# Corporate Social Responsibility Report 2017











# Walgreens Boots Alliance

is the first global pharmacy-led, health and wellbeing enterprise. Our purpose is to help people across the world lead healthier and happier lives.

Our 2017 Corporate Social Responsibility Report covers the fiscal year ended 31 August 2017.

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# Introduction

**GRI Disclosure 102-14** 



Walgreens Boots Alliance was honored with the United Nations Foundation's Global Leadership Award during fiscal 2017, recognizing our ongoing commitment to the UN's Sustainable Development Goals.

# "Setting the pace on vital issues"



Stefano Pessina (I), James Skinner (r).

Walgreens Boots Alliance is proud to be a Corporate Social Responsibility (CSR) leader, setting the pace on some of the most important issues of our day, from healthcare and combatting climate change to valuing diversity and fostering inclusion.

Our Company is privileged to distribute and dispense medicines to millions of people every day in communities around the world. Our customers rely on our pharmacists for information, support and advice; and they access daily living and beauty products at our convenient retail locations.

As a retail and wholesale pharmacy company we operate in markets in which ethical behavior is of utmost importance and we have a moral imperative to be a good corporate citizen. Our customers want products they can trust. Our employees want to work for a company that does the right thing. Society expects us to work with responsible, diverse suppliers and to show progress in reducing our environmental impact.

In order to be a catalyst for change we focus on initiatives that generate excitement and engagement among our customers and our employees. Millions of people join us to raise funds to combat

child poverty on Red Nose Day. Still, access to healthcare is a serious issue, and we have a unique capacity to make a difference. We support health and wellbeing in the communities where we operate, through our drug take back program, pharmacists specially trained to speak with people about cancer, free HIV testing days, flu shot vouchers and fundraisers for numerous health-related organizations. And we help provide lifesaving immunizations to remote areas of the globe through our ongoing partnership with the United Nations Foundation.

We are pleased to present in this report annual data across our ongoing operations, including an independent review of specified indicators. The data show the results of our efforts to reduce emissions and waste, further diversity and inclusion and contribute to groups that work on addressing pressing global issues.

We embed our CSR values throughout our work. We are committed to developing partnerships with vendors who share common principles of fair and honest trading.

Our dedication to CSR is part of our drive to operate both a sustainable and profitable enterprise. Customers are willing to switch to companies that follow ethical practices and give something back. Social responsibility improves our reputation and helps us to attract, retain and maintain our workforce and become an employer of choice. Stockholders seek disclosure regarding our CSR governance. Transparency about ingredients and supply chains builds trust in our product brands so that we can do our everyday work to support healthy living. Making our stores and vehicles more efficient fulfills our responsibility to the environment while saving costs.

We thank all of our employees for sharing our commitment to our CSR goals and for helping people all over the world lead healthier and happier lives.

### **James Skinner**

**Executive Chairman** Walgreens Boots Alliance, Inc.

### **Stefano Pessina**

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

20 December 2017

# **Our CSR Goals**

**GRI Disclosure 102-14** 

# "A force for good"



Ornella Barra speaks at WE Day UK.

Our Company is uniquely positioned to fulfill a purpose as well as generate profit. We work at the intersection between healthcare, retail and beauty. We touch communities around the world and have built a portfolio of CSR partnerships and initiatives where we can have maximum impact. We work with organizations that can boost health and wellbeing and bring opportunities to young people, in the regions where we do business, and beyond.

On numerous occasions throughout fiscal 2017 I was delighted to see how our people share the same enthusiasm and passion in working together to do something tangible to improve people's lives.

In March 2017 I gathered with 12,000 students and teachers for an inspiring WE Day UK at the SSE Arena, Wembley, where we celebrated young people who are making a difference in local and global communities. Our partnership with WE has helped to motivate tens of thousands of students in the U.S., UK and Canada to do volunteer work and make the world better. A few weeks later I heard inspiring testimony about our CSR effectiveness, from Stupid Cancer, the United Nations Foundation and other organizations, during the Walgreens Leader Meeting in Las Vegas, Nevada, which included a day focused on how our Company can be a force for good in the world.

I was thrilled at the milestone reached by Boots UK, whose colleagues and customers have raised more than £15 million (\$24 million) for Macmillan Cancer Support since their partnership began in 2009. Macmillan trains Boots pharmacists in the UK to talk with people living with cancer about the practical and emotional issues they face. This innovative partnership shows how we use our skills to benefit local communities and drive customer awareness of the values we stand for and our world-class healthcare credentials.

During fiscal 2017 we continued to challenge ourselves to make progress on all 12 of our CSR goals, including efforts to reduce our carbon footprint and our waste, on a comparable basis. We are in discussions to renew our partnership with the EORTC Cancer Research Fund

in Europe, and in the U.S. we deepened our partnership with The Leukemia & Lymphoma Society, to progress our goal of mobilizing our resources in the fight against cancer.

In this report you will read about how we worked to contribute to all 17 of the United Nations Sustainable Development Goals, about achievements such as reaching more than 130 million mothers and children with life-changing vitamins over our three-year partnership with Vitamin Angels, and about how our businesses teach each other to implement meaningful CSR programs.

I want to take this opportunity to share my heartfelt thanks to our employees, customers, suppliers and partners who show our collective effort can empower others and improve quality of life for people all over the world.

### **Ornella Barra**

Co-Chief Operating Officer Walgreens Boots Alliance, Inc. Chairman of the Corporate Social **Responsibility Committee** 

20 December 2017

# Our Vision, Purpose and Values

**GRI Disclosure 102-16** 

# Our vision

Be the first choice for pharmacy, wellbeing and beauty—caring for people and communities around the world

We help people across the world lead healthier and happier lives

Walgreens Boots Alliance takes seriously its aim of inspiring a healthier and happier world, as reflected in our core values:

Trust Respect, integrity and candor guide our actions to do the right thing

Care Our people and customers inspire us to act with commitment and passion

Innovation We cultivate an open and entrepreneurial mind-set in all that we do

Partnership We work collaboratively with each other and our partners to win together

**Dedication** We work with rigor, simplicity and agility to deliver exceptional results



# Our Approach to CSR

Walgreens Boots Alliance touches millions of lives around the world every day, through the medicines we dispense and distribute, our convenient retail stores and our health and beauty products. We deliver healthcare and support communities through both our day-to-day operations and our business values, and those essential roles shape our approach to CSR.

Our Company has built on the significant CSR heritage of our businesses. We believe we can make a profound impact on the world given our scale, business values and commitment.

Our CSR strategy is built around healthcare, reflecting the nature of our business and our stated purpose to help people across the world lead healthier and happier lives. This healthcare focus is a common thread throughout our CSR initiatives, which are aligned to 12 goals within four focus areas: Community, Environment, Marketplace and Workplace. These 12 goals are our CSR priorities, and they have been established through an assessment of the issues where we can have the most

impact and through ongoing dialogue with internal and external stakeholders. The process of defining our 12 goals is detailed in the Assessing CSR Materiality section of this report, on pages 8-10.

CSR activities and targets throughout the Company are also aligned with the United Nations Sustainable Development Goals (SDGs), which we are committed to supporting.

This report shows the progress we have made in our goals and our focus areas, being a responsible neighbor, protecting our planet, doing business fairly and with integrity, and treating our people and our customers with respect.

The evolution of our CSR strategy and reporting is reflected throughout this report, in greater transparency about issues raised by stakeholders, such as tobacco sales and traceability of ingredients; in the enhanced oversight and governance described in the Corporate Governance section; in enhanced commitments, such as on chemicals management; in our comparable data; and in our further adoption of the Global Reporting Initiative (GRI) Standards.

# **Leading by example**

Our aim is to lead by example and to be a catalyst and a facilitator for others to do good, especially in the area of health and wellbeing. To this end, much of our CSR work involves establishing or supporting initiatives that our customers and employees can join. These initiatives – such as the Red Nose Day fundraiser to help end child poverty – generate enthusiasm that we believe builds customer loyalty and increases employee satisfaction and engagement.

We consistently motivate our leaders to keep CSR at the heart of their work. For example, the final day of our Walgreens Leader Meeting in May



**CSR** champions discuss initiatives at first annual meeting.

2017 was devoted to discussing our CSR priorities, including health and wellbeing initiatives and a campaign to increase energy consciousness among employees.

Many of our initiatives benefit local communities where our pharmacists and other employees can make an impact in their neighborhoods. But our Company vision and purpose extend to health and happiness around the world. We feel it is important to leverage our scale and to work with global partners such as the United Nations Foundation and Vitamin Angels to distribute lifesaving immunizations and life-changing vitamins to people who live outside of the communities that we directly serve.

## **GRI Standards**

In fiscal 2017, for the first time, management has prepared our annual CSR Report to be in accordance with the GRI Standards: Core option. GRI is the world's most widely used set of sustainability reporting standards and we engaged with GRI as we developed this report. We believe the materiality assessment process for CSR matters described in this report as well as an expanded set of disclosures provide

enhanced transparency and credibility and will give our stakeholders greater confidence in our CSR work. In addition Walgreens Boots Alliance plans to make a climate change submission to CDP (formerly the Carbon Disclosure Project) for fiscal 2017, as it did for fiscal 2016.

### **Data**

Fiscal 2017 was the second consecutive year that Walgreens Boots Alliance collected data from our ongoing operations across the globe, on corporate giving, carbon emissions, waste disposal, employee gender and employee retention. This allows us to compare our progress with our baseline data from fiscal 2016. As in the previous year, Deloitte & Touche LLP conducted a review of specified indicators within this report in accordance with attestation standards established by the American Institute of Certified Public Accountants. The assurance report can be found on pages 87-88 of this report.

# **Targets**

We are committed to setting measurable targets to hold ourselves accountable. This report shows our efforts within each of our CSR goals.

Our individual businesses are located in different countries around the world with different infrastructure and market realities. Each business has a designated CSR champion who regularly reports to the business' executive leadership team, and each business goes through its own process of setting CSR targets relevant to its local communities and context, which are signed off by each Division. The Walgreens Boots Alliance CSR Committee must agree in writing, on an annual basis, any CSR targets for the Company. Within the Divisions, each business maintains a record of performance against its targets and CSR champions promptly notify the Vice President for Corporate Social Responsibility if problems emerge that would prevent the achievement of the targets.

# **About Our Company**

GRI Disclosures 102-3, 102-4, 102-9

Walgreens Boots Alliance is the first global, pharmacy-led health and wellbeing enterprise, with sales of \$118.2 billion in the fiscal year ended 31 August 2017. Our purpose is to help people across the world lead healthier and happier lives.

MORE THAN  $385,000^*$  people employed





PRESENCE IN MORE THAN 7 5 COUNTRIES

THE LARGEST RETAIL PHARMACY, HEALTH AND DAILY LIVING DESTINATION ACROSS THE



U.S. AND EUROPE

GLOBAL LEADER IN PHARMACY-LED, HEALTH AND

WELLBEING RETAIL WITH MORE THAN 13,200

STORES IN 11\* COUNTRIES



GLOBAL PHARMACEUTICAL WHOLESALE AND DISTRIBUTION

NETWORK WITH MORF THAN







7 ()\* COUNTRIES

ONE OF THE WORLD'S LARGEST PURCHASERS

OF PRESCRIPTION DRUGS AND MANY OTHER **HEALTH AND WELLBEING PRODUCTS** 



\*As of 31 August 2017, including equity method investments, using publicly available information for AmerisourceBergen.

The three Divisions that make up our Company are Retail Pharmacy USA, Retail Pharmacy International and Pharmaceutical Wholesale. Additional information on these Divisions can be found on our corporate website.

Additionally, Walgreens Boots Alliance has a portfolio of highly regarded and long established product brands, which we continue to grow on a global scale. Additional information about our product brands can also be found on our corporate website.

Walgreens Boots Alliance has a complex international supply chain with relationships with numerous suppliers in areas such as pharmaceuticals, consumer products, owned brands, business services, supply chain services, goods for our operations and more.

Our principal executive offices are located in Deerfield, Illinois, USA.

# Corporate Governance

GRI Disclosures 102-17, 102-18, 102-20, 102-22, 102-23, 102-24, 102-26, 102-29, 102-30, 102-31, 102-32

Walgreens Boots Alliance believes that strong corporate governance is an essential element of achieving our overall objectives and acting as a responsible organization.

The Board of Directors of Walgreens Boots Alliance is committed to sound corporate governance and sets high standards for employees, officers and directors. Our governance structure helps enable the Board to fulfill its fiduciary duties to our stockholders and helps ensure the long-term success of the Company. The Board exercises oversight of the Company's strategic, operational and financial matters, including the elements and dimensions of major risks facing the Company.

Having appropriate oversight and governance of our CSR program is critical to its success. Our senior leadership has established a CSR Committee to play a leading role in providing this oversight and governance. The CSR Committee is chaired by our Co-Chief Operating Officer Ornella Barra and includes senior executives from our key businesses as well as the legal, finance, human resources and communications functions. The CSR Committee meets regularly and, among other obligations, is charged with reviewing our CSR program (including the selection and approval of our CSR goals and the oversight of our CSR policy statements) and our progress towards achieving our CSR goals. The Committee also formally approves our annual CSR Report.

At the Board level, the Nominating and Governance Committee reviews, at least annually, our policies and activities regarding sustainability and CSR and assesses our management of risks in those areas. While the Nominating and Governance Committee has undertaken this review over the past few years, during 2017 the Board amended the Nominating and Governance Committee's charter to expressly set forth this responsibility. This change was made, in part, upon stockholder and other stakeholder feedback we received in 2017. Our Board believes that the Nominating and Governance Committee is the appropriate committee to discharge this obligation because sustainability and CSR matters represent a critical focus area of our corporate governance and that the members of the Nominating and Governance Committee, who are all independent directors, are able to effectively provide objective oversight of our CSR program and related initiatives.

In addition to the Nominating and Governance Committee's direct oversight the Audit Committee regularly reviews and discusses the key risks identified in the enterprise risk management (ERM) process with management, their potential impact on us and our operations, and our risk mitigation strategies. These risks may include risks related to climate change, sustainability and other CSRrelated matters.

Our Corporate Social Responsibility Policy Statements are available on our website under the "Governance guidelines & policies" heading. These statements shape our approach to our sustainability and corporate social responsibility activities and help ensure that our divisions and businesses are working within comparable parameters.

### **Our code of ethics:**

The Walgreens Boots Alliance Code of Conduct and Business Ethics supports good governance of our behaviors and approach to CSR. It sets out the ethics and principles which are to be upheld by each Division, business, corporate function and employee within Walgreens Boots Alliance.

The Code extends to all our officers and employees no matter where they are located in the world. It also extends to other parties acting on behalf of Walgreens Boots Alliance or any of its subsidiaries, such as consultants, agents, intermediaries or other representatives of Walgreens Boots Alliance, including our Board of Directors.

The confidential reporting telephone lines/website addresses listed in Appendix A of the Code are managed for Walgreens Boots Alliance by independent companies that provide reporting services for hundreds of companies worldwide. They are available 24 hours a day, seven days a week and in local languages. Information received by the independent companies is relayed to the Walgreens Boots Alliance Compliance Office for further investigation and review as appropriate.

More information on our corporate governance guidelines, and the Code of Conduct, can be found on our corporate website.

# **Assessing CSR Materiality:**

Where can we make the most difference?

GRI Disclosures 102-15, 102-21, 102-29, 102-44, 102-46, 102-47, 103-1, 103-2, 103-3



**Volunteers from Walgreens Boots** Alliance Asia Sourcing Limited plant trees at Kadoorie Farm and Botanic Garden Hong Kong.

Walgreens Boots Alliance has a deep history in CSR through its legacy companies and has undergone a thorough process to define the economic, environmental and social issues through which it has the most impact. Our CSR materiality assessment process encompasses a wide range of impacts and stakeholders. We consider issues that stakeholders bring to our attention, and review their requests and expectations.

Our internal CSR materiality assessment process takes into account issues that are relevant given the nature of our business while also assessing what issues we are best placed to address because of our influence in the health sector and because of our extended footprint across the world. The health and wellbeing of the communities we serve, locally and beyond, has consistently arisen as our most material CSR issue.

The process of establishing our material CSR topics is guided by our internal assessments as well as by our external commitments such as to the UN SDGs and to sustainability resolutions adopted by the Consumer Goods Forum; stakeholder dialogue; and benchmarks and standards such as the Dow Jones Sustainability Indices, CDP and GRI. Our definition of material for CSR purposes is distinct from the definition of that term that may be used by the Company for other purposes.

Our overall mission and our competitive strategy are also central to our process of defining our material CSR issues.

As a company that operates across the world we have a significant economic impact in the countries and regions where we do business. We generated \$118.2 billion in sales in fiscal 2017 and employed more than 385,000 people, directly and through our equity method investments. Our economic performance is the bedrock of our CSR commitments because it enables us to promote health, wellbeing and sustainability through employment, investment, initiatives, corporate giving and more.

Analyzing our priority CSR issues, measuring our economic, environmental and social impacts and reporting on our efforts and progress is part of our process of aligning with the GRI Standards. By identifying material CSR issues, we endeavor to adhere to best practice in corporate sustainability reporting and to prepare our CSR report to be in accordance with GRI Standards: Core option.

As part of our CSR materiality assessment process we mapped out potential material topics as well as issues raised by stakeholders. We



Her Royal Highness The Duchess of Cornwall (second from right) visited Boots UK in Nottingham as part of her initiative to strengthen the response to sexual assault issues in the UK.

considered the relevance of each topic to internal and external stakeholders. and the relevance of each topic to the Company. We also consider wider societal expectations and our influence on customers and suppliers to determine priority topics. Customer focus groups, employee surveys and industry sector benchmarking informed our assessment of our economic, environmental and social impacts during fiscal 2017.

In addition, we engaged the independent, international nonprofit Forum for the Future to lead a metrics workshop for the CSR community at Walgreens Boots Alliance, which included analysis of CSR materiality and other disclosure issues.

Through the mapping, and as a result of the inputs described above, we confirmed that the issues most relevant to us are reflected in our 12 goals, which are grouped in four focus areas where we can have the most impact. These goals represent our material CSR topics and are listed as follows:

# Community

We strive to be a responsible neighbor in the communities we serve around the world. We are taking actions to:

- Support the health, wellbeing and vitality of the communities we serve
- Enable young people to achieve their potential wherever they are in the world
- Develop and mobilize our resources and partnerships in the fight against cancer

# **Environment**

We are determined to protect the environment and do our part to ensure it flourishes for future generations. We understand our potential positive impact and are taking actions to:

- Reduce our energy consumption and emissions on a comparable basis\* as defined by the Greenhouse Gas Protocol
- Reduce the waste we create, on a comparable basis\*, and contribute to the drive for increasingly circular economies through increased re-use and recycling
- Develop plans to help achieve zero net deforestation by 2020, collaborating with other organizations in a global initiative
- \*Excludes the impact of acquisitions, disposals and any significant changes in existing operations.

# Marketplace

We aim to do business fairly and with integrity and are taking actions to:

- Create a global process that enables transparency of ingredients and their traceability for the exclusive consumer retail product brands that we sell
- Continue to drive ethical sourcing practices across our supply chain, protecting human rights, supporting diverse suppliers and engaging with suppliers around environmental issues
- Work collaboratively with a global network of key external organizations engaging in issues that carry the greatest social relevance to the markets and in the communities we serve

# Workplace

We strive to treat our people with dignity and respect and are taking actions to:

- Proactively support the personal health and wellbeing of our employees
- Deliver our commitment to equal opportunities for everyone across our employment practices, policies and procedures
- Continuously improve our robust approach to health and safety, actively caring for our employees and customers, throughout the Company

# Stakeholder dialogue

To fully understand our impact and to continue to develop our goals we engage in regular dialogue with stakeholders. The Stakeholder Engagement section of this report, on pages 11-16, describes our approach to identifying stakeholders and lists our engagement channels, specific stakeholders we engaged with during fiscal 2017 and the frequency and type of engagement. In addition, the section discusses the issues that were raised and the actions we have taken in response.

While our stakeholder dialogue during fiscal 2017 confirmed that our 12 CSR goals reflect our most material CSR issues, we are committed to continued assessment of our CSR materiality. During fiscal 2018 we plan to refresh our CSR materiality assessment and our priorities by reviewing our methodology, surveying internal and external stakeholders and remapping material topics and impacts.

### **GRI Content Index**

In order to prepare this report to be in accordance with the GRI Standards: Core option, we applied the GRI Reporting Principles of CSR materiality, stakeholder inclusiveness, sustainability context and completeness. Stakeholder inclusiveness is illustrated throughout the report with explanations of how we responded to issues that are important to our employees, customers, nonprofit organizations, stockholders and others. In the Environment and Marketplace sections we explain the sustainability context in which our company operates, such as ethical sourcing risks in our supply chains and our direct and indirect carbon emissions.

To deliver a complete picture of our impacts we identified the topic-specific GRI Standards that are relevant for inclusion in this report, by mapping our 12 goals to the Standards. This mapping is reflected throughout the report, as the Standards are referenced in each section where we explain our progress on our goals. Also, in the GRI Content Index we show how the topics are managed, what the boundaries are on each issue, and provide additional disclosures.

Given the fact that a number of companies in our sector consider water a material CSR topic, we revisited the conclusion reflected in our 2016 CSR Report that water use and recycling are not material CSR issues for our Company. We confirmed that water is not a material CSR issue for us, at the operational level, because we are not a large-scale manufacturer, do not have significant operations in water scarce areas and do not have a major impact on water supplies.

However, we continue to engage with a range of stakeholders regarding the impact of our products that involve the use of water in the home. We are working on initiatives and collaborations to address consumer water use and quality. Consumer feedback has shown us that people who use our beauty and healthcare products are concerned about the potential impact some ingredients have on waterways and oceans. We have engaged with a range of stakeholders to understand and address this industry-wide issue, and have reformulated our Walgreens and Boots UK owned brands to eliminate plastic microbeads.

# **Global impact**

As a leader in the retail pharmacy industry and provider of healthcare services we believe that giving to and supporting organizations that provide health services to underserved communities in the countries where we have business operations and in other regions around the world is one of the areas we can have the most impact. For this reason we partner on a large scale with organizations that deliver vaccinations, vitamins, medical supplies and other health-related services to communities both inside and outside the areas served by our stores and distribution networks.

# Stakeholder Engagement

GRI Disclosures 102-21, 102-29, 102-40, 102-42, 102-43, 102-44

Engaging and collaborating with our stakeholders helps us to address the most relevant sustainability issues in our industry. In addition to working with a global network of key external organizations, we also respond to internal stakeholders and suppliers.

These dialogues provide us with a broad and diverse understanding of our stakeholders' evolving priorities and the issues that most concern them. 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. Stakeholders impacted by our business and who influence our business-such as customers, stockholders and nonprofit groups frequently approach us with issues. We also engage stakeholders proactively on issues where we feel we can have significant impact, such as in the health and wellbeing arena, and also on issues where we are aware of evolving societal expectations.

The table on this page describes the form and frequency of engagement with key categories of stakeholders during fiscal 2017.

| Stakeholders                                                                   | Engagement channels and frequency                                                                                                                                                                                  |
|--------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Non-governmental organizations                                                 | Regular monthly meetings with key charity partners, formal yearly feedback                                                                                                                                         |
| Stockholders, investors and lenders                                            | Annual stockholders meeting, regular dialogue through our Investor Relations team, annual submission of Carbon Disclosure Project and Dow Jones Sustainability Index                                               |
| Government bodies and agencies                                                 | Ongoing dialogue with membership associations, consultation responses at national and international levels, regular industry panels, ongoing public affairs outreach                                               |
| Internal stakeholders                                                          | Regular CSR Committee meetings, yearly performance management processes, ad-hoc employee engagement surveys and forums, regular training, regular one-on-one meetings, regular Company and business communications |
| Suppliers                                                                      | Regular one-on-one meetings with key suppliers, yearly supplier conferences, quarterly joint business plans meetings with selected suppliers                                                                       |
| Customers (pharmacy benefit managers (PBMs), pharmacists, consumers, patients) | Yearly customer panels, regular customer satisfaction surveys, direct feedback, conferences for pharmacists, pharmacist associations                                                                               |
| Academics                                                                      | Face-to-face bi-annual meetings, research and sustainability projects, regular guest-speaker slots                                                                                                                 |
| Media                                                                          | Regular media releases, regular interviews with senior management                                                                                                                                                  |
| Peers                                                                          | Ad-hoc meetings and regular dialogue through membership organizations                                                                                                                                              |



An external panel of advisors helps us to identify sustainability topics in our product brands such as No7.

Issues brought to our attention by stakeholders are escalated to our CSR Committee. The escalation process is as follows: a representative from a Division or a cross-divisional function presents a proposed action plan at the regular CSR Committee meeting; then the Division or cross-divisional function executes plans that are approved, continues collaboration with the stakeholder and provides progress reports to the CSR Committee.

In recent years, our engagement with stakeholders has led to numerous concrete outcomes such as expanding our response to the opioid crisis in the U.S., phasing out plastic in cotton swabs in our Boots UK owned brands, creating a cage-free egg policy in the U.S. and expanding our recycling initiatives.

Among the issues raised by stakeholders during fiscal 2017 were the sale of tobacco in our retail pharmacies in the U.S. and Puerto Rico, our potential to help combat the opioid abuse crisis in the U.S., our potential to help affect health treatment outcomes through our pharmacies, our potential to impact the health of military veterans, the transparency and traceability of ingredients such as palm oil in our products, the protection of our customers' data privacy and security, collaboration with institutions and other businesses to drive higher recycling rates in the U.S., and our corporate governance.

While some of these issues are new and others are ongoing, they all fit within our 12 goals, or material CSR topics. In the rest of this section we provide detail on our engagement regarding a number of these specific issues.

# **Responsible products**

The external Advisory Panel for Sustainability was created in 2015 and is comprised of eight independent experts from industry, civil society and corporate governance who help us to identify sustainability topics in our product brands including No7, Botanics, Soap & Glory and Liz Earle.

The panel reported that we made significant progress during fiscal 2017 and encouraged us to further refine and deliver on our sustainability goals, set out a road map of progress and develop a culture that enables the delivery of a multi-year program for responsible sourcing. To read more about the panel's input, and about transparency and traceability in our supply chain, please see pages 52-54.

"Walgreens has been a valued partner in a long-standing and productive collaboration, which has given our clinical and research faculty the opportunity to develop, implement and evaluate novel programs to reach patients where they are to improve their access to quality care."

—Jeanne M. Clark, M.D., M.P.H., a professor of medicine at the Johns Hopkins University School of Medicine in Baltimore, Maryland, and the Johns Hopkins medical director for its collaboration with Walgreens.

# **Health and wellbeing** research

The Walgreens Health Analytics Research and Reporting team partners with academic institutions and scientific researchers on numerous outcomes studies, with a goal of helping to improve patient care while lowering healthcare costs. Access to healthcare, patient experience, adherence to prescriptions and clinical outcomes, healthcare costs, vaccinations and digital health are all important issues for patients and communities. Walgreens is dedicated to providing value to healthcare and strives to pursue the Institute for Healthcare Improvement's "Triple Aim" Initiative, which is to lower healthcare costs, improve care quality and increase patient satisfaction. More than 50 Walgreens outcomes studies from the past six years can be found on the Center for Health & Wellbeing Research website.

The site-launched in August 2017 – houses documents related to Walgreens research reports and studies that have been published in peer-reviewed medical and healthcare publications, as well as presented at scientific and industry conferences.

Walgreens partners with academic institutions including Johns Hopkins Medicine and the Johns Hopkins Bloomberg School of Public Health, the Scripps Translational Science Institute, the University of California, San Francisco – School of Pharmacy and the University of Chicago Medicine. These institutions provide guidance, specialized expertise, and industry insights that contribute to the Walgreens outcomes research agenda. Researchers from Walgreens and these institutions actively collaborate on a variety of research studies.

# **Opioid addiction crisis**

About 2 million Americans have a substance use disorder related to prescription opioid pain medications, according to U.S. Centers for Disease Control and Prevention. Walgreens expanded its response to this public health crisis in fiscal 2017, working closely with a range of stakeholders, including state and local governments, and regulators. See our full story on this engagement and our programs on pages 18-19.

## **Tobacco**

During the reporting year, Walgreens reviewed the issue of tobacco sales and engaged with stockholders and other stakeholders who have petitioned us to discontinue sales of tobacco in our retail pharmacies in the U.S. and Puerto Rico. We engaged with these groups to show them how we are addressing their concerns and the many ways we help our customers learn more about quitting smoking and access smoking cessation products. Tobacco has commonly been sold in many U.S. retail pharmacies, which is not the case elsewhere in the world. For example, our Boots stores in the UK and in other countries do not sell tobacco products.

We firmly believe that the most effective step we can take to help smokers quit is to address the root causes of smoking, which go far beyond the small percentage of smokers who access this product at pharmacies. Walgreens is well positioned and committed to offering consumers alternatives and a growing set of solutions to help them change

behavior and quit smoking. We believe we can influence people to guit smoking by connecting them with some of the available cessation programs.

Walgreens smoking cessation efforts were expanded in fiscal 2017 and include three main areas: a digital platform with stop smoking answers such as information on quitting, free live guit support and motivational tools such as a personalized quit plan and a calculator to work out the financial advantages of quitting; trained pharmacists in pharmacies and on a 24/7 online pharmacy chat who can support patients and provide information on smoking cessation products; and an incentive and loyalty program that allows people to earn Balance Rewards points for tracking their use of nicotine replacement therapy.

More than 23,000 Walgreens pharmacists have completed training on how to engage with patients on the issue and how to support them in using tobacco cessation products. The training includes video vignettes, scenarios and details that they can use when interacting with patients.

Walgreens also offers a stop smoking program through its healthcare clinics, where staff are trained on smoking cessation, and telemedicine consultations for smoking cessation with boardcertified physicians through a program with MDLIVE telehealth provider.

Since its inception in October 2015 and as of 31 August 2017, approximately 140,000 people have accessed the Walgreens guit smoking page, with around 9,000 clicking through to additional support to learn more and talk with a doctor. Approximately 20,000 customers have created a goal to quit smoking through the Digital Health Advisor on the site, around 4,000 have used the smoking calculator and around 49,000 have accessed the Walgreens Tumblr blog where they could view information on how smoking affects their body.





Veterans of Foreign Wars of the U.S. National Commander Brian Duffy (I), Walgreens Clinical Programs Medical Director Chet Robson (m) and **U.S.** Department of Veterans **Affairs Office of Suicide Prevention Executive Director** Dr. Caitlin Thompson (r) celebrate an agreement to help improve mental health care for veterans on 6 May 2017.

### **Veterans**

Walgreens worked with the Veterans of Foreign Wars (VFW), the largest organization of combat veterans in the U.S., and the U.S. Department of Veterans Affairs (VA), to advance and improve veterans' mental health and wellbeing by expanding the reach and awareness of mental health educational tools and resources among veterans.

As a result of the collaboration, the VA and Walgreens attended seven VFW state conventions in June 2017 to offer programs to educate VFW members and help reduce the stigma associated with mental health conditions, as well as encourage help seeking through the provision of VA resources.

The VA and Walgreens agreed to explore training programs and opportunities for Walgreens pharmacists and Healthcare Clinic nurse practitioners to enhance providers' ability to recognize veteranspecific needs, and to better understand the military culture that may influence veterans' willingness to seek help.

### Palm oil

Walgreens Boots Alliance engages with numerous stakeholders regarding the traceability and sustainable sourcing of palm oil – which is used in certain food, beauty and personal care products and pharmaceuticals - as it develops processes to further reduce deforestation impacts of the ingredient. Our focus during fiscal 2017 was to evaluate processes in place at Boots UK, which is recognized for its use of certified palm oil, and to acquire tools that our Walgreens U.S. retail pharmacy business will use to track palm oil in products it sells. Read more about our work on sustainable palm oil in the Environment section of this report on page 48.

### Stockholder feedback

We have received feedback that stockholders want more disclosure regarding CSR Governance. For this reason, we expanded our CSR Governance disclosure in our Notice of 2018 Annual Meeting of Stockholders and Proxy Statement. We have also expanded the CSR governance information included in this report, on page 7. During 2017 the Board of Directors amended the Nominating and Governance Committee's charter to clarify its role in reviewing sustainability and CSR and assess our management of risks in those areas. This clarification was based, in part, upon stockholder and other stakeholder feedback we received in 2017.

We have also added a section to our report, on data privacy and security, in response to stockholder and customer feedback. Please see page 67 of this report.

# **Industry organizations** and networks

Walgreens Boots Alliance leadership remains actively involved on the boards of a number of industry organizations and networks that have CSR agendas that we support. During fiscal 2017 our Co-Chief Operating Officer Alex Gourlay served as chairman of the National Association of Chain Drug Stores (NACDS) and Co-Chief Operating Officer Ornella Barra served on the board of the International Federation of Pharmaceutical Wholesalers (IFPW) and as a Trustee of IFPW Foundation, whose work includes supply chain safety initiatives and collaboration with Gavi, the Vaccine Alliance, to improve the access and availability of vaccines worldwide. Alex worked with NACDS to help it integrate CSR practice within its operations and culture and to foster member engagement on CSR activities beginning with a survey of members launched in fiscal 2017.

Our chief executive. Stefano Pessina. serves on the board of the Consumer Goods Forum (CGF), a global association of retailers and manufacturers that promotes sustainability initiatives as part of its mission. Richard Ellis, our Vice President for Corporate Social Responsibility, serves on the forum's sustainability committee. Among other sustainability initiatives during fiscal 2017, the CGF announced its second Refrigeration Resolution to continue the phase out of hydrofluorocarbons (HFCs), which represent 1.5 percent of total global warming potential today. As a member of the CGF, Walgreens Boots Alliance has pledged its commitment to the group's second Refrigeration Resolution as well as its other resolutions and commitments on environmental sustainability, social sustainability and health and wellness. For more information on those resolutions, please see the CGF's website at www.theconsumergoodsforum.com.

# **Eradicating waste**

The average U.S. recycling rate has been stalled at a ceiling of 34 percent for more than a decade, based on U.S. Environmental Protection Agency measurements of municipal solid waste. Society is calling on retailers to do their part to eradicate waste, increase recycling and create a new economic model. Walgreens Boots Alliance is committed to help break through the recycling ceiling and remove waste from the system in order to build a more circular economy, a concept of a restorative economic model in which resources are cycled back into supply chains. Walgreens Boots Alliance is a sponsor of the U.S. Chamber of Commerce Foundation's Beyond 34: Recycling and Recovery for a New Economy, a place-based pilot project to demonstrate a replicable and scalable model for achieving a more circular economy through innovative recycling and recovery solutions. Read more about our work on this project in the Waste section of this report on pages 45-47.



# Actions to Achieve the UN SDGs

# **SUSTAINABLE DEVELOPMENT**

Walgreens Boots Alliance's overall CSR strategy and our 12 CSR goals work to achieve the 17 Sustainable Development Goals (SDGs), aspirations adopted in 2015 by United Nations member states. Throughout this report, SDG icons are used to show how our activities are aligned with goals such as ending poverty, hunger and inequality, taking action on climate change and the environment, improving access to health and education, building strong institutions and more.

In 2016, Walgreens Boots Alliance was honored with the United Nations Foundation's Global Leadership Award, recognizing our ongoing commitment to Corporate Social Responsibility and the SDGs.

Active participation of businesses is essential for the SDGs to be achieved. Given our global presence and the scope of our business activities, we take the approach of addressing all of the SDGs.

During fiscal 2017 we made progress on integrating the SDGs into our activities and educating and engaging our employees about the SDGs and how they can help to make an impact.

Our CSR managers and champions have worked with our businesses to address specific targets that are relevant to the SDGs.

An internal educational program on the Walgreens Boots Alliance intranet provided learning modules for different SDG goals. These learning points were linked to the United Nations' "Lazy Person's Guide to Saving the World,"

and were aimed at encouraging our employees to take small actions for change in their work and personal lives.

Our commitment to the SDGs was highlighted at external events such as WE Day events where thousands of young people gather to learn how to take social action to improve the world.

We measure and communicate our progress and connection to the SDGs in this annual publication by preparing it to be in accordance with the GRI Standards. GRI has mapped its disclosures to the SDGs, and that is reflected in our GRI Content Index on pages 70-86.

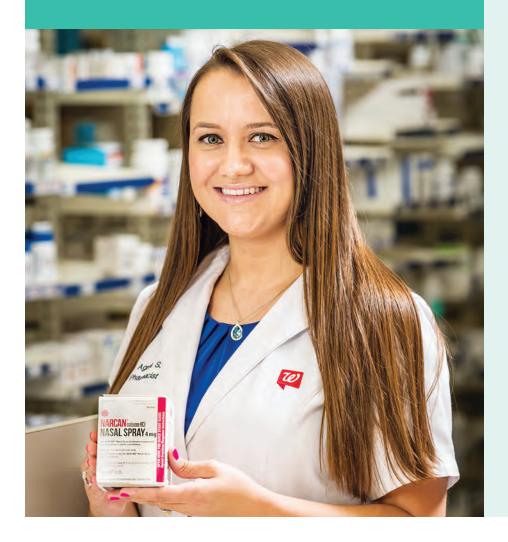
# Focus – Our actions to help prevent opioid abuse

GRI Disclosures 103-1, 103-2, 103-3, 301-3



Drug overdose is the leading cause of accidental death in the U.S., with fatal overdoses reaching an all-time high in 2016, according to the National Center for Health

Statistics. While opioid overdose deaths have started to fall after a peak in recent years, opioid addiction has been a significant driver of the overall drug overdose epidemic: overdose death rates and abuse of prescription pain relievers increased from 1999 through 2008, followed by an increase in heroin overdoses. Past misuse of prescription opioids is the strongest risk factor for starting heroin use, according to the U.S. Centers for Disease Control.



In fiscal 2017, Walgreens expanded its program to prevent opioid abuse and help fight the rise in overdose-related deaths, working with government representatives around the country to change legislation and to implement solutions. Research has shown that the availability of opioid antidote naloxone at pharmacies, patient education and safe drug disposal kiosks are key prevention initiatives to address the epidemic.

Walgreens medication disposal program, launched in 2016, is the first ongoing national effort of its kind by a retailer to combat the drug abuse crisis in the U.S. More than 150 tons (136 metric tonnes) of unused medications were collected and disposed of between the program's inception in May 2016 and 31 August 2017.

This initiative helps to fulfill a number of our CSR goals, supporting the health and wellbeing of the communities we serve, working collaboratively with external stakeholders to engage on issues that carry great social relevance and reducing environmental impact by keeping drugs out of landfills and waterways.

Walgreens installed safe medication disposal kiosks, available during regular pharmacy hours, in more than 600 pharmacies across 45 states and the District of Columbia.

Walgreens has worked with local and state governments to make naloxone, a lifesaving opioid antidote, available without a prescription.

As part of its continuing effort to combat drug abuse, Walgreens participates regularly in the U.S. Drug Enforcement Administration (DEA) sponsored National Prescription Drug Take Back Days held twice a year. On those days, select Walgreens stores throughout the country serve as collection points for law enforcement to gather unwanted, unused or expired medications for safe and environmentally friendly disposal.

Walgreens safe medication disposal kiosks allow individuals to safely and conveniently dispose of their unwanted, unused or expired prescriptions at no cost, including controlled substances, and over-thecounter medications. The kiosks at Walgreens pharmacies are available during regular pharmacy hours and help ensure medications are not misused.

Walgreens has also worked to make naloxone, a lifesaving opioid antidote, available without requiring a prescription at its pharmacies in 45 states. Naloxone can be used in the event of an overdose to reverse the effects of heroin or other opioid drugs. The medication can be dispensed in accordance with each state's pharmacy regulations at more than 7,800 Walgreens pharmacies. In the few remaining states where a prescription is required, Walgreens is available and eager to work with regulators to make naloxone available without a prescription.

Since the end of the fiscal year, Walgreens has joined with leading healthcare organizations AmerisourceBergen, Blue Cross Blue Shield Association, Pfizer and Prime



Virginia Attorney General Mark R. Herring speaks at the installation of a Walgreens safe medication disposal kiosk.

"This is a huge step forward in stemming the tide of fatal heroin and prescription drug overdoses. I thank and commend Walgreens for being proactive."

-Mark R. Herring, Virginia Attorney General

### **MILESTONE**

More than 150 tons (136 metric tonnes) of unused medications collected and disposed of.

Therapeutics to expand the safe medication disposal program, with a focus on stores that serve military communities. Military members have emerged as a particularly vulnerable population to the opioid epidemic. When the expansion is complete, kiosks will be available in approximately 1,500 Walgreens stores nationwide.

Walgreens also launched the #ItEndsWithUs campaign to educate teens across the U.S. on the opioid epidemic. The campaign was unveiled before an audience of thousands of

young people at WE Day UN in New York in September 2017. Walgreens has teamed up with celebrities and with young people who have overcome addiction to engage teens and raise awareness at additional WE Day events in 2018.

In the UK, pharmacies receive unwanted medicines from the public for safe disposal as part of their contractual arrangements with the national healthcare systems in each UK country.

# Focus – Specialized cancer training for our pharmacists



People living with cancer-including patients, family members and caregivers have an ever greater need for information about the disease itself and about the

wider physical and emotional realities related to it. Improved therapies mean that more and more people are living longer with cancer, which has increased the demand for information and support. In the U.S., a growing number of cancer patients self administer therapies at home rather than going to a cancer center for chemotherapy or radiation treatment. This means that the pharmacist is often the last healthcare provider to speak with a patient before they initiate their therapy.

Walgreens pharmacists are certified by The Leukemia & Lymphoma Society (LLS) after receiving specialized training in blood cancers.





Walgreens stores support LLS Light the Night fundraisers.

# **Resources and information** for people living with cancer

With more than 110,000 healthcare providers among our employees, Walgreens Boots Alliance is committed to specialized training for pharmacists so that they better understand cancer, gain confidence in speaking with people affected by cancer and are a resource for patients. We partner with organizations in the U.S., UK and Republic of Ireland to help develop and deliver this training.

Through these training programs we are building deeper partnerships with cancer organizations. We continue to support the important work of fundraising, but we are also going beyond that to help with education, training and patient support. Cancer organizations can extend their reach through our pharmacy locations, the common touchpoint for people with cancer, while employees gain a sense of purpose through applying their specialized training when interacting with cancer patients, their family members and caregivers.

# **Working with The Leukemia** & Lymphoma Society

Walgreens and The Leukemia & Lymphoma Society (LLS) partnered in March 2016 to address the critical medical need represented by blood cancers, through dedicated patient support services and pharmacist education. Walgreens began to implement LLS training during fiscal 2017 and as of 31 August 2017, 50 Walgreens specialty retail pharmacies had completed LLS training and become certified blood cancer pharmacies.

In these locations, pharmacists and pharmacy technicians complete a cancer-focused curriculum and are trained to help patients manage side effects, to provide adherence tips and to share guidance on potential interaction with over-the-counter medications or supplements, what to avoid when taking medication and when to take medication.

Blood cancers are expected to make up about 10 percent of new cancer cases diagnosed in the U.S. in 2017, according

to the American Cancer Society. Blood cancer prescriptions make up more than 36 percent of all cancer prescriptions dispensed at Walgreens. Groundbreaking advances in oral therapies for blood cancer mean that many patients receive therapy for longer periods. Specially trained pharmacists can make such patients aware of clinical updates or new therapies that have been approved.

Walgreens participation in LLS Light the Night fundraisers also grew during fiscal 2017, with more than 6,000 stores participating in retail fundraising campaigns, up from about 500 stores that participated two years earlier. Employees support Light the Night by forming walk teams, holding key local volunteer leadership positions and conducting retail campaigns, where customers are asked whether they would like to make a donation at the cash register.



**Boots Macmillan Information Pharmacists and Beauty Advisors** provide information and support to people living with cancer.

# **Working with Macmillan Cancer Support**

Boots UK and Macmillan Cancer Support marked the eighth year of their partnership in fiscal 2017, aimed at helping to ensure that people living with cancer have access to the best cancer information and support in their local community. Through the partnership, as of 31 August 2017 more than 2,200 Boots Macmillan Information Pharmacists (BMIPs) had been trained to offer support to cancer patients and their loved ones, including caregivers and family members. As of the same

date, more than 1,000 Boots Macmillan Beauty Advisors (BMBAs) had also been trained to help people manage the visible side effects of cancer treatment.

Boots UK pharmacists and beauty advisors are trained to be more comfortable and helpful in conversations with people living with cancer who may have queries about wider practical and emotional issues related to the disease. BMIPs and BMBAs are seen as a suitable and accessible channel for people affected by cancer, including patients and their loved ones, to approach with queries that might be

seen as too small for other providers. For example, they may have questions about appearance, fatigue, nausea or other side effects. Caregivers often feel they have few places to go to ask for help and Boots pharmacies provide an easily accessible location. An external evaluation found that those who directly experienced the services of the BMIPs and BMBAs were overwhelmingly positive in their feedback.

"The partnership between Boots UK and Macmillan Cancer Support has increased access to cancer information and support in a place that's every-day, familiar and trusted, helping to improve the lives of thousands of people affected by cancer. Without the professional expertise of Boots colleagues and the breadth of Boots stores this wouldn't have been possible and we look forward to further developing our partnership to support the growing number of people in the UK living with cancer."

-Lynda Thomas, chief executive officer of Macmillan Cancer Support

# **MILESTONE**

In June 2017 Boots UK and Macmillan Cancer Support celebrated: more than £15 million (\$24 million) raised by **Boots UK employees and customers** for Macmillan Cancer Support since the partnership began in 2009.

# **Working with the Irish Cancer Society**

Boots Ireland has partnered with the Irish Cancer Society since 2012 to support people living with cancer through fundraising, volunteering, raising awareness of cancer and helping in early detection. In 2017 Boots Ireland was recognized for its work with the Irish Cancer Society, receiving the Chambers Ireland MNC Excellence in Community-Partnership with a Charity award.

A key element of the partnership has been training pharmacists and beauty advisors in Boots Ireland stores to provide information and support to people living with cancer. As of 31 August 2017, there were 141 Boots Irish Cancer Society Information Pharmacists trained to speak with patients, families and

caregivers on a range of issues related to cancer. As of the same date there were 105 trained Boots Cancer Beauty Advisors who help people living with cancer to both feel and look better.

Boots Ireland raises vital funds for the Irish Cancer Society's Night Nursing service, which provides dignity and comfort to cancer patients through free end-of-life care in their own homes. As of 31 December 2016, Boots Ireland had exceeded its goal of raising €1 million (\$1.4 million) over four and a half years, helping to provide more than 2,850 nights of nursing care.

Employee engagement is pivotal to the success of the partnership, with a CSR lead in each store. Leads meet annually to help review plans and shape activities with the Irish Cancer Society.



# Community

GRI Disclosures 103-1, 103-2, 103-3, 201-1, 203-1, 413-1











Our business of making medicines, general merchandise and services available to customers and patients embeds us in communities around the world where we are a significant local employer. Our conveniently located stores put professional pharmacists at the heart of healthcare in the communities we serve and our online channels provide further options for our customers.





We focus on community initiatives that spark excitement and engagement among our customers and our employees, aiming to be an impetus for local and global change. As world citizens we feel strongly about extending our CSR work beyond the communities that we directly serve, leveraging our scale to provide vital health services in hard-to-reach areas.





The initiatives we support are aligned to our three **Community goals:** 

Health and Wellbeing: To support the health, wellbeing and vitality of the communities we serve

**Supporting Young People:** To enable young people to achieve their potential wherever they are in the world

Cancer Programs: To develop and mobilize our resources and partnerships in the fight against cancer



# Health and Wellbeing

**GRI Disclosures 203-1, 413-1** 



Ride on for Red Nose Day-Walgreens employees were among 40 passionate fundraisers who cycled hundreds of miles in May 2017, each raising a minimum of \$5,000 to help children in need.

# Red Nose Day in the U.S.

Red Nose Day is an annual campaign that generates excitement and raises funds to help end child poverty. Walgreens encourages its customers, employees and suppliers to buy red noses, wear them for selfies, spread the word through social media and support the nationwide U.S. fundraising effort.

The more than \$20 million raised for Red Nose Day 2017 included \$7.6 million from sales of red noses and related merchandise, \$6.7 million from Walgreens suppliers who joined the campaign, \$5.1 million from donations at the cash register and employee fundraising and \$800,000 from employee t-shirt sales.

Funds raised through Red Nose Day, which are managed by the nonprofit Comic Relief Inc., help to provide nutritious meals, essential medicine, clean water and other vital aid and services to children in need in the U.S. and in other countries. The Red Nose Day Fund makes grants to programs including: Boys & Girls Clubs of America (BGCA), which provides safe places for children to learn and play during the summer; Children's Health Fund, which brings essential medical services to underserved children; Covenant House, which provides shelter and services for homeless youth; child-focused hunger relief through Feeding America; Save the Children, which provides critical early childhood programs; and UnidosUS, which provides health programs for Latino children.

Walgreens is the exclusive retailer for the campaign's red noses and employees got involved in 2017 fundraisers such as 5K runs and longdistance bike rides. Walgreens stores challenged each other with fundraising goals and efforts. Across the U.S., celebrities, athletes and politicians joined in on Red Nose Day 2017, sharing photos of themselves in red noses and participating in fundraisers. Colorado and Texas legislators read announcements to honor Red Nose Day, and in Ohio, Pennsylvania and California lawmakers passed resolutions supporting the campaign.



# **Children's Health Fund**

Children's Health Fund (CHF) has been a Red Nose Day grantee partner since the campaign launched in the U.S. in 2015. In partnership with Montefiore Medical Center, and with funds raised from Red Nose Day, CHF continues to develop new programs that help ensure access to high quality health services for some of America's most vulnerable children.

Well Baby Group, a program developed at CHF's South Bronx clinic, was created to give caregivers an environment where they could share their experiences while learning how to best care for their babies and themselves. Through the program, each baby receives a well baby medical exam, and parents and guardians join a pediatrician-led group session and receive a nutrition lesson.

This kind of care helps to improve short and long-term outcomes for these and improved social and emotional

An infant receives a medical exam as part of the Well Baby Group program, **South Bronx clinic.** 



Medical supplies donated to International Health Partners go to disaster relief and refugee camps.

# **International Health Partners**

Over the past 12 years Walgreens Boots Alliance, including its legacy businesses, has provided medical supplies for disaster relief and refugee camps, through International Health Partners (IHP), Europe's largest coordinator of donated medicines. During fiscal 2017 Alliance Healthcare in the UK and Alloga UK donated to IHP more than \$70,000 in cash and medical supplies, based on cost value. The products are used to create Essential Health Packs, which each contain around 60 lines of essential medicines and medical supplies including antibiotics, analgesics, antiinflammatories and anti-fungals.

### **First Ladies Health Initiative**

Walgreens sponsored four First Ladies Health Initiative health days in California, Illinois and Indiana during fiscal 2017. The First Ladies Health Initiative was launched in



No-cost health screenings provided by Walgreens and First Ladies Health Initiative.

2008 by African-American women church leaders in Chicago. The group provides no-cost medical screenings and personal contacts to help detect or prevent illnesses that disproportionately impact African-American and Latino communities. The annual program is designed to reach people in minority and low-income communities who are at a higher risk for certain diseases but less likely to seek medical attention.

# Free HIV testing

In recognition of National HIV Testing Day, Walgreens and Greater Than AIDS, a leading national public information response to the domestic HIV epidemic, teamed up for the seventh year to offer free HIV testing and counseling about prevention strategies, including Pre-Exposure Prophylaxis (PrEP). Testing was available at more than 220 Walgreens stores in 130 cities on 27 June 2017, National HIV Testing Day, and the following day.

Results were provided on site by trained counselors and testing partners provided informational guides about the benefits of early treatment and PrEP. Alere North America, bioLytical Laboratories and OraSure Technologies, Inc. donated test kits.

This in-store testing initiative was launched in 2011 in collaboration with Greater Than Aids and has grown to be the largest annual HIV testing activation of its kind in the U.S. From 2011-2017, more than 40.000 free HIV tests have been administered through this event.

Walgreens has been involved in the fight against HIV since the early years of the epidemic—even before there were antiretroviral drugs. Today, Walgreens serves around 120,000 HIV patients each month, and more than 3,000 pharmacists and technicians have completed additional clinical training to best serve the needs of customers living with HIV. Walgreens has hundreds of HIV specialized pharmacies in neighborhoods highly impacted by HIV.



### **Dementia**

Boots UK has worked with Dementia Friends—an Alzheimer's Society initiative to change people's perceptions and understanding of dementia-since 2014. Boots UK is working toward becoming a more dementia-friendly organization and reinforced its commitment during fiscal 2017. This included holding further faceto-face information sessions and making Dementia Friends videos accessible to employees through the Boots learning platform. The videos enable employees to become Dementia Friends by learning more about the condition and the small ways everyone can help. In addition, Boots has a number of internal Dementia Friends Champions who are volunteers trained by Alzheimer's Society. Once trained, they can run information sessions, encourage other employees to learn more about dementia and inspire others to help people living with dementia.

# **Boots Charitable Trust**

Since its establishment in 1970, the Boots Charitable Trust has donated to local charities and organizations that benefit the people of Nottinghamshire. Boots UK continued to support the Boots Charitable Trust in fiscal 2017, donating more than \$300,000.

> **Boots UK employees assembled** 12,000 wash bags for distribution to Sexual Assault Referral Centres across the UK.

# **Mental health**

Boots Ireland began participating in fiscal 2017 with See Change, an alliance of more than 80 organizations working together through the National Stigma Reduction Partnership to bring about positive change in attitudes toward people experiencing mental health difficulties. This activity was supported with a video from the Boots Ireland leadership team explaining the context behind the partnership as well as results from an online mental health survey completed by employees. More than 250 managers, assistant managers and other employees received training about how to help support colleagues and break down the stigma around mental health, and an e-learning mental health module was launched for all employees. Stores also participated in See Change's Green Ribbon campaign, distributing more than 20,000 green ribbons to help promote conversations and break down the stigma around mental health.

# **Supporting survivors**

Boots UK donated 12,000 wash bags to rape and sexual abuse survivors at Sexual Assault Referral Centres across the UK. The bags are meant as a gesture of kindness for rape victims after they have undergone medical examinations and contain products to support the care as well as the emotional and physical wellbeing of assault survivors at a time of crisis. The wash bags initiative was created as part of Her Royal Highness The Duchess of Cornwall's work to support survivors of sexual assault.



# Supporting Young People

**GRI Disclosures 203-1, 413-1** 



Students and community groups receive grants during WE Day celebrations.

### **WE Impact Lives**

Walgreens Boots Alliance has expanded its ongoing partnership with WE Charity, an international organization that works with communities to help them lift themselves out of poverty using a holistic, sustainable development model and that inspires young people to get involved in community projects. In fiscal 2017 Walgreens Boots Alliance businesses supported WE Charity through a number of initiatives, including events and activities in the UK for the first time.

Walgreens and Boots UK sponsored six WE Day events in California, Illinois, Minnesota, New York, Washington and the UK in fiscal 2017. WE Day celebrations for social change, featuring celebrities and musicians, bring together thousands of young people who participate in WE Schools, a program in which students develop action plans to improve their community and the world. Walgreens and Boots UK supported youth leadership by presenting grants for students and community organizations during WE Day events. Also, Walgreens and Boots UK employees volunteered during WE Day celebrations to provide logistical support.

Walgreens stores sold more than 1.1 million items in fiscal 2017, generating donations totaling more than \$940,000, to help support a number of WE programs including healthcare, education, water and financial opportunity projects. These ME to WE products fall into three categories, backto-school items, exclusive seasonal WE items and year-round items such as rafiki bracelets. Each product carries a code number that customers can use to track their impact by reading online a personal story about a life that has been changed by WE programs.

Walgreens also supports the WE Give Health campaign, in which youth organize healthy living events and raise funds to help other young people in developing communities gain access to healthcare.

The Give H2OPE to Others program -a collaboration between Walgreens, Unilever and WE Charity-continued during the reporting year. For every purchase of one select Unilever product at Walgreens, five gallons of water are donated to a project to bring clean water to a community. The donation rises to 15 gallons of water for the purchase of two products. In fiscal 2017, for a second year, enough gallons were donated to build a well to provide a sustainable water source to a village.

Boots UK supported schools in the Nottingham area to take part in a health and wellbeing focused speaking tour and youth summit, as part of WE Schools.

# Get a Shot. Give a Shot.

The Walgreens Get a Shot. Give a Shot. program-in its fourth year during fiscal 2017–has helped to provide more than 20 million lifesaving polio and measles vaccines to children in need around the world. Walgreens makes a donation to the United Nations Foundation's Shot@ Life campaign every time someone gets a flu shot or immunization of any type at Walgreens.

During fiscal 2017 Walgreens donated close to \$2.0 million to Shot@Life, helping to provide more than 9 million vaccines, including critical support for polio immunization programs in the Democratic Republic of Congo and measles immunization programs in a number of countries.

To help raise awareness of the program, Walgreens partnered with the UN Foundation's Shot@Life Champions to spread the message through their social networks. Shot@Life Champions are a diverse group of parents, students, medical professionals and activists who believe in the importance of vaccines and advocate for global vaccines to policymakers and within their communities.

### Flu vouchers

Walgreens continued to collaborate with the U.S. Department of Health and Human Services on a flu shot voucher program, donating more than 200,000 vouchers during fiscal 2017. Over seven years, Walgreens has distributed more than 3 million free vouchers to uninsured and underinsured people in the U.S. and Puerto Rico.

Get a Shot. Give a Shot. has helped to provide more than 20 million lifesaving vaccines to children in need around the world.





**Boots UK customers and** employees have raised around £10 million (\$16 million) for BBC Children in Need over 13 years.

### **BBC Children in Need**

Boots UK customers and employees raised a record of close to \$1.9 million for BBC Children in Need in November 2016; bringing the total to around £10 million (\$16 million) over 13 years of supporting the charity. During the live, on-air appeal, the Boots UK call center, where employees volunteer, received more public donations to BBC Children in Need than any other call center.

BBC Children in Need funded more than 2,400 projects in 2016 that work with children and young people across the UK facing a range of disadvantages or challenges in their lives such as poverty, deprivation, abuse, neglect or any kind of disability.

# **Vitamin Angels**

Through a partnership with Vitamin Angels, Walgreens has helped to provide more than 130 million children



Walgreens helps provide essential vitamins and minerals.

and pregnant women in at-risk populations in more than 60 countries. including the U.S., with essential vitamins and minerals to help combat malnutrition, as of 31 August 2017.

Walgreens donates 1 percent of sales of participating vitamin products to Vitamin Angels, and the organization generates engagement around the program by encouraging Walgreens employees to send messages to children who have received vitamins. In fiscal 2017 more than 20,000 Walgreens employees signed more than 2,000 cards that were sent to children in seven different countries via partner field organizations that work with Vitamin Angels.

# **Boots Opticians and literacy**

Boots Opticians continued to support and promote literacy and vision health during fiscal 2017. In a partnership with the National Literacy Trust, Boots Opticians distributed its free children's eye health book, Zookeeper Zoe, which teachers, parents and caregivers can use to carry out a basic visual acuity check for children in the UK. Vision screening using the Boots Opticians toolkit, which was available to all UK primary schools for free, reached 126 schools during fiscal 2017, and 17 percent of the 5,677 children screened were found to need a full eye check.

During fiscal 2017 Boots Opticians colleagues made many visits to schools, doing volunteer reading and eye health awareness lessons alongside the National Literacy Trust, and raised close to \$190,000 for the charity as well as promoting literacy through Tales and Teapots fundraising events in Boots Opticians locations.

In addition, Boots Opticians launched "Seeing the future, Boots Opticians Green Paper on children's eye health," a publication containing policy recommendations on children's eye health in the UK. Recommendations in the paper included better education and information for parents and caregivers about the importance of eye health in children, commissioning of a fully funded eye screening program for children when they start school and better training on the importance of eye health to education and social service professionals.



Boots Opticians use a variety of tools to promote literacy and vision health.

# **Corporate Giving**

**GRI Disclosure 201-1, 203-1** 

# Corporate giving by Division (\$million)

| (\$IIIIIOII)                  |                          |                          | Year on year |
|-------------------------------|--------------------------|--------------------------|--------------|
|                               | Fiscal 2017 <sup>1</sup> | Fiscal 2016 <sup>2</sup> | change (%)   |
| Retail Pharmacy USA           | 26.6                     | 28.7                     | -7.3         |
| Retail Pharmacy International | 6.3                      | 7.8                      | -19.2        |
| Pharmaceutical Wholesale      | 1.0                      | 1.2                      | -16.7        |
|                               | 33.9                     | 37.7                     | -10.1        |

# How the Company contributes

(\$million)

|                  |                          |                          | rear on year |
|------------------|--------------------------|--------------------------|--------------|
|                  | Fiscal 2017 <sup>1</sup> | Fiscal 2016 <sup>2</sup> | change (%)   |
| Cash             |                          |                          |              |
| Charitable       | 16.7                     | 20.0                     | -16.5        |
| Other            | 1.8                      | 2.7                      | -33.3        |
|                  | 18.5                     | 22.7                     | -18.5        |
| Non-cash         |                          |                          |              |
| Employee time    | 4.4                      | 3.6                      | +22.2        |
| In kind          | 9.6                      | 9.7                      | -1.0         |
| Management costs | 1.4                      | 1.7                      | -17.6        |
|                  | 15.4                     | 15.0                     | +2.7         |
|                  |                          |                          |              |
|                  | 33.9                     | 37.7                     | -10.1        |

to local, international and national charities mainly focused on health, social welfare and education issues. In fiscal 2017 the Company made \$33.9 million in direct contributions, which do not include donations raised in employee, customer and supplier fundraisers.

Walgreens Boots Alliance makes direct cash and non-cash donations

Overall, our corporate giving fell by 10.1 percent in fiscal 2017 compared with fiscal 2016 primarily due to the strategic alignment of contributions with our CSR priorities and goals. We believe we can have a greater impact building stronger relationships with fewer strategic CSR partners.

### Areas impacted by the Company's contributions (\$million)

| (\$111111O11) |                |                          | Year on year             |            |
|---------------|----------------|--------------------------|--------------------------|------------|
|               |                | Fiscal 2017 <sup>1</sup> | Fiscal 2016 <sup>2</sup> | change (%) |
|               | Health         | 16.0                     | 17.7                     | -9.6       |
|               | Education      | 6.7                      | 7.1                      | -5.6       |
|               | Social welfare | 8.6                      | 9.8                      | -12.2      |
|               | Other          | 2.6                      | 3.1                      | -16.1      |
|               |                | 33.9                     | 37.7                     | -10.1      |

### The types of groups the Company contributes to (\$million)

| (+            |                          |                          | Year on year |
|---------------|--------------------------|--------------------------|--------------|
|               | Fiscal 2017 <sup>1</sup> | Fiscal 2016 <sup>2</sup> | change (%)   |
| Local         | 14.7                     | 18.0                     | -18.3        |
| National      | 13.8                     | 14.4                     | -4.2         |
| International | 5.4                      | 5.3                      | +1.9         |
|               | 33.9                     | 37.7                     | -10.1        |

<sup>&</sup>lt;sup>1</sup> Fiscal 2017 data within Deloitte & Touche LLP's review scope as detailed on pages 87-88.

<sup>&</sup>lt;sup>2</sup>We previously reported amounts that totaled \$40.1 million in Company corporate giving for fiscal 2016.

The relevant figures have been restated to more accurate data now available.

# Cancer Programs

GRI Disclosures 201-1, 203-1, 413-1

Walgreens Boots Alliance takes a comprehensive approach toward supporting cancer programs, working with organizations that advance research, expand prevention programs and assist people living with cancer and their loved ones and caregivers. We believe we can have the most impact through long-term commitment and we continue to build on initiatives put in place by our legacy companies.

# **Advancing research with** the **EORTC**

We are in discussions to renew our long-term partnership with the European Organisation for Research and Treatment of Cancer (EORTC) with a goal of raising €5 million (\$5.5 million) over a five-year period. Our first partnership with EORTC, beginning in 2011, established the SPECTAcolor biobank for colorectal cancer. In this new EORTC program, biobanks for other cancers are being established using methodology known as SPECTA, "Screening Patients for Efficient Clinical Trial Access."

# **Rosa Fuerte and Fundación Alma**

For the fourth consecutive year our Mexican retail pharmacy business Farmacias Benavides held the Rosa Fuerte road race to raise donations in support of Fundación Alma, an organization that supports women who suffer or have suffered breast cancer. The foundation provides funding for uninsured or underinsured women who need reconstructive surgery, prosthetics, psychological assistance, or other aid. Between the race and a campaign for donations in stores. Farmacias Benavides raised close to \$70,000 for Fundación Alma during fiscal 2017.



# Our Impact: Stupid Cancer

"Working with Walgreens has opened up opportunities for partnership and collaboration that we never had before. This relationship has magnified our social impact and catalyzed awareness about our movement," says Matthew Zachary, founder and CEO of Stupid Cancer, a nonprofit organization focused on improving health outcomes for the young adult cancer community. Stupid Cancer has spent a decade ending isolation, building community, providing education and redefining quality-of-life for those affected by young adult cancer.

"We give life back to people that cancer tried to take away," Zachary says of the organization he founded 10 years ago after he survived pediatric brain cancer. Each year 72,000 young adults (ages 15-39) are diagnosed with cancer

In fiscal 2017 Walgreens continued to sponsor CancerCon.

"CancerCon, the annual gathering for the young adult cancer movement, is

Stupid Cancer's flagship event. After 10 years and 22 conferences, CancerCon is a global destination event living at the nexus of cancer research, millennial health, social media, digital marketing and grassroots advocacy," Zachary says.

In the past, Walgreens has sponsored the Stupid Cancer Road Trip, a crosscountry grassroots campaign raising awareness about cancer in young adults.

Zachary says Walgreens global footprint has also helped Stupid Cancer reach more people in urban areas. This partnership has also resulted in additional commercial relationships for the charity while fostering cause-brand association with the millennial consumer audience.

Zachary spoke to Walgreens leaders at an event in May, and motivated them around CSR issues. "Walgreens is trying to raise the bar on the standards against which giant organizations should be held. CSR is a true measurement of your Company," he says.

## **Our People Care:**

Volunteer spotlight

Walgreens Boots Alliance recognizes employees who care for and give back to their communities and who participate in fundraising for all of the charities that the Company supports. Many of our employees go above and beyond, showing commitment and dedication that is truly humbling. On this page we salute two of our outstanding volunteers.

## **Claire Harpham, supplier** development manager for **Boots UK**

"Just a small amount of effort on my part can make a massive difference to somebody affected by cancer at a time of need, and I get a lot out of it as well," says Claire, who is part of the Macmillan Direct Volunteer Service Team - a Boots UK initiative in partnership with Macmillan Cancer Support.

Claire volunteers once a week providing practical help, such as running errands and helping with housework, as well as offering emotional support. She has been volunteering with Macmillan for three years.

"Some of the people you go and visit perhaps haven't seen someone all day. It's an opportunity for them to have much needed company and to get help with tasks that they cannot do due to an operation or treatment," says Claire.

In June 2017 Claire received a Macmillan Volunteer Award for going above and beyond to support people affected by cancer.

"The people you meet through practical volunteering are amazing. They're really strong and really positive even though they're going through difficult things in their life. Getting to know them puts things in perspective and keeps me grounded," she says.





## John Malmstrom, Walgreens shift lead in **Newark, Delaware**

John was recognized in May 2017 with a Walgreens community service award for his volunteering and charity work.

"My mother had a philosophy: we have one reason to be on earth, and that's to help other people," says John, an award-winning Shriner clown and active community volunteer.

At the age of 72, John enjoys spending his time helping others both inside and outside of the store. As a Shriner clown, he transforms into "Bubbles" to delight kids in area children's hospitals. He also participates in numerous charity walks, chairing local Relay for Life and Red Nose Day events. Most recently, John facilitated a community event for Kay's Kamp, a summer camp for children with cancer.

"I have grandchildren who were hospitalized in children's hospitals, and today they are healthy young adults because of the good people who helped them when they were sick. We need to help other people, and as a company and nation it's important to look beyond our own selves and do good for others."

When John notices children waiting at the pharmacy, he stops to greet them and pulls out a balloon from his back pocket. Time and time again, he's able to quickly bring a smile to their faces by making a balloon animal in front of their eyes.



# **Our People Care:**

## A world of fundraising

**Employees at Walgreens Boots Alliance care for their local** communities and promote environmental sustainability around the world. On these two pages we show just a few examples of initiatives from our businesses, responding to our priority CSR areas. We are bound together by our passion to help people across the world lead healthier and happier lives.

Walgreens Boots Alliance employees reported more than 200,000 volunteer hours during fiscal 2017, including more than 180,000 hours by employees of Walgreens and **Boots UK.** 



## **Teach for Romania**

Farmexpert, our pharmaceutical wholesale business in Romania, continued to make substantial donations to support teachers in an underserved rural area, through a campaign developed together with Teach for Romania. The program recruits talented future leaders, trains them to become inspiring teachers and places them in high-need schools.

## Campaigning for a mobile clinic

**Employees of Farmacias Ahumada** in Chile launched in March 2017 a fundraising campaign to finance a mobile clinic for the Fundación Arturo López Pérez, which is designed to travel the country and provide free examinations to detect and help prevent some types



## **Jump for Pudsey**

In a twist on the annual fundraising drive for BBC Children in Need, Boots UK teamed up with British Gymnastics to get more people active by jumping for Pudsey Bear – the campaign's mascot. Employees set up fundraising pages and generated donations for every jump or leap they made. Children in Need funds vital projects to help disadvantaged children across the UK.





## **Supporting cancer research**

Alloga France employees ran a 20-k race to raise money for the EORTC Cancer Research Fund, a cause we have supported since 2011.

## Home and care for orphans

Boots Thailand employees and customers raised more than \$200,000 between June 2013 and February 2017 for the Baan Gerda children's charity, which provides a home and care for more than 90 HIV infected and affected orphans. Boots employees also regularly volunteer to support the children with games, education, pharmacy good practice and even repairing and decorating furniture at the orphanage.

## **Caring Company**

For the ninth year in a row, Walgreens Boots Alliance Asia Sourcing Limited received a Caring Company award from the Hong Kong Council of Social Service for its CSR work for the community, employees and the environment. The council's Caring Company Schemes mission is "to build a cohesive society by promoting strategic partnerships among business and social service partners and inspiring corporate social responsibility."





# **Environment**

GRI Disclosures 103-1, 103-2, 103-3













At Walgreens Boots Alliance we have the ability to drive large-scale initiatives and positively impact our environment, which is why we aim to protect it and do our part to help ensure it flourishes for future generations.

Our three Environment goals are related to combatting the urgent threat of climate change. Through our energy goal we are committed to doing our part to help mitigate global warming by measuring our direct and indirect emissions, working to reduce energy use in our buildings and stores and promoting the use of energy from sustainable sources. Our waste and deforestation goals bolster our effort to combat climate change as emissions related to solid waste landfills and deforestation contribute to global warming.

This section outlines the progress made in fiscal 2017 toward achieving our Environment goals, which are as follows:

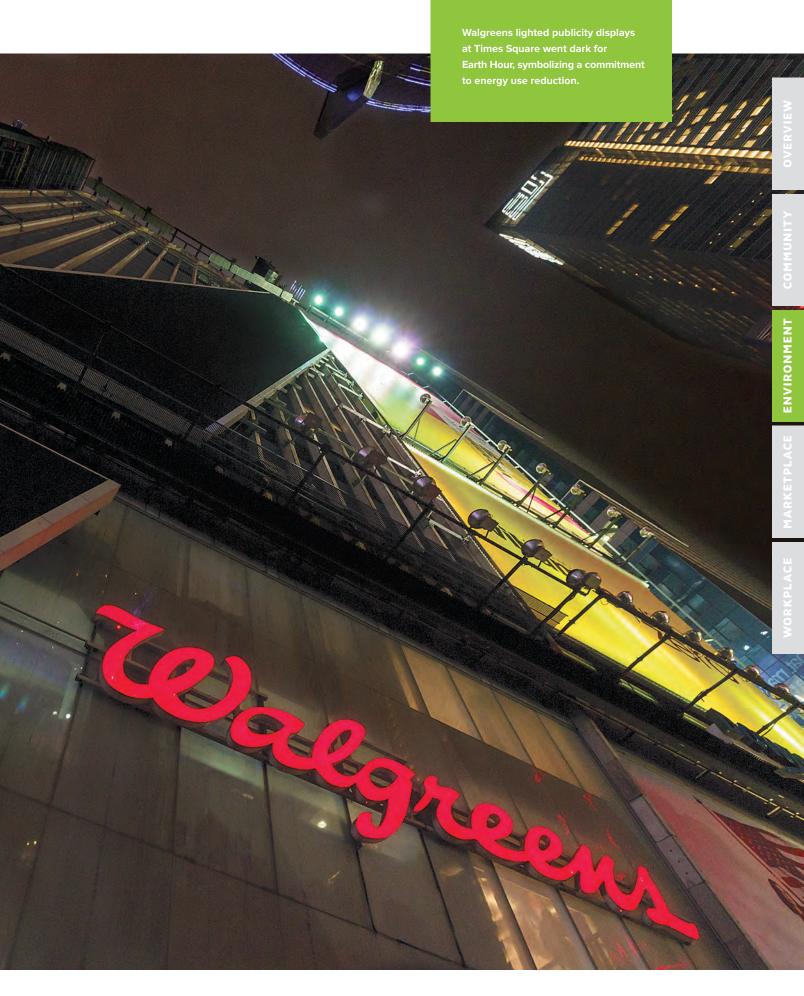
**Energy:** To reduce our energy consumption and Scope 1 and Scope 2 emissions on a comparable basis\* as defined by the Greenhouse Gas Protocol (GHGP)\*\*

Waste: To reduce the waste we create, on a comparable basis\*, and to contribute to the drive for increasingly circular economies through increased re-use and recycling

**Deforestation:** To develop plans to help achieve zero net deforestation by 2020, collaborating with other organizations in a global initiative

\*Excludes the impact of acquisitions, disposals and any significant changes in existing operations.

\*\*The GHGP, established by the World Resources Institute and the World Business Council on Sustainable Development (WBCSD), sets the global standard for how to measure, manage and report greenhouse gas emissions. Scope 1 emissions arise directly from sources owned or controlled by the Company while Scope 2 emissions are those generated by purchased electricity, heat and steam consumed by the Company. For more information please see the CSR Performance Data Basis of Preparation and Statement of GHG Emissions documents in the Corporate Responsibility area of our corporate website.



## Energy

GRI Disclosures 103-1, 103-2, 103-3, 302-1, 302-4, 305-1, 305-2, 305-3

Walgreens Boots Alliance reduced its carbon footprint in fiscal 2017 compared with the previous year, mainly due to lower electricity consumption in its largest businesses, Walgreens and Boots UK. Energy efficiency programs and projects including lighting upgrades, replacement of heating and cooling equipment and a widening campaign to raise awareness and change energy culture all contributed to the reduction. Weather conditions were also a factor.

Our total carbon footprint in fiscal 2017 was 2.3 million metric tonnes of CO<sub>2</sub>e (carbon dioxide equivalent), down 6.5 percent from fiscal 2016. Some 86 percent of total CO<sub>2</sub>e emissions came from energy

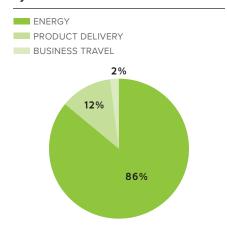
used to power stores and warehouses, followed by 12 percent from product delivery and 2 percent from business travel.

During fiscal 2017 Boots UK achieved its CO<sub>2</sub> reduction target three years ahead of schedule, cutting emissions by 33 percent in Boots stores that were open in 2005, based on the most recent UK conversion factors for greenhouse gas reporting. Boots UK had committed to a target of 30 percent emissions reduction by 2020, as part of the Mayday network of businesses that responded to a challenge from His Royal Highness The Prince of Wales to tackle climate change.

In addition, Walgreens was on track in

fiscal 2017 to reach its commitment to reduce energy use by 20 percent by 2020 across 100 million square feet of real estate in the U.S., compared with consumption data from fiscal 2011. This commitment was made through Walgreens partnership in the U.S. Department of Energy's Better Buildings Challenge. As of 31 August 2016 Walgreens had accomplished a reduction of 12 percent, equivalent to a 60 percent completion of the goal. Additional investments in and installations of energy efficient lighting and cooling equipment implemented during fiscal 2017 are expected to have brought about further reductions in energy use.

## Fiscal 2017 Company CO<sub>2</sub>e emissions, by source1



## Total Company CO<sub>2</sub>e emissions, by Scopes 1, 2 and 32

(000 metric tonnes)

|                      | Fiscal 2017 <sup>1</sup> |
|----------------------|--------------------------|
| Scope 1 <sup>3</sup> | 357                      |
| Scope 2 <sup>4</sup> | 1,863                    |
| Scope 3              | 121                      |

## Total Company CO<sub>2</sub>e emissions, by source

| (000 metric tornes) |                          | Year on year |            |
|---------------------|--------------------------|--------------|------------|
|                     | Fiscal 2017 <sup>1</sup> | Fiscal 2016  | change (%) |
| Energy              | 2,011                    | 2,142        | -6.1       |
| Product delivery    | 272                      | 305          | -10.8      |
| Business Travel     | 58                       | 57           | +1.8       |
|                     | 2,341                    | 2,504        | -6.5       |

#### Total Company CO<sub>2</sub>e emissions, by Division

(000 metric tonnes)

(000 metric tonnes)

|                               | Fiscal 2017 <sup>1</sup> | Fiscal 2016 | change (%) |
|-------------------------------|--------------------------|-------------|------------|
| Retail Pharmacy USA           | 1,903                    | 2,010       | -5.3       |
| Retail Pharmacy International | 271                      | 310         | -12.6      |
| Pharmaceutical Wholesale      | 167                      | 184         | -9.2       |
|                               | 2,341                    | 2,504       | -6.5       |

<sup>&</sup>lt;sup>1</sup> Fiscal 2017 data within Deloitte & Touche LLP's review scope as detailed on pages 87-88.

2,341

<sup>&</sup>lt;sup>2</sup>Scope 1 emissions are those generated directly from sources owned or controlled by the Company. Scope 2 emissions are those generated by purchased electricity, purchased heat and purchased steam consumed by the Company. Scope 3 indirect emissions are those that are a consequence of Company activities, but occur from sources not owned or controlled by the Company. Walgreens Boots Alliance currently reports on business travel and downstream transportation and distribution Scope 3 emissions.

<sup>&</sup>lt;sup>3</sup>Not including CO<sub>3</sub>e emissions from energy produced by the Company's on-site Combined Heat & Power plant in Beeston, Nottingham, UK and sold to third parties off the grid, which were 19,000 metric tonnes in fiscal 2017.

<sup>&</sup>lt;sup>4</sup>Scope 2 emissions calculated using a market-based method were 1,764,000 metric tonnes of CO<sub>2</sub>e in fiscal 2017.



How much pedal power does it take to make a smoothie? Bicycle generators and other fun activities raise energy awareness.

## Sparking energy awareness

Our innovative EnergyCare program, developed within Walgreens Boots Alliance, is designed to educate employees about energy waste and encourage an energy conscious culture. The program helps us to reduce emissions by developing energy targets, investing in and deploying energy efficient technology and proactive energy supply management, and to identify and develop renewable energy standards.

In fiscal 2017, electricity accounted for 94 percent of the Walgreens Boots Alliance carbon footprint from energy, reflecting use of electricity to power our retail stores and warehouses. Natural gas accounted for around 5 percent, primarily for heating buildings. These proportions were unchanged from fiscal 2016.

EnergyCare was implemented in fiscal 2012 in Boots UK. The program has helped to reduce energy consumption at Boots UK stores and at its support office in Nottingham. In the top energy consuming Boots UK stores, the program combines dashboards with energy conscious communications, allowing

stores to monitor their energy use and to reduce energy consumption, without sacrificing customer and employee comfort or food and medication safety. Since the program began, more than 37,000 Boots UK employees have completed an e-learning module.

In fiscal 2017 EnergyCare was introduced at the Walgreens support office in Deerfield, Illinois. Walgreens plans to take the initiative to retail stores in fiscal 2018, working to drive down energy costs through guidelines for store temperature settings and other behavior.

The Deerfield support office held two EnergyCare events during fiscal 2017, raising awareness of ways we unintentionally waste energy and giving employees the opportunity to pledge their commitment to adopting energy best practices at home and

win a smart thermostat. At one of the events, support office employees were encouraged to pledge to take steps to reduce their energy consumption and to share progress on a shared website. The events also showed employees how they can utilize rebates on high efficiency appliances for their homes and reduce their carbon footprint with an electric vehicle, as well as how much energy Walgreens saves through solar panels.

The EnergyCare program is also designed to showcase Walgreens leadership in sustainability programs and position us as an employer of choice.

The Walgreens Environmental Sustainability Network, an employee Business Resource Group, actively supported the EnergyCare awareness events, helping to increase the visibility of environmental topics among Walgreens employees and promoting community volunteerism. The Network, known as WESN, organized a number of environmental initiatives on the support office campus in Deerfield, raising awareness about recycling and energy. The group also teaches guest courses to Deerfield Public Schools District 109 students about sustainability and delivers presentations about Walgreens energyefficient retail store in Evanston, Illinois.



More efficient HVAC units help to reduce emissions.

## A new commitment on refrigerants

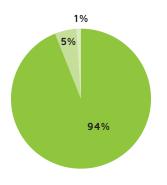
Walgreens Boots Alliance committed during fiscal 2017 to the CGF's second Refrigeration Resolution to continue the phase out of hydrofluorocarbons (HFCs), which represent 1.5 percent of total global warming potential today.

In order to meet this commitment, we are working to understand our refrigerant data and to plan appropriate action.

Walgreens took steps during the fiscal year to reduce the use of refrigerants, such as HFCs, that have the biggest impact on global warming. In order to reduce its impact and consume less energy, Walgreens adopted ultralow Global Warming Potential (GWP) refrigerants for all new immediate consumption coolers (self-contained coolers usually located near the check-out counter at a store with beverages or snacks) and is continuing to implement ongoing changes of refrigerants used in heating, ventilation and air conditioning (HVAC) units.

## Fiscal 2017 CO<sub>2</sub>e emissions from energy, by type1







#### **CDP** submission

Walgreens Boots Alliance received a score of C on its climate change submission to CDP (formerly Carbon Disclosure Project) for fiscal 2016, in line with the average scores for our business sector and for all companies. This was the first time the Company's

CDP submission included baseline data from all of our businesses. Submissions to the CDP in the climate category are rated on a scale of A to D-, for completeness, assessment of environmental issues and risks and the extent to which a company has implemented actions, policies and strategies to address these.

#### **Energy use, by Division** (GWh)

| (GWh)                         |                          |             | Year on year |
|-------------------------------|--------------------------|-------------|--------------|
|                               | Fiscal 2017 <sup>1</sup> | Fiscal 2016 | change (%)   |
| Retail Pharmacy USA           | 3,754                    | 3,860       | -2.7         |
| Retail Pharmacy International | 635                      | 656         | -3.2         |
| Pharmaceutical Wholesale      | 180                      | 170         | +5.9         |
|                               | 4,569                    | 4,686       | -2.5         |

## CO<sub>2</sub>e emissions from energy, by type

(000 metric tonnes)

| ,           | Fiscal 2017 <sup>1</sup> | Fiscal 2016 | change (%) |
|-------------|--------------------------|-------------|------------|
| Electricity | 1,889                    | 2,022       | -6.6       |
| Gas         | 103                      | 102         | +1.0       |
| Other       | 19                       | 18          | +5.6       |
|             | 2,011                    | 2,142       | -6.1       |

### CO<sub>2</sub>e emissions from energy, by Division

(000 metric tonnes)

| (000 metric tornes)           |                          | Year on year |            |
|-------------------------------|--------------------------|--------------|------------|
|                               | Fiscal 2017 <sup>1</sup> | Fiscal 2016  | change (%) |
| Retail Pharmacy USA           | 1,755                    | 1,857        | -5.5       |
| Retail Pharmacy International | 213                      | 242          | -12.0      |
| Pharmaceutical Wholesale      | 43                       | 43           | 0.0        |
|                               | 2,011                    | 2,142        | -6.1       |

<sup>&</sup>lt;sup>1</sup>Fiscal 2017 data within Deloitte & Touche LLP's review scope as detailed on pages 87-88.

## **Energy use reduction** initiatives and investments

In the U.S., 264 Walgreens stores were retrofitted with exterior LED lighting during fiscal 2017, and more efficient and right-sized HVAC units were installed at 496 stores. Sustainability was built in to new beauty product displays installed in Walgreens stores during fiscal 2017.

In the UK, 285 Boots stores were retrofitted with LED lighting during fiscal 2017, and HVAC units were replaced and upgraded at 70 stores. Chiller doors were retrofitted in 10 stores during the fiscal year.

Looking forward, Boots UK piloted the extended use of controls at smallformat stores, so that the building management system can remotely control lighting, heating and air conditioning for greater efficiency. Boots UK is also conducting trials on a more energy efficient air conditioning system for stores, energy efficient natural gas-powered refrigerators and energy saving chiller doors.

Our retail pharmacies in other countries around the world continue to install energy efficient equipment and LED lighting as they refresh stores and open new locations.



Solar panels at the Walgreens distribution center in Waxahachie, Texas.

#### Renewables

Walgreens Boots Alliance businesses generated close to 17,000 mWh of electricity through solar panels during fiscal 2017.

A number of our 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. All electricity that these companies purchase directly through the utility grid is certified as renewable. The rest of the electricity consumed by these businesses is purchased by third parties, which limits their influence in buying power from renewable origins.

In the U.S., since 2007 Walgreens has installed photovoltaic systems solar panels - on 240 stores and distribution centers. The energy generated from these systems reduced grid consumption an average of 16 percent at those facilities in fiscal 2017.

We continue to learn from our laboratory Walgreens store in Evanston, Illinois, which was designed as a net zero energy store with the capacity to produce energy equal to or greater than it consumes. The laboratory store helped to pave the path for broader investment in LED lighting at Walgreens. We have shared learnings from the store with the larger community beyond Walgreens and as of the end of fiscal 2017 were awaiting the results of an evaluation of the functioning and lessons from the store.

## **Charging stations for** electric vehicles

Electric vehicles protect the environment in a number of ways, including producing fewer greenhouse gases and using half as much fossil fuel than combustion engine vehicles even when supplied by fossil-fuel burning plants. But the scarcity of convenient charging stations is a barrier to people acquiring electric vehicles.

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 31 August 2017 approximately 400 electric vehicle charging stations were in operation at Walgreens locations. The charging stations are upgraded and maintained by a third party.



Walgreens hosts hundreds of electric vehicle charging stations.

## **Transportation**

We worked during fiscal 2017 to increase fuel efficiency in our fleets of vans and trucks.

Walgreens operates its own fleet of 800 private trucks and 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 Walgreens fleet improved fuel efficiency by  $16~{\rm CO}_2$  grams per thousand cubic foot-miles, or 3.2 percent, in fiscal 2016 compared with fiscal 2015, according to the SmartWay Program. Fiscal 2017 data were not available in time for this report.

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. Walgreens trucks routinely make backhaul deliveries for other companies, delivering thirdparty cargo for competitive rates. These revenue-creating opportunities benefit Walgreens and reduce the total amount of trucks on the road nationally, reducing overall environmental impact. Walgreens and FedEx also share best practices in fleet operations and fuel efficiency to benefit both companies.

Alliance Healthcare, our pharmaceutical wholesale business in the UK, signed a contract in March 2017 with Lightfoot, whose in-cab technology system and rewards platform encourages and enables drivers to adopt a smoother driving style, which helps reduce risk, increase fuel efficiency and lower harmful emissions. During fiscal 2017 Lightfoot systems were installed on more than 900 vans in Alliance Healthcare in the UK's fleet of approximately 1,050 vans, achieving fuel savings for the fleet of more than \$12,000 per week.

#### **Business travel and product delivery**

Our  $\mathrm{CO_2}\mathrm{e}$  emissions from business travel rose in fiscal 2017 compared with the previous year due to a U.S. leaders meeting and increased international travel related to projects and owned brands activities, which was partly offset by a decrease in road travel as a result of stronger control measures. Product delivery emissions decreased due to new fuel efficient trucks in the U.S. and outsourcing and route efficiencies in the UK.

#### CO<sub>2</sub>e emissions from business travel, by Division

| (000 metric tonnes)           |                          |             |            |  |
|-------------------------------|--------------------------|-------------|------------|--|
|                               | Fiscal 2017 <sup>1</sup> | Fiscal 2016 | change (%) |  |
| Retail Pharmacy USA           | 27                       | 26          | +3.8       |  |
| Retail Pharmacy International | 18                       | 17          | +5.9       |  |
| Pharmaceutical Wholesale      | 13                       | 14          | -7.1       |  |
|                               | 58                       | 57          | +1.8       |  |

#### CO<sub>2</sub>e emissions from business travel, by type

| (000 metric tonnes) | ic tonnes)               |             | Year on year |  |
|---------------------|--------------------------|-------------|--------------|--|
|                     | Fiscal 2017 <sup>1</sup> | Fiscal 2016 | change (%)   |  |
| Road                | 28                       | 31          | -9.7         |  |
| Air                 | 29                       | 25          | +16.0        |  |
| Rail                | 1                        | 1           | 0.0          |  |
|                     | 58                       | 57          | +1.8         |  |

## Business travel - air (by length of haul)

(000 km) Year on year Fiscal 2017<sup>1</sup> Fiscal 2016 change (%) Short Haul 76,253 66,795 +14.2 Long Haul 29,875 24,397 +22.5 106,128 91,192 +16.4

# CO<sub>2</sub>e emissions from business travel, per 1,000 employees, by Division and for the Company

(metric tonnes) Year on year Fiscal 2017<sup>1</sup> Fiscal 2016 change (%) Retail Pharmacy USA 111 108 +2.8 Retail Pharmacy International 211 +13.4 186 Pharmaceutical Wholesale 507 529 -4.2 **Walgreens Boots Alliance** 166 157 +5.7

## ${\rm CO_2}{\rm e}$ emissions from product delivery, by Division

(000 metric tonnes)

| (000                          |                          |             | Year on year |
|-------------------------------|--------------------------|-------------|--------------|
|                               | Fiscal 2017 <sup>1</sup> | Fiscal 2016 | change (%)   |
| Retail Pharmacy USA           | 122                      | 127         | -3.9         |
| Retail Pharmacy International | 40                       | 51          | -21.6        |
| Pharmaceutical Wholesale      | 110                      | 127         | -13.4        |
|                               | 272                      | 305         | -10.8        |

<sup>&</sup>lt;sup>1</sup>Fiscal 2017 data within Deloitte & Touche LLP's review scope as detailed on pages 87-88.

Our first full fiscal year of comparable data showed that Walgreens Boots Alliance waste generation increased in fiscal 2017 compared with fiscal 2016. This increase was primarily due to a high number of renovations and remodels in our U.S. retail pharmacies. We are focused on improving waste reduction in our largest operation, our U.S. retail stores. An example of a new initiative is to expand our practice of donating seasonal merchandise from stores rather than discarding items.

Waste

The Company generated 626,000 metric tonnes of waste in fiscal 2017, an increase of 14 percent from fiscal 2016.

Of the waste generated in fiscal 2017, approximately 50 percent was recycled, a similar rate as in fiscal 2016. The Retail Pharmacy International Division achieved the highest recycling rate in fiscal 2017, 78 percent, followed by Pharmaceutical Wholesale's 71 percent and Retail Pharmacy USA's 47 percent.

A number of our European businesses have achieved high recycling rates. For example, our businesses in Norway and the Netherlands are zero waste to landfill operations.

#### Waste by method of disposal

(000 metric tonnes)

| (000 metric tonnes)      |                          |             | Year on year |
|--------------------------|--------------------------|-------------|--------------|
|                          | Fiscal 2017 <sup>1</sup> | Fiscal 2016 | change (%)   |
| Landfill                 | 303                      | 265         | +14.3        |
| Incinerated <sup>2</sup> | 7                        | 10          | -30.0        |
| Recycled <sup>3</sup>    | 316                      | 274         | +15.3        |
|                          | 626                      | 549         | +14.0        |

#### Waste by Division

(000 metric tonnes)

| (000                          |                          | Year on year |            |
|-------------------------------|--------------------------|--------------|------------|
|                               | Fiscal 2017 <sup>1</sup> | Fiscal 2016  | change (%) |
| Retail Pharmacy USA           | 547                      | 467          | +17.1      |
| Retail Pharmacy International | 59                       | 62           | -4.8       |
| Pharmaceutical Wholesale      | 20                       | 20           | 0.0        |
|                               | 626                      | 549          | +14.0      |

<sup>&</sup>lt;sup>1</sup> Fiscal 2017 data within Deloitte & Touche LLP's review scope as detailed on pages 87-88.



Alliance Healthcare France's support office in Gennevilliers implemented a new recycling program with selective sorting.

<sup>&</sup>lt;sup>2</sup> Without heat recovery.

<sup>&</sup>lt;sup>3</sup> Includes materials recovered via incineration with heat recovery.

Recycling at the Walgreens distribution center in Moreno Valley, California.

## **Beyond 34: breaking through** recycling barriers in the U.S.

The U.S. national recycling rate has leveled off at around 34 percent for more than a decade, based on U.S. **Environmental Protection Agency** measurements of municipal solid waste, lagging behind many countries in Europe. Walgreens Boots Alliance is committed to help break through that barrier as a core corporate sponsor of Beyond 34: Recycling and Recovery for A New Economy.

In July 2017, the Beyond 34 project team and Orlando city leaders agreed to select Orlando, Florida, as the location to create a scalable model for improving recycling and recovery rates in order to help communities, cities and businesses achieve their circular economy and sustainability goals. Beyond 34 aims to increase Orlando's recycling rate and export the model to other communities. Numerous other companies, state and local business chambers, and officials support the initiative, which is led by the U.S. Chamber of Commerce Foundation Corporate Citizenship Center.

Walgreens has a distribution center and more than 50 stores in Orlando, making the city an ideal location for us to learn and benefit from the project. Through Beyond 34, Walgreens will work collaboratively with other



retailers to find vendors and partners to recycle and reuse waste materials. Collaboration will pool knowledge and ideas on potential markets for waste materials, provide flexibility and create a larger waste stream that will be more attractive to recycling and waste processing companies, especially for more challenging waste streams such as electronics and organic waste. Together, the retailers and other businesses will push toward more reuse and recycling and less waste to landfill and incineration.

## Zero waste to landfill project expands in U.S.

The Walgreens zero waste to landfill project advanced in fiscal 2017. The Moreno Valley, California distribution center, the pilot location for the project, averaged about 11 metric tonnes of waste to landfill per month during fiscal 2017, compared with about 22 metric tonnes a month in fiscal 2015, before the start of the pilot. The Astor Company, a recycling and consulting

firm that handled the zero waste to landfill pilot in Moreno Valley, was contracted to replicate the program in four additional distribution centers across the U.S. by the end of calendar 2017, and to all Walgreens distribution centers by the end of calendar 2018.

Astor is helping Walgreens to address challenges, such as working to ensure the zero waste to landfill program is compliant with laws and regulations and establishing vendor partners for more complicated waste streams, including organic waste and label backing.

Astor is also scheduled to do an in-depth audit of waste streams at Walgreens corporate support office in Deerfield, Illinois before a zero waste to landfill program is implemented at that site. In due course, the zero waste to landfill ambition is expected to be implemented at Walgreens retail locations as well.

## **Feeding America**

In fiscal 2017, Walgreens diverted more than 1.6 metric tonnes (3.5 million pounds) of product from landfills across the U.S. by donating them to Feeding America, the largest domestic hungerrelief and food rescue organization. Donations of unsold or discontinued products, screened for safety, include food as well as toiletries and household items that often cannot be purchased through government assistance programs.

Diverting food waste from landfill not only helps to reduce emissions of greenhouse gases, it also helps people and communities. The U.S. Department of Agriculture (USDA) estimates that 41 million people, including 13 million children, in the U.S. were food insecure in 2016. Through its partnership with Feeding America, Walgreens is successfully diverting food waste, reducing emissions and combatting food insecurity.

# Waste innovation and recycling around the globe

At its support center, Boots UK implemented an innovative process for the disposal of feminine hygiene products and diaper waste by turning it into fuel pellets for incinerators, rather than sending it to landfill. The new process is anticipated to extend to Boots stores during fiscal 2018. When the program is fully implemented, an estimated 140 metric tonnes of waste per year is expected to be diverted from landfill.

Farmacias Benavides in Mexico carried out an environmental risk assessment to determine how to increase recycling and reduce waste to landfill.

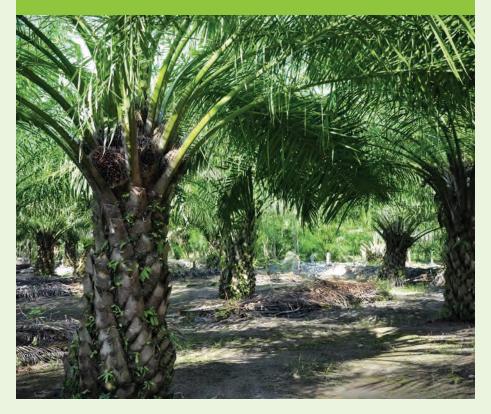


The Walgreens medication disposal program reduces environmental impact by keeping drugs out of landfills and waterways.



Walgreens helps communities and people and diverts food waste from landfill by donating unsold products to Feeding America.

## Deforestation



Sustainable palm oil sourcing can help to reduce deforestation related impacts.

Walgreens Boots Alliance is a signatory to the CGF commitment to achieve zero net deforestation by 2020. We continue to integrate standards for traceability and sustainable sourcing across the Company. The standards we are developing for wood, pulp and paper are based on forest certification standards such as the Forest Stewardship Council (FSC), recommended as a credible certification standard by WWF. Boots UK's membership in stakeholder groups such as WWF's Global & Forest Trade Network and the Round Table on Sustainable Palm Oil (RSPO)

helps to position us to further reduce deforestation related impacts.

Boots UK received the maximum score of 9 on the WWF Palm Oil Buyers Scorecard 2016 - the most recent biennial scorecard – for using 100 percent certified sustainable palm oil (CSPO) in its owned brand products such as No7, Soap & Glory and Botanics. Boots UK has been a member of the RSPO since 2006 and makes an Annual Communication on Progress (ACOP) on palm oil sourcing.

### **Greater transparency**

Boots UK has been regularly audited by GreenPalm, a certificate trading program that supports the production of certified sustainable palm oil. During fiscal 2017, Boots UK joined a group of European companies in the Retailer Palm Oil Transparency Coalition, which collaborates to obtain greater transparency of information relating to the sustainability performance of global supply chains in order to incentivize faster progress toward a sustainable palm oil industry.

During fiscal 2017 Walgreens began implementing tools to increase transparency into its supply chain and retail products, a key step toward developing comprehensive policies around product sustainability and ingredients such as palm oil. Please read more about this work in the Marketplace section of this report, on page 52.

Reducing deforestation is important to Walgreens Boots Alliance because we use significant amounts of materials such as wood, paper, palm oil, soy and beef in our businesses and supply chains. The production of these items contributes to deforestation, which destroys habitats for plants and animals, affects local communities and has a major impact on climate change.

## **Progress on paper use**

Progress on using responsibly sourced paper and reducing use of paper overall, during fiscal 2017, included the following:

- · Boots UK received the top score of 3 in the WWF 2017 Timber Buyers Scorecard, which measures the progress of timber and timber product buyers in the UK on sustainable sourcing. The scorecard rates a wide selection of UK retailers, manufacturers and traders that buy timber and timber products. In its forest product report to WWF's Global Forest & Trade Network program for 2016, Boots UK reported 75.7 percent FSC certified products, and 5.5 percent recycled products, taking it to 81.2 percent in this performance band.
- The WWF score means that Boots UK is "performing well in sustainably sourcing wood, pulp and paper and is well along the journey to complete the transition to 100 percent sustainable timber and timber products by 2020. Companies scoring 3 are showing their competitors that it is possible to act responsibly when it comes to forest trade."

- During fiscal 2017 Walgreens redesigned the labels that it uses to promote sales in its stores. As a result, beginning in January 2018 Walgreens will be able to fit more printed labels on each sheet of paper used for printing, saving both costs and forests. The new design is expected to save an estimated 1.7 million pounds of paper per year sourced from the Pacific Northwest, equivalent to more than 6,000 trees.
- · As reported in our 2016 CSR Report, the paper used in Walgreens newspaper advertising inserts is purchased from credibly certified or verified sources, as is paper used in products used in Walgreens operations.

# Marketplace

GRI Disclosures 103-1, 103-2, 103-3















Our approach to the way we operate sustainably in the marketplace is simple. We aim to do business fairly and with integrity.

Operating sustainably in the marketplace starts with understanding where our products come from, holding our suppliers accountable for responsible and ethical sourcing and promoting human rights, and consistently engaging with external stakeholders to understand the sustainability issues facing our markets and industry. We also work with and support diverse suppliers.

Our three Marketplace goals are defined below. In this section, we report on our progress toward the first two goals. To read about our progress toward the third goal, please see the Stakeholder Engagement section on pages 11-16.

Transparency and Traceability: To create a global process that enables transparency of ingredients and their traceability for the exclusive consumer retail product brands that we sell

**Responsible Sourcing:** To continue to drive ethical sourcing practices across our supply chain, protecting human rights, supporting diverse suppliers and engaging with suppliers around environmental issues

**External Stakeholders:** To work collaboratively with a global network of key external organizations engaging in issues that carry the greatest social relevance to the markets and in the communities we serve



## Transparency and Traceability

GRI Disclosures 103-1, 103-2, 103-3, 301-3, 417-1

Walgreens Boots Alliance made strides during fiscal 2017 to develop comprehensive policies around product sustainability to bridge the gap between the more advanced processes in our UK developed product brands and the challenges presented by the many thousands of products sold in our U.S. stores.

Working with our external Advisory Panel for Sustainability, refreshing our approach to chemicals management, and acquiring tools to trace the ingredients in our exclusive consumer retail product brands and our supply chains, were among the steps we took to create brands with purpose and build engagement on sustainability across our Company. The advisory panel's fiscal 2017 progress report can be found on page 54 of this report.

Building traceability into our supply chain will help enable us to continue to review the substances in our products, such as chemicals.

## **Chemicals management**

Walgreens Boots Alliance's businesses have a long history of action involving product safety and working to ensure that our owned-brand products meet safety regulations and guidelines. We have stringent requirements and proactively work with our vendors to help ensure the quality and safety of the products we offer for sale.

In fiscal 2017 we worked to refresh our approach to chemicals management and established the following priorities: First, to actively work with our extensive supplier base to improve the levels of traceability and transparency of chemicals and other ingredients in our retail products. Second, to create a chemicals management program

for our retail products, to rigorously review, reduce and where possible remove chemicals deemed to be a risk to people, animals or the environment. We are committed to publishing during calendar 2018 a list of high priority chemicals of concern and create an action program for their management.

Walgreens Boots Alliance has an extensive product portfolio covering many thousands of products and ingredients. We are moving step by step in our chemicals management, initially focusing on substances and chemicals within products in our owned brands in the baby, personal care and household chemicals subcategories. We plan to publish a roadmap to extend the scope of our chemicals management to other product categories in our portfolio. We also intend to report on our progress annually.

In the case of relevant owned brands and relevant retailer exclusive brands. Walgreens Boots Alliance is also preparing for compliance with the European Union's REACH regulation governing the use of chemicals in cosmetics and hard goods (such as candles and makeup brushes) ahead of the 31 May 2018 deadline to register substances. Under REACH, companies must identify and manage the risks linked to the substances that are chemicals or contain chemicals and that are imported as raw materials for manufacture in the European Union or are contained in products manufactured or imported into the European Union.

#### Walgreens and traceability

Walgreens Boots Alliance is building on the systems we have in place for our sourcing teams in the UK and Asia in order to achieve a consistent level of

traceability with all of our product brand suppliers. During fiscal 2017, Walgreens acquired and began implementing tools to achieve greater traceability in its supply chain and products, a key step toward developing comprehensive policies around product sustainability. Walgreens began to use the UL PurView Platform, a customizable system to help enable the business to collect data across its supply chain and make more informed decisions about the sourcing of materials, ingredients and products. The tool will allow Walgreens to compare ingredients against sustainability standards for products registered with UL WERCSmart, a supply chain information system.

Walgreens also joined The Sustainability Consortium (TSC), a global organization dedicated to improving the sustainability of consumer products by building science-based metrics that address specific issues. Walgreens is committed to working with TSC and its research and tools to gain increased visibility into supply chains and prioritize sustainability issues in an effort to source more sustainably.

Walgreens is a member of the crossindustry, collaborative Beauty and Personal Care Products Sustainability Project, an initiative coordinated by Forum for the Future, an independent, international nonprofit working to solve complex sustainability challenges. Walgreens and other major retailers have joined in the project along with numerous beauty brands and raw materials suppliers to develop a process for evaluating beauty and personal care product sustainability.



## **Cotton swabs and** microbeads

Boots UK announced in December 2016 that its owned brand cotton swabs (known as cotton buds in Britain) would be manufactured with sticks made from rolled paper instead of with plastic, by the end of calendar year 2017. Plastic sticks from cotton swabs have been identified as a source of marine litter and a material that can cause sewer blockages.

Rolled paper sticks will decompose in water over time. To prevent blockages in waste water systems, Boots UK owned brand cotton swabs will be labeled "Don't Flush It."

Boots UK and Walgreens have reformulated their product brands to eliminate plastic microbeads in advance of European and U.S. state and federal legislation deadlines. As stated in our 2016 CSR Report, Boots UK ceased production of owned brand and exclusive beauty and personal care products containing microbeads as of December 2015 and committed to cease purchasing third-party products with plastic microbeads after December 2017. Boots UK also consulted with the UK government as it developed a ban on "rinse-off" plastic

microbeads in cosmetics and personal care products such as facial scrubs and toothpaste where there is clear and robust evidence of harm to the marine environment.

## **Transparency in packaging**

One of the first steps to improving transparency for consumers is through enhancements in packaging. Under two initiatives in fiscal 2017, Walgreens owned brand packaging was updated to provide consumers with clear information on ingredients, health attributes and packaging recyclability.

Walgreens joined the How2Recycle program in March 2017 and is phasing in the group's simplified recycling

Paper sticks and "Don't Flush It" labels help to protect waterways.

instruction labels on the packaging of select products. How2Recycle labels make it easy for consumers to know where and how to recycle packaging. The labels have instructions with the proper steps to recycle packaging, the type of recyclable material the packaging is made from, which parts of it are recyclable and where they can be recycled.

Walgreens also redesigned its core food and beverage brand, Nice!, adding highly visible labeling about calories, sodium content and other health attributes and incorporating new ingredient requirements for suppliers. The easy-to-understand content information is on a health corner label on each package. The ingredient requirements, such as products free of partially hydrogenated oil, transunsaturated fatty acids (trans fats) and high fructose corn syrup, are expected to be phased in by calendar 2017. The Nice! re-branding affects more than 500 food and beverage items sold in Walgreens stores.

Nice! packaging has a new health corner label.



# Stakeholder Perspective

Progress report from the Advisory Panel for Sustainability for our owned brands

The Advisory Panel for Sustainability exists to offer challenge and insight throughout the value chain of Walgreens Boots Alliance's owned brands. With the continuous expansion of Walgreens Boots Alliance's sourcing footprint, the sustainability of its supply chain is linked to the health and wellbeing of large numbers of customers, suppliers and employees. This makes the role of the panel increasingly important as it helps strengthen Walgreens Boots Alliance's ability to fulfill its stated purpose of helping people live happier and healthier lives.

In the first year of the panel's work, during fiscal 2016, we helped Walgreens Boots Alliance to undertake a materiality analysis and set a multi-year program for responsible sourcing for its owned product brands including No7, Soap & Glory, Liz Earle and Botanics. Our role in fiscal 2017 has been to help the Company initiate this program, develop clear targets and challenge the team on the delivery to ensure actions meet stakeholder expectations.

The panel has encouraged Walgreens Boots Alliance to create processes and collect information that enables the Company to assess its impacts in its product brands' supply chain and respond suitably. Initial success in this area has been achieved. Walgreens Boots Alliance published its first annual Modern Slavery and Human Trafficking Statement in early 2017 and it is good to see the Company's ongoing commitment to support the global eradication of these abhorrent practices through its policies, processes and training.

As part of its horizon scanning and anticipation of issues within the supply chain the panel helped Walgreens Boots Alliance develop appropriate responses to issues such as sustainable krill sourcing and palm oil certification standards. The panel was encouraged by the Company's involvement in a collaborative initiative to gain greater transparency into the palm oil supply chain.

The panel commends the work achieved so far to better understand the supply chain, but urges that more needs to be done to fully understand it and to create a strong baseline. Once this is achieved, the Company can set clear priorities and targets against which it can report. Equally, the panel recommends that each brand have measurable sustainability goals and that the Company develop a strong culture of engagement and communication that clearly aligns to its overall purpose.

Walgreens Boots Alliance has made significant progress over the last year. We look forward to seeing the Company further refining and delivering on its sustainability goals. Setting out clear goals and a road map of progress will help to evidence value and progress over time; developing a culture that enables the delivery of the program will be vital for long term success.

Signed for and on behalf of panel members,

#### Mark Goyder

Panel Chairman Founder, Tomorrow's Company



Members of the Advisory Panel for Sustainability are shown with a number of employees who work on sustainability issues for our owned brands.

#### Panel members:

Yogesh Chauhan, Director of Corporate Sustainability, Tata Consultancy Services

Stephanie Draper, Deputy Chief Executive, Forum for the Future

Oonagh Harpur, Non-Executive Director, UK Government Legal Department

Tom Levitt, Responsible Business Consultant

Alex Maitland, Independent

#### Yolanda Villafuerte Abrego,

Communications and Project Manager, Tomorrow's Company

Tobias Webb, Founder, Innovation Forum

# Responsible Sourcing

GRI Disclosures 102-9, 103-1, 103-2, 103-3, 204-1, 308-1, 408-1, 409-1, 412-1, 414-1

Walgreens Boots Alliance believes that responsible sourcing is key to our success. Through purchasing from hundreds of diverse suppliers in the U.S.. Walgreens helps local economies and stocks products that appeal to a range of consumers. In its own product brand supply chains, Walgreens Boots Alliance holds suppliers to ethical standards and carries out audits to detect issues related to economic, environmental and social matters.

### **Supplier diversity**

Walgreens has a long history of working to increase its total spend on products and services from minorityowned, women-owned and other diverse suppliers. Our purchases with diverse suppliers include retail and pharmaceutical products and both Tier 1 spending, directly with diverse suppliers, and Tier 2 spending, which is with large-scale suppliers who report to us their diverse supplier spending related to the Walgreens account. We work with partners such as Next Street, the Women's Business Enterprise National Council and affiliates, the National Minority Suppliers Development Council and affiliates, and the US Business Leaders Network to identify diverse and small businesses.

Promoting the development of small and diverse businesses fosters economic vitality in the communities we serve. Selling to a large retailer can be a challenging step for a small supplier, so Walgreens provides programming and coaching to assist these suppliers in preparing to market and promote their product brands. Our resource partners can help them with access to capital, infrastructure expansion and certification.

During fiscal 2017 Walgreens engaged with or purchased from more than 2,500 diverse and small businesses in the U.S., including more than 900 minorityowned and women-owned businesses, and more than 1.400 small businesses including other classifications that Walgreens tracks. The full definitions of the diversity classifications we track are available on Walgreens.com. Walgreens works with diverse suppliers that are self-identified based on U.S. Small **Business Administration guidelines** and those that are certified through the National Minority Supplier Development Council.

Walgreens spending with diverse and small suppliers has increased substantially over the years, reaching over \$3.3 billion in fiscal 2017, up from \$125 million in fiscal 2007, and including Tier 1 and Tier 2 spending, professional services, retail products and goods not for resale (goods used in our operations).

As part of its ongoing commitment to promote and partner with diverse enterprises and foster their growth, Walgreens held a diversity summit in July 2017 with a select group of 40

diverse and small suppliers, organized with Effective Collaborative Retail Management (ECRM). Suppliers met privately with Walgreens retailer category managers and received guidance on strategy, how to gain and retain business with Walgreens and multicultural marketing.

Walgreens sponsors booths every year at a number of conferences and expos for minority-owned and women-owned businesses. In April 2017 Walgreens featured three minority-owned and women-owned brands, Kiss Products, KeraCare, and As I Am, at the Black Women's Expo Chicago.

Walgreens Boots Alliance is looking at ways to increase supplier diversity in all of our businesses, starting with the procurement of goods not for resale. Diversity means different things in the countries and markets around the world where we do business and our approach will depend on local laws and regulations. In fiscal 2017 we began the process of gathering information from our businesses to understand where they would like to focus their supplier diversity efforts.

At a diversity summit in July 2017 suppliers received guidance on how to gain and retain business with Walgreens.



## **Modern slavery**

In our 2017 Modern Slavery and Human Trafficking Statement, which can be found on our corporate website, we restate our continued commitment to address and mitigate the risk of modern slavery and human trafficking in our operations and provide an update on actions taken in the reporting year to do our part to eradicate these abhorrent practices. The statement meets the requirements of the UK Modern Slavery Act 2015 and the California Transparency Act, and supports our commitment to the CGF resolution and priority principles for action against forced labor. Our global task force on the modern slavery crisis evolved during fiscal 2017 and will become a permanent working group that will help ensure a consistent approach and ongoing improvements in our response to this issue.

Our Code of Conduct and Business Ethics, also on our corporate website, makes a clear commitment to strive to ensure that slavery and human trafficking are not taking place within any of our supply chain business partners and states that we will not tolerate such activities.

#### **Vendor requirements**

Our Ethical Trading Standards Policy, established in fiscal 2016, contains a worldwide set of vendor responsibility and ethical sourcing standards, including our opposition to the exploitation of workers through any form of forced or bonded labor, slavery, human trafficking or other labor practices that involve harsh or inhumane treatment. Walgreens Boots Alliance requires its vendors to comply with these principles and to share them with any subcontractors

they may use. During fiscal 2017, we established a requirement that each business and Division of the Company must report annually on its level of compliance with the policy.

The Company developed during fiscal 2017 new training modules on modern slavery and ethical sourcing, with a focus on employees involved in sourcing, supply chain and recruitment activities. The new training was implemented during calendar 2017.

An external service provider, Dow Jones Risk & Compliance, provides due diligence reviews of business partners globally.

#### Supplier assessments

As reported in our previous Modern Slavery and Human Trafficking Statement, our biggest ongoing risk of exposure to modern slavery sits within the product supply chain of our owned product brands. To combat this, we have maintained our well-established program of ongoing supplier assessment, which is delivered through our own ethical trading auditors or via a small

number of pre-approved third party assessment bodies. Our suppliers are required to comply with our assessment program, which includes planned and unannounced audits. We have a formal rapid escalation process for any serious ethical issues identified within our supply chain. Our policy in zero tolerance cases is to terminate the relationship with the supplier.

In fiscal 2017 we conducted more than 1,300 ethical compliance assessments on new and existing owned brand suppliers. Where we identified critical noncompliance issues we worked with our suppliers on remedial action plans to help ensure issues were addressed and corrected. In the small number of cases where suppliers are unwilling to work with us to achieve compliance within an agreed time frame, it is our policy to terminate our business relationships, as a last resort.

The table below provides a breakdown of assessments of owned brand suppliers, and outcomes during fiscal 2017.

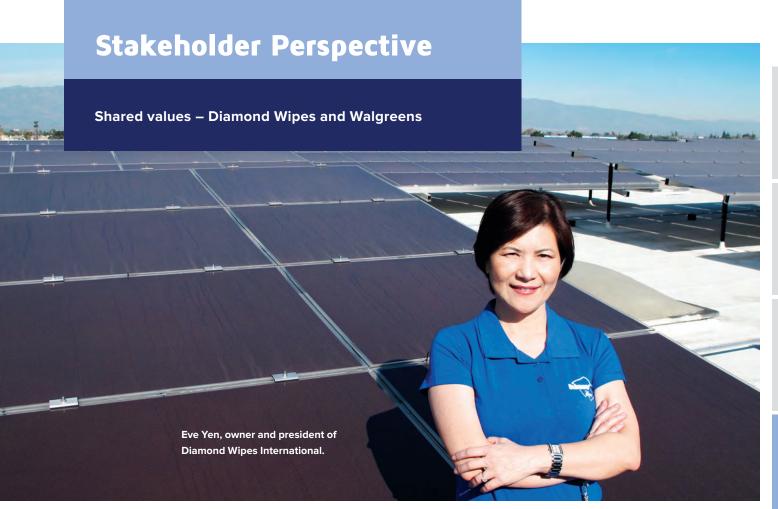
#### Assessments of owned brand suppliers during fiscal 2017

|                   | Fiscal 2017 | Percentage of total |
|-------------------|-------------|---------------------|
| Satisfactory      | 690         | 53.0                |
| Needs improvement | 320         | 24.6                |
| Critical          | 288         | 22.0                |
| Zero tolerance    | 5           | 0.4                 |
|                   | 1,303       | 100.0               |

Satisfactory and needs improvement: Meets our ethical trading standards expectations but could require differing levels of remedial corrective actions.

Critical: Falls below the expectations of our ethical trading standards and requires immediate remedial action to address the critical non compliances to enable new or ongoing business partnership.

Zero tolerance: Issues identified that are not accepted or tolerated by our business and are related to incidents of the following but not limited to: child labor, convict/indentured/forced labor, corporal punishment, slavery and human trafficking, acts of bribery.



Diamond Wipes International supplies products for Walgreens owned brands. Not only is our relationship with Diamond Wipes an example of our commitment to supplier diversity; its own Corporate Social Responsibility initiatives are aligned with our environmental and community goals.

The company was founded 23 years ago in Southern California by Eve Yen, an immigrant from Taiwan. Yen, owner and president of Diamond Wipes, started out selling freshly packaged moist hand wipes to local Chinese restaurants. Diamond Wipes has grown to provide diverse product lines, including wipes for beauty, infant care, pet, travel, and more.

Diamond Wipes' California plant produces more than 500,000 kwh of electricity using solar energy, providing approximately 86 percent of electricity required for manufacturing and daily operations. The company has also achieved Rainforest Alliance and Forest Stewardship Council certifications to provide wipes that come from responsibly managed forests, maintained by workers who are treated fairly.

In working with diverse suppliers like Diamond Wipes who share our vision of supporting people and the planet, we aim to empower and strengthen both companies, promote entrepreneurship, facilitate business development and foster economic development in the communities we serve.

"Committing to sustainability and partnering with our local communities have always been close to my heart. Every opportunity to provide positive outreach to those in need is considered and evaluated for the kind of positive impact we can affect. It is this shared dedication to community and the health of our society that excites us about our relationship with Walgreens," says Yen.

# Workplace

GRI Disclosures 103-1, 103-2, 103-3













The hard work and dedication of our valued employees make it possible for us to pursue our purpose of helping people around the world lead healthier and happier lives. We recognize that taking care of their health and wellbeing is a top priority.

We aim to attract and inspire diverse people to care for our customers and patients everywhere we do business. We are recognized for our dedication to diversity and inclusion, and our U.S. training programs and job opportunities for people with disabilities are considered an industry model.

We have a rich history of supporting training programs and apprenticeships for budding pharmacists and retail managers. To retain a vibrant and engaged workforce we strive to build diverse internal and external talent pipelines and recognize and develop talent through career planning and educational opportunities.

Through the following three goals, we strive to create a workplace that treats everyone with dignity and respect and work to ensure product safety and data security.

**Employee Health and Wellbeing:** To proactively support the personal health and wellbeing of our employees

**Equal Opportunities:** To deliver our commitment to equal opportunities for everyone across our employment practices, policies and procedures

**Health and Safety:** To continuously improve our robust approach to health and safety, actively caring for our colleagues and customers, throughout the Company





Boots UK apprenticeship and work experience programs are designed to generate excitement about careers in community pharmacy and retail.

## Early career programs, career support and training

Our businesses such as Boots UK, Alliance Healthcare and Walgreens sponsor a number of programs and events to support young people in their first career steps, including internships, award programs, apprenticeships and activities for secondary school students.

Boots UK's apprenticeship and work experience programs are designed to get young people excited about careers in community pharmacy and retail. Boots UK continued its healthcare apprenticeship program during fiscal 2017, with 82 participants aged 16 to 24 starting the program and learning on the job in paid positions at Boots UK stores across the country. During their 12-month program, apprentices are trained to offer industry-leading healthcare advice and dispense medication, overseen by a pharmacist. Ten individuals from the Boots Chartered Managers Degree

Apprenticeship Programme, offered in fiscal 2017, were given a chance to study for a degree with Nottingham Trent University in Business Management, while also gaining a qualification as a professionally accredited Chartered Manager.

More than 100 students, parents, career advisors and teachers attended the fifth annual Boots360 Careers Event in February 2017 to learn about apprenticeship programs, pharmacy training and other roles at the Boots support office and stores. Additionally, 140 students participated in Boots UK's 7th annual Work Inspiration Fortnight in June and July 2017, in which young people from the ages of 14 to 19 learned about job opportunities at Boots.

Alliance Healthcare in the UK sponsors a yearly essay contest and award for an outstanding pharmacy student, in association with the British Pharmaceutical Students' Association, with a cash prize.

## **Skills for Chicagoland**

In Chicago, Walgreens is helping to tackle high levels of unemployment among the city's young people by partnering with nonprofit Skills for Chicagoland's Future (Skills). Through Skills' initiatives, companies provide entry-level jobs with career pathways, critical support and possibilities for advancement. Walgreens has been involved with Skills since 2014 and as of 31 August 2017 had hired 42 diverse youth and young adults in positions including cashier, shift lead, assistant manager trainee and pharmacy technician.

The Walgreens partnership with Skills is scheduled for expansion in 2018 through a new collaboration involving City Colleges of Chicago and other community-based organizations. Skills will source, screen and refer qualified young people to Walgreens for job interviews, and will also manage the program, coordinate services

and partners, and track activities and outcomes. Walgreens expects to provide coaches, mentors and access to education to help youths who are hired succeed in jobs from the start and as they progress.

Walgreens is committed to continuing involvement with Skills' programs, which focus on disadvantaged Chicago neighborhoods but are meant to create a scalable model for other cities and companies to replicate.

## **Walgreens and education**

In fiscal 2017 close to 5,000 employees participated in leadership programs at Walgreens University, which offers a wide array of training, skills building and career development courses. Walgreens employees also receive functional and developmental training courses through an online portal.

During fiscal 2017 Walgreens approved more than \$1 million in donations for the 2017-2018 school year, to help support diversity scholarships, inclusion training and other initiatives at accredited pharmacy schools in the U.S.

Tuition discounts of 10 percent to 25 percent are available to many Walgreens employees and their families at institutions including DePaul University, Loyola University of Chicago, Lake Forest Graduate School of Management, University of Maryland University College (UMUC), Webster University, the University of Phoenix and DeVry University. During fiscal 2017 these tuition discounts saved more than \$1 million for team members.

# Reducing Reoffending through Employment

In collaboration with business-led charity Business in the Community (BITC), Boots UK and Alliance Healthcare in the

UK have continued to lead the Reducing Reoffending through Employment network, which has convened 19 different member companies since 2012, primarily from the Boots supply chain. The network builds partnerships with prisons and social enterprises to give ex-offenders a fair chance to compete for jobs and to offer employment opportunities to help them rebuild their lives free from crime. In the period from August 2016 through July 2017, members of the network supported the employability of 364 ex-offenders and directly employed 29 ex-offenders through specialist partnerships, in addition to those recruited through standard channels. Through a four-year partnership with HMP & YOI Sudbury prison, as of 31 August 2017 Boots UK has supported more than 100 ex-offenders through temporary paid work placements in warehouse positions.

Boots UK was one of the earliest companies to sign up to the UK Ban the Box campaign and in the U.S., Walgreens was also an early adopter of Ban the Box and has removed the criminal record check box from employment applications. Ban the Box is supported by the UK Civil Service and a number of U.S. states and municipalities that have committed to giving people with convictions a fair chance to compete for jobs by removing the box.

# Supporting employees in crisis

The Walgreen Benefit Fund in the U.S. and the Boots Benevolent Fund in the UK-both funded by donations from employees and former employees assist employees and retirees experiencing hardship, such as financial difficulty due to accidents, long-term illnesses or natural disasters. To learn more about how Walgreens Boots Alliance supports employees in the wake of natural disasters see page 68. During fiscal 2017 the U.S. fund, which is a private foundation and registered charity, provided more than \$2.3 million in assistance to more than 1,500 employees and retirees, while the UK fund helped close to 200 employees with more than \$250,000 in grants and loans. In addition, the Boots UK Lifeworks employee assistance program offers support, information, expert advice and face-to-face or telephone counseling to help colleagues prepare for life's predictable milestones and to cope with unexpected events. The service also provides proactive guidance to help people stay healthy and to enjoy physical, mental and emotional wellbeing, and it has provided support to colleagues following critical incidents, including terrorist tragedies in London and Manchester.

Walgreens leaders gathered in Las Vegas in May 2017, and CSR was on the agenda.



## Walgreens wellness program

The Walgreens wellness program continues to offer healthy incentives to employees enrolled in a medical plan and their covered spouse or partner. Participants in the program can earn up to \$100 in Balance Reward points, redeemable at Walgreens stores and at Walgreens.com, when they make healthy choices such as getting a flu shot, accessing the Work & Life Resources employee assistance program, calling their health coach or living tobacco free. The opportunities to earn points were expanded during fiscal 2017.

Walgreens added new convenient and affordable care options during fiscal 2017, introducing telemedicine for dermatology through DermatologistOnCall and behavioral health through MDLIVE. Additionally, during fiscal 2017, participation grew in Walgreens zero copay program, which provides no cost\* medications for chronic conditions such as diabetes, hypertension and asthma. To qualify for the zero copay program, employees work with a disease management nurse or health coach to learn how they can meet their health goals. For other health expenses, employees can earn up to \$300 in their employerfunded Health Reimbursement Account by completing a confidential health questionnaire.

\*The program covers member cost share for Tier 1 generics up to the value of \$5/30-day or \$12/90-day, and Tier 2 brands up to \$50/30-day or \$125/90-day.

## **Investors in People "Gold** Standard" accreditation

In June 2017 Alloga UK, our specialist logistics solutions business in the UK, achieved the Investors in People "Gold Standard" accreditation, an internationally recognized standard for people management within businesses. The accreditation followed an online assessment sent to more

than 800 Alloga UK employees, an evaluation of the business's procedures, and interviews with staff. The assessment highlighted Alloga's strengths, including employees feeling empowered and trusted by their managers to drive improvement in the business and become the best they can possibly be.

#### Employee and employee retention data

We measured our one-year and five-year employee retention rates as of 31 August 2017 and compared them with the rates one year earlier. The increases in employees who have been with the Company more than one year and more than five years were mainly due to reductions in store hours at Walgreens, which had a greater impact on employees with less than one year of service.

#### Employees by Division<sup>1,2</sup>

|                               | As of 31 August 2017 <sup>3</sup> | As of 31 August 2016 |
|-------------------------------|-----------------------------------|----------------------|
| Retail Pharmacy USA           | 235,000                           | 247,000              |
| Retail Pharmacy International | 86,000                            | 89,000               |
| Pharmaceutical Wholesale      | 27,000                            | 26,000               |
| Walgreens Boots Alliance      | 348,000                           | 362,000              |

#### Employee retention<sup>1,2</sup>

| Working for Walgreens Boots Alliance for more than 1 year | Working for Walgreens Boots Alliance<br>for more than 5 years <sup>4</sup> |
|-----------------------------------------------------------|----------------------------------------------------------------------------|
| As of 31 August 2017 <sup>3</sup>                         | As of 31 August 2017 <sup>3</sup>                                          |
| 79%                                                       | 43%                                                                        |
| As of 31 August 2016 <sup>5</sup>                         | As of 31 August 2016 <sup>5</sup>                                          |
| 76%                                                       | 42%                                                                        |

<sup>&</sup>lt;sup>1</sup> Employees of fully owned Walgreens Boots Alliance businesses; does not include employees of companies in which Walgreens Boots Alliance has equity method investments.

<sup>&</sup>lt;sup>2</sup>On 31 March 2017 Walgreens Boots Alliance closed a transaction with Prime Therapeutics LLC (Prime) to form a combined central specialty pharmacy and mail services company, AllianceRx Walgreens Prime, as part of a strategic alliance. Our fiscal 2017 workplace data include the Prime specialty and mail order business that became part of the combined company, but our corporate giving and environment data do not.

<sup>&</sup>lt;sup>3</sup>Fiscal 2017 data within Deloitte & Touche LLP's review scope as detailed on pages 87-88.

<sup>&</sup>lt;sup>4</sup>Includes existing employees of businesses that have become part of Walgreens Boots Alliance.

<sup>&</sup>lt;sup>5</sup>We previously reported that as of 31 August 2016, 68 percent of employees had been with the Company for more than a year and 34 percent for more than five years. These figures have been restated to more accurate data now available

# **Equal Opportunities**

GRI Disclosures 102-8, 103-1, 103-2, 103-3, 204-1, 404-2, 405-1, 406-1



Walgreens distribution centers disability inclusion model includes training and specialized work stations.

Other companies are learning from the Walgreens model.

## **Disability inclusion model**

Fostering a disability inclusive workplace and culture enables Walgreens to tap into a wider pool of talent, retain valued team members and gain insight into the needs of an important and expanding segment of the customer base. The guiding philosophy of our disability inclusion programs is that people with and without disabilities can work collaboratively and effectively, side by side, doing the same jobs, for the same pay and performing at the same high levels.

Walgreens has two programs to train and hire people with disabilities, one in its stores and the second in its distribution centers.

#### **Retail training**

Since 2012, the Retail Employees with Disabilities Initiative (REDI) has prepared externs for work in retail pharmacies, and it expanded to a total of more than 200 stores in 31 states during the reporting year. As of 31 August 2017 the REDI program has enrolled more than 1,500 externs, identified by publicly funded community providers, each of whom completes up to four weeks of in-store training. Of the externs who registered, 77 percent completed training. All REDI training graduates are encouraged to apply for positions with Walgreens.

## A model program

Walgreens distribution centers in the U.S. and Puerto Rico have initiatives to hire people with disabilities. As of 31 August 2017, more than 10 percent of employees at the distribution centers are self-identified as individuals with disabilities.

Walgreens disability inclusion program has become a model for other U.S. companies. Since 2015, 84 companies have been approved for tours of Walgreens distribution centers to learn from our model, which includes training and specialized work stations and equipment. One recent visitor was Sephora Vice President of **Human Resources and Logistics Tom** Gustafson.

"After walking the floor at Walgreens, I was inspired by the idea of removing barriers so that people with disabilities can be successful. So many employers today are afraid of hiring people with disabilities. At Sephora, our purpose is to Inspire Fearlessness with our Clients. This program fits that purpose. It's a good business decision and it's good for the community. We believe in this strategy so much, that we've decided to adopt a similar model in our supply chain," Gustafson said after his visit.

"The REDI training enables trainees to experience every aspect of the job including the cash register in a supported manner, which gives trainees a true retail experience. This is invaluable knowledge for someone to know if retail is the right employment choice for them."

—Carla Gaouette, associate vice president of the national job training and placement program for Viability human services agency



REDI externs receive in-store training.

# Top scores for disability inclusion and LGBTQ equality

Walgreens earned a top score of 100 percent on the 2017 Disability Equality Index (DEI) and the 2017 Corporate Equality Index (CEI), national benchmarking surveys and reports on corporate policies and practices related to disability inclusion and LGBTQ workplace equality, respectively. It was the third time Walgreens received a Best Place to Work for Disability Inclusion qualification on the DEI, while it has received perfect scores for 11 years in a row on the CEI.

The DEI is administered by the U.S.
Business Leadership Network and the
American Association of People with
Disabilities; the CEI is administered by
the Human Rights Campaign Foundation.

# Hiring and supporting military veterans

Walgreens actively encourages military veterans to consider career opportunities across all areas of our business. Employment outreach includes strategic recruiting relationships with Hirepurpose, GettingHired and RecruitMilitary, targeted advertising in Diversity in Action magazine and U.S. Veterans Magazine, and collaboration with our Business Resource Groups. U.S. Veterans Magazine has recognized





Walgreens Business Resource Groups employee networks help attract, engage, develop and retain diverse talent.

Walgreens as a Top Veteran-Friendly Company and Diverse Supplier Partner for 2016 and 2017.

## **Business Resource Groups**

Walgreens has nine active Business Resource Groups (BRGs), grassroots networks of employees committed to making Walgreens an even more diverse and inclusive employer and retailer of choice. These include the Walgreens African American Leadership Network, the Walgreens Disability Inclusion Network, the Walgreens Latino Professionals Network, Women of Walgreens, Walgreens Next Gen Empowerment Network, Walgreens Pride Alliance

Through their programs, events and initiatives, Walgreens BRGs help attract, engage, develop and retain diverse talent.

Just three highlights of numerous BRG initiatives during fiscal 2017 are the following.

- The Walgreens Veterans Network (W-VET) was instrumental in Walgreens new collaboration with the U.S. Department of Veterans Affairs and the Veterans of Foreign Wars of the U.S., which focuses on improving mental healthcare for veterans.
- The Walgreens Asian Network
   (WAN) partnered with the Walgreens
   marketing department and Hallmark
   Cards to launch a new seasonal card
   assortment and displays targeting
   Chinese American and Asian Indian
   American consumers in a number of
   stores.
- The Walgreens African American
   Leadership Network brought inspiring
   retail industry executives to speak at
   events and panels at the Walgreens
   support office in Deerfield, Illinois
   during Black History Month.

## **Expanding diversity** awareness globally

Boots UK and Global Brands, our cross divisional function that oversees our innovative and competitive product brands, both extended their diversity and inclusion strategies during fiscal 2017.

Boots UK formed a three-person policy, diversity and inclusion team in May 2017 and is in the process of creating a diversity and inclusion strategy and associated policy.

Global Brands has established a three-part strategy to attract diverse team members through an open and inclusive recruitment process, increase opportunities through transparent career progression plans and promote an agile and flexible working culture.

## **Gender pay**

Walgreens Boots Alliance works to ensure that our employees are paid fairly and equitably. In the U.S., we have made the commitment to conduct proactive pay reviews to confirm that pay practices are applied without regard to gender, race or ethnicity.

In July 2015, the UK government committed to closing the gender pay gap in a generation. To support this commitment, legislation was introduced in April 2017 requiring all organizations with 250 or more employees to publish their gender pay gap. In compliance with the new mandatory gender pay reporting, our UK businesses are preparing to report gender pay figures during the first part of the 2018 calendar year. As a significant employer of women in the UK, we are committed to reducing the gender pay gap where necessary in the future.

## Non-sexist language manual in Spain

On 8 March 2017, International Women's Day, Alliance Healthcare España launched a non-sexist language manual for all employees, aiming to ensure that internal and external communications reflect a culture committed to equality and sensitizing staff to act and work

together on equal opportunities for women and men. The goal of nonsexist language is to end discrimination on the basis of gender. The manual, which offers examples and resources to achieve non-sexist language in written and spoken communication, was mailed to all staff and was made available on the business's website.

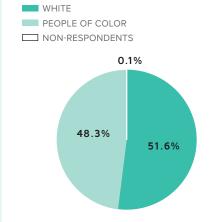
#### **Employees by gender**

|       | As of 31 August 2017 <sup>1,2</sup> | As of<br>31 August 2016 |
|-------|-------------------------------------|-------------------------|
| Men   | 34%                                 | 34%                     |
| Women | 66%                                 | 66%                     |

#### Women employees by Division and in the Company

|                               | As of 31 August 2017 <sup>1,2</sup> | As of<br>31 August 2016 |
|-------------------------------|-------------------------------------|-------------------------|
| Retail Pharmacy USA           | 66%                                 | 66%                     |
| Retail Pharmacy International | 77%                                 | 77%                     |
| Pharmaceutical Wholesale      | 34%                                 | 35%                     |
| Walgreens Boots Alliance      | 66%                                 | 66%                     |

## Race, ethnicity of Retail Pharmacy USA employees 1,2,3



- <sup>1</sup> Fiscal 2017 data within Deloitte & Touche LLP's review scope as detailed on pages 87-88.
- <sup>2</sup>On 31 March 2017 Walgreens Boots Alliance closed a transaction with Prime Therapeutics LLC (Prime) to form a combined central specialty pharmacy and mail services company, AllianceRx Walgreens Prime, as part of a strategic alliance. Our fiscal 2017 workplace data include the Prime specialty and mail order business that became part of the combined company, but our corporate giving and environment data do not.
- <sup>3</sup> Racial, ethnic diversity data for our largest Division included for the first time for fiscal 2017.

# **Health and Safety**

GRI Disclosures 103-1, 103-2, 103-3, 418-1

Safety is a commitment we make to our employees and our customers across our worldwide business operations every day. It is part of our beliefs, our outcomes and how we do business. Walgreens Boots Alliance recognizes the leading position it holds in the worldwide retail pharmacy and pharmaceutical wholesaling industry sector. We are committed to the distribution and sale of high quality health and beauty products, the safe dispensing of medicines in our pharmacies and the wholesaling and distribution of medicines in a safe environment.

The Company strives to achieve best practice in health and safety management and to drive ongoing improvements even when they exceed local legislative requirements. Health and safety are included in business planning and everyday business operations.

#### **Employee safety campaigns**

In fiscal 2017 Walgreens launched an enhanced three-part video training to more than 110,000 employees in its U.S. retail stores, including a detailed segment on safety in stockrooms, which is where a significant portion of its workplace injuries occur. Also, during fiscal 2017, 94 percent of U.S. retail employees completed the annual Walgreens training package including a refresher course, policy acknowledgement and knowledge check.

Through trainings and focus on safety culture, Walgreens has achieved a 28 percent reduction in accident incidents in retail stores and distribution centers over the three year period ending 31 August 2017.

To reinforce its safety programs, Walgreens recognizes regional and national champions. Aaron Butruch, shift lead at a Walgreens store in Sebring, Florida won the most recent annual top safety award. Butruch was applauded for a focus on safety that has helped his store improve performance.

Boots UK has achieved a reduction in overall accident numbers in retail stores, following the implementation of an audit program that assesses safety compliance in stores four times a year. In addition, Boots UK warehouses are well below the industry average accident rate, for accidents required by law to be reported.

Boots UK also received, in March 2017, the British Safety Industry Federation's Safety Excellence Award for designing and implementing an alarm solution in its warehouse in Burton. The solution uses cables and alarm units in racking to prevent forklift drivers from pushing pallets too far into the racking and causing them to fall into the next aisle. Following installation in September 2016 the system has helped bring about a reduction in pallet incidents in the warehouse.

The Walgreens Boots Alliance Safety Policy encourages open dialogue and constructive feedback from all stakeholders and also encourages all employees to engage fully with the management of health and safety. Safety committees with worker representation are in place in areas where required by law.

Walgreens Boots Alliance collates performance statistics on health and safety in order to assess performance and to monitor trends over time. Our businesses must develop and establish documented processes to facilitate the collection of accident and other key statistics to adhere to our reporting requirements and to local legislation.

Aaron Butruch, second from right, receives Walgreens safety award.





Walgreens stores held two senior days focused on helping to reduce senior falls during fiscal 2017.

## Helping to reduce senior falls

With its significant customer base of senior citizens, Walgreens is in a unique position to provide services specific to the aging population. During fiscal 2017, Walgreens collaborated with the Centers for Disease Control and Prevention (CDC) and the National Safety Council to hold two senior days focused on helping to reduce senior falls. Walgreens stores across the U.S. had information materials available, including a Home Fall Prevention Checklist for Older Adults. Customers were encouraged to talk to pharmacy staff about prevention tips and advice. Falls are the leading cause of serious and even fatal injuries among adults age 65 and older, according to the CDC.

More than 100,000 senior customers spoke with pharmacists on fall prevention awareness during senior day events in fiscal 2017, and received a brochure produced by Walgreens and the CDC.

## **Data privacy and security**

We consider information security, and the protection of our systems and the customer data they may contain, a top priority for the organization.

Under the leadership of our Divisional Vice President, Global Chief Information Security Officer (GCISO), we devote significant resources to protect the security of our computer systems, data, networks, and other assets. Our Information Technology (IT) department maintains procedures to manage and escalate information security incidents.

Our global information security policies, which are based on the National Institute of Standards and Technology (NIST) Cybersecurity Framework, set the compliance guidelines for our people, processes, and systems. We have programs in place to help ensure adherence to security policies, control frameworks, and regulatory requirements. We also periodically engage independent third parties to conduct cybersecurity risk assessments, which help validate our information security programs and provide us with suggestions for future enhancements.

We participate in numerous collaborative organizations related to information security. For instance, we are a member of the Retail Cyber Intelligence Sharing Center (R-CISC), an organization chaired by our GCISO and made up of over 100 U.S.-based retail

organizations (many of which have a global presence) with over \$1 trillion in total annual sales. R-CISC helps enable the retailer community to share information about best practices and known or emerging security threats.

The GCISO, supported by the Vice President for IT Governance, Risk and Compliance, is responsible for managing and enforcing compliance with security policies and for tracking IT risks, including cybersecurity, and reporting them to our executive leadership team as well as to the Audit Committee of our Board of Directors.

The Audit Committee is currently chaired by Jan M. Babiak, a founder of Ernst & Young LLP's technology security and risk services practice, and is responsible for the oversight of policies and procedures with respect to information security and technology risks, including cybersecurity.



Walgreens worked to repair damage to stores in Puerto Rico following Hurricane Maria.

## **Product safety and** quality control

All Walgreens Boots Alliance businesses annually review the pharmacy operations governance policy and complete a letter of representation highlighting whether there are areas of non-compliance in business procedures, with an action plan to say when they will be rectified. In summer 2017 we convened our first Patient Safety Forum for all of our pharmacy dispensing businesses. The forum meets quarterly to share best practice operations and to engender a culture of transparent shared learning.

### **Emergency response**

Walgreens provided critical support for communities and employees affected by hurricanes. A total of 1,271 stores, distribution centers and other Walgreens sites in Alabama, Florida, Georgia, Louisiana, Puerto Rico, South Carolina, Texas and the U.S. Virgin Islands were impacted by hurricanes Harvey, Irma and Maria during August and September 2017, before and after the end of the fiscal year.

Walgreens Security Operations Center worked despite impaired communications infrastructure in the impacted areas to account for all team members. Walgreens helped customers access essential medications by reminding patients of special refill rules during a state of emergency, setting up mobile clinics and staffing shelters with pharmacists to assist evacuees in some areas.

Customers donated more than \$18 million to the American Red Cross for hurricane disaster relief through a donation system activated at Walgreens and Duane Reade store check-out counters in the U.S. and Puerto Rico. Separately, Walgreens made donations of emergency food and medical supplies and committed to donating \$650,000 to the Red Cross for relief efforts in the aftermath of the three hurricanes.

Employees stepped up with donations to the Walgreen Benefit Fund, a private foundation and registered charity, for their co-workers. As of 25 October 2017 the fund had provided close to \$800.000 in assistance to more than 1,100 employees who faced financial difficulty due to the disasters. Walgreens employees stepped up as heroes in their communities, working with volunteers to deliver important vaccines, such as tetanus shots for emergency workers, and helping to evacuate elderly people from flooded areas.

Earlier in the fiscal year, the Walgreens Security Operations Center provided critical support during Hurricane Matthew in October 2016, which temporarily closed 501 Walgreens sites, including stores, and left 56 stores without power along the U.S. East Coast.



This Walgreens store in Texas was damaged in Hurricane Harvey.

## **About This Report**

GRI Disclosures 102-48, 102-49, 102-50, 102-51, 102-52, 102-53, 102-54, 102-56

Fiscal 2017 was the second year in our previously stated plan to evolve our CSR strategy and publish a more comprehensive CSR report over a threeyear period. We are pleased to publish this substantially more comprehensive report for fiscal 2017, including a description of our CSR materiality assessment process, more detail on specific outcomes from dialogue with stakeholders, greater transparency on the challenges we face, specific commitments within our CSR goals, and additional clarity about corporate governance of our CSR process and initiatives. In addition, we enhanced our CSR disclosures for fiscal 2017, and for the first time, Walgreens Boots Alliance prepared its annual CSR report to be in accordance with the Global Reporting Initiative (GRI) core option. The GRI Standards address the most critical, up-to-date sustainability issues and our alignment to its standards helps hold us accountable to address these key areas. The locations of these disclosures can be found in our GRI content index at the end of this report on pages 70-86.

This report covers data and progress from fiscal year 2017 and includes content from our ongoing global operations. The prior report from fiscal 2016 was published on 27 February 2017 and can be found on the sustainability section of our corporate website. We plan to continue to report on an annual basis moving forward.

We welcome feedback on the contents of this report as well as on our CSR strategy. Please contact us at CSR@wba.com.

### **Data management process:**

We have a Company-wide approach to recording, measuring and reporting CSR performance, including a set of reporting criteria and a set of CSR measures and performance indicators that are applicable to all of our businesses. We capture data on corporate giving, carbon emissions, energy use, waste disposal, employee retention and employee gender, and use the data to inform and assist in the development of individual CSR programs in each business. In addition, in the Retail Pharmacy USA division, which accounts for 68 percent of Walgreens Boots Alliance employees, we capture data on employee race and ethnicity.

The data presented within this report reflect the ongoing operations of the Company during fiscal 2017 and were produced in accordance with the Walgreens Boots Alliance Corporate Social Responsibility Performance Data Basis of Preparation, which can be found in the Corporate Responsibility area of the Company's corporate website in the "About this report" section. Our Statement of Greenhouse Gas (GHG) Emissions for fiscal 2017 can also be found in the same section on our website.

CSR performance data are collected comprehensively on an annual basis. All submissions by individual businesses are prepared by local finance teams and local CSR champions and are reviewed by senior finance leaders. In addition to internal reviews, we believe external assurance enhances the credibility and transparency of information reported.

Deloitte & Touche LLP conducted a review of specified indicators within this report in accordance with attestation standards established by the American Institute of Certified Public Accountants. Their assurance report can be found on pages 87-88.

The fiscal year that ended 31 August 2016 was the first year that CSR data were collected across the entire Company, forming the baseline for comparatives and for future reporting. For the fiscal year that ended 31 August 2017, we are providing previous year comparatives for the first time.

Every effort is made to ensure that we report accurate data, and our processes are designed to support this. In cases where we become aware of updates to data from previous years we consider providing updated data if the changes result in a discrepancy that is material to our CSR reporting. In these cases we provide details in footnotes to our data tables.

# **GRI Content Index**

**GRI Disclosures 102-54, 102-55** 

Walgreens Boots Alliance has carried out an ongoing exercise to align our CSR reporting to the GRI Standards. Our analysis of the issues through which the Company has the most impact on the environment, on society and communities and on the economy led us to widen

our disclosure in a number of areas for fiscal 2017. Management has prepared this report to be in accordance with the GRI Standards: Core option. The Content Index has been verified by GRI as being accurate and aligned with the GRI Standards requirements.



| GRI Sta | andard Disclosure                                            | Page number(s) and/or URL(s)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Linkage to United Nations Sustainable Development Go                                                                    |
|---------|--------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|
| RI 10   | 1: FOUNDATION 2016                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                         |
| ENER    | AL DISCLOSURES                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                         |
| GRI 10  | 22: General Disclosures 2016                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                         |
| ORGA    | NIZATIONAL PROFILE                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                         |
| 102-1   | Name of the organization                                     | Walgreens Boots Alliance, Inc.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                         |
| 102-2   | Activities, brands, products, and services                   | Annual Report 2017; page 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                         |
| 102-3   | Location of headquarters                                     | 2017 CSR Report, About Our Company; page 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                         |
| 102-4   | Location of operations                                       | 2017 CSR Report, About Our Company; page 6<br>Annual Report 2017; pages 4-7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                         |
| 102-5   | Ownership and legal form                                     | Annual Report 2017; page 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                         |
| 102-6   | Markets served                                               | Annual Report 2017; pages 4-7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                         |
| 102-7   | Scale of the organization                                    | Annual Report 2017; pages 1, 4-10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                         |
|         | Information on employees and other workers                   | 2017 CSR Report, Employee Health and Wellbeing, Equal Opportunities, Diversity data; pages 60-65 Annual Report 2017; page 10 Walgreens website Boots UK website  Direct Response: In our largest Division, Retail Pharmacy USA, which accounts for 68 percent of our employees, as of 31 August 2017, 43 percent of employees were women working full-time, 24 percent men working full-time, 23 percent women working part-time and 10 percent men working part-time. Our U.S. employees do not generally have employment contracts. We are committed to work toward amplifying our disclosure on full-time, part-time, temporary and permanent employees in our other two Divisions, where permitted by law and where practical, in future reports. | 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all |
| 102-9   | Supply chain                                                 | 2017 CSR Report, About Our Company; page 6<br>2017 CSR Report, Responsible Sourcing; pages 55-56<br>Annual Report 2017; pages 5-9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                         |
| 102-10  | Significant changes to the organization and its supply chain | Annual Report 2017; pages 1-3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                         |
| 102-11  | Precautionary Principle or approach                          | Walgreens Boots Alliance does not have a policy regarding the precautionary principle or approach. We are involved with a number of externally developed initiatives, as listed in 102-12.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                         |

| GRI Standard Disclosure                                                              | Page number(s) and/or URL(s)                                                                                                                                                                                                                                                                                                                                                                                                                               | Linkage to United Nations Sustainable Development Goals                                                                                                                                                                                       |
|--------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 102-12 External initiatives                                                          | Direct Response:  Below are examples of major external initiatives Walgreens Boots Alliance engaged in during fiscal 2017:                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                               |
|                                                                                      | The World Resources Institute's Greenhouse Gas Protocol  CDP's Climate Change Program  Conference of Parties 21 (COP21, also known as the 2015 Paris Climate Conference)  The Consumer Goods Forum's Sustainability Resolutions  The Consumer Goods Forum's Refrigeration Resolution  The U.S. Chamber of Commerce Foundation's Beyond 34: Recycling and Recovery for a New Economy  Annual Communication on Progress – Roundtable on Sustainable Palm Oil |                                                                                                                                                                                                                                               |
| 102-13 Membership of associations                                                    | Direct Response:  Walgreens Boots Alliance is a member of a number of associations at the national and international level  Below are examples of major associations we engaged with in fiscal 2017:  • Forum for the Future  • The Consumer Goods Forum (CGF)  • National Association of Chain Drug Stores (NACDS)  • British Retail Consortium (BRC)                                                                                                     |                                                                                                                                                                                                                                               |
|                                                                                      | International Federation of Pharmaceutical<br>Wholesalers (IFPW)     Roundtable on Sustainable Palm Oil (RSPO)                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                               |
| STRATEGY                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                               |
| 102-14 Statement from senior decision-maker                                          | 2017 CSR Report, Introduction; page 1<br>2017 CSR Report, Our CSR Goals; page 2                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                               |
| 102-15 Key impacts, risks, and opportunities                                         | 2017 CSR Report, Assessing CSR Materiality; pages 8-10<br>Annual Report 2017; pages 10-32                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                               |
| ETHICS AND INTEGRITY                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                               |
| 102-16 Values, principles, standards, and norms of behavior                          | 2017 CSR Report, Our Vision, Purpose and Values; page 3                                                                                                                                                                                                                                                                                                                                                                                                    | 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels                                                         |
| 102-17 Mechanisms for advice and concerns about ethics                               | 2017 CSR Report, Corporate Governance, Our code of<br>ethics; page 7<br>Walgreens Boots Alliance Code of Conduct and<br>Business Ethics; pages 35-36                                                                                                                                                                                                                                                                                                       | 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels                                                         |
| GOVERNANCE                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                               |
| 102-18 Governance structure                                                          | 2017 CSR Report, Corporate Governance; page 7<br>2018 Proxy Statement; pages 4, 25-27                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                               |
| 102-20 Executive-level responsibility for economic, environmental, and social topics | 2017 CSR Report, Corporate Governance; page 7 2018 Proxy Statement (Nominating and governance committee); pages 4, 25-27                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                               |
| 102-21 Consulting stakeholders on economic, environmental, and social topics         | 2017 CSR Report, Stakeholder Engagement; pages 11-16<br>2017 CSR Report, Assessing CSR Materiality; pages 8-10<br>Corporate Governance Guidelines; page 10                                                                                                                                                                                                                                                                                                 | 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels                                                         |
| 102-22 Composition of the highest governance body and its committees                 | 2017 CSR Report, Corporate Governance; page 7<br>2018 Proxy Statement; pages 4, 12-17                                                                                                                                                                                                                                                                                                                                                                      | Achieve gender equality and empower all women and girls     Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels |
| 102-23 Chair of the highest governance body                                          | 2017 CSR Report, Corporate Governance; page 7<br>2018 Proxy Statement; pages 4, 7-8, 19                                                                                                                                                                                                                                                                                                                                                                    | 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels                                                         |

| GRI Standard Disclosure                                                         | Page number(s) and/or URL(s)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Linkage to United Nations Sustainable Development Goals                                                                                                                                                                                       |
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| 102-24 Nominating and selecting the highest governance body                     | 2017 CSR Report, Corporate Governance; page 7<br>2018 Proxy Statement; pages 7-8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Achieve gender equality and empower all women and girls     Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels |
| 102-25 Conflicts of interest                                                    | 2018 Proxy Statement; page 23<br>Corporate Governance Guidelines; page 8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels                                                         |
| 102-26 Role of highest governance body in setting purpose, values, and strategy | 2017 CSR Report, Corporate Governance; page 7<br>2018 Proxy Statement; pages 25-27                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                               |
| 102-27 Collective knowledge of highest governance body                          | Corporate Governance Guidelines; page 7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all                                                                                                                                          |
| 102-28 Evaluating the highest governance body's performance                     | 2018 Proxy Statement; pages 29, 52-54<br>Corporate Governance Guidelines; pages 4-9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                               |
| 102-29 Identifying and managing economic, environmental, and social impacts     | 2017 CSR Report, Corporate Governance; page 7<br>2017 CSR Report, Stakeholder Engagement; pages 11-16<br>2017 CSR Report, Assessing CSR Materiality; pages 8-10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels                                                         |
| 102-30 Effectiveness of risk management processes                               | 2017 CSR Report, Corporate Governance; page 7<br>2018 Proxy Statement; pages 28-29                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                               |
| 102-31 Review of economic, environmental, and social topics                     | 2017 CSR Report, Corporate Governance; page 7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                               |
| 102-32 Highest governance body's role in sustainability reporting               | 2017 CSR Report, Corporate Governance; page 7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                               |
| 102-33 Communicating critical concerns                                          | 2018 Proxy Statement; pages 32-33                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                               |
| 102-36 Process for determining remuneration                                     | 2018 Proxy Statement; pages 6, 44-50                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                               |
| 102-37 Stakeholders involvement in remuneration                                 | 2018 Proxy Statement; pages 6, 45-50                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels                                                         |
| STAKEHOLDER ENGAGEMENT                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                               |
| 102-40 List of stakeholder groups                                               | 2017 CSR Report, Stakeholder Engagement; pages 11-16                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                               |
| 102-41 Collective bargaining agreements                                         | Direct Response: In our largest Division, Retail Pharmacy USA, which accounts for 68 percent of our employees, 3 percent of employees were covered by collective bargaining agreements as of 31 August 2017. We are committed to work toward amplifying our disclosure on employees covered by collective bargaining agreements in our other two Divisions, where permitted by law, in future reports.  Walgreens Boots Alliance internal human resources policy: Rights of trade union membership. All Divisions, businesses, cross-divisional functions and the corporate function must have in place and keep up-to-date written policies defining the rights of each employee to trade union membership where statutorily or legally required. The Human Resources Director for each business is responsible for the ongoing management of any business-specific trade union matters with union representatives, unless any such matters are cross-divisional or involve more than one country, in which case the appropriate divisional | 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all                                                                                                                       |

| GRI Standard Disclosure                                           | Page number(s) and/or URL(s)                                                                                        | Linkage to United Nations Sustainable Development Goals |
|-------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|
| 102-42 Identifying and selecting stakeholders                     | 2017 CSR Report, Stakeholder Engagement; pages 11-16                                                                |                                                         |
| 102-43 Approach to stakeholder engagement                         | 2017 CSR Report, Stakeholder Engagement; pages 11-16                                                                |                                                         |
| 102-44 Key topics and concerns raised                             | 2017 CSR Report, Stakeholder Engagement; pages 11-16<br>2017 CSR Report, Assessing CSR Materiality; pages 8-10      |                                                         |
| REPORTING PRACTICE                                                |                                                                                                                     |                                                         |
| 102-45 Entities included in the consolidated financial statements | Annual Report 2017; pages 1-2                                                                                       |                                                         |
| 102-46 Defining report content and topic boundaries               | 2017 CSR Report, Assessing CSR Materiality; pages 8-10                                                              |                                                         |
| 102-47 List of material topics                                    | 2017 CSR Report, Assessing CSR Materiality; pages 8-10                                                              |                                                         |
| 102-48 Restatements of information                                | 2017 CSR Report, About This Report; page 69                                                                         |                                                         |
| 102-49 Changes in reporting                                       | 2017 CSR Report, About This Report; page 69                                                                         |                                                         |
| 102-50 Reporting period                                           | 2017 CSR Report, About This Report; page 69                                                                         |                                                         |
| 102-51 Date of most recent report                                 | 2017 CSR Report, About This Report; page 69                                                                         |                                                         |
| 102-52 Reporting cycle                                            | 2017 CSR Report, About This Report; page 69                                                                         |                                                         |
| 102-53 Contact point for questions regarding the report           | 2017 CSR Report, About This Report; page 69                                                                         |                                                         |
| 102-54 Claims of reporting in accordance with the GRI Standards   | 2017 CSR Report, About This Report; page 69<br>2017 CSR Report, GRI Content Index; pages 70-86                      |                                                         |
| 102-55 GRI content index                                          | 2017 CSR Report, GRI Content Index; pages 70-86                                                                     |                                                         |
| 102-56 External assurance                                         | 2017 CSR Report, About This Report, Data management process; page 69 2017 CSR Report, Assurance Report; pages 87-88 |                                                         |

#### **MATERIAL TOPICS**

### GRI 200 ECONOMIC STANDARD SERIES

| ECON   | OMIC PERFORMANCE                                   |                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                 |
|--------|----------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| GRI 10 | 03: Management Approach 2016                       |                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                 |
| 103-1  | Explanation of the material topic and its Boundary | 2017 CSR Report, Assessing CSR Materiality; pages 8-10 2017 CSR Report, Community; page 24                                         |                                                                                                                                                                                                                                                                                                                                                                                 |
| 103-2  | The management approach and its components         | 2017 CSR Report, Assessing CSR Materiality; pages 8-10 2017 CSR Report, Community; page 24                                         | End poverty in all its forms everywhere     Achieve gender equality and empower all women and girls     Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all                                                                                                                                                    |
| 103-3  | Evaluation of the management approach              | 2017 CSR Report, Assessing CSR Materiality; pages 8-10 2017 CSR Report, Community; page 24                                         |                                                                                                                                                                                                                                                                                                                                                                                 |
| GRI 2  | 01: Economic Performance 2016                      |                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                 |
| 201-1  | Direct economic value generated and distributed    | 2017 CSR Report, Community; page 24<br>2017 CSR Report, Corporate Giving; page 33<br>Annual Report 2017; pages 1, 105-109, 112-115 | 5. Achieve gender equality and empower all women and girls 7. Ensure access to affordable, reliable, sustainable and modern energy for all 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all 9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation |

| GRI Sta | andard Disclosure                                                                  | Page number(s) and/or URL(s)                                                                                                                                                                                                                                                                                                                                                                                                                                      | Linkage to United Nations Sustainable Development Goal                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|---------|------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| MARK    | ET PRESENCE                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| GRI 10  | 3: Management Approach 2016                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 103-1   | Explanation of the material topic and its Boundary                                 | 2017 CSR Report, Assessing CSR Materiality; pages 8-10                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 103-2   | The management approach and its components                                         | 2017 CSR Report, Assessing CSR Materiality; pages 8-10                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 103-3   | Evaluation of the management approach                                              | 2017 CSR Report, Assessing CSR Materiality; pages 8-10                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| GRI 20  | 02: Market Presence 2016                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 202-1   | Ratios of standard entry level wage<br>by gender compared to local<br>minimum wage | Direct Response: The ratio of our standard entry-level hourly wage to local minimum wage varies from location to location around the world. This variation is necessary to comply with local conditions and with national wage minimums in countries that set them. In addition, we strive to work with suppliers who maintain Walgreens Boots Alliance's commitment to fair wages and hours for all workers.  Standard entry level wage does not vary by gender. | End poverty in all its forms everywhere     End hunger, achieve food security and improved nutrition and promote sustainable agriculture     Achieve gender equality and empower all women and girls     Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all                                                                                                                                                                                                                                                                                                                                                                                      |
| INDIR   | ECT ECONOMIC IMPACTS                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| GRI 10  | )3: Management Approach 2016                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 103-1   | Explanation of the material topic and its Boundary                                 | 2017 CSR Report, Assessing CSR Materiality; pages 8-10 2017 CSR Report, Community; page 24                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 103-2   | The management approach and its components                                         | 2017 CSR Report, Assessing CSR Materiality; pages 8-10 2017 CSR Report, Community; page 24                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 103-3   | Evaluation of the management approach                                              | 2017 CSR Report, Assessing CSR Materiality; pages 8-10 2017 CSR Report, Community; page 24                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| GRI 20  | 03: Indirect Economic Impacts 2016                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 203-1   | Infrastructure investments and services supported                                  | 2017 CSR Report, Community; page 24 2017 CSR Report, Health and Wellbeing; page 26 2017 CSR Report, Supporting Young People; pages 30-32 2017 CSR Report, Cancer Programs; page 34 2017 CSR Report, Corporate Giving; page 33                                                                                                                                                                                                                                     | End poverty in all its forms everywhere     End hunger, achieve food security and improved nutrition and promote sustainable agriculture     Ensure healthy lives and promote wellbeing for all a all ages     Achieve gender equality and empower all women and girls     Ensure access to affordable, reliable, sustainable armodern energy for all     Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation     Reduce inequality within and among countries     Make cities and human settlements inclusive, safe, resilient and sustainable     Strengthen the means of implementation and revitalize the global partnership for sustainable development |
| PROC    | UREMENT PRACTICES                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| GRI 10  | 3: Management Approach 2016                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 103-1   | Explanation of the material topic and its Boundary                                 | 2017 CSR Report, Assessing CSR Materiality; pages 8-10 2017 CSR Report, Responsible Sourcing; pages 55-56                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 103-2   | The management approach and its components                                         | 2017 CSR Report, Assessing CSR Materiality; pages 8-10 2017 CSR Report, Responsible Sourcing; pages 55-56                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 103-3   | Evaluation of the management approach                                              | 2017 CSR Report, Assessing CSR Materiality; pages 8-10 2017 CSR Report, Responsible Sourcing; pages 55-56                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

| GRI St | andard Disclosure                                                            | Page number(s) and/or URL(s)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Linkage to United Nations Sustainable Development Goa                                                                                                                                |
|--------|------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| GRI 2  | 04: Procurement Practices 2016                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                      |
| 204-1  | Proportion of spending on local suppliers                                    | Walgreens Boots Alliance Code of Conduct and<br>Business Ethics; pages 9, 35-40<br>2017 CSR Report, Equal Opportunities; pages 63-65<br>2017 CSR Report, Responsible Sourcing, Supplier<br>diversity; page 55                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 12. Ensure sustainable consumption and production patterns                                                                                                                           |
|        |                                                                              | Omission                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                      |
|        |                                                                              | Part Omitted Proportion of procurement spending on local suppliers Reason Walgreens Boots Alliance does not have processes in                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                      |
|        |                                                                              | place to capture this data.  Explanation  Walgreens Boots Alliance defines a local supplier as a supplier that operates within the same country as the purchasing organization. The Company operates in highly regulated pharmaceutical wholesaler and retail pharmacy markets. We purchase locally a majority of the pharmaceuticals that we procure. In the U.S., Walgreens has a long history of working to increase its total spend on products and services from diverse suppliers.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                      |
| ANTI-  | CORRUPTION                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                      |
| GRI 10 | 03: Management Approach 2016                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                      |
| 103-1  | Explanation of the material topic and its Boundary                           | 2017 CSR Report, Assessing CSR Materiality; pages 8-10<br>Walgreens Boots Alliance Code of Conduct and<br>Business Ethics; pages 31-33                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                      |
| 103-2  | The management approach and its components                                   | 2017 CSR Report, Assessing CSR Materiality; pages 8-10<br>Walgreens Boots Alliance Code of Conduct and<br>Business Ethics; pages 31-33                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                      |
| 103-3  | Evaluation of the management approach                                        | 2017 CSR Report, Assessing CSR Materiality; pages 8-10<br>Walgreens Boots Alliance Code of Conduct and<br>Business Ethics; pages 31-33                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                      |
| GRI 2  | 05: Anti-corruption 2016                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                      |
|        | Communication and training about anti-<br>corruption policies and procedures | Direct Response:  The Walgreens Boots Alliance Code of Conduct and Business Ethics ("the Code") extends to all Walgreens Boots Alliance officers and employees no matter where they are located in the world. A Walgreens Boots Alliance employee is any employee of Walgreens Boots Alliance, Inc. or any of its subsidiary companies. The Code also extends to any officers and employees of a business or company in which Walgreens Boots Alliance, Inc. or any of its subsidiaries has a controlling interest. It also extends to other parties acting on behalf of Walgreens Boots Alliance, Inc. or any of its subsidiaries, such as consultants, agents intermediaries or other representatives of Walgreens Boots Alliance, including our Board of Directors. Managers are responsible for ensuring employees are aware of the Code. The Company has an antibribery and anticorruption training program. Walgreens Boots Alliance requires its vendors to comply with the principles of our Ethical Trading Standards Policy and to share them with any subcontractors they may use. | 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusiv institutions at all levels |
| ANTI-  | COMPETITIVE BEHAVIOR                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                      |
| GRI 10 | 03: Management Approach 2016                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                      |
| 103-1  | Explanation of the material topic and its Boundary                           | 2017 CSR Report, Assessing CSR Materiality; pages 8-10<br>Walgreens Boots Alliance Code of Conduct and<br>Business Ethics; page 15                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                      |

| GRI St | andard Disclosure                                                                     | Page number(s) and/or URL(s)                                                                                                                                                                                                                                                  | Linkage to United Nations Sustainable Development Goals                                                                                                                               |
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| 103-2  | The management approach and its components                                            | 2017 CSR Report, Assessing CSR Materiality; pages 8-10<br>Walgreens Boots Alliance Code of Conduct and<br>Business Ethics; page 15                                                                                                                                            |                                                                                                                                                                                       |
| 103-3  | Evaluation of the management approach                                                 | 2017 CSR Report, Assessing CSR Materiality; pages 8-10<br>Walgreens Boots Alliance Code of Conduct and<br>Business Ethics; page 15                                                                                                                                            |                                                                                                                                                                                       |
| GRI 20 | 06: Anti-competitive Behavior 2016                                                    |                                                                                                                                                                                                                                                                               |                                                                                                                                                                                       |
| 206-1  | Legal actions for anti-competitive<br>behavior, anti-trust, and monopoly<br>practices | Direct Response:  We disclose all material litigation, including matters related to competition law, as required in our annual and quarterly reports filed with the SEC. We make these reports publicly available under "SEC Filings" at investor.walgreensbootsalliance.com. | 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels |

|        |                                                    | investor.walgreensbootsalliance.com.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                     |
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| EDI 30 | 0 ENVIRONMENTAL STANDARDS S                        | EDIFS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                     |
| MATE   |                                                    | ERIES                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                     |
| GRI 10 | D3: Management Approach 2016                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                     |
| 103-1  | Explanation of the material topic and its Boundary | 2017 CSR Report, Assessing CSR Materiality; pages 8-10 2017 CSR Report, Environment; page 38 2017 CSR Report, Our actions to prevent opioid abuse; pages 18-19 2017 CSR Report, Transparency and Traceability, Transparency in packaging; pages 52-53 2017 CSR Report, Waste; pages 45-47                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                     |
| 103-2  | The management approach and its components         | 2017 CSR Report, Assessing CSR Materiality; pages 8-10 2017 CSR Report, Environment; page 38 2017 CSR Report, Our actions to prevent opioid abuse; pages 18-19 2017 CSR Report, Transparency and Traceability, Transparency in packaging; pages 52-53 2017 CSR Report, Waste; pages 45-47                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                     |
| 103-3  | Evaluation of the management approach              | 2017 CSR Report, Assessing CSR Materiality; pages 8-10 2017 CSR Report, Environment; page 38 2017 CSR Report, Our actions to prevent opioid abuse; pages 18-19 2017 CSR Report, Transparency and Traceability, Transparency in packaging; pages 52-53 2017 CSR Report, Waste; pages 45-47                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                     |
| GRI 3  | 01: Materials 2016                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                     |
| 301-3  | Reclaimed products and their packaging materials   | 2017 CSR Report, Waste; pages 45-47 2017 CSR Report, Our actions to prevent opioid abuse; pages 18-19 2017 CSR Report, Transparency and Traceability, Transparency in packaging; pages 52-53  Direct Response:  We do not currently have in place Company-wide processes that would allow us to calculate the percentage of products and packaging that we reclaim at the end of their useful lives. The Walgreens safe medication disposal kiosks program has led to the responsible disposal of more than 150 tons (136 metric tonnes) of unused medications, as of 31 August 2017. Also, Walgreens involvement with How2Recycle is expected to make it easier for consumers to know where and how to recycle packaging of a number of retail products. | 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all  12. Ensure sustainable consumption and production patterns |
| ENER   | gy                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                     |
| GRI 10 | 03: Management Approach 2016                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                     |
| 103-1  | Explanation of the material topic and its Boundary | 2017 CSR Report, Assessing CSR Materiality; pages 8-10 2017 CSR Report, Environment; page 38 2017 CSR Report, Energy; pages 40-44                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                     |

| GRI St | andard Disclosure                                  | Page number(s) and/or URL(s)                                                                                                      | Linkage to United Nations Sustainable Development Goals                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|--------|----------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 103-2  | The management approach and its components         | 2017 CSR Report, Assessing CSR Materiality; pages 8-10 2017 CSR Report, Environment; page 38 2017 CSR Report, Energy; pages 40-44 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| 103-3  | Evaluation of the management approach              | 2017 CSR Report, Assessing CSR Materiality; pages 8-10 2017 CSR Report, Environment; page 38 2017 CSR Report, Energy; pages 40-44 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| GRI 3  | 02: Energy 2016                                    |                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| 302-1  | Energy consumption within the organization         | 2017 CSR Report, Energy; pages 40-44                                                                                              | 7. Ensure access to affordable, reliable, sustainable an modern energy for all  8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all  12. Ensure sustainable consumption and production patterns  13. Take urgent action to combat climate change and its impacts                                                                                                                                                                 |
| 302-4  | Reduction of energy consumption                    | 2017 CSR Report, Energy; pages 40-44                                                                                              | 7. Ensure access to affordable, reliable, sustainable and modern energy for all  8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all  12. Ensure sustainable consumption and production patterns  13. Take urgent action to combat climate change and its impacts                                                                                                                                                                |
| EMISS  | IONS                                               |                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| GRI 10 | 03: Management Approach 2016                       |                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| 103-1  | Explanation of the material topic and its Boundary | 2017 CSR Report, Assessing CSR Materiality; pages 8-10 2017 CSR Report, Environment; page 38 2017 CSR Report, Energy; pages 40-44 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| 103-2  | The management approach and its components         | 2017 CSR Report, Assessing CSR Materiality; pages 8-10 2017 CSR Report, Environment; page 38 2017 CSR Report, Energy; pages 40-44 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| 103-3  | Evaluation of the management approach              | 2017 CSR Report, Assessing CSR Materiality; pages 8-10 2017 CSR Report, Environment; page 38 2017 CSR Report, Energy; pages 40-44 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| GRI 3  | 05: Emissions 2016                                 |                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| 305-1  | Direct (Scope 1)<br>GHG emissions                  | 2017 CSR Report, Energy; pages 40-44                                                                                              | 3. Ensure healthy lives and promote wellbeing for all at all ages  12. Ensure sustainable consumption and production patterns  13. Take urgent action to combat climate change and its impacts  14. Conserve and sustainably use the oceans, seas and marine resources for sustainable development  15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss |
| 305-3  | Other indirect (Scope 3)<br>GHG emissions          | 2017 CSR Report, Energy; pages 40-44                                                                                              | 3. Ensure healthy lives and promote wellbeing for all at all ages  12. Ensure sustainable consumption and production patterns  13. Take urgent action to combat climate change and its impacts  14. Conserve and sustainably use the oceans, seas and marine resources for sustainable development  15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss |

| GRI St | andard Disclosure                                      | Page number(s) and/or URL(s)                                                                                                     | Linkage to United Nations Sustainable Development Goals                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|--------|--------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| EFFLU  | JENTS AND WASTE                                        |                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| GRI 10 | 03: Management Approach 2016                           |                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 103-1  | Explanation of the material topic and its Boundary     | 2017 CSR Report, Assessing CSR Materiality; pages 8-10 2017 CSR Report, Environment; page 38 2017 CSR Report, Waste; pages 45-47 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 103-2  | The management approach and its components             | 2017 CSR Report, Assessing CSR Materiality; pages 8-10 2017 CSR Report, Environment; page 38 2017 CSR Report, Waste; pages 45-47 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 103-3  | Evaluation of the management approach                  | 2017 CSR Report, Assessing CSR Materiality; pages 8-10 2017 CSR Report, Environment; page 38 2017 CSR Report, Waste; pages 45-47 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| GRI 30 | 06: Effluents and Waste 2016                           |                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 306-2  | Waste by type and disposal method                      | 2017 CSR Report, Waste; page 45                                                                                                  | 3. Ensure healthy lives and promote wellbeing for all at all ages  6. Ensure availability and sustainable management of water and sanitation for all  12. Ensure sustainable consumption and production patterns  13. Take urgent action to combat climate change and its impacts  14. Conserve and sustainably use the oceans, seas and marine resources for sustainable development  15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss                                                                                      |
| ENVIR  | CONMENTAL COMPLIANCE                                   |                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| GRI 10 | 03: Management Approach 2016                           |                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 103-1  | Explanation of the material topic and its Boundary     | 2017 CSR Report, Assessing CSR Materiality; pages 8-10 Environmental policy statement                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 103-2  | The management approach and its components             | 2017 CSR Report, Assessing CSR Materiality; pages 8-10<br>Environmental policy statement                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 103-3  | Evaluation of the management approach                  | 2017 CSR Report, Assessing CSR Materiality; pages 8-10<br>Environmental policy statement                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| GRI 30 | 07: Environmental Compliance 2016                      |                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 307-1  | Non-compliance with environmental laws and regulations | Direct Response: The Company is not aware of significant environmental releases under current environmental legislation.         | <ol> <li>12. Ensure sustainable consumption and production patterns</li> <li>13. Take urgent action to combat climate change and its impacts</li> <li>14. Conserve and sustainably use the oceans, seas and marine resources for sustainable development</li> <li>15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss</li> <li>16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels</li> </ol> |
| SUPPL  | LIER ENVIRONMENTAL ASSESSMENT                          |                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| GRI 10 | 03: Management Approach 2016                           |                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 103-1  | Explanation of the material topic and its Boundary     | 2017 CSR Report, Assessing CSR Materiality; pages 8-10 2017 CSR Report, Responsible Sourcing, Modern slavery; pages 55-56        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

| GRI St | andard Disclosure                                             | Page number(s) and/or URL(s)                                                                                                                                                                                                                                          | Linkage to United Nations Sustainable Development Goals |
|--------|---------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|
| 103-2  | The management approach and its components                    | 2017 CSR Report, Assessing CSR Materiality; pages 8-10 2017 CSR Report, Responsible Sourcing, Modern slavery; pages 55-56                                                                                                                                             |                                                         |
| 103-3  | Evaluation of the management approach                         | 2017 CSR Report, Assessing CSR Materiality; pages 8-10 2017 CSR Report, Responsible Sourcing, Modern slavery; pages 55-56                                                                                                                                             |                                                         |
| GRI 3  | 08: Supplier Environmental Assessme                           | nt 2016                                                                                                                                                                                                                                                               |                                                         |
| 308-1  | New suppliers that were screened using environmental criteria | 2017 CSR Report, Responsible Sourcing, Modern slavery; pages 55-56                                                                                                                                                                                                    |                                                         |
|        |                                                               | Direct Response:  Walgreens Boots Alliance does not report specific numbers or percentages related to environmental screening; however our ethical audit policy and assessment process includes specific environmental criteria against which suppliers are assessed. |                                                         |

### **GRI 400 SOCIAL STANDARDS SERIES**

| J.K.1 40 | O GOOTAL GIANDARDO GERIES                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                         |
|----------|----------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|
| EMPL     | DYMENT                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                         |
| GRI 10   | 3: Management Approach 2016                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                         |
| 103-1    | Explanation of the material topic and its Boundary                                                 | 2017 CSR Report, Assessing CSR Materiality; pages 8-10 2017 CSR Report, Workplace; page 58                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                         |
| 103-2    | The management approach and its components                                                         | 2017 CSR Report, Assessing CSR Materiality; pages 8-10 2017 CSR Report, Workplace; page 58                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                         |
| 103-3    | Evaluation of the management approach                                                              | 2017 CSR Report, Assessing CSR Materiality; pages 8-10 2017 CSR Report, Workplace; page 58                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                         |
| GRI 4    | 01: Employment 2016                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                         |
| 401-2    | Benefits provided to full-time employees that are not provided to temporary or part-time employees | 2017 CSR Report, Employee Health and Wellbeing; pages 60-62  Direct Response:  Part-time employees in the U.S. are generally eligible for a number of benefits regardless of hours worked, including the following: Prescription Savings Club, employee discount, annual flu shots, Work & Life Resources, child care discount and others.  Many benefits for U.S. employees have a threshold of average hours, generally including the following: employer match of contributions to 401(k) defined contribution retirement account, 1,000 hours worked in a year; medical and other healthcare benefits, 30 hours per week average; paid time off, 20 hours per week unless otherwise specified by local regulations; holidays, 20 hours per week unless otherwise specified by local regulations; disability, 30 hours per week average; employee stock purchase program, 20 hours per week; and life insurance, 30 hours per week. | 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all |
| LABO     | R/MANAGEMENT RELATIONS                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                         |
| GRI 10   | 03: Management Approach 2016                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                         |
| 103-1    | Explanation of the material topic and its Boundary                                                 | 2017 CSR Report, Assessing CSR Materiality; pages 8-10 2017 CSR Report, Workplace; page 58                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                         |
| 103-2    | The management approach and its components                                                         | 2017 CSR Report, Assessing CSR Materiality; pages 8-10 2017 CSR Report, Workplace; page 58                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                         |
| 103-3    | Evaluation of the management approach                                                              | 2017 CSR Report, Assessing CSR Materiality; pages 8-10 2017 CSR Report, Workplace; page 58                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                         |

| GRI St | andard Disclosure                                                                           | Page number(s) and/or URL(s)                                                                                                                                                                                                                                                                                               | Linkage to United Nations Sustainable Development Go                                                                                                                                |
|--------|---------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| GRI 40 | 02: Labor/Management Relations 2016                                                         | 6                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                     |
| 402-1  | Minimum notice periods regarding operational changes                                        | Direct Response: Our businesses comply with relevant local and national laws and any applicable contractual requirements regarding providing notice of significant operational changes.                                                                                                                                    | Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all                                                                |
| occu   | PATIONAL HEALTH AND SAFETY                                                                  |                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                     |
| GRI 10 | 03: Management Approach 2016                                                                |                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                     |
| 103-1  | Explanation of the material topic and its Boundary                                          | 2017 CSR Report, Assessing CSR Materiality; pages 8-10 2017 CSR Report, Health and Safety; pages 66-68                                                                                                                                                                                                                     |                                                                                                                                                                                     |
| 103-2  | The management approach and its components                                                  | 2017 CSR Report, Assessing CSR Materiality; pages 8-10 2017 CSR Report, Health and Safety; pages 66-68                                                                                                                                                                                                                     |                                                                                                                                                                                     |
| 103-3  | Evaluation of the management approach                                                       | 2017 CSR Report, Assessing CSR Materiality; pages 8-10 2017 CSR Report, Health and Safety; pages 66-68                                                                                                                                                                                                                     |                                                                                                                                                                                     |
| GRI 40 | 03: Occupational Health and Safety 20                                                       | 016                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                     |
| 403-1  | Workers representation in formal<br>joint management-worker health and<br>safety committees | Direct Response: The Walgreens Boots Alliance Safety Policy encourages open dialogue and constructive feedback from all stakeholders and also encourages all employees to engage fully with the management of health and safety. Safety committees with worker representation are in place in areas where required by law. | Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all                                                                |
| TRAIN  | ING AND EDUCATION                                                                           |                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                     |
| GRI 10 | 3: Management Approach 2016                                                                 |                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                     |
| 103-1  | Explanation of the material topic and its Boundary                                          | 2017 CSR Report, Assessing CSR Materiality; pages 8-10 2017 CSR Report, Workplace; page 58                                                                                                                                                                                                                                 |                                                                                                                                                                                     |
| 103-2  | The management approach and its components                                                  | 2017 CSR Report, Assessing CSR Materiality; pages 8-10 2017 CSR Report, Workplace; page 58                                                                                                                                                                                                                                 |                                                                                                                                                                                     |
| 103-3  | Evaluation of the management approach                                                       | 2017 CSR Report, Assessing CSR Materiality; pages 8-10 2017 CSR Report, Workplace; page 58                                                                                                                                                                                                                                 |                                                                                                                                                                                     |
| GRI 40 | 04: Training and Education 2016                                                             |                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                     |
| 404-2  | Programs for upgrading employee skills and transition assistance programs                   | 2017 CSR Report, Employee Health and Wellbeing;<br>pages 60-62<br>2017 CSR Report, Equal Opportunities; pages 63-65                                                                                                                                                                                                        | Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all                                                                |
| DIVER  | SITY AND EQUAL OPPORTUNITY                                                                  |                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                     |
| GRI 10 | 03: Management Approach 2016                                                                |                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                     |
| 103-1  | Explanation of the material topic and its Boundary                                          | 2017 CSR Report, Assessing CSR Materiality; pages 8-10 2017 CSR Report, Equal Opportunities; pages 63-65 Diversity and inclusion policy statement; page 4 2018 Proxy Statement; pages 4-5                                                                                                                                  |                                                                                                                                                                                     |
| 103-2  | The management approach and its components                                                  | 2017 CSR Report, Assessing CSR Materiality; pages 8-10 2017 CSR Report, Equal Opportunities; pages 63-65 Diversity and inclusion policy statement; page 4 2018 Proxy Statement; pages 4-5                                                                                                                                  |                                                                                                                                                                                     |
| 103-3  | Evaluation of the management approach                                                       | 2017 CSR Report, Assessing CSR Materiality; pages 8-10 2017 CSR Report, Equal Opportunities; pages 63-65 Diversity and inclusion policy statement; page 4 2018 Proxy Statement; pages 4-5                                                                                                                                  |                                                                                                                                                                                     |
| GRI 40 | 05: Diversity and Equal Opportunity 20                                                      | 016                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                     |
| 405-1  | Diversity of governance bodies and employees                                                | 2017 CSR Report, Equal Opportunities; pages 63-65<br>2018 Proxy Statement; pages 4-5                                                                                                                                                                                                                                       | S. Achieve gender equality and empower all women and girls     Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all |

| GRI St | andard Disclosure                                        | Page number(s) and/or URL(s)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Linkage to United Nations Sustainable Development Goa                                                                                                                                   |
|--------|----------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| NON-I  | DISCRIMINATION                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                         |
| GRI 10 | 03: Management Approach 2016                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                         |
| 103-1  | Explanation of the material topic and its Boundary       | 2017 CSR Report, Assessing CSR Materiality; pages 8-10<br>Walgreens Boots Alliance Code of Conduct and<br>Business Ethics; pages 9, 35-37                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                         |
| 103-2  | The management approach and its components               | 2017 CSR Report, Assessing CSR Materiality; pages 8-10<br>Walgreens Boots Alliance Code of Conduct and<br>Business Ethics; pages 9, 35-37                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                         |
| 03-3   | Evaluation of the management approach                    | 2017 CSR Report, Assessing CSR Materiality; pages 8-10<br>Walgreens Boots Alliance Code of Conduct and<br>Business Ethics; pages 9, 35-37                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                         |
| GRI 4  | 06: Non-discrimination 2016                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                         |
| 406-1  | Incidents of discrimination and corrective actions taken | Walgreens Boots Alliance Code of Conduct and<br>Business Ethics; pages 9, 35-40<br>2017 CSR Report, Equal Opportunities; pages 63-65                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Achieve gender equality and empower all women and girls     Promote sustained, inclusive and sustainable                                                                                |
|        |                                                          | Omission                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | economic growth, full and productive employment and decent work for all                                                                                                                 |
|        |                                                          | Part Omitted  We are not able to disclose the specific number of incidents                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 16. Promote peaceful and inclusive societies for<br>sustainable development, provide access to jus<br>for all and build effective, accountable and inclu-<br>institutions at all levels |
|        |                                                          | Reason<br>Specific Legal Prohibition                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | institutions at an revers                                                                                                                                                               |
|        |                                                          | Explanation For legal reasons we are not able to disclose the specific number of incidents related to discrimination. We promote an open door environment, where employees are free to contact any member of management without fear of retaliation, and our confidential reporting telephone lines are staffed 24 hours a day, seven days a week, 365 days a year by outside firms experienced in handling sensitive calls and accepting calls in many languages. Callers may report anonymously. Our Code of Conduct and Business Ethics sets out our ethics, principles and standards. It is expected that these principles and standards will be upheld and adhered to across the Company, wherever and whenever we do business. |                                                                                                                                                                                         |
| REE    | OOM OF ASSOCIATION AND COLLECTIV                         | E BARGAINING                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                         |
| GRI 10 | 03: Management Approach 2016                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                         |
| 103-1  | Explanation of the material topic and its Boundary       | 2017 CSR Report, Assessing CSR Materiality; pages 8-10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                         |
| 03-2   | The management approach and its components               | 2017 CSR Report, Assessing CSR Materiality; pages 8-10  Direct Response:  Walgreens Boots Alliance internal human resources policy: Rights of trade union membership.  All Divisions, businesses, cross-divisional functions and the corporate function must have in place and keep up-to-date written policies defining the rights of each employee to trade union membership where statutorily or legally required. The Human Resources Director for each business is responsible for the ongoing management of any business-specific trade union matters with union representatives, unless any such matters are cross-divisional or involve more than one country, in which case the appropriate divisional Human                |                                                                                                                                                                                         |

| GRI Sta | andard Disclosure                                                                                              | Page number(s) and/or URL(s)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Linkage to United Nations Sustainable Development Goals                                                                                                              |
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| 103-3   | Evaluation of the management approach                                                                          | 2017 CSR Report, Assessing CSR Materiality; pages 8-10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                      |
| GRI 40  | 07: Freedom of Association and Collec                                                                          | tive Bargaining 2016                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                      |
| 407-1   | Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | Direct Response: Our vendor responsibility and ethical sourcing standards, which all suppliers of our Walgreens and Boots UK owned brands must comply with, includes the following language:  • Freedom of Association and the Right to Collective Bargaining: We uphold the right of workers in conformity with local law to be members of trade unions of their own choosing and to bargain collectively. Suppliers must comply with all applicable laws and regulations relating to their workers' rights to freedom of association and collective bargaining. Where this is restricted under law, the supplier facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.  • Workers' representatives must be allowed access to | 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all                                              |
|         |                                                                                                                | the workplace to carry out their functions and must not be discriminated against.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                      |
| CHILD   | LABOR                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                      |
| GRI 10  | 03: Management Approach 2016                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                      |
| 103-1   | Explanation of the material topic and its Boundary                                                             | 2017 CSR Report, Assessing CSR Materiality; pages 8-10 2017 CSR Report, Responsible Sourcing, Modern slavery; pages 55-56 2017 Modern Slavery and Human Trafficking Statement                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                      |
| 103-2   | The management approach and its components                                                                     | 2017 CSR Report, Assessing CSR Materiality; pages 8-10 2017 CSR Report, Responsible Sourcing, Modern slavery; pages 55-56 2017 Modern Slavery and Human Trafficking Statement                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                      |
| 103-3   | Evaluation of the management approach                                                                          | 2017 CSR Report, Assessing CSR Materiality; pages 8-10 2017 CSR Report, Responsible Sourcing, Modern slavery; pages 55-56 2017 Modern Slavery and Human Trafficking Statement                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                      |
| GRI 40  | 08: Child Labor 2016                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                      |
| 408-1   | Operations and suppliers at significant risk for incidents of child labor                                      | 2017 CSR Report, Responsible Sourcing, Modern<br>slavery; pages 55-56<br>2017 Modern Slavery and Human Trafficking Statement                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Promote sustained, inclusive and sustainable economic growth, full and productive employmer and decent work for all     Promote peaceful and inclusive societies for |
|         |                                                                                                                | Omission                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | sustainable development, provide access to justice                                                                                                                   |
|         |                                                                                                                | Part Omitted  We are not able to provide this breakdown.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | for all and build effective, accountable and inclusive institutions at all levels                                                                                    |
|         |                                                                                                                | Reason<br>Information unavailable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                      |
|         |                                                                                                                | Explanation  Under our program of ongoing supplier assessments our owned-brand suppliers are assessed for compliance with all of our ethical trading standards, including issues of child labor and young workers exposed to hazardous work, and we report by levels of compliance rather than by specific issues.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                      |

| GRI St | andard Disclosure                                                                        | Page number(s) and/or URL(s)                                                                                                                                                                                                             | Linkage to United Nations Sustainable Development Goals                                                              |
|--------|------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|
| FORC   | ED OR COMPULSORY LABOR                                                                   |                                                                                                                                                                                                                                          |                                                                                                                      |
| GRI 10 | 3: Management Approach 2016                                                              |                                                                                                                                                                                                                                          |                                                                                                                      |
| 103-1  | Explanation of the material topic and its Boundary                                       | 2017 CSR Report, Assessing CSR Materiality; pages 8-10 2017 CSR Report, Responsible Sourcing, Modern slavery; pages 55-56 2017 Modern Slavery and Human Trafficking Statement                                                            |                                                                                                                      |
| 103-2  | The management approach and its components                                               | 2017 CSR Report, Assessing CSR Materiality; pages 8-10 2017 CSR Report, Responsible Sourcing, Modern slavery; pages 55-56 2017 Modern Slavery and Human Trafficking Statement                                                            |                                                                                                                      |
| 103-3  | Evaluation of the management approach                                                    | 2017 CSR Report, Assessing CSR Materiality; pages 8-10 2017 CSR Report, Responsible Sourcing, Modern slavery; pages 55-56 2017 Modern Slavery and Human Trafficking Statement                                                            |                                                                                                                      |
| GRI 4  | 09: Forced or Compulsory Labor 2016                                                      |                                                                                                                                                                                                                                          |                                                                                                                      |
| 409-1  | Operations and suppliers at significant risk for incidents of forced or compulsory labor | 2017 CSR Report, Responsible Sourcing, Modern slavery; pages 55-56 2017 Modern Slavery and Human Trafficking Statement                                                                                                                   | Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all |
| HUMA   | N RIGHTS ASSESSMENT                                                                      |                                                                                                                                                                                                                                          |                                                                                                                      |
| GRI 10 | 3: Management Approach 2016                                                              |                                                                                                                                                                                                                                          |                                                                                                                      |
| 103-1  | Explanation of the material topic and its Boundary                                       | 2017 CSR Report, Assessing CSR Materiality; pages 8-10 2017 CSR Report, Responsible Sourcing, Modern slavery; pages 55-56 2017 Modern Slavery and Human Trafficking Statement                                                            |                                                                                                                      |
| 103-2  | The management approach and its components                                               | 2017 CSR Report, Assessing CSR Materiality; pages 8-10<br>2017 CSR Report, Responsible Sourcing, Modern<br>slavery; pages 55-56<br>2017 Modern Slavery and Human Trafficking Statement                                                   |                                                                                                                      |
| 103-3  | Evaluation of the management approach                                                    | 2017 CSR Report, Assessing CSR Materiality; pages 8-10 2017 CSR Report, Responsible Sourcing, Modern slavery; pages 55-56 2017 Modern Slavery and Human Trafficking Statement                                                            |                                                                                                                      |
| GRI 4  | 12: Human Rights Assessment 2016                                                         |                                                                                                                                                                                                                                          |                                                                                                                      |
| 412-1  | Operations that have been subject to human rights reviews or impact assessments          | 2017 CSR Report, Responsible Sourcing, Modern slavery; pages 55-56 2017 Modern Slavery and Human Trafficking Statement                                                                                                                   |                                                                                                                      |
|        |                                                                                          | Omission                                                                                                                                                                                                                                 |                                                                                                                      |
|        |                                                                                          | Part Omitted We are unable to report by country.                                                                                                                                                                                         |                                                                                                                      |
|        |                                                                                          | Reason Information unavailable                                                                                                                                                                                                           |                                                                                                                      |
|        |                                                                                          | Explanation Under our program of ongoing supplier assessments our owned-brand suppliers are assessed for compliance with all of our ethical trading standards and we report by levels of compliance rather than by countries or regions. |                                                                                                                      |

| GRI Sta | andard Disclosure                                                                        | Page number(s) and/or URL(s)                                                                                                                                                                       | Linkage to United Nations Sustainable Development Goal                                                                                                                                                                                                                                                                                                                     |
|---------|------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| LOCAL   | COMMUNITIES                                                                              |                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                            |
| GRI 10  | 03: Management Approach 2016                                                             |                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                            |
| 103-1   | Explanation of the material topic and its Boundary                                       | 2017 CSR Report, Assessing CSR Materiality; pages 8-10 2017 CSR Report, Community; page 24                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                            |
| 103-2   | The management approach and its components                                               | 2017 CSR Report, Assessing CSR Materiality; pages 8-10 2017 CSR Report, Community; page 24                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                            |
| 103-3   | Evaluation of the management approach                                                    | 2017 CSR Report, Assessing CSR Materiality; pages 8-10 2017 CSR Report, Community; page 24                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                            |
| GRI 41  | 13: Local Communities 2016                                                               |                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                            |
| 413-1   | Operations with local community engagement, impact assessments, and development programs | 2017 CSR Report, Community; page 24<br>2017 CSR Report, Health and Wellbeing; pages 26-29<br>2017 CSR Report, Supporting Young People;<br>pages 30-33<br>2017 CSR Report, Cancer Programs; page 34 |                                                                                                                                                                                                                                                                                                                                                                            |
| SUPPL   | IER SOCIAL ASSESSMENT                                                                    |                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                            |
| GRI 10  | 03: Management Approach 2016                                                             |                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                            |
| 103-1   | Explanation of the material topic and its Boundary                                       | 2017 CSR Report, Assessing CSR Materiality; pages 8-10 2017 CSR Report, Responsible Sourcing, Modern slavery; pages 55-56 2017 Modern Slavery and Human Trafficking Statement                      |                                                                                                                                                                                                                                                                                                                                                                            |
| 103-2   | The management approach and its components                                               | 2017 CSR Report, Assessing CSR Materiality; pages 8-10 2017 CSR Report, Responsible Sourcing, Modern slavery; pages 55-56 2017 Modern Slavery and Human Trafficking Statement                      |                                                                                                                                                                                                                                                                                                                                                                            |
| 103-3   | Evaluation of the management approach                                                    | 2017 CSR Report, Assessing CSR Materiality; pages 8-10 2017 CSR Report, Responsible Sourcing, Modern slavery; pages 55-56 2017 Modern Slavery and Human Trafficking Statement                      |                                                                                                                                                                                                                                                                                                                                                                            |
| GRI 41  | 14: Supplier Social Assessment 2016                                                      |                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                            |
| 414-1   | New suppliers that were screened using social criteria                                   | 2017 CSR Report, Responsible Sourcing, Modern slavery; pages 55-56 2017 Modern Slavery and Human Trafficking Statement                                                                             | 5. Achieve gender equality and empower all women and girls  8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all  16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels |
| PUBLI   | C POLICY                                                                                 |                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                            |
| GRI 10  | 03: Management Approach 2016                                                             |                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                            |
| 103-1   | Explanation of the material topic and its Boundary                                       | 2017 CSR Report, Assessing CSR Materiality; pages 8-10                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                            |
| 103-2   | The management approach and its components                                               | 2017 CSR Report, Assessing CSR Materiality; pages 8-10                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                            |
| 103-3   | Evaluation of the management approach                                                    | 2017 CSR Report, Assessing CSR Materiality; pages 8-10                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                            |
| GRI 41  | 15: Public Policy 2016                                                                   |                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                            |
| 415-1   | Political contributions                                                                  | Walgreens Boots Alliance Political Engagement and<br>Contributions Policy                                                                                                                          | Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels                                                                                                                                                                                          |

| GRI St | andard Disclosure                                                             | Page number(s) and/or URL(s)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Linkage to United Nations Sustainable Development Goals                                                                                                                                        |
|--------|-------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| CUSTO  | OMER HEALTH AND SAFETY                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                |
| GRI 10 | 03: Management Approach 2016                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                |
| 103-1  | Explanation of the material topic and its Boundary                            | 2017 CSR Report, Assessing CSR Materiality; pages 8-10 2017 CSR Report, Health and Safety, Product safety and quality control; pages 66-67                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                |
| 103-2  | The management approach and its components                                    | 2017 CSR Report, Assessing CSR Materiality; pages 8-10 2017 CSR Report, Health and Safety, Product safety and quality control; pages 66-67                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                |
| 103-3  | Evaluation of the management approach                                         | 2017 CSR Report, Assessing CSR Materiality; pages 8-10 2017 CSR Report, Health and Safety, Product safety and quality control; pages 66-67                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                |
| GRI 4  | 16: Customer Health and Safety 2016                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                |
| 416-1  | Assessment of the health and safety impacts of product and service categories | Direct Response:  All Walgreens Boots Alliance businesses annually review the pharmacy operations governance policy and complete a letter of representation highlighting whether there are areas of non-compliance in business procedures, with an action plan to say when they will be rectified. In summer 2017 we convened our first Patient Safety Forum for all of our pharmacy dispensing businesses. The forum meets quarterly to share best practice operations and to engender a culture of transparent shared learning. |                                                                                                                                                                                                |
| MARK   | ETING AND LABELING                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                |
| GRI 10 | 03: Management Approach 2016                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                |
| 103-1  | Explanation of the material topic and its Boundary                            | 2017 CSR Report, Assessing CSR Materiality; pages 8-10 2017 CSR Report, Marketplace; page 50 2017 CSR Report, Transparency and Traceability, Transparency in packaging section; pages 52-53                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                |
| 103-2  | The management approach and its components                                    | 2017 CSR Report, Assessing CSR Materiality; pages 8-10 2017 CSR Report, Marketplace; page 50 2017 CSR Report, Transparency and Traceability, Transparency in packaging section; pages 52-53                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                |
| 103-3  | Evaluation of the management approach                                         | 2017 CSR Report, Assessing CSR Materiality; pages 8-10 2017 CSR Report, Marketplace; page 50 2017 CSR Report, Transparency and Traceability, Transparency in packaging section; pages 52-53                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                |
| GRI 4  | 17: Marketing and Labeling 2016                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                |
| 417-1  | Requirements for product and service information and labeling                 | 2017 CSR Report, Transparency and Traceability,<br>Transparency in packaging section; pages 52-53                                                                                                                                                                                                                                                                                                                                                                                                                                 | 12. Ensure sustainable consumption and production patterns                                                                                                                                     |
|        |                                                                               | Direct Response:  To help ensure patient safety, our prescription labels are designed to meet both regulatory requirements and our internal standards.                                                                                                                                                                                                                                                                                                                                                                            | 16. Promote peaceful and inclusive societies for<br>sustainable development, provide access to justice<br>for all and build effective, accountable and inclusive<br>institutions at all levels |
| CUST   | OMER PRIVACY                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                |
| GRI 10 | 03: Management Approach 2016                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                |
| 103-1  | Explanation of the material topic and its Boundary                            | 2017 CSR Report, Assessing CSR Materiality; pages 8-10<br>Annual Report 2017; pages 21-23                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                |
| 103-2  | The management approach and its components                                    | 2017 CSR Report, Assessing CSR Materiality; pages 8-10<br>Annual Report 2017; pages 21-23                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                |
| 103-3  | Evaluation of the management approach                                         | 2017 CSR Report, Assessing CSR Materiality; pages 8-10<br>Annual Report 2017; pages 21-23                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                |

| GRI St                         | andard Disclosure                                                                            | Page number(s) and/or URL(s)                                                                                                                                                                                                                                                                                                                                                                                                                  | Linkage to United Nations Sustainable Development Goals                                                                                                                               |  |
|--------------------------------|----------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| GRI 418: Customer Privacy 2016 |                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                       |  |
| 418-1                          | Substantiated complaints concerning breaches of customer privacy and losses of customer data | 2017 CSR Report, Health and Safety, Data privacy and security; pages 66-68  Direct Response:  We are unaware of any substantiated complaints against us in fiscal 2017 concerning breaches of customer privacy and losses of customer data which would have required us, under federal or state law, to broadly notify customers or other parties about a breach or take other significant steps to remediate injuries caused by such breach. | 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels |  |
| socio                          | DECONOMIC COMPLIANCE                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                       |  |
| GRI 10                         | 03: Management Approach 2016                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                       |  |
| 103-1                          | Explanation of the material topic and its Boundary                                           | 2017 CSR Report, Assessing CSR Materiality; pages 8-10                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                       |  |
| 103-2                          | The management approach and its components                                                   | 2017 CSR Report, Assessing CSR Materiality; pages 8-10                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                       |  |
| 103-3                          | Evaluation of the management approach                                                        | 2017 CSR Report, Assessing CSR Materiality; pages 8-10                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                       |  |
| GRI 4                          | 19: Socioeconomic Compliance 2016                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                       |  |
| 419-1                          | Non-compliance with laws and regulations in the social and economic area                     | Direct Response: In fiscal 2017, we did not pay any fines related to noncompliance with laws and regulations in the social and economic area that were of sufficient materiality to require specific disclosure in our annual or quarterly reports filed with the SEC. We make these reports publicly available under "SEC Filings" at investor.walgreensbootsalliance.com.                                                                   | 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels |  |

# **Assurance Report**

**GRI Disclosure 102-56** 

### **Independent Accountants' Review Report**

Board of Directors, Shareowners, and Stakeholders Walgreens Boots Alliance, Inc., Deerfield, Illinois



We have reviewed the following indicators presented in the 2017 Corporate Social Responsibility ("CSR") Report (the "specified indicators") of Walgreens Boots Alliance, Inc. (the "Company") for the fiscal year ended 31 August 2017:

#### Environment

- 1. Total Company CO<sub>2</sub>e emissions, by source
- 2. Total Company CO2e emissions, by Division
- 3. Total Company CO2e emissions, by Scopes 1, 2 and 3
- 4. Energy use, by Division
- 5. CO<sub>2</sub>e emissions from energy, by type
- 6. CO2e emissions from energy, by Division
- 7. CO2e emissions from business travel, by Division
- 8. CO2e emissions from business travel, by type
- 9. Business travel air (by length of haul)
- 10. CO<sub>2</sub>e emissions from business travel, per 1,000 employees, by Division and for the Company
- 11. CO2e emissions from product delivery, by Division
- 12. Waste by method of disposal
- 13. Waste by Division

#### Corporate Giving

- 1. Corporate Giving by Division
- 2. How the Company contributes cash and non-cash
- 3. Areas impacted by the Company's contributions
- 4. The types of groups the Company contributes to

#### Workplace

- 1. Employees by Division
- 2. Employee retention
- 3. Employees by gender
- 4. Women employees by Division and in the Company
- 5. Race, ethnicity of Retail Pharmacy USA employees

The Company's management is responsible for preparing and presenting the specified indicators in accordance with the Walgreens Boots Alliance CSR Performance Data Basis of Preparation, which is available in the Corporate Responsibility area of the Company's corporate website in the "About this report" section. Our responsibility is to express a conclusion on the specified indicators based on our review.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the review to obtain limited assurance about whether any material modifications should be made to the specified indicators in order for them to be presented in accordance with the criteria. A review is substantially less in scope than an examination, the objective of which is to obtain reasonable assurance about whether the specified indicators are presented in accordance with the criteria, in all material respects, in order to express an opinion. Accordingly, we do not express such an opinion. We believe that our review provides a reasonable basis for our conclusion.

The preparation of specified indicators within the Walgreens Boots Alliance CSR Report requires management to establish the criteria, make determinations as to the relevancy of information to be included, and make estimates and assumptions that affect reported information. Measurement of certain amounts and sustainability metrics, some of which may be referred to as estimates, is subject to substantial inherent measurement uncertainty. Obtaining sufficient, appropriate review evidence to support our conclusion does not reduce the inherent uncertainty in the amounts and metrics. The

selection by management of different but acceptable measurement methods, input data, or model assumptions, or a different point value within the range of reasonable values produced by the model, may have resulted in materially different amounts or metrics being reported.

Our review was limited to those indicators specified by management and such specified indicators may not necessarily reflect the overall sustainability profile of the Company.

As noted on page 38 of the Walgreens Boots Alliance CSR Report, in developing the criteria for Scope 1, Scope 2, and Scope 3 greenhouse gas (GHG) emissions as defined within the Walgreens Boots Alliance CSR Performance Data Basis of Preparation, management utilized the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, and the Greenhouse Gas Protocol: A Corporate Value Chain (Scope 3) Accounting and Reporting Standard, published by the World Business Council for Sustainable Development and the World Resources Institute (together the Greenhouse Gas Protocol).

Based on our review, we are not aware of any material modifications that should be made to the specified indicators in order for it to be presented in accordance with the Walgreens Boots Alliance CSR Performance Data Basis of Preparation, which is available in the Corporate Responsibility area of the Company's corporate website in the "About this report" section.

**DELOITTE & TOUCHE LLP** 

Debatte + Touche LLP

Stamford, CT 20 December 2017

### **Legal Notice**

#### Forward-looking statements

All statements in this report that are not historical, including goals for and projections of future results, the expected execution and effect of our Corporate Social Responsibility strategies and initiatives and the amounts and timing of their expected impact, constitute forward-looking statements that are based on current societal, market, competitive and regulatory expectations. These forwardlooking statements are not guarantees of future performance and are subject to risks, uncertainties and assumptions, known or unknown, which could cause actual results to vary materially. These statements speak only as of the date they are made and, except to the extent required by the law, Walgreens Boots Alliance undertakes no obligation to update publicly any forward-looking statement included in this report, whether as a result of new information, future events, changes in assumptions or otherwise. Please see Walgreens Boots Alliance's latest Form 10-K and subsequent SEC filings for a discussion of risk factors as they relate to forwardlooking statements.

#### Trademarks

Walgreens Boots Alliance, the Walgreens Boots Alliance logo and the other trade names listed below are trademarks or registered trademarks of Walgreens Boots Alliance and/or its affiliates in the U.S. and other countries.

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BALANCE REWARDS, GET A SHOT. GIVE A SHOT., NICE!, W REDI and WALGREENS are trademarks owned by Walgreen Co.

ALLIANCE HEALTHCARE, ALLOGA, ALMUS and ALPHEGA are trademarks owned by Alliance Unichem IP Limited.

**BOOTS, BOOTS OPTICIANS, BOTANICS** THE POWER OF PLANTS, NO7, and SOAP & GLORY are trademarks owned by The Boots Company PLC.

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FARMACIAS BENAVIDES is a trademark owned by Farmacias Benavides, S.A.B. DE C.V.

Third party trademarks mentioned are the property of their respective owners. The use of words such as "partnered," "partnering," "partner" and variations of such words in this CSR report is not intended to and shall not be construed to imply that a legal partnership relationship exists between Walgreens Boots Alliance and any other company.

#### Exchange rates basis of preparation

Foreign currency amounts have been presented in U.S. dollars for consistency, having been translated at the average exchange rate for the 12 months ending 31 August 2017. The most significant rates are 1.27 U.S. dollar per British pound sterling and 1.10 U.S. dollar per euro.

Funds raised in British pounds sterling or in euros over multi-year periods were converted to U.S. dollars using average exchange rates for the reporting periods in which the funds were raised.

#### Photo credits

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Page 28, upper left, photo: IHP/Cengiz Yar

Page 31 photo: UN Foundation



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