



Walgreens Boots Alliance

Walgreens Boots Alliance Services Limited Gender Pay Gap Report as at April 2020

A message from Lisa

I'm very pleased to share with you the April 2020 Gender Pay Gap report for Walgreens Boots Alliance Services Ltd.

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

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

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



Lisa Hare

Vice President HR, Global Enabling Functions

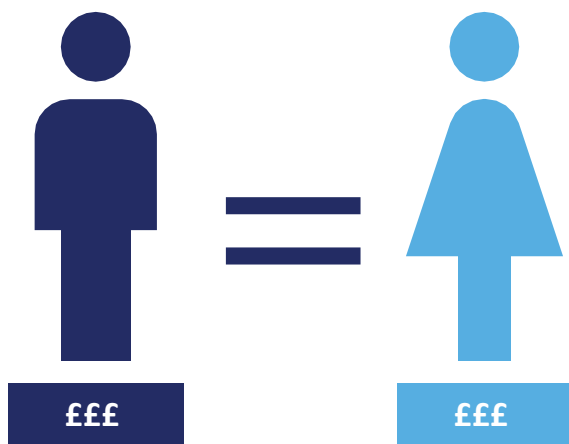
Understanding gender pay gap reporting

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

A gender pay gap is different from equal pay.

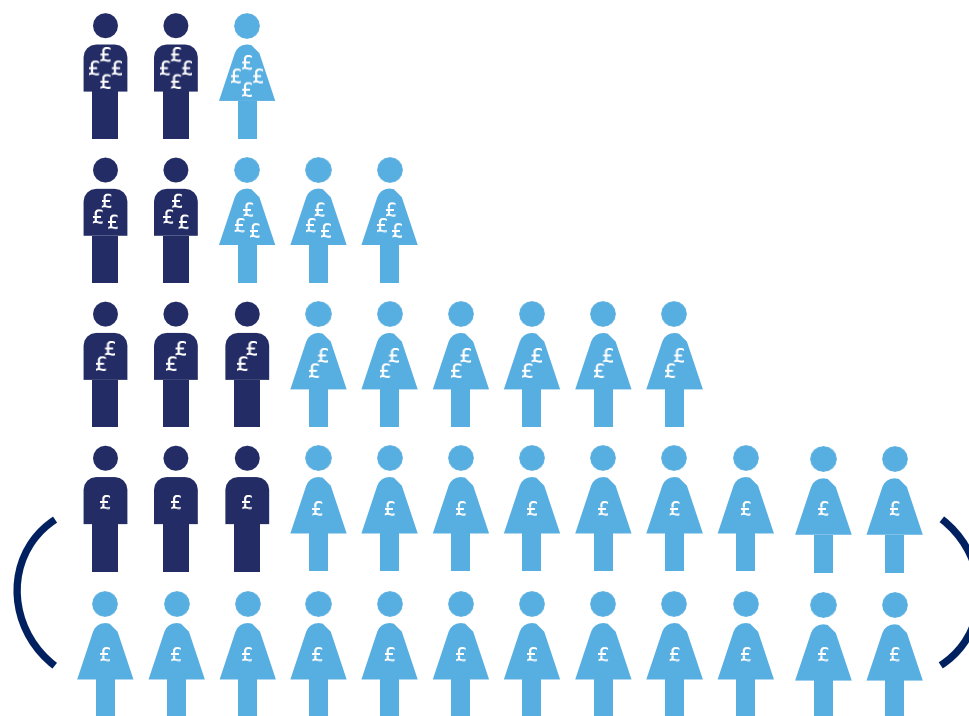
Equal pay

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



Gender pay gap

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



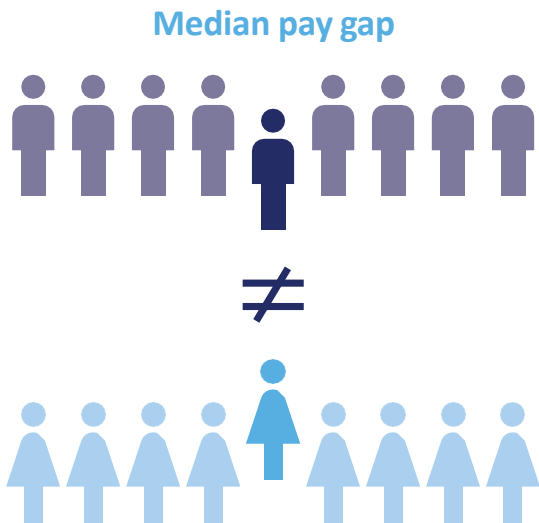
One of the main reasons for the gender pay gap in our society is that men are statistically more likely to be in senior roles.

Understanding gender pay gap reporting

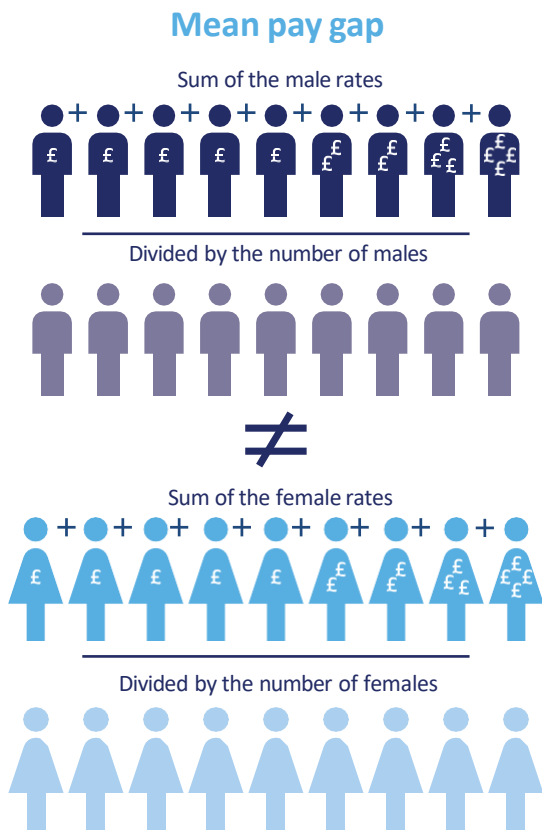
How are the median and mean pay gaps calculated?

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

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



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

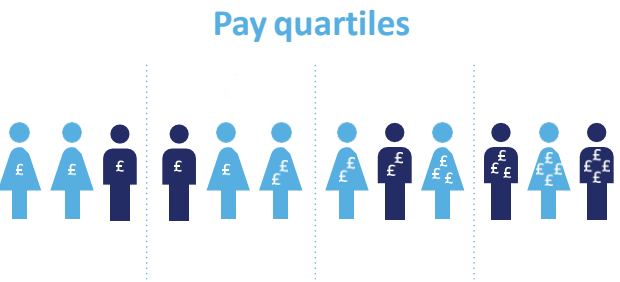


How is the bonus gap calculated?

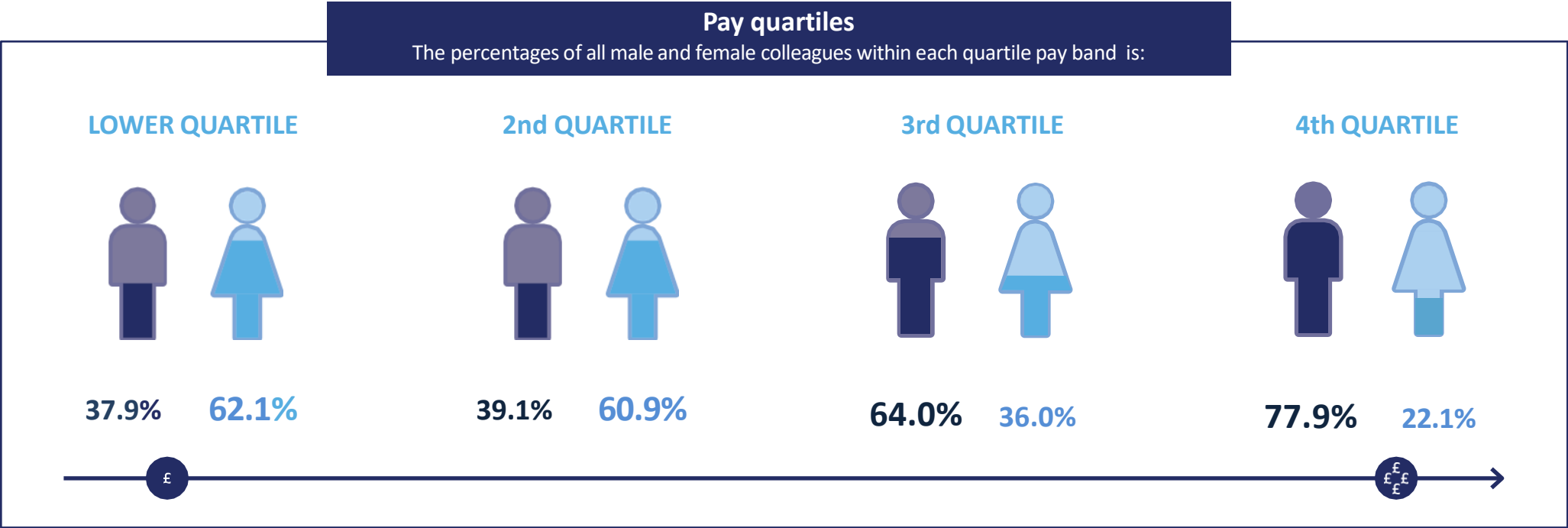
The mean and median bonus gaps are calculated in the same way as the gender pay gaps. However, this time we use the actual bonus paid to colleagues. We also report the number of male and female colleagues receiving a bonus (as a percentage of the total male and female population).

How are the pay quartiles calculated?

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



Our 2020 results

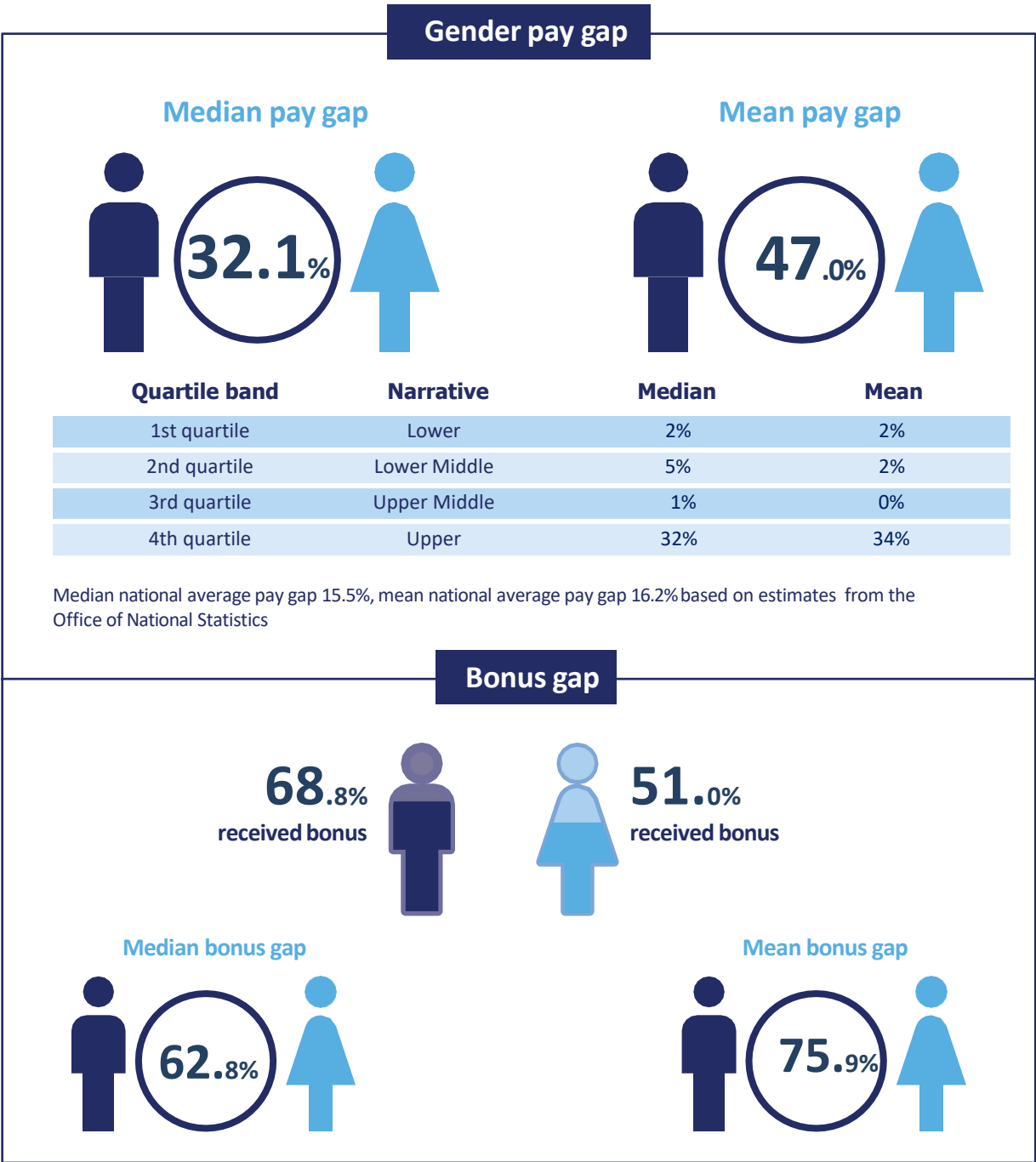


Our 2020 results

Reasons behind our gender pay gap

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

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



What are we doing to address our gender pay gap?

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

WHAT WE'VE DONE SO FAR

We embedded a new Inclusion Index into our global engagement survey to more tangibly measure our progress towards a more inclusive culture.

The Women of WBA Business Resource Group ran learning journeys for its members on Building Confidence, Negotiation Skills and Personal Branding. We celebrated International Women's day, launched Lean in Circles to provide peer mentoring and development opportunities. We also celebrated World Day for Cultural Diversity, with colleagues across the world to value and recognize the impact of our differences

We introduced 'Inclusion' as a new official corporate value and launched a learning module on Managing Unconscious Bias and Inclusive Leadership to build Diversity, Equity & Inclusion (DEI) capability among all team members.

All leaders across the WBASL organisation participated in 'listen and learn' DEI sessions to normalise uncomfortable conversations about gender and race and help move the conversation into meaningful and inclusive actions.

WHAT WE WILL BE DOING

Diversity, Equity & Inclusion will be a key performance measure going forward, with a specific focus on improving female representation in leadership and ensuring all candidate shortlists and interview panels are diverse.

WBASL leaders are now part of an ongoing DEI forum which will focus on building momentum and action. The initial focus is on:

- more targeted development of middle managers with a focus on women and under-represented groups. This will include mentorship of individuals across functions and a sponsorship program pilot
- Increased visibility of open roles
- reviewing our service level agreements with our search partners and external consultancies to introduce diversity requirements that align to our corporate DEI goals

We will continue to expand the work of the Women of WBA Lean in Circles and explore opportunities to further embed Business Resource Groups in the business.



Our commitments

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

We will encourage and support female colleagues across our organisation.

We will provide opportunities to everyone within our business to reach their full potential.

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

LISA HARE

Vice President HR, Global Enabling Functions

A handwritten signature in black ink, appearing to read 'Lisa Hare'.

CLARE JENNINGS

Corporate Controller

A handwritten signature in black ink, appearing to read 'Clare Jennings'.

