Competitive Integrated Employment for Individuals with Disabilities

March 23-24, 2015

Steve Pemberton
Chief Diversity Officer
Walgreens
The Journey
We built our strategy on three pillars

I

Jobs and expectations would be the same for employees whether they had a disability or not

II

All employees would be held to the same work standards, for the same pay

III

We would create a sustainable model that fit our operational, human resources, and other critical standards
## The Journey

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>Andersen SC DC opens</td>
</tr>
<tr>
<td>2009</td>
<td>Windsor CT DC opens</td>
</tr>
<tr>
<td>2010</td>
<td>REDI Store Pilot</td>
</tr>
<tr>
<td>2012</td>
<td>USBLN Employer of the Year</td>
</tr>
<tr>
<td>2015</td>
<td>People with disabilities make up nearly 12% of our Distribution Center workforce</td>
</tr>
</tbody>
</table>

- 30% Fewer accidents
- 30% Lower absenteeism
The Journey Continues - REDI

• Success from the DC program provided confidence to expand into retail stores

• REDI provides on-the-job training for people with disabilities in our stores

• Positions include retail experience for our customer service associate positions

• Work with external agencies to fund and facilitate the training program

• Results include more than 500 trained and more than 150 individuals with disabilities hired
Programs
Programs

• Transitional Work Group
  – Distribution center 12-18 week training program

• Retail Employees with Disabilities Initiative (REDI)
  – In-store 4-6 week training program
Transitional Work Group (TWG) Experience

Pre-Screening

Phase 1: Unpaid Training
- 15, 30, 45 day evaluations

Phase 2: Paid On-the-Job Training (temp to hire)
- 15, 30, 45 day evaluations

Successful Completion of Program: Eligible to Apply for Open Positions
TWG Experience

- TWG facilitated by agency job coaches 100% during unpaid training
- Employed temp to hire workers during the paid OJT phase are paid by Walgreens
- Distribution centers target about 50% of hires to be people with disabilities
- Distribution centers only align TWG with hiring needs
- One TWG class consists of no more than 12 TWG candidates
REWIS PROVIDES TRAINING SITE AND CURRICULUM (CSA ONLY)

TRAINS THE JOB COACH

Co-trains externs on cash registers

Oversees the training process for the duration

Can hire qualified externs

Walgreens

REGISTERED BY AGENCY OR FUNDER

LEARN TSKS OF A CSA

APPLY FOR THE JOB

BECOME A WAG TEAM MEMBER IF HIRED

JOB COACH

PROVIDES ALL NECESSARY SIGNATURES AND DOCUMENTATION FOR REGISTRATION

SUBMITS PROPOSALS TO EXECUTE REDI TRAINING PER LOCATION

REGISTERS JOB COACHES & EXTERNALS

PROVIDES COACHING FOR THE DURATION OF THE TRAINING

PROVIDES SM WITH INPUT ON EXTERNAL POST-TRAINING EVALUATION

FUNDER

PAY S AGENCY TO PROVIDE TRAINING

MAY SCREEN EXTERNALS PRIOR TO REGISTRATION

MAY PROVIDE INPUT ON AGENCY SELECTION

AGENCY

EXTERN

Provides coaching for the duration of the training

Provides SM with input on extern post-training evaluation

Registered by agency or funder

Learns tasks of a CSA

Apply for the job

Become a WAG team member if hired

PROVIDES TRAINING SITE AND CURRICULUM (CSA ONLY)

TRAINS THE JOB COACH

CO-TRAINS EXTERNALS ON CASH REGISTERS

OVERSEES THE TRAINING PROCESS FOR THE DURATION

CAN HIRE QUALIFIED EXTERNALS
Key Stakeholder: District Manager / Store Manager

1. DM designates REDI stores
2. SM agrees to host REDI training. Determines best start date (4 weeks lead time)
3. SM contacts DM for approval
4. SM emails request to REDI@walgreens.com with desired session start date(s)
5. REDI Team loads start dates to post on WalgreensREDI.com to notify agencies to submit proposals
6. REDI Team awards the proposal
7. Trains job coach in-store before externs enter the training
8. SM provides written evaluation on each extern and submits online. Renders hiring recommendation.

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<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Externs Trained</td>
<td>784</td>
</tr>
<tr>
<td>Total Sessions Hosted</td>
<td>433</td>
</tr>
<tr>
<td>Recommended for Hire</td>
<td>67%</td>
</tr>
<tr>
<td>Number of Hires</td>
<td>165</td>
</tr>
<tr>
<td>Number of Markets</td>
<td>21</td>
</tr>
<tr>
<td>Number of Districts</td>
<td>69</td>
</tr>
<tr>
<td>Number of Stores</td>
<td>162</td>
</tr>
<tr>
<td>Number of States</td>
<td>21</td>
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Lessons Learned

• Since 2012, field store operations have submitted 1,142 REDI training session requests.
  – 848 (74%) of these sessions have been cancelled.

• Available agency support lags behind demand to hire more individuals with disabilities

• Over 200 agencies have registered with REDI; however, only 40% are active.

• Leverage technology as much as possible
The Gateway:
www.walgreensREDI.com

News: Walgreens does not arrange funding for sessions. That is between your agency and funders. The start date indicates the start date for the job coach. 1-3 externs can train in one location at one time.

Read more

What is REDI?

REDI is a program that creates partnerships between stores and local disability resources to provide job skills training for people with disabilities. REDI is a training program, not a placement program.

The purpose of REDI is to educate externs with the skills and competencies required to be successful in our retail environment. Participation in the REDI Program serves as a great opportunity to increase the skills of people with disabilities so they can join the pool of qualified and diverse talent we consider when we have openings. In cases where we do not have openings in the local area, our hope is that REDI graduates will find employment with a neighboring business. It’s important to know that while REDI provides training, it is not a guarantee of employment.

Upcoming Sessions

<table>
<thead>
<tr>
<th>Store Address</th>
<th>Session Start Date</th>
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<tbody>
<tr>
<td>85 E MITCHELL HANMOCK RD, OVIDO, FL, 32765</td>
<td>01/13/2014</td>
</tr>
<tr>
<td>701 NW SHERIDAN RD, LAWTON, OK, 73505</td>
<td>03/17/2014</td>
</tr>
</tbody>
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Lessons Learned

• Agencies need to take more of a business approach

• Efforts need to align with business hiring needs

• Funding sources can be compromised
  – IL funding push towards long term services for significantly disabled v. short term training such as REDI
  – TX temporarily suspended funding to assess need for OJT pre-employment compensation
Advocacy

- Hosted New England Workplace Inclusion & Equality Summit
  - sheltered workshops paying IWD below minimum wage
  - attendees included business leaders, IWD, provider representatives, and community partners from across nine states

- High level support of US Business Leaders Network
- ADA 25 – Chicago engagement
- Support AAPD
Thank You