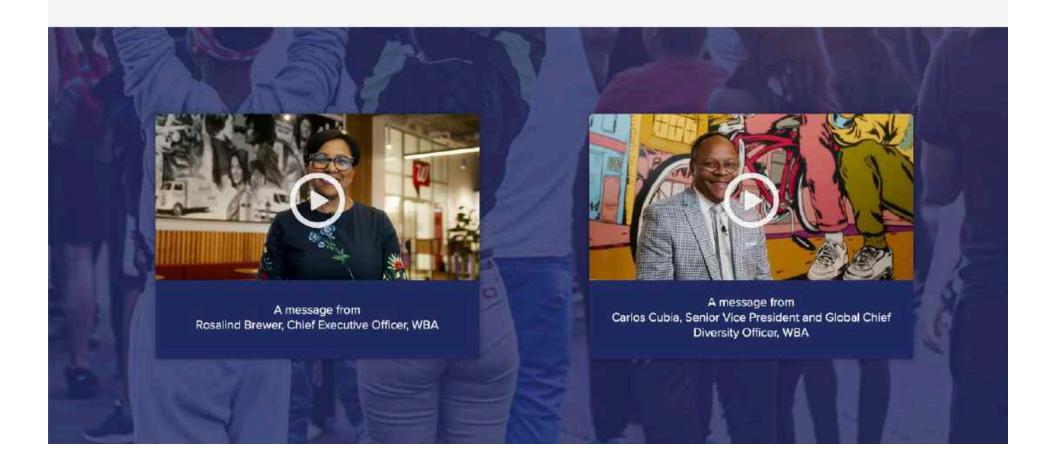


Our Values. Our People. Our Differences.





Our WBA vision is to be the first choice for pharmacy, well-being and beauty — caring for people and communities around the world. To make this a reality, we are creating a culture where diversity, equity and inclusion are at the center of everything we do and an environment in which everyone feels respected and valued. We are embracing our values and living our purpose, speaking up and standing up — quickly taking decisive action with and for our team members, customers, patients, communities and suppliers.





Carlos Cubia Senior Vice President and Global Chief Diversity Officer, WBA

A Conscious Bias...

It is nearly impossible in a few pages, several stories, and a handful of photos to fully capture the events of the last two years: a historic pandemic that left too many lives lost despite heroic efforts to save many more. Loud cries demanding an end to social injustice and systemic racism after the death of George Floyd.

In the midst of the madness that was 2020 and 2021, Walgreens Boots Alliance did what we always do: we stepped up. You'll see details of that here, in our second WBA Diversity, Equity & Inclusion (DE&I) Report.

This report will offer a snapshot into WBA's work to help our communities and patients grapple with a global pandemic while also ensuring that our team members stayed safe. We sought to educate and engage one another in authentic conversations about race, microaggressions and workplace culture.

READ MORE



Carlos Cubia
Senior Vice President and Global Chief
Diversity Officer, WBA

We accelerated the diversification of our product portfolio, so it better reflects our diverse, global customer base. And we strengthened our culture of safety, respect and belonging at a time when our people – the communities we serve – needed it most.

As you engage in our 2020-21 DE&I Report, I hope you'll be as proud as I am of the work we've done. But there is so much more to do. Our foot is firmly on the accelerator as we continue to take bold actions to drive change. Most importantly, we know that to create lasting and meaningful change, we must continue to strive for transparency, humility and accountability. Please read on to see how our WBA family is making a real difference and how we live our purpose to help people lead healthier, happier lives.

Carlo Hais

PREVIOUS



DE&I AT WBA



CONTINUOUSLY LEARNING



BUILDING TALENTED AND DIVERSE TEAMS



BUILDING INCLUSIVE BRANDS AND SERVICES



HOLDING OURSELVES
ACCOUNTABLE



BUILDING ON OUR MOMENTUM



Our Values. Our People. Our Differences.



DE&I at WBA

Like no other period in our lives, 2020 and 2021 unleashed an unimaginable confluence of events: a deadly global pandemic and widespread protests over social injustice and systemic racism. These two distinct yet ultimately intertwined issues were the driving force behind so many of the actions we took over the last two years. They fueled our passion, informed our strategy, and accelerated our Diversity, Equity & Inclusion (DE&I) work.

WBA is a global, pharmacy-led health and beauty company. Helping to ensure the safety and well-being of our team members and our customers around the world is inherent in who we are and what we do. Our purpose is to help people across the world lead healthier and happier lives. Our WBA vision is to be the first choice for pharmacy, well-being and beauty – caring for people and communities around the world. We are creating a culture where DE&I is at the center of everything we do and an environment in which everyone feels respected and valued. We are embracing our values and living our purpose, speaking up and standing up – quickly taking decisive action with and for our team members, customers, patients, communities and suppliers.

Listen, Learn and Act

The tragic killing of George Floyd in Minneapolis, Minnesota, in May 2020 reignited the racial equity movement in the U.S. and across the world. It put an unflinching spotlight on systemic racism, social justice and the lack of progress and real, meaningful change. With its portfolio of iconic businesses and brands with more than 331,000* direct team members, spanning 17 countries, Walgreens Boots Alliance (WBA) believes it has the duty and power to be a catalyst for real, meaningful change.





Stefano Pessina, then-Executive Vice Chairman and Chief Executive Officer, WBA, May 31, 2020

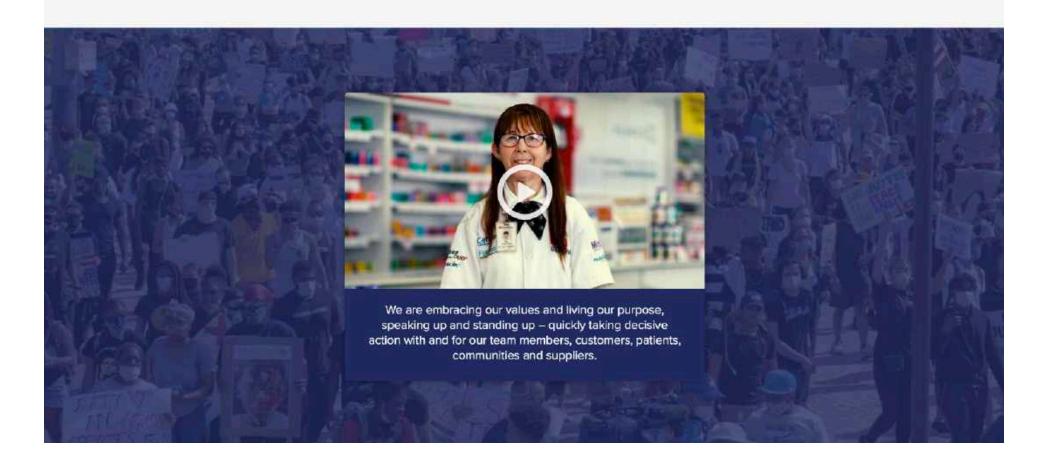
"We share the sadness and sense of injustice felt by so many about the tragic death of George Floyd, and the disturbing pattern of similar incidents across the United States. We are deeply committed to the diversity, inclusiveness, equal treatment and safety of all people, including our more than 230,000 Walgreens team members and 8 million daily Walgreens customers and patients. We will continue to champion the health and well-being of all and work to foster change and build bridges in every way possible."



Carlos Cubia, Senior Vice President and Global Chief Diversity Officer, WBA

"It's a time for everyone to open their minds to different things, to different perspectives and to those from different backgrounds, and understand the importance that everybody has."

We began with a series of diverse, candid open conversations with people inside and outside our company, where people of color shared their experiences, insights and feelings. We know that change only comes through understanding and understanding only happens through active learning. Our Listen, Learn and Act series and key programs, such as the DE&I summit (hosted by the Racial Equity Movement Board, headed up by Annie Murphy, Senior Vice President, Global Chief Commercial Brands Officer and International Retail, WBA) and safe spaces created by our Business Resource Groups (BRGs) gave us the chance to listen to different perspectives, normalize conversations around race, and help identify where we could – and should – take action.



Change Starts Here

We know that to succeed in driving meaningful, sustainable change, we must take bold and intentional actions in our own company. For instance, we are working with leaders to ensure that DE&I is woven through every aspect of our business. When we say DE&I is a part of who we are, we mean it.

Adding Equity to Diversity and Inclusion

To achieve true equality, we must first understand and address equity. With this in mind, we added equity to diversity and inclusion. At WBA, creating equity means seeing the potential in all people and understanding our team members' needs so that we can apply meaningful interventions that make it possible for them to reach their full potential. When everyone at WBA has the opportunity to succeed, the company succeeds, and we all benefit when that happens.



Adding Inclusion to Our Values

We added inclusion to our corporate <u>values</u>: Trust, Care, Innovation, Partnership, Dedication and Inclusion. We know that having diversity is not enough. People must feel welcomed and experience a sense of belonging. Inclusion gets to the heart of our team members feeling safe and comfortable to bring their authentic selves to the workplace, feeling heard, and contributing to the overall success of the company. **DE&I is not** just the right thing to do for our people, it's the right thing to do for our business.

Holding Ourselves Accountable

WBA committed to diversify its leadership ranks and employee base. We know that to truly understand and deliver on our mission to serve our customers, we must reflect them. More than just talk, we appointed the first African American woman member to our WBA board of directors, Valerie Jarrett. We went on to welcome Rosalind "Roz" Brewer as our new Chief Executive Officer (CEO). Both assignments demonstrate our commitment to diversifying our company. Roz is currently one of two African American woman CEOs of a Fortune 500 company and her appointment illustrates our promise to seek out top talent from underrepresented groups, such as women and people of color, at every level of the company — from the boardroom to the storeroom. Further, through our Leadership Accountability Model, we now tie a portion of bonus incentives to our performance on our diversity goals.

Making a Difference in the Lives of Those We Serve



Providing a patient vaccination during COVID-19.

With the onset of COVID-19, while the world around us withdrew to protect one another, our WBA team members were on the front lines to provide goods and services, including trusted advice and health expertise, to the customers, patients and communities we serve. Amidst a global pandemic, our company stepped up to help address the health disparities plaguing underserved communities, from testing and vaccine hesitancy to transportation and vaccine administration.

Increasing Access to Care

Data about COVID-19's disproportionate effect on Black, Latinx and Indigenous communities put a fine point on how systemic racism has led to health disparities in communities of color. WBA intensified its efforts to improve healthcare access and equity during this global crisis. For example, 70 percent of our COVID-19 testing sites in the U.S. are in medically underserved communities. We established the Vaccine Equity Initiative to drive equitable access to vaccines, including creating new access solutions.

Walgreens 'This is Our Shot' campaign encouraged COVID-19 vaccination and addresses hesitancy in the U.S. Through our Vaccine Equity Initiative, we partnered with hundreds of community organizations to implement more than 1,200 off-site vaccination clinics in underserved communities, administering more than 202,000 vaccines as of Sept. 15, 2021. And in the UK, Boots partnered with BRGs to create a campaign to address mistrust and increase vaccinations among Black and Asian communities.

Our push for healthcare access and equity doesn't stop with COVID-19. As our Global Chief Diversity Officer Carlos Cubia said, "If there is one positive to come out of the pandemic, it's that people are realizing we can't go back to 'normal,' because 'normal' wasn't working for everyone. We have to make changes, and I'm proud that WBA will be leading the way."

Beyond Healthcare

We hope that someday soon COVID-19 will be behind us. However, our commitment to serving all people – team members, customers, patients and communities – equitably will continue to be a guiding principle.

Our teams worldwide made moves to support meaningful action, such as the Marketing for Change team, who helped ensure we are intentional in the way we source, develop, test and market products in our retail stores. Through listening sessions and research, our team discovered that our stores were lacking in beauty and hair products for Black women, in particular. As a result, we've increased our supplier diversity efforts, launched a wider array of shades in our No7™ beauty brands to match the skin tones of women of color, and have diversified our marketing imagery.

And to ensure that we are hiring and promoting the best and brightest, not just the most familiar, we have implemented a new tool that analyzes the language in job descriptions, so the wording is more inclusive. That, along with requiring diverse candidate slates and diverse interview panels for open roles, have enhanced our ability to reach and attract more diverse talent.

These are just a few of the many initiatives we have launched to ensure that we are living our values and driving sustainable change in every aspect of the way we operate. But we will not stop here. We are expanding our programs, products and services to better meet the needs of our diverse customers, patients, team members and communities. We're continuing to listen, learn and act to break through any barriers, drive change, and build a truly inclusive workplace, supply chain and marketplace.

Global Strategy, Local Execution



Over the past two years, we sharpened our focus and deepened our investment in DE&I outside of the U.S. We now have a dedicated, senior DE&I professional at every division. From training to sourcing to products and leadership, our approach to DE&I now extends across the globe to all of our people, and all of our customers, patients, communities and suppliers. But, while our DE&I strategy is global, our execution is local.

Global Inclusion Council

Our business leaders are empowered to execute based on local cultures, regulations, and customs; they are emboldened to listen, learn and act. In support of this approach, we introduced our Global Inclusion Council (GIC) made up of leaders from across WBA to advise on DE&I initiatives, share local DE&I experiences and provide regional ambassadorship for DE&I. Together, GIC members help WBA accelerate the pace and adoption of diverse and inclusive practices, and provide guidance to execute against the DE&I plan seamlessly.

*All figures are as of Aug. 31, 2020, excluding equity method investments. Including its equity method investments in U.S. drug wholesaler AmerisourceBergen, Chinese pharmacy chain GuoDa and other companies, WBA employs more than 450,000 people in more than 25 countries.



Our Values. Our People. Our Differences.



Continuously Learning

Devastating and deadly events over the last two years – a pandemic that disproportionately impacted communities of color and long overdue awareness of social injustice and systemic racism – fueled our work and accelerated action. To create meaningful, sustainable change, we supported our team members to digest current events, share lived experiences, listen with an open mindset and adopt inclusive behaviors. We worked to engage team members and customers in a safe space to allow them to share their experiences and learn from one another. And we leaned into conversations about the impact of COVID-19, racism and inequality and the impact on our team members both personally and professionally through a range of "Brave Conversations" and "Moments to Connect."

United, our company sought ways to use its purpose, reach and positioning as a healthcare provider to educate its workforce on the healthcare disparities facing Black and Brown communities and identify ways to drive positive change. 2020-2021 was a critical period of listening, learning and acting.

Everyday Champions Driving Real Change

Our WBA business resource groups (BRGs) and field chapters help team members to develop programs that drive inclusion, education and engagement. Formed and led by team members who volunteer their time, BRGs enable participants to learn and collaborate and help connect WBA more closely to the multicultural and multifaceted communities we serve. BRGs help advance a culture of inclusion at WBA while supporting and aligning with business priorities.



























An essential element of our WBA community, our BRG leaders and members provide opportunities for their peers to share ideas and experiences while broadening their networks and perspectives and building a true sense of community. In 2020, for example, our BRGs spoke up and stood up to help break down barriers and unify one another in response to the racial equity movement. In an open letter signed by all global BRG Chairs following the murder of George Floyd, these team members condemned racism and committed their support as allies with their Black team members and the Black community as a whole. They encouraged everyone to "be willing to listen, take time to learn, and, finally, take action by making a genuine effort to better support and contribute to the movement."

Moving beyond words, our BRGs quickly and thoughtfully took action, sponsoring a wide range of programs and forums in which leaders and team members could share and listen to the experiences, views and feelings of their peers and customers. They provided safe spaces to learn about and openly engage in the social justice movement and enable change.



"Recognize that this is a journey. The reason that we refer to it as the racial equity movement is because we are still on our way. The goal is to keep moving forward toward equality, and whether you are on Day 1 of your journey or you have been fighting the fight for a long time, we are walking alongside our Black colleagues toward a better, brighter, more equal future."

 WBA Business Resource Group leaders in an open letter to WBA team members

Creating a Safe Place to Listen and Learn

Our efforts to broaden racial understanding reach every part of our global company. The UK Black, Asian and Minority Ethnic (BAME) and U.S. African American Leadership BRGs hosted cross-divisional listening and learning sessions. Following the murder of George Floyd, they created safe spaces for Black team members to share their experiences and start the conversation about racial inequity and for team members and allies to educate themselves about racism and social injustice.

Increasing Understanding

On <u>International Day for Persons with Disabilities</u>, our disAbility Alliance BRG partnered with six other BRGs to create a full day of interactive events. The sessions ranged from panel discussions about DE&I to presentations on <u>how to be an ally</u> to understanding depression and remote learning.

Words are powerful and they can quickly shift how people perceive and react to any situation. With this awareness, our Pride Alliance BRGs hosted a session to help team members understand the language used to define the gender and sexuality identities in the LGBTQ+ community. As the speaker said, "We are all allies to someone."

Our Latino Professionals BRG sponsored an educational program about "Immigration at the Border," providing a firsthand view of the experiences of individuals attempting to immigrate to the U.S. for asylum.

To create understanding about the phrase "white privilege" and enable team members to talk about it and take action, our InclusivIT BRG sponsored a panel discussion. During the session, **Demystifying DE&I**, participants learned about the definition and meaning of this expression and what they can do to level the playing field.

Our AsianConnect BRG sponsored a panel discussion to raise awareness about the disturbing trend of increasing violence against Asian communities and ways to extend allyship to our Asian team members and friends. AsianConnect BRG Executive Sponsor Rina Shah led the discussion with Carlos Cubia, senior vice president and global chief diversity officer, and several other leaders from across WBA.

Empowering One Another

Working across their chapters, the Women of WBA BRG held seven-week, self-guided Learning Journeys. Each journey covers a career-defining hurdle, such as developing your personal brand, building your confidence and improving your negotiation skills. Women of WBA-US also partnered with the Next Gen Empowerment BRG to expand on the existing mentoring circles in the U.S.

Additionally, the Women of WBA-UK launched Lean In Circles, where small groups of women mentor and inspire one another, share skills and experiences, and celebrate each other's successes.



"Whether you need help navigating your new normal at work or are looking for support from women who understand what you're going through, your Circle will give you the boost we all need."

- Lean In Circles

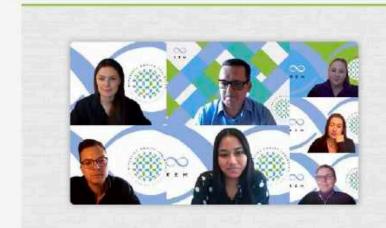
Myth Busting: The Facts about COVID-19 Vaccinations

In the UK, our Black, Asian and Minority Ethnic BRG hosted a discussion about COVID-19 and vaccination myths. During the discussion, Marc Donovan, chief pharmacist, Boots UK, shared an update about COVID-19 and debunked myths about the vaccination.

Moving Out of the Fear Zone and into the Learning Zone

Listening to One Another

With a conscious bias for action and a recognition that fear of saying the wrong thing can lead to inaction, the leadership team for the No7 Beauty Company and WBA Global Sourcing established a new Racial Equity Movement team with diverse cross-functional representation. The group outlined a manifesto to "actively create an anti-racist culture reflected in our people, our ways of working and our brands," and brought it to life with the company's first DE&I Summits in January and May 2021. The team curated and hosted 22 inspiring events across two weeks with over 870 unique attendees, 4142 event visits and an open rate of 65 percent for the daily related spotlight newsletter.



"It is not enough to sit back and let others make the change, you have to be part of it – educate yourself, be an ally for others and continue to learn (even if it is learning from mistakes)."

- DE&I Summit participant

Speaking Boldly, Taking a Stand

We established a key partnership with <u>DIAL Global (DIAL)</u> to elevate our links and conversations with the broader business community on how we move the dial on DE&I. DIAL is a global community for Diverse inclusive Aspirational Leaders. Their purpose is to create a more open, diverse and inclusive society, and help organizations grow authentic cultures to unlock more innovation, creativity and productivity. Our unlimited corporate membership gives team members access to a wide range of webinars, roundtable discussions, workshops, podcasts and more.

Expanding Awareness, Continually Learning

Last year, for the first time, WBA recognized Native American Heritage Month. Partnering with the <u>Mitchell Museum of the American Indian</u>, WBA sponsored a presentation, *Native American History and Health Status in the U.S. and Chicago*. Our goal was not only to celebrate their culture but to promote better understanding of the indigenous peoples of the U.S. and build awareness of inequity in education, jobs and healthcare.

The American Indian and Alaska Native people have long experienced lower health status when compared with other Americans. Lower life expectancy and the disproportionate disease burden exist perhaps because of inadequate education, disproportionate poverty, discrimination in the delivery of health services, and cultural differences.

Programming included suggestions to learn more and help drive change, including taking a <u>virtual Indigenous tour</u> through Northwestern University, reading selected books and watching recommended documentaries.

From Unconscious Bias to Conscious Inclusion

Building on previous learning interventions, we deployed a global effort to help team members act on and shift the underlying attitudes and stereotypes – that gut feeling – people unconsciously attribute to another person or group. The training program, delivered in 13 languages, used the **STOMP model** (Stop, Take a Moment, Observe, Manage and Proceed) to help participants understand how unconscious bias impacts our decisions and how they can take steps to stomp it out – **moving away from simple unconscious bias training to conscious inclusion.**



As a follow up to this, we developed a Global Inclusion in Action series and have already started to deploy the leader workshop to our senior leaders internationally. The module supports brave conversations and facilitates a learning journey of empathy, allyship and championship, covering key topics such as the importance of equity and privilege awareness. The team member modules are being developed and will be rolled out in fiscal 2022.



Our Values. Our People. Our Differences.



Building Talented and Diverse Teams

At WBA, we know that diversity of experience, knowledge and thought leads to fresh perspectives and new ideas. Having a diverse workforce that reflects the communities we serve helps us better understand and respond to our customers' unique challenges and opportunities. When we attract, develop and retain the best talent from a broader pool, it helps us build deeper, more trusting relationships with all of our stakeholders.

To help deliver on our commitment to fostering diverse, equitable and inclusive teams, over the last two years, we introduced leadership accountability goals by segment and global function, and we implemented diverse slates and interview panels for all leadership positions globally.

To help us realize our goals to build a more diverse workforce, we introduced <u>TalVista</u> to ensure that our job descriptions use inclusive language and are expanding its use internationally. TalVista is helping us to broaden our talent pool and increase the number of people of color and women who apply for our jobs. Internationally, we also sponsored inclusive recruitment training to help our hiring managers mitigate potential bias throughout the talent acquisition process.

But We Also Know That Having Diversity Is Not Enough

To be successful, we must build an equitable and inclusive culture. This is the only way to ensure that team members have a strong sense of belonging and the opportunity to bring their authentic selves to work. It encourages collaboration and insight. It gives employees the chance to reach their fullest potential by being curious and bringing forth their best thinking.

For example, our UK-based Black, Asian and Minority Ethnic Business Resource Group (BRG) hosted a panel discussion called Race at Work. During the conversation, a diverse panel of leaders spoke candidly about their experiences with racial inequality and shared their ideas about what everyone can do to help eradicate racism in the workplace and across society. Participants were encouraged to "pay it forward" by initiating conversations with their team members with supporting toolkits. Following the session, Boots Senior Vice President and Managing Director Sebastian James began a reverse mentoring relationship that is helping him to hear and understand the views, feelings and lived experience of our Black colleagues, in particular.

Additionally, insights from this session and others informed an action plan to help Boots drive permanent change across the business, forming the Boots Racial Equity Charter. The charter outlines three commitments to help us bring about permanent change within our organization:

- 1. Deliver ongoing team member education and development on diversity and inclusion.
- 2. Create a workforce that reflects the customers, patients and communities we serve.
- 3. Build brands and services that reflect the communities we serve.

To support the charter, our business and marketing teams are working even more closely with the DE&I team and BRGs to ensure we are communicating authentically with our customers, including adding several cultural and faith celebrations to the annual calendar of customer events. We are working to ensure that the images in our marketing campaigns are ethnically and culturally diverse, with the Boots UK 2020 Winter Flu campaign the most diverse yet. And the September/October issue of Boots Health & Beauty magazine included several articles in celebration of Black History Month and received industry recognition for being "bold and facing into uncomfortable conversations."

Empowering Team Members to Lead the Way

The wide range of our BRGs illustrates the diversity and engagement of our WBA workforce. Through BRGs, team members share experiences, listen and learn; they come to respect and value one another's differences. They broaden their networks and perspectives, which leads to stronger teams and a sense of belonging. Our BRGs provide an essential voice and insights from the communities they represent in our business decision-making. And they support our efforts to help the communities in which we live and work. For instance, our Latino Professionals BRG immediately stepped up to help us bring mobile COVID-19 vaccine clinics to Chicago's Latinx community.

Looking Beyond the Surface

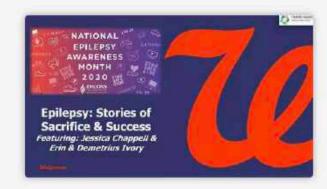
Our Pride Alliance BRG sponsored a panel on "Intersectionality: Greater Than the Sum of Our Parts." **WBA** seeks to create a culture where everyone – regardless of race, gender, sexual orientation, nationality and religion – is welcome. Our deepening understanding of intersectionality helps to increase partnerships, collaborations and allyship among team members.

Learning About Our Differences

In partnership with the Network of Executive Women (NEW), our WBA Latino Professionals BRG sponsored a panel discussion about the Issues that make Latina employees' experience different, including challenges, personal experiences, and potential solutions.

Opening Hearts and Minds

The disAbility Alliance BRG provides members the chance to share their experiences with disabilities and conditions, such as autism, epilepsy and dyslexia, and to help build awareness and understanding across WBA. Members of the BRG regularly partner with DE&I to support key business activities, including helping ensure an inclusive mindset is used in attracting, hiring and promoting our workforce and expanding accessibility in our workplace.



Celebrating Our Employees' Diversity

Our desire to better understand one another is not an initiative but rather a continuous journey. Throughout the year — day in and day out — we seek out opportunities to learn about one another and celebrate our differences.



International Women's Day

In 2020, the theme of International Women's Day was #EachforEqual, focusing on how individual actions, conversations, behaviors and mindsets can have an impact. With that in mind, Women of WBA BRGs around the world hosted various virtual events and discussions covering a wide range of women's topics, such as leadership, career and health.

In 2021, inspired by the theme of International Women's Day, #ChooseToChallenge, we chose to challenge gender bias and inequity, seek out and celebrate women's achievements and create an inclusive world. The Women of WBA UK BRG organized 11 events throughout the week, with more than 20 speakers, including a fireside chat with Rachel Thomas, CEO & Co-Founder of Lean In. In a marketing campaign, Boots proudly spotlighted five women who illustrate that there is no one-size fits-all when it comes to being female. These inspiring women shared their stories about being a woman transitioning, fertility, being a queer Muslim, working in a man's world, and losing a breast. These empowering women are paving the way for all of us.

World Day for Cultural Diversity

In May 2020, for the first time, WBA recognized the United Nations' World Day for Cultural Diversity for Dialogue and Development. Amidst a global pandemic, we celebrated and acknowledged the vast cultural diversity of our global organization. We used virtual activities, storytelling and leadership communications to encourage our team members to learn about and deepen their connections with others from different cultural backgrounds and experiences.

In 2021, during a full week of events for World Day for Cultural Diversity, team members had the opportunity to join with one another to learn about the value of cultural diversity and the benefits it brings to our customers, our business and each other. Our **Global Connection Circles** grouped three to six team members from different divisions and countries in activities and discussions to promote intercultural dialogue and engagement with one another. The celebrations culminated in a leadership panel where team members heard directly from WBA senior leaders on how culture has shaped their personal and professional journeys. To drive awareness and promote conversation, team members also were invited to share their cultural stories, giving insights into something unique and special about their culture that shaped who they are today.



Asian American and Pacific Islander Heritage Month

On March 18, 2021, a white gunman shot and killed eight people, including six Asian women, at three Atlanta-area businesses. The attack appeared to target the Asian community, fitting into a tragic pattern of anti-Asian violence and hate that has intensified across the U.S. and internationally since the start of the COVID-19 pandemic. At WBA, we stand against all forms of hate. To support our Asian American team members, in May during Asian American and Pacific Islander (AAPI) Heritage Month in the U.S., members of our Asian Connect BRG came together to address #StopAsianHate and share their thoughts and personal experiences in hopes of calling attention to the threat this community continues to face every day. Read their candid remarks here.



"It's been heartbreaking for me to see so much hostility toward Asian Americans over the past year. I'm grateful that our allies and leaders at WBA are standing up to support us. But in our communities, there are still some who are not. What we ask of them is to stop listening to hate, stop telling de-humanizing jokes, stop stereotyping us and to stop hurting us. Instead, speak up and help amplify our stories. Listen to our voices and learn our history. Asian American history is American history."

Wei Li, IT Director at Walgreens and Vice-Chair of WBA's Asian Connect BRG

Juneteenth

At its heart, Juneteenth is a celebration. At WBA, ours included a fireside chat, "Free to Be...", sponsored by our African American Leadership BRG. Dr. Michael Brandon McCormack hosted this event, which featured our very own Historically Black Colleges and Universities (HBCU) alums and Divine Nine (Black fraternities and sororities) members. The chat encompassed why HBCUs are still vital to the Black community and how Black Greek letter organizations have helped their careers. In a message to team members, Carlos Cubia, senior vice president and global chief diversity officer, encouraged everyone to learn about Juneteenth "and the many contributions that African Americans have made in building this country." He also encouraged team members to celebrate and unify around this day by making connections that may not already exist.

Pride Month

The theme of our 2021 Pride Month celebration was Better Together, and our initiatives were guided by three key pillars: Allyship, Community and Kindness. In addition to a wide range of programming, we invited team members to reflect on how we can be even more authentic and genuine in our professional and our personal lives. We created and encouraged everyone across WBA to use a special Pride Month background when they appeared on video during meetings to express their allyship. And we gave our LGBT+ community the chance to share their personal stories.



Creating a Disability-Inclusive Workplace

A cornerstone of our commitment to equity is our endeavor to include people with disabilities in all aspects of our business. We know that fostering a disability-inclusive workplace and culture has enabled us to tap into a wider talent pool and gain insight into the needs of an important segment of our customer base. Their unique perspectives and experiences lead to greater innovation, and we know that team members with disabilities continue to make our organization better.

Increasing Career Opportunities

Working with community organizations and vocational, state and local agencies, we attract and develop key talent to support two unique signature programs. Throughout the COVID-19 pandemic, we remained committed to these employees and programs.

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Retail Employees with Disabilities Initiative (REDI)

During a three- to six-week in-store externship, participants learn valuable retail skills such as customer service, checkout, stocking and more, qualifying them for employment at our Walgreens stores.

As of the end of Fiscal 2021, REDI worked with 1728 trainees in 332 stores across 38 states.

38 states





Transitional Work Group (TWG)

During a 13-week program, we use a combination of classroom work and on-the-job training and coaching to prepare participants to become temporary hires and eventually permanent employees for a Walgreens distribution center or regional warehouse position.

MEASURING PROGRESS:

Up to
10
Distribution Centers at any given time





Thomas Biggers, Anderson, South Carolina Distribution Center Associate

"During my TWG training, I learned the distribution process and how to use the equipment. Today, I work on a line, unpacking and loading products based on specific orders from our stores. I love the challenge and working with my colleagues."

T.

Ralph Yourie, Daytona Beach, Florida, Store Manager, Walgreens

"These are bright, talented individuals who sometimes have the deck stacked against them. I've found that the employees who come through REDI often work twice as hard as others and are willing to take on challenges to show what they can do."

Helping to Create a Disability-Smart World

One of the many ways we support team members, customers and patients with disabilities is by partnering with the UK's <u>Business Disability</u>

<u>Forum.</u> A not-for-profit membership organization, the Forum strives to transform the life chances of disabled people, working through and with business to create a disability-smart world. It brings business leaders, disabled people, and government together to understand and improve the life opportunities and experiences of disabled people in employment, economic growth, and society more widely.

Another example is our commitment to make the COVID-19 vaccination process as easy and as comfortable as possible for everyone coming into any one of our stores by proudly supporting the <u>Hidden Disabilities Sunflower</u>. Helping to make the invisible visible, the Sunflower allows people to discreetly indicate that they have a hidden disability by showing an easily recognizable Sunflower languard.

We have a strong, long-term partnership with <u>Disability:IN</u>, the leading nonprofit resource for business disability inclusion worldwide. We sponsor the group's annual conference, collaborate with the organization, engage in workshops, committees and other events throughout the year, and have built a partnership with them that includes our disAbility Alliance BRG leadership as we work together to advance disability employment and culture at WBA.

Ensuring Equity for All of Our Team Members

For those who are deaf or hard of hearing, staying connected in a digital world can bring unexpected challenges. Marianne Grote is a senior strategy analyst for WBA in the Diversity, Equity and Inclusion department. She's also deaf. WBA provides resources to support team members who are deaf or hard of hearing, such as live captions for Microsoft Teams meetings and a foreign/sign language interpreting service. But working remotely due to COVID-19 presented new challenges to these individuals.

In an interview with WBA, Marianne explains, "For those of us who are deaf or hard of hearing, it's been more difficult not to see our colleagues' body language and facial expressions. Looking at the screen involves a great deal of effort when it comes to multi-tasking. When I'm watching a presenter on video, reading live captions, seeing a sign language interpreter, and looking at a PowerPoint presentation all at the same time, it can be overwhelming. When I come to work at the office, and my colleagues are wearing face masks to adhere to safety protocols, it's a challenge because I'm not able to read lips or see facial expressions."



"For those of us with disabilities, we learned to be resourceful early on in life, through necessity, and we bring these skills into the workplace, applying them to everything we do."

Marianne Grote, Senior Strategy Analyst, Diversity, Equity and Inclusion, WBA Marianne suggests ways people can be more mindful when working with a deaf or hard-of-hearing colleague, such as introducing your name before speaking to the group, speaking one at a time and enunciating words clearly. These tips benefit all – not just deaf and hard of hearing team members. In person, she suggests finding opportunities to create that 6-foot distance to ensure safety while seeing each other's faces.

Marianne adds that it's important to make sure that team members with disabilities are included, "because they offer a unique perspective, along with their talents and backgrounds." Open-minded leaders and managers give people with disabilities, including deaf and hard of hearing employees, an opportunity to be hired and promoted from within. WBA is committed to providing the resources needed for everyone to have the same opportunities to succeed.

Recognizing the Value of Our Heroes

We view service as a strength. It's at the core of our commitment to our customers, and top of mind when we hire veterans. We recognize the value veterans bring to our company: an appreciation of collaboration, a reputation for integrity, and a deep-rooted sense of accountability.

Many veterans programs only offer a job. We established our Helping

Veterans with Educational and Retail Opportunities (HERO) program to

offer a path to store management. This innovative program merges the

chance to continue to enhance their leadership experience in the civilian

world while pursuing a bachelor's degree to help them achieve their

educational goals. Participants enjoy on-the-job mentorship with Walgreens

leaders and enter our award-winning and college credit-eligible LEAP

Program Retail Management Training program to gain the knowledge, training
and tools they need to succeed.



MEASURING PROGRESS:

Through the HERO program, we have hired:



Once a part of our team, veterans have a strong support system, including the opportunity to join WVETS Business Resource Group (BRG), a grassroots network of current Walgreens team members composed of former veteran and military service members, active National Guard and Reserve service members, and military and veteran supporters and allies. Activities include networking, peer mentoring, education, professional development and community service opportunities.

Through our participation in the Employer Support of Guard and Reserve (ESGR) program, Walgreens has proudly pledged to recognize, honor and enforce the Uniformed Services Employment and Reemployment Rights Act. And we provide our managers and supervisors with the tools they need to effectively manage team members who serve in the National Guard and Reserve.



Valerie Valdez White was hired into the HERO program on Oct. 14, 2019, as an assistant store manager (ASM)trainee. Her career has continued to evolve and she is now a pharmacy technician.

"At a time when we are acutely focused on diversity, equity and inclusion, we embrace our veterans, who bring their widely diverse backgrounds and individual experiences to enrich how Walgreens serves our customers and patients, our communities and each other."

- John Standley, Executive Vice President and President, Walgreens



Our Values. Our People. Our Differences.



Building Inclusive Brands and Services

In 2020, WBA stated its commitment to supporting social justice and championing the health and wellness of everyone equally and equitably. We knew that for our message to have real meaning, we must take swift and purposeful action. We launched an effort to listen, learn and act. Since that moment, we have been walking the talk, from our efforts to increase access to COVID-19 testing and vaccine administration in underserved communities to our supplier diversity program to responding to the beauty needs of our Black, Hispanic and Asian customers.

We recognize that to be a trusted retail pharmacy, we must remain relevant to the customers in each of our communities and stock products that meet their unique needs. Great examples of this are the expanded product ranges on our shelves for As I AM, The Doux, and Shea Moisture. Not only have we increased our product range, but we have moved these brands to a more visible and easily accessible space. Last year, our textured hair care business grew 14 percent year to date versus the prior year, and this year, we are introducing even

more textured hair care brands. And we have been taking a long, hard look at our own brands, with No7 completing a full audit. We are altering the way we research and test our products, increasing our shade ranges and adapting our marketing campaigns to better serve the needs of Black and Brown communities.

Further, to ensure a customer voice and support our team of in-store beauty advisors, we also established the No7 DE&I Advisory Board: a diverse group of beauty advisors who come together to share feedback, experiences and ideas on how we can continue to hold ourselves accountable for an inclusive customer experience.

We are a global leader in retail pharmacy, touching millions of lives every day. We know that we have a platform to influence others and, with it, a responsibility to stand up and speak up for change. As we always have, today we're doing what great brands and great companies do: we're going after tough problems and using our scale and resources to drive change for the better.

Serving Our Diverse Communities

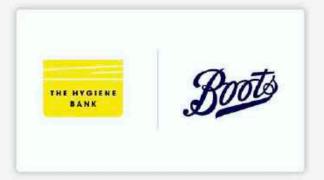
As a global, pharmacy-led healthcare company, we are committed to helping ensure the safety and well-being of our team members, customers and patients around the world. Throughout the COVID-19 pandemic, we provided trusted advice and health expertise, worked to ensure access to testing and vaccines, especially in underserved communities. We took an early and firm stand on the issue of healthcare inequities, working to ensure access for our most vulnerable through community, not-for-profit, and civic partnerships, education and transportation.

Throughout it all, our team members provided – and continue to provide – essential services on the frontlines of COVID-19, making the safety and well-being of our customers and patients a top priority.

Living Our Purpose

With no playbook or rules of engagement, we relied on our purpose "to help people across the world lead healthier and happier lives" to guide our way through the devastating COVID-19 pandemic. Our pharmacies and stores, distribution centers and wholesale operations stayed open worldwide to provide essential healthcare services, medications and consumer goods.

From the start, we collaborated with government and industry partners to implement COVID-19 testing sites to serve our millions of customers and patients around the world, placing a special emphasis on ensuring that the most vulnerable in our communities had access to services and quality care. More than 70 percent of our Walgreens COVID-19 testing locations operate in underserved areas, based on data from the CDC's Social Vulnerability Index. Not only did our stores and pharmacies remain open throughout the crisis but Boots also helped with translation and mobile testing in hard-to-reach areas. Additionally, Boots supported the UK's overall COVID-19 testing program, helping ease pressure on the National Health Service (NHS) and conducting more than 2.1 million tests by the end of December 2020.



Between April and August 2020, Boots UK donated more than half a million products to key CSR partner The Hygiene Bank, a charity that distributes hygiene, beauty and personal care donations for vulnerable people living in poverty. Toiletries and essentials were also donated to NHS workers and patients, including temporary Nightingale Hospitals set up in response to COVID-19 and home healthcare workers.



Like so many of our pharmacists, store clinicians and personnel, Maribel Zúñiga, a Farmacias Ahumada pharmacist in Santiago, Chile, remained on the front lines to serve our customers and patients throughout the global pandemic. She says that working together through COVID-19 has strengthened her team. "We have had the chance to get to know each other more at a personal level. We make sure to ask each other how we are feeling every day, what we need and how we can support each other in order to be physically and psychologically well. Together, we look after our customers. We advise them on prevention and make sure they follow the government protocols, just like we do. We are aware that we need to follow the established protocols not only for our ourselves, but also for our families, the people around us and our patients. I know this is my place. The best place in the world with the best team ever, making a difference in people's lives every day." Read the full story.

Encouraging Vaccine Uptake

We knew that Black Americans were contracting the virus and dying from it at a higher rate than any other racial or ethnic group in the U.S. But according to the Kaiser Family Foundation, nearly 35 percent of Black Americans had no plans to get vaccinated. History tells us that communities of color have reasons to be suspicious and hesitant about vaccinations, including misinformation, unethical experimentation – like the Tuskegee Experiments – as well as racial and social injustice. To make headway in rebuilding trust, we began by partnering with trusted community organizations to deliver vaccine education in various formats to ensure that members of Black communities had the information they needed to make informed decisions.



Our community pharmacists get together to dispel COVID-19 vaccine myths Data in the UK also showed high levels of vaccine hesitancy among Black and Bangladeshi communities, so we're extraordinarily proud of the work our team members did to encourage people in the communities in which they live and work to get vaccinated. Boots, in partnership with our Black, Asian and Minority Ethnic business resource group (BRG), compiled this video to dispel myths about the COVID-19 vaccine.

We also leaned on our pharmacists in Walgreens, the biggest and best resource we have to help engage with Black communities. We have more than 85,000 healthcare service providers throughout the United States, including pharmacists, pharmacy technicians, nurse practitioners and other health-related professionals. That's critical, because our pharmacists and technicians are already in these communities, they are trusted by their patients, and they look like them. Approximately 78 percent of the U.S. population lives within five miles of a Walgreens or Duane Reade store, so that enables people to engage with a person they already know and trust to provide vaccine information and shots.

To overcome transportation and access barriers, we also announced a <u>partnership</u> with Uber to provide free rides to a Walgreens location for individuals who need to get their vaccination. And we launched the <u>"This is Our Shot"</u> campaign. Our goal was to remind Americans that the vaccine is the nation's opportunity to help bring an end to the COVID-19 pandemic.



- "Walgreen's pharmacists are trusted healthcare resources in the communities they serve and can help build trust in the vaccine... to encourage everyone to get the COVID-19 vaccine once eligible."
- Patrick McLean, Senior Vice President and Chief Marketing Officer, Walgreens

Bringing Vaccinations to Some of the Most Hesitant Communities

From the start of the COVID-19 pandemic, WBA sought to ensure the equitable distribution of testing and vaccination. That commitment continues today with mobile clinics and vaccination hubs aimed at vaccinating more people in the most underserved and hesitant communities. In some locations, we're also partnering with churches and community centers to offer walk-up vaccinations in locations our neighbors trust the most.

Making the Invisible Visible

There is always more to a person than meets the eye. This is especially true for people living with conditions or disabilities that might not be immediately visible. Autism, chronic pain, dementia, and visual or hearing impairments are just a few of the conditions which, although not always obvious, can cause significant challenges during everyday life. WBA makes the COVID-19 vaccination process as easy and as comfortable as possible for everyone coming into any one of our stores by proudly supporting the Hidden Disabilities Sunflower. Helping to make the invisible visible, the Sunflower allows people to discreetly indicate that they have a hidden disability by showing an easily recognizable Sunflower lanyard. As part of the scheme, Boots team members have received special training to ensure they can provide the understanding, patience, and support needed. Team members in our offices, stores and warehouses also benefit from this program and get the support they need from one another.



"The Sunflower is vital in ensuring everyone feels comfortable and supported. Members of the public that have come to us displaying the Sunflower have been grateful that we're doing our bit to make their experience the best it can be."

- Mae Hughes, Immunization Assistant at Boots Gloucester store.

Empowering All Women

We featured Eva Echo, a transgender woman, in our Boots UK Health & Beauty magazine, which proudly celebrated women from all walks of life. Eva faced a wave of unwarranted, transphobic comments that questioned her inclusion in the article. Without hesitation, Boots stood with the trans community. Taking a zero-tolerance approach to prejudice, Echo's inclusion was a statement of progress, a lesson in acceptance, and a commitment to diversity, equity and inclusion.

We were so impressed with Eva, we later invited her to join Pete Markey, chief marketing officer at Boots UK and the executive champion of WBA's Pride Alliance UK business resource group, for a candid discussion on National Transgender Day of Visibility. They talked about the impact of these comments and why it's important for all of us to be accepted and valued for who we are.

Lifeline for Victims of Domestic Abuse

The COVID-19 pandemic saw a disturbing increase in cases of domestic violence against women. Now, a domestic abuse victim simply has to say an established code phrase at any Boots UK pharmacy and they will discreetly signal that they need help and access to support.



A trained member of the pharmacy team will then offer a private space where they can ascertain if the victim needs to speak to the police or would like help accessing support services, such as national or local domestic abuse helplines. The code word program complements the domestic abuse charity Hestia's UK SAYS NO MORE <u>Safe Spaces initiative</u> by enabling pharmacy staff to offer immediate and emergency assistance. Learn more about how Boots is offering a vital lifeline to domestic abuse victims <u>here</u>. A very similar program was launched in our Farmacias Ahumada stores in Chile in partnership with the Ministry of Women in Chile to help and support women across the country. The service is very simple: a woman just needs to approach a store attendant and say the appropriate phrase. As soon as she does, a protocol is activated.

Building Brands That Represent Our Customers

To be successful, we must develop a deeper understanding of, and respond to, our Black and minority customers. The racial equity movement put a spotlight on underserved communities, and it helped accelerate our plans to broaden our product categories to meet the needs of all of our customers more effectively.

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No7 is the first to make confidence-boosting beauty products accessible to all women. Through its Unstoppable Together platform, No7 is committed to supporting and empowering women to live life on their own terms, helping them overcome barriers and dismantling stereotypes that hold them back.

At No7 Beauty Company, DE&I is embedded in everything we do, from the way we research and test products to the color shades we produce to how we advertise the brands. And, with an ethical supplier partnership plan, we are helping small businesses grow and succeed.



To start, we broadened our testing panels to include more people of color. This gave us a deep understanding of skin types and tones and enabled us to build a more representative and inclusive shade offering, including foundations, concealers, powders, blushers and bronzers. Across the total face category, we are introducing 120 new shades or shade updates to offer a total of 480. We also shifted our naming convention and classification to ensure cultural appropriateness and we used diverse imagery and messaging in our brand relaunch.



No7 has partnered with <u>AllBright</u> to create the **No7** x **AllBright Academy**, giving women/No 7 employees exclusive access to bespoke career tools and resources to help support them in their working lives in light of the challenges that COVID-19 has created. Seven Academy short course sessions have been created to date. Alongside our partner <u>The Female Lead</u>, we host events on Linkedin Live. Our first event covered our joint research findings and the No7 x AllBright Academy course content. More recently, we hosted "Making the Menopause Mainstream."

To celebrate the relaunch of No7 Beauty Company, we also released our first ever "Beautifully Informed" report. We used this forum to share the insights we gathered into the evolving role that beauty brands play and why beauty matters; today's beauty customers and their shopping behaviors; and tomorrow's trends and drivers predicted to shape the industry.

This is just the beginning. We will continue listening and applying what we learn to our skin care lines and other products until all of our brands are authentically diverse and truly representative of the communities we serve.

Championing Self-Expression

<u>Sleek MakeUP™</u> believes everyone has the right to be seen, heard and felt exactly as they choose to be. To celebrate the relaunch of their 13-year-old iconic i-Divine eyeshadow palette range, Sleek MakeUP released a new press campaign film titled <u>I Am Divine</u>.

Directed by filmmaker Otis Dominique, *I Am Divine* showcases British changemakers such as *Vogue* journalist and author Yomi Adegoke; creative, writer, performer and LGBTQ+ advocate Darkwah Keyi-Darkwah; and financial wellness coach Bola Sol.

They candidly discuss the role makeup plays in their own individualism and how self-care has driven meaningful change to them and their communities. This campaign marks the brand's wider commitment to using its communications channels to reach and recognize all the different people and communities it serves.



Yomi Adeqoke, Journalist and Author.

Marketing for Change

Formed last year, **Marketing for Change** is a team of global diverse marketers working together to ensure that diversity, equity and inclusion are at the center of our marketing efforts. To inform their approach, the group held listening tours with more than 500 marketing team members around the world. Based on feedback from these sessions, the team partnered with an outside market research consultant and Black-consumer subject matter expert to educate our marketing team about this segment's shopping behaviors and experiences. The insights were used to inform marketing audits in beauty and upcoming audits in other areas across WBA.



Leveling Up with Sleek MakeUP

Our Sleek MakeUP brand's <u>Level Up campaign</u> celebrates and supports talented women with diverse experiences, backgrounds and cultures. Sleek MakeUP recognizes that going it alone isn't an option – they are giving women a platform to help them become a true boss.

Educating About the Science Behind Beauty

No7 has just released its first video in partnership with the <u>British Beauty Council</u>. The Beauty in Science film provides a glimpse behind the No7 laboratory doors, emphasizing the crucial role that science and scientists play in driving the beauty industry forward. The hope is that it will encourage a richly diverse new cohort of scientists to consider taking up rewarding careers in the beauty sector.

No7 Beauty Company also launched an industry-leading beauty advisor training program called Skin School, developed by the Global Beauty Academy in partnership with The University of Manchester and endorsed by the Confederation of International Beauty Therapy & Cosmetology (BABTAC & CIBTAC). Reflecting No7 Beauty Company's commitment to making beauty accessible and affordable for everyone, the comprehensive training program has been created to ensure that No7 and Liz Earle* beauty advisors have a uniquely rich and deep understanding of skin's physiology and the needs of all skin types, regardless of age, ethnicity and differing skin concerns.



They will be equipped to provide scientifically based, personalized advice for customers to ensure their individual skin and beauty needs are answered. The ground-breaking training program takes 9-12 months to complete and has been made available to No7 and Liz Earle Boots-based beauty advisors in the UK as of May 2021 and will start in the U.S. in 2022.

Bringing Together Diverse Customers and Suppliers

For the last seven years, Walgreens has proudly sponsored the <u>Black Women's Expo (BWe)</u>, an annual weekend-long empowerment event focused on lifestyle, beauty, entertainment, and culture. As the nation's longest-running, most-respected, intergenerational exposition targeting Black women and their families, attendees gather to share ideas, grow their businesses, and hear directly from corporate brands. In 2021, the event featured more than 400 exhibitors, national and local performers, panel discussions, 40 different seminars, and much more.

As a key corporate sponsor of BWe 2021, Walgreens hosted a booth staffed by dozens of team members, including participants from our African American Leadership business resource group. We showcased our diverse line of beauty brands and shared samples and giveaways. We also gave visitors the chance to learn more about our Boots' flagship premium No7 Beauty Company skincare and cosmetics lines. In addition, as part of our commitment to investing in minority-owned businesses, we welcomed one of our Black-owned and women- owned suppliers to join us in our booth during BWe, Ms. Jetsetter. This is a part of our ongoing efforts to increase business opportunities for our diverse partners and introduce our customers to a broader range of products that meet their needs. Throughout BWe, we partnered with other healthcare entities to offer COVID-19 vaccines. We also offered flu vaccines, blood pressure screenings, and bone density scans.

Building Relationships With Diverse Suppliers

At WBA, we're not only striving to ensure that our products and services reflect the diversity of the communities around us, but we want to support diverse suppliers. More than just talk, we have a straightforward program and firm commitment. At WBA, supplier diversity is an integrated business practice. We proactively procure relevant products and services from diverse-owned and small businesses that mirror the diversity of the communities in which we operate.



We measure current diversity spend by looking at our overall spending and the availability of goods and services from diverse-owned and small businesses.



We encourage all team members and business leaders with purchasing authority and decision influence to consider diverse and small businesses in contract opportunities.



We encourage our prime (Tier 1) suppliers to establish supplier diversity programs and increase their utilization of diverse suppliers in their respective supply chains, providing additional opportunities for growth and economic development.

Expanding Our Relationships with Diverse Suppliers

Our commitment to supplier diversity began with a formal policy written by Charles Walgreen III in 1994 encouraging utilization of minority-owned and women-owned businesses. In 2007, we established a Supplier Diversity Department to advance our efforts. In 2021, WBA is proud to announce that now we're expanding this commitment internationally with Boots UK. **Our goal is to create equitable opportunities for diverse suppliers ultimately driving economic impact in the communities WBA serves.**

"At WBA, we strive every day to help consumers around the world lead happier and healthier lives. Meeting these diverse needs relies on us championing inclusivity and diversity not only in how we work internally, but also critically, how we build powerful partnerships with a wide breadth of suppliers, allowing us to bring diverse brands and products to our customers everywhere."

 Annie Murphy, Senior Vice President, Global Chief Commercial Brands Officer and International Retail, WBA and Global Executive Sponsor of WBA's Supplier Diversity Program

During fiscal year 2020, Walgreens engaged with or purchased from more than 2,100 diverse and small businesses in the U.S. These organizations continue to bring diverse and innovative ideas that support the overall partnership. In fiscal 2020, Walgreens purchases with diverse and small suppliers were more than \$1.5 billion, including both Tier I and Tier II spend.

For fiscal 2021, we set a goal to drive even more engagement and spend with diverse and small suppliers. As of July 15, 2021, we are on track to achieve that goal, demonstrating WBA's commitment to practicing inclusive sourcing and creating equitable opportunities for diverse and small businesses.

Spotlight: Healthtex

Natty Elias started her retail distribution business in and around Miami, supplying Latino-owned mom-and-pop stores with lotions and fragrances from a single baby care brand, Para Mi Bebe. Today, Healthtex provides hundreds of fiercely loved products to about 6,000 small and large retailers throughout Florida - including Walgreens, which in turn has made some of those products available in hundreds of stores in other states. What makes Healthtex unique is the emphasis Natty places on understanding the communities she serves and identifying the products they want. "These are brands that many of our Hispanic customers grew up with, which their moms and grandmothers have used and recommend," said Beverly Lugo, category manager for multicultural goods, Walgreens. The most popular Item Healthtex supplies to Walgreens is Dr. Sana camphor cubes for respiratory congestion, followed by Dr. Sana sodium bicarbonate powder — a heartburn remedy. But recently, something else cracked the top spots in Florida, appealing well beyond the Latino communities. Shortly after the coronavirus pandemic began, retailers were hit by a thermometer shortage. Enter Healthtex, which already was cleared by the FDA to import medical devices and had a contact in China that manufactured high-quality thermometers.

"When we didn't have any thermometers in our South Florida stores at the end of May and beginning of June, we were able to bring those in through Healthtex. That's the kind of partner they are. There was a need in the community, and they came to us, and we were able to get it executed."

- Jeff Rubin, Regional Merchandise Manager, Walgreens, South Florida



Expanding Brands and Building Visibility

We must partner with diverse suppliers to stock the most relevant products in each store and online to best serve the needs of our customers in local communities. In 2020, we spent over \$300 million with diverse suppliers in retail products. A great example is our partnership with KISS, a certified diverse supplier of beauty products, including lashes and nails. They're currently growing at 32 percent versus the prior year by increasing the KISS assortment we offer and putting the brand in more stores. Further, we gave them more space for products that are selling really well. Today, they are our fastest-growing diverse supplier in Walgreens and one of our top growth beauty brands in total.

Leveling the Playing Field for Small, Minority-Owned Businesses

In partnership with the Women's Business Development Center (WBDC) in Chicago, III., Walgreens continues to sponsor the **Top Shelf capacity building program.** The eight-week program helps minority-owned businesses learn how to partner with large retailers, such as Walgreens, and build their capacity to supply those retailers. Participants learn best practices in a range of critical areas, including risk mitigation, distribution and contracting. In the fall of 2020, 25 participants graduated from the program and to date, more than 60 diverse-owned businesses have graduated from the program overall. WBA's supplier diversity efforts are helping a growing number of minority-owned and other diverse companies serve our stores and operations – and, in the process, grow their businesses and workforce.



Georgia K. Marsh, Chief Development Officer Women's Business Development Center

"The <u>Women's Business Development Center (WBDC)</u> is proud to partner with Walgreens to deliver the Top Shelf program, cohort-based learning which prepares diverse business owners to do business with retail corporations. A successful partnership is based on mutual understanding, trust and common goals. Working together, Walgreens and the WBDC have been successful in removing some of the barriers diverse entrepreneurs face when competing in the marketplace. The WBDC commends Walgreens for its demonstrated involvement and ongoing commitment to diversity, equity and inclusion and its support of programs targeted at full participation of diverse entrepreneurs in the economy."

Jet-setting Away

Tracey McGhee, owner of Ms. Jetsetter and a Top Shelf graduate, exemplifies the impact of the Top Shelf program. As a client of the Chicago-based Women's Business Development Center (WBDC), Tracey was just beginning her business when she asked her WBDC coach for guidance and that's when she was referred to Top Shelf. After undergoing the training, she was at last well on her way to achieving her dream of seeing her products in a retail store. But COVID-19 had other plans. "By the spring of 2020, I knew there was no way I was going to be able to survive with a travel accessory line," McGhee remembers. "But I was lucky to have my Top Shelf training, and my coach at WBDC who encouraged me to think creatively. Everyone was pivoting, so I did, too." McGhee's pivot came in the form of a wristlet set, similar to one of her original travel bag ideas, but with an added (and timely) twist: a fashionable face mask and chain. Read the full story here.

Championing Our Diverse Partners

In July of 2020, we launched a Supplier Diversity Ambassador program with 39 individuals from across Walgreens to infuse our DE&I efforts throughout our retail business activities. Our Ambassadors are helping as facilitators, educators, motivators and champions to ensure we're using inclusive sourcing practices, building a supplier base that reflects our customers and the communities we serve, and offering a diverse product assortment. Our partnership with RangeMe, a product discovery and sourcing platform, has helped our Merchants identify diverse suppliers and products that our customers and patients want and need.



Lauren Brindley, Group Vice President Beauty and Personal Care, Walgreens

"Our ambassadors support our DE&I agenda across the whole of our retail products business. They become our cultural advocates in every area of our business, from our supply chain to our brands to merchandising. And they ensure that we are living up to our values, that we're delivering on our goals and most importantly that we're delighting our customers."



Robie Kimmey, Senior Category Manager Grocery and a Supplier Diversity Ambassador

"We're really excited to introduce BLK & Bold into our coffee assortment during summer 2021 in about 2,500 Walgreens locations. BLK & Bold began about three years ago and has quickly grown into a premium brand of coffee available in multiple retailers. They are the first and only Black-owned and operated national coffee company and they donate 5 percent of their proceeds to support local and national at-risk youth populations. We will be the only drug retailer carrying these products at the outset and we are excited to see how they perform!"



Our Values. Our People. Our Differences.



Holding Ourselves Accountable

Commitments are essential to communicate our intentions, but they don't by themselves ensure achievement or completion. At WBA, we're proud of our commitment to putting DE&I at the center of everything we do, but we also know that to drive real, sustainable change, we need to be trustworthy and responsible. To us, that means defining expectations and holding one another accountable for delivering results.

An inherently diverse company, WBA has a presence in more than 17 countries, directly employs more than 331,000° people and has more than 21,000 stores. We have a long history of embracing diversity and inclusion marked by progress. In 2020, we pledged to accelerate our progress by deepening our data on representation and advancing key metrics to hold ourselves accountable.

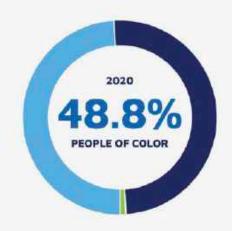
The charts below illustrate the diversity of the WBA U.S. workforce for 2019 and 2020. While we're proud of the progress we've made to date, we know that we still have much work to do to increase racial and ethnic diversity at both frontline manager and leadership levels as well as gender diversity in senior leadership. The racial makeup of our U.S. pharmacists held steady year over year; however, we have deepened our commitment to increase diversity in this critical segment of our population to reflect the communities we serve. Our Diversity Donation program is designed to advance pharmacy students from underrepresented groups, such as African American/Black, Hispanic, and Native American. In fiscal 2020**, we gave nearly \$1 million in scholarships and discretionary funding to pharmacy schools that show a deep commitment to diversity and inclusion in support of these students.

WBA Diversity

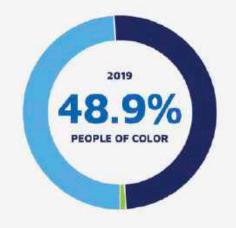
U.S. WORKFORCE REPRESENTATION BY RACE AND ETHNICITY

Composition of Employees as of Fiscal Year-End (August 31, 2020)









2020	TOTAL PEOPLE OF COLOR	2019
19.1%	Senior Leadership	17.8%
30.3%	Managers	30.2%
49.9%	Non-managers	49.7%
***43.1% —	Pharmacists	42.7%
2020	BLACK OR AFRICAN AMERICAN	2019
4.5%	Senior Leadership	4.5%
9.9%	Managers	9.7%
17.8%	Non-managers —	17.9%
10.9%	Pharmacists	10.6%
2020	ASIAN	2019
9.0%	Senior Leadership	7.9%
6.5%	Managers	6.3%
10.0%	Non-managers Non-managers	10.4%
24.8%	Pharmacists	24.6%

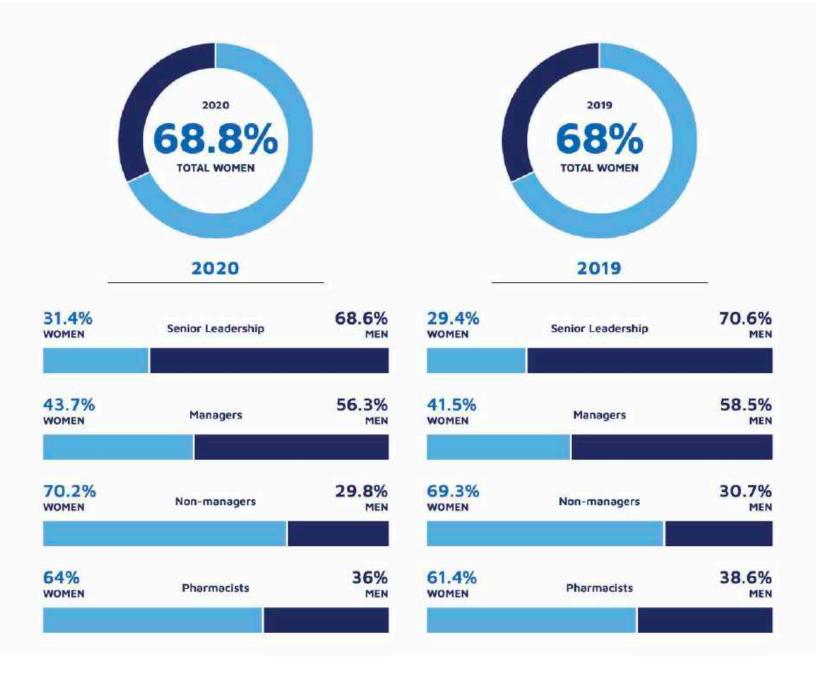
2020	HISPANIC OR LATINO	2019
4.2%	Senior Leadership	4.2%
11.6%	Managers ————	12.1%
18.5%	Non-managers —	17.9%
5.6%	Pharmacists	5.7%
2020	WHITE	2019
80.2%	Senior Leadership	82.1%
69.6%	Managers	69.6%
49.3%	Non-managers	49.6%

WBA Gender Diversity

GLOBAL WORKFORCE REPRESENTATION BY GENDER

Composition of Employees as of Fiscal Year-End (August 31, 2020)



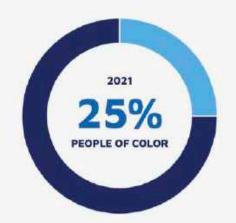


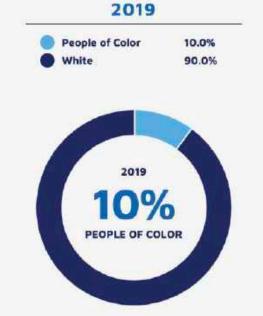
WBA Board of Directors

BOARD REPRESENTATION BY RACE AND ETHNICITY

Composition of Board as of Fiscal Year-End (August 31, 2021 and 2019)



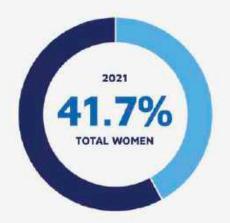




BOARD REPRESENTATION BY GENDER

Composition of Board as of Fiscal Year-End (August 31, 2021 and 2019)







2019

30.0%

70.0%

Female

Male

FISCAL YEAR 2021 DE&I GOALS

In 2021, we launched a corporate DE&I goal to help us sharpen our focus and efforts on a few key areas and measure progress along the way. The goal consists of these components:



To help us reach our desired future state, these measures are based on a rigorous assessment of our company performance to date and industry benchmarks. Two of the measures focus on representation in our leadership team because we know representation matters. Two of our goal components are intentionally U.S.-only for fiscal 2021. This is because here we have robust workforce data*** on our team's race and ethnicity, as well as an established U.S. supplier diversity program. As we continue our work to meet these goals, we're gathering more robust diversity data in our regions outside the U.S. and expanding our supplier diversity program. The WBA Board of Directors affirmed and approved the corporate DE&I goal, which will account for 10 percent of fiscal 2021 WBA bonus criteria. We're proud that WBA is leading the way by including DE&I as a performance metric tied to bonuses.

Our top priorities are more than a guide. They are hard-and-fast commitments we made to our Board of Directors as part of a company-wide mandate to advance DE&I. Our fiscal 2021 priorities included:



"Having diverse representation at the top is not only a driver of company performance, but also an enabler of a culture of inclusion. I'm proud of the stand we're taking by holding ourselves accountable to building a workforce that reflects the communities we serve. But I also know there is still much work to be done. Our commitment to DE&I and pledge to be accountable will help guide us along our journey to drive sustainable change in the coming weeks and months."

- Carlos Cubia, Senior Vice President and Global Chief Diversity Officer, WBA

Benchmarking Our Accomplishments

There are many reasons that WBA values external recognition and awards, beginning with the opportunity to gain diverse points of view. External recognition tells us that we're working on the right things and going about them the right way. It sets us apart from our competition and provides valuable insights and feedback. It gives us credibility and validation and signals to our customers, patients and suppliers that they are interacting with a company that shares their values and uses its purpose to drive meaningful impact and change. Most importantly, these awards recognize and celebrate our team members' hard work and achievements and make them proud to be a part of our community.

Awards and Recognition



Disability Confident Employer



2020 McKenzie-Delis Packer Review
- TOP 25 EMPLOYER



2020 Diversity Best Practices (DBP) Inclusion Index Company



2020 Top 50 Employers of HBCU Students & Graduates



2020 Black EOE Journal Best of the Best

- RECOGNITION FOR WALGREENS SUPPLIER DIVERSITY
- RECOGNITION FOR WALGREENS TOP EMPLOYERS
- RECOGNITION FOR WALGREENS TOP LGBTQ+ FRIENDLY COMPANIES



2020 Hispanic Network Magazine Best of the Best

- RECOGNITION FOR WALGREENS SUPPLIER DIVERSITY
- RECOGNITION FOR WALGREENS TOP EMPLOYERS
- RECOGNITION FOR WALGREENS TOP LGBTQ+ FRIENDLY COMPANIES



2020 U.S. Veterans Magazine Best of the Best

- RECOGNITION FOR WALGREENS SUPPLIER DIVERSITY



2020 National Organization on Disability Leading Disability Employer



2020 Healthcare Businesswomen's Association (HBA) ACE Award



2020 Minority Business News Best of the Decade

- RECOGNITION FOR WALGREENS SUPPLIER DIVERSITY PROGRAMS



2020 & 2021 Disability Equality Index Best Places to Work



2021 Top 25 Public Company Diversity & Inclusion Leaders

- UP THREE SPOTS FROM 2020 TO NUMBER 8 IN 2021



2021 Corporate Equality Index Award



2021 DiversityInc Top 50 Companies for Diversity



2021 CAREERS & the disABLED Magazine Readers' Choice Award



2021 Equal Opportunity Employer Recognition Scheme for Gender Equality, Family Status Equality, Racial Equality and Inclusion

DiversityInc

Named a Noteworthy company in 2020, Walgreens was thrilled to learn it placed at No. 39 on the 2021 DiversityInc Top 50 Companies for Diversity. This well-regarded ranking of diversity and inclusion practices in corporate America recognizes the companies that are doing the best when it comes to creating and retaining a diverse workforce; enacting fair and equitable measures for their employees; supporting diverse vendors; and creating an environment where leaders are held accountable for their daily actions and encouraged to promote equality on all levels.



"Founded in 1901 and based in Deerfield, Illinois, the company [Walgreens] isn't just 'at the corner of happy and healthy' when it comes to medicine and pharmaceuticals, it's also an ardent champion of diversity, inclusion and social responsibility, helping in the fight against poverty, food insecurity and a lack of good quality education. Walgreens is also a staunch supporter of data transparency, not only to help meet its diversity goals, but to also hold leaders accountable for their efforts in those areas."

- 2021 DiversityInc Top 50 Companies for Diversity

Recognizing Advancement, Commitment and Engagement: HBA ACE Award

Walgreens Boots Alliance (WBA) merited an Advancement, Commitment and Engagement (ACE) honor from the Healthcare Businesswomen's Association (HBA) for its innovative Women of WBA business resource group. HBA's ACE Awards recognize companies that are committed to ensuring that gender diversity and leadership opportunities for women are part of their organizational DNA. Recipients of the ACE awards are selected by an independent review panel of healthcare industry leaders for their excellence in corporate internal women's leadership initiatives. Award criteria include measurable results, business performance, stewardship, execution and sustainability. Watch the 2020 highlights video to see some of the discussions and events from our Women of WBA business resource group.





Sustaining High Achievement: Disability Equality Index



A partner of <u>Disability:IN</u>, the leading nonprofit resource for business disability inclusion worldwide, WBA is a sponsor and conference participant, but we also use Disability:IN to broaden our candidate pool and identify top talent. We are proud that for the last five years, WBA has scored 100 on Disability:IN's DEI: Disability Equality Index as a Best Place to Work.

*All figures are as of Aug. 31, 2020, excluding equity method investments. Including its equity method investments in U.S. drug wholesaler Amerisource Bergen, Chinese pharmacy chain GuoDa and other companies. WBA employs more than 450,000 people in more than 25 countries.

"We did not have fiscal 2021 numbers at the time of publication.

""The Walgreens pharmacist diversity data in the report is a restatement of previously published data, due to refining of our reporting processes.

**** In the U.S., under equal employment opportunity laws, we are required to invite our employees to self-ID by race and ethnicity to monitor progress in combating historical discrimination practices in employment. This information is part of the employee record, and the data is also used in conjunction with Affirmative Action planning and reporting which we are required to do as a Federal Contractor of the U.S. government.



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Our Values. Our People. Our Differences.



Building on Our Momentum

While we are proud of our 2020-21 accomplishments, we know that we must focus on a few vital areas to create sustainable change. We must eliminate the time and effort we spend on distracting activities and concentrate on actions that result in measurable, meaningful behavioral and cultural shifts.

We will continue to apply what we have learned over the last two years – to build on the work we have done, getting comfortable with the uncomfortable and delving into complex but essential conversations. We will expand our endeavors to listen, learn and act and deepen efforts to track, measure and hold ourselves accountable. Together, we will drive sustainable impact by ensuring our teams, brands and services reflect the communities we serve. We will foster a culture where Diversity, Equity & Inclusion (DE&I) are at the center of everything we do and an environment in which everyone feels respected and valued. And we will continue to live our purpose to help people across the world lead healthier and happier lives.



The Illustration





Sydney G. James

Detroit-bred and -based fine artist, muralist and 2017 Kresge Fellow Sydney G. James earned her BFA at the College for Creative Studies in 2001 and began her career as an Art Director in advertising. Sydney headed to Los Angeles in 2004 to expand her career as a visual artist in the film and television industry and earned her master's degree in secondary education.

Returning to Detroit in 2011, Sydney has become one of the newest leading creative voices in southeast Michigan. Exploring themes of the racial and gender positioning of the black woman in America as "last" or "least among others" in society has been the central theme in Sydney's work recently. Her portraits and murals seek to reposition this narrative of the black woman's visibility and importance, bringing them to the forefront of the conversation. Influenced by the artists Barkley L. Hendricks, Hubert Massey, Jenny Saville and the Afri-COBRA collective, Sydney's art expands figurative painting with bold brushwork, colors and imagery.

Sydney has displayed her art at MoCAD, Charles H. Wright Museum, M Contemporary Art, PLAYGROUND DETROIT, The Collective Detroit, Detroit Artists Market, Red Bull House of Art, and Janice Charach Gallery as well as the Art Beats + Lyrics traveling exhibit. She has completed public murals in Detroit, New Orleans, Atlanta, and Los Angeles; and Accra, Ghana; Freetown, Sierra Leone; and Kathmandu, Nepal. She has painted in a multitude of mural festivals such as Murals in the Market (recognized by National Geographic as one of the world's best mural festivals), Pow Wow Hawaii, Pow Wow Long Beach, Pow Wow Worcester, and Denver CRUSH WALLS. Some of her most recent work has been as a branding agent partnering with Ford Motor Company, PepsiCo, the Detroit Lions, Lip Bar Cosmetics and Vans. Sydney takes on each new project with the gusto and intention of one approaching a new adventure: excited, prepared and ready to engage.