



Assurance Report

(GRI 102-56)



INDEPENDENT ACCOUNTANTS' REVIEW REPORT

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

We have reviewed management of Walgreens Boots Alliance, Inc.'s (the "Company" or "WBA") assertion that the sustainability disclosures identified below and referenced in Management's Assertion section of the accompanying WBA 2021 Environmental, Social, and Governance Report (the "WBA 2021 ESG Report") (the WBA specified disclosures, Global Reporting Initiative ("GRI") specified disclosures, and the Sustainability Accounting Standards Board ("SASB") specified disclosures collectively the "Specified Disclosures") for the period or date indicated below, are presented in accordance with the criteria set forth in Management's Assertion section of the accompanying WBA 2021 ESG Report:

WBA Specified Disclosures for the fiscal year ended August 31, 2021:

1. Total Company CO₂e emissions, by source
2. CO₂e emissions from energy, by type
3. Scope 1 CO₂e emissions except for the portion sold to third parties or to the grid
4. CO₂e emissions from business travel, per 1,000 employees, by division and for the Company
5. Waste by method of disposal

GRI Specified Disclosures for the fiscal year ended August 31, 2021:

1. GRI 101-2.5: Access to Affordable and Quality Healthcare
2. GRI 416-1: Safety of Products and Services
3. GRI 414-1 and GRI 414-2: Responsible and Ethical Supply Chains
4. GRI 401-2 and GRI 403-8: Employee Health, Safety and Well-being
5. GRI 418-1: Data Privacy and Security
6. GRI 306-3: Waste Management

GRI Specified Disclosure for the year ended December 31, 2020:

1. GRI 306-3: Plastics and Packaging

GRI Specified Disclosure as of August 31, 2021:

1. GRI 405-1: Diversity, Equity, and Inclusion

SASB Specified Disclosures for the fiscal year ended August 31, 2021:

1. Energy Management in Retail
 - HC-DR-130a.1. (1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable
2. Data Security & Privacy
 - HC-DR-230a.1. Description of policies and practices to secure customers' protected health information (PHI) records and other personally identifiable information (PII)
3. Patient Health Outcomes
 - HC-DR-260b.2. Description of policies and practices to prevent prescription dispensing errors
4. Activity Metrics
 - HC-DR-000.A Number of pharmacy locations
 - HC-DR-000.B Total area of retail space
 - HC-DR-000.C Number of prescriptions filled
 - HC-DR-000.D Number of pharmacists

The Company's management is responsible for its assertion. Our responsibility is to express a conclusion on management's assertion based on our review.



Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA) in AT-C section 105, *Concepts Common to All Attestation Engagements*, and AT-C section 210, *Review Engagements*. Those standards require that we plan and perform the review to obtain limited assurance about whether any material modifications should be made to management's assertion in order for it to be fairly stated. A review is substantially less in scope than an examination, the objective of which is to obtain reasonable assurance about whether management's assertion is fairly stated, 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.

In performing our review, we have complied with the independence and other ethical requirements of the Code of Professional Conduct issued by the AICPA. We applied the Statements on Quality Control Standards established by the AICPA and, accordingly, maintain a comprehensive system of quality control.

The procedures we performed were based on our professional judgment. In performing our review, we performed analytical procedures and inquiries. For a selection of the Specified Disclosures, we performed tests of mathematical accuracy of computations, compared the specified information to underlying records, or observed the data collection process.

The preparation of the Specified Disclosures in the WBA 2021 ESG Report requires management to establish and interpret 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 disclosures includes estimates and assumptions that are subject to significant inherent measurement uncertainty resulting, for example, from accuracy and precision of conversion factors or estimation methodologies used by management. Obtaining sufficient, appropriate review evidence to support our conclusion does not reduce the inherent uncertainty in the amounts and Specified Disclosures. The selection by management of different but acceptable measurement methods, input data or model assumptions may have resulted in materially different amounts or Specified Disclosures being reported.

Information outside of the Specified Disclosures referenced in Management's Assertion section of the WBA 2021 ESG Report, including linked information, was not subject to our review, including the alignment to United Nations ("UN") Sustainable Development Goals and the Task Force on Climate-related Financial Disclosures ("TCFD") Disclosure Index and, accordingly, we do not express a conclusion or any form of assurance on such information. Further, any information relating to forward looking statements, targets, goals and progress against goals, was not subject to our review and, accordingly we do not express a conclusion or any form of assurance on such information.

Based on our review, we are not aware of any material modifications that should be made to management of the Company's assertion that the Specified Disclosures referenced in Management's Assertion section of the accompanying WBA 2021 ESG Report for the period or date indicated therein, are presented in accordance with the criteria set forth in Management's Assertion section of the accompanying WBA 2021 ESG Report.



Chicago, IL
January 26, 2022



Basis of Preparation

FISCAL 2021 ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) DATA

PART I: BASIS OF PREPARATION

Organization and scope

The Company's operations are organized into two segments: US and International. WBA's external performance reporting includes all subsidiaries in which the Company holds a controlling interest. Excluded from the scope of this reporting are entities in which the Company does not have a controlling interest.

The main areas that are excluded when reporting ESG information externally are:

- Divestments - Businesses that are no longer subsidiaries of the Company at the fiscal year end due to divestment in the reporting year are excluded from current year ESG reporting scope;
- Business acquisitions - Businesses acquired during the reporting year are excluded from the current year ESG reporting scope. The complete dataset is reported once data for a full year are available;
- Equity method investments - Equity method investments are excluded from the Company's external ESG reporting scope.;
- Franchise operations — Franchise operations run by third parties where a WBA business is the franchisor are excluded from the Company's external ESG reporting scope.;
- Outsourced activities — These Outsourced activities are excluded from the ESG reporting scope, except where the outsourcer's activities are dedicated to the Company's business and where the associated impacts may be significant to our ESG performance., e.g.For example, third-party product deliveries made exclusively for WBA. The Company's Code of Conduct and Business Ethics set out the principles for dealing with, and the requirements for, suppliers.

Every effort is made to ensure that the Company reports accurate data and that processes are designed to support this. In cases where the Company becomes aware of updates to the previous year's data, it will consider restating data where the changes result in a discrepancy that is material to this ESG report. In these cases, the Company provides details in footnotes to the data tables.

On June 1, 2021 the Company completed the sale of the majority of the Company's Alliance Healthcare business as well as a portion of the

Company's retail pharmacy international businesses in Europe ("discontinued operation") to AmerisourceBergen Corporation. Unless otherwise specified, disclosures in this report reflect continuing operations only. Certain prior period data, primarily related to discontinued operations, have been reclassified to conform to the current period presentation.

Use of multiple frameworks

The Company has used both standard and non-standard frameworks in its reporting process. For select metrics and KPIs, WBA developed its own standard definitions for reporting its performance data and KPIs (Refer Part II).

The Company is reporting the material topics, identified during the fiscal year 2021 materiality assessment. The Company follows the Global Reporting Initiative's definition of materiality, which is different to the definition used for filings with the Securities and Exchange Commission (SEC). Issues deemed material for purposes of this report may not be considered material for SEC reporting purposes.

The Company reports utilizing frameworks including the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB), the UN Sustainable Development Goals, and, the Taskforce for Climate-related Financial Disclosures (TCFD).

For Scope 1 and 2 GHG emissions, the information has been prepared in accordance with the World Resources Institute/World Business Council for Sustainable Development Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Revised Edition (the GHG Protocol). As described in the GHG Protocol: Corporate Standard, GHG emissions reported under Scope 3 GHG emissions are optional for reporting. The Company is reporting on two of the fifteen Scope 3 categories: Business travel and downstream transportation and distribution (cars, aircraft, trains or by sea) for operations outsourced to third parties where deliveries are made exclusively for WBA businesses. Collectively, the Corporate Accounting and Reporting Standard, Revised Edition and Corporate Value Chain (Scope 3), Accounting and Reporting Standard are referred to as the GHG Protocol in this document.

Reporting of metrics and data

The Company has documented definitions and procedures related to ESG data and metrics to ensure completeness and consistency. These procedures provide for the use of estimation and extrapolation techniques in instances in which data is not practicable to source. The Company reviews definitions and procedures on an annual basis.

END OF SECTION



PART II - DEFINITIONS OF WBA ESG PERFORMANCE METRICS

WBA reports ESG performance data in total and for certain metrics by segment, consistent with its financial reporting. The Company captures, analyzes and reports data at a detailed level to provide a clear understanding of contributing factors to ESG performance. WBA's framework of ESG priorities covers the following key areas:

<p>Healthy Communities</p>	<p>Contributions are analyzed as follows:</p> <ul style="list-style-type: none"> • Cash (charitable and other donations) and non-cash (employee time, in-kind donations and management costs) • Focus of the organizations contributed to: health, social welfare, education, other (for example, relating to arts, culture, emergency relief, economic development) • Employee time (volunteer hours). Please note employee time relates to volunteering hours during paid working time only.
<p>Healthy Planet</p>	<p>The three significant sources of CO2e emissions are energy, product delivery and business travel. Emissions are analyzed as follows:</p> <ul style="list-style-type: none"> • Total emissions by source (energy, product delivery and business travel) • Scope (Scopes 1, 2 and 3) • Emissions from energy by type: electricity (direct and indirect), gas (indirect), and other (combined heat and power, oil and liquefied petroleum gas) • Emissions from business travel, by type: road, air and rail • In addition to the above analysis, the Company also discloses the metric, CO2e emissions from business travel per 1,000 employees. <p>Waste is analyzed as follows:</p> <ul style="list-style-type: none"> • By method of disposal: landfill, incinerated and recycled (includes materials recovered via incineration with heat recovery) • By content: hazardous and non-hazardous
<p>Healthy and Inclusive Workplace</p>	<ul style="list-style-type: none"> • Employee Turnover • Diversity of employees (including age group, gender, and leadership level for WBA; race and ethnicity for Retail Pharmacy USA, and gender and race and ethnicity for U.S. pharmacists) • Employee category (manager, non-manager and senior director and above) • Employment Type (permanent, temporary, full-time, part time) • Percentage of employees under a collective bargaining agreement



1. HEALTHY COMMUNITIES

Cash donations

- **Charitable cash donation:** Cash donated directly by the Company in support of community projects to organizations officially created or legally registered for charitable purposes. Donations from employees, customers and suppliers are not included.
- **Other cash donation:** Cash donated directly by the Company in support of community projects to organizations other than those officially created or legally registered for charitable purposes. Donations from employees, customers and suppliers are not included.

Non-cash donations

- **Employee time:** Defined as the value of time employees have volunteered to spend on community projects and social welfare programs during paid working time. Employee time is valued at an average staff salary rate and includes employer's employment taxes, healthcare, social security and Medicare contributions, pension contributions and employer matching 401K contributions.
 - **In-kind donations:** These are products, equipment, the use of premises or other non-cash items donated to community programs. They include product donations, generally valued at their cost price, gift vouchers and the provision of space at vacant properties to charitable organizations. Also captured is advertising space in Company magazines (e.g. Boots Health & Beauty magazine) that benefits both the charity and the business. Fifty percent of the advertising costs are included, in line with the London Benchmarking Group (LBG) global standard.
 - **Management costs:** These are defined as the value of costs incurred planning and managing community projects and social welfare programs and consist of direct expenditure as well as an allocation of relevant overhead and expenses.
- Geographic Areas impacted by the Company's donations**
- **Local A** local organization is defined as an organization whose work does not meet the definition of national or international organization.
 - **National A** national organization is defined as an organization whose work is focusing on the entire country. For US purposes the entire country is defined as the sizeable majority (more than 75 percent) of the states.
 - **International** An international organization is defined as an organization whose work is focusing on more than one country.

Organizations supported by the Company's contributions

- **Health** projects include donations made to not-for-profit hospitals, health organizations and other health-related activities.
- **Social welfare** projects include donations made to organizations focused on issues such as homelessness, legal support, domestic violence, the elderly and people with disabilities.
- **Education** projects include donations made to schools, colleges, universities or other projects or organizations that promote education, training or development programs.
- Other projects include donations made to organizations or activities not covered by categories above, such as the arts, culture, emergency relief and economic development.

Access to Affordable and Quality Healthcare

- Number of new in-store health service locations that increase access
- Number of collaborations with healthcare service providers covered on the Walgreens app through Walgreens Find Care

Consumer Health Education and Marketing

- Number of consumers who participate in health education initiatives through clicks on healthcare focused topics on Walgreens.com

Opioid Abuse Prevention

- Number of Naloxone kits dispensed
- Total number of take home safe medication disposal kits sent from distribution centers to stores for customer distribution

2. HEALTHY PLANET

2.1 Waste

Waste reporting is typically reliant on data provided by waste contractors within a country. Normally, waste data measurement is based on metric tonnage as provided by third-party contractors. For sites where the third party's contract is based on an agreed standard metric tonnage per volume collected, the rate applicable for the year is used as the basis of calculation. For sites where contractor data are unavailable (for example, stores within shopping centers where the Company's business does not manage the waste contract), estimates are used based on actual data from a store or warehouse of an equivalent size.

- **Total waste generated** is defined as sum of Hazardous and Non-Hazardous waste sent to Landfill, Incineration with and without Heat Recovery, and Recycled.



- **Waste sent to landfill** is defined as waste produced by WBA operations and sent to landfill for disposal.
- **Waste sent to incineration** is defined as waste produced by WBA operations and sent to incineration, without heat recovery, for disposal.
- **Materials recovered via incineration** are defined as waste produced by WBA operations and sent to incineration via a contractor where energy recovered from the process is used to generate electricity or heat.
- **Materials recycled** are defined as waste produced by WBA operations and sent off-site for recycling.
- **Hazardous waste** as defined by local applicable legislation at the point of generation
- **Non-hazardous waste** as defined by local applicable legislation at the point of generation Key performance indicators - waste

Key performance indicators - waste

1. Hazardous waste as % of total waste
2. Waste recycled as % of total waste generated
3. Total waste generated per \$ sales (tonnes per \$million sales)

2.2 Carbon emissions

Total CO₂e emitted (in metric tonnes) is calculated using activity data (e.g. amount of fuel used) and applying relevant conversion factors following the Greenhouse Gas (GHG) Protocol recommendation and using the most accurate calculation approach available. To reach the most accurate emissions estimations, the latest available specific locally sourced factors are applied, where reasonable. Key performance indicators - emissions

Key performance indicators - emissions

4. Electricity - green tariff as % of total used (based on kWh)
5. CO₂ emissions from business travel, per 1,000 employees
6. CO₂ tonnes from product delivery per \$million sales

2.2.1 Conversion factors

- For standard tariff electricity, country specific CO₂e conversion factors published by the International Energy Agency (IEA) are used, apart from WBA's largest territories, the U.S. and the UK. U.S. data are converted using Environmental Protection Agency (EPA) Emissions & General Resource Integrated Database (eGRID) specific CO₂e factors that take into consideration where the electricity was produced within the country. UK data are converted using the UK Department for Environment, Food & Rural Affairs (DEFRA) CO₂e factors.
- For passenger air travel, the latest available DEFRA factors are used across all Segments.

- For all other metrics, conversion factors are applied based on business location. The United States Segment follows the U.S. Environmental Protection Agency (EPA) published factors. The International Segment follows DEFRA published factors. Note: where CO₂e factors are not available, CO₂ factors are applied as a proxy.
- Conversion factors are updated annually to reflect the factors published by the IAE, EPA and DEFRA that are in effect as of 31 August of the reporting year.

2.2.2 Energy

- **Electricity** - The calculation of CO₂e from electricity is based on the following factors:

- **Standard tariff** - Consumption data are converted using the relevant conversion factors as described above. Where data on electricity consumed are not available, an estimate is made based on annual expenditure on electricity. Estimates are based on stores or properties of an equivalent size.
- **Green tariff** - This is country specific and entered individually by the business. Generally, in cases where the standard tariff is already subsidized, this is accounted for using the grid average conversion factor.
- **Onsite Combined Heat & Power ("CHP") plant** - This is specific to the Company's onsite energy plant in Beeston, Nottingham, UK and based on a calculation defined by the GHG Protocol that uses actual electricity and heat output figures.
- **Gas and other** - Consumption data are converted using the relevant conversion factors as described above. Where data on actual consumption (in mWh) are unavailable, an estimate is made based on annual expenditure.

2.2.3 Outbound product delivery

This covers the resulting CO₂e emissions from delivery of products to stores and to customers. This includes deliveries by own-fleet vehicles and for operations outsourced to third parties where deliveries are made exclusively for WBA businesses and backhaul deliveries for other companies. This excludes deliveries from third-party suppliers to Company warehouses, cross-dock centers or direct to stores. The amount of CO₂e emitted is calculated using activity data and applying the relevant conversion factors as described above.

- **Own-fleet vehicles** (including leased vehicles):
 - **Drivers with fuel cards** - fuel consumed captured by third-party fuel billing
 - **Drivers without fuel cards** - distance captured



- **Third-party vehicles** - where the delivery is made exclusively for a WBA business, captured by either third-party kilometer data or third-party liters of fuel used.

2.2.4 Business travel

The amount of CO₂e emitted from travel undertaken by employees for work or business purposes is calculated using activity data and converted to emissions applying relevant conversion factors as described in section 2.2.1.

- **Road travel** – car travel undertaken by employees for business purposes
 - Employees with fuel cards - captured by third-party fuel billing
 - Employees without fuel cards - captured by Company expense systems, using kilometers travelled
- **Air travel** – calculated using third-party (e.g. travel service provider) data on kilometers travelled other than for non-commercial flights, which are calculated using third-party data on fuel consumed
- **Rail travel** - calculated using third-party (e.g. travel service provider) kilometer data

2.2.5 Carbon emissions by scope

The amount of total CO₂e emitted from energy, product delivery and business travel categorized into scopes as defined by the GHG Protocol.

- **Scope 1:** Direct GHG emissions occurring from sources that are owned or controlled by the Company are emissions from self-generated electricity and self-generated heat or steam; and, from combustion of natural gas and oils in owned or controlled boilers and furnaces, owned vehicles used for product delivery and owned cars or aircraft used for business travel. Fugitive emissions resulting from the use of refrigeration and air conditioning equipment are not included as the Company evaluates their effects on its operations.
- **Scope 2:** Indirect GHG emissions are emissions from the generation of purchased electricity, purchased heat or purchased steam consumed.
- **Scope 3:** Indirect GHG emissions that are a consequence of the activities of the Company but occur from sources not owned or controlled by the Company. WBA currently reports on business travel and downstream transportation and distribution, which are the most relevant sources of emissions. These are emissions from third-party product delivery and business travel undertaken by vehicles (cars, aircraft or trains) not owned by the Company.

3. HEALTHY AND INCLUSIVE WORKPLACE

Employee: An employee is a person employed by WBA on a full- or part-time basis, for an indefinite or fixed term.

Employee Turnover

- **Voluntary Turnover:** Employees who have left the Company voluntarily (not transfers) as a percent of the average active and leave headcount of employees for the reporting period. The reporting period is based on the prior 12 months. Interns, as identified by job title, are excluded from turnover.
- **Involuntary Turnover:** Employees who have left the Company (not transfers) as a percent of the average, active and leave headcount of employees for the reporting period. The reporting period is the same as above. Some reasons that are not included in turnover, which coincides with industry standards for defining turnover are the following: Permanent reduction in force, Employee death, Store or department closures.

Employees by gender

- **Men:** total number of employees who identify themselves as male.
- **Women:** total number of employees who identify themselves as female.
- **Undisclosed:** total number of employees who have not disclosed their gender.

Employees by age group

- **Employees under 30 years old:** the number of employees who are younger than 30 years old at period end.
- **Employees between 30 – 50 years old:** the number of employees who are between 30 and 50 years old at period end including 30 and 50 year old employees.
- **Employees over 50 years old:** the number of employees who are older than 50 years old at period end.

Employee category

- **Manager employees:** the number of employees who have at least one direct report. This definition is a subset of the manager population included in U.S. regulatory reporting.
- **Non-manager employees:** the number of employees who do not have any direct reports.
- **Senior director and above:** U.S. employees at the senior director job level and above, and the equivalent job titles within these levels in other geographies.



Employment Type

- **Permanent:** An employee employed on an indefinite basis or for an indeterminate period of time.
- **Temporary:** An employee employed on a fixed term or temporary contract.
- **Full-time:** Employees working more than 30 hours per week.
- **Part-time:** Employees working less than 30 hours per week.

Collective bargaining

- **Employees under a collective bargaining agreement:** the number of employees who are part of a collective bargaining agreement. Collective bargaining is defined as negotiation of wages and other conditions of employment by an organized body of employees.

Race, ethnicity of Retail Pharmacy USA employees

- **People of color:** the number of employees who identify themselves as belonging to an ethnic or racial minority.

4. SUSTAINABLE MARKETPLACE

Palm Oil: The percentage of Palm Oil in Boots UK and No7 Beauty Company certified using the following methods

- Palm Oil derivatives using credits
- Palm Oil derivatives physically certified
- Palm Oil used as an ingredient physically certified
- Palm Oil used as an ingredient certified using credits

Packaging Materials in owned brand products: The metric tonnes of materials used in owned brand primary, secondary and tertiary packaging

- Metal
- Glass
- Pulp/Paper (excluding pallets)
- Plastic