



Walgreens Boots Alliance

Walgreens Boots Alliance Services Limited
Gender Pay Gap Report as at April 2021

A message from Lisa

I'm very pleased to share with you the April 2021 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.

At WBASL we continue to drive our DEI agenda to create a more equal and diverse workforce in line with WBA vision, purpose and values.

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, International HR

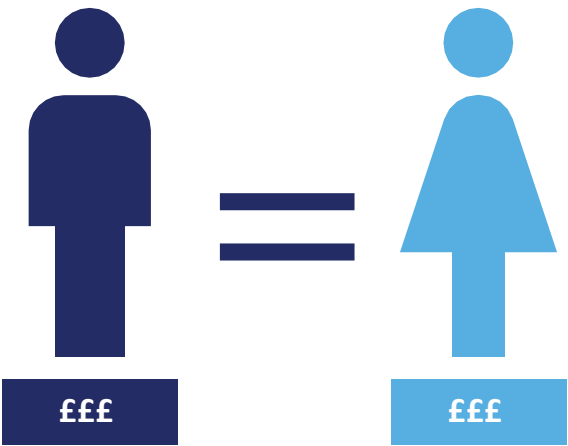
Understanding gender pay gap reporting

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

A gender pay gap is different from equal pay.

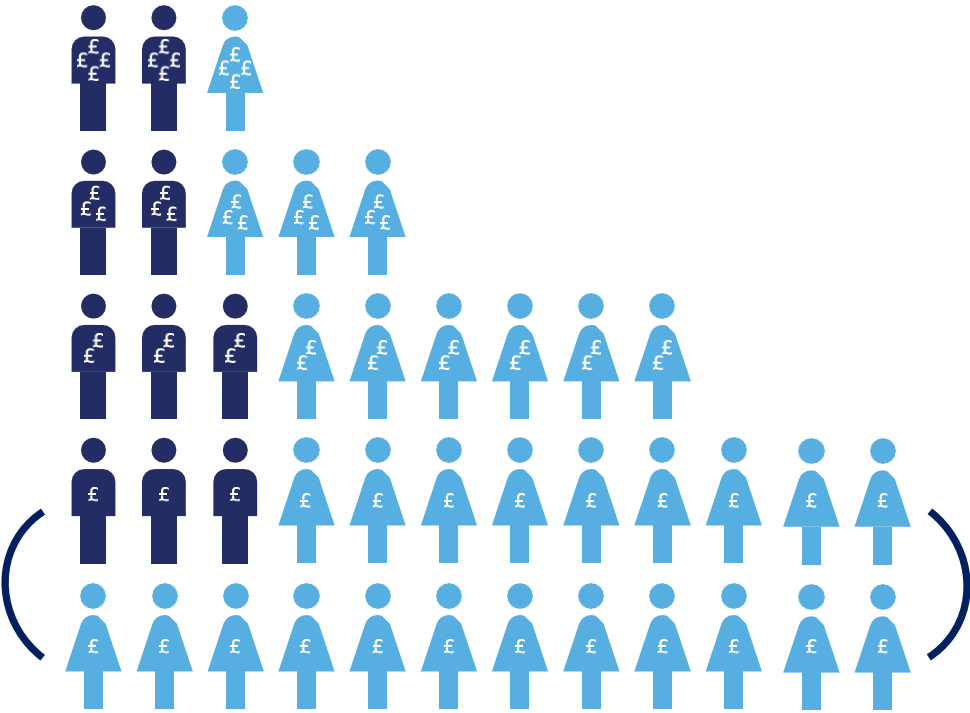
Equal pay

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.



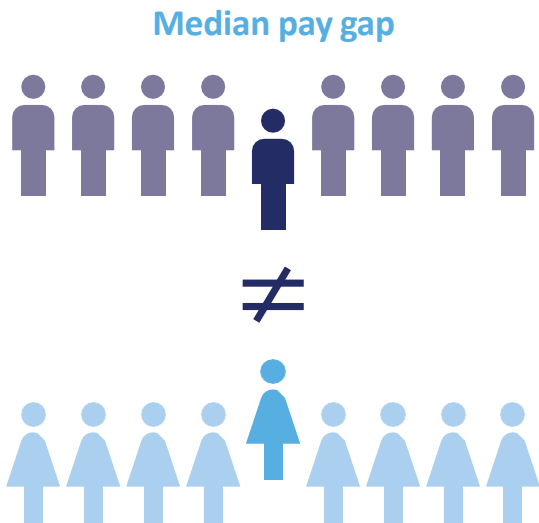
One of the main reasons for the gender pay gap in our society is that men are statistically more likely to be in senior roles.

Understanding gender pay gap reporting

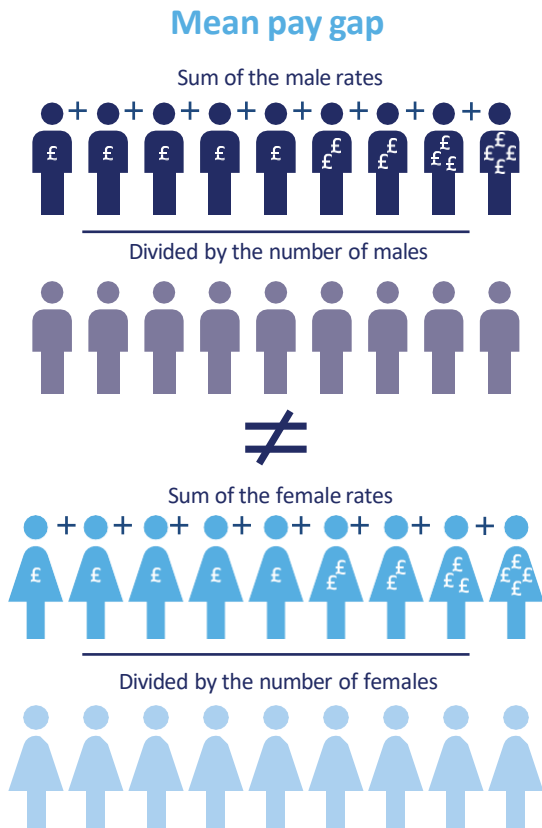
How are the median and mean pay gaps calculated?

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.

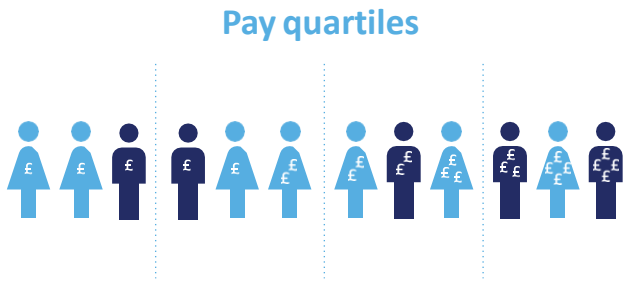


How is the bonus gap calculated?

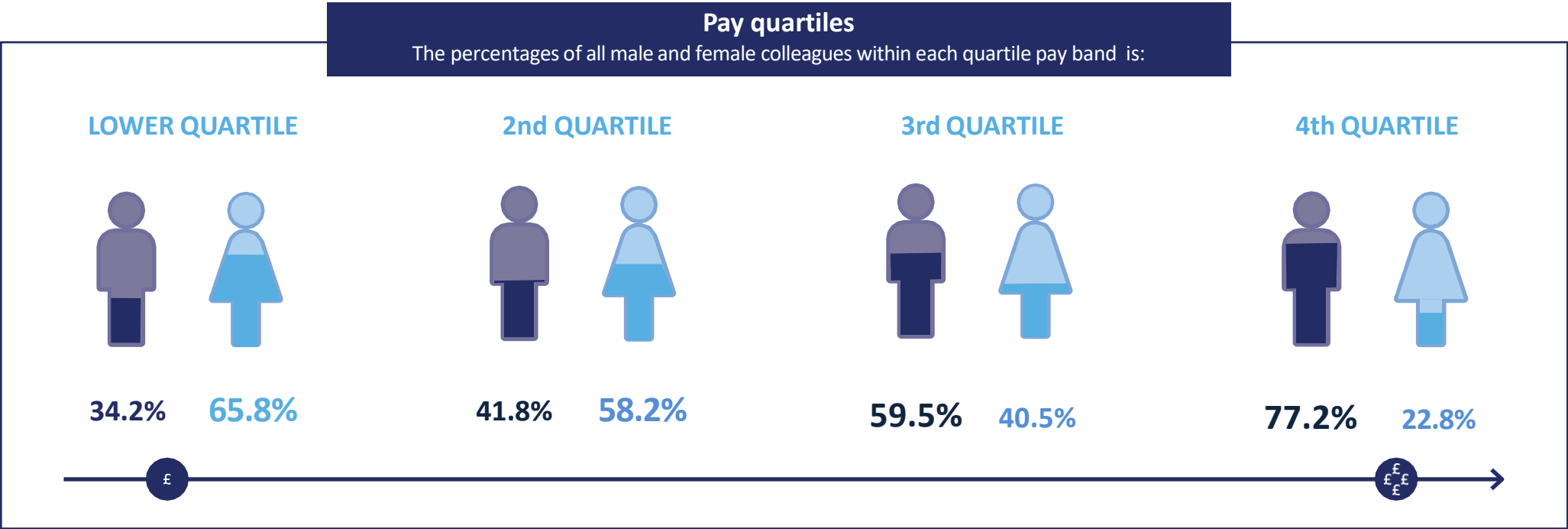
The mean and median bonus gaps are calculated in the same way as the gender pay gaps. However, this time we use the actual bonus paid to colleagues. We also report the number of male and female colleagues receiving a bonus (as a percentage of the total male and female population).

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 2021 results

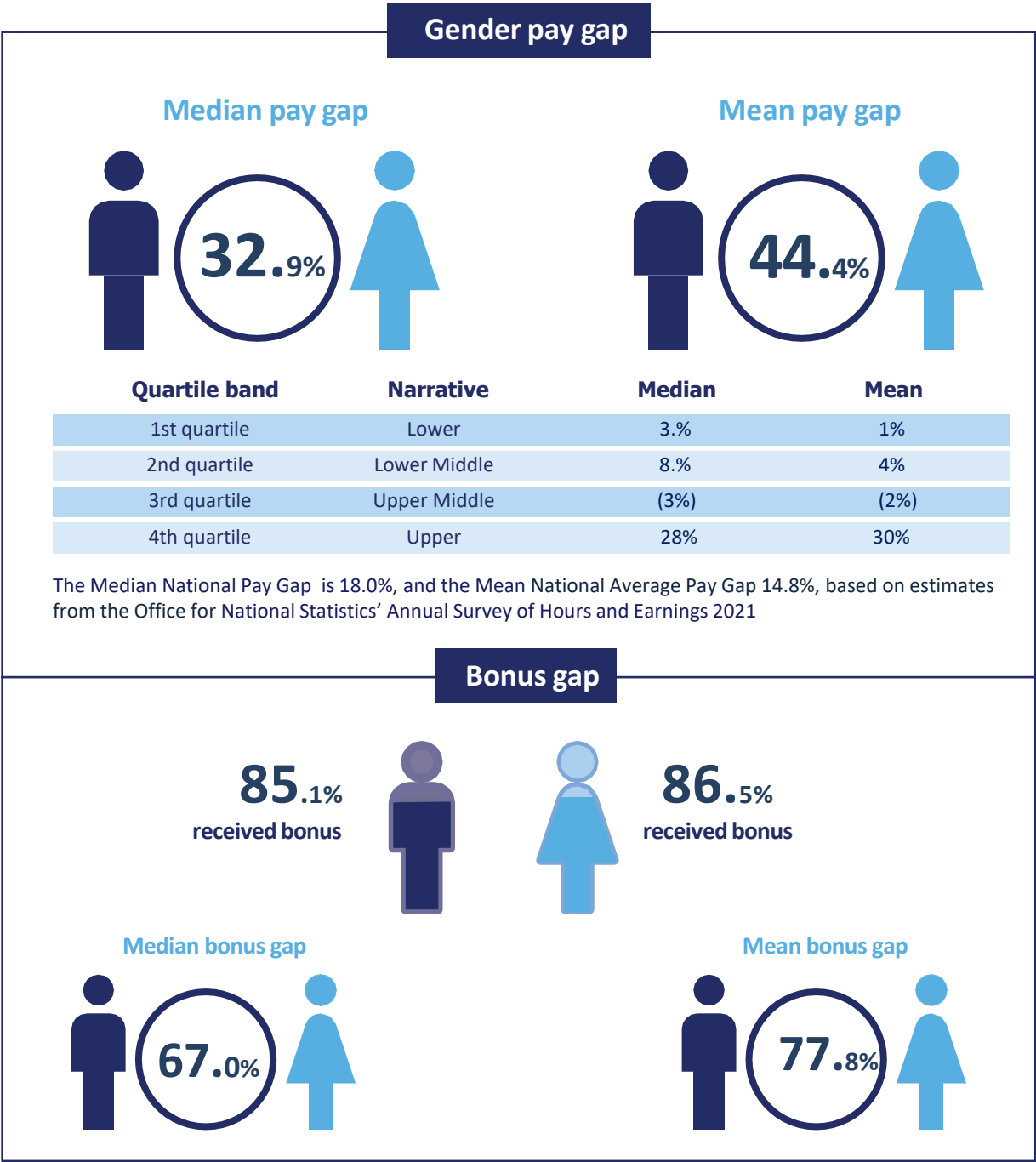


Our 2021 results

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) and we have approximately 320 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 3 quartiles separately, excluding the Upper quartile, 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

WBASL launched Diversity, Equity, & Inclusion key performance indicators linked to bonus eligibility criteria for the first time in fiscal year 2021. Representation of women in leadership roles was a key part of the goal, along with mandating interview panels and candidate slates for all senior leadership roles to include at least one woman when partnering with WBA on our recruitment process.

Team members took part in global Listen, Learn, Act townhalls which focused on DEI and called upon individuals to take action to make our workplace more inclusive. The Women of WBA Business Resource Group hosted a series of events to celebrate International Women's Day. This included a fireside chat between the WBASL Human Resources Director and the COO of Lean In, discussing the latest research on the "she-cession", the pay gap for women of colour, and practical takeaways for both women and gender equity allies.

We gathered diversity data through a self-identification campaign, targeting senior leaders. Through collecting more robust data on all aspects of diversity, we can track retention, promotion, and attrition across intersectional identities, such as BAME women or women with disabilities.

We invested in external partnerships which support gender equity through training, research, networking, and events. We featured senior-level women leaders in our organisation in external and internal roundtable discussions about gender equality and the importance of taking action.

WHAT WE WILL BE DOING

Diversity, Equity & Inclusion continues to be a key performance measure going forward, and all functional leaders have been asked to take actions to go beyond the minimum requirements of gender diverse interview slates and panels.

The DEI strategy for WBASL has three pillars – building diverse and talented teams, continuously learning, and building representative brands and services. We have set targets in each of these areas including:

- All people leaders taking part in interactive DEI workshops which include privilege awareness and becoming an champion for people from marginalised and underrepresented communities in the workplace, including women
- Submitting to external benchmarking activity to measure our inclusion and create evidence-based action plans to address any areas of opportunity.
- Actively reviewing talent and succession plans to ensure engagement and retention of underrepresented talent

We will use software to optimise job descriptions and reduce gender bias, encouraging more female candidates to apply. More DEI e-learning will be made available for team members at all levels.

We will continue to amplify the work of the Women of WBA Business Resource Group, including education on the impact of the menopause in the workplace and encouraging team members to take part in gender-equity focused listening sessions.



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, International HR

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

TRICIA KENNERLEY

Vice President, Director of International Public Affairs

A handwritten signature in black ink, appearing to read 'Tricia Kennerley'.

