



Walgreens Boots Alliance

Walgreens Boots Alliance Services Limited Gender Pay Gap Report as at April 2019

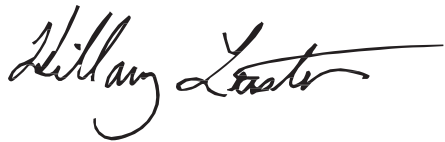
A message from Hillary

I'm very pleased to share with you the April 2019 Gender Pay Gap report for Walgreens Boots Alliance Services Ltd.

Since the Equality Act 2010 (Gender Pay Gap Information) Regulations were first introduced in 2017, we've embraced this new initiative as a way of looking objectively at our organisation and ensuring that all of our colleagues have the opportunity to reach their potential in an environment that is supportive, transparent and fair.

I'm pleased to share that all the initiatives we mentioned 12 months ago have been implemented this year.

There is still more to be done but I remain proud of the work that has been achieved so far and look forward to the continued progress we will make.



Hillary Leisten

Vice President, International Human Resources Support

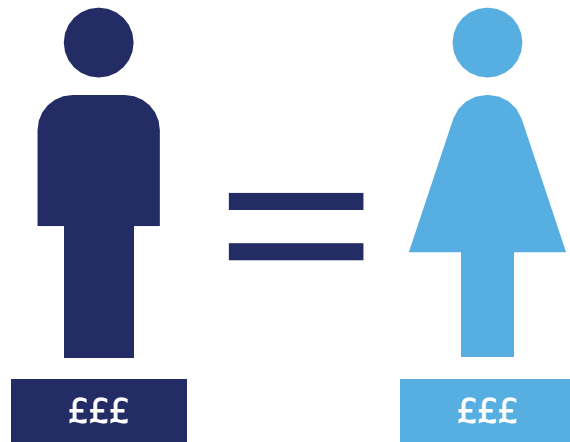
Understanding gender pay gap reporting

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

A gender pay gap is different from equal pay.

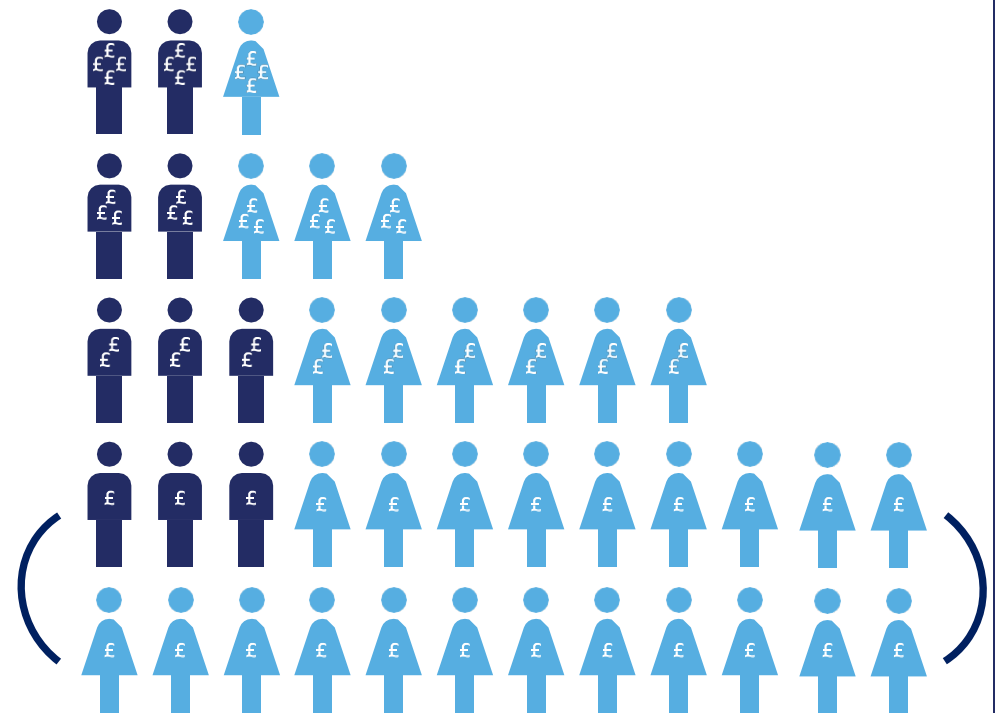
Equal pay

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.



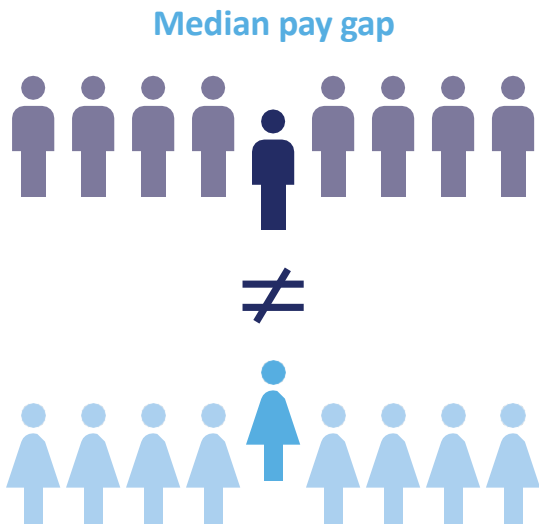
One of the main reasons for the gender pay gap in our society is that men are statistically more likely to be in senior roles.

Understanding gender pay gap reporting

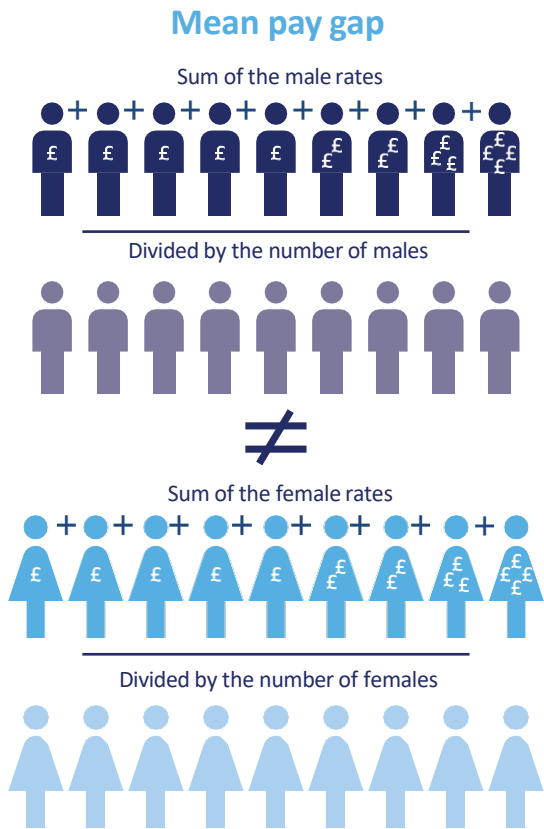
How are the median and mean pay gaps calculated?

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 all 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.

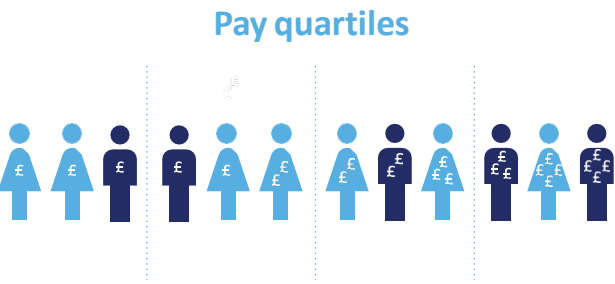


How is the bonus gap calculated?

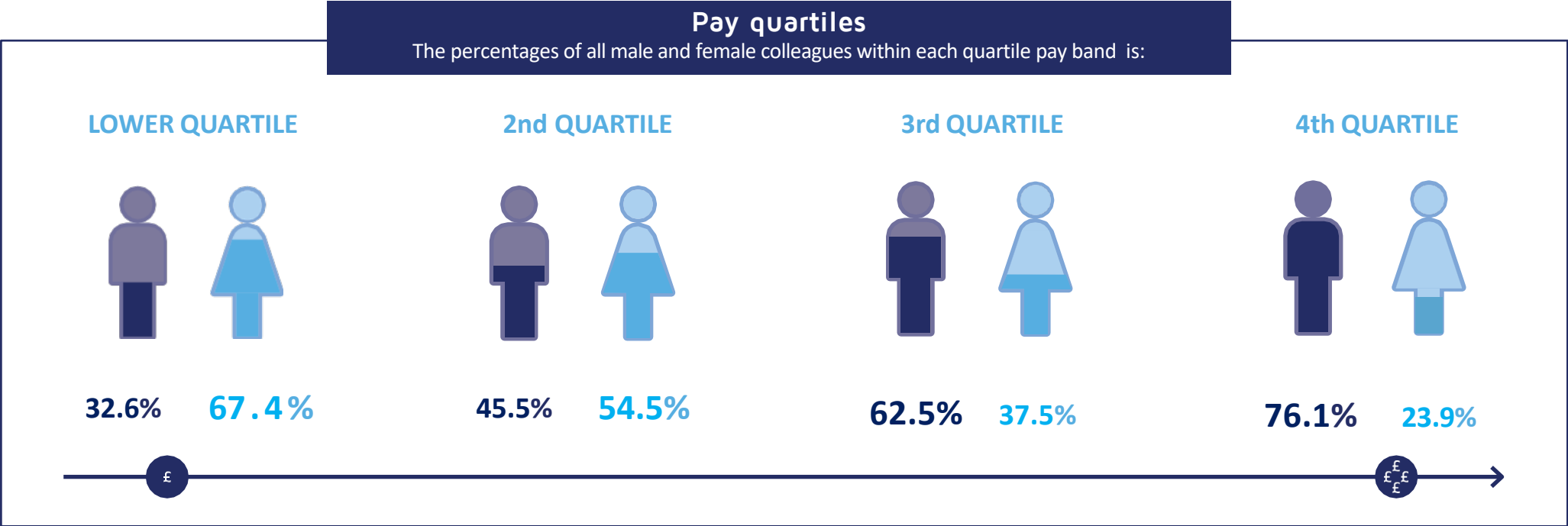
The mean and median bonus gaps are calculated in the same way as the gender pay gaps. However, this time we use the actual bonus paid to colleagues. We also report the number of male and female colleagues receiving a bonus (as a percentage of the total male and female population).

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 2019 results

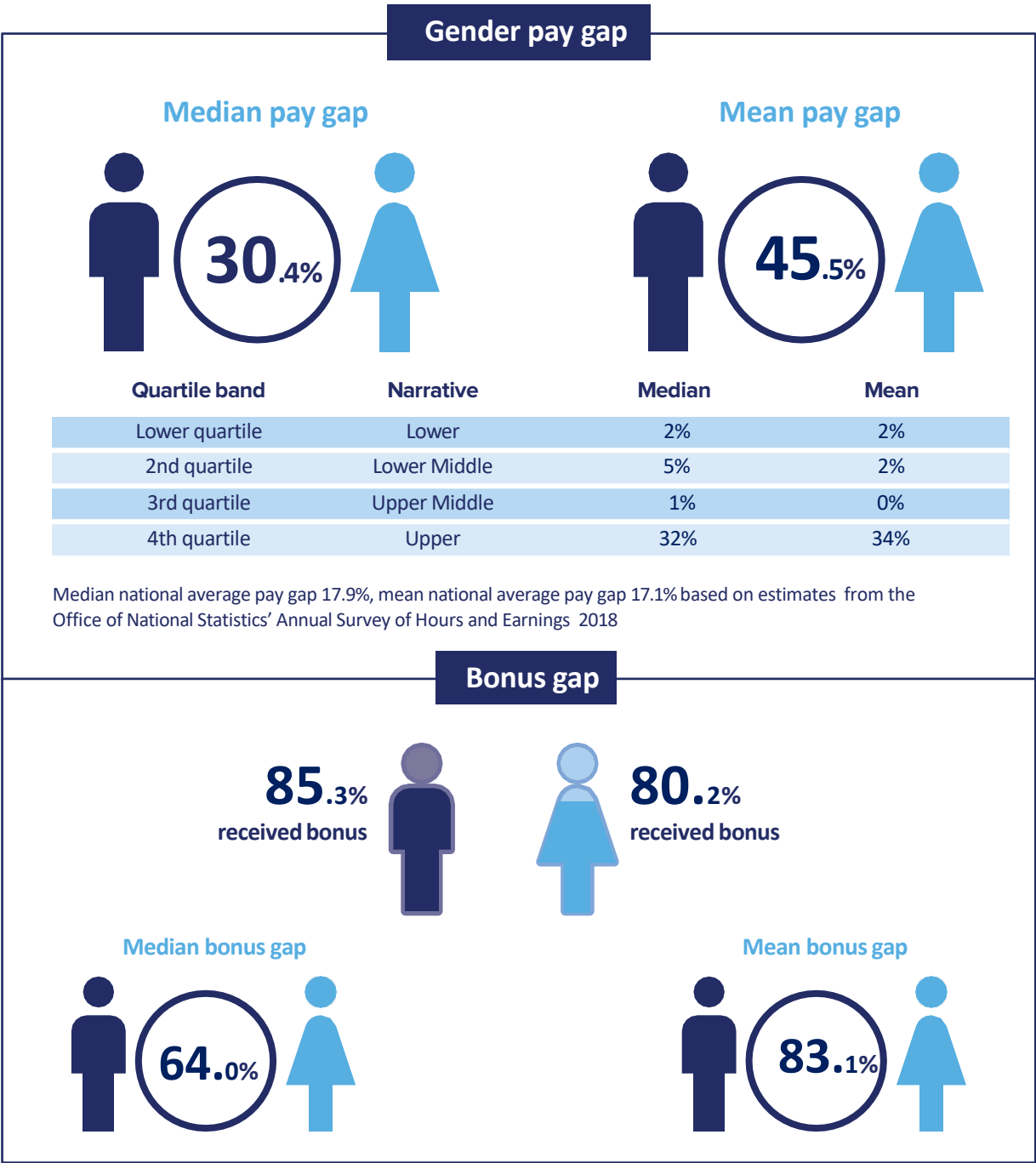


Our 2019 results

Reasons behind our gender pay gap

Walgreens Boots Alliance Services Limited is comprised of corporate functions as well as teams who support the Pharmaceutical Wholesale Division (NASDAQ: WBA). We have approximately 350 employees. Our senior population is predominantly male. Therefore the overall gender pay gap appears large as it compares the lowest paid employees alongside the highest. When comparing the results of the other 3 quartiles separately the gaps are far smaller.

We have relatively low attrition at senior levels, with average length of service being approximately 11 years. This has provided us with limited opportunities for new appointments, regardless of gender at a senior level. Whilst we have certainly promoted female employees into senior roles, we find that a majority of our external applicants are male. Within the external market for Pharmaceutical Wholesale, we have found that more senior positions are occupied by males than females, which has an impact on the gender balance of the talent pool from which we are recruiting.



What are we doing to address our gender pay gap?

We are committed to encouraging and supporting all colleagues across the organisation and inspiring everyone to reach their full potential

WHAT WE'VE DONE SO FAR

We have an **enhanced maternity support policy** and are committed to supporting our colleagues to balance their home and work life.

We encourage **flexible working arrangements**, particularly for colleagues with childcare and other carer commitments.

We continue to improve our recruitment practices and processes to encourage a **greater number of female candidates** to apply for roles with us.

Our **internal talent review process** helps to identify and support future and emerging talent, with specific focus on the **development of female colleagues into Executive roles**. We are also ensuring that our external recruitment partners provide us with a selection of candidates that reflects the diversity of our business.

Our teams are engaging in **Diversity & Inclusion sessions** to outline the current state from a diverse representation and inclusion index perspective and build plans to address opportunities. A key focus for us will be **ongoing education and awareness**.

We continue to **develop our Employer Brand and our Employee Value Proposition** to assist us in attracting, inspiring and retaining diverse talent. This helps us to tell a global story and to differentiate ourselves from other employers.

WHAT WE WILL BE DOING

We will embed an 'Inclusion Index' into our new global engagement survey, that will allow us to more tangibly measure our progress towards a more inclusive culture.

We will be rolling out Diversity & Inclusion introductory training and toolkits through the 'Learning Corner' in our new employee newsletter.

All teams will be celebrating the United Nations World Day for Cultural Diversity and have access to a partnership with a leading women's organization in both the US and Europe. This will include access to webinars, research and resources to support the advancement of women in leadership.

Some key platforms that will accelerate momentum going forward include:

- **Business Resource Groups** will be open to all gender identities within the UK with the purpose of unlocking opportunities for women to fulfil their potential at work. The group aims to create platforms to inspire and develop women at the different 'moments that matter' within their career. This forum will lead learning journeys on personal branding, building confidence and create networks of support covering various topics, such as fertility, menopause and new parents. All of these topics will form the basis of a series of roadshows to be held across the year
- **Diversity & Inclusion Community of Practice** comprised of team members across the WBA group to share learnings, collaborate and accelerate progress
- Active membership of the **WBA Global Inclusion Council** to ensure senior representation on this advisory board, focusing on Diversity & Inclusion strategy and steer change locally
- Through **Talent Acquisition** we are committed to delivering diverse shortlists of candidates who are assessed by diverse panels: the outcome is determined based upon leadership, technical and cultural fit.

Our commitments

We will continue to develop a more diverse and inclusive culture in our business.

We will encourage and support female colleagues across our organisation.

We will provide opportunities to everyone within our business 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

