclusively for Walgreens Boots Alliance businesses	EPA, DEFRA and IEA
Global CO ₂ e emissions	Sum of Scope 1, Scope 2 and Scope 3 Emissions	EPA, DEFRA and IEA

Estimates and uncertainty

The Company's businesses are dispersed around the globe and often rely on third parties to provide elements of data. The Company continually seeks ways to improve the quality and reliability of data through robust collection processes in which completeness, accuracy and relevance are reviewed against Walgreens Boots Alliance definitions, policies and procedures. The capture of environmental data continues to evolve. Where actual data is not available, businesses apply estimation methodologies to arrive at figures that accurately reflect the businesses activities as described in the data quality section. In instances where estimation or extrapolation techniques are used, the following points are considered by the businesses:

- Is the sample upon which the estimation/extrapolation based representative of the data?
- Has the sample been reviewed at least annually?
- Has the technique for estimation/extrapolation been reviewed at least annually?
- Can the data be benchmarked or reviewed against alternative sources of data for reasonableness?
- Has the current year's data been compared to the prior year's data to identify any significant changes?

Specifically, where gas and electricity usage data are not available, the businesses benchmark stores, warehouses or other buildings and employ an estimation that is relevant to their usage patterns and allows for a reliable annual estimate to be derived.

The allocation of emissions from road business travel between Scope 1 and Scope 3 categories is subject to estimation. The Company collates data for fuel consumed by cars with fuel cards and distance travelled by cars without fuel cards.

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The assumption is that Company-owned cars have fuel cards and the associated emissions are categorized as Scope 1. The further assumption is that when employees use their own cars they claim mileage and the associated emissions are categorized as Scope 3.



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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 accompanying Walgreens Boots Alliance, Inc. (WBA) Statement of Greenhouse Gas (GHG) Emissions and Energy Consumption for the fiscal year ended August 31, 2022 (the "Statement") is presented in accordance with the specified information and criteria as defined in Note 2: *Basis of Presentation* of the Statement (the "Criteria"). 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 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. Because of the limited nature of the engagement, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an examination been performed. We believe that our review provides a reasonable basis for our conclusion.

We are required to be independent and to meet our other ethical responsibilities in accordance with 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 inquires. For a selection of amounts, we performed tests of mathematical accuracy of computations, compared the amounts to underlying records, or observed the data collection process.

The preparation of the Statement requires management to interpret the criteria, make determinations as to the relevancy of information to be included, and make estimates and assumptions that affect the reported information. Measurement of GHG emissions includes estimates and assumptions that are subject to significant inherent measurement uncertainty resulting, for example, from the accuracy and precision of greenhouse emission conversion factors and estimation methodologies used by management. The selection by management of different, but acceptable measurement methods, input data or model assumptions, may have resulted in materially different amounts or disclosures being reported.

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 accompanying Statement of GHG Emissions and Energy Consumption for the fiscal year ended August 31, 2022 is presented in accordance with the criteria set forth in Note 2: *Basis of Presentation* of the Statement, in order for it be presented fairly stated.

Deloitte + Touche LLP

Chicago, IL
January 25, 2023