All Together. Different.
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Deepening Our Diversity and Inclusion Emphasis

At Walgreens Boots Alliance (WBA), we embrace the broadest definition of diversity. This is essential because our 342,000 employees covered by our diversity and inclusion (D&I) initiatives in more than 17 countries represent the broadest range of backgrounds, cultures, experiences, perspectives and insights to foster and forge our successful business strategy and to best serve our multicultural customers and patients around the globe.

This explains our 2018–2019 D&I Report’s theme: All Together. Different. We’re each unique but, together, we perform best for WBA, ourselves and our customers.

We know that diverse teams improve our performance, drive our growth and enhance engagement among ourselves and with our customers and suppliers. D&I is in our DNA. It also reflects our corporate vision, purpose and values and our broader mission and strategy.

This report covers a period before the devastating coronavirus pandemic and the racial equality movement in the U.S. that galvanized the world. The report strives to relate our D&I journey and the evolutionary progress of the last two years of the five years since Walgreens and Alliance Boots merged to form WBA and become a global leader in retail and wholesale pharmacy with a purpose to help people across the world lead healthier, happier lives.

While the long-term effects of COVID-19 and the racial equality movement remain uncertain, what we do know is that change will continue and that WBA will do its part to support positive outcomes during these unprecedented times. Therefore, we also seek in this report to spotlight how we intend to move forward on the D&I front to meet the future needs of our employees, their families, the communities where we work and live and, of course, our customers and patients.
A diverse and inclusive organization must be an essential part of WBA’s business strategy if our company is to remain relevant to customers, patients and employees. Diversity and inclusion (D&I) are key enablers in fulfilling our commitment to helping people live healthier, happier lives. To us, diversity encompasses the broadest range of cultures, backgrounds, perspectives and experiences. This is reflected in the diversity of our workforce, suppliers, customers, patients and communities where we have the privilege to serve. Business indicators show that a diverse and inclusive culture positively impacts performance, propels growth and enhances employee engagement.

As your CEO, the commitment to a diverse and inclusive organization begins with me and must be amplified by all. We must remain intensely focused on our goal to foster an environment of diverse thoughts and ideas where everyone is valued for who they are and what they contribute each and every day. If we are to achieve this goal, it requires holding myself, leadership, and all our people to a heightened level of accountability.

The journey continues and there is still work to be done. We remain focused on our vision of creating a culture where diversity and inclusion are at the center of everything we do.

Stefano Pessina
Executive Vice Chairman and Chief Executive Officer
Walgreens Boots Alliance, Inc.

All Together. Different. describes our intent to nurture a diverse and highly engaged global workforce where everyone’s voice matters, and everyone is treated with dignity and respect.

We are on a journey to create a “One WBA” mindset that delivers to our employees a strong sense of belonging and full participation in the organization’s success. We view diversity and inclusion (D&I) as an essential driver of that success; a talented, diverse, and highly engaged workforce is what every purpose-
Letter from Our Global Chief Diversity Officer

Kathleen Wilson-Thompson
Executive Vice President and Global Chief Human Resources Officer
Walgreens Boots Alliance, Inc.

In our inaugural WBA D&I Report, we are excited to share and highlight how we are globalizing our strategy and demonstrating our commitment to creating a culture where D&I is at the center of everything we do. D&I is about all of us, and the impact of this work extends beyond our employees, to our customers, patients, suppliers and communities. Over the past two years, many of our initiatives have gained momentum and are driving positive cultural change within the organization.

We are working to deliver our All Together. Different. mindset through several bold initiatives, including:

- Implementing a leadership accountability model to measure and drive leader-led actions that result in the increase of women and people of color in leadership positions and a more inclusive culture.
- Forming a Global Inclusion Council with leaders from across WBA to help guide our journey and align our D&I objectives for maximum global impact.
- Increasing business opportunities with diverse suppliers and supporting the development of these suppliers.
- Expanding our employee-driven and company-sponsored Business Resource Groups (BRGs) in the U.S. and internationally. In addition to women and racial/ethnic groups, groups also exist for employees with disabilities, veterans and those passionate about sustaining our environment and about equality and pride for the LGBTQ+ community.

While progress is being made, we must remain committed to an open and inclusive culture where diversity thrives for the advancement of the organization. We hope this report demonstrates our passion and drive to realize that mission.

Carlos W. Cubia
Vice President, Diversity & Inclusion, Global Chief Diversity Officer
Walgreens Boots Alliance, Inc.

Carlos W. Cubia
All of us at WBA have a significant role to play in fostering an environment in which each of us can be our authentic selves while treating everyone with dignity and respect and generating diverse perspectives in our work. In 2018–2019, we significantly accelerated our D&I program and initiatives. We expanded several of our Business Resource Groups to include team members everywhere. We continue to make strides to ensure that every day in multiple ways, WBA demonstrates the principles of integrity, respect and fair dealing that define us.

We are building the maturity of our D&I organization across the world, following an evolutionary, not revolutionary, journey with varying stages that reflect the cultural realities of our global organization. Walgreens has had a strong D&I program in place in the U.S. for years as it embraced the fairness principles of founder Charles Walgreen. To drive D&I across all our divisions, we formed a Global Inclusion Council in 2019.

At the start of fiscal 2019, we introduced the Leadership Accountability Model. Recognizing that change often starts at the uppermost levels of an organization, we announced a D&I performance goal designed to hold leaders at the vice president level and above accountable for driving diverse representation and a more inclusive culture. Each leader was responsible for increasing the representation of women in leadership positions year-over-year in all countries where WBA operates and, in the U.S., increasing the representation of people of color (POC) in leadership year-over-year.

Leaders also are driving a diverse and inclusive culture by practicing inclusive leader-led actions. They have been encouraged to share their D&I goals and quarterly progress reports with their leadership teams to drive accountability and commitment for creating diverse teams and inclusive work environments.

As we look to fiscal 2020, the D&I performance goal will apply now to the Division and/or Global Corporate Function level and will have specific representation targets to achieve across the organization. At the leadership level, we want by the end of the fiscal year to see a three percent increase in women globally, achieving 42 percent representation, and a two percent increase in POC in the U.S. to 22 percent.
Expanding D&I at Boots UK

Boots UK continued to strengthen its D&I strategy in fiscal 2018–19. Its efforts centered on raising awareness and education, building diversity at all levels and driving leadership accountability for D&I.

To help raise awareness, Boots UK surveyed team members to collect baseline D&I data, created an internal D&I microsite to share updates, and supported the cross-divisional launches of new Business Resource Groups that include WBA Pride UK, Women of WBA, and Black, Asian and Minority Ethnic.

In 2018, WBA held a Global Women’s Executive Conference and the following year, a Boots Women in Leadership Conference engaged the senior leadership team on the broader D&I agenda at WBA and Boots.

Boots UK also began micro inequities training to senior leadership and created unconscious bias e-learning in-house for all employees. To build gender diversity, Boots showcased successful job-shares and other flexible working arrangements in high-level roles on its careers website to underscore that Boots commits to supporting flexibility as part of team members’ long-term career plans.

Boots UK is especially proud that 64 percent of women and 40 percent of men work part-time, giving them the opportunity to balance their home and work lives. Also, Boots UK updated its transgender policy with changes designed to raise awareness and help facilitate a supportive transition process. Further, in its disability inclusion efforts, it achieved Disability Confident Level 2 from the government-led Disability Confident program for helping ensure disabled people get a fair chance.

Our WBA Divisions Accelerate Initiatives

For the Pharmaceutical Wholesale Division, 2019 initiatives included a Feel Good program at Alliance Healthcare Netherlands that focused on mental health and impactful, employee-led women in leadership initiatives established through new Women of WBA groups in Germany and the Netherlands.

Alliance Healthcare in 2019 began a leadership training program for women with a two-day kickoff in April focusing on self-management. Other elements of the program, which continues in 2020, have centered on leading and influencing others, including teams, and leading change.

Retail Pharmacy International focused on truly upskilling its teams on unconscious bias through an e-learning program. Teams in the UK and Thailand complemented this with externally led inclusive leadership and micro-inequities training.

Global Brands, the business area for our beautify and skincare brand portfolio, built on previously deployed inclusive leadership and unconscious bias training across its teams, delivering micro-inequities and bias management workshops in Hong Kong and the UK, as well as embedding an inclusive lens into key leadership development programs.

Further, we are partnering with organizations in the U.S., Europe and Asia to create education, networking and advancement opportunities for diverse talent.

64 percent of Boots women and 40 percent of men work part-time.
Global Inclusion Council Drives Diversity At All Levels

Comprising 21 senior leaders worldwide from across all divisions, the Global Inclusion Council was established to help accelerate our culture of diversity and inclusivity throughout the company and propel diversity at all levels.

Chaired by Global Chief Diversity Officer Carlos W. Cubia, the council has identified principal areas where it can support D&I initiatives. Specifically, members intend to focus on actions that expand supplier diversity, ensure diverse slates of candidates for leadership roles, apply a diversity lens to career development, and help communicate and engage teams on what it takes to drive an inclusive culture.

Carlos W. Cubia, Global Chief Diversity Officer, chairs the Global Inclusion Council.

WBA Diversity Data

From an overall diversity standpoint at WBA, the charts below communicate data about the number of WBA employees by division, by gender and by diversity for fiscal 2019 ended Aug. 31, 2019.

Employees by Division

<table>
<thead>
<tr>
<th>Division</th>
<th>As of August 31, 2019</th>
<th>As of August 31, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail Pharmacy USA</td>
<td>234,000</td>
<td>244,000</td>
</tr>
<tr>
<td>Retail Pharmacy International</td>
<td>80,000</td>
<td>83,000</td>
</tr>
<tr>
<td>Pharmaceutical Wholesale</td>
<td>28,000</td>
<td>27,000</td>
</tr>
<tr>
<td>All divisions</td>
<td>342,000</td>
<td>354,000</td>
</tr>
</tbody>
</table>

Employees by gender and employment type

<table>
<thead>
<tr>
<th>Employment type</th>
<th>All (%)</th>
<th>Permanent (%)</th>
<th>Temporary (%)</th>
<th>Part-time (%)</th>
<th>Full-time (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>32</td>
<td>98</td>
<td>2</td>
<td>24</td>
<td>76</td>
</tr>
<tr>
<td>Female</td>
<td>68</td>
<td>99</td>
<td>1</td>
<td>36</td>
<td>64</td>
</tr>
<tr>
<td>Undisclosed</td>
<td>0</td>
<td>100</td>
<td>0</td>
<td>33</td>
<td>67</td>
</tr>
<tr>
<td>All employees</td>
<td>100</td>
<td>98</td>
<td>2</td>
<td>33</td>
<td>67</td>
</tr>
</tbody>
</table>

Diversity of employees

<table>
<thead>
<tr>
<th>Employment category (%)</th>
<th>Age group (%)</th>
<th>Gender (%)</th>
<th>Race, ethnicity (%) U.S. employees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>&lt;30</td>
<td>30–50</td>
<td>&gt;50</td>
</tr>
<tr>
<td>Manager</td>
<td>7</td>
<td>11</td>
<td>68</td>
</tr>
<tr>
<td>Non-manager</td>
<td>93</td>
<td>39</td>
<td>40</td>
</tr>
<tr>
<td>All employees</td>
<td>100</td>
<td>37</td>
<td>42</td>
</tr>
</tbody>
</table>

1 Employees of fully owned WBA businesses; does not include employees of companies in which WBA has equity method investments.
2 Does 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.
3 Totals showing zeros reflect rounding of amounts lower than 0.5%.
Global Brands’ Asia Women’s Empowerment Initiative Very Active

In Asia, the Global Brands’ Asia Women’s Empowerment Initiative that formed in 2017–2018 with four members grew to eight in 2019 and continued its program to unlock the potential of women and accelerate gender parity. The group worked to improve policies that support women staff, such as extending the maternity leave period and upgrading the nursery room facility for breastfeeding. It also developed and employed a measurement and record system for its D&I initiative.

As part of its continuous learning and improvement drive, the team beginning in February 2019 started a self-learning program called Learning Journeys.

Each seven-week program explores a different soft skill such as building confidence, negotiation skill, persuasion and confidence, and a personal brand. WBA leaders also shared life experiences and career advice.

In 2019, the team celebrated International Women’s Day through several programs, including a training session on sexual harassment in the workplace and legal liabilities; a LEAN-in Sharing program with a TED Talk speaker; and a program featuring guest dancers and artists from a Hong Kong group of ethnic minority women.

WBA’s Healthy Workplace Goals Reflect Our D&I commitment:

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

• Proactively support the personal health and well-being of our team members.

• Further improve our robust approach to health, safety and data privacy as we actively care for our team members and customers.
Parental Leave Coaching Program Proves Popular
Global Brands also began offering parental leave coaching to support new parents as they balance professional commitments with the major personal changes at home with a new child. Line managers also can obtain such coaching so they can provide the necessary support to team members on parental leave and resources to help transition back into the workplace.

Complementing the webinar-based coaching is a Parental Leave Online Portal. It is a pocket coach with expert coaching tools and materials available on demand to fit around a new parent’s day. The program features four key sessions, including Great Expectations, for soon-to-be parents who will take an extended parental leave; Confident Comebacks, for those parents returning from parental leave; The Father Factor, for new or expectant fathers; and Success Strategies for Line Managers who have team members experiencing the parental leave transition.

A Father Praises Parental Leave Transition Coaching
Tom Moore, who works on the Strategic Planning Team, and his wife Sofia welcomed their first child, Achilleas. Tom attended a Father Factor workshop session and he answered some questions about it.

How did the Father Factor workshop support you as a new father?
Tom: It was a great opportunity to chat in a relaxed environment. As a new father, it led to a great inclusive and sharing atmosphere where we could be open and honest about our feelings, hopes and fears.

What message would you share as a new father about the benefits of the session?
Tom: Not many companies offer this type of support and it really is valuable, particularly for fathers whose needs are often forgotten during this whirlwind phase of life.

What did you find particularly useful?
Tom: This was the first time anyone had asked me to stop and think about what type of father I want to be. It helped me think about behaviors and my priorities that I hadn’t been able to stop and consider as much as perhaps I should have.

What have you done differently since attending the session?
Tom: I’ve continued to be the dad I want to be with my son, making the most of all the time with him and remembering how lucky I am every day.
Disability Inclusion Programs
WBA's commitment to integrating people with disabilities throughout our workplaces is ingrained within the organization, especially at Walgreens, which has focused on disability inclusion since 2007 when industry-leading inclusive policies and practices went into effect. Disability inclusion centers on three pillars, including that jobs and expectations as well as work standards are the same for all employees, and for the same pay, and that our disability inclusion model is sustainable and fits our operational, human resources and other critical standards.

As CEO Stefano Pessina emphasizes, “People with and without disabilities can work collaboratively and effectively, side by side, doing the same jobs for the same pay and delivering the same strong performance.”

Walgreens has intensified its training and other programs for workers with disabilities. It has expanded its two signature disability initiatives: the Transitional Work Group (TWG) and the Retail Employees with Disabilities Initiative (REDI) to train and hire a significant number of team members with disabilities to work in our stores and distribution centers. It also has discovered new opportunities to design training programs and facilities for people with disabilities through both initiatives.

The 10-plus-year TWG program trains team members with disabilities to work at seven Walgreens distribution centers and regional warehouses. The 13-week training program includes trainee support from a job coach to a front-line manager. About 12 percent of team members at our distribution centers self-identify as having a disability.

The REDI program offers training for a potential position in a store, from working the cash register to stocking shelves. Through partnerships with community providers, REDI expanded to over 270 stores in 37 states in fiscal 2019 with over 1,400 trainees, and 92 percent of those who registered completed training. Walgreens encourages the hiring of trainees who complete the program, but trainees can seek employment at other retailers.

Underscoring its strong commitment to a fully inclusive work environment, Walgreens served as a presenting sponsor at the 2019 Annual Disability:IN Conference & Expo in Chicago in July. At the 22nd annual event of the leading nonprofit resource for business disability inclusion worldwide, 200 people with disabilities were interviewed for jobs with over 170 corporations attending.

WBA Chief Diversity Officer Carlos Cubia chaired the judging panel for the Talent Accelerator competition where NextGen leaders with disabilities worked in teams to solve a technology-related challenge. The two finalists presented their proposals to the judges at a NextGen Leaders luncheon.

Walgreens was well-represented at the Disability:IN Conference.
Diversity scholarships
Seeking to increase the ranks of diverse pharmacists, Walgreens in fiscal 2019 provided over $1 million to assist over 250 students in the 2019–2020 school year at accredited U.S. pharmacy schools. The scholarship program also expanded to include job placements at Walgreens pharmacies.

Opportunities for Military Veterans
Since November 2018, Walgreens has sought to provide career and educational opportunities for 5,000 U.S. veterans over a five-year period through its new Walgreens Helping Veterans with Educational and Retail Opportunities, or HERO, program. Walgreens established HERO to assist veterans transition leadership skills learned through military service into a retail management career. It offers veterans a career path to store management by providing retail management training and mentorship with Walgreens leaders.

In addition, HERO participants can work toward a bachelor’s degree with tuition assistance and discounts from Walgreen’s partnership with Southern New Hampshire University, which offers classes online and on its Manchester campus. At the end of fiscal 2019, 183 shift leads and assistant store manager trainees from around the U.S. were HERO participants.

Employment outreach to veterans includes recruiting relationships with Hirepurpose, Getting Hired and RecruitMilitary, and collaboration with the W-Vets BRG.

Walgreens Trains and Hires Students with Autism
Since 2012, partnering with the nonprofit Turning Pointe Autism Foundation that serves individuals on the autism spectrum and their families, Walgreens has been training and hiring students with autism. They learn skills in a mock retail environment identical to a Walgreens store to prepare them for independent employment. Instructors watch students build an important skill base and the students’ confidence levels climb. In fiscal 2019, seven students graduated from the program and two were placed in Walgreens stores while others are working in other retail store environments.

183 military veterans in Walgreens’ HERO program were shift leads and assistant store manager trainees at the end of fiscal 2019.
With the theme ‘Pathway to Leadership,’ the first truly global WBA Women’s Executive Conference was held in November 2018. The two-day event emphasized growth and development and empowering leaders to discover their own unique paths.

More than 300 WBA leaders from Walgreens, Boots UK, Alliance Healthcare, Retail Pharmacy International and other business units and reporting segments attended the conference that evolved from the initial women’s conference in 2016. It drew one-third of attendees from outside the U.S., up significantly from the inaugural conference, and they represented WBA business areas in Europe, Asia, and Central and South America.

The WBA Office of Diversity & Inclusion and the Women of Walgreens Business Resource Group hosted the event. The conference was sponsored by Ornella Barra, co-chief operating officer, and Kathleen Wilson-Thompson, executive vice president and global chief human resources officer. It was held in Schaumburg, Illinois.
Gender Pay
WBA strives to ensure our team members receive fair and equitable pay. We have committed in the U.S. to conduct proactive pay reviews to confirm that pay practices are applied without regard to gender, race or ethnicity. In the UK, following the government’s gender pay gap regulations, we published for 2018 and for the second year in a row our gender pay gap information for Boots UK and Alliance Healthcare.

The Boots UK report showed a median gender pay gap of 5.4 percent and the Alliance Healthcare report showed a gap of 9 percent. Both are significantly lower than the 17.9 percent national average median. A pay forum was held as part of Boots’ pay governance processes to help ensure pay decisions are fair and equitable for every team member.

Gender Listening Groups
Boots UK extended the reach of gender listening groups to generate better insights into what improvements will encourage a more inclusive working environment. Feedback from the groups led to improving our maternity information pack and enhancing manager skills to better support pregnant colleagues or those transitioning back to work.

Unconscious Bias Training
WBA has begun a companywide training program for team members to understand unconscious biases that underlie beliefs and attitudes that may need changing. Our policies strictly prohibit any form of discrimination or racial profiling and the program reinforces the commitment to provide extraordinary care to our customers.

Boots UK and WBA operations elsewhere, including Thailand, have held trainings. Walgreens launched the Strengthening Care in our Communities initiative that comprises a three-hour training session for store management teams to ensure team members gain a common understanding and language to talk about unconscious bias and a platform to do so. At the end of fiscal 2019, over 57,000 Walgreens store employees had completed the training.

The training has elicited kudos from team members. The program, one employee posted, points out that “we all have biases, we just need to learn to recognize them so we can keep them in check.” Another said that “hearing a lot of different people share their experiences and advice” was especially helpful.
Our Business Resource Groups Foster Inclusive Global Culture

WBA’s employee-led Business Resource Groups (BRGs), growing in number and in membership, are a critical element of our inclusive workforce culture to help team members build connections to colleagues with similar interests, backgrounds and experiences. We support 10 active BRGs with nine chapters in the U.S. and five BRGs in Europe/Hong Kong.

These grassroots networks of employees commit to making WBA an even more diverse and inclusive employer and retailer by helping attract, engage, develop and retain diverse talent through their work.

Our voluntary 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. BRG team members share fresh experiences together, gain the chance to demonstrate leadership and other talents, and sharpen their professional skills.

Research shows that BRGs—celebrating their 50th anniversary in 2020 since Xerox formed its National Black Employees Caucus—are important business assets that deliver value in employee development, training, and recruitment and retention, especially as we have become more global. We find that BRG members also are often better able to identify and serve the distinct needs of customers in our diverse global markets.

Within WBA, these core BRGs offered team members the following activities and initiatives in 2019.

- WBA’s African American Leadership BRG in 2019 organized Black History Month and Heart Disease Month initiatives, held a panel discussion with diverse Walgreens leaders, networked with counterpart BRGs at other companies, provided Christmas gifts to a fourth-grade classroom, and interviewed a Walgreens vice president about the new Life365 benefits platform. It also assisted with the visit of Kára McCullough, nuclear scientist and Miss USA 2017, to Chicago’s LEARN 6 Campus charter school, where she encouraged students to consider STEM careers.

- Nuclear scientist and Miss USA 2017 Kára McCullough teaches students a foam science experiment.
In 2019, the Asian BRG celebrated the Lunar New Year by helping organize and participating in the Walgreens Chicago International Dragon Boat Festival in Arlington Heights, Illinois, where the BRG won second place among nine companies comprising the Grand group. The Dragon Boat Festival brings together culture, sport and international flavors that blend a 2,500-year-old tradition with the excitement of an outdoor festival.

The AsianConnect BRG’s colorful float participated in the Walgreens Chicago International Dragon Boat Festival.

Disability Inclusion BRG members at a bimonthly networking session.

Begun as Include in 2011 at Walgreens distribution centers, the Disability Inclusion BRG and its 200 members (and growing) are active on several fronts at Walgreens, and a branch is forming in Europe. In 2019, members monitored web content accessibility guidelines, testing and remediating any issues with external and internal apps to ensure compliance, and the monitoring continues. Members also assisted D&I to complete the annual Disability Equality Index survey, and they partnered with Walgreens teams to make sure team members with disabilities are considered in new office designs and as new technology platforms are introduced and improved.

The BRG began holding member networking sessions with a focus on hearing impairments and raising a child with autism, and it hosted White Sox announcer Jason Benetti, who spoke about living with cerebral palsy. Members also support fundraising efforts of Misericordia, a Chicago community of care for those with developmental disabilities.

In 2020, bimonthly member networking sessions are scheduled as are an epilepsy panel discussion, celebration of Global Accessibility Awareness Day (GAAD) and a marquee event.

Members also are helping standardize the integration of sign language assistance in support office meetings and partnering with D&I to support the hiring and retention of people with disabilities.

The Black, Asian and Minority Ethnic (BAME) BRG was recently formed for WBA team members in the UK with a leadership team and 54 members. It sent members a survey to assess where the group can have the most impact, and it is using the feedback to plan the fiscal 2020 calendar. It plans to focus on creating networking and mentoring opportunities, celebrating cultural diversity at WBA and raising awareness of how team members can create a truly inclusive environment.

Disability Inclusion BRG members at a bimonthly networking session.
The **Environmental Sustainability** BRG and its 270 members, primarily from Walgreens corporate campus, promotes recycling and reuse practices in WBA workplaces and the communities they serve. This includes collecting electronic waste for disposal outside of landfills and educating team members about endangered species, climate change and Walgreens marine pharmacy program with Chicago’s Shedd Aquarium.

The BRG also celebrates Sustainability Month with activities and helps promote Earth Day annually. In 2019, aligning with Earth Day, it collected 843 pairs of shoes as part of a Reuse-a-Shoe Collection and gathered 622 pounds of home electronics and 30 gallons of batteries for proper recycling. It is planning several sustainability and recycling initiatives in 2020.

The **InclusiveIT** helped host a panel of women leaders who discussed how they manage the gender and disability gap in the tech sector.

### Latino Professionals

**Latino Professionals** and its membership of 150 (and growing at a 20 percent pace) fulfilled a busy 2019 calendar of activities and events. Among other initiatives, it sponsored a member luncheon with Roberto Valencia, vice president of Pharmacy & Retail Field Operations, about career advancement, networking and strength development; held a Diabetes and Your Health community event and screening; and hosted a Deerfield support office celebration during Hispanic Heritage Month to highlight Walgreens efforts in Puerto Rico.

The BRG also partnered with the National Museum of Mexican Fine Arts to celebrate Día Del Nino at an event attended by 2,000; with other BRGs to host guest speaker Denice Torres, a former Johnson & Johnson senior executive and CEO of The Mentoring Place; and with counterparts at Allstate and Essendant at a networking event. It has scheduled an event on developmental and skill-building opportunities, including panel discussions and networking.

### InclusiveIT

With about 400 members in the U.S. and 40 in the UK and with a mission to increase diversity and the talent pipeline in IT, **InclusiveIT** achieved a very active fiscal 2019. Among other activities, it hosted the second annual Lumity One-Day Challenge for teens interested in STEM careers and a visit by 35 youth to the Walgreens Innovation Center; sponsored a 5K practice run for 35 girls; took 60 girls to a University of Illinois engineering school open house; and held monthly Sharing My Story sessions.
In the U.S., Pride Alliance continued active on several fronts while the BRG got established in the UK in 2019. Among other initiatives in the U.S., Pride Alliance embraced supplier diversity through the use of an LGBTQ+-owned supplier for Pride Celebration supplies, and it supports and enables Walgreens participation in 50 Pride events across 30 U.S. markets annually. It collaborated with The Legacy Walk in Chicago by sponsoring the historical contributions of LGBTQ+ individuals at area high schools and by publishing The Legacy Walk brochures.

WBA Pride UK was established between April and October 2019 and participated in many events, including working with Boots UK to become the headline sponsor for Nottinghamshire Pride Day. It also changed its logo to mark the Pride Celebrations.

With about 80 members, the W-Vets BRG provides information to veterans and their families about job and career opportunities as part of the Walgreens HERO program, and also information about Walgreens discounts and free flu shots, among other things. Volunteers plant U.S. flags throughout our Deerfield campuses in celebration of Veterans Day, Memorial Day and the Fourth of July. In 2020, it plans Lunch & Learn activities, a speaker and a W-Vets newsletter as well as assisting veterans transitioning from the military with veteran networking events around Chicago.
WoW, as Women of WBA is often referred to, is a global community that integrates all of the women’s BRGs worldwide. Team members from each of the women’s BRGs—the U.S., UK, Netherlands, Germany, Hong Kong and others—created the vision of WoW with a mission of being the global community where WBA women can reach their full potential.

The WoW Development Program, a focus in the U.S. and spreading across the globe, centers on the Learning Journeys and the Mentor Circle Programs. Learning Journeys is a seven-week professional development experience open to both women and men seeking to strengthen their individual growth and build personal networks. Since the program’s launch in 2018, over 1,100 Walgreens and WBA team members have participated, including about 200 ex-U.S. team members from the UK, the Netherlands, Spain, Italy and Hong Kong.

**WoW - U.S.**

This very active BRG focuses on three pillars: Building field chapters, now in 10 of the 16 U.S. Walgreens regions, to connect with our female leaders and male allies; partnering with the Healthcare Businesswomen’s Association (HBA) to network and hold an annual panel discussion that in 2019 highlighted the Walgreens Feel More Like You campaign; and celebrating International Women’s Day.

2019 was the first year for the Mentor Circle program. Fourteen mentor circles were created, reflecting specific development areas. The program matched 54 Execution Band and senior and director-level women with female vice presidents to provide opportunities for professional development. WoW is collaborating with the Next Gen Empowerment BRG in 2020 to expand the mentor program’s reach.

International Women’s Day is the pinnacle event and honors women’s achievements worldwide. An event at the Walgreens support office with a panel, personal storytelling and connecting with HBA partners was video streamed and drew over 130 groups who dialed in besides attendees.
**WoW – UK**

This BRG was founded in May 2019 and covers all UK-based WBA businesses, including Boots. Its mission includes helping create an environment where women thrive, promoting D&I across WBA UK, supporting women in and into leadership roles, and inspiring women to reach their desired potential at work. It has been working with its Women of Walgreens counterparts to adapt its successful seven-week self-guided Learning Journeys course to the UK, and its pilot journey in September dealt with building your personal brand. One participant said the program boosted her confidence to have a career conversation with her manager that led to a promotion and pay raise, which she didn’t consider possible before the Learning Journeys course.

WoW – UK since October has been piloting “Lean-in Circle” mentoring groups, one in the Boots UK support office and one virtual group, and intends to launch the program to all members as part of its International Women’s Day celebration. Other 2019 initiatives included supporting a STEM event that attracted 120 11-and-12-year-old girls; an International Men’s Day with a talk by member Tom Moore about the benefit of greater gender balance on teams; and options for men for flexible working and shared parental leave arrangements. The BRG also has established several communications channels, including a digital newsletter, regular member meetings and a Yammer social networking group.

**WoW – Germany**

In 2019, this BRG launched many activities to build awareness about how D&I can contribute to a better workplace within the German organization. A major initiative was a successful WoW leadership program at Alliance Healthcare in Frankfurt. The program’s modules, spread out over several months, offers counsel on leading others, teams and change. It also informs participants about activities around diversity and about International Women’s Day (IWD).
Addressing Gender Equality in Asia

WBA is accelerating gender parity in its global operations, and the Women’s Empowerment Initiative in Hong Kong illuminates the programs underway to make every working woman count.

The 200 Asia team members there, primarily women, have been active the past two years to fully integrate general equality into WBA strategy. Since February 2019, for instance, it has been pursuing a continuous learning and improvement agenda with the seven-week-long Learning Journeys program. Small groups from different functions and levels meet weekly to focus on a specific area for developing soft skills, such as building confidence, personal branding and negotiation skills. Team members also meet periodically with WBA leaders worldwide who share life experiences and offer work/life advice.

The team uses the United Nation’s-developed Women’s Empowerment Principles Gender Gap Analysis Tool to identify gaps and recommend policy and strategy changes. These include extending the paid maternity leave period, upgrading the nursery room for breast feeding and other purposes, and developing measurement and recordkeeping tools for its D&I initiative. Its analysis tool score jumped to 70 percent in 2019 from 34 percent in 2018.

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The Asia Women’s Empowerment Initiative celebrates International Women’s Day 2019 by enjoying dance instruction from a guest artist.
Diverse suppliers deliver immeasurable value to WBA, which underscores why we are actively utilizing, cultivating and increasing the number of opportunities for diverse-owned businesses.

While we have focused primarily on broadening our roster of diverse Walgreens suppliers in the past, we are moving to build partnerships with varied businesses internationally to best serve an increasingly diverse global marketplace.

We recognize that diverse suppliers through their retail products or non-retail goods and services generate value to our company, our customers, our patients and the communities we serve. Among other benefits, they expand what we offer our customers to meet their needs; enlarge our pool of qualified suppliers; promote entrepreneurship among diverse and small businesses; generate potential cost savings through increased competition; and foster economic vitality in our communities.

Essentially, supplier diversity is a vital component of WBA’s vision to be the first choice for pharmacy, well-being and beauty—caring for people and communities around the world. In connecting and building solid working relationships with diverse suppliers, we do not discriminate because of race, ethnicity, sex, religion, ancestry, national origin, sexual orientation, gender identity, veteran status or disability. We consider partners simply on the basis of what is in the best interest of our company, customers, patients and team members.

During fiscal 2018, Walgreens engaged with or purchased from more than 2,600 diverse and small businesses in the U.S. This number includes more than 900 minority-owned and women-owned businesses and more than 1,400 small businesses. These organizations continue to play an important role in our daily operations.

Walgreens strives to increase its spending annually with diverse suppliers. In fiscal 2018, Walgreens purchases with diverse and small suppliers was $3.1 billion. This includes Tier 1 spending directly with diverse suppliers and Tier 2 spending with large-scale vendors who report to us their spending related to the Walgreens account.

“Diversity is at the heart of who WBA is and the communities we serve. Our Supplier Diversity Program is a natural extension of this philosophy, bringing talented partners who provide new perspectives and great solutions for our customers and team members.”

Jim Townsend
Chief Procurement Officer,
Walgreens Boots Alliance
We are benefitting in sourcing diverse suppliers by using a platform called RangeMe that the merchant team started using in 2019 to research and identify diverse suppliers. The tool offers a standardized way to gather information about potential suppliers and creates an easy path for reviewing their products, requesting samples and engaging with suppliers.

Throughout Walgreens and increasingly WBA, our legal and business units are assisting with our supplier diversity efforts. Our legal team, for example—led by Kim Metrick, vice president, employment law—has formed a committee of our lawyers to identify diverse outside law firms to support our D&I efforts. Already, they have helped to retain minority law firms for work in the U.S. and on some global cases.

In addition, we have searched for diverse vendors and included them in several dozen requests for new business proposals from our non-retail organization. We also conduct supplier outreach by collaborating with the Women’s Business Enterprise National Council, the National Minority Supplier Development Council and other affiliate organizations that support, advocate for and help certify diverse and small-business suppliers.

In Chicago, we partnered in 2019 with the Women’s Business Development Center on an eight-week program called Top Shelf Capacity Building. It educated 18 diverse-owned businesses on how to do business with large retailers such as Walgreens and how to build their capacity to supply those retailers. “The goal is to educate suppliers on how to do business with large retailers like Walgreens by sharing insight on topics such as general business requirements, risk mitigation and pitch development,” said Shaun Jones, director of supplier diversity.

The program, which included presentations from experts at several major retailers and a participant workbook, proved so successful that Walgreens is sponsoring two more such programs in 2020. One program will focus on diverse-owned businesses that supply retail products and the other later in 2020 will assist diverse business owners who provide non-retail services and offerings.

WBA’s supplier diversity efforts are helping a growing number of minority-owned and other diverse businesses serve our stores and operations—and, in the process, grow their businesses and workforce.

Walgreens has been a proud staple at the annual Black Women’s Expo—Chicago as the corporate sponsor of the health and wellness pavilion. The weekend event celebrated its 25th anniversary in April 2019, drawing thousands of visitors to Chicago’s McCormick Place and providing exposure to this powerful consumer market.

At the three-day Expo, Walgreens pharmacists conducted blood pressure wellness checks and consultations while beauty advisors provided makeovers highlighting our beauty brands. Walgreens considers reaching women of color to be an important health initiative, and the Expo gives us the opportunity to personally engage with that consumer group.

Walgreens pharmacists provided wellness checks at 2019 Black Women’s Expo – Chicago.
WBA’s supplier diversity efforts help minority-owned and other diverse businesses serve our stores and operations—and, in the process, grow their businesses and workforce. Here is just one of them.

## How Walgreens Helps One Minority Supplier Keep Growing

Diverse suppliers clearly benefit when they partner with Walgreens and WBA. Simply consider **Encompass Onsite Solutions’** 350-plus percent jump since 2017 in the number of Walgreens stores for which it provides floor care services.

The company, based in Fort Lauderdale, Fla., is a fast-growing minority business enterprise whose founder and CEO, Marcell Haywood, combines a deep interest and education in technology with a passion for innovation and customer care. He and a Florida State University basketball teammate started the company with just $300 while in college. The 39 year old graduated magna cum laude with a master’s degree in IT.

That meager investment certainly has paid off. Encompass began serving Walgreens after acquiring a floor maintenance business that serviced 209 Walgreens stores but performed poorly in meeting Walgreens compliance standards. Haywood delivered custom, tech-related operational systems and the compliance rate shot up to 75 percent from 18 percent within three months and then into the mid-90s three months later.

In 2019, Encompass served 1,360 Walgreens locations through subcontractors and the workforce serving Walgreens grew 25 percent. It now assists Walgreens in North and South Carolina as well as throughout Florida, and “we hope to continue growing with Walgreens in Georgia, Alabama and elsewhere,” Haywood says.

Privately held, the company doesn’t disclose revenue figures, but Haywood said it doubled in size in 2019. Its professional staff represents over 20 countries, speaks 12 languages, is multigenerational and is primarily female.

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**Encompass Onsite Solutions**

Marcell Haywood
CEO
Encompass Onsite Solutions
At Walgreens, our vision is to have D&I at the core of everything we do. In the Legal Department, we continue to champion diversity initiatives through our Legal D&I committee and promote continued growth and success of minority- and women-owned law firms to help us achieve our diversity goals.

Kim Metrick
Vice President, Employment Law
Walgreens Boots Alliance

Within WBA, departments and divisions increasingly demonstrate the essential importance of diversity and inclusion within our culture. They are introducing new initiatives or expanding older programs to underscore how D&I must permeate through our global organization. Serving to exemplify this effort, Walgreens' legal department—which has focused on D&I for many years—established a cross-functional Legal D&I team in 2019 to enhance its efforts, especially in identifying and using diverse law firms.

Senior Vice President Elena Kraus established the team, whose chair is Vice President Kim Metrick and whose members represent practice groups within the legal and legal operations functions. The team has been assisted in identifying minority- and women-owned law firms through a partnership begun in 2019 with the National Association of Minority and Women Owned Law Firms. NAMWOLF President Joel Stern spoke to the legal department about D&I in the legal community and opportunities to expand the use of diverse law firms.

The legal division has expanded its use of NAMWOLF members that help in a number of practice areas and provide local and specialized expertise on a variety of matters.

The division has other diversity and inclusion initiatives underway as well, including insisting on diverse slates of candidates for open positions. It also supports Walgreens use of diverse suppliers and it collaborates with diverse legal organizations such as the National Employment Law Council and the Coalition of Women’s Initiatives in Law.

The division also provides high school students from underrepresented populations with jobs that assist with paying for their private high school tuition as well as with mentoring and career development opportunities.

The expanded focus on diversity and inclusion in the legal department is a Walgreens initiative, but the division hopes in the near future to work with Legal and Compliance colleagues globally to share practices and assist with similar D&I efforts.
WBA Ears Wide Recognition for D&I Leadership

Through our diversity and inclusion initiatives, we believe we can be a global leader in making a difference to one another, our customers, our suppliers and the communities we serve. WBA is proud that a number of organizations and publications recognized it and our leaders for our efforts. They include:

**2020 Corporate Equality Index Top Score**
WBA was recognized by the Human Rights Commission for achieving a top score of 100 percent on its index that demonstrates its commitment to the LGBTQ+ community. It was the first year the recognition applied to all of WBA globally and followed 14 consecutive years that Walgreens has received a top score and the distinction of “Best Places to Work for LGBTQ Equality.” Walgreens also made the list of employers that provide at least one transgender-inclusive healthcare coverage plan.

**Careers & the disABLED Magazine Readers’ Choice Award**
Walgreens was recognized as one of the 50 top employers named by the publication’s readers who identified the employers they would most like to work for or they believe provide a progressive environment for people with disabilities. The 2020 list was based on responses received in 2019.

**2019 Disability Equality Index Best Practices Top Score**
WBA received a 100 percent score for the third year in a row from a joint initiative of Disability:IN, the leading nonprofit resource for business disability inclusion worldwide, and the American Association of People with Disabilities.

**Black EOE Journal 2019 Best of the Best**
Walgreens was recognized as a Top Employer, Top LGBTQ+ Friendly Company and a company with a Top Supplier Diversity Program. The publication polls hundreds of Fortune 1000 companies for its Best of the Best evaluations.

**HISPANIC Network Magazine 2019 Best of the Best**
Walgreens was recognized as a Top Employer, a Top LGBTQ+ Friendly Company, and a company with a Top Supplier Diversity Program on the publication’s annual list, compiled from evaluations of Fortune 1000 companies surveyed.

**Inclusion Magazine**
Diversity Woman Media’s *Inclusion* magazine spotlighted WBA Vice President and Global Chief Diversity Officer Carlos W. Cubia among the most innovative D&I thought leaders in the U.S. in its Winter 2020 edition.
Opportunities for Ohioans with Disabilities Employer Partners of Inclusion Platinum Award for 2019
Walgreens Distribution Center in Perrysburg won this top-level award for its commitment to the inclusion of individuals with disabilities in the workplace and for being a leader of diversity and inclusion best practices in Ohio.

Professional Woman’s Magazine 2019 Best of the Best
Walgreens was honored as a Top Employer and Top LGBTQ+ Friendly Company by the publication, which surveys Fortune 1000 companies for their evaluations.

U.S. Veterans Magazine 2019 Best of the Best
Walgreens was named as a Top Employer and a company with a Top Supplier Diversity Program by the publication, which bases its evaluations on a survey of Fortune 1000 companies.

WBA Leaders Win Recognition for D&I, HR Efforts

Two WBA executives—EVP and Global Chief Human Resources Officer Kathleen Wilson-Thompson and VP and Global Chief Diversity Officer Carlos W. Cubia—received recognition for their leadership from multiple organizations.

Kathleen Wilson-Thompson was named by Topchro.com to its 2019 roster of the Top CHRO 100 chief human resources directors worldwide, and was recognized by Crain’s Chicago Business among the 2019 Notable Women Executives Over 50.

Black Enterprise magazine honored Carlos W. Cubia as one of the 2018 Top Corporate Diversity Executives and Career Mastered magazine awarded him a Men as Allies Diversity in Leadership Award for 2018.
Looking Ahead

During these extraordinary times and beyond, expect WBA to broaden and accelerate with great fervor its diversity and inclusion programs and initiatives. As our CEO Stefano Pessina emphasizes, “There is still work to be done” as WBA concentrates on achieving our vision of creating a culture where diversity and inclusion are at the center of everything we do.

On the D&I front, expect WBA to focus on diverse talent recruitment and retention, on continuing to develop inclusive leadership rooted in empathy and active listening capabilities, and on extending the reach of our business resource groups. Anticipate that we will develop mandatory diverse slates for selecting executives, track diversity throughout our recruiting process and introduce diverse interview panels.

Look for us to continue emphasizing D&I education including cultural competency, specifically as we honor and celebrate the global melting pot of racial, ethnic, people with disabilities, LGBTQ+ and military veterans that is WBA. Having greater cultural competence and awareness enhances our ability to provide the best retail and healthcare offerings to the communities we serve. And let’s not forget our increased focus and dedication to supplier diversity and how increased spending with diverse suppliers generates economic empowerment in diverse communities.

Why? Because our commitments must have meaningful outcomes for everyone. D&I no longer is a human resources list to check off. Our D&I initiatives—as we hope this report underscores—have a direct effect on our employees, our customers, our communities and on our bottom line. They build the vital confidence in WBA, generate perspectives that trigger innovation and creativity, and attract the talent to demonstrate that WBA provides a culture where everyone can bring their best and contribute to the collective success of our organization.

In short, our D&I vision illuminates that we’re All Together. Different.
All Together. Different.