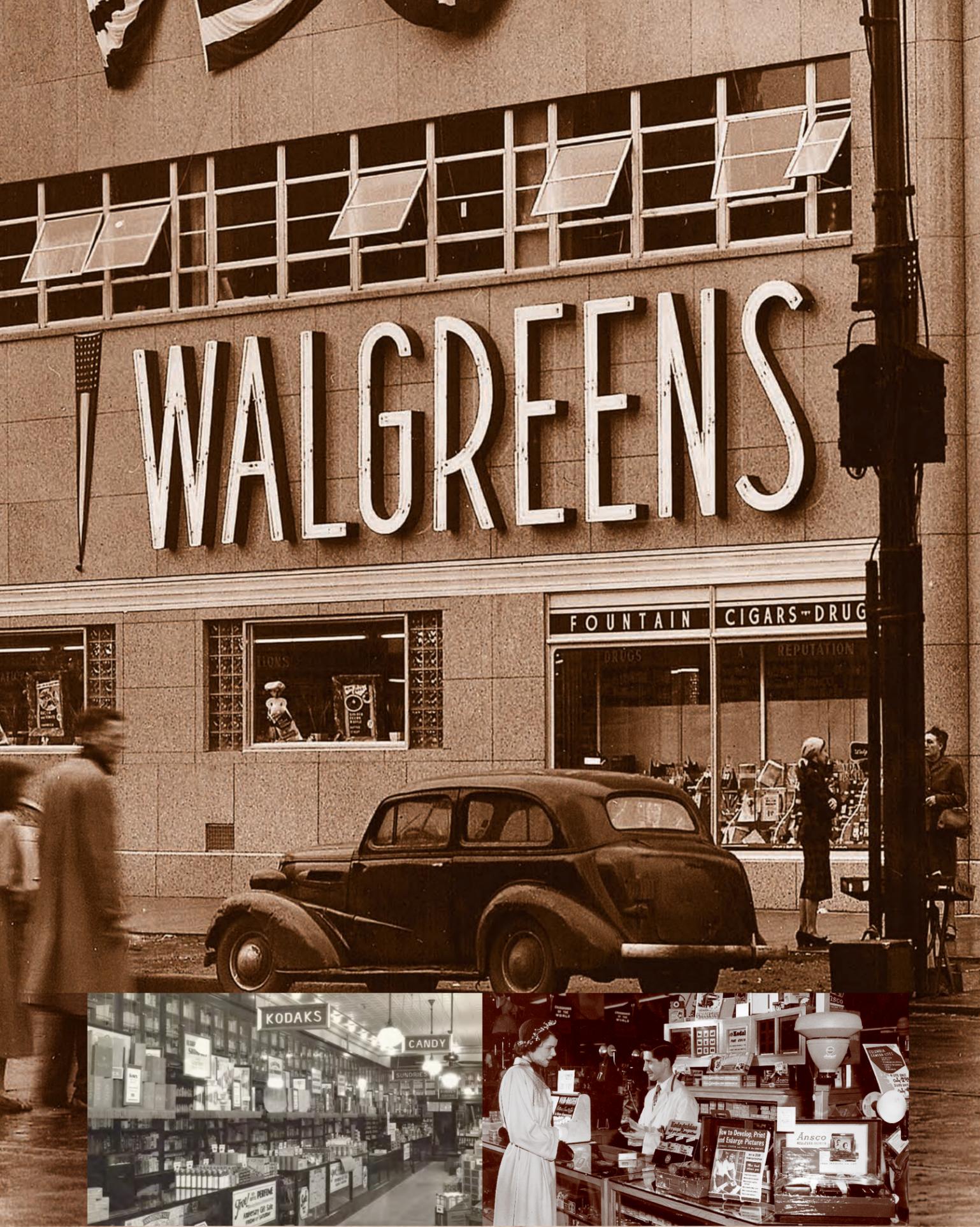




I have a very definite reason
for paying colored R.P.s the same
as white
ones.

Charles Rudolph Walgreen April 4, 1928



Building On Our Heritage of Inclusion and Service

Walgreen

Walgreens has a deep and proud history of continuous innovation rooted in a commitment to equal access, opportunity and a high-quality customer experience. Walgreens was born on Chicago's South Side when Charles R. Walgreen purchased the drugstore where he worked, at Cottage Grove and Bowen Avenues, in 1901. Even in the early days of his business, he insisted that all pharmacists, regardless of race, receive the same pay, despite the industry and cultural standard that directed otherwise.

Throughout our history and to this day, Walgreens has honored and lived our founder's commitment to diversity, inclusion and fairness. For example, as our company has grown to more than 8,000 stores across the United States, the presence of a Walgreens frequently anchors other businesses to an area that might not otherwise see retail activity.

Promoting greater Diversity & Inclusion in the pharmacy profession also has long been part of our company's DNA. Over the past 50 years, Walgreens has strengthened its commitment to inclusion and diversity by partnering with pharmacy schools, including four leading historically black colleges and universities, to promote the education and graduation of thousands of new pharmacists.

Additionally, Walgreens became the first drugstore chain to offer prescription labels in 14 different languages chain-wide. In 2007, Walgreens began developing the new partnerships, systems, machines and processes that have made us a nationally recognized pioneer and leader in employing people with disabilities.

Today, the entire Walgreens organization—240,000 employees strong—is determined to be the first choice for health and daily living for everyone in America...and beyond.

Through **Living the Commitment: Diversity, Inclusion and Engagement**, we can fulfill our potential, achieve that mission and make our founder proud.



Love Customers

Be Real

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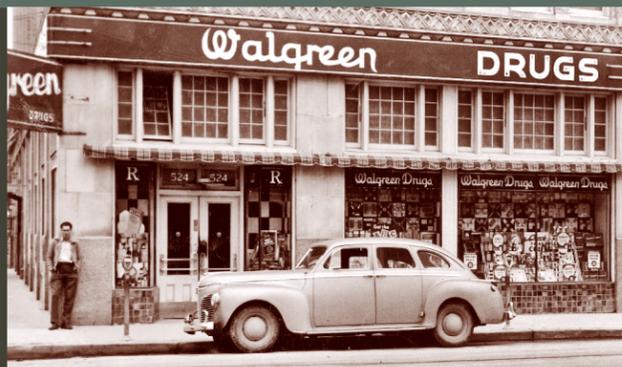
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Live It

Build Trust

Be One

These are Walgreens **cultural beliefs**, and together they define the ways we need to think and act to achieve the results we want.



Living the Commitment Is Everyone's Business

At Walgreens, each team member proudly shares in the responsibility and opportunity to help *all* of our customers get, stay and live well. These collective commitments are key aspects of our strong value system, forged through more than a century of service to our communities.

Fairness. Respect. Equality. These are not just powerful words at Walgreens. As this report's cover illustrates, these are foundational principles that our founder Charles R. Walgreen Sr. articulated decades ago. To this day, these principles inspire our shared core cultural beliefs in personal commitment, passion, responsibility and accountability, and resonate in our every interaction with customers, patients, communities, partners and colleagues.

Across our enterprise, Walgreens strives to foster a diverse and inclusive work environment that engages and encourages every team member to do his or her best work. This culture, in turn, powers the excellence and innovation that both drive an enhanced customer experience and optimize our operational performance.

Within the next three years, we intend for Walgreens to be recognized as a "Next Practices" company for Diversity & Inclusion – one whose cultures, people, perspectives and workplaces reflect the current and future customers we serve while delivering superior business performance.

We are pleased to report that we made solid progress in 2012 toward realizing our diversity and inclusion vision. For example, we:

- Refined our overarching corporate Diversity & Inclusion strategic plan, and gained agreement on new business- and function-specific diversity and inclusion strategic plans;
- Met all obligations and responsibilities as a federal contractor;
- Extended our leadership in disability inclusion practices by launching the national rollout of our Retail Employees with Disabilities Initiative (REDI), even as we continue to derive greater productivity, retention and efficiency from the well-established disability inclusion programs in our distribution centers;

- Continued to promote greater diversity and cross-cultural competence in the pharmacy profession by donating more than \$1 million to more than 120 pharmacy schools across the nation, including programs at historically black- and Hispanic-serving colleges and universities;
- Level-set diversity and inclusion awareness across our organization by developing and rolling out a new e-learning program;
- Positioned Walgreens employee-driven Business Resource Groups to deliver even greater impact to business initiatives by sharpening their focus on talent development, talent acquisition, brand building and community outreach; and
- Earned recognition as an employer, retailer and diverse supplier partner of choice by numerous organizations and publications.

Studies have shown that a diverse and inclusive workplace will experience superior business results and outperform non-diverse and non-inclusive organizations. We intend to fully leverage all of our team members' rich diversity of backgrounds, experiences, and insights to our collective and competitive advantage, in every interaction, everywhere, every day.

As you enjoy this inaugural edition of the Walgreens Diversity & Inclusion Report, know that the many accomplishments highlighted herein illustrate that our approach is proactive, our commitment is deep, our efforts are true—and the best is yet to come.

Thanks for reading.

Greg Wasson
President & CEO

Steve Pemberton
Chief Diversity Officer

Kathleen Wilson-Thompson
Chief Human Resources Officer

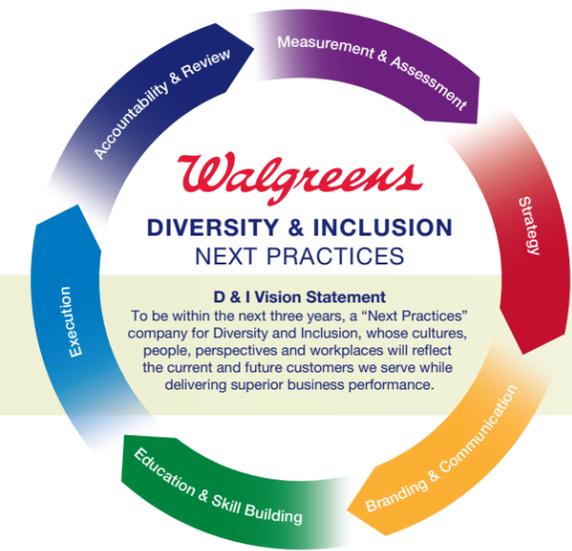
Reaching Beyond Best Practices, Formulating Next Practices

The entire Walgreens organization is mobilizing to deliver Well at Walgreens — where health and happiness come together in every community we serve. Key to our success will be delighting our customers with an outstanding experience through enhanced employee engagement.

Accordingly, the Walgreens Diversity & Inclusion (D&I) center of expertise develops strategies and initiatives to engage and empower team members, and to combine and marshal the best of our unique perspectives to sustain and optimize our organization's success.

In brief, the focus is less on comparing and compartmentalizing distinct dimensions of diversity, and more on unleashing inclusive collaboration, innovation and opportunity, particularly in:

- Serving diverse markets and populations;
- Recruiting, developing, engaging and retaining diverse talent;
- Strengthening our leadership pipeline to support future growth;
- Implementing relevant equal employment opportunity and talent outreach plans; and
- Strengthening and empowering diverse suppliers and communities.



Walgreens Diversity and Inclusion Strategy

Comprehensive D&I Strategy Adopted

In 2012, the D&I team secured senior leadership approval and sponsorship for a new comprehensive strategy to integrate diversity and inclusion into everything we do.

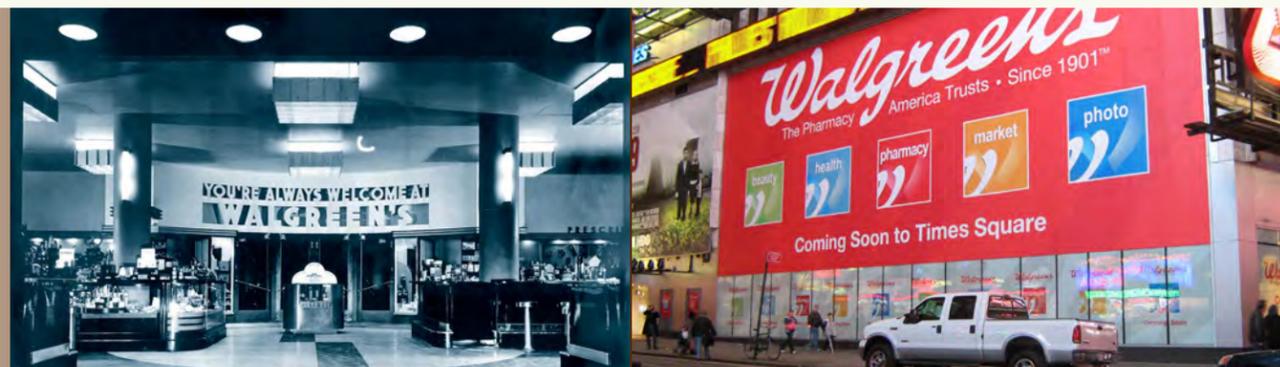
Division-Specific Action Plans Negotiated

As well, the D&I team collaborated with Walgreens HR business partners to develop diversity and inclusion action plans for: Supply Chain Management, Take Care Health Systems, Pharmaceutical Development and Market Access, Specialty Infusion Division, E-Commerce, Innovative Solutions, Daily Living Products and Solutions, Facilities Development and Community Management.

The plans each highlight specific, measurable, attainable, relevant and trackable strategies in three key areas:

- **Culture** – communications, training and employee engagement;
- **Accountability** – scorecards, strategy and affirmative action/compliance; and
- **Partnership** – talent acquisition, talent development, business resource groups and networks, disability inclusion and supplier diversity.

Looking ahead, the D&I team will employ executive messaging, leadership presentations, intranet postings (on WalNet, StoreNet and the new HR portal), employee publication articles and Next Practices News, the new internal e-newsletter from D&I to keep all team members apprised as all plans are implemented and success stories come to light.

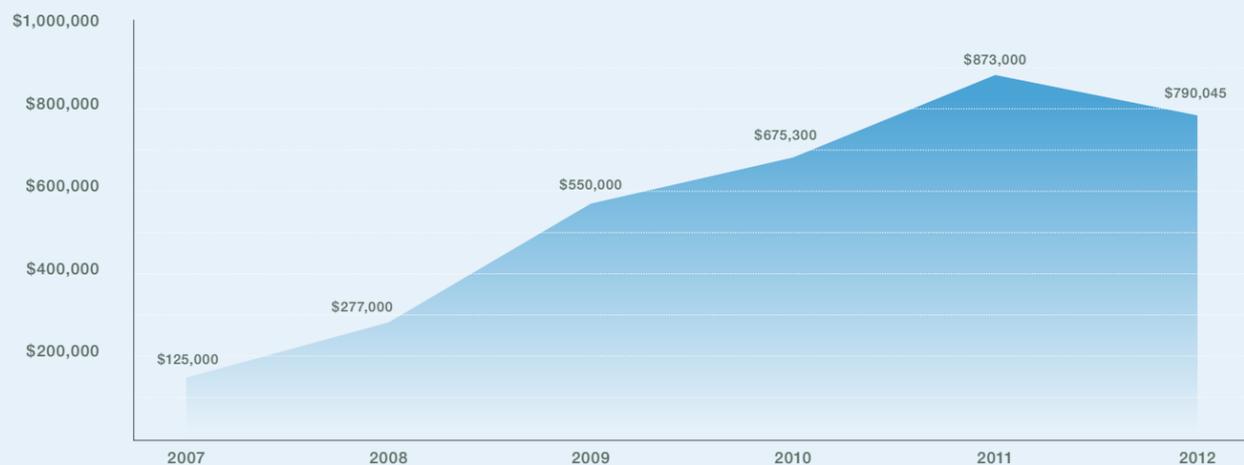




Presenting Customers with the Best Experience and Products

As the nation's largest drugstore chain, Walgreens is always searching for vendors who offer a variety of goods and services that will help us present customers and patients with the best experience and products. One of the best ways we've found to achieve this: Supplier Diversity – our initiative to proactively procure products and services from diverse and small businesses.

Walgreens Supplier Diversity Spending (in Millions)



In 2012, Walgreens diversity spending with minority- and women-owned businesses approached \$800 million. Although that is down 9 percent compared to 2011, a reflection of overall decreased corporate spending, our 2012 diverse supplier spend has grown more than sixfold since 2007. Walgreens remains firmly committed to achieving at least \$1 billion, per year, in diverse supplier spending as quickly as possible.

Today, Walgreens doesn't just purchase from diverse product and services suppliers; we also serve as partners and mentors to help promote entrepreneurship and economic development. Two cases in point: Vera Moore Cosmetics and UBM Facility Services.



President and CEO Vera Moore

From Hollywood Star to LOOK Boutique Success Story



Former TV actress, successful entrepreneur and National Minority Business Council board member **Vera C. Moore** is founder, president and CEO of Vera Moore Cosmetics. Nationally recognized today as one of the first black actresses to be contracted on a national television show, Moore launched her family-owned business in 1979 to offer products for women of color, "from ivory to ebony." Back then, consumers were most likely to find Vera Moore Cosmetics at Long Island's Green Acres Mall. Fast forward 33 years, and the minority- and women-owned business role model's products are sold at The Brownstone in Harlem, online and in Duane Reade and Walgreens upscale LOOK boutiques, alongside other high-end cosmetics.

Delivering Time-Critical Store Services, Employing Local Talent



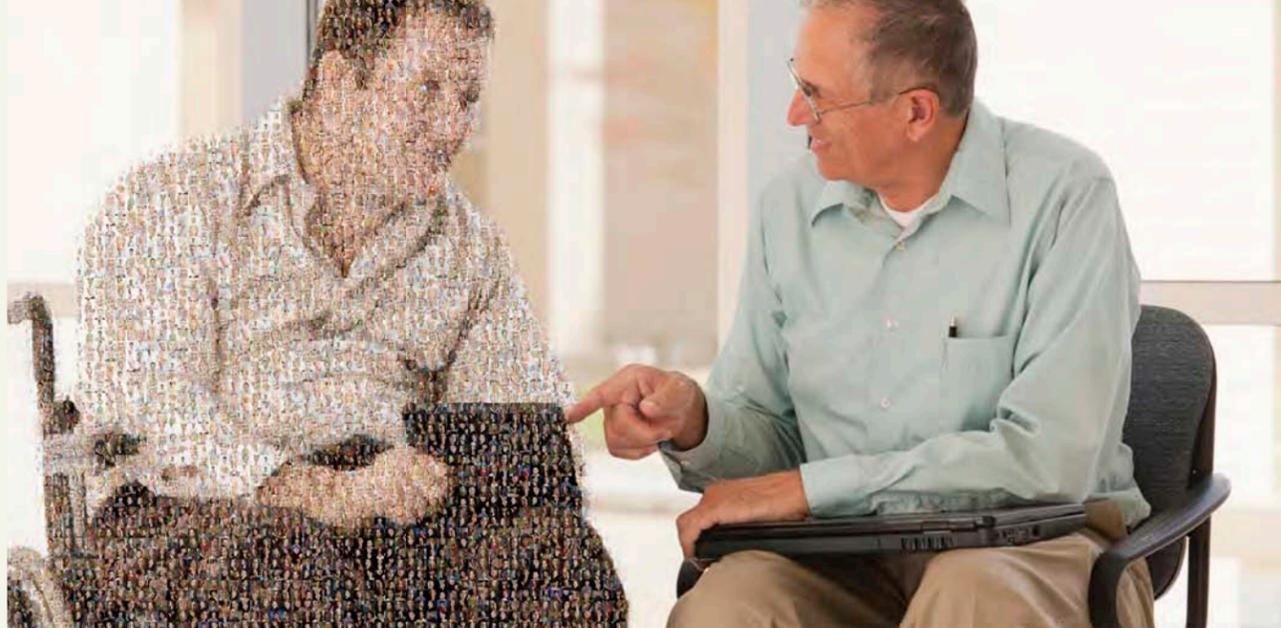
UBM President Michael Cabrera

Five. That's how many Walgreens stores Hispanic-owned and -operated **UBM Facility Services Inc.** worked with just a few years ago, providing time-critical HVAC/mechanical repair services. Through consistent, quick response, crisp execution and service excellence, UBM grew its contract with Walgreens steadily, store-by-store, district-by-district. In the first quarter of 2012, UBM began servicing the entire 250-store Chicago South Region – an area that covers northwest Indiana as well as the Chicago metropolitan area. Most recently, UBM has begun helping Walgreens fight the childhood obesity epidemic and provide better food options and accessible health care to underserved communities by installing new HVAC systems as Walgreens remodels and opens new food oasis stores.

"UBM's growth trajectory with Walgreens is a direct result of their strong performance," says Walgreens Facilities Asset Manager Kimberly Scott-Eskridge. She notes that time is of the essence when a store's rooftop or in-store HVAC unit fails, due to the risk of product spoilage and potential health-code violations.

In addition to obtaining high-quality, competitively priced products and services that enhance the customer experience, Walgreens supplier diversity initiative enhances customer goodwill as well as community economic development. As UBM President Michael Cabrera explains, "Working with Walgreens has enabled UBM to employ minority technicians to service stores in their home communities."

Backed by Walgreens nomination, UBM was recognized in 2012 as Supplier of the Year Tier 3 by the Chicago Minority Supplier Development Council, as well as Regional Supplier of the Year Tier 3 by the National Minority Supplier Development Council.



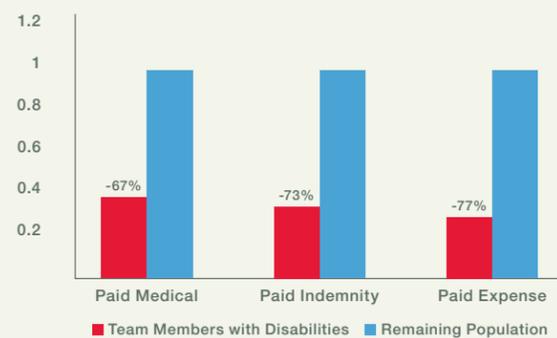
Advancing Our Position as a Disability Inclusion Pioneer

At Walgreens, we embrace diversity in all of its dimensions and are proud to provide an inclusive workplace in which people with and without disabilities work collaboratively and effectively, side by side. In fact, our Disability Inclusion initiative actually dates back to 2007.

That's when Walgreens Supply Chain and Logistics Division began conducting an intentional and strategic disability inclusion initiative, which has included:

- Actively recruiting people with disabilities to work in Walgreens 21 distribution centers;
- Forging partnerships with state and local social services agencies across the nation to assist with initial candidate identification, screening, and training;
- Factoring disability inclusion into physical plant design, leadership training and work climate; and
- Requiring people with disabilities to meet the same performance standards as all other employees.

Relative Workers Comp Cost per Case



Note: Relative workers compensation costs per case, Anderson DC, January 2008 to August 2010

Source: Creating an Inclusive Workplace, Professional Safety, June 2012

Relative Incidents-Accidents per 1,000 Motion Hours



Study Validates Business Case for Disability Inclusion

In June 2012, Walgreens Supply Chain and Logistics Division published an extensive peer-reviewed study of productivity, documented safety incidents and workers compensation claims for employees with disclosed disabilities compared to employees with no disabilities. The findings validated the business case for disability inclusion.

Specifically, we learned that:

- People with disabilities perform equal to people without disabilities in productivity rate, accuracy and safety incident reports; and
- People with disabilities deliver superior results, in terms of safety incident costs and rate of employee retention.

Today, people with disabilities comprise approximately 10 percent of our overall distribution center workforce. And Walgreens is widely recognized and benchmarked for mainstreaming one of the nation's largest private sector disability inclusion efforts.

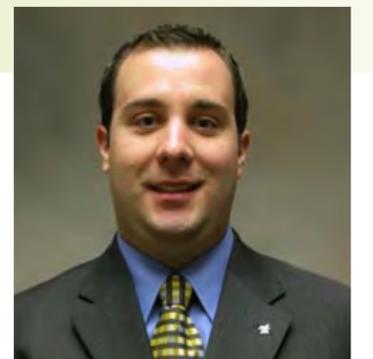
Being a disability inclusion trendsetter has given Walgreens first-mover access to capable, underutilized talent. What's more, our experience (documented in the June 2012 peer-reviewed study) reinforces the wisdom of our approach, because our distribution centers have achieved greater efficiency, higher productivity and improved employee retention by proactively employing people with and without disabilities, on equal footing, side by side.

REDI Rollout Set to Expand

Building on the successful disability inclusion work in our distribution centers, Walgreens conducted a successful pilot of a new Retail Employees with Disabilities Initiative (REDI) in late 2011 and throughout 2012, and REDI will rollout nationwide in 2013.

Working closely with community organizations and vocational rehabilitation agencies, the REDI program identifies and trains people with disabilities for employment as Service Clerks at Walgreens retail locations, as well as employment with other retailers that require similar skills.

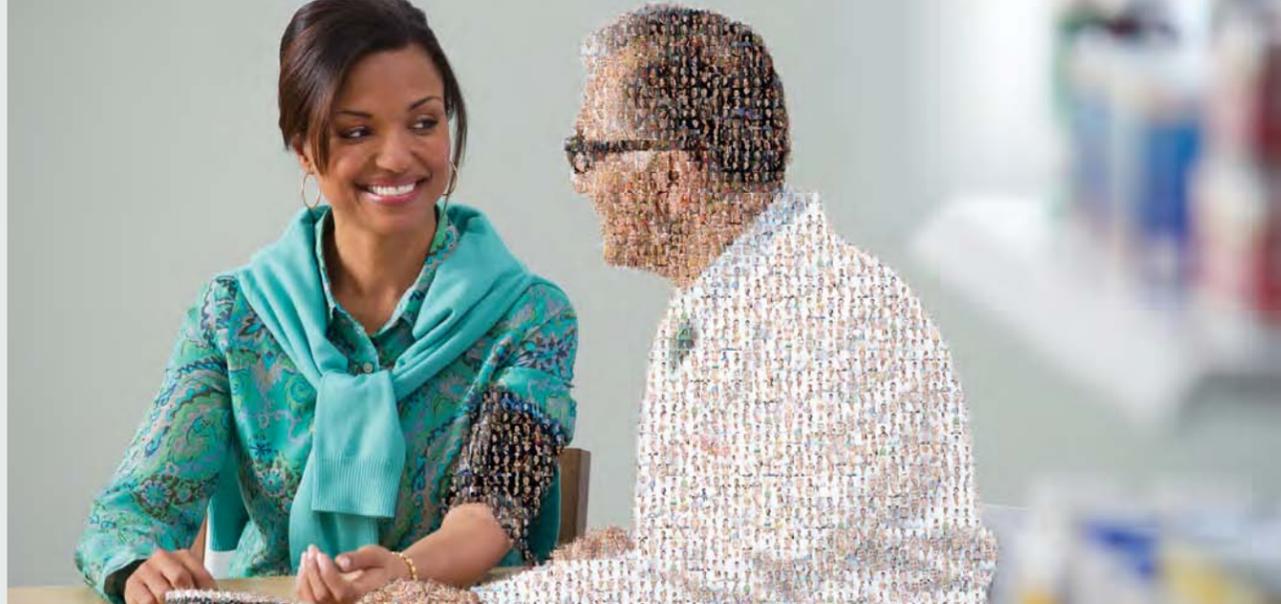
In all, 332 participants successfully completed the four-week REDI training program, which covers cash register operations, customer service, merchandising, store inventory and maintaining store signage and displays. Of these, 219 were recommended for hire and, based on positions available, 88 have been hired so far by Walgreens.



Skip Bourdo, Market Vice President, Eastern Region

"REDI teaches valuable career skills that give candidates the tools to be successful in any retail setting. We continue to learn incredible things from everyone involved in this meaningful initiative and believe in the power of ability."

– Skip Bourdo, Market Vice President, Eastern Region



Developing Leaders and Promoting Market Relevance

Walgreens boasts nine active Business Resource Groups (BRGs) — grassroots networks of employees who are committed to diverse talent recruiting, employee development, Walgreens brand/reputation enhancement, and internal/external community engagement. Each BRG is sponsored by a senior executive, conducts monthly leadership and member meetings, and submits annual strategic plans and operating budgets for approval by the Office of Diversity & Inclusion.

Here are just some of the ways the BRGs helped advance Walgreens business objectives in 2012:

WVETS initiated the first Walgreens Veterans Day discount, which delivered a double-digit increase in sales volume in participating stores. In addition, at WVETS' suggestion, Walgreens moved to online direct deposits for military bridge pay, which will better help deployed team members to support their families and/or meet their financial obligations for the duration of their military leaves.



Walgreens Latino Business Association (WLBA) members partnered with Casa Central, the Midwest's largest Hispanic social service agency, to promote community engagement and health. Painting fences and sanitizing children's toys are just two of the volunteer services WLBA members provided to Casa Central throughout 2012.

WLBA members also served as brand ambassadors by volunteering their time and talent to a number of other organizations, including the Chicago Council on Global Affairs, the Juvenile Diabetes Research Foundation and the Mexican American Legal Defense and Education Fund.

Walgreens Women Information Network (WIN) contributed to member professional development by hosting a speaker series, panel discussions and webinars on a range of topics, including leadership skills, work/life balance issues, mentoring and promoting a healthy lifestyle. WIN also sponsored a full week of health and wellness



events in conjunction with National Women's Health Week. In all, nearly 400 Walgreens WIN members participated in Early Detection Day, focusing on cancer education and awareness; Diabetes Awareness Day; Simple Nutrition through the Healthy Living Café; Well Informed events encouraging team members to check their health numbers; and Healthy Heart Day, with a free breakfast provided by Quaker Oats.

WPRIDE & ALLIES (Gay, Lesbian, Bisexual and Transgender) championed updates to Walgreens Total Rewards package, which now includes domestic partner and transgender-inclusive benefits. In addition, WPRIDE hosted corporate seminars on transgender identification, business communication etiquette and other topics; helped recruit at LGBT college events; and supported Walgreens and Allstate's co-sponsorship of a community conversation that featured Judy Shepard, who spoke about tolerance and diversity in honor of Pride Month.

W-GREENS (environment and sustainability) held an electronic-waste recycling event in April 2012, in partnership with the Village of Deerfield, IL, and the Solid Waste Agency of Lake County (SWALCO). W-Greens collected nearly 20,000 pounds of electronic waste, including old computers, phones, televisions and radios – all of which SWALCO securely recycled.



More than 250 team members attended a **Walgreens Asian Network (WAN)** senior executive panel discussion on handling stereotypes, career planning and the benefits diversity brings to work teams. The panel featured e-Commerce President Sona Chawla; Corporate Vice President, Division Chief Information Officer – Retail and Customer Solutions Denise Wong; Executive Director, Pharmacy and Healthcare Experience Nimesh Jhaveri; and Senior Vice President, Health and Wellness Services and Solutions Dr. Jeff Kang. The panelists discussed how diversity has impacted their personal lives and professional careers, and described how embracing diversity improves the cohesion and effectiveness of working teams.

In 2012, WAN and WLBA also collaborated to conduct a highly successful canned food drive, collecting the equivalent of 4,000 meals and sending the food to the Northern Illinois Food Bank for distribution to those in need.

In conjunction with the Chicago Step Out Against Diabetes event, **Walgreens African American Achievement Group (AAAG)** fielded its own team, gathered donations and disseminated information on healthy meal preparation and the importance of maintaining healthy insulin levels.



Additionally, AAAG partnered with Walgreens Human Resources team to promote Walgreens new Balance® Rewards customer loyalty program and services offered in our Take Care Clinics at the 2012 Chicago Football Classic – the nation's largest Historically Black Colleges and Universities reunion, which routinely draws 40,000+ attendees.

Walgreens also welcomed its newest and ninth business resource group: **WNEXT**. This group targets next generation professionals and has attracted 115 charter members. To help promote members' professional development and provide cross-generational insights to Walgreens leaders, WNEXT hosted a panel of Walgreens business leaders entitled "What I Wish I Knew: Tips for Career Starters."

INCLUDE (disability inclusion) hosted a series of disability awareness programs, which educated some 500 team members on such topics as Team Member Disclosure and Best Practices for Disability Parenting.



In addition, INCLUDE members partnered with Walgreens Retail Clinical Services Division team members to raise more than \$1,100 for Misericordia Home in Chicago.

And, in another great example of BRG collaboration, INCLUDE, AAAG and WVETS members collected more than 500 coats to benefit the Lake County (IL) Center for Independent Living.



Walgreens BRGs Develop Business-Aligned Plans

Successful Business Resource Groups (BRGs) understand that their underlying value proposition has to yield tangible benefit to the company, as well as their members. At Walgreens inaugural BRG Summit in October 2012, Walgreens BRG leaders gathered to brainstorm ways their groups could become even more effective and:

- Reflected on their BRG value propositions and how to better align these with company growth goals;
- Gained proficiency in leading and developing networks as true partners to the business;
- Enhanced their overall leadership capacity and professional development;
- Learned how quality BRG programming impacts employee engagement; and
- Developed FY2013 strategic plans to anchor and guide their efforts.

BRG Leaders Describe Benefits of Diversity & Inclusion



“Through my personal experience in our Business Resource Groups, I have witnessed significant improved goodwill and understanding among our team members through continuous positive collaboration not only among the BRGs, but also across divisions and with contacts outside of this company. As Walgreens further embraces diversity and inclusion, intrinsic appreciation among team members is growing, and I, for one, am proud to participate in this transformation.”

Anson Abraham, Chair, INCLUDE



“Being engaged in Walgreens diversity and inclusion work has enabled me to meet other individuals who have different outlooks on life and philosophy. This, in turn, has helped me grow as an individual and become more understanding of others’ cultures and beliefs.”

Thomas Gore, Chair, WNEXT



“Participating in Walgreens African American Achievement Group has given me access to executive leaders and mentors who have shown interest in me, both personally and professionally. It has also led to leadership coordination opportunities that have enabled my growth and understanding of our business and customer base. I am excited to be in a position to align my work efforts with our corporate strategy.”

Millie Liggins, Liaison of Primary Initiatives, AAAG



“Due to my involvement in planning and executing the Inaugural Diversity & Inclusion Gala in 2011, I received kudos from Senior Vice President Randy Lewis, and he shared the communication with the entire Supply Chain team here at corporate. Since that recognition, I have received many questions and kudos from my peers. They, in turn, have become more involved and engaged in Walgreens diversity and inclusion events and opportunities.”

Vanessa Mendez, Chair, WLBA



“Diversity and inclusion has increased coworker engagement by assuring all team members that they are part of the Walgreens family, independent of race, culture or beliefs. Individuals are more open to expressing their ideas.”

Ankur Singal, Chair, WAN



Helping People Get, Stay and Live Well

Addressing the State of Health in the Latino Community

In Fall 2012, Walgreens partnered with *Latino Leaders Magazine* to host the magazine's first Latino Health & Wellness Roundtable to focus on the issues of emerging health disparities affecting the Latino community. Pharmacy leaders from Walgreens joined a panel of experts in pharmaceutical and clinical research, family care physicians and non-profit organizations to engage in this important discussion. The panel highlighted solutions and insights into serious diseases, such as cancer, diabetes and heart disease, that are becoming more prevalent among Latinos.

Scholarships: Supporting Future Pharmacists

Walgreens is committed to supporting other programs aimed at promoting awareness of Diversity & Inclusion within the pharmacy profession. In 2012, Walgreens donated more than \$1 million for the 4th consecutive year to colleges of pharmacy to provide academic scholarships and support other programs aimed at increasing not only the awareness of diversity and inclusion within the professions, but also increasing the representation of aspiring minority and female pharmacy students. Each school is annually presented with a donation of \$10,000 to promote these efforts, half of which is to be awarded directly to deserving students in the form of educational scholarships. More than 120 schools participate in the program, including Historically Black Colleges and Universities and Hispanic-serving institutions.

Strategic Partnerships: Providing Opportunities for Growth

- | | |
|--|--|
| AARP | Network for Executive Women |
| Hispanic Alliance for Career Enhancement | Partnership for Youth Success |
| National Black MBA Association | Recruiting Partnerships INROADS |
| National Gay & Lesbian Chamber of Commerce | State of Illinois - Department of Human Services |
| National Minority Supplier Diversity Council | Students in Free Enterprise |
| National Society of Hispanic MBAs | Women Business Enterprise Council |
| National Urban League | |

Care with Pride Campaign: Standing Up for Safe Schools

Walgreens, Parents and Families of Lesbians and Gays (PFLAG), and the Johnson & Johnson Family of Companies joined forces to help end bullying of all youth, regardless of personal background or preferences. Central to the program were "Safe Schools Action Packs," which contained coupons (redeemable exclusively at Walgreens) for more than 20 leading Johnson & Johnson brands. For each coupon redeemed, \$1 was donated to PFLAG and their "Cultivating Respect: Safe Schools for All" initiative. Nearly 1 million coupon books were distributed throughout the country at more than 500 stores and 47 Pride events.



Walgreens First Ladies Health Initiative: United for Healthier Communities

To help broaden community awareness of women's health issues and to confront health disparities in the African American community, Walgreens partnered with church pastors' wives (first ladies) to conduct Walgreens First Ladies Health Day in Los Angeles and the Fourth Annual First Ladies Health Day in Chicago. In May, approximately 5,000 individuals took part in some 9,850 health screenings and wellness demonstrations in Los Angeles. And, in September, an estimated 10,000 individuals participated in 10,210 health screenings and demonstrations in Chicago.

Supporting the U.S. Military and Team Members Who Serve

In a demonstration of support for Walgreens military team members and commitment to the military, Walgreen Co. signed a company-wide statement of support with Employer Support of the Guard and Reserve (ESGR) on June 14, 2012.

The ESGR is a statement of support, a public acknowledgement of the role that the U.S. military plays in defense of our nation. Replicas of the statement are being displayed in each of our 8,000 locations across the U.S. to acknowledge our commitment to the military and our team members who have served.

The values of Walgreen and its family of companies – honesty, trust, integrity; caring and compassion; community commitment and service – are similar to the core values of the five branches of our military and its nearly 2 million members both on active duty and in the reserves. We are so proud to honor the sacrifice of those serving – or who have served – with a constant reminder of our deep and abiding support.



STATEMENT OF SUPPORT FOR THE GUARD AND RESERVE



Walgreens

We recognize the Guard and Reserve are essential to the strength of our nation and well-being of our communities.

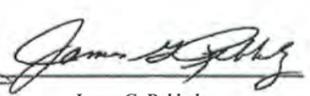
In the highest American tradition, the patriotic men and women of the Guard and Reserve serve voluntarily in an honorable and vital profession. They train to respond to their community and country in time of need. They deserve the support of every segment of our society.

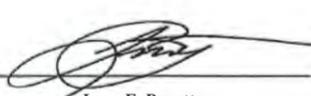
If these volunteer forces are to continue to serve our nation, increased public understanding is required of the essential role the Guard and Reserve in preserving our national security.

Therefore, we join other employers in pledging that:

- We fully recognize, honor and enforce the Uniformed Services Employment and Reemployment Right Act (USERRA).
- Our managers and supervisors will have the tools they need to effectively manage those employees who serve in the Guard and Reserve.
- We appreciate the values, leadership and unique skills service members bring to the workforce and will encourage opportunities to hire Guardsman, Reservists, and Veterans.
- We will continually recognize and support our country's service members and their families in peace, in crisis, and in war.


 Employer
 6-14-2012
 Date


 James G. Rebolz
 National Chair, ESGR


 Leon E. Panetta
 Secretary of Defense



A Year of Progress Strengthens Our Resolve

In 2012, Walgreens sustained a strong tradition and commitment to mirroring the diversity of our customers, patients and markets; to being a health, wellness and daily living destination for everyone; to promoting greater talent and supplier diversity; and to modeling innovation fueled by inclusion. Here are just some of the Diversity & Inclusion milestones that mark the progress we've already made and inspire us to achieve even more.

Striving to Mirror Our Customers, Patients and Markets

- Women are better represented in the Walgreens workforce than in the U.S. labor force overall – 55% vs. 48%.
- People of color are better represented in the Walgreens workforce than in the U.S. labor force overall – 33% vs. 30%.
- Walgreens employs 26,000 pharmacists, approximately 1 in every 10 U.S. pharmacists.
- 58% of Walgreens pharmacists are women, compared with 55% of U.S. pharmacists overall.
- 22% of Walgreens pharmacists are African American, compared with 5.2% of U.S. pharmacists overall.
- Walgreens is a recognized leader in employing people with disabilities. An estimated 10 percent of the distribution center workforce has either a cognitive or physical disability. Likewise, Walgreens aspires to employ more people with disabilities in various retail outlets as service clerks.



Becoming a Health, Wellness, and Daily Living Destination for Everyone

- Walgreens is America's largest drugstore chain, growing to more than 8,000 stores across the country.
- 63% of the U.S. population lives within 3 miles of a Walgreens location.
- In many of the nation's underserved, urban communities, Walgreens continues to help drive and promote economic development, as other businesses open operations in or near retail areas anchored by a Walgreens.
- For many inner-city neighborhoods, the Walgreens store remains the principal and most accessible resource for consumers seeking health and wellness products and services.
- Continuing a major effort to bring healthier food options and more accessible health care resources to its stores in underserved communities, Walgreens ramped up the rollout of our groundbreaking "Well Experience" pilot stores in select markets.
- Through 2012, we have now opened or converted more than 400 Walgreens locations with our Well Experience format, including a market-wide transformation of all 68 Walgreens stores in the Indianapolis area, and five innovative new "flagship" stores in Chicago, New York City, Las Vegas, Puerto Rico and Los Angeles.
- Walgreens is committed to converting or opening more than 1,000 "food oasis" stores across the United States by 2016.
- Walgreens has been recognized by First Lady Michelle Obama, through her *Let's Move* initiative, for helping to fight the childhood obesity epidemic.

Promoting Greater Supplier Diversity

- In order to reach our \$1 billion goal, Walgreens is committed to spending at least 8 percent of purchase dollars with certified minority business enterprise suppliers and 2 percent with other certified diversity suppliers.
- Walgreens diversity spending with minority-owned and women-owned businesses approached \$800 million in 2012, up more than sixfold since 2007.

Modeling Innovation Fueled by Inclusion

- Walgreens continues to be widely recognized and benchmarked for mainstreaming one of the largest private sector disability inclusion efforts in the country.
- Being a disability inclusion trendsetter has given Walgreens first-mover access to capable, underutilized talent.
- More than 100 companies have benchmarked Walgreens for best practices in disability inclusion policies, practices and workplace design.
- To date, 15 Fortune 500 companies have embraced or enhanced their company's disability inclusion as a direct result of their interactions with Walgreens.

Walgreens Earns Workplace Inclusion and Supplier Diversity Honors

The Walgreens family of companies earned an array of Diversity & Inclusion honors throughout 2012, including:

Best Places to Work, 2013 Corporate Equality Index, Human Rights Campaign

Chicago Bridge Award, Chicago United

Corporate Champion Award, YWCA of Lake County, IL

Corporate Partner of the Year, Casa Central

Diversity Leader Award, *Profiles in Diversity Journal*

Employer of the Year, U.S. Disability Business Leadership Network

Have Dreams honoree, Have Dreams

International Innovation in Diversity Award, *Profiles in Diversity Journal*

Top 50 Organizations for Multicultural Business Opportunities, DiversityBusiness.com

In addition, Walgreens was recognized in 2012 as one of the World's Most Admired Companies (*Fortune* magazine) for the 19th consecutive year, as well as the third most innovative health care company (*Fast Company* magazine).



Live the Commitment

Only when we acknowledge and accept different experiences and mindsets (Diversity)...when we draw each other closer, recognizing values we share (Inclusion)...and when we invite everyone to contribute, to dream and to rise (Engagement)...can we find the richest, the most relevant and entirely unmatched opportunities to win.

This report is meant to inspire you to personally build upon our history of inclusion and service. Take pride in how far our organization has already come, while imagining the limitless potential we have yet to explore. Continue to take up the call and live the commitment.

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Walgreens

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