



Walgreens Boots Alliance

Gender Pay Gap Report as at April 2017


Walgreens Boots Alliance Services Limited

A message from Hillary

I'm pleased to share with you our gender pay gap report for Walgreens Boots Alliances Services Limited as at April 2017, which we will continue to share every year as part of the new UK regulations. We welcome the introduction of these regulations and are fully committed to reducing the gender pay gap.

To that end, we have already taken a series of steps towards an increased female presence in senior management roles; we have also focused on finding new ways to develop and promote both our female colleagues and attract new talent.

Delivering our commitment to equal opportunities for everyone across our employment practices, policies and procedures, is one of our main corporate social responsibility goals. We remain committed to encouraging and supporting female colleagues across the organisation and inspiring everyone to reach their full potential.



Hillary Leisten

Vice President, International Human Resources Support

Understanding gender pay gap reporting

What is the difference between equal pay and a gender pay gap?

A gender pay gap is different from equal pay.

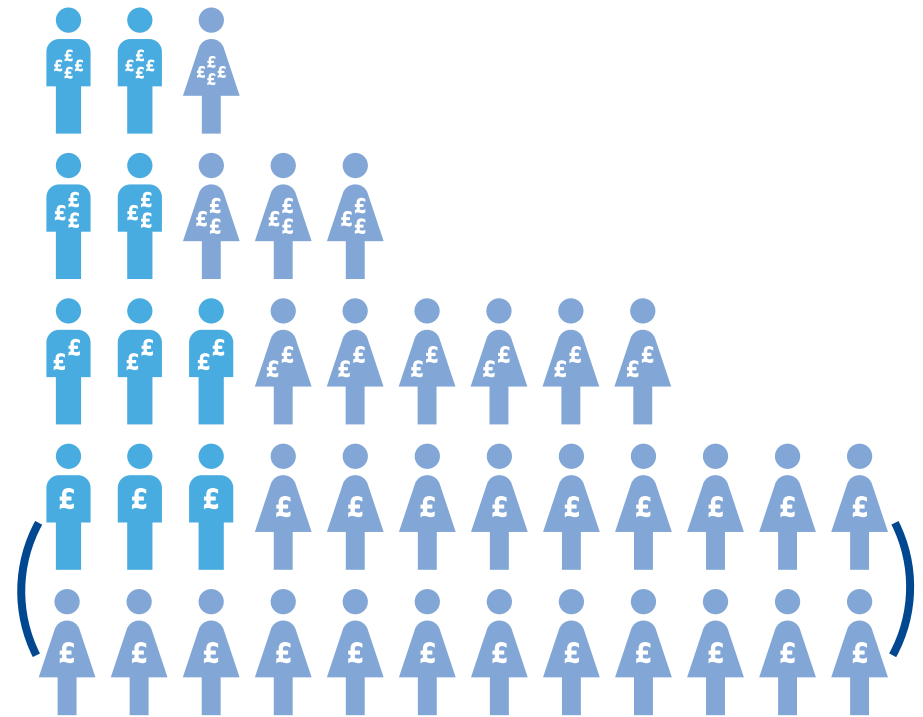
Equal pay

Equal pay is paying males and females equally for like work, work of equal value and work rated as equivalent. There has been legislation outlining equal pay obligations in the UK for nearly 50 years.



Gender pay gap

A gender pay gap looks at the differences in pay between genders across groups of employees irrespective of the work they perform.



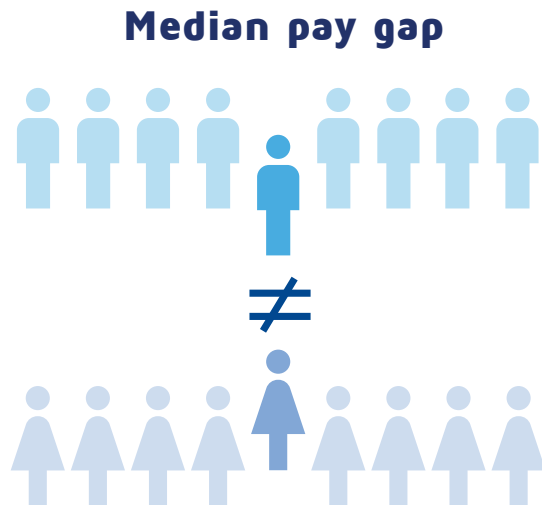
One of the main reasons for the gender pay gap in our society is that men are statistically more likely to be in senior roles.

Understanding gender pay gap reporting

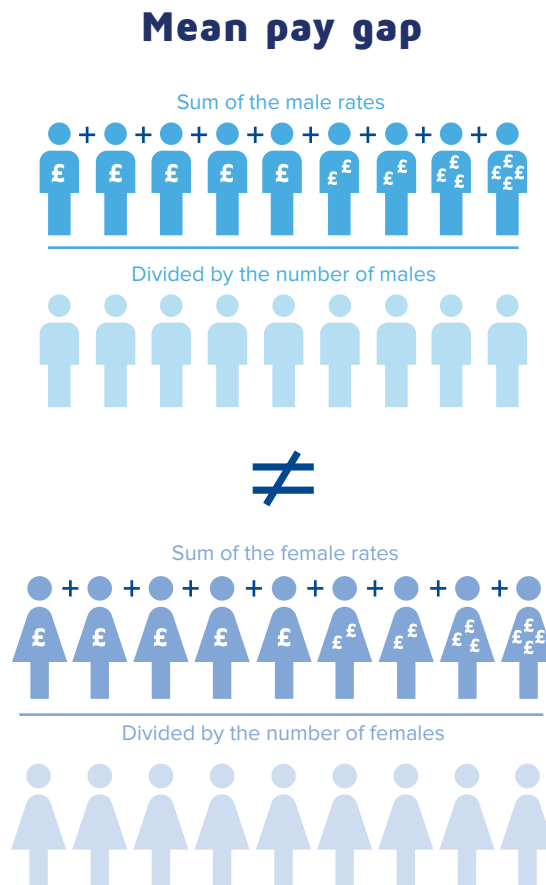
How are the median and mean gaps calculated?

The median is the middle point of a range of numbers and the mean is the average of a range of numbers. How do we calculate this for gender pay gap reporting?

Median pay gap – If all our male colleagues stood in a line in order of lowest hourly rate earned to highest and females did the same, the median pay gap (as a percentage) is the difference in pay between the middle colleague on the male line and the middle colleague on the female line.



Mean pay gap – If we add together all the hourly rates of male colleagues and calculate the average and do the same for female colleagues, the mean pay gap (as a percentage) is the difference in pay between the average male and female hourly rate.

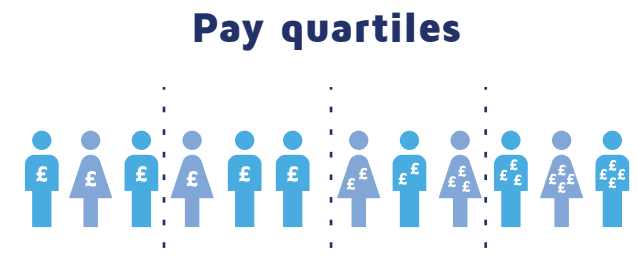


How is the bonus gap calculated?

The mean and median bonus gap are calculated in the same way as the gender pay gaps. However, this time we use the actual bonus paid to the colleagues. We also report the number of male and female colleagues receiving bonus (as a percentage of the total male and female population).

How are the pay quartiles calculated?

Pay quartiles are calculated by dividing all hourly rates paid across the business, from lowest to highest, into four equal sized groups of colleagues and calculating the percentage of males and females in each.



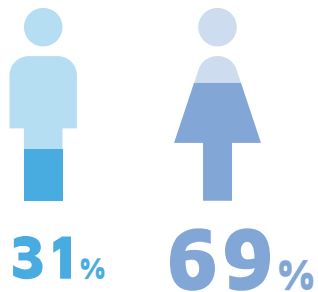
Our 2017 results



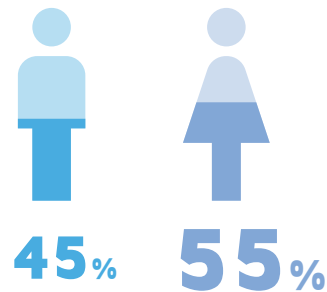
Pay quartiles

The percentages of all male and female colleagues within each quartile pay band is:

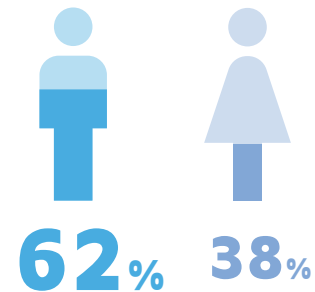
LOWER QUARTILE



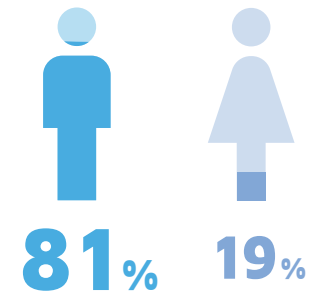
2nd QUARTILE



3rd QUARTILE



4th QUARTILE



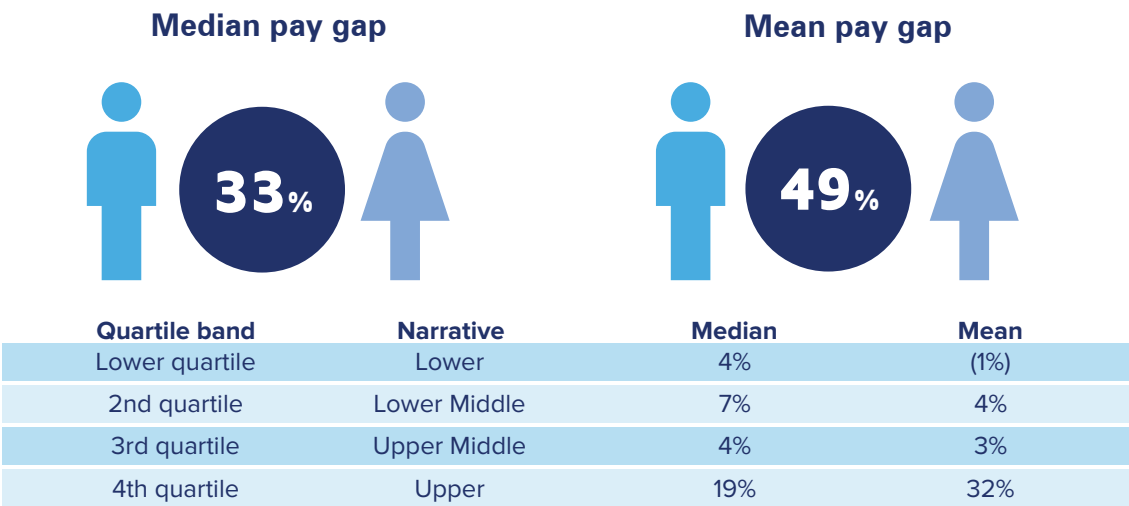
Our 2017 results

Reasons behind our gender pay gap

WBASL is comprised of corporate functions supporting the Pharmaceutical Wholesale Division and International Retail business of Walgreens Boots Alliance, Inc. (NASDAQ: WBA). We have approximately 350 employees. Our senior population is predominantly male and, therefore, the overall gender pay gap appears large, as it compares the lowest paid employees alongside the highest. When comparing like for like roles, we can see that the gender pay gap, when looking at each quartile, particularly the first three (lower quartile, second quartile and third quartile) is far smaller.

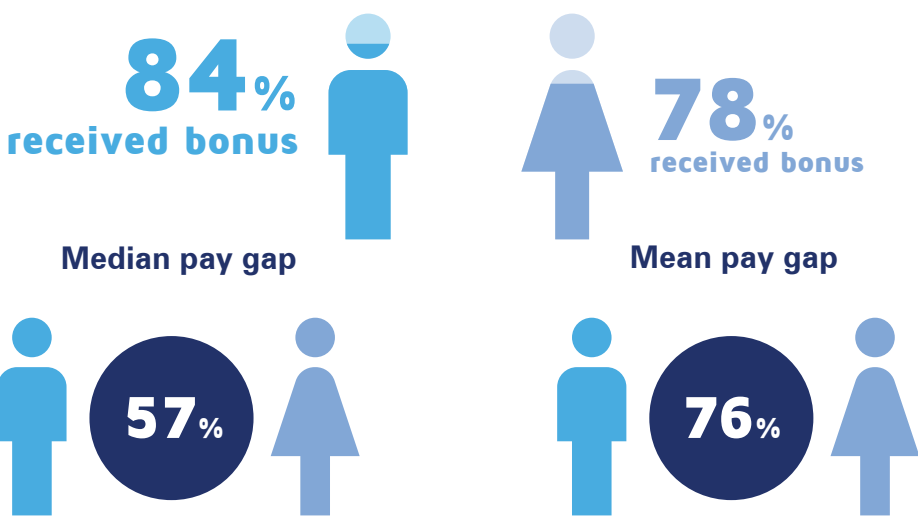
We have relatively low attrition at senior levels, with average length of service being approximately 10 years. This has provided us with limited opportunities for new appointments, regardless of gender at a senior level. While we have certainly promoted female employees into senior roles, we have a higher percentage of male applicants, both internally and externally. Within the external market for Pharmaceutical Wholesale, we have found that many senior positions are occupied by males, who comprise the talent pool from which we are recruiting.

Gender pay gap

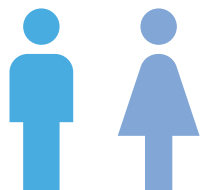


Median national average pay gap 18.4%, mean national average pay gap 17.4% based on estimates from the Office of National Statistics' Annual Survey of Hours and Earnings 2017

Bonus gap



What are we doing to address our gender pay gap?



We have undertaken a number of initiatives to **drive equality** within our workplace.



Maternity pay: We have an **enhanced maternity support policy**. We are committed to having the right offer in place to help our female colleagues balance their home and work life.



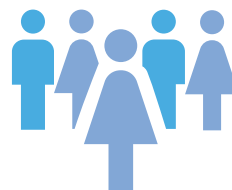
Flexible working policies: We have a variety of flexible working policies in place and continue to encourage the provision of **flexible working arrangements**, particularly for colleagues with childcare commitments. Additionally, we continue to invest in telepresence technology, as part of our wider Corporate Social Responsibility agenda.



Encouraging colleagues to explore different work areas: Traditionally male oriented functions, such as IT and Finance are reviewing how they can foster the **development of female talent** within their teams as well as progression to senior roles.



Recruitment: We continue to review our recruitment practices and processes and develop our employer brand to **encourage a greater number of female candidates** to apply for roles with us.



Internal talent review: We have established an internal talent review process to identify and support future and emerging talent, with specific focus on the **development of female colleagues into Executive roles**.

Our commitment

As a company we continue to build a diverse and inclusive culture. We are committed to encouraging and supporting female colleagues across the organisation and inspiring everyone to reach their full potential.



We confirm that the information contained within this report is accurate.

HILLARY LEISTEN

Vice President, International Human Resources Support

MARK MULLER

Vice President, Corporate Controller

