

Welcome to your CDP Climate Change Questionnaire 2020

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Walgreens Boots Alliance, Inc. is a global leader in retail and wholesale pharmacy, touching millions of lives every day through dispensing and distributing medicines, its convenient retail locations, digital platforms and health and beauty products with sales of \$136.9 billion in the fiscal year ended August 31, 2019. We have more than 100 years of trusted health care heritage and innovation in community pharmacy and pharmaceutical wholesaling. Our purpose is to help people across the world lead healthier and happier lives.

Walgreens Boots Alliance is the largest retail pharmacy, health and daily living destination across the United States and Europe. Walgreens Boots Alliance and the companies in which it has equity method investments together have a presence in more than 25(1) countries and employ more than 440,000(1) people. The Company is a global leader in retail and wholesale pharmacy and, together with the companies in which it has equity method investments, has over 18,750(1) stores in 11(1) countries as well as one of the largest global pharmaceutical wholesale and distribution networks, with over 400(1) distribution centers delivering to more than 240,000(2) pharmacies, doctors, health centers and hospitals each year in more than 20(1) countries. In addition, Walgreens Boots Alliance is one of the world's largest purchasers of prescription drugs and many other health and wellbeing products. The Company's size, scale and expertise will help us to expand the supply of, and address the rising cost of, prescription drugs in the United States and worldwide.

Our portfolio of retail and business brands includes Walgreens, Duane Reade, Boots and Alliance Healthcare, as well as increasingly global health and beauty product brands, such as No7, Soap & Glory, Liz Earle, Botanics, Sleek MakeUP and YourGoodSkin. Our global brands portfolio is enhanced by our in-house product research and development capabilities. We seek to further drive innovative ways to address global health and wellness challenges. Our strategic partnerships with some of the world's leading companies enable us to extend our healthcare solutions and convenience offering to the communities we serve, which we refer to as our "strategic partner strategy." We believe we are well positioned to expand customer offerings in existing markets and become a health and wellbeing partner of choice in emerging markets.

Walgreens Boots Alliance is proud to be a force for good through its contributions to healthy communities, a healthy planet, an inclusive workplace and a sustainable marketplace. The Company is focused on creating a neighborhood health destination and a more modern pharmacy.

- (1) As of August 31, 2019, using publicly available information for AmerisourceBergen.
- (2) Over 12 - month period ending August 31, 2019, using publicly available information for AmerisourceBergen.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years
Reporting year	September 1, 2018	August 31, 2019	No

C0.3

(C0.3) Select the countries/areas for which you will be supplying data.

- Chile
- Czechia
- Egypt
- France
- Germany
- Ireland
- Lithuania
- Mexico
- Netherlands
- Norway
- Romania
- Spain
- Switzerland
- Thailand
- Turkey
- United Kingdom of Great Britain and Northern Ireland
- United States of America

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

- USD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

- Operational control

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board-level committee	<p>The WBA Board is actively engaged in discussing and advancing the strategy of the Company, ensuring that the Company’s talent and resources are aligned with the strategy, and overseeing the Company’s approach to Corporate Social Responsibility (CSR) and sustainability. Within the Board of Directors, the Nominating and Governance Committee has the responsibility to review, at least annually, WBA’s policies and activities regarding CSR and sustainability. During fiscal 2019, the decision was made to review the CSR Report and the activities described therein, such as the Company’s commitment to reduce our energy consumption and emissions on a comparable basis (excludes the impact of acquisitions, disposals and any significant changes in existing operations) as defined by the Greenhouse Gas Protocol. In addition, the Nominating and Governance Committee’s charter is to assess the management of risks related to sustainability and the environment. The members of the Nominating and Governance Committee are all independent directors and the Chair of the Committee is responsible for reporting to the Board regarding the activities of the Committee at appropriate times and as otherwise requested by the Chairman of the Board. The Nominating and Governance Committee charter is publicly available on WBA’s website.</p>
Board-level committee	<p>In addition to the Nominating and Governance Committee’s direct oversight of the Company’s strategy, the Audit Committee has explicit oversight responsibility for enterprise risk assessment and risk management pursuant to its charter. While management is responsible for establishing an effective compliance program and maintaining systems to manage major risks faced by the Company, the Audit Committee oversees management’s analysis and mitigation of these major risks by regularly reviewing and discussing with management the key risks identified in the Enterprise Risk Management (ERM) process, their potential impact on the Company and its operations and the Company’s risk mitigation strategies. Key risks are presented to and reviewed by the WBA Governance, Risk and Compliance Committee on a bi-annual basis, and summaries are presented to the Board’s Audit Committee at least twice annually. During fiscal 2019, the Audit Committee</p>

	<p>reviewed emerging issues, those that have not fully developed or for which the potential impact cannot be accurately assessed, including climate change impacts on the business. The Audit Committee also reviewed the Company's strategy for business continuity and disaster management including the establishment of emergency response teams across the business. The Audit Committee charter is publicly available on WBA's website.</p>
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C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Please explain
Scheduled – some meetings	Reviewing and guiding strategy	<p>The Nominating and Governance Committee, which consists solely of independent directors, regularly reviews risks related to WBA's governance structures and processes and CSR function, which includes the Company's strategy on sustainability and the environment. Pursuant to its charter, the Nominating and Governance Committee of the Board has oversight responsibility for CSR matters, and receives and reviews reports on these matters at least annually. The Company's CSR strategy includes a commitment to reduce its energy consumption and emissions on a comparable basis - a goal that is related to combating the urgent threat of climate change - and to doing its part to help mitigate global warming. The Nominating and Governance Committee met five times in fiscal 2019 and reviewed at least once in the year policies and activities related to CSR.</p>
Scheduled – some meetings	Reviewing and guiding risk management policies	<p>The Audit Committee of the Board is charged with regularly reviewing and discussing, no less than annually, the Company's enterprise risk assessment and key enterprise risks, including major financial risks as well as information security and technology risks (including cyber-security). The Audit Committee periodically reviews the steps management has taken to monitor and control such risk exposures, including the risk assessment and risk management policies.</p>

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on climate-related issues
Chief Operating Officer (COO)	Both assessing and managing climate-related risks and opportunities	Annually
Corporate responsibility committee	Both assessing and managing climate-related risks and opportunities	Half-yearly

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

At WBA, having appropriate oversight and governance of the Company's CSR program is critical to its success. WBA's senior leadership has established a CSR Committee to play a leading role in providing this oversight and governance. The CSR Committee is chaired by a WBA Co-Chief Operating Officer and includes: both WBA's Co-Chief Operating Officers; WBA Executive Vice President and Global Chief Human Resources Officer; WBA Executive Vice President, Global Chief Administrative Office and General Counsel; WBA Senior Vice President, Global Chief Commercial Officer; WBA Senior Vice President, Global Chief Communications Officer; WBA Senior Vice President, Global Marketing Officer; WBA Senior Vice President; MD & President, Boots; WBA Senior Vice President and Chief Administrative Officer International; WBA Senior Vice President, Global Controller & Principal Accounting Officer; WBA Vice President, Corporate Social Responsibility; WBA Senior Vice President Global Chief Public Affairs Officer.

The CSR Committee meets regularly and, among other obligations, is charged with reviewing the Company's CSR program (including the selection and approval of its CSR goals and the oversight of its CSR policy statements) and the Company's progress towards achieving its CSR goals. Responsibilities for climate-related issues are assigned to the CSR Committee and its charter includes review of the Company's sustainability and other CSR-related risks and environmental policy. The CSR Committee monitors climate-related issues by monitoring progress toward WBA's climate change goal, which is as follows: To reduce the Company's energy consumption and Scope 1 and Scope 2 emissions on a comparable basis (excluding the impact of acquisitions, disposals and any significant changes in existing operations) as defined by the Greenhouse Gas Protocol. The CSR Committee further monitors climate-related issues through its oversight of CSR programs and initiatives including energy awareness programs, commitments to the Consumer Goods Forum's second Refrigeration Resolution, energy use reduction initiatives and investments, generation and purchase of energy from

renewable sources, installation of electric vehicle charging stations and fuel efficiency in vans and truck fleets. The CSR Committee further monitors climate-related issues through its oversight of targets, which are set by each business and are relevant to local communities and context. The Committee must agree in writing, on an annual basis, any CSR targets for the Company.

As executive sponsor and chair of the CSR Committee it is the responsibility of the WBA Co-Chief Operating Officer to provide, at least annually, updates on the activities of the CSR Committee to the Board of Directors. It is also the responsibility of the CSR Committee chair to ensure the Committee executes on an ongoing basis activities contained within its charter. The CSR Committee charter specifies that on an annual basis the Committee must determine the overarching CSR strategy and goals for the following fiscal year, including the Company's goal to reduce energy consumption. The CSR Committee also reviews and approves the divisional CSR goals and strategy and reviews progress towards achieving these goals. In fiscal 2019, this included review of Walgreens' participation in the U.S. Department of Energy (DOE) Better Buildings Challenge and its commitment to reduce energy intensity 20 percent by 2020 across 100 million square feet from 2011.

At the Company-level the WBA Vice President for CSR has functional responsibility and leadership for this area. This individual reports directly to the Co-Chief Operating Officer and advises the CSR Committee on policies, practices, strategy and any non-financial reporting by WBA.

Within the Divisions, each business maintains a record of performance against its targets, and CSR champions promptly notify the Vice President for CSR, who sits on the CSR Committee, if problems emerge that would prevent the achievement of the targets. In addition, the CSR Committee monitors climate-related issues through its annual approval of the CSR Report, which includes externally assured data on carbon emissions and energy use for the Company's business units as well as narratives about the Company's climate-related programs, as listed above.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	No, not currently but we plan to introduce them in the next two years	In fiscal 2020, the Energy Manager and Business Unit Manager for Walgreen Co. EnergyCare group will have the potential to gain a monetary award based on energy reduction projects completed within the fiscal year.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	1	
Medium-term	1	3	
Long-term	3		Long-term is more than 3 years

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

Climate-related risks are included in the Company's multi-disciplinary company-wide risk identification, assessment, and management process. The Senior Vice President, Global Chief Compliance and Ethics Officer oversees the Enterprise Risk Management program which is designed to identify, monitor and assess significant short-, medium- and long-term risks to the enterprise and help ensure the Company is taking the appropriate steps to mitigate them. The Enterprise Risk Management and Compliance functions (among other functions) play a leading role in monitoring the overall risk profile. WBA defines a risk as a threat, event or action that could affect the ability to achieve business objectives. Risks are identified and assessed for all Divisions, businesses, cross-divisional functions and the corporate function across WBA. At the Company level risk assessments encompass all strategic, operational, commercial, regulatory, reputational, legal and financial risks that could have an adverse impact on WBA. Each business is responsible for preparing and reviewing potential risks at least twice annually.

Process in place for assessing the potential size, scope and relative significance of climate-related risks

Emerging issues that have the potential to become key risks are categorized and prioritized. An example of emerging issues that are being monitored in this way by the Company are climate change related risks. The long-term effects of climate change on general economic conditions and the pharmacy industry in particular are unclear, and changes in supply, demand or available sources of energy and the regulatory and other costs associated with energy production and delivery may affect the availability or cost of goods and services, including natural resources, necessary to run business. Emerging risks are reviewed by the WBA Enterprise Risk Management team at least every six months. WBA considers potential risks to

the Company and evaluates them based on the following criteria: (i) the importance of the issue to and potential impact on the Company; (ii) the importance of the issue to and potential impact on our stakeholders; and (iii) the amount of reasonable control WBA has over a particular issue.

WBA does not have a specific threshold used to determine substantive financial or strategic impact on the Company. The summary of key risks includes executive management's view of the most important risks that could significantly and adversely affect the Company's operations, financial condition and results of operations. The Enterprise Risk Management program tracks additional current and emerging risks and will recommend changes to the Company's key risk summary, as deemed appropriate. Summaries of key and emerging risks are presented and reviewed by the WBA Governance, Risk and Compliance committee on a quarterly basis, with summaries presented to the Board's Audit Committee at least twice annually. The Board exercises oversight over WBA's strategic, operational, and financial matters, including the elements and dimensions of major risks facing the Company. The Board administers its risk oversight function as a whole and through its committees, and uses various processes to help assess and monitor risks that WBA faces. The key risks are disclosed in WBA's 2019 Annual Report on Form 10-K, along with certain subsequent periodic reports filed with the SEC.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations
Upstream
Downstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

Climate-related risks are included in the Company's multi-disciplinary company-wide risk identification, assessment, and management process. The Senior Vice President, Global Chief Compliance and Ethics Officer oversees the Enterprise Risk Management program which is designed to identify, monitor and assess significant short-, medium- and long-term risks to the enterprise and help ensure the Company is taking the

appropriate steps to mitigate them. The Enterprise Risk Management and Compliance functions (among other functions) play a leading role in monitoring the overall risk profile. WBA defines a risk as a threat, event or action that could affect the ability to achieve business objectives. Risks are identified and assessed for all Divisions, businesses, cross-divisional functions and the corporate function across WBA. At the Company level, risk assessments encompass all strategic, operational, commercial, regulatory, reputational, legal and financial risks that could have an adverse impact on WBA. Each business is responsible for preparing and reviewing potential risks at least twice annually.

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Examples of how transition and physical risks are included in the Company's risk assessment process

Transition risk: Transitional market-related risks are regularly assessed and prioritized as part of the Company's risk assessment process. While the ways in which markets could be affected by climate change are varied and complex, one of the major ways is through shifts in supply and demand for certain commodities, products and services as climate-related risks and opportunities are increasingly taken into account. Specific climate-related market risks and opportunities include potential increases in electricity and fuel prices. With more than 18,750 stores in 11 countries and more than 400 distribution centers in more than 20 countries, as of August 31, 2019, we require significant amounts of electricity to maintain operations across our retail locations, offices, data centers and distribution centers, as well as fuel for our vehicle fleet. An increase in prices could impact our profitability negatively. We are mitigating these risks by assessing our energy procurement options and leveraging opportunities to reduce our energy demand through capital investments in energy efficiency programs.

Physical risk: Chronic physical risks such as temperature changes due to climate change are included in the Company's assessments regarding measuring and managing energy use and associated GHG emissions. For example, the gradual increase or decrease in temperature could impact energy costs by requiring additional air conditioning and refrigeration systems. The Company maintains environment-related objectives that are tracked and monitored, and cascaded to each business to align with local objectives and initiatives. In carrying out its business activities, WBA endeavors to: ensure appropriate use of resources and materials; minimize waste and encourage re-use and recycling; ensure the safe handling and disposal of products; maintain

environmental management systems; and communicate its commitment to the environment across the entire Company. In order to hold itself accountable, WBA collects data from across its operations and publishes total emissions and energy use data as well as waste data on an annual basis. These data are externally assured and are broken down by source, by Division, by scopes, by types of energy, emissions from business travel and emissions from product delivery.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	<p>Current regulations are always included in the Company's risk assessment process as regulations often impact costs in operations and the supply chain. Risks related to domestic and foreign regulatory constraints are systemically identified and assessed to help ensure WBA stays ahead of all climate-related regulations. Reviewing existing regulations in the area of Greenhouse Gas (GHG) emission reporting and energy, as well as increased pricing of GHG emissions and extended coverage of ETS and carbon taxes in the markets the Company operates in is important to understanding WBA's current exposure and to planning strategies to mitigate any risk and capitalize on opportunities.</p> <p>For example, Boots UK could be impacted by the UK Climate Change Act 2008, which aims to enable the UK to become a low-carbon economy. In order to adhere to this legislation, and other regulations and expectations imposed by third parties, Boots UK participates in UK and European compliance schemes (e.g., EU Emissions Trading Scheme). Participation in these schemes is compulsory and also allows Boots UK to maintain a positive reputation for energy management in line with its strategic objectives.</p> <p>Walgreens has more than 600 retail locations in California and therefore considers implications of California SB 32. In particular, this is relevant for Walgreens' fleet vehicle operations as the statewide GHG emission reduction target of at least a 40 percent reduction from 1990 levels no later than December 31, 2030 will have implications for the transportation sector, which accounts for more than 40 percent of California's GHG emissions.</p>
Emerging regulation	Relevant, always included	Emerging regulations are always included in the Company's risk assessment process as emerging regulations have the potential to impact costs in operation and across the value chain. WBA follows

		<p>emerging regulations at the international, federal, state, city and local levels to understand the possible future implications for the Company's costs and ability to operate.</p> <p>For example, the European Union (EU) Strategy on Sustainable and Smart Mobility is expected to be published in the fourth quarter of 2020. Transport accounts for a quarter of the EU's GHG emissions. To support the deployment of zero- and low-emission vehicles the EU Commission plans to adapt the existing legislation such as: the 2014 Alternative fuels infrastructure directive and the 2013 Trans-European transport network regulation. This will likely have an impact on WBA's fleet vehicle operations across the EU.</p>
Technology	Relevant, always included	<p>Cost and competitiveness are the main risks associated with transitioning to improved or innovative technology that is more energy efficient or lower-carbon. In order to remain competitive, WBA always weighs this risk as it measures and manages its carbon footprint. Investment in fuel-efficient fleets and energy-efficient lighting, smart lighting systems and heating, ventilation and air conditioning units is generally lower risk due to the return on investment associated with decreased consumption of fuel and energy. One example of managing this risk is the company is exploring offsetting the cost of installation of charging stations for electric vehicles with advertising on the chargers. The timing of technology development adds uncertainty to the evaluation of risks in this area. For example, a transition to refrigeration equipment that uses refrigerants with ultra-low global warming potential is difficult without fully developed maintenance expertise in the market, and can be cost prohibitive while achieving minor energy savings.</p>
Legal	Relevant, always included	<p>WBA monitors and assesses regulations and legal risks on an ongoing basis as part of its risk assessment process, such as the risk of litigation over failure to mitigate impacts of climate change, failure to adapt to climate change, failure to comply with regulations or failure to ensure business continuity in the case of natural disasters or extreme weather linked to climate change. Our work to mitigate risks related to natural disasters or extreme weather are discussed below in the "acute physical" risks row of this table. As a global company, WBA always strives for full compliance with applicable climate-related regulations and its teams track emerging issues. For example, Boots UK complies with the Energy Savings Opportunity Scheme (ESOS), a mandatory energy assessment and energy saving identification scheme for large organizations in the UK. The scheme requires organizations to monitor and report their total energy consumption footprint and introduces a regular program of energy audits (or approved equivalent) for the mandated eligible organizations. Boots UK also engages external partners to support compliance with the scheme, including: data reporting, analysis and validation.</p>

Market	Relevant, always included	<p>Transitional market-related risks are regularly assessed and prioritized as part of the Company's risk assessment process. While the ways in which markets could be affected by climate change are varied and complex, one of the major ways is through shifts in supply and demand for certain commodities, products and services as climate-related risks and opportunities are increasingly taken into account. Specific climate-related market risks and opportunities include potential increases in electricity and fuel prices. With more than 18,750 stores in 11 countries and more than 400 distribution centers in more than 20 countries, as of August 31, 2019, we require significant amounts of electricity to maintain operations across our retail locations, offices, data centers and distribution centers, as well as fuel for our vehicle fleet. An increase in prices could impact our profitability negatively. We are mitigating these risks by assessing our energy procurement options and leveraging opportunities to reduce our energy demand through capital investments in energy efficiency programs.</p>
Reputation	Relevant, always included	<p>Reputation is an important consideration for any consumer-facing company. WBA continuously monitors reputational risks (i.e., risks with potential impact to the Company's brands, people and customers) and opportunities. For example, customers and business partners could be wary of doing business with us if we are not seen as responsible corporate citizens. We operate in different markets across the world, and customer priorities differ from region to region. For example, our European customers and stakeholders tend to place a somewhat higher priority on our response to climate change issues than our customers in the United States. This was borne out in our 2018 CSR materiality assessment, which included customer surveys in both markets. While climate change is not the top issue that shapes our reputation in the marketplace as a good corporate citizen, our consultations with stakeholders make it clear that our customers, business partners, employees and stockholders expect us to be contributing to the mitigation of climate change, so our reputation could be adversely affected if we were not managing our energy use and emissions. In addition, we are aware that societal attitudes on climate change are evolving and we believe that it is important to anticipate an increased emphasis in this area.</p>
Acute physical	Relevant, always included	<p>Acute physical risks, such as those caused by severe weather events (e.g., hurricanes, tornados and wild fires) are always considered in the Company's risk assessments as they can pose a threat to WBA's assets and supply chain. In response to the potential impacts, the major WBA businesses maintain dedicated business continuity programs that perform business impact analyses that consider potential disruption risk for operations, in particular climate change patterns and severe weather events. For example, the Company's Security Operations Center (SOC) in the United States and the Store</p>

		Operations team monitor potential weather events 24 hours a day, 7 days a week. Team members in the SOC are trained to monitor current threat landscape and notify businesses to plan and prepare as events emerge. Walgreens locations in California were impacted by wildfires during fiscal 2019. Through early notifications and extensive preparations we were able to quickly and safely reopen.
Chronic physical	Relevant, always included	Chronic physical risks such as temperature changes due to climate change are included in the Company's assessments regarding measuring and managing energy use and associated GHG emissions. For example, the gradual increase or decrease in temperature could impact energy costs by requiring additional air conditioning and refrigeration systems. WBA has in place a Global Health, Safety and Environmental Policy that includes expectations for each business related to the environment. In addition, the Company maintains environment-related objectives that are tracked and monitored, and cascaded to each business to align with local objectives and initiatives. In carrying out its business activities, WBA endeavors to: ensure appropriate use of resources and materials; minimize waste and encourage re-use and recycling; ensure the safe handling and disposal of products; maintain environmental management systems; and communicate its commitment to the environment across the entire Company. In order to hold itself accountable, WBA collects data from across its operations and publishes total emissions and energy use data as well as waste data on an annual basis. These data are externally assured and are broken down by source, by Division, by scopes, by types of energy, emissions from business travel and emissions from product delivery.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

No

C2.3b

(C2.3b) Why do you not consider your organization to be exposed to climate-related risks with the potential to have a substantive financial or strategic impact on your business?

	Primary reason	Please explain
Row 1	Risks exist, but none with potential to have a substantive financial or strategic impact on business	WBA does not believe that climate-related risks have the potential to have a substantive financial or strategic impact on its business. A summary of emerging risks is maintained by WBA's Enterprise Risk Management team identifying risks that have not fully developed or for which the potential impact cannot be accurately assessed. The

		<p>Company's risk assessment considers multiple physical and transition risks such as increased days requiring heating or cooling of facilities, commodity shortages due to drought, facilities damage due to more intense weather events and rising carbon prices. These emerging risks are not unique to the Company. While these emerging risks are relevant to the Company's businesses, at this time none of these risks have been identified to have the potential for a significant or adverse impact on business operations, financial condition and results of operations. Summaries of key and emerging risks are presented to and reviewed by the WBA Governance, Risk and Compliance Committee on a quarterly basis, and summaries are presented to the Board's Audit Committee at least twice annually. To better understand WBA's environmental, social and governance (ESG) impacts throughout its operations, the Company conducted a thorough CSR materiality assessment during fiscal 2018. The aim of the assessment was to encourage insightful stakeholder dialogue, to inform WBA's evolving sustainability strategy and to form the basis for its public CSR reporting. The assessment also included horizon scanning: identifying emerging topics that could become a focus for the Company's sustainability efforts in the future. WBA engaged global nonprofit Forum for the Future to guide the materiality assessment, which was conducted following GRI reporting requirements. Internal and external stakeholders, including suppliers, employees, customers, the media, nonprofit groups, investors and regulatory bodies, were engaged through interviews and surveys to identify and prioritize material CSR issues, such as energy use and climate impacts. The results of this assessment identified energy use and climate impacts as a second tier material topic (i.e., medium priority). Our policy is to complete a detailed and thorough refresh of our CSR materiality assessment every three years, as part of our ongoing endeavor to adhere to best practices in corporate sustainability reporting and to stay abreast of emerging trends and issues related to ESG impacts.</p>
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C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Move to more efficient buildings

Primary potential financial impact

Reduced indirect (operating) costs

Company-specific description

WBA has adopted a goal to reduce emissions to help mitigate global warming and combat the urgent threat of climate change. This goal is embedded in the Company's business strategy and allows it to manage fluctuating energy costs as well as reduce environmental impact. The Company's emissions reduction strategy includes the implementation of large-scale initiatives, such as a global process to measure and monitor Scope 1, Scope 2 and some Scope 3 emissions. The strategy involves investment in energy and fuel efficiency programs in office buildings, distribution centers, stores and transportation fleets. In fiscal 2019, electricity represented 91.6 percent of the WBA carbon footprint from energy, reflecting use of electricity to power its retail stores and warehouses. Natural gas accounted for 7.7 percent, primarily for heating buildings. In fiscal 2019 WBA's total carbon footprint was 2.1 million metric tonnes of CO₂e (carbon dioxide equivalent), up 0.6 percent from fiscal 2018, due to the inclusion of acquired Rite Aid stores in the U.S. in fiscal 2019's data. As energy accounts for most of our emissions, we recognize the importance of investing in energy efficient equipment to reduce our overall carbon footprint, WBA emissions from energy, excluding acquired Rite Aid stores, decreased by 7 percent in fiscal 2019 compared with the previous year. That decrease was mainly driven by continued energy efficiency investment in the U.S. and the UK.

Time horizon

Long-term

Likelihood

Likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

9,400,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The potential financial impact figure is an approximate annual monetary savings including energy savings only. This was estimated by determining an average monetary savings per Walgreens' store per month based on average kWh savings per store per month (i.e., number of stores that implemented at least one of the described energy efficiency programs multiplied by an average monetary energy savings per store per month multiplied by 12 months to account for the full year).

Cost to realize opportunity

170,000,000

Strategy to realize opportunity and explanation of cost calculation

During fiscal 2019 Walgreens invested more than \$146 million in energy efficiency programs, including projects in nearly 2,000 stores. These upgrades included replacing HVAC units and converting to LED interior lighting. In Boots UK, £18 million (\$23 million) was invested during fiscal 2019. As of August 31, 2019 Boots UK had installed doors on refrigerated cabinets containing self-service food products in more than 340 stores, resulting in approximately 40 percent lower energy use, decrease in chiller breakdowns and reduction in food waste. Additionally in Mexico, Farmacias Benavides, invested more than \$1 million during fiscal 2019. These investments included converting to LED exterior lighting.

The cost to realize this opportunity is more than \$170 million. This is estimated by summing the investments made in energy efficiency programs during fiscal 2019 by Walgreens, Boots UK and Famacias Benavides businesses (i.e., \$146 million plus \$23 million plus \$1 million).

Comment

Identifier

Opp2

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Use of recycling

Primary potential financial impact

Other, please specify

Increased revenue from sale of commodities for recycling

Company-specific description

Waste management is an important issue for WBA and our stakeholders, who expect that we do what is reasonably within our control to avoid waste associated with our operations and to minimize any adverse impacts of waste through responsible management and increasing circular economies. Approaches by WBA to improve sustainability of waste management include rethinking design, reducing consumption and recycling and composting materials. In managing waste, our business strives to engage employees to create innovative solutions and take ownership, collaborate with vendor partners, unlock the value of recyclable commodities and get them to market and create more efficient operations and practices. One example of our collaboration on waste reduction efforts is WBA's continued sponsorship of the U.S. Chamber of Commerce Foundation's Beyond 34: Recycling and Recovery for A New Economy, which aims to improve low U.S. municipal recycling rates. In fiscal 2019, Beyond 34's Orlando region pilot launched more than \$100,000 worth of projects in its municipal region, including Recycle Across America standardized labels on college campuses, anti-contamination efforts with the Recycling Partnerships in Orange County and waste audits from MSW Consultants at Orange County Public Schools. Beyond 34 will continue growing in scope and geography with the roll out of a second campaign in Cincinnati, Ohio in fiscal 2020.

Time horizon

Long-term

Likelihood

More likely than not

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The impact has not been quantified financially. However, WBA recognizes that market opportunities exist from the sale of recyclable materials, such as cardboard. This has the added benefit of helping to ensure recyclable materials are diverted from landfills.

The potential financial impact could be significant but due fluctuations in the commodities market the Company is unable to estimate these impacts at this time.

Cost to realize opportunity

0

Strategy to realize opportunity and explanation of cost calculation

As part of the U.S. Chamber of Commerce Foundation's Beyond 34: Recycling and Recovery for a New Economy, in fiscal 2019 Orlando region pilot launched more than \$100,000 worth of projects in its municipal region, including Recycle Across America standardization labels on college campuses, anti-contamination efforts with The Recycling Partnership in Orange County and waste audits from MSW Consultants at Orange County Public Schools. Beyond 34 will continue growing in scope and geography with the roll out of a second campaign in Cincinnati, Ohio in fiscal 2020.

The Walgreens zero waste to landfill project with multi-stream recycling began in 2016 and operated across 17 distribution facilities in the U.S. and Puerto Rico in fiscal 2019. These facilities diverted 94 percent of waste from landfill in fiscal 2019, a higher rate than in previous years with additional facilities engaging in the project. During fiscal 2019, Walgreens brought the zero waste to landfill program to its corporate campus in Deerfield following a waste stream audit by recycling consulting firm the Astor Company. The program involves single-stream recycling plus cardboard recovery, a six-fold increase in recycling containers with improved signage, employee education about the program and food waste composting from cafeterias. Learnings from the corporate campus and the distribution centers will be used to expand recycling at Walgreens stores, where the bulk of the business's waste is generated. Walgreens has begun to develop zero waste to landfill pilot programs for stores and is testing ways to simplify preparation of cardboard for pickup and to collaborate with other businesses to contract recycling vendors.

WBA entered 0 in the "Cost to realize opportunity" column to satisfy CDP's disclosure requirement, as the Company has not quantified the total cost for WBA of implementing this program at this time.

Comment

Identifier

Opp3

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Use of more efficient modes of transport

Primary potential financial impact

Returns on investment in low-emission technology

Company-specific description

WBA fiscal 2019 emissions from product delivery decreased by 0.7 percent compared with fiscal 2018. Our overall emissions from product delivery were impacted by a 1.2 percent decrease in miles driven by the Walgreens fleet of more than 900 private trucks. The Walgreens truck fleet has participated since 2005 in the U.S. Environmental Protection Agency's SmartWay Program, which helps measure fuel efficiency in the fleet and understand the supply chain's total impact on the environment. The Boots UK business successfully integrated electric vehicles into its operations for the first time in fiscal 2019. Following a successful pilot program, Boots UK introduced five new electric vans to its Nottingham fleet in fiscal 2019 with plans to explore additional locations in the UK in which to expand the program. The zero-emission vehicles equipped with Lightfoot technology to coach drivers on efficiency and safety, are projected to reduce Boots UK emissions by 22 carbon tonnes per year. Additionally, a number of our businesses are conducting trials with electric vehicles. For example, in fiscal 2019, Alloga, our pharmaceutical logistics company, delivered more than 150,000 parcels across Paris using electric vehicles.

Time horizon

Long-term

Likelihood

Likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The impact has not been quantified financially. However, WBA recognizes that this opportunity could impact future cost savings, it's reasonably possible that these savings could be meaningful. Vehicle fuel represents a significant cost for the Company.

Cost to realize opportunity

176,000

Strategy to realize opportunity and explanation of cost calculation

The Walgreens truck fleet has participated since 2005 in the U.S. Environmental Protection Agency's SmartWay Program, which helps measure fuel efficiency in the fleet and understand the supply chain's total impact on the environment. Due to the SmartWay Program's reporting calendar, the most recent fuel efficiency data available for the Walgreens fleet is from calendar 2018. These data show the Walgreens fleet decreased fuel efficiency by 2 CO2 grams per thousand cubic foot-miles (0.4 percent) in calendar 2018 compared with calendar 2017. To realize this opportunity investment in new equipment is required. For example, Walgreens trucks use routing optimization software to produce the most efficient driving routes and on-board computers to track drivers' overall miles per gallon. The fleet also uses fuel-efficient engines, auto-tire air inflation systems and other technology that contributes to fuel savings and lower emissions.

Boots UK fiscal 2019 emissions from product delivery decreased by 11.5 percent compared with fiscal 2018. To realize this opportunity investment in new equipment and vehicles is required. For example, The Boots UK business successfully integrated electric vehicles into its operations for the first time in fiscal 2019. Following a successful pilot program, Boots UK introduced five new electric vans to its Nottingham fleet in fiscal 2019 with plans to explore additional locations in the UK in which to expand the program. The zero-emission vehicles equipped with Lightfoot technology to coach drivers on efficiency and safety, are projected to reduce Boots UK emissions by 22 carbon tonnes per year.

In fiscal 2019, Alloga, our pharmaceutical logistics company, delivered more than 150,000 parcels across Paris using electric vehicles. The resulting reduction in Greenhouse Gas Emissions has not been quantified at this time.

More than £137,000 was invested by Boots UK during fiscal 2019. These investments consisted of electric vehicles purchased and Lightfoot technology. WBA entered \$176,000 in the "Cost to realize opportunity" column based on the conversion of £137,000 to USD.

Comment

C3. Business Strategy

C3.1

(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?

Yes

C3.1a

(C3.1a) Does your organization use climate-related scenario analysis to inform its strategy?

No, but we anticipate using qualitative and/or quantitative analysis in the next two years

C3.1c

(C3.1c) Why does your organization not use climate-related scenario analysis to inform its strategy?

At WBA, climate-related risks and opportunities that include exposure to increased operating costs, business continuity, and the emissions associated with our operations have influenced and been incorporated into company-wide objectives, strategies and goals. As such, at the enterprise level, we focus on mitigating the impacts of climate change, reducing operating costs and risk, and ensuring business continuity due to weather and/or climate change impacts. WBA is committed to reducing its energy consumption and emissions. Central to this commitment is WBA's climate change goal, which is as follows: To reduce the Company's energy consumption and Scope 1 and 2 emissions on a comparable basis (excluding the impact of acquisitions, disposals and any significant changes in existing operations) as defined by the Greenhouse Gas Protocol. Information has been widely disseminated throughout the organization via WBA's intranet, employee town halls and specialized trainings (e.g., Boots UK EnergyCare e-learning packaging). We also regularly inform other stakeholders of our progress via our annual CSR report. The primary drivers in establishing this goal are the recognition of the risks posed to the organization by increasing energy costs and a belief that exploring and developing business opportunities in a low carbon economy will generate value for the organization. Additionally, our consumers are increasingly seeking environmentally preferred products.

Even though WBA has not undertaken climate-related scenario analysis at this time, the Company does consider climate-related issues as part of its risk assessment process. WBA identifies climate-related issues among its emerging risks. Emerging risks are those that have not fully developed or for which the potential impact cannot be accurately assessed. Once an issue is determined to have the potential to significantly and adversely affect the Company's operations, financial conditions and results of operations it is considered a key risk. Key risks are presented to and reviewed by the WBA Governance, Risk and Compliance committee on a quarterly basis, and summaries are presented to the Board's Audit Committee at least twice annually. Due to the uncertainty associated with climate-related issues they are considered emerging risks and climate-related scenario analysis has not been included at this time.

While we haven't yet leveraged climate-related scenario analysis to inform our business strategy, we have partially applied it to ongoing work to develop a Science-Based Target (SBT) for carbon reduction. During fiscal 2020, WBA will conduct a Scope 3 evaluation as part of this work and will evaluate ways of integrating climate-related scenario analysis methods into our Enterprise Risk Management processes over the next two years to better understand how our business might perform and what alternatives are available to prevent or mitigate climate-related risks given different climate-related scenarios such as rising energy costs, increased

storm damage, more frequent flooding, sustained supply chain disruptions and paradigm shifts.

C3.1d

(C3.1d) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	<p>We believe there is strategic advantage in generating customer value propositions that help customers live more sustainable lives, which drives growth and profitability for our company. This belief has already influenced our business strategy in the short-term. For example, a first of its kind of sustainable shopping experience, the Boots UK Covent Garden flagship store opened in June 2019 featuring the next wave of eco-friendly store and product solutions. From refillable beauty products to reducing single-use plastic, the store is testing new concepts that we hope to someday introduce in other stores. Covent Garden was one of the first Boots UK stores to offer new brown (or unbleached) paper carrier bags made from 100 percent recycled paper, alongside reducing plastics in beauty and household as well as water bottles. The Covent Garden store has a refill station provided by Beauty Kitchen for cleansers, shampoos, hand wash and body wash, allowing customers to purchase these products without buying a new plastic container. There is also a Rehydration Station where shoppers can fill their water bottles for free or buy a 'bottle for life' and refill it in the store. The store also prioritizes environmentally friendly products – such as DAME re-usable period products, bamboo toothbrushes and eco-beauty tools. Vegan product lines like Maui Moisture, Urban Veda and e.l.f. can be found in the Get Better and Wellness Discovery zones.</p> <p>Walgreens is a founding retail partner of Loop, a state-of-the-art circular shopping system. This pilot project available to on-line shoppers in pilot markets on the U.S. East Coast, aims to contribute to a shift toward durable, re-usable packaging and a revolutionary shopping system that would also reduce carbon emissions.</p>

		<p>Walgreens also offers electric vehicle charging stations in the parking lots of some 400 stores in the United States.</p> <p>Walgreens has also expanded its lines of eco-friendly owned brand products, including compostable plate ware and utensils, toothbrushes with bamboo handles and flossers made of plant-based material.</p>
Supply chain and/or value chain	No	<p>WBA recognizes that risks and opportunities from the physical effects of climate change could have an impact directly or indirectly to its supply chain. The products WBA sells are sourced from a wide variety of domestic and international vendors, and any future disruption in the our supply chain or inability to find qualified vendors and access products that meet requisite quality and safety standards in a timely and efficient manner could adversely impact our businesses. The loss or disruption of such supply arrangements for any reason, including for issues such as loss or impairment of key manufacturing sites, inability to procure sufficient raw materials, natural disasters, or other external factors over which the Company has no control, could interrupt product supply and, if not effectively managed and remedied, have a significant adverse impact on its business operations, financial condition and results of operations. Although the Company believes our suppliers and vendors may have felt the effects of climate-related issues in some form to date, we have yet to see major impacts of that in our enterprise and we do not expect to in the short-term.</p>
Investment in R&D	Yes	<p>Climate-related risks and opportunities have not yet influenced our R&D investment strategy, as we are currently focused on evaluating the risks and opportunities relating to our operations and existing products & services. WBA also recognizes that increased investment in R&D in response to climate-related issues is likely already occurring in WBA's suppliers' operations and in terms of magnitude these investments have the potential to be significant.</p>
Operations	Yes	<p>WBA is committed to protecting the planet and giving due consideration to the impact our Company's operations have on the environment. This includes working to reduce emissions across all of our businesses to help mitigate global warming and addressing the urgent threat of climate change in the short-, medium- and long-term horizons. As energy accounts for most of our emissions, we recognize the importance of investing in energy efficient equipment to</p>

		reduce our overall carbon footprint. In fiscal 2019 Boots UK and Walgreens invested more than \$169 million in energy efficient lighting, heating, ventilation and air condition (HVAC) units and refrigerators (as disclosed in 2.4a opportunity 1).
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C3.1e

(C3.1e) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Direct costs Capital expenditures Assets	<p>At WBA climate-related risks and opportunities that include exposure to increased operating costs, business continuity, the emissions associated with our operations and generating value for customers have influenced and been incorporated into company-wide objectives, strategies and goals. As such, at the enterprise level, we focus on mitigating the impacts of climate change, reducing operating costs and risk, generating value for customers and ensuring business continuity due to weather and/or climate change impacts.</p> <p>Financial planning elements that have been influenced: Revenue Description of influence: In fiscal 2019 WBA joined the Global Shea Alliance (GSA), a nonprofit industry associate with members from across 35 countries, which promotes industry sustainability, quality practices and standards, and demands for shea in food and cosmetics. The shea butter used as a moisturizer in beauty products and as a cooking oil comes from the kernel in the fruits on shea trees, which are native to Africa. Liz Earle, a WBA-owned beauty brand that is passionate about naturally active ingredients and has pioneered cruelty-free skincare, will be supporting and working with the GSA in its endeavors to support women in shea. Liz Earle uses shea butter widely in its products and working with the GSA allows us to give back to communities that harvest shea fruits. Increasingly, consumers are seeking more sustainable product offerings and brands they can trust. Through partnerships such as with GSA we are ensuring WBA is in a position to meet increased demand and generate revenue.</p> <p>Financial planning elements that have been influenced: Direct costs Description of influence: WBA includes climate-related risks among the sustainability concerns on the Company's summary of emerging risks. Climate-related opportunities associated with the Company's direct operating costs are focused on effective management of energy expenses and consideration of opportunities to reduce associated</p>

		<p>emissions. The Company's financial planning process evaluates historical and future energy costs. To reduce energy consumption, Walgreens and Boots UK forecast and manage energy across their real estate and fleets with monthly and yearly reports. With many of our initiatives, we recognize that what is good for the planet is also good for business. Energy savings, for example, reduce our emissions output while cutting costs.</p> <p>Financial planning elements that have been influenced: Capital expenditures Description of influence: Climate-related opportunities associated with capital for the Company prioritizes funding capital equipment upgrades that reduce energy and associated emissions. Included in the Company's financial planning process is consideration of capital investments which reduce operating costs and risk. In fiscal 2019, Boots UK and Walgreens invested more than \$169 million in these energy efficiency programs.</p> <p>Financial planning elements that have been influenced: Assets Description of influence: The Company's assets are comprised of current assets (cash, short-term investments, receivables merchandise inventories and other assets), property and equipment, goodwill and other assets. The value and lifetime of the Company's assets can be impacted due to climate-related risks such as changes to temperature, humidity and dew points. These chronic changes may reduce the expected lifespan of store equipment which was installed under different condition expectations, requiring more frequent replacement. Asset aging and turnover is monitored and included in financial planning.</p>
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C3.1f

(C3.1f) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Intensity target

C4.1b

(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).

Target reference number

Int 1

Year target was set

2012

Target coverage

Business division

Scope(s) (or Scope 3 category)

Scope 1+2 (location-based)

Intensity metric

Metric tons CO₂e per square foot

Base year

2011

Intensity figure in base year (metric tons CO₂e per unit of activity)

0.039602

% of total base year emissions in selected Scope(s) (or Scope 3 category) covered by this intensity figure

50

Target year

2020

Targeted reduction from base year (%)

20

Intensity figure in target year (metric tons CO₂e per unit of activity) [auto-calculated]

0.0316816

% change anticipated in absolute Scope 1+2 emissions

0

% change anticipated in absolute Scope 3 emissions

0

Intensity figure in reporting year (metric tons CO₂e per unit of activity)

0.033163

% of target achieved [auto-calculated]

81.2963991718

Target status in reporting year

Underway

Is this a science-based target?

No, but we anticipate setting one in the next 2 years

Please explain (including target coverage)

Walgreens is supporting this commitment through improved heating, ventilation, air conditioning and refrigeration efficiency, conversions to LED lighting and using data to pinpoint areas for improvement. The Walgreens Intensity Target 1 has been calibrated to conform to the energy intensity reduction goal, which was disclosed as part of Walgreens commitment to the U.S. Department of Energy Better Buildings Challenge. As of August 31, 2019, Walgreens intensity metric improved by 16 percent, which is equivalent to a 81 percent completion of the emissions metric objective of the goal. Considering the 10-year time frame of the intensity goal in the Better Buildings Challenge commitment, Walgreens anticipates that the net effects of energy management initiatives will drive emissions to decline, or otherwise approximate the magnitude of base year emissions. The goal expresses that normalized emissions will decline relative to the organic growth of Walgreens through construction of new facilities and acquisitions. The target covers less than 100 percent of emissions, as it applies only to Walgreens, the largest business unit of WBA.

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

No other climate-related targets

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	0
To be implemented*	0	0

Implementation commenced*	0	0
Implemented*	4	52,000
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Energy efficiency in buildings
Heating, Ventilation and Air Conditioning (HVAC)

Estimated annual CO2e savings (metric tonnes CO2e)

10,000

Scope(s)

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

2,300,000

Investment required (unit currency – as specified in C0.4)

90,100,000

Payback period

>25 years

Estimated lifetime of the initiative

11-15 years

Comment

This row refers to WBA's programs and initiatives to reduce emissions from its Walgreens retail operations through energy efficiency programs. In fiscal 2019, targeted energy efficiency-based and reactive-based HVAC rooftop unit replacements were conducted to right-size load, improve unit efficiency and replace aging or failing assets at approximately 1,356 Walgreens stores. 1,255 of the locations had all units replaced through our Energy Efficiency program while 101 had anywhere from one to all units replaced in a reactive replacement program. Walgreens replaced aged heating, ventilation, and air conditioning (HVAC) equipment and took advantage of new technology and energy saving opportunities. It is estimated that this program will achieve 10,000 metric tonnes of CO2e annually over the life of the initiative. WBA

entered \$2,300,000 in the “annual monetary savings” column based on approximate annual energy savings only.

Initiative category & Initiative type

Energy efficiency in buildings
Lighting

Estimated annual CO₂e savings (metric tonnes CO₂e)

25,000

Scope(s)

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

7,100,000

Investment required (unit currency – as specified in C0.4)

61,100,000

Payback period

4-10 years

Estimated lifetime of the initiative

6-10 years

Comment

This row refers to WBA’s energy efficiency lighting programs and initiatives at Walgreens’ retail operations resulting in to reduced emissions. During fiscal 2019, 904 Walgreens stores were retrofitted with interior LED. Interior LED retrofits save Walgreens an average of 60,000 kilowatt hours per store annually over the life of the initiative. This results in an estimated 25,000 metric tonnes CO₂e savings annually. WBA entered \$7,100,000 in the “annual monetary savings” column based on approximate annual energy savings only.

Initiative category & Initiative type

Transportation
Company fleet vehicle efficiency

Estimated annual CO₂e savings (metric tonnes CO₂e)

1,000

Scope(s)

Scope 1

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

0

Investment required (unit currency – as specified in C0.4)

176,000

Payback period

No payback

Estimated lifetime of the initiative

Ongoing

Comment

This row refers to WBA's process optimization programs and initiatives to reduce emissions from its fleet operations. WBA entered 0 in the "annual monetary savings" as this impact has not been quantified at this time. However, WBA recognizes that these programs could impact future cost savings and that it is reasonably possible that these savings could be significant. WBA fiscal 2019 emissions from product delivery decreased by 0.7 percent compared with fiscal 2018. The Walgreens truck fleet has participated since 2005 in the U.S. Environmental Protection Agency's SmartWay Program, which helps measure fuel efficiency in the fleet and understand the supply chain's total impact on the environment. The Boots UK business successfully integrated electric vehicles into its operations for the first time in fiscal 2019. Following a successful pilot program, Boots UK introduced five new electric vans to its Nottingham fleet in fiscal 2019 with plans to expand the program. The zero-emission vehicles equipped with Lightfoot technology to coach drivers on efficiency and safety, are projected to reduce Boots UK emissions by 22 carbon tonnes per year. More than £137,000 was invested by Boots UK during fiscal 2019. These investments consisted of electric vehicles purchased and Lightfoot technology. WBA entered \$176,000.00 in the "investment required" column based on the conversion of £137,000 to USD.

Initiative category & Initiative type

Energy efficiency in buildings

Other, please specify

energy efficiency strategy including: building controls, HVAC, lighting and behavioral change

Estimated annual CO2e savings (metric tonnes CO2e)

16,000

Scope(s)

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

0

Investment required (unit currency – as specified in C0.4)

23,000,000

Payback period

No payback

Estimated lifetime of the initiative

Ongoing

Comment

This row refers to WBA's programs and initiatives to reduce emissions from its Boots UK operations. WBA entered 0 in the "annual monetary savings" as this impact has not been quantified at this time. However, WBA recognizes that these programs could impact future cost savings and that it is reasonably possible that these savings could be significant. WBA entered "No payback" in the "Payback period" column because these initiatives are part of the Company's ongoing program to increase operating efficiencies and since the annual savings have not been quantified, at this time, WBA is unable to quantify the payback period. This ongoing program across Boots UK totaled £18M (\$23M) in fiscal 2019, including: store transformations to reduce energy in 30 stores; doors installed on refrigerated cabinets containing self-service food products in more than 340 stores resulting in ~40% lower energy use; LED lighting replacements in 28 more stores in fiscal 2019; optimizing the performance of HVAC and AC systems through replacement and upgrades in 16 stores; Boots UK's building management system (BMS) provides full or partial control of stores through the optimization of settings to reduce energy consumption, in fiscal 2019 there were interventions at more than 700 stores.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Compliance with regulatory requirements/standards	New Walgreens stores are constructed and designed to meet or exceed local and state building and energy efficiency codes. Similarly, specifications for new Boots stores, maintenance programs and store refits include energy considerations as part of the investment case, and include many energy reduction technologies as standard, such as LED lighting, low GWP refrigerants and building control systems.
Employee engagement	In addition to new investments in technology, WBA fosters a hearts and minds approach to initiating active sustainability among our employees. Through our EngeryCare program, our

	<p>employees are given opportunities to learn about energy waste, be inspired toward an energy conscious culture and understand their role in the greater goals of the Company. In fiscal 2019, as part of the EnergyCare program, Boots UK developed an e-learning package that will be mandatory for employees in all stores starting in March 2020. Through the interactive training, participants will learn what the Company's environmental aspirations are, what environmental sustainability means, what our businesses have already achieved and how employees can help contribute to our goals. During fiscal 2019 Boots UK introduced electric vehicle charging stations for employee parking at its support office in Nottingham, and Walgreens significantly increased the number of free charging stations for employee parking at its support office in Deerfield.</p>
<p>Dedicated budget for energy efficiency</p>	<p>To reduce energy consumption, Walgreens and Boots UK forecast and manage energy across their real estate and fleets with monthly and yearly reports. The Company's businesses invest in energy efficient lighting, heating, ventilation and air conditioning (HVAC) units and refrigerators, engage and educate employees around energy consumption, invest in photovoltaic systems, use alternative energy management programs and participate in demand-response curtailment programs during peak periods. In fiscal 2019, Boots UK and Walgreens invested more than \$169 million in these energy efficiency programs. With many of our initiatives, we recognize that what is good for the planet is also good for business. Energy savings, for example, reduce our emissions output while cutting costs. Each business within WBA tracks and monitors energy use, in line with our Company-wide commitment to reduce emissions. Walgreens, WBA's largest business, has an annual target to reduce energy use across its operations.</p>
<p>Dedicated budget for other emissions reduction activities</p>	<p>As part of the capital planning process, energy efficiency programs are part of the long-range plan to reduce overall operating expenses.</p>
<p>Compliance with regulatory requirements/standards</p>	<p>Boots UK complies with the Energy Savings Opportunity Scheme (ESOS), a mandatory energy assessment and energy saving identification scheme for large organizations in the UK. ESOS has been implemented in the UK in response to the EU requirement for all member states to implement Article 8 of the Energy Efficiency Directive. The scheme introduces a regular program of energy audits (or approved equivalent) for the mandated eligible organizations. Walgreens complies with mandatory energy consumption reporting in municipalities where this is required.</p>

<p>Partnering with governments on technology development</p>	<p>Boots UK is a steering committee member of the Circular Economy Task Force. The Circular Economy Task Force is a government-endorsed, business-led group convened by Green Alliance. The Task Force is continuing to research policy solutions that would enable businesses to make the necessary changes for a more circular economy, optimizing the UK's resource use. Some of the recommendations of the Task Force were picked up by the UK's Environmental Audit Committee's "Growing a Circular Economy" report and by the Scottish Government's "Resource Use and the Circular Economy" inquiry, and the Task Force's reports are being considered as part of the evidence base for the government's forthcoming resources and waste strategy.</p>
<p>Other Boots UK support office in Beeston in Nottingham, UK operates a Combined Heat Power (CHP) plant</p>	<p>At the Boots UK support office in Beeston in Nottingham, UK, there is a Combined Heat Power (CHP) plant that supplies heat and energy to distribution centers, data centers, and corporate offices. Energy management is organized at the operations level. This asset enhances Boots UK's ability to better control the energy inputs associated with corporate support operations. In addition, the carbon reduction goals of the plant are set by those who operate it on a daily basis.</p>
<p>Other Contracts to purchase electricity generated from renewable origins</p>	<p>A number of WBA's businesses in the UK and Republic of Ireland – including Boots UK, Boots Opticians, Alloga UK, Alliance Healthcare in the UK and Boots Ireland – have contracts to purchase electricity generated from renewable origins. With a few exceptions, the electricity that these businesses purchase directly through the utility grid is certified as renewable. The Company's businesses in Norway and Spain are certified for purchasing 100 percent renewable energy.</p>
<p>Other U.S. Department of Energy's Advanced Rooftop Unit (RTU) Campaign</p>	<p>During fiscal 2019, Walgreens participated in the U.S. Department of Energy's Advanced Roof Top Unit (RTU) Campaign and was recognized for achieving the greatest number of high-efficiency RTU installations and advanced RTU control retrofits for a large portfolio in calendar 2018. Walgreens installed 4,300+ RTUs with high-efficiency units and controls, resulting in estimated annual energy savings of more than 39 million kWh.</p>
<p>Other U.S. Department of Energy's Interior Lighting Campaign</p>	<p>During fiscal 2019, Walgreens participated in the U.S. Department of Energy's Interior Lighting Campaign and was awarded for largest number of facility projects and largest portfolio-wide annual absolute energy savings. 1,200 stores were retrofitted with sustainable lighting technology from January 2018-August 2019; more than 71 million kWh savings.</p>

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

Level of aggregation

Product

Description of product/Group of products

Walgreens retail pharmacies host electrical vehicle charging stations in selected urban regions.

Are these low-carbon product(s) or do they enable avoided emissions?

Avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Other, please specify

No methodology established at this time.

% revenue from low carbon product(s) in the reporting year

0

Comment

Walgreens is a leading retail host of electric vehicle charging stations in the U.S., promoting choices by customers and neighbors to drive electric vehicles. As of August 31, 2019 approximately 400 electric vehicle charging stations were in operation at Walgreens locations. They are upgraded and maintained by a third party.

Level of aggregation

Group of products

Description of product/Group of products

Walgreens stores offer a selection of energy efficient products

Are these low-carbon product(s) or do they enable avoided emissions?

Avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Other, please specify

Products with the U.S. Environmental Protection Agency's Energy Star rating

% revenue from low carbon product(s) in the reporting year

0

Comment

Walgreens offers selected products, including devices that have achieved the U.S. Environmental Protection Agency's Energy Star rating, that allow customers to reduce their emissions.

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start

September 1, 2018

Base year end

August 31, 2019

Base year emissions (metric tons CO₂e)

421,000

Comment

Scope 1 emissions are those generated directly from sources owned or controlled by the Company. The figures reported include CO₂e emissions resulting from heat and electricity produced by our on-site Combined Heat & Power plant in Beeston, Nottingham, UK including the portion that is sold to third parties or to the grid, which was 32,000 metric tonnes in fiscal 2019.

Fiscal 2019 is the first year for which verifiable emissions data are available for the Rite Aid stores acquired in fiscal 2018. In accordance with the GHG reporting policies set out within the WBA Statement of GHG Emissions Fiscal 2019, the Company has decided to set fiscal 2019 as the new GHG baseline year for Scope 1, Scope 2 and Scope 3 emissions, and intends to report emissions against this new baseline year going forward.

Scope 2 (location-based)

Base year start

September 1, 2018

Base year end

August 31, 2019

Base year emissions (metric tons CO₂e)

1,645,000

Comment

Fiscal 2019 is the first year for which verifiable emissions data are available for the Rite Aid stores acquired in fiscal 2018. In accordance with the GHG reporting policies set out within the WBA Statement of GHG Emissions Fiscal 2019, the Company has decided to set fiscal 2019 as the new GHG baseline year for Scope 1, Scope 2 and Scope 3 emissions, and intends to report emissions against this new baseline year going forward.

Scope 2 (market-based)

Base year start

September 1, 2018

Base year end

August 31, 2019

Base year emissions (metric tons CO₂e)

1,575,000

Comment

Fiscal 2019 is the first year for which verifiable emissions data are available for the Rite Aid stores acquired in fiscal 2018. In accordance with the GHG reporting policies set out within the WBA Statement of GHG Emissions Fiscal 2019, the Company has decided to set fiscal 2019 as the new GHG baseline year for Scope 1, Scope 2 and Scope 3 emissions, and intends to report emissions against this new baseline year going forward.

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO₂e?

Reporting year

Gross global Scope 1 emissions (metric tons CO₂e)

421,000

Comment

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO₂e?

Reporting year

Scope 2, location-based

1,645,000

Scope 2, market-based (if applicable)

1,575,000

Comment

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

Yes

C6.4a

(C6.4a) Provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure.

Source

Fugitive emissions are excluded

Relevance of Scope 1 emissions from this source

Emissions are not relevant

Relevance of location-based Scope 2 emissions from this source

No emissions from this source

Relevance of market-based Scope 2 emissions from this source (if applicable)

No emissions from this source

Explain why this source is excluded

While fugitive emissions resulting from the use of refrigeration and air conditioning equipment are not included as the Company evaluates their materiality for its operations, the Company committed in fiscal 2017 to the Consumer Goods Forum's second Refrigeration Resolution to continue the phase down of Global Warming Potential (GWP) gases.

Source

Chilled water Scope 2 emissions are excluded

Relevance of Scope 1 emissions from this source

No emissions from this source

Relevance of location-based Scope 2 emissions from this source

Emissions are not relevant

Relevance of market-based Scope 2 emissions from this source (if applicable)

Emissions are not relevant

Explain why this source is excluded

Estimated emissions resulting from chilled water account for on the order of 3 hundredths of 1 percent of total Scope 2 emissions and thus are deemed not relevant.

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

25,508,000

Emissions calculation methodology

WBA engaged a third party consultant to complete a Scope 3 evaluation using an Environmentally Extended Input-Output (EEI-O) model and primary fiscal 2019 data when available. The Scope 3 evaluation was conducted in line with the WRI/WBCSD Corporate Value Chain (Scope 3) Guidelines (GHG Protocol). The results of this evaluation will be leveraged to understand relevance of each category of Scope 3 emissions. 25,508,000 tonnes CO₂e emissions associated with purchased goods and services were estimated using supplier expenditure data provided by WBA for select business units, which was extrapolated by the third party consultant to account for unavailable data, and sector emission factors including emissions of all supply chain tiers up to and including raw material extraction.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

WBA entered "0" into column "percentage of emissions calculated using data obtained from suppliers or value chain partners" as we are unable to determine percentage of emissions calculated using data obtained from suppliers or value chain partners due to the engagement of a third party consultant to use an Environmentally Extended Input-Output (EEI-O) model.

Capital goods

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

776,000

Emissions calculation methodology

WBA engaged a third party consultant to complete a Scope 3 evaluation using an Environmentally Extended Input-Output (EEI-O) model and primary fiscal 2019 data when available. The Scope 3 evaluation was conducted in line with the WRI/WBCSD Corporate Value Chain (Scope 3) Guidelines (GHG Protocol). The results of this evaluation will be leveraged to understand relevance of each category of Scope 3 emissions. 776,000 tonnes CO₂e emissions associated with capital goods were estimated using supplier expenditure data provided by WBA for select business units, which was extrapolated by the third party consultant to account for unavailable data, and sector emission factors.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

WBA entered "0" into column "percentage of emissions calculated using data obtained from suppliers or value chain partners" as we are unable to determine percentage of emissions calculated using data obtained from suppliers or value chain partners due to the engagement of a third party consultant to use an Environmentally Extended Input-Output (EEI-O) model.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Not relevant, calculated

Metric tonnes CO₂e

298,000

Emissions calculation methodology

WBA engaged a third party consultant to complete a Scope 3 evaluation using an Environmentally Extended Input-Output (EEI-O) model and primary fiscal 2019 data when available. The Scope 3 evaluation was conducted in line with the WRI/WBCSD Corporate Value Chain (Scope 3) Guidelines (GHG Protocol). The results of this evaluation will be leveraged to understand relevance of each category of Scope 3 emissions. 298,000 tonnes CO₂e emissions associated with fuel- and energy-related activities was estimated using electricity and energy consumption data provided by WBA for all operations and country specific energy distribution and transmission emission factors from DEFRA (2019) UK Government GHG Conversion Factors for Company Reporting.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

WBA entered "0" into column "percentage of emissions calculated using data obtained from suppliers or value chain partners" as we are unable to determine percentage of emissions calculated using data obtained from suppliers or value chain partners due to the engagement of a third party consultant to use an Environmentally Extended Input-Output (EEI-O) model.

Upstream transportation and distribution

Evaluation status

Not relevant, calculated

Metric tonnes CO₂e

167,000

Emissions calculation methodology

WBA engaged a third party consultant to complete a Scope 3 evaluation using an Environmentally Extended Input-Output (EEI-O) model and primary fiscal 2019 data when available. The Scope 3 evaluation was conducted in line with the WRI/WBCSD

Corporate Value Chain (Scope 3) Guidelines (GHG Protocol). The results of this evaluation will be leveraged to understand relevance of each category of Scope 3 emissions. 167,000 tonnes CO₂e emissions associated with upstream transportation and distribution was estimated using supplier expenditure data provided by WBA for select business units, which was extrapolated by the third party consultant to account for any gaps and UK or U.S. freight modal split data from UK Government (2019) and Bureau of Transportation Statistics (2017) respectively.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

WBA entered "0" into column "percentage of emissions calculated using data obtained from suppliers or value chain partners" as we are unable to determine percentage of emissions calculated using data obtained from suppliers or value chain partners due to the engagement of a third party consultant to use an Environmentally Extended Input-Output (EEI-O) model.

Waste generated in operations

Evaluation status

Not relevant, calculated

Metric tonnes CO₂e

40,000

Emissions calculation methodology

WBA engaged a third party consultant to complete a Scope 3 evaluation using an Environmentally Extended Input-Output (EEI-O) model and primary fiscal 2019 data when available. The Scope 3 evaluation was conducted in line with the WRI/WBCSD Corporate Value Chain (Scope 3) Guidelines (GHG Protocol). The results of this evaluation will be leveraged to understand relevance of each category of Scope 3 emissions. 40,000 tonnes CO₂e emissions associated with waste generated in operations was estimated using waste disposal data by disposal route provided by WBA for all operations and waste disposal factors for municipal and commercial waste from US EPA (2019) and DEFRA (2019) - UK Government GHG Conversion Factors for Company reporting.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

WBA entered "0" into column "percentage of emissions calculated using data obtained from suppliers or value chain partners" as we are unable to determine percentage of emissions calculated using data obtained from suppliers or value chain partners due to

the engagement of a third party consultant to use an Environmentally Extended Input-Output (EEI-O) model.

Business travel

Evaluation status

Not relevant, calculated

Metric tonnes CO₂e

53,000

Emissions calculation methodology

At WBA, there are systems in place to effectively measure this category of value chain emissions and programs in place designed to reduce its impact. A third-party limited assurance verification included business travel. Thus it was not included in the third party Scope 3 evaluation. The amount of CO₂e emitted from business travel undertaken by vehicles (cars, aircraft or trains) not owned by the Company was calculated using activity data and converted to emissions by applying relevant conversion factors. This includes:

- Road travel – car travel undertaken by employees for work or business purposes in cars not directly owned by the Company
- Air travel – calculated using third-party (e.g. travel service provider) data on kilometers traveled for commercial flights
- Rail travel - calculated using third-party (e.g. travel service provider) kilometer data

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

Employee commuting

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

878,000

Emissions calculation methodology

WBA engaged a third party consultant to complete a Scope 3 evaluation using an Environmentally Extended Input-Output (EEI-O) model and primary fiscal 2019 data when available. The Scope 3 evaluation was conducted in line with the WRI/WBCSD Corporate Value Chain (Scope 3) Guidelines (GHG Protocol). The results of this evaluation will be leveraged to understand relevance of each category of Scope 3 emissions. 878,000 tonnes CO₂e emissions associated with employee commuting was estimated using employee headcount data by country provided by WBA for all operations and OECD's published country averages for commuting time, transportation mode and distance, and transport factors from US EPA (2019) and DEFRA (2019) - UK Government GHG Conversion Factors for Company Reporting.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

WBA entered "0" into column "percentage of emissions calculated using data obtained from suppliers or value chain partners" as we are unable to determine percentage of emissions calculated using data obtained from suppliers or value chain partners due to the engagement of a third party consultant to use an Environmentally Extended Input-Output (EEI-O) model.

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Please explain

This category of value chain emissions is not relevant for WBA as emissions from WBA's largest franchise are accounted for in WBA's Scope 1 and Scope 2 GHG emissions.

Downstream transportation and distribution

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

9,835,000

Emissions calculation methodology

WBA engaged a third party consultant to complete a Scope 3 evaluation using an Environmentally Extended Input-Output (EEI-O) model and primary fiscal 2019 data when available. The Scope 3 evaluation was conducted in line with the WRI/WBCSD Corporate Value Chain (Scope 3) Guidelines (GHG Protocol). The results of this evaluation will be leveraged to understand relevance of each category of Scope 3 emissions. 9,835,000 tonnes CO₂e emissions associated with downstream transportation and distribution was estimated using transportation costs borne by customers and transaction counts provided by WBA for select business units, which was extrapolated by the third party consultant to account for any gaps, and sector estimation factors.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

WBA entered "0" into column "percentage of emissions calculated using data obtained from suppliers or value chain partners" as we are unable to determine percentage of emissions calculated using data obtained from suppliers or value chain partners due to

the engagement of a third party consultant to use an Environmentally Extended Input-Output (EEI-O) model.

Processing of sold products

Evaluation status

Not relevant, explanation provided

Please explain

This category of value chain emissions is not relevant for WBA as we do not engage in mid-stream processing of products.

Use of sold products

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

15,000

Emissions calculation methodology

WBA Global Brands engaged a third party consultant to complete a portfolio carbon footprint analysis of owned brand products, with a focus on value chain emissions. The results of this detailed analysis will be leveraged to understand key impact areas and inform establishing a reduction target in line with climate science. Aspects of this analysis were included in the WBA Scope 3 evaluation to provide high-level understanding of magnitude of this category on WBA's overall value chain footprint. 15,000 tonnes CO₂e emissions associated with use of sold products was estimated using emissions data from the WBA Global Brands carbon footprint analysis for owned brand electronic products.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

WBA entered "0" into column "percentage of emissions calculated using data obtained from suppliers or value chain partners" as we are unable to determine percentage of emissions calculated using data obtained from suppliers or value chain partners due to the engagement of a third party consultant to use an Environmentally Extended Input-Output (EEI-O) model.

End of life treatment of sold products

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

58,000

Emissions calculation methodology

WBA Global Brands engaged a third party consultant to complete a portfolio carbon footprint analysis of owned brand products, with a focus on value chain emissions. The results of this detailed analysis will be leveraged to understand key impact areas and inform establishing a reduction target in line with climate science. Aspects of this analysis were included in the WBA Scope 3 evaluation to provide high-level understanding of magnitude of this category on WBA's overall value chain footprint. 58,000 tonnes CO₂e emissions associated with end-of-life treatment of sold products was estimated using product weight data from the WBA Global Brands carbon footprint analysis and waste disposal factors for municipal and commercial waste from US EPA (2019) and DEFRA (2019) - UK Government GHG Conversion Factors for Company reporting.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

WBA entered "0" into column "percentage of emissions calculated using data obtained from suppliers or value chain partners" as we are unable to determine percentage of emissions calculated using data obtained from suppliers or value chain partners due to the engagement of a third party consultant to use an Environmentally Extended Input-Output (EEI-O) model.

Downstream leased assets

Evaluation status

Not relevant, calculated

Metric tonnes CO₂e

28,000

Emissions calculation methodology

WBA engaged a third party consultant to complete a Scope 3 evaluation using an Environmentally Extended Input-Output (EEI-O) model and primary fiscal 2019 data when available. The Scope 3 evaluation was conducted in line with the WRI/WBCSD Corporate Value Chain (Scope 3) Guidelines (GHG Protocol). The results of this evaluation will be leveraged to understand relevance of each category of Scope 3 emissions. 28,000 tonnes CO₂e emissions associated with downstream leased assets was estimated using floor area of sub-leased area provided by WBA for select businesses, asset-wise US Energy Information Administration (US EIA) energy intensities and International Energy Association (EIA) & GHG emission factors from US EPA and DEFRA (2019) UK Government GHG Conversion Factors for Company Reporting.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

WBA entered "0" into column "percentage of emissions calculated using data obtained from suppliers or value chain partners" as we are unable to determine percentage of emissions calculated using data obtained from suppliers or value chain partners due to the engagement of a third party consultant to use an Environmentally Extended Input-Output (EEI-O) model.

Franchises

Evaluation status

Not relevant, explanation provided

Please explain

This category of value chain emissions is not relevant for WBA as emissions from WBA's largest franchise are accounted for in WBA's Scope 1 and Scope 2 GHG emissions.

Investments

Evaluation status

Not relevant, calculated

Metric tonnes CO₂e

243,000

Emissions calculation methodology

WBA engaged with a third party consultant to complete a Scope 3 evaluation using an Environmentally Extended Input-Output (EEI-O) model and primary fiscal 2019 data when available. The Scope 3 evaluation was conducted in line with the WRI/WBCSD Corporate Value Chain (Scope 3) Guidelines (GHG Protocol). The results of this evaluation will be leveraged to understand relevance of each category of Scope 3 emissions. 243,000 tonnes CO₂e emissions associated with investments was estimated using equity method investments percent ownership, WBA proportionate share of sales and Scope 1 and Scope 2 GHG emissions from companies when available or sector estimation factors.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

WBA entered "0" into column "percentage of emissions calculated using data obtained from suppliers or value chain partners" as we are unable to determine percentage of emissions calculated using data obtained from suppliers or value chain partners due to the engagement of a third party consultant to use an Environmentally Extended Input-Output (EEI-O) model.

Other (upstream)

Evaluation status

Not relevant, explanation provided

Please explain

WBA does not have other emissions

Other (downstream)

Evaluation status

Not relevant, explanation provided

Please explain

WBA does not have other emissions

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO₂e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.0000150951

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO₂e)

2,066,000

Metric denominator

unit total revenue

Metric denominator: Unit total

136,866,000,000

Scope 2 figure used

Location-based

% change from previous year

3

Direction of change

Decreased

Reason for change

WBA has adopted a goal to reduce emissions to help mitigate global warming and combat the urgent threat of climate change. This goal is embedded in the Company's business strategy and allows it to manage fluctuating energy costs as well as reduce environmental impact. The Company's emissions reduction strategy includes the implementation of large-scale initiatives, such as a global process to measure and monitor Scope 1, Scope 2 and some Scope 3 emissions. The strategy involves investment in energy and fuel efficiency programs in office buildings, distribution centers, stores and transportation fleets. As energy accounts for most of our emissions, we recognize the importance of investing in energy efficient equipment to reduce our overall carbon footprint, WBA emissions from energy, excluding acquired Rite Aid stores, decreased by 7 percent in fiscal 2019 compared with the previous year. That decrease was mainly driven by continued energy efficiency investment in the U.S. and the UK (as disclosed in C2.4a opportunity 1 and C4.3b).

Intensity figure

0.0114929101

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO₂e)

2,066,000

Metric denominator

square foot

Metric denominator: Unit total

179,763,000

Scope 2 figure used

Location-based

% change from previous year

2

Direction of change

Increased

Reason for change

In fiscal 2019 WBA's total carbon footprint was up 0.6 percent from fiscal 2018, due to the inclusion of acquired Rite Aid stores in the U.S. in fiscal 2019's data. Increased intensity metric is due to reduction in square footage and increase in total emissions.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO ₂ e)	GWP Reference
CH ₄	32,000	IPCC Fourth Assessment Report (AR4 - 100 year)
N ₂ O	388,000	IPCC Fourth Assessment Report (AR4 - 100 year)
CO ₂	1,000	IPCC Fourth Assessment Report (AR4 - 100 year)

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO ₂ e)
United States of America	264,000
Other, please specify Rest of World	157,000

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By business division

C7.3a

(C7.3a) Break down your total gross global Scope 1 emissions by business division.

Business division	Scope 1 emissions (metric ton CO ₂ e)
Retail Pharmacy USA	264,000
Retail Pharmacy International	79,000
Pharmaceutical Wholesale	78,000

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted for in Scope 2 market-based approach (MWh)
United States of America	1,497,000	1,497,000	3,311,000	0
Other, please specify Rest of World	148,000	78,000	487,000	278,000

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By business division

C7.6a

(C7.6a) Break down your total gross global Scope 2 emissions by business division.

Business division	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Retail Pharmacy USA	1,497,000	1,497,000
Retail Pharmacy International	115,000	55,000
Pharmaceutical Wholesale	33,000	23,000

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Increased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	10,000	Decreased	0.5	During fiscal 2019, approximately 10,000 metric tonnes of CO2e were reduced due to change in renewable energy consumption, and the Company's total Scope 1 and Scope 2 emissions were 2035000. The calculation of 0.5 percent is as follows: $(-10000 / 2035000) * 100$.
Other emissions reduction activities	26,000	Increased	1.3	During fiscal 2019, Scope 1 and Scope 2 CO2e emissions increased by approximately 26000 metric tonnes, including the change in renewable energy consumption, resulting in an overall 1.3 percent increase in emissions. The calculation of 1.3 percent is as follows: $(-26000 / 2035000) * 100$.
Divestment	0	No change	0	N/A
Acquisitions	0	No change	0	N/A
Mergers	0	No change	0	N/A
Change in output	0	No change	0	N/A
Change in methodology	0	No change	0	N/A
Change in boundary	0	No change	0	N/A
Change in physical operating conditions	0	No change	0	N/A
Unidentified	0	No change	0	N/A
Other	0	No change	0	N/A

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	Yes
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	0	1,680,000	1,680,000
Consumption of purchased or acquired electricity		278,000	3,553,000	3,831,000

Consumption of purchased or acquired heat		0	2,000	2,000
Consumption of self-generated non-fuel renewable energy		17,000		17,000
Total energy consumption		295,000	5,235,000	5,530,000

C8.2b

(C8.2b) Select the applications of your organization’s consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	Yes

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Fuels (excluding feedstocks)

Natural Gas

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

806,000

MWh fuel consumed for self-generation of electricity

773,000

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Emission factor

0.18174

Unit

kg CO2e per KWh

Emissions factor source

EPA (for US) and DEFRA (for UK and Rest of World)

Comment

Weighted average from EPA (for U.S.) and DEFRA (for UK and Rest of World)

Fuels (excluding feedstocks)

Fuel Oil Number 2

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

2,000

MWh fuel consumed for self-generation of electricity

2,000

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Emission factor

2.56418

Unit

kg CO2e per liter

Emissions factor source

EPA (for US) and DEFRA (for UK and Rest of World)

Comment

Weighted average from EPA (for U.S.) and DEFRA (for UK and Rest of World)

Fuels (excluding feedstocks)

Heavy Gas Oil

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Emission factor

3.17966

Unit

kg CO2 per liter

Emissions factor source

DEFRA (for UK and Rest of World)

Comment

WBA reports to the nearest 1000 MWh. Due to this, the Company has no heavy gas oil to report from fiscal 2019.

Fuels (excluding feedstocks)

Liquefied Petroleum Gas (LPG)

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

17,000

MWh fuel consumed for self-generation of electricity

17,000

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Emission factor

1.50715

Unit

kg CO2e per liter

Emissions factor source

EPA (for US)

Comment

Fuels (excluding feedstocks)

Diesel

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

798,000

MWh fuel consumed for self-generation of electricity

1,000

MWh fuel consumed for self-generation of heat

797,000

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Emission factor

2.60438

Unit

kg CO2e per liter

Emissions factor source

EPA (for US) and DEFRA (for UK and Rest of World)

Comment

Weighted average from EPA (for U.S.) and DEFRA (for UK and Rest of World)

Fuels (excluding feedstocks)

Jet Kerosene

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

11,000

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

11,000

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Emission factor

2.55784

Unit

kg CO2e per liter

Emissions factor source

EPA (for US) and DEFRA (for UK and Rest of World)

Comment

Weighted average from EPA (for U.S.) and DEFRA (for UK and Rest of World)

Fuels (excluding feedstocks)

Motor Gasoline

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

46,000

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

46,000

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Emission factor

2.29835

Unit

kg CO2e per liter

Emissions factor source

EPA (for US) and DEFRA (for UK and Rest of World)

Comment

Weighted average from EPA (for U.S.) and DEFRA (for UK and Rest of World)

C8.2d

(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	70,000	34,000	17,000	17,000
Heat	114,000	33,000	0	0
Steam	0	0	0	0
Cooling	0	0	0	0

C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero emission factor in the market-based Scope 2 figure reported in C6.3.

Sourcing method

Green electricity products (e.g. green tariffs) from an energy supplier, not supported by energy attribute certificates

Low-carbon technology type

Other, please specify
mix of renewable inputs varies

Country/region of consumption of low-carbon electricity, heat, steam or cooling

United Kingdom of Great Britain and Northern Ireland

MWh consumed accounted for at a zero emission factor

245,000

Comment

Market-based results are dominated by the use of the SSE Green tariff for most UK electricity. The Company's businesses in Ireland, Norway and Spain also have green tariff contracts.

Sourcing method

Green electricity products (e.g. green tariffs) from an energy supplier, not supported by energy attribute certificates

Low-carbon technology type

Other, please specify
mix of renewable inputs varies

Country/region of consumption of low-carbon electricity, heat, steam or cooling

Ireland

MWh consumed accounted for at a zero emission factor

9,000

Comment

Market-based results are dominated by the use of the SSE Green tariff for most UK electricity. The Company's businesses in Ireland, Norway and Spain also have green tariff contracts.

Sourcing method

Green electricity products (e.g. green tariffs) from an energy supplier, not supported by energy attribute certificates

Low-carbon technology type

Other, please specify
mix of renewable inputs varies

Country/region of consumption of low-carbon electricity, heat, steam or cooling

Norway

MWh consumed accounted for at a zero emission factor

11,000

Comment

Market-based results are dominated by the use of the SSE Green tariff for most UK electricity. The Company's businesses in Ireland, Norway and Spain also have green tariff contracts.

Sourcing method

Green electricity products (e.g. green tariffs) from an energy supplier, not supported by energy attribute certificates

Low-carbon technology type

Other, please specify
mix of renewable inputs varies

Country/region of consumption of low-carbon electricity, heat, steam or cooling

Spain

MWh consumed accounted for at a zero emission factor

13,000

Comment

Market-based results are dominated by the use of the SSE Green tariff for most UK electricity. The Company's businesses in Ireland, Norway and Spain also have green tariff contracts.

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

Description

Waste

Metric value

694,000

Metric numerator

Metric tonnes

Metric denominator (intensity metric only)

N/A

% change from previous year

3.6

Direction of change

Increased

Please explain

Across all of its businesses, WBA generated 694,000 metric tonnes of waste in fiscal 2019, an increase of 3.6 percent from the previous year, primarily due to an increase in waste generations at Walgreens, including acquired Rite Aid stores.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place

Annual process


Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

 WBA-Statement-of-GHG-Emissions-Fiscal-2019-FINAL__0.pdf

Page/ section reference

8

Relevant standard

Attestation standards established by AICPA (AT105)

Proportion of reported emissions verified (%)

100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach

Scope 2 location-based

Verification or assurance cycle in place

Annual process


Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

 WBA-Statement-of-GHG-Emissions-Fiscal-2019-FINAL__0.pdf

Page/ section reference

8

Relevant standard

Attestation standards established by AICPA (AT105)

Proportion of reported emissions verified (%)

100

Scope 2 approach

Scope 2 market-based

Verification or assurance cycle in place

Annual process


Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

 WBA-Statement-of-GHG-Emissions-Fiscal-2019-FINAL__0.pdf

Page/ section reference

8

Relevant standard

Attestation standards established by AICPA (AT105)

Proportion of reported emissions verified (%)

100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category

Scope 3: Business travel

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

 WBA-Statement-of-GHG-Emissions-Fiscal-2019-FINAL__0.pdf

Page/section reference

8

Relevant standard

Attestation standards established by AICPA (AT105)

Proportion of reported emissions verified (%)

100

C10.2


(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosur e module verificati on relates to	Data verified	Verificati on standard	Please explain
C9. Additional metrics	Other, please specify Waste by metho	Attestation standards establishe d by	Across all of its businesses, WBA generated 694,000 metric tonnes of waste in fiscal 2019, an increase of 3.6 percent from the previous year, primarily due to an increase in waste generations at Walgreens, including acquired Rite Aid stores. Independent Accountant's Review Report, specifying the inclusion of this metric in the annual assurance process can be found in the

	d of dispos al	AICPA (AT105)	2019 CSR Report, pages 85-86 (https://www.walgreensbootsalliance.com/sites/www/files/asset/Walgreens-Boots-Alliance-2019-Corporate-Social-Responsibility-Report_2.pdf).  1
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 1Walgreens-Boots-Alliance-2019-Corporate-Social-Responsibility-Report.pdf

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

Yes

C11.1a

(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.

EU ETS

Other carbon tax, please specify

CRC EES

C11.1b

(C11.1b) Complete the following table for each of the emissions trading schemes you are regulated by.

EU ETS

% of Scope 1 emissions covered by the ETS

13.4

% of Scope 2 emissions covered by the ETS

0

Period start date

January 1, 2019

Period end date

December 31, 2020

Allowances allocated

29,858

Allowances purchased

25,604

Verified Scope 1 emissions in metric tons CO₂e

52,256

Verified Scope 2 emissions in metric tons CO₂e

0

Details of ownership

Facilities we own and operate

Comment

On March 5, 2020 Boots UK purchased 25,604 allowances, the majority of which were surrendered against 2019 verified emissions to ensure the Combined Heat and Power (CHP) plant continued compliance with EU ETS regulations.

C11.1c

(C11.1c) Complete the following table for each of the tax systems you are regulated by.

Other carbon tax, please specify

Period start date

April 1, 2018

Period end date

March 31, 2019

% of total Scope 1 emissions covered by tax

2.4

Total cost of tax paid

2,198,391.91

Comment

Total cost of tax paid for the period April 1, 2018 to March 31, 2019 in Pound Sterling is £1,714,289.10. This value was multiplied by the conversion factor to report USD ($1.28239275 * 1,714,289.10 = \$2,198,391.91$)

CRC EES is a regulatory incentive to improve energy efficiency in large public and private sector organizations. It is a mandatory scheme that aims to improve energy efficiency and reduce the amount of carbon dioxide emitted in the UK. According to the UK Government, "Following the 2018-19 compliance year the CRC scheme will be closed. Organisations will report under the CRC for the last time by the end of July 2019 and surrender allowances for emissions from energy supplied in the 2018-19 compliance year by the end of October 2019".

C11.1d

(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

WBA's primary site that participates in these systems is our Combined Heat and Power (CHP) plant. Our strategy for this site includes employing suitable controls, procedures and consistently high standards of monitoring, reporting and measurement, all of which are maintained within effective, efficient and well documented Environmental Management Systems that are externally audited and certified to the ISO14001 Environmental Management Systems Standard. These systems include an Environmental Policy Statement and a Legal Register - which identifies direct/indirect legislation applicable to the CHP, and the requirements of this legislation and any other applicable requirements (e.g., in-house standards). By maintaining these systems via regular reviews, updates and external auditing of compliance we ensure compliance with legal and other requirements. Our Boots UK business also purchases allowances to cover our obligations and regularly implements energy efficiency and other emission reduction opportunities as appropriate and feasible.

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

No, and we do not currently anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Innovation & collaboration (changing markets)

Details of engagement

Run a campaign to encourage innovation to reduce climate impacts on products and services

% of suppliers by number

1

% total procurement spend (direct and indirect)

49

% of supplier-related Scope 3 emissions as reported in C6.5

6

Rationale for the coverage of your engagement

We actively engage with our larger suppliers on a regular cadence regarding climate change. Members of our respective leadership teams engaged on subjects as well as discussing CDP responses, addressing climate change at our businesses, including goals and targets, and sharing best practices regarding mitigation and disaster response. As we work with suppliers to drive increased efficiencies, specifically in supply chain, we collaborate to create solutions that decrease our impact and emissions. We have focused on how we can partner to increase our backhauling practices which allows both Walgreens Boots Alliance and our supplier partners to decrease costs and emissions by minimizing empty trailers and removing trucks from the road. Specifically as we investigate setting a Science Based Target (SBT) we've engaged with a large US-based supplier to support our Scope 3 evaluation.

Impact of engagement, including measures of success

Members of our respective leadership teams engaged on climate change, as well as discussing CDP responses, operationally addressing climate change at our businesses, including goals and targets, and sharing best practices regarding mitigation and disaster recovery.

Comment

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

As a global pharmacy retailer, wholesaler and distributor we are determined to protect the planet through programs in our operations and by engaging suppliers on environmental issues. To reduce energy consumption, during fiscal 2019 Walgreens invested \$146 million in HVAC units and LED interior lighting retrofits across nearly 2,000 stores. As part of the HVAC and LED upgrades, Walgreens required that all materials from these retrofits, including refrigerants and copper be recycled. This resulted in approximately 88,000 pounds (40,000 kilograms) of refrigerant being recycled during fiscal 2019. Furthermore, in the case of the HVAC equipment, this required working with our HVAC installation partners and developing an engineering procedure for contractors to follow to ensure materials were properly handled and safely transported to a recycling facility for reclamation.

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

- Direct engagement with policy makers
- Trade associations
- Funding research organizations
- Other

C12.3a

(C12.3a) On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Energy efficiency	Support	The U.S. government relations team engages with policy makers both directly and through Walgreens membership in trade associations (such as the Retail Industry Leaders Association), state retail associations and advocacy groups. Walgreens is also a member of Edison Electric Institute's Customer Advisory Group and supports WWF's Earth Hour. As a result, Walgreens has adopted policies and practices to mitigate emissions and also to help influence institutions that support climate change improvements such as through utility rebate programs. For example, Walgreens is participating in committee activities with the U.S. Department of Energy's Better Buildings Alliance (BBA). WBA energy teams engage and collaborate with stakeholders to provide the Company with a broad and diverse understanding of their evolving priorities and the issues that are of concern to them.	The objective of the interaction is to be part of the development of higher energy-efficiency standards for the application of new energy-efficient technology. Walgreens Boots Alliance is committed to implementing energy-efficient best practices throughout its operations and sharing these practices with others in the industry. In the UK and Europe, businesses are impacted by numerous pieces of energy and carbon legislation and tax regulations and Walgreens Boots Alliance engages policymakers both directly and via trade associations to respond to consultations, understand future direction of policy making and share best practice. For example, Boots UK is a member of the Retail Energy Forum (REF), that brings retailers together to address difficulties in the energy arena and to provide young start up technology businesses with an opportunity to showcase their products.
Adaptation or resilience	Support	Organizations with which WBA and its businesses interact include: • U.S. Chamber of Commerce Foundation • Universities (several) •	WBA seeks to support voluntary solutions that enhance the sustainability aspects of its businesses and of the products it

	Retail Industry Leaders Association (RILA), Board of Directors • RILA Sustainability Committee • RILA Energy Management Program • United Nations Sustainable Development Goals • Consumer Goods Forum (CGF) sustainability pillar • Energy Managers Association (EMA) • Retail Energy Forum (REF) • United Nations Global Company (UNGC)	sells. The Company participates in the drafting of policies, responds to consultations and engages directly with key governmental, non-governmental, industry, academic and community organizations.
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C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

Yes

C12.3c

(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

Trade association

Retail Industry Leaders Association (RILA)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

Retailers have a significant opportunity to reduce the energy consumption and associated greenhouse gases of their vast portfolio of locations, to the benefit of both companies and the environment. RILA is committed to helping its members overcome barriers to enhanced energy performance across their building portfolio through its Retail Energy Management program.

How have you influenced, or are you attempting to influence their position?

To remain supportive of this association's position on climate change matters.

Trade association

Consumer Goods Forum (CGF)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

CGF has committed to taking action in recognition of the serious risks that climate change poses for businesses, supply chains and consumers. The CGF Board has committed to mobilizing resources within its respective businesses to address climate change through a net zero deforestation resolution and a second refrigeration resolution.

How have you influenced, or are you attempting to influence their position?

To remain supportive of this association's position on climate change matters.

Trade association

Retail Energy Forum (REF) in the UK

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

REF is a membership organization that allows retailers to share good energy management practice and to learn more about the effects of climate change. REF convenes quarterly meetings and helps its members to engage with other energy suppliers and industry bodies.

How have you influenced, or are you attempting to influence their position?

To remain supportive of this association's position on climate change matters.

C12.3d

(C12.3d) Do you publicly disclose a list of all research organizations that you fund?

No

C12.3e

(C12.3e) Provide details of the other engagement activities that you undertake.

Engaging and collaborating with our stakeholders helps us to address the most relevant sustainability issues for our Company. We regularly consult with our stakeholders, internal and external, to seek their feedback on our performance in the areas where we have the greatest economic, environmental and social impact.

Dialogue with stakeholders across the world provides us with a broad and diverse understanding of their evolving priorities and of issues that are emerging as potential priorities. Ultimately, this helps enable us to deliver products and services that make positive impacts throughout our lines of business.

We identify relevant stakeholders in a variety of ways. For example, stakeholders impacted by our business and who influence our business – such as customers, stockholders and non-profit

groups – frequently approach us with issues. We also engage stakeholders proactively on matters where we feel we can have significant impact, such as in the health and wellbeing arena, and also on topics where we are aware of evolving societal expectations. We endeavor to engage with stakeholders representing a range of sectors, geographies, organization types and sizes.

In fiscal 2019 the Walgreens External Advisory Council was established to advise Walgreens on issues relating to CSR. The council is made up of a team of experts who have a broad range of knowledge on CSR and health related topics and will help influence and guide Walgreens CSR strategy, identify global megatrends and supply an external view on potential issues and opportunities.

The Council acts as a strategic sounding board and provides guidance on reporting, goal setting, and insight into what is most valued by the financial and investment communities.

The Company's 2019 CSR Report describes the form and frequency of engagement with key categories of stakeholders during fiscal 2019, their expectations, matters they raised and actions we have taken. This is available in the Stakeholder Engagement section on pages 16-18, and throughout the report.

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

WBA's climate change strategy is part of the Company's overarching CSR strategy. All Company officers and employees across all geographies and functional roles, must act in every way consistent with WBA's objective of responsible business practice as specified within the Code of Conduct and Business Ethics. Similarly, the Company endeavors to ensure effective governance of responsible business activities through its global procurement and supply chain operations. The WBA CSR Committee reviews and approves the overarching strategic framework for responsible business practices. The framework recognizes that the Company's Divisions and businesses face different social, economic and legislative challenges. Every Division and every business has a governance process for CSR, with executive sponsorship, written agreement for all plans and targets, and appropriate performance review against these plans and targets throughout each fiscal year. At the Board level, the Nominating and Governance Committee reviews, at least annually, WBA's policies and activities regarding sustainability, including climate change, and CSR, and assesses the Company's management of risks in those areas. Additionally, the Nominating and Governance Committee of the Board of Directors of WBA is responsible for the oversight of policies and activities regarding political advocacy and contributions. The Nominating and Governance Committee, which is comprised entirely of independent directors, has oversight over these activities, and receives and reviews updates on these efforts on at least an annual basis. The Walgreens government relations team is responsible for the implementation of political advocacy and contributions consistent with the Nominating and Governance Committee's oversight. The management of WBA's participation in the political and policy-making processes, and of the government relations

team, is the responsibility of the Senior Vice President, Global Chief Public Affairs Officer, who is a member of the WBA CSR Committee, thus facilitating consistency between activities that influence policy and overall CSR strategy, including climate change strategy.

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In voluntary sustainability report

Status

Complete

Attach the document

 Walgreens-Boots-Alliance-2019-Corporate-Social-Responsibility-Report.pdf

Page/Section reference

Throughout the CSR report

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

C15. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C15.1

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	WBA Vice President, Corporate Social Responsibility	Chief Sustainability Officer (CSO)