



Top 15 Blogs on RealTransparent Disclosure.com.

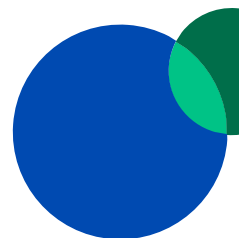
by Broc Romanek



LABRADOR

Transparency by design

You might have been busy – or maybe you’re just curious – about which blogs were the most popular over the first year of RealTransparentDisclosure.com’s existence. Yes, our site is now a 1-year old!



Here are the “Top 15” blogs for the period from April 2023 through April 2024:

1. [The Importance of Thinking About the “Why” in Disclosure](#)
2. [The #1 Question People Ask: “What Are You Seeing?”](#)
3. [10 Things That Explain What “Transparency” Is \(And Isn’t\)](#)
4. [The “Pay Mix Graphic” for the Proxy](#)
5. [The “Compensation Policies” Section of the Proxy \(“What We Do / What We Don’t Do”\)](#)
6. [Dissecting the “Compensation Summary” of the Proxy](#)
7. [The Comp Team & Disclosure Drafters: Better Alignment of the Disclosure Process](#)
8. [How to Start Drafting a Disclosure Document](#)
9. [Study: The General Public Wants More Corporate Transparency](#)
10. [The Transparency Stats for the S&P 250 Companies](#)
11. [Studies That Help Build the “Transparent Disclosure” Business Case](#)
12. [The “Human Capital Management” Section of the Proxy](#)
13. [The “Performance Highlights” in the Proxy Summary](#)
14. [How to Draft Good Disclosure](#)
15. [Few in securities compliance are afraid of generative AI? Five lessons learned.](#)

And here are those three most popular blogs in detail:

1. The Importance of Thinking About the “Why” in Disclosure

It might be refreshing to step back once in a while and think about the “Why are we disclosing this?” aspect of disclosure. Of course, sometimes the answer is: “Because the SEC requires it.”

But even if that’s the case, understanding the “why” might help push you to rethink how something is being disclosed – and finding new angles that better communicate the message that you’re trying to deliver.

And oftentimes, there are cases where you're making disclosures that aren't required by the rules. They might be made due to a desire to abide by investor or proxy advisor guidelines. They might be made because of a particular shareholder engagement or expectation. Or they might be made because the company simply wants to explain something that it's doing.

For example, your proxy might have a letter from the board of directors in it. Why are you doing that? In most cases, the answer is "To show that the board is engaged and active in meeting its obligations." When you think about the purpose, you may find yourself drafting that letter in a way that is not as staid as it might otherwise have been. You're illustrating that the board is "on it." You get away from disclosure that is too narrow and regimented.

By thinking about the "why," you might find yourself leaning towards disclosures that drive home the message that you want to deliver. It's less about what is required and more about the purpose of the disclosure. To be more communicative in a way that better meets the expectations of the reader.

And this is what good disclosure is all about, answering the questions that readers might have in a way that best explains what you mean. So the next time you sit down to draft a piece of disclosure, first ask yourself the "why" before you put pencil to paper...

2. The #1 Question People Ask: "What Are You Seeing?"

It should be no surprise that the top question that people ask those that work at Labrador is: "What are you seeing? What are other companies doing this season?" Given that Labrador assists a good chunk of the S&P 500 with their proxy and 10-K, they are in a unique position to answer that type of question as the proxy season bears down.

And this is all why next Tuesday's [5th Annual "Transparency Awards"](#) is so important. You're going to want to see what the most transparent companies are doing. Those that set the bar that we all should be striving for. [And to be clear, even though Labrador hosts these annual awards, plenty of clients from other firms win some of these awards – it's truly an objective process.]

It's not that companies necessarily want to push the envelope. Many are quite happy to be in the middle of the pack when it comes to disclosure practices (and it's possible to do this and yet be quite transparent – the slippery slope upwards, a topic for another blog). Recently, I made this point in a Public Chatter blog entitled "[What Are 'Best Practices' Anyway?](#)" (and the companion blog "[In-House Corner: What Are 'Best Practices' Anyway?](#)").

In fact, the primary reason why this question is so common is that people want comfort that they're not going to fall into one of the two extremes – disclosing too much about a particular topic or disclosing too little. They don't want to stick out. After years of the proxy being primarily a regulatory, rules-driven document, there is still some residual hesitation about voluntary disclosures. But is there more risk in NOT making disclosures that peers are including?

Other types of advisors tend to provide guidance about the black letter law. Advisors like Labrador are more in the business of laying it out in practical terms. “What types of graphics might work best for which types of disclosures to improve readability? Where might this type of disclosure best fit within the proxy to help explain the company’s approach or perspective? Within the 10-K? Does it make sense to mention this item in the proxy summary to provide context for other disclosures?” And much more.

This is about accessibility of information. As a reader, I shouldn’t have to go look at another document to understand the key messages in the document I am reading. For example, in a proxy, providing a bit of a company overview plus performance highlights (strategic, financial, ESG, etc.) helps provide the reader with context for the other proxy disclosures.

While [performance highlights](#) in proxies became common due to pay vs. performance/comp disclosures (and why for years these disclosures primarily were found at the beginning in CD&A), performance also is applicable to board elections. When making voting decisions, the reader asks, “Am I pleased with the direction of the company and satisfied with the board’s oversight of strategy, risk, and leadership decisions?”

For a short and sweet example, see the [2023 Walgreens Boots Alliance proxy](#) (on pages 6-7):

For a longer example, see the [2022 Accenture proxy](#) (pages ii-vii):

Our company

Our purpose, vision and values

Our purpose
More joyful lives through better health.

Our vision
To be the leading partner in reimagining local healthcare and well-being for all.

Our values
Walgreens Boots Alliance takes seriously its aim of creating joyful lives through better health, reflected in our core values:

- Courageous**: We are bold, honest and decisive.
- Committed**: We are determined to do right by our customers, patients and each other.
- Connected**: We are working together to create more joyful lives.
- Curious**: We are continuously exploring and re-inventing our future.

At a glance: WBA
Walgreens Boots Alliance is an integrated healthcare, pharmacy and retail leader serving millions of customers and patients every day, with a 170-year heritage of caring for communities. A trusted, global innovator in retail pharmacy with approximately 13,000 locations across the U.S., Europe and Latin America, WBA plays a critical role in the healthcare ecosystem. The Company is reimagining local healthcare and well-being for all as part of its purpose – to create more joyful lives through better health.

The Company's three financial reporting segments are U.S. Retail Pharmacy, International and U.S. Healthcare and our retail brands include Walgreens, Boots, Duane Reade, Farmacias Benavides and Farmacias Ahumada.

WBA has multiple portfolios of highly regarded and long-established product brands. Our No7 Beauty Company business unit believes in creating the best beauty and skincare for everyone, enriching communities and sustaining our planet. Its brands are No7, Soap & Glory, Liz Earle, Botanics, Sleek MakeUP and YourGoodSkin. Other owned brands include our Boots health and beauty lines such as Boots Pharmaceuticals over-the-counter remedies and Salt and sunscreen; and numerous Walgreens products across a range of brand names and categories including Nice! food and beverages, Walgreens over-the-counter products and Complete Home household goods.

More information about our segments and our owned brands can be found on our corporate website and in our Annual Report.

Our principal executive offices are located in Deerfield, Illinois, USA.

2022 performance highlights
WBA has delivered ahead of expectations in the first year of our transformation to a consumer-centric healthcare company. Our resilient business achieved growth while navigating macroeconomic headwinds. Our strategic actions are unlocking sustainable stockholder value as we simplify the Company and continue our journey to being a healthcare leader.

Sales*
\$132.7B
In fiscal 2022, up year-on-year on a reported and constant currency basis

Reported EPS**
\$5.01
In fiscal 2022, up from \$2.30 in the prior year

Adjusted EPS***
\$5.04
In fiscal 2022, up year-on-year on a reported and constant currency basis

Increased dividend for 47th consecutive year

U.S. Healthcare Investments
VillageMD
carecentrix
SHIELDS HEALTH SCIENCES

* Results are for WBA continuing operations.
** On a diluted basis.
*** Non-GAAP financial measure. Please refer to Appendix A beginning on page 16 for related definitions and reconciliations to the most directly comparable U.S. GAAP financial measures.

6 Walgreens Boots Alliance, Inc.

Creating 360° Value

Our strategy is to create 360° value for all our stakeholders—our clients, people, shareholders, partners and communities. We measure our success by both our financial results and the broader 360° value we create for our stakeholders.

We delivered outstanding financial results in fiscal 2022, with significant market share gains, sustained profitability, record earnings growth, and excellent free cash flow, driving superior shareholder value. These strong financial results allow us to deliver 360° value for all our stakeholders.

Revenues
\$61.6B
A record increase of 22% in U.S. dollars and 26% in local currency* from fiscal 2021, including revenues of \$29.1 billion from North America, \$20.9 billion from Europe and \$12.2 billion from Growth Markets

New Bookings
\$71.7B
Record bookings, an increase of 21% in U.S. dollars and 25% in local currency from fiscal 2021

Operating Margin
15.2%
An expansion of 10 basis points from fiscal 2021, while continuing to invest in our business, people and communities

Diluted Earnings Per Share
\$10.71
A 17% increase from \$9.16 in fiscal 2021, and a 22% increase from adjusted fiscal 2021 EPS of \$8.80, which excluded \$0.36 in gains on an investment

Free Cash Flow
\$8.8B
Record free cash flow, defined as operating cash flow of \$9.5 billion net of property and equipment additions of \$718 million, with a free cash flow to net income ratio of 1.3

Cash Returned to Shareholders
\$6.6B
Defined as cash dividends of \$2.5 billion and share repurchases of \$4.1 billion. In fiscal 2022, we paid dividends of \$3.88 per share, a 10% increase over the prior year

* See "Reconciliation of GAAP Measures to Non-GAAP Measures" on pages 90-91.

3. 10 Things That Explain What “Transparency” Is (And Isn’t)

As I [noted](#) last month, I’m getting pretty excited about the [5th Annual “Transparency Awards”](#) coming up just one week from tomorrow, on September 19th – the winners in eight categories will be announced as part of a video ceremony that I will blog about that day.

I’ve [blogged](#) before about “what is ‘transparency’?,” but digging into Labrador founder’s Laurent Rouyrès’ book entitled “Information Wants to be Free: From Moral Transparency to the Transparency of Publicly Listed Companies,” you might get a better sense of what transparency is as he notes 10 things about it in the book’s conclusion (which also has been dropped into this [“White Paper on Disclosure Transparency”](#)):

1. **It’s All About Trust** – Transparency is the essential condition for having lasting trust.
2. **Transparency Pays Off in the Medium Term** – While transparency can have negative effects in the short term, it always pays off in the medium and long term.
3. **Transparency Can Be a Rallying Mission** – Transparency makes it possible to bring organizations closer to their audiences, and even to make them friendly to them.
4. **Transparency Can Be Analyzed by Data Science** – While transparency originally belonged to the field of morality, it is now a science, with a set of techniques. Therefore, the transparency of information can be measured, by objective criteria of universal application that are recognized as such.
5. **“Transparency” Doesn’t Mean You Have to Disclose Everything; Rather It Means to Be Honest When You Do Disclose** – Transparency is not meant to reveal everything: transparency (which is always desirable) and total transparency (which is neither legitimate nor desirable) should not be confused.
6. **Transparent Disclosure Means That It Can Be Easily Understood** – Transparency consists not only of making information public, but also – and above all – in making it intelligible to the reader. Transparency does not seek to defend a thesis; it aims to inform the reader’s judgment by providing all the relevant facts, in the most accessible form possible. The world is not binary; transparency is there to restore the nuances.
7. **Transparency Has No Shortage of Enemies** – Secrecy, deception, omission, distortion, noise, jargon, *spinning nonsensical malarkey...Nonsensical malarkey* tends to spread much faster and persistently than the truth.
8. **Transparency Isn’t Easy But It’s Doable** – Transparency requires effort, but it is within the reach of any organization. A corollary – if an organization is not transparent, it is probably because it does not want to be.
9. **Transparency Requires a Lot of Humility (And Courage)** – Modesty. Elegance. Call it what you want: clearly recognizing that everything is not perfect is not always easy. Although clearly expressed humility creates sympathy, and makes the good news more believable. Transparency also requires courage, because it is surrounded by some who prefer being opaque.

While the world of finance is keen to cultivate opacity, it is also at the forefront of transparency. Much has been done to ensure the transparency of financial information; but everything remains to be done for the transparency of non-financial information. This is particularly true for ESG information.

10. **Transparency Does Not Prevent Scandals** – On the other hand, scandals often promote transparency.



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About Labrador

Labrador exists to offer the science of transparency to corporations wishing to communicate effectively with their readers.

Our experienced and passionate team is composed of attorneys, designers, project managers, thinkers, and web developers. We collaborate together around a process that encompasses drafting, editing, designing, and publishing across all digital and print channels.

We are thrilled that communications prepared by Labrador have contributed to trustful relationships between our clients and their readers, whether investors, employees, or other stakeholders.

In turn, our commitment to our clients has resulted in meaningful long-term relationships with some of the most respected public and private companies in the world.

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