

Walgreens Boots Alliance Tax Strategy

Context

This document sets out Walgreens Boots Alliance approach to tax for the year ended 31 August 2018. This document is subject to annual review.

Walgreens Boots Alliance

Walgreens Boots Alliance (“WBA”) is the first global, pharmacy-led health and wellbeing enterprise. Our purpose is to help people across the world lead healthier and happier lives. The Company’s heritage of trusted healthcare services through community pharmacy care and pharmaceutical wholesaling dates back more than 100 years.

WBA and the companies in which it has equity method investments together have a presence in more than 25* countries and employs more than 385,000* people. It has over 14,500** stores in 11* countries as well as one of the largest global pharmaceutical wholesale and distribution networks, with over 390* distribution centres delivering to more than 230,000*** pharmacies, doctors, health centres and hospitals each year in more than 20* countries. In addition, WBA is one of the world’s largest purchasers of prescription drugs and many other health and wellbeing products.

* As of 31 August 2017, using publicly available information for AmerisourceBergen.

** As of 28 June 2018.

*** For 12 months ending 31 August 2017, using publicly available information for AmerisourceBergen.

Approach to Tax Management and Governance

The WBA Senior Vice President, Global Tax (“SVP Tax”) owns and manages WBA’s approach to tax. There are clearly defined roles and responsibilities which aim to ensure consistent and effective standards of tax management throughout WBA. The values and behaviours which apply to all employees are set out in WBA’s Code of Conduct and Business Ethics. The WBA Senior Vice President, Global Tax (SVP Tax) has functional responsibility for the management of most taxes. The governance of this responsibility is documented in the WBA Internal Tax Policy.

Significant tax issues and risks are communicated to the WBA Global Chief Financial Officer and are approved pursuant to our Internal Tax Policy. We are accountable to our Board of Directors and its Audit Committee for the maintenance and execution of our policies and processes.

On a periodic basis, independent assurance oversight is provided by WBA Internal Audit who report to the Audit Committee.

The Tax department, in partnership with the Business and Finance Leaders, who are close to and therefore most familiar with the local businesses, have responsibility for the day to day management of all taxes.

Approach to Tax Risk and Dealing with Tax Authorities

When considering the approach to tax risk and dealing with tax authorities, WBA's approach is to:

- Seek to comply with all laws to which it is subject;
- Absolutely prohibit illegal tax evasion in any of its business operations;
- Not to enter into transactions purely for the avoidance of tax;
- Seek to develop strong professional working relationships with tax authorities in countries in which it does business;
- Seek to manage its tax compliance activities to comply with taxation laws and regulations of countries in which it does business, and require that tax returns are accurate and are filed on time in accordance with the deadlines in each country. Positions taken in tax returns must be supported adequately;
- Seeks to pay tax liabilities on a timely basis in accordance with the deadlines for payment in each country in which it does business;
- Will seek an external tax opinion or advice in relation to complex and significant issues or where there may be uncertainty.

WBA's in-house tax team comprises suitably qualified and experience tax professionals. The SVP Tax is responsible for the ongoing training and development (via Continued Professional Development of relevant Taxation Institutes) of all tax professionals within WBA.

Tax Planning

WBA Tax works in partnership with the relevant Divisional Business Leaders to identify and evaluate the tax implications of all complex and significant business transactions. WBA's practice is not to enter into transactions purely for the avoidance of tax.

Where tax incentives, reliefs, exemptions and deductions are made available by Tax Authorities WBA will, where applicable, claim the benefit of these.

WBA seeks to apply the "arm's length" standard to all intercompany transactions, to comply with applicable local tax laws and regulations and give due consideration to internationally accepted methodologies and standards for intercompany transactions.