



DIVISION OF
CORPORATION FINANCE

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

November 20, 2018

Martin P. Dunn
Morrison & Foerster LLP
mdunn@mof.com

Re: Walgreens Boots Alliance, Inc.
Incoming letter dated September 15, 2018

Dear Mr. Dunn:

This letter is in response to your correspondence dated September 15, 2018, October 24, 2018 and November 15, 2018 concerning the shareholder proposal (the "Proposal") submitted to Walgreens Boots Alliance, Inc. (the "Company") by Mercy Investment Services, Inc. et al. (the "Proponents") for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders. We also have received correspondence from the Proponents dated October 8, 2018 and October 30, 2018. Copies of all of the correspondence on which this response is based will be made available on our website at <http://www.sec.gov/divisions/corpfin/cf-noaction/14a-8.shtml>. For your reference, a brief discussion of the Division's informal procedures regarding shareholder proposals is also available at the same website address.

Sincerely,

M. Hughes Bates
Special Counsel

Enclosure

cc: Donna Meyer
Mercy Investment Services, Inc.
dmeyer@mercyinvestments.org

November 20, 2018

Response of the Office of Chief Counsel
Division of Corporation Finance

Re: Walgreens Boots Alliance, Inc.
Incoming letter dated September 15, 2018

The Proposal urges the board to report to shareholders describing the corporate governance changes the Company has implemented since 2012 to more effectively monitor and manage financial and reputational risks related to the opioid crisis.

We are unable to concur in your view that the Company may exclude the Proposal under rule 14a-8(i)(7). Based on the information presented in your correspondence, we are unable to conclude that this particular proposal is not sufficiently significant to the Company's business operations such that exclusion would be appropriate. The information presented includes neither a board analysis nor other analysis addressing the significance of the particular proposal to the Company's business operations. Specifically, the Company discussion does not review the significance of its dispensing (or prior distribution activity) of opioid products. As explained in Staff Legal Bulletin No. 14J (October 23, 2018), "without having the benefit of the board's views on the matters raised, the staff may find it difficult in some instances to agree that a proposal may be excluded," which is "especially the case where the significance of a particular issue to a particular company and its shareholders may depend on factors that are not self-evident and that the board may be well-positioned to consider and evaluate." We are also unable to conclude that the Proposal micromanages the Company to such a degree that exclusion of the Proposal would be appropriate. Accordingly, we do not believe that the Company may omit the Proposal from its proxy materials in reliance on rule 14a-8(i)(7).

Sincerely,

Kasey L. Robinson
Special Counsel

DIVISION OF CORPORATION FINANCE
INFORMAL PROCEDURES REGARDING SHAREHOLDER PROPOSALS

The Division of Corporation Finance believes that its responsibility with respect to matters arising under Rule 14a-8 [17 CFR 240.14a-8], as with other matters under the proxy rules, is to aid those who must comply with the rule by offering informal advice and suggestions and to determine, initially, whether or not it may be appropriate in a particular matter to recommend enforcement action to the Commission. In connection with a shareholder proposal under Rule 14a-8, the Division's staff considers the information furnished to it by the company in support of its intention to exclude the proposal from the company's proxy materials, as well as any information furnished by the proponent or the proponent's representative.

Although Rule 14a-8(k) does not require any communications from shareholders to the Commission's staff, the staff will always consider information concerning alleged violations of the statutes and rules administered by the Commission, including arguments as to whether or not activities proposed to be taken would violate the statute or rule involved. The receipt by the staff of such information, however, should not be construed as changing the staff's informal procedures and proxy review into a formal or adversarial procedure.

It is important to note that the staff's no-action responses to Rule 14a-8(j) submissions reflect only informal views. The determinations reached in these no-action letters do not and cannot adjudicate the merits of a company's position with respect to the proposal. Only a court such as a U.S. District Court can decide whether a company is obligated to include shareholder proposals in its proxy materials. Accordingly, a discretionary determination not to recommend or take Commission enforcement action does not preclude a proponent, or any shareholder of a company, from pursuing any rights he or she may have against the company in court, should the company's management omit the proposal from the company's proxy materials.

Writer's Direct Contact
+1 (202) 778-1611
MDunn@mofo.com

1934 Act/Rule 14a-8

November 15, 2018

VIA E-MAIL (shareholderproposals@sec.gov)

Office of Chief Counsel
Division of Corporation Finance
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: Walgreens Boots Alliance, Inc.
Stockholder Proposal of Mercy Investment Services, Inc., UAW Retiree Medical Benefits Trust, Northwest Women Religious Investment Trust, and Domini Impact Equity Fund

Dear Ladies and Gentlemen:

This letter concerns the request, dated September 15, 2018 (the "***Initial Request Letter***"), that we submitted on behalf of our client Walgreens Boots Alliance, Inc., a Delaware corporation (the "***Company***"), seeking confirmation that the staff (the "***Staff***") of the Division of Corporation Finance of the U.S. Securities and Exchange Commission (the "***Commission***") will not recommend enforcement action to the Commission if, in reliance on Rule 14a-8 under the Securities Exchange Act of 1934 (the "***Exchange Act***"), the Company omits the stockholder proposal (the "***Proposal***") and supporting statement (the "***Supporting Statement***") submitted by Mercy Investment Services, Inc., UAW Retiree Medical Benefits Trust, Northwest Women Religious Investment Trust, and Domini Impact Equity Fund (the "***Proponents***") from the Company's proxy materials for its 2019 Annual Meeting of Stockholders (the "***2019 Proxy Materials***"). The Proponents submitted a letter to the Staff, dated October 8, 2018 (the "***Proponent Letter***"), asserting the Proponents' view that the Proposal is required to be included in the 2019 Proxy Materials, which we responded to on behalf of the Company on October 24, 2018 (the "***Initial Response Letter***"). The Proponents submitted a subsequent letter to the Staff, dated October 30, 2018 (the "***Second Proponent Letter***"), which is attached as Exhibit A to this letter.

Office of Chief Counsel
Division of Corporation Finance
U.S. Securities and Exchange Commission
November 15, 2018
Page 2

We submit this letter on behalf of the Company to supplement the Initial Request Letter and Initial Response Letter in response to the Second Proponent Letter. We also renew our request for confirmation that the Staff will not recommend enforcement action to the Commission if the Company omits the Proposal and Supporting Statement from its 2019 Proxy Materials in reliance on Rule 14a-8.

We have concurrently sent copies of this correspondence to the Proponents' lead representative, Mercy Investment Services, Inc., via email at dmeyer@mercyinvestments.org.

I. THE PROPOSAL

On or after July 23, 2018, the Company received letters from the Proponents containing the Proposal for inclusion in the Company's 2019 Proxy Materials. We provided the letters and the Proposal as attachments to the Initial Request Letter. As discussed in the Initial Request Letter, the Company believes that it may properly omit the Proposal and Supporting Statement from its 2019 Proxy Materials in reliance on Rule 14a-8(i)(7), as it deals with matters relating to the Company's ordinary business operations.

II. RESPONSE TO THE SECOND PROPONENT LETTER

In the Company's Initial Response Letter, the Company indicated that litigation with the State of Kentucky relates solely to its interest in AmerisourceBergen Corporation ("*AmerisourceBergen*"). In the Second Proponent Letter, the Proponents included certain allegations from the complaint in the Kentucky lawsuit relating to certain of the Company's operations apart from AmerisourceBergen. The Company acknowledges that the complaint includes those allegations. Those allegations are factually inaccurate, including any suggestion that Walgreens ever engaged in the distribution of opioids to any third parties. It did not. Moreover, and as noted in the Initial Response Letter, to the extent it ever distributed opioids to its own pharmacies in the United States, the Company discontinued that practice several years ago.¹ As to the Company's *current* business activities, the Kentucky complaint relates solely to its interest in AmerisourceBergen. The Company is a retailer of pharmaceutical products and, as such, the Proposal concerns the Company's ordinary business of the sale of particular products, as is consistent with the Staff decisions cited in the Initial Request Letter. Accordingly, the Company continues to be of the view that it may properly omit the Proposal and Supporting Statement from its 2019 Proxy Materials in reliance on Rule 14a-8(i)(7) because the Proposal relates to the ordinary business of the sale of particular products.

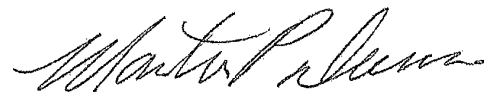
¹ As noted in the Initial Response Letter, the Company engages in limited overseas distribution of opioids, which is not relevant to the Proposal.

Office of Chief Counsel
Division of Corporation Finance
U.S. Securities and Exchange Commission
November 15, 2018
Page 3

III. CONCLUSION

For the reasons discussed in the Initial Request Letter and further discussed above, the Second Proponent Letter does not impact the application of Rule 14a-8(i)(7) to the Proposal, and the Company continues to be of the view that it may properly omit the Proposal and Supporting Statement from its 2019 Proxy Materials in reliance on Rule 14a-8. If we can be of further assistance in this matter, please do not hesitate to contact me at (202) 778-1611.

Sincerely,



Martin P. Dunn
of Morrison & Foerster LLP

Attachments

cc: Donna Meyer, PhD, Director of Shareholder Advocacy, Mercy Investment Services, Inc.
Joseph B. Amsbary, Jr., Vice President, Corporate Secretary, Walgreens Boots Alliance, Inc.
Mark L. Dosier, Director, Securities Law, Walgreens Boots Alliance, Inc.
Kelsey Chin, Director, Tax and Capital Markets - Legal, Walgreens Boots Alliance, Inc.

Exhibit A

From: Laurie Case <lcase@Mercyinvestments.org>

Date: Tuesday, Oct 30, 2018, 4:53 PM

To: shareholderproposals@sec.gov <shareholderproposals@sec.gov>

Cc: Dunn, Marty <MDunn@mofo.com>, Donna Meyer <dmeyer@mercyinvestments.org>

Subject: Response to Request by Walgreens Boots Alliance Inc. to omit proposal submitted by Mercy Investment Services and Co-filers

- External Email -

Hello –

Please find attached a response letter to Walgreens Boots Alliance’s response.

Thank you.

Laurie Case

Reporting and Research Manager

Mercy Investment Services, Inc.

lcase@mercyinvestments.org

Phone/Text: 920-540-5548

Skype: [Laurie.j.Case](https://www.skype.com/people/Laurie.j.Case)



October 30, 2018

[Via e-mail at shareholderproposals@sec.gov](mailto:shareholderproposals@sec.gov)

Securities and Exchange Commission
Office of the Chief Counsel
Division of Corporation Finance
100 F Street, NE
Washington, DC 20549

Re: Request by Walgreens Boots Alliance Inc. to omit proposal submitted by Mercy Investment Services and Co-filers

Ladies and Gentlemen,

In a letter to the Division dated September 15, 2018 (the "No-Action Request"), Walgreens Boots Alliance Inc. ("Walgreens") sought a determination that it could exclude our proposal on ordinary business grounds. The proposal (the "Proposal") asks Walgreens to report to shareholders on the governance measures it has implemented to more effectively monitor and manage risks related to the opioid crisis in the U.S.

Walgreens contended in the No-Action Request that the Proposal's subject is Walgreens' choice of products to sell, relying heavily on determinations allowing exclusion of proposals submitted to retail stores regarding tobacco sales. We responded by letter dated October 8, urging that the Proposal's subject—governance responses to the opioid crisis—is a significant social policy issue transcending ordinary business. To counter Walgreens' claim that the Staff has drawn a bright line permitting omission of proposals on controversial or dangerous products unless submitted to manufacturers of those products, we highlighted the Staff's recent determination declining to agree with a substantially similar argument made by AmerisourceBergen Corp. regarding a proposal much like the Proposal.

Walgreens replied by letter dated October 24 (the "Reply"). While much of the Reply rehashes arguments made in the No-Action Request, we believe that it is important to highlight two points.

First, Walgreens concedes that it acted as a distributor of opioids until 2013 while implying that its distribution activities are therefore irrelevant in the context of the Proposal, which asks for reporting on governance reforms undertaken since 2012. But pre-2013 conduct

forms some of the basis for the claims asserted in the Kentucky lawsuit, which serves as an example of why Walgreens' risks from distribution activities did not suddenly terminate in 2013.

Contrary to Walgreens' assertion in the Reply, the Kentucky lawsuit does not "relate entirely to [Walgreens'] non-controlling ownership of AmerisourceBergen." (Reply, at 4) Paragraph 22 of the Kentucky complaint (available at https://ag.ky.gov/pdf_news/20180614_WalgreensComplaint.pdf) states that "Walgreens has traditionally served as a distributor of generic pharmaceutical products, like generic oxycodone and hydrocodone, to its own stand-alone pharmacy locations known as, 'Well Experience' locations." Likewise, paragraph 28 asserts that "Walgreens utilized Central Pharmacy Operations that provided 'central fill' services to its Well Experience locations [which] served as both distributors and dispensaries of opioids." As well, according to the Kentucky complaint, Walgreens "is known to have traditional distribution centers." The claims brought by the Kentucky Attorney General involve violations of Walgreens' responsibilities as a distributor, such as the obligation to flag, halt and report suspicious orders of opioid medications. (See paragraphs 48-52) Accordingly, there is no reason to characterize Walgreens solely as a retailer of opioids.

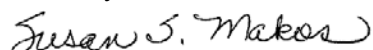
Second, voting results on a nearly identical proposal submitted to Rite Aid Corporation show that investors believe that non-manufacturers, including companies that dispense opioids, can face significant risks connected to the epidemic. On October 30, holders of over 56% of shares voted supported a proposal asking Rite Aid to report on governance measures it had adopted to more effectively monitor and manage risks associated with the opioid epidemic. That the Rite Aid proposal received majority shareholder support is powerful evidence that the opioid epidemic creates risks for shareholders in companies at all points in the supply chain.

* * *

Because Walgreens has not satisfied its burden of showing that it is entitled to omit the Proposal in reliance on Rule 14a-8(i)(7), we respectfully request that Walgreens' request for relief be denied.

We appreciate the opportunity to be of assistance in this matter. If you have any questions or need additional information, please contact me at (513) 673-9992; Donna Meyer, Director of Shareholder Advocacy, at (713) 299-5018; or our attorney, Beth Young, at (718) 369-6169.

Sincerely,



Susan S. Makos, JD
Vice President of Social Responsibility
Mercy Investment Services, Inc.
smakos@mercyinvestments.org

cc: Martin P. Dunn, Esq.
MDunn@mofo.com

2039 North Geyer Road · St. Louis, Missouri 63131-3332 · 314.909.4609 · 314.909.4694 (fax)

www.mercyinvestmentservices.org



October 30, 2018

[Via e-mail at shareholderproposals@sec.gov](mailto:shareholderproposals@sec.gov)

Securities and Exchange Commission
Office of the Chief Counsel
Division of Corporation Finance
100 F Street, NE
Washington, DC 20549

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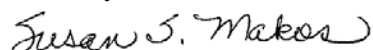
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* * *

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Sincerely,



Susan S. Makos, JD
Vice President of Social Responsibility
Mercy Investment Services, Inc.
smakos@mercyinvestments.org

cc: Martin P. Dunn, Esq.
MDunn@mofo.com

2039 North Geyer Road · St. Louis, Missouri 63131-3332 · 314.909.4609 · 314.909.4694 (fax)

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1934 Act/Rule 14a-8

October 24, 2018

VIA E-MAIL (shareholderproposals@sec.gov)

Office of Chief Counsel
Division of Corporation Finance
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: Walgreens Boots Alliance, Inc.
Stockholder Proposal of Mercy Investment Services, Inc., UAW Retiree Medical Benefits Trust, Northwest Women Religious Investment Trust, and Domini Impact Equity Fund

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We submit this letter on behalf of the Company to supplement the Initial Request Letter and respond to the assertions made in the Proponent Letter. We also renew our request for confirmation that the Staff will not recommend enforcement action to the Commission if the

Office of Chief Counsel
Division of Corporation Finance
U.S. Securities and Exchange Commission
October 24, 2018
Page 2

Company omits the Proposal and Supporting Statement from its 2019 Proxy Materials in reliance on Rule 14a-8.

We have concurrently sent copies of this correspondence to the Proponents' lead representative, Mercy Investment Services, Inc., via email at dmeyer@mercyinvestments.org.

I. THE PROPOSAL

On or after July 23, 2018, the Company received letters from the Proponents containing the Proposal for inclusion in the Company's 2019 Proxy Materials. We provided the letters and the Proposal as attachments to the Initial Request Letter. As discussed in the Initial Request Letter, the Company believes that it may properly omit the Proposal and Supporting Statement from its 2019 Proxy Materials in reliance on Rule 14a-8(i)(7), as it deals with matters relating to the Company's ordinary business operations.

II. RESPONSE TO THE PROPONENT LETTER

A. *The Proposal May Be Omitted in Reliance on Rule 14a-8(i)(7) Because its Underlying Subject Matter Concerns the Sale of Particular Products*

For the reasons set forth in the Initial Request Letter, the Company continues to be of the view that it may properly omit the Proposal from its 2019 Proxy Materials in reliance on Rule 14a-8(i)(7) as the Proposal concerns the Company's ordinary business of the sale of particular products. The Proponent Letter makes an effort to rebut the Company's view notwithstanding the Staff's repeated reaffirmation that a proposal relating to a retailer's sale of a particular product or service is excludable under Rule 14a-8(i)(7) as a component of ordinary business.

The Proponent Letter first argues that the Company's Initial Request Letter includes a "misleading characterization of the Proposal . . . [in that it] asserts that the Proposal would control Walgreens' decisions about whether to sell opioid medications to its customers." Such assertion does not impact the relevant analysis as to the Proposal's ordinary business concerns. As discussed in the Initial Request Letter, the Commission and the Staff have firmly held the view that a proposal requesting the publication of a report may be excluded under Rule 14a-8(i)(7) if the subject matter of the report involves a matter of ordinary business. *See Exchange Act Release No. 20091* [48 FR 38218] (Aug. 16, 1983). While the Proposal may attempt to express its focus on governance and other matters, there is no ambiguity that the underlying subject matter of the Proposal is the Company's sale of opioid products, a conclusion supported by numerous Staff decisions cited in the Initial Request Letter. *See, e.g., CVS Caremark Corp.* (Feb. 25, 2010) (concurring in the exclusion of a proposal requesting a report to shareholders on how the company is responding to rising public pressures to discourage sales of tobacco products

Office of Chief Counsel
Division of Corporation Finance
U.S. Securities and Exchange Commission
October 24, 2018
Page 3

because the proposal concerned the “sale of tobacco products” and “CVS is not involved in manufacturing tobacco products”); *Rite Aid Corp.* (Mar. 26, 2009) (concurring in the exclusion of a proposal requesting a report to shareholders on how the company is responding to rising regulatory, competitive and public pressures to halt sales of tobacco products because the proposal concerned the “sale of a particular product”); and *CVS Caremark Corp.* (Mar. 3, 2009) (same). In each of those letters, the proposals did not explicitly seek the cessation of sales of tobacco products; they sought reports on how the companies were addressing certain consequences from sales of tobacco products. The Staff concurred that the proposals could be omitted because they related to the sale of products notwithstanding that the proposals sought reports on actions the companies may have taken as a result of the product sales, which is exactly the case with the Proposal.

The Proponents next assert that the Proposal concerns a significant social policy issue of the opioid abuse epidemic. As was stated in the Initial Request Letter, the Staff has consistently taken the position that proposals regarding products sold by a retailer relate to a company’s ordinary business operations and thus are excludable pursuant to Rule 14a-8(i)(7), even if the proposal touches upon a significant social policy issue. *See, e.g., Walgreens Boots Alliance, Inc.* (Nov. 7, 2016, recon. denied Nov. 22, 2016) (concurring in the exclusion of a proposal requesting a report assessing the financial risk facing the company based on its continued sales of tobacco products despite presence of a significant social policy issue).

The Proponents cite Staff Legal Bulletin 14H (Oct. 22, 2015) (“**SLB 14H**”) as standing for the proposition that a proposal’s “subject” need only to be a significant social policy issue for exclusion to be barred under Rule 14a-8(i)(7). While it is true that SLB 14H provides the Staff’s views on the scope and application of Rule 14a-8(i)(7) in light of the U.S. Court of Appeals for the Third Circuit’s decision in *Trinity Wall Street v. Wal-Mart Stores, Inc.*, the Company asserts that SLB 14H supports a determination that the Proposal concerns the Company’s products. The Staff considers whether a proposal focuses on a significant social policy issue and also whether there is a sufficient connection between such policy issue and the company’s operations. By this test the Proposal warrants exclusion. Even if the Proposal touches upon the opioid epidemic policy issue, the Proposal does not focus solely on a significant policy issue because it also relates to the sale of particular products, as discussed in detail in the Initial Request Letter.

The Proponents’ argument that the Company—a retailer—should be treated like a manufacturer for the purposes of this analysis contravenes years of Staff responses in which a clear distinction between manufacturers and retailers of products has been made. The Proponent Letter attempts to build upon the Staff’s recent decision not to concur in the exclusion by AmerisourceBergen Corporation (“**AmerisourceBergen**”), a wholesale distributor of pharmaceutical and other products, of a proposal similar to the Proposal. *See AmerisourceBergen Corporation* (Jan. 11, 2018) (Sisters of St. Francis). While the Proponents’ statement that “[t]he

Office of Chief Counsel
Division of Corporation Finance
U.S. Securities and Exchange Commission
October 24, 2018
Page 4

Staff's distinction between manufacturers and non-manufacturers is not absolute . . ." may be true as demonstrated by the Staff's position in *AmerisourceBergen*, this should not alter the Staff's longstanding position that the selection of products for sale by a retailer relate to a company's ordinary business operations and thus are excludable pursuant to Rule 14a-8(i)(7).

The Proponents concede that the Company "is better known as a pharmacy retailer" and yet suggests that the Company's "distribution services . . . expose[] the Company to liabilities like those facing other distributors such as *AmerisourceBergen*." Importantly, in 2013 the Company made the decision to cease distribution of opioids in the United States, during which year it stopped distributing all C2 drugs.¹ By 2014, the Company stopped distributing opioids entirely in the United States. Accordingly, to the extent the Proponents seek to have the Staff expand its position in *AmerisourceBergen* to the Company because of the Company's purported opioid distribution activities, the argument has no merit because the Company has not distributed opioids in the United States in several years. A report describing the corporate governance changes the Company has implemented since 2012 related to the opioid crisis would largely cover a period during which the Company was not a distributor in the United States and is irrelevant to the Company's shareholders given the cessation of those activities.²

Further, the lawsuit from the State of Kentucky cited in the Supporting Statement and the Proponent Letter relates entirely to the Company's non-controlling ownership of *AmerisourceBergen*. The Company is vigorously defending this action and believes there is no legal foundation for being held accountable for the actions of *AmerisourceBergen*, a company in which the Company has a non-controlling interest and no practicable ability to control. The other litigation and settlements noted in the Proponent Letter and Supporting Statement stem from claims related to the Company's prior distribution activities in the United States, as discussed above. Accordingly, any attempt by the Proponents to characterize the Company as a distributor of opioids in the United States is meritless.

In addition, the Proponent Letter avers that the Company's legal obligations with respect to opioid sales should implicate a determination that it is like a wholesale distributor for the purposes of the application of Rule 14a-8(i)(7), citing a pharmacy's legal obligation to ensure that opioids are dispensed "pursuant to prescriptions issued for legitimate medical purposes by practitioners acting in the usual course of their professional practice." However, similar legal obligations on retailers were present in a number of Staff decisions cited in the Initial Request Letter. The Staff's concurrence of exclusion in letters to gun retailers and tobacco retailers make

¹ A "C2 drug" is also known as a Schedule II substance or C-II drug, which includes all opioid products.

² While the Company does engage in limited overseas distribution of opioids, if there is a significant social policy issue in the Proposal, it is not implicated by the Company's overseas business operations. The opioid epidemic is distinctly an issue in the United States, and the Supporting Statement makes clear that the Proposal relates to the issue within the United States.

Office of Chief Counsel
Division of Corporation Finance
U.S. Securities and Exchange Commission
October 24, 2018
Page 5

clear that such legal obligations should not change the analysis relevant to retailers as retailers of those products likewise face significant legal requirements. For example, gun sales are subject to various background requirements that retailers must fulfill. Tobacco sales are likewise subject to minimum age requirements. Compliance with legal requirements is necessarily part of the day-to-day ordinary business activities of retailers, like the Company, which has been recognized in prior Staff responses and should be recognized with respect to the Proposal.

Lastly, as discussed in the Initial Request Letter, with respect to the Proposal's request that the Company take certain actions with respect to AmerisourceBergen, the Company's relationship with AmerisourceBergen is as a minority, non-controlling investor. As previously stated, the Company has no ability to dictate day-to-day decisions regarding the products and services AmerisourceBergen offers to its customers, nor does the Company have the ability to "oversee . . . AmerisourceBergen's opioid-related risks." While the Company has the right to designate one director of AmerisourceBergen's ten-person board, the arrangement does not allow the information-sharing relationship contemplated by the Proposal in light of fiduciary and other duties applicable to that individual, a circumstance that the Proponents acknowledge may be the case in the Proponent Letter.

Accordingly, and consistent with SLB 14H and the Staff decisions noted above and in the Initial Request Letter, the Company continues to be of the view that it may properly omit the Proposal and Supporting Statement in reliance on Rule 14a-8(i)(7) because the Proposal relates to the ordinary business of the sale of particular products.

B. The Proposal May be Omitted in Reliance on Rule 14a-8(i)(7) Because it Seeks to Micromanage the Company

In the Proponent Letter, the Proponents assert that the Initial Request Letter presents the Proposal as seeking to micro-manage the Company by "rest[ing] on a misleading characterization of the Proposal as seeking to control Walgreens' product selection." However, as detailed above and in the Initial Request Letter, the Commission and the Staff have stated that a proposal requesting the publication of a report may be excluded under Rule 14a-8(i)(7) if the underlying subject matter of the report involves a matter of ordinary business. *See Exchange Act Release No. 20091* [48 FR 38218] (Aug. 16, 1983). The Company continues to be of the view that at its core, the underlying subject matter of the Proposal relates directly to the ordinary business matter of determining the particular products the Company should or should not offer.

As noted in the Initial Request Letter, the Commission has stated, and the Staff has routinely concurred, that a proposal may be properly omitted as a matter of ordinary business under Rule 14a-8(i)(7) if "the proposal seeks to 'micro-manage' the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a

Office of Chief Counsel
Division of Corporation Finance
U.S. Securities and Exchange Commission
October 24, 2018
Page 6

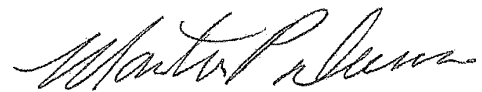
position to make an informed judgment.” *Exchange Act Release No. 40018, Amendments to Rules on Shareholder Proposals*, [1998 Transfer Binder] Fed Sec. L. Rep. (CCH) 86,018, at 80,539 (May 21, 1998); *see also SeaWorld Entertainment, Inc.* (Mar. 30, 2017) (concurring in the exclusion of a proposal addressing the company’s decisions with respect to the entertainment products it offered to customers as micromanaging the company); *The Wendy’s Company* (Mar. 2, 2017) (concurring in the exclusion of a proposal addressing company practices in the purchase of produce as micromanaging the company). Decisions with respect to pharmaceutical product offerings of the Company are extremely complex, requiring specialized expertise and the judgment of the Company’s management, which, unlike shareholders as a group, is well-positioned, and has the necessary skills, knowledge and resources, to make informed decisions on such day-to-day business and operational matters. As the Proposal relates to the Company’s sale of opioid products, which involves the myriad complex factors noted above and in the Initial Request Letter, the Company continues to be of the view that the Proposal seeks to micromanage the Company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment. As a result, the Proposal and Supporting Statement may be omitted pursuant to Rule 14a-8(i)(7) as it seeks to micromanage the Company.

Office of Chief Counsel
Division of Corporation Finance
U.S. Securities and Exchange Commission
October 24, 2018
Page 7

III. CONCLUSION

For the reasons discussed in the Initial Request Letter and further discussed above, the Proponent Letter does not impact the application of Rule 14a-8(i)(7) to the Proposal, and the Company continues to be of the view that it may properly omit the Proposal and Supporting Statement from its 2019 Proxy Materials in reliance on Rule 14a-8. If we can be of further assistance in this matter, please do not hesitate to contact me at (202) 778-1611.

Sincerely,



Martin P. Dunn
of Morrison & Foerster LLP

Attachments

cc: Donna Meyer, PhD, Director of Shareholder Advocacy, Mercy Investment Services, Inc.
Joseph B. Amsbary, Jr., Vice President, Corporate Secretary, Walgreens Boots Alliance, Inc.
Mark L. Dosier, Director, Securities Law, Walgreens Boots Alliance, Inc.
Kelsey Chin, Director, Tax and Capital Markets - Legal, Walgreens Boots Alliance, Inc.

Exhibit A

From: Laurie Case <lcase@Mercyinvestments.org>

Date: Monday, Oct 08, 2018, 2:54 PM

To: shareholderproposals@sec.gov <shareholderproposals@sec.gov>

Cc: Dunn, Marty <MDunn@mofo.com>, Donna Meyer <dmeyer@mercyinvestments.org>

Subject: Mercy Investment Services response to Walgreen Boots Alliance No-Action Letter

- External Email -

Please find attached a letter from Mercy Investment Services in response to Walgreen's no-action letter submitted to the SEC, dated September 15, 2018.



October 8, 2018

Via e-mail at shareholderproposals@sec.gov

Securities and Exchange Commission
Office of the Chief Counsel
Division of Corporation Finance
100 F Street, NE
Washington, DC 20549

Re: Request by Walgreens Boots Alliance Inc. to omit proposal submitted by Mercy Investment Services and Co-filers

Ladies and Gentlemen,

Pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, Mercy Investment Services Inc. and several co-filers (the "Proponents") submitted a shareholder proposal (the "Proposal") to Walgreens Boots Alliance Inc. ("Walgreens" or the "Company"). The Proposal asks Walgreens' board to report to shareholders on governance measures Walgreens has implemented since 2012 to more effectively monitor and manage financial and reputational risks related to the opioid crisis in the U.S.

In a letter to the Division dated September 15, 2018 (the "No-Action Request"), Walgreens stated that it intends to omit the Proposal from its proxy materials to be distributed to shareholders in connection with the Company's 2019 annual meeting of shareholders. Walgreens argues that it is entitled to exclude the Proposal in reliance on Rule 14a-8(i)(7), on the ground that the Proposal deals with Walgreens' ordinary business operations. As discussed more fully below, Walgreens has not met its burden of proving its entitlement to exclude the Proposal in reliance on that exclusion and the Proponents respectfully urge that Walgreens' request for relief should be denied.

The Proposal

The Proposal states:

RESOLVED, that shareholders of Walgreens Boots Alliance Inc. ("Walgreens") urge the Board of Directors (the "Board") to report to shareholders by June 30, 2019, on

the governance measures Walgreens has implemented since 2012 to more effectively monitor and manage financial and reputational risks related to the opioid crisis in the U.S., including whether and how the Board oversees Walgreens’ opioid-related programs and AmerisourceBergen’s opioid-related risks, whether the crisis has been designated (or is encompassed within) a material corporate social responsibility (CSR) issue and whether and how Walgreens has changed senior executive incentive compensation arrangements.

The report should be prepared at reasonable cost and should omit confidential and proprietary information.

Ordinary Business

Walgreens argues that it is entitled to omit the Proposal in reliance on Rule 14a-8(i)(7), which allows exclusion of proposals related to a company’s ordinary business operations. Specifically, Walgreens urges that the Proposal’s subject “relat[es] to the sale of a particular product” and Walgreen’s “relationship with a supplier,” AmerisourceBergen Corp. (“ABC”). Relatedly, Walgreens urges that even if the Proposal relates to a significant social policy issue—the opioid epidemic—it also relates to the sale of products, which implicates ordinary business. Second, Walgreens contends that the Proposal would micro-manage Walgreens. Neither claim has merit.

Before addressing Walgreens’ specific arguments, the Proponents object to Walgreens’ misleading characterization of the Proposal. Repeatedly, Walgreens asserts that the Proposal would control Walgreens’ decisions about whether to sell opioid medications to its customers. Examples include:

- “At its core, the underlying subject matter of the Proposal relates directly to the ordinary business matter of determining the particular products the Company should or should not offer.”¹
- “Failing to offer an entire category of lawful, FDA-approved and highly regulated products (such as opioids) that meet the clinical needs of patients who use them as directed by their physicians may result in the Company losing access to those patients and plans”²
- “If the Company cannot fill prescriptions for certain drugs, its customers will move their prescriptions to other pharmacies.”³
- “Similarly, the Proposal seeks to determine the particular products the Company should or should not offer its customers.”⁴

¹ No-Action Request, at 5.

² No-Action Request, at 5.

³ No-Action Request, at 6.

⁴ No-Action Request, at 12.

The Proponents agree with Walgreens that opioid medications serve “legitimate clinical needs.”⁵ Some of us are health systems or health care payers, and the well-being of patients is important to us. We do not seek to second-guess well-informed decisions made by patients and their doctors about appropriate therapies, nor do we believe pharmacies should arbitrarily refuse to stock medications for which their customers have legitimate prescriptions.

Consistent with that view, the Proposal never urges or even implies that Walgreens should stop filling prescriptions for opioid medications. Instead, it focuses on corporate governance reforms, with the goal of better informing shareholders about Walgreens’ management of risks associated with selling these powerful drugs. Widespread use of opioid medications for chronic pain has led to an explosion of opioid abuse, with staggering economic, social and financial consequences. Effective risk management and mitigation, in our view, can help Walgreens navigate the risks associated with this landscape.

Walgreens’ framing is further undermined by the fact that the Proposal addresses only actions Walgreens has already taken. It asks for reporting on governance reforms Walgreens “has implemented since 2012.” No reasonable reading of the Proposal would conclude that it asks Walgreens to stop selling a product in the future.

The Proposal differs from those seeking a review regarding a retailer’s sale of particular products, which has been found to be indistinguishable in substance from a request to stop selling the product. The Proposal assumes Walgreens will continue filling prescriptions for opioid medications; implementing the Proposal would not set in motion any process that could lead to Walgreens revisiting its decision to do so.

The Opioid Abuse Crisis is a Significant Social Policy Issue

Walgreens does not directly challenge the notion that the opioid abuse epidemic is a significant social policy issue, but it does not concede that point either. The widespread and sustained public debate over the opioid epidemic, including the role of intermediaries such as distributors and retailers, has been described in detail in the proponents’ arguments in response to the no-action request made by AmerisourceBergen Corp.,⁶ which the Proponents incorporate herein by reference.

The opioid abuse crisis has not faded from the public consciousness in the year since the AmerisourceBergen response was submitted. Overdose deaths have risen from 33,000 in 2015 to over 42,000 in 2016.⁷ Preliminary data puts the 2017 number at 48,000, with an estimated 2.1 million American with opioid use disorder.⁸ The print and broadcast media

⁵ No-Action Request, at 5.

⁶ AmerisourceBergen Corporation (Jan. 11, 2018).

⁷ <https://www.cdc.gov/drugoverdose/data/index.html>

⁸ <https://www.nytimes.com/2018/08/15/upshot/opioids-overdose-deaths-rising-fentanyl.html>

have continued to focus on many different aspects of the epidemic.⁹ Time's 2018 special report, "The Opioid Diaries," combined photography, video and text to produce a harrowing portrait of the epidemic's human cost.¹⁰ A PBS documentary, "Understanding the Opioid Epidemic," premiered in January 2018.¹¹ A television series, "Dopesick Nation," premiered in 2018; it follows two former opioid addicts as they do outreach for a Florida recovery center.¹²

In early 2018, the Department of Justice filed a statement of interest in the Ohio multidistrict opioid litigation (the National Prescription Opiate Litigation), which includes cases against numerous defendants, including Walgreens.¹³ The Senate passed the Opioid Crisis Response Act in October 2018 containing provisions that "tackle[] many aspects of the epidemic, including treatment, prevention, recovery, and enforcement."¹⁴ The House previously passed the legislation, and President Trump is expected to sign it.¹⁵

On the state level, in 2018, Arizona, Florida, Nebraska and West Virginia limited opioid prescribing.¹⁶ Other provisions aimed at ameliorating the opioid epidemic by broadening access to treatment, assisting chronic pain patients and reforming workers' compensation were also enacted this year.¹⁷ Medical organizations and payers promulgated

⁹ See, e.g., <https://www.nytimes.com/2018/08/15/upshot/opioids-overdose-deaths-rising-fentanyl.html>; https://www.washingtonpost.com/opinions/congress-isnt-doing-enough-to-stop-opioid-abuse/2018/09/21/ccdc29a0-bdc1-11e8-8792-78719177250f_story.html?utm_term=.d160b21c675b (op-ed); <https://www.npr.org/tags/141914251/opioids>; <https://www.cbsnews.com/opioid-epidemic/>; <https://www.usatoday.com/topic/opioid-epidemic/>; <https://www.theguardian.com/us-news/opioids>

¹⁰ <http://time.com/james-nachtwey-opioid-addiction-america>

¹¹ <https://www.pbs.org/show/understanding-opioid-epidemic/>

¹² https://www.vice.com/en_us/article/xwp8e3/i-save-lives-on-the-front-lines-of-south-floridas-opioid-crisis

¹³ <https://www.pharmacist.com/article/justice-department-backs-high-stakes-lawsuit-against-opioid-makers>

¹⁴ <https://www.kff.org/medicaid/issue-brief/federal-legislation-to-address-the-opioid-crisis-medicaid-provisions-in-the-support-act/>; <https://www.vox.com/policy-and-politics/2018/9/12/17847358/senate-opioid-crisis-response-act>

¹⁵ <https://www.kff.org/medicaid/issue-brief/federal-legislation-to-address-the-opioid-crisis-medicaid-provisions-in-the-support-act/>

¹⁶ <http://www.ncsl.org/research/health/prescribing-policies-states-confront-opioid-overdose-epidemic.aspx>

¹⁷ E.g., <https://azgovernor.gov/governor/news/2018/01/opioid-epidemic-act-outlines-comprehensive-solutions>; <https://www.bostonglobe.com/metro/2018/08/01/mass-opioid-bill-includes-help-for-pain-patients/ha2tGqmRLfPCTkvBgGFQaM/story.html>; <https://www.governor.ny.gov/news/governor-cuomo-signs-bill-adding-pain-management-list-eligible-conditions-treatment-medical>; <https://www.governor.pa.gov/wolf-administration-introduces-opioid-prescribing-guidelines-workers-compensation/>; <https://www.tn.gov/governor/news/2018/1/22/haslam-announces-aggressive-comprehensive-plan-to-end-tennessee-s-opioid-epidemic.html>

new prescribing policies for opioids.¹⁸ In sum, the opioid epidemic continues to be a significant social policy issue.

A Sufficient Nexus Exists Between Walgreens and the Significant Policy Issue of the Opioid Epidemic

Walgreens misrepresents the analytic framework applied by the Division in determining whether a proposal's subject justifies exclusion. (We discuss Walgreens' micro-management argument in the next section.) Walgreens suggests that even if a proposal addresses a significant social policy issue, it may nonetheless be excludable because it involves a subject the Staff has characterized as ordinary business: "Similarly, although the Proposal mentions executive compensation ('whether and how Walgreens has changed senior executive incentive compensation arrangements') among other possible significant policy issues, the Proposal addresses the sale of particular products by the Company and is therefore excludable under Rule 14a-8(i)(7)."¹⁹ In other words, according to Walgreens the "sale of products" aspect of the Proposal trumps the "opioid epidemic," supporting exclusion.

But the Staff rejected that approach in Staff Legal Bulletin ("SLB") 14H. SLB 14H was issued in response to the decision of the Court of Appeals for the Third Circuit in Trinity Wall Street v. Wal-Mart Stores, Inc.,²⁰ which concerned a proposal asking the Compensation, Nominating and Governance Committee of Wal-Mart's Board to oversee the formulation and implementation of policies governing Wal-Mart's sale of certain kinds of products, with focus in the supporting statement on guns equipped with high capacity magazines. The court ruled that Wal-Mart was entitled to exclude the proposal on ordinary business grounds. The majority reasoned that "a shareholder must do more than focus its proposal on a significant policy issue; the subject matter of its proposal must 'transcend' the company's ordinary business" by being "divorced from how a company approaches the nitty-gritty of its core business."²¹ Using that standard, the court held that the proposal was excludable.

The Division responded with SLB 14H, explaining that the majority opinion "differ[ed] from the Commission's statements on the ordinary business exclusion and Division practice." The Division asserted that there was only one test—whether the proposal's subject was a significant social policy issue; if the answer to that question is yes, the subject by definition "transcends" ordinary business and exclusion is inappropriate.

¹⁸ E.g., <https://www.ihaconnect.org/member/newsroom/Pages/Hoosier-Health-Leaders-Introduce-Acute-Pain-Prescribing-Guidelines--to-Combat-State-Opioid-Crisis.aspx>; <http://mediacenter.bcbsnc.com/news/blue-cross-nc-announces-new-opioid-prescription-and-treatment-policies>; <https://newsroom.nebraskablue.com/blue-cross-blue-shield-nebraska-adopting-cdc-guidelines-opioid-prescribing/>; <http://www.wsda.org/news/blog/2018/03/06/1-i-adopting-new-dental-guideline-for-prescribing-opioids-april-1>

¹⁹ No-Action Request, at 13.

²⁰ 792 F.3d 323 (2015).

²¹ Id. at 347.

SLB 14H does not stand for the proposition that having a connection, however remote, to a significant social policy issue prevents a proposal's exclusion on ordinary business grounds. The Division considers whether a proposal has a "sufficient nexus" to the company's business operations in determining whether the proposal focuses on a significant policy issue.²² Put another way, it is not enough that the proposal's subject be a significant policy issue out in the world, it also must be a significant policy issue for the company.

Walgreens takes the position that a retailer never has a strong enough connection to a product it sells to establish a sufficient nexus. The Proponents acknowledge that the Staff has issued many determinations allowing exclusion of proposals submitted to retailers that dealt in some way with the retailers' sale of controversial or dangerous products, including tobacco and firearms.

The Staff's distinction between manufacturers and non-manufacturers is not absolute, though. The Staff recently recognized a sufficient connection between a non-manufacturer—a wholesale distributor—and the opioid abuse crisis. Last year, the Staff declined to allow exclusion on ordinary business grounds of a proposal much like the Proposal that was submitted to distributor AmerisourceBergen. AmerisourceBergen made many of the same arguments Walgreens advances here, pointing to the "sale of particular products" determinations and urging that an insufficient nexus existed between the opioid crisis and AmerisourceBergen's business of pharmaceutical distribution.²³

The proponents distinguished the determinations relied on by AmerisourceBergen, on the ground that that the proponents of those proposals did not "claim that the retailers were anything other than a conduit between the manufacturers of harmful products and the buying public."²⁴ By contrast, the proponents urged, "the conduct of wholesale distributors like ABC cannot be disentangled from, and indeed has been accused of amplifying, the opioid abuse crisis."²⁵ The Staff declined to allow exclusion, stating, "We note the Company's role in the distribution of pharmaceutical products, including opioids"

Although better known as a pharmacy retailer, Walgreens does provide distribution services,²⁶ which exposes the Company to liabilities like those facing other distributors such

²² Staff Legal Bulletin 14H (October 22, 2015), fn. 32.

²³ <https://www.sec.gov/divisions/corpfin/cf-noaction/14a-8/2018/sisterstfrancisetal011118-14a8.pdf>.

²⁴ <https://www.sec.gov/divisions/corpfin/cf-noaction/14a-8/2018/sisterstfrancisetal011118-14a8.pdf>.

²⁵ ²⁵ <https://www.sec.gov/divisions/corpfin/cf-noaction/14a-8/2018/sisterstfrancisetal011118-14a8.pdf>.

²⁶ See Walgreens Boots Alliance Inc. Filing on Form 10-K filed on October 25, 2017, at 1 (Walgreens is "one of the largest global pharmaceutical wholesale and distribution networks, with over 390 distribution centers delivering to more than 230,000 pharmacies, doctors, health centers and hospitals each year in more than 20 countries."),

as AmerisourceBergen.²⁷ DEA rules and, in some states, parallel state regulations, require distributors to report and halt suspicious orders.

A record settlement Walgreens entered into with the DEA in 2013 involved the Company's provision of distribution services. The government alleged failure by Walgreens' distribution center in Jupiter, Florida, to maintain adequate controls against diversion, to timely detect and report suspicious orders and to keep appropriate records. In the Memorandum of Understanding entered into in connection with the settlement, Walgreens "acknowledge[d] that suspicious order reporting for distribution to certain pharmacies did not meet the standards identified by the DEA."²⁸

Those kinds of liabilities are not behind Walgreens. Earlier this year, the state of Kentucky sued Walgreens, claiming that as both a distributor and dispenser, Walgreens had "unique and superior" knowledge regarding the quantities of opioids that were being dispensed in Kentucky. According to the complaint, Walgreens "disregarded and overrode its own safeguard systems" by filling "suspiciously large" opioid orders.²⁹ Accordingly, the reasoning behind the Staff's AmerisourceBergen determination should apply here as well.

Like wholesale distributors, pharmacy retailers have responsibilities related to the opioid medications they sell that go beyond the usual relationship between a retailer and, say, a bottle of shampoo. Pharmacies have a legal obligation to ensure that controlled substances are dispensed "pursuant to prescriptions issued for legitimate medical purposes by practitioners acting in the usual course of their professional practice."³⁰ A presentation on DEA compliance by the General Counsel of the National Association of Chain Drug Stores called pharmacies the "last line of defense" against abuse,³¹ emphasizing that "pharmacists must investigate and resolve all red flags."³²

Walgreens has also been sued for its conduct as a retail pharmacy. In 2013, Walgreens settled claims brought by the Department of Justice, which stated that the Company had committed an "unprecedented number" of federal Controlled Substances Act

²⁷ For additional background information on potential liabilities other distributors face, see the proponents' response to the AmerisourceBergen no-action request. (<https://www.sec.gov/divisions/corpfin/cf-noaction/14a-8/2018/sisterstfrancisetal011118-14a8.pdf>)

²⁸ <https://www.justice.gov/sites/default/files/usao-sdfl/legacy/2013/06/19/130611-01.WalgreensMOA%26Addendum.pdf>, at 2

²⁹ <http://fortune.com/2018/06/15/kentucky-walgreen-lawsuit-opioids/>

³⁰ <https://www.justice.gov/sites/default/files/usao-sdfl/legacy/2013/06/19/130611-01.WalgreensMOA%26Addendum.pdf>, at 4

³¹ <https://regional.nacds.org/wp-content/uploads/2019-regional-conference/presentations/Opioids-and-DEA-Compliance.pdf>

³² <https://regional.nacds.org/wp-content/uploads/2019-regional-conference/presentations/Opioids-and-DEA-Compliance.pdf>

violations related to opioid diversion.³³ The Cherokee Nation has named Walgreens in a suit alleging that it and other retailers and distributors failed to prevent diversion of opioids and were responsible for a flood of opioids into the Cherokee Nation and resulting social and economic fallout.³⁴ The state of Delaware included Walgreens as a “retailer defendant,” alleging that the Company’s failure to satisfy its legal obligations “fueled an opioid addiction epidemic” in the state.³⁵ San Bernardino and Riverside counties filed suit against Walgreens and several other defendants to recover costs associated with the opioid crisis.³⁶

In the determinations cited by Walgreens, the retailers selling dangerous or controversial products had far less involvement in the sale process, and thus less connection to the significant social policy issue urged by the proponents, which focused on the impact of the product once it left the store. Here, by contrast, the significant social policy issue itself is bound up with Walgreens’ obligations under the Controlled Substances Act to detect and prevent diversion of opioids, which has exacerbated the opioid crisis. As the AmerisourceBergen proponents contended, Walgreens’ conduct “cannot be disentangled from, and indeed has been accused of amplifying, the opioid abuse crisis.” That close connection supplies the necessary nexus between Walgreens and the opioid crisis.

Walgreens attacks the Proposal’s request for disclosure regarding corporate governance arrangements involving AmerisourceBergen, in which Walgreens owns a non-controlling equity stake.³⁷ As with the Proposal more generally, Walgreens misleadingly characterizes this language as “seek[ing] to have the Company take certain actions with respect to AmerisourceBergen Corporation.”³⁸ But the Proposal only asks Walgreens to report on whether any corporate governance measures are in place by which Walgreens monitors AmerisourceBergen’s opioid-related risks. Walgreens acknowledges that it is entitled to designate a director to serve on AmerisourceBergen’s board; such arrangements are typically attractive to investors because they give the investor access to information about the investee’s business.³⁹ If Walgreens’ designated director is not monitoring AmerisourceBergen’s opioid-related risks, Walgreens can report that fact to shareholders.

³³ <https://www.justice.gov/sites/default/files/usao-sdfl/legacy/2013/06/19/130611-01.WalgreensMOA%26Addendum.pdf>.

³⁴ <https://www.theopioidcrisis.com/about-choke-nee-nation/#case-materials-1>

³⁵ <https://news.delaware.gov/2018/01/19/opioid-lawsuit/>

³⁶ <https://www.sbsun.com/2018/07/19/san-bernardino-county-sues-drug-companies-distributors-and-pharmacies-over-opioid-epidemic/>

³⁷ The Proponents note that Walgreens has held discussions about acquiring AmerisourceBergen, though preliminary talks faltered in early 2018.

(<https://www.cnbc.com/2018/02/27/walgreens-and-amerisourcebergen-deal-talks-of-cooled-.html>)

³⁸ No-Action Request, at 8.

³⁹ Such an arrangement may be limited by an investee’s board confidentiality policy, avoidance of conflicts of interest and insider trading considerations. See <http://www.friedfrank.com/sitefiles/publications/b99a50b76cd25111b05300448f3738d3.pdf>;

Walgreens also frames the language about AmerisourceBergen as “seek[ing] to influence the manner in which the Company monitors its relationships with [a] supplier,” pointing to determinations in which the Staff has allowed exclusion of proposals concerning suppliers.⁴⁰ What Walgreens elides, though, is that a proposal that addresses relationships with suppliers within the context of a significant social policy issue such as the opioid crisis is not excludable. For example, in Amazon.com Inc., the proposal urged Amazon to conduct a human rights risk assessment to identify and analyze human rights throughout Amazon’s operations and supply chain. Amazon pressed for exclusion on ordinary business grounds, arguing, among other things, that the proposal addressed Amazon’s relationships with its suppliers.⁴¹ The proponent countered that to the extent the proposal involved relationship with suppliers, it did so under the “umbrella” of human rights risk. The Staff declined to grant no-action relief.

One of the “central considerations” the Commission has articulated as animating the ordinary business exclusion is that “[c]ertain tasks are so fundamental to management’s ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight.” Unlike many of the proposals in determinations cited by Walgreens, the Proposal does not seek to control which products Walgreens sells,⁴² or even to elicit a policy or report about one or more specific products.⁴³ Nor does the request for information about monitoring of AmerisourceBergen’s risks, as Walgreens claims, address “[t]he ongoing decisions of Company management regarding the entry into agreements with supplier/vendors for the distribution of products and services, the terms of those agreements, and the day-to-day decisions under those agreements.”⁴⁴ Instead, the Proposal asks for a single report to shareholders on corporate governance matters. Producing such a report could hardly be said to subject Walgreens’ day-to-day management to shareholder oversight.

The Proposal Does Not Seek to Micro-manage Walgreens

⁴⁰ No-Action Request, at 10.

⁴¹ Amazon.com, Inc. (Mar. 25, 2015).

⁴² E.g., Cabela’s Incorporated (Apr. 7, 2016) (proposal asked the board to adopt a policy that the company would not sell high-capacity weapons); The Home Depot, Inc. (Jan. 24, 2008) (proposal requested that the company stop selling glue traps).

⁴³ E.g., The TJX Companies, Inc. (Apr. 16, 2018) (proposal asked the company to develop and disclose a new universal and comprehensive animal welfare policy applying to all of its stores, merchandise and suppliers); Wal-Mart Stores Inc. (Mar. 20, 2014) (proposal asked the board to develop a policy regarding the sale of products meeting three criteria related to dangerousness, brand-alignment and potential for reputational harm); Wells Fargo & Company (Jan. 28, 2013) (proposal asked for a report on the adequacy of policies regarding direct deposit advance lending); Walgreens Boots Alliance, Inc. (Nov. 7, 2016) (proposal asked for a report on financial risks from continued sale of tobacco products).

⁴⁴ No-Action Request, at 10.

Finally, Walgreens claims that the Proposal “seeks to ‘micro-manage’ the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment.”⁴⁵ That argument rests on a misleading characterization of the Proposal as seeking to control Walgreens’ product selection. As discussed above, nothing in the Proposal supports that interpretation.

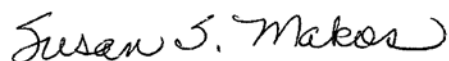
Indeed, the kinds of governance measures discussed in the Proposal—board oversight of risk, compensation metrics and corporate social responsibility benchmarking—are the subject of shareholder proposals on which shareholders frequently cast votes, and companies themselves often make significant amounts of disclosure on these governance arrangements. Shareholders have expertise in evaluating governance arrangements in connection with voting and investment decisions. The Proposal does not even urge the adoption of any particular governance measure, but only asks for reporting on what Walgreens has already done. Accordingly, the Proposal cannot be said to micro-manage Walgreens.

* * *

For the reasons set forth above, Walgreens has not satisfied its burden of showing that it is entitled to omit the Proposal in reliance on Rule 14a-8(i)(7). The Proponents thus respectfully request that Walgreens’ request for relief be denied.

The Proponents appreciate the opportunity to be of assistance in this matter. If you have any questions or need additional information, please contact me at (513) 673-9992; Donna Meyer, Director of Shareholder Advocacy, at (713) 299-5018; or our attorney, Beth Young at (718) 369-6169.

Sincerely,



Susan S. Makos, JD
Vice President of Social Responsibility
Mercy Investment Services, Inc.
smakos@mercyinvestments.org

cc: Martin P. Dunn, Esq.
MDunn@mofa.com

⁴⁵ No-Action Request, at 11.



October 8, 2018

Via e-mail at shareholderproposals@sec.gov

Securities and Exchange Commission
Office of the Chief Counsel
Division of Corporation Finance
100 F Street, NE
Washington, DC 20549

Re: Request by Walgreens Boots Alliance Inc. to omit proposal submitted by Mercy Investment Services and Co-filers

Ladies and Gentlemen,

Pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, Mercy Investment Services Inc. and several co-filers (the "Proponents") submitted a shareholder proposal (the "Proposal") to Walgreens Boots Alliance Inc. ("Walgreens" or the "Company"). The Proposal asks Walgreens' board to report to shareholders on governance measures Walgreens has implemented since 2012 to more effectively monitor and manage financial and reputational risks related to the opioid crisis in the U.S.

In a letter to the Division dated September 15, 2018 (the "No-Action Request"), Walgreens stated that it intends to omit the Proposal from its proxy materials to be distributed to shareholders in connection with the Company's 2019 annual meeting of shareholders. Walgreens argues that it is entitled to exclude the Proposal in reliance on Rule 14a-8(i)(7), on the ground that the Proposal deals with Walgreens' ordinary business operations. As discussed more fully below, Walgreens has not met its burden of proving its entitlement to exclude the Proposal in reliance on that exclusion and the Proponents respectfully urge that Walgreens' request for relief should be denied.

The Proposal

The Proposal states:

RESOLVED, that shareholders of Walgreens Boots Alliance Inc. ("Walgreens") urge the Board of Directors (the "Board") to report to shareholders by June 30, 2019, on

the governance measures Walgreens has implemented since 2012 to more effectively monitor and manage financial and reputational risks related to the opioid crisis in the U.S., including whether and how the Board oversees Walgreens’ opioid-related programs and AmerisourceBergen’s opioid-related risks, whether the crisis has been designated (or is encompassed within) a material corporate social responsibility (CSR) issue and whether and how Walgreens has changed senior executive incentive compensation arrangements.

The report should be prepared at reasonable cost and should omit confidential and proprietary information.

Ordinary Business

Walgreens argues that it is entitled to omit the Proposal in reliance on Rule 14a-8(i)(7), which allows exclusion of proposals related to a company’s ordinary business operations. Specifically, Walgreens urges that the Proposal’s subject “relat[es] to the sale of a particular product” and Walgreen’s “relationship with a supplier,” AmerisourceBergen Corp. (“ABC”). Relatedly, Walgreens urges that even if the Proposal relates to a significant social policy issue—the opioid epidemic—it also relates to the sale of products, which implicates ordinary business. Second, Walgreens contends that the Proposal would micro-manage Walgreens. Neither claim has merit.

Before addressing Walgreens’ specific arguments, the Proponents object to Walgreens’ misleading characterization of the Proposal. Repeatedly, Walgreens asserts that the Proposal would control Walgreens’ decisions about whether to sell opioid medications to its customers. Examples include:

- “At its core, the underlying subject matter of the Proposal relates directly to the ordinary business matter of determining the particular products the Company should or should not offer.”¹
- “Failing to offer an entire category of lawful, FDA-approved and highly regulated products (such as opioids) that meet the clinical needs of patients who use them as directed by their physicians may result in the Company losing access to those patients and plans”²
- “If the Company cannot fill prescriptions for certain drugs, its customers will move their prescriptions to other pharmacies.”³
- “Similarly, the Proposal seeks to determine the particular products the Company should or should not offer its customers.”⁴

¹ No-Action Request, at 5.

² No-Action Request, at 5.

³ No-Action Request, at 6.

⁴ No-Action Request, at 12.

The Proponents agree with Walgreens that opioid medications serve “legitimate clinical needs.”⁵ Some of us are health systems or health care payers, and the well-being of patients is important to us. We do not seek to second-guess well-informed decisions made by patients and their doctors about appropriate therapies, nor do we believe pharmacies should arbitrarily refuse to stock medications for which their customers have legitimate prescriptions.

Consistent with that view, the Proposal never urges or even implies that Walgreens should stop filling prescriptions for opioid medications. Instead, it focuses on corporate governance reforms, with the goal of better informing shareholders about Walgreens’ management of risks associated with selling these powerful drugs. Widespread use of opioid medications for chronic pain has led to an explosion of opioid abuse, with staggering economic, social and financial consequences. Effective risk management and mitigation, in our view, can help Walgreens navigate the risks associated with this landscape.

Walgreens’ framing is further undermined by the fact that the Proposal addresses only actions Walgreens has already taken. It asks for reporting on governance reforms Walgreens “has implemented since 2012.” No reasonable reading of the Proposal would conclude that it asks Walgreens to stop selling a product in the future.

The Proposal differs from those seeking a review regarding a retailer’s sale of particular products, which has been found to be indistinguishable in substance from a request to stop selling the product. The Proposal assumes Walgreens will continue filling prescriptions for opioid medications; implementing the Proposal would not set in motion any process that could lead to Walgreens revisiting its decision to do so.

The Opioid Abuse Crisis is a Significant Social Policy Issue

Walgreens does not directly challenge the notion that the opioid abuse epidemic is a significant social policy issue, but it does not concede that point either. The widespread and sustained public debate over the opioid epidemic, including the role of intermediaries such as distributors and retailers, has been described in detail in the proponents’ arguments in response to the no-action request made by AmerisourceBergen Corp.,⁶ which the Proponents incorporate herein by reference.

The opioid abuse crisis has not faded from the public consciousness in the year since the AmerisourceBergen response was submitted. Overdose deaths have risen from 33,000 in 2015 to over 42,000 in 2016.⁷ Preliminary data puts the 2017 number at 48,000, with an estimated 2.1 million American with opioid use disorder.⁸ The print and broadcast media

⁵ No-Action Request, at 5.

⁶ AmerisourceBergen Corporation (Jan. 11, 2018).

⁷ <https://www.cdc.gov/drugoverdose/data/index.html>

⁸ <https://www.nytimes.com/2018/08/15/upshot/opioids-overdose-deaths-rising-fentanyl.html>

have continued to focus on many different aspects of the epidemic.⁹ Time's 2018 special report, "The Opioid Diaries," combined photography, video and text to produce a harrowing portrait of the epidemic's human cost.¹⁰ A PBS documentary, "Understanding the Opioid Epidemic," premiered in January 2018.¹¹ A television series, "Dopesick Nation," premiered in 2018; it follows two former opioid addicts as they do outreach for a Florida recovery center.¹²

In early 2018, the Department of Justice filed a statement of interest in the Ohio multidistrict opioid litigation (the National Prescription Opiate Litigation), which includes cases against numerous defendants, including Walgreens.¹³ The Senate passed the Opioid Crisis Response Act in October 2018 containing provisions that "tackle[] many aspects of the epidemic, including treatment, prevention, recovery, and enforcement."¹⁴ The House previously passed the legislation, and President Trump is expected to sign it.¹⁵

On the state level, in 2018, Arizona, Florida, Nebraska and West Virginia limited opioid prescribing.¹⁶ Other provisions aimed at ameliorating the opioid epidemic by broadening access to treatment, assisting chronic pain patients and reforming workers' compensation were also enacted this year.¹⁷ Medical organizations and payers promulgated

⁹ See, e.g., <https://www.nytimes.com/2018/08/15/upshot/opioids-overdose-deaths-rising-fentanyl.html>; https://www.washingtonpost.com/opinions/congress-isnt-doing-enough-to-stop-opioid-abuse/2018/09/21/ccdc29a0-bdc1-11e8-8792-78719177250f_story.html?utm_term=.d160b21c675b (op-ed); <https://www.npr.org/tags/141914251/opioids>; <https://www.cbsnews.com/opioid-epidemic/>; <https://www.usatoday.com/topic/opioid-epidemic/>; <https://www.theguardian.com/us-news/opioids>

¹⁰ <http://time.com/james-nachtwey-opioid-addiction-america>

¹¹ <https://www.pbs.org/show/understanding-opioid-epidemic/>

¹² https://www.vice.com/en_us/article/xwp8e3/i-save-lives-on-the-front-lines-of-south-floridas-opioid-crisis

¹³ <https://www.pharmacist.com/article/justice-department-backs-high-stakes-lawsuit-against-opioid-makers>

¹⁴ <https://www.kff.org/medicaid/issue-brief/federal-legislation-to-address-the-opioid-crisis-medicaid-provisions-in-the-support-act/>; <https://www.vox.com/policy-and-politics/2018/9/12/17847358/senate-opioid-crisis-response-act>

¹⁵ <https://www.kff.org/medicaid/issue-brief/federal-legislation-to-address-the-opioid-crisis-medicaid-provisions-in-the-support-act/>

¹⁶ <http://www.ncsl.org/research/health/prescribing-policies-states-confront-opioid-overdose-epidemic.aspx>

¹⁷ E.g., <https://azgovernor.gov/governor/news/2018/01/opioid-epidemic-act-outlines-comprehensive-solutions>; <https://www.bostonglobe.com/metro/2018/08/01/mass-opioid-bill-includes-help-for-pain-patients/ha2tGqmRLfPCTkvBgGFQaM/story.html>; <https://www.governor.ny.gov/news/governor-cuomo-signs-bill-adding-pain-management-list-eligible-conditions-treatment-medical>; <https://www.governor.pa.gov/wolf-administration-introduces-opioid-prescribing-guidelines-workers-compensation/>; <https://www.tn.gov/governor/news/2018/1/22/haslam-announces-aggressive-comprehensive-plan-to-end-tennessee-s-opioid-epidemic.html>

new prescribing policies for opioids.¹⁸ In sum, the opioid epidemic continues to be a significant social policy issue.

A Sufficient Nexus Exists Between Walgreens and the Significant Policy Issue of the Opioid Epidemic

Walgreens misrepresents the analytic framework applied by the Division in determining whether a proposal's subject justifies exclusion. (We discuss Walgreens' micro-management argument in the next section.) Walgreens suggests that even if a proposal addresses a significant social policy issue, it may nonetheless be excludable because it involves a subject the Staff has characterized as ordinary business: "Similarly, although the Proposal mentions executive compensation ('whether and how Walgreens has changed senior executive incentive compensation arrangements') among other possible significant policy issues, the Proposal addresses the sale of particular products by the Company and is therefore excludable under Rule 14a-8(i)(7)."¹⁹ In other words, according to Walgreens the "sale of products" aspect of the Proposal trumps the "opioid epidemic," supporting exclusion.

But the Staff rejected that approach in Staff Legal Bulletin ("SLB") 14H. SLB 14H was issued in response to the decision of the Court of Appeals for the Third Circuit in Trinity Wall Street v. Wal-Mart Stores, Inc.,²⁰ which concerned a proposal asking the Compensation, Nominating and Governance Committee of Wal-Mart's Board to oversee the formulation and implementation of policies governing Wal-Mart's sale of certain kinds of products, with focus in the supporting statement on guns equipped with high capacity magazines. The court ruled that Wal-Mart was entitled to exclude the proposal on ordinary business grounds. The majority reasoned that "a shareholder must do more than focus its proposal on a significant policy issue; the subject matter of its proposal must 'transcend' the company's ordinary business" by being "divorced from how a company approaches the nitty-gritty of its core business."²¹ Using that standard, the court held that the proposal was excludable.

The Division responded with SLB 14H, explaining that the majority opinion "differ[ed] from the Commission's statements on the ordinary business exclusion and Division practice." The Division asserted that there was only one test—whether the proposal's subject was a significant social policy issue; if the answer to that question is yes, the subject by definition "transcends" ordinary business and exclusion is inappropriate.

¹⁸ E.g., <https://www.ihaconnect.org/member/newsroom/Pages/Hoosier-Health-Leaders-Introduce-Acute-Pain-Prescribing-Guidelines--to-Combat-State-Opioid-Crisis.aspx>; <http://mediacenter.bcbsnc.com/news/blue-cross-nc-announces-new-opioid-prescription-and-treatment-policies>; <https://newsroom.nebraskablue.com/blue-cross-blue-shield-nebraska-adopting-cdc-guidelines-opioid-prescribing/>; <http://www.wsda.org/news/blog/2018/03/06/1-i-adopting-new-dental-guideline-for-prescribing-opioids-april-1>

¹⁹ No-Action Request, at 13.

²⁰ 792 F.3d 323 (2015).

²¹ Id. at 347.

SLB 14H does not stand for the proposition that having a connection, however remote, to a significant social policy issue prevents a proposal's exclusion on ordinary business grounds. The Division considers whether a proposal has a "sufficient nexus" to the company's business operations in determining whether the proposal focuses on a significant policy issue.²² Put another way, it is not enough that the proposal's subject be a significant policy issue out in the world, it also must be a significant policy issue for the company.

Walgreens takes the position that a retailer never has a strong enough connection to a product it sells to establish a sufficient nexus. The Proponents acknowledge that the Staff has issued many determinations allowing exclusion of proposals submitted to retailers that dealt in some way with the retailers' sale of controversial or dangerous products, including tobacco and firearms.

The Staff's distinction between manufacturers and non-manufacturers is not absolute, though. The Staff recently recognized a sufficient connection between a non-manufacturer—a wholesale distributor—and the opioid abuse crisis. Last year, the Staff declined to allow exclusion on ordinary business grounds of a proposal much like the Proposal that was submitted to distributor AmerisourceBergen. AmerisourceBergen made many of the same arguments Walgreens advances here, pointing to the "sale of particular products" determinations and urging that an insufficient nexus existed between the opioid crisis and AmerisourceBergen's business of pharmaceutical distribution.²³

The proponents distinguished the determinations relied on by AmerisourceBergen, on the ground that that the proponents of those proposals did not "claim that the retailers were anything other than a conduit between the manufacturers of harmful products and the buying public."²⁴ By contrast, the proponents urged, "the conduct of wholesale distributors like ABC cannot be disentangled from, and indeed has been accused of amplifying, the opioid abuse crisis."²⁵ The Staff declined to allow exclusion, stating, "We note the Company's role in the distribution of pharmaceutical products, including opioids"

Although better known as a pharmacy retailer, Walgreens does provide distribution services,²⁶ which exposes the Company to liabilities like those facing other distributors such

²² Staff Legal Bulletin 14H (October 22, 2015), fn. 32.

²³ <https://www.sec.gov/divisions/corpfin/cf-noaction/14a-8/2018/sisterstfrancisetal011118-14a8.pdf>.

²⁴ <https://www.sec.gov/divisions/corpfin/cf-noaction/14a-8/2018/sisterstfrancisetal011118-14a8.pdf>.

²⁵ ²⁵ <https://www.sec.gov/divisions/corpfin/cf-noaction/14a-8/2018/sisterstfrancisetal011118-14a8.pdf>.

²⁶ See Walgreens Boots Alliance Inc. Filing on Form 10-K filed on October 25, 2017, at 1 (Walgreens is "one of the largest global pharmaceutical wholesale and distribution networks, with over 390 distribution centers delivering to more than 230,000 pharmacies, doctors, health centers and hospitals each year in more than 20 countries."),

as AmerisourceBergen.²⁷ DEA rules and, in some states, parallel state regulations, require distributors to report and halt suspicious orders.

A record settlement Walgreens entered into with the DEA in 2013 involved the Company's provision of distribution services. The government alleged failure by Walgreens' distribution center in Jupiter, Florida, to maintain adequate controls against diversion, to timely detect and report suspicious orders and to keep appropriate records. In the Memorandum of Understanding entered into in connection with the settlement, Walgreens "acknowledge[d] that suspicious order reporting for distribution to certain pharmacies did not meet the standards identified by the DEA."²⁸

Those kinds of liabilities are not behind Walgreens. Earlier this year, the state of Kentucky sued Walgreens, claiming that as both a distributor and dispenser, Walgreens had "unique and superior" knowledge regarding the quantities of opioids that were being dispensed in Kentucky. According to the complaint, Walgreens "disregarded and overrode its own safeguard systems" by filling "suspiciously large" opioid orders.²⁹ Accordingly, the reasoning behind the Staff's AmerisourceBergen determination should apply here as well.

Like wholesale distributors, pharmacy retailers have responsibilities related to the opioid medications they sell that go beyond the usual relationship between a retailer and, say, a bottle of shampoo. Pharmacies have a legal obligation to ensure that controlled substances are dispensed "pursuant to prescriptions issued for legitimate medical purposes by practitioners acting in the usual course of their professional practice."³⁰ A presentation on DEA compliance by the General Counsel of the National Association of Chain Drug Stores called pharmacies the "last line of defense" against abuse,³¹ emphasizing that "pharmacists must investigate and resolve all red flags."³²

Walgreens has also been sued for its conduct as a retail pharmacy. In 2013, Walgreens settled claims brought by the Department of Justice, which stated that the Company had committed an "unprecedented number" of federal Controlled Substances Act

²⁷ For additional background information on potential liabilities other distributors face, see the proponents' response to the AmerisourceBergen no-action request. (<https://www.sec.gov/divisions/corpfin/cf-noaction/14a-8/2018/sisterstfrancisetal011118-14a8.pdf>)

²⁸ <https://www.justice.gov/sites/default/files/usao-sdfl/legacy/2013/06/19/130611-01.WalgreensMOA%26Addendum.pdf>, at 2

²⁹ <http://fortune.com/2018/06/15/kentucky-walgreen-lawsuit-opioids/>

³⁰ <https://www.justice.gov/sites/default/files/usao-sdfl/legacy/2013/06/19/130611-01.WalgreensMOA%26Addendum.pdf>, at 4

³¹ <https://regional.nacds.org/wp-content/uploads/2019-regional-conference/presentations/Opioids-and-DEA-Compliance.pdf>

³² <https://regional.nacds.org/wp-content/uploads/2019-regional-conference/presentations/Opioids-and-DEA-Compliance.pdf>

violations related to opioid diversion.³³ The Cherokee Nation has named Walgreens in a suit alleging that it and other retailers and distributors failed to prevent diversion of opioids and were responsible for a flood of opioids into the Cherokee Nation and resulting social and economic fallout.³⁴ The state of Delaware included Walgreens as a “retailer defendant,” alleging that the Company’s failure to satisfy its legal obligations “fueled an opioid addiction epidemic” in the state.³⁵ San Bernardino and Riverside counties filed suit against Walgreens and several other defendants to recover costs associated with the opioid crisis.³⁶

In the determinations cited by Walgreens, the retailers selling dangerous or controversial products had far less involvement in the sale process, and thus less connection to the significant social policy issue urged by the proponents, which focused on the impact of the product once it left the store. Here, by contrast, the significant social policy issue itself is bound up with Walgreens’ obligations under the Controlled Substances Act to detect and prevent diversion of opioids, which has exacerbated the opioid crisis. As the AmerisourceBergen proponents contended, Walgreens’ conduct “cannot be disentangled from, and indeed has been accused of amplifying, the opioid abuse crisis.” That close connection supplies the necessary nexus between Walgreens and the opioid crisis.

Walgreens attacks the Proposal’s request for disclosure regarding corporate governance arrangements involving AmerisourceBergen, in which Walgreens owns a non-controlling equity stake.³⁷ As with the Proposal more generally, Walgreens misleadingly characterizes this language as “seek[ing] to have the Company take certain actions with respect to AmerisourceBergen Corporation.”³⁸ But the Proposal only asks Walgreens to report on whether any corporate governance measures are in place by which Walgreens monitors AmerisourceBergen’s opioid-related risks. Walgreens acknowledges that it is entitled to designate a director to serve on AmerisourceBergen’s board; such arrangements are typically attractive to investors because they give the investor access to information about the investee’s business.³⁹ If Walgreens’ designated director is not monitoring AmerisourceBergen’s opioid-related risks, Walgreens can report that fact to shareholders.

³³ <https://www.justice.gov/sites/default/files/usao-sdfl/legacy/2013/06/19/130611-01.WalgreensMOA%26Addendum.pdf>.

³⁴ <https://www.theopioidcrisis.com/about-choke-nee-nation/#case-materials-1>

³⁵ <https://news.delaware.gov/2018/01/19/opioid-lawsuit/>

³⁶ <https://www.sbsun.com/2018/07/19/san-bernardino-county-sues-drug-companies-distributors-and-pharmacies-over-opioid-epidemic/>

³⁷ The Proponents note that Walgreens has held discussions about acquiring AmerisourceBergen, though preliminary talks faltered in early 2018.

(<https://www.cnbc.com/2018/02/27/walgreens-and-amerisourcebergen-deal-talks-of-cooled-.html>)

³⁸ No-Action Request, at 8.

³⁹ Such an arrangement may be limited by an investee’s board confidentiality policy, avoidance of conflicts of interest and insider trading considerations. See <http://www.friedfrank.com/sitefiles/publications/b99a50b76cd25111b05300448f3738d3.pdf>;

Walgreens also frames the language about AmerisourceBergen as “seek[ing] to influence the manner in which the Company monitors its relationships with [a] supplier,” pointing to determinations in which the Staff has allowed exclusion of proposals concerning suppliers.⁴⁰ What Walgreens elides, though, is that a proposal that addresses relationships with suppliers within the context of a significant social policy issue such as the opioid crisis is not excludable. For example, in Amazon.com Inc., the proposal urged Amazon to conduct a human rights risk assessment to identify and analyze human rights throughout Amazon’s operations and supply chain. Amazon pressed for exclusion on ordinary business grounds, arguing, among other things, that the proposal addressed Amazon’s relationships with its suppliers.⁴¹ The proponent countered that to the extent the proposal involved relationship with suppliers, it did so under the “umbrella” of human rights risk. The Staff declined to grant no-action relief.

One of the “central considerations” the Commission has articulated as animating the ordinary business exclusion is that “[c]ertain tasks are so fundamental to management’s ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight.” Unlike many of the proposals in determinations cited by Walgreens, the Proposal does not seek to control which products Walgreens sells,⁴² or even to elicit a policy or report about one or more specific products.⁴³ Nor does the request for information about monitoring of AmerisourceBergen’s risks, as Walgreens claims, address “[t]he ongoing decisions of Company management regarding the entry into agreements with supplier/vendors for the distribution of products and services, the terms of those agreements, and the day-to-day decisions under those agreements.”⁴⁴ Instead, the Proposal asks for a single report to shareholders on corporate governance matters. Producing such a report could hardly be said to subject Walgreens’ day-to-day management to shareholder oversight.

The Proposal Does Not Seek to Micro-manage Walgreens

⁴⁰ No-Action Request, at 10.

⁴¹ Amazon.com, Inc. (Mar. 25, 2015).

⁴² E.g., Cabela’s Incorporated (Apr. 7, 2016) (proposal asked the board to adopt a policy that the company would not sell high-capacity weapons); The Home Depot, Inc. (Jan. 24, 2008) (proposal requested that the company stop selling glue traps).

⁴³ E.g., The TJX Companies, Inc. (Apr. 16, 2018) (proposal asked the company to develop and disclose a new universal and comprehensive animal welfare policy applying to all of its stores, merchandise and suppliers); Wal-Mart Stores Inc. (Mar. 20, 2014) (proposal asked the board to develop a policy regarding the sale of products meeting three criteria related to dangerousness, brand-alignment and potential for reputational harm); Wells Fargo & Company (Jan. 28, 2013) (proposal asked for a report on the adequacy of policies regarding direct deposit advance lending); Walgreens Boots Alliance, Inc. (Nov. 7, 2016) (proposal asked for a report on financial risks from continued sale of tobacco products).

⁴⁴ No-Action Request, at 10.

Finally, Walgreens claims that the Proposal “seeks to ‘micro-manage’ the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment.”⁴⁵ That argument rests on a misleading characterization of the Proposal as seeking to control Walgreens’ product selection. As discussed above, nothing in the Proposal supports that interpretation.

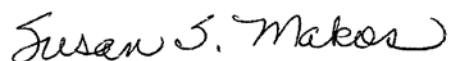
Indeed, the kinds of governance measures discussed in the Proposal—board oversight of risk, compensation metrics and corporate social responsibility benchmarking—are the subject of shareholder proposals on which shareholders frequently cast votes, and companies themselves often make significant amounts of disclosure on these governance arrangements. Shareholders have expertise in evaluating governance arrangements in connection with voting and investment decisions. The Proposal does not even urge the adoption of any particular governance measure, but only asks for reporting on what Walgreens has already done. Accordingly, the Proposal cannot be said to micro-manage Walgreens.

* * *

For the reasons set forth above, Walgreens has not satisfied its burden of showing that it is entitled to omit the Proposal in reliance on Rule 14a-8(i)(7). The Proponents thus respectfully request that Walgreens’ request for relief be denied.

The Proponents appreciate the opportunity to be of assistance in this matter. If you have any questions or need additional information, please contact me at (513) 673-9992; Donna Meyer, Director of Shareholder Advocacy, at (713) 299-5018; or our attorney, Beth Young at (718) 369-6169.

Sincerely,



Susan S. Makos, JD
Vice President of Social Responsibility
Mercy Investment Services, Inc.
smakos@mercyinvestments.org

cc: Martin P. Dunn, Esq.
MDunn@mofoc.com

⁴⁵ No-Action Request, at 11.

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1934 Act/Rule 14a-8

September 15, 2018

VIA E-MAIL (shareholderproposals@sec.gov)

Office of Chief Counsel
Division of Corporation Finance
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: Walgreens Boots Alliance, Inc.
Stockholder Proposal of Mercy Investment Services, Inc., UAW Retiree Medical
Benefits Trust, Northwest Women Religious Investment Trust, and Domini
Impact Equity Fund

Dear Ladies and Gentlemen:

We submit this letter on behalf of our client Walgreens Boots Alliance, Inc., a Delaware corporation (the "**Company**"), which requests confirmation that the staff (the "**Staff**") of the Division of Corporation Finance of the U.S. Securities and Exchange Commission (the "**Commission**") will not recommend enforcement action to the Commission if, in reliance on Rule 14a-8 under the Securities Exchange Act of 1934 (the "**Exchange Act**"), the Company omits the enclosed stockholder proposal (the "**Proposal**") and supporting statement (the "**Supporting Statement**") submitted by Mercy Investment Services, Inc., UAW Retiree Medical Benefits Trust, Northwest Women Religious Investment Trust, and Domini Impact Equity Fund (the "**Proponents**") from the Company's proxy materials for its 2019 Annual Meeting of Stockholders (the "**2019 Proxy Materials**").

Pursuant to Rule 14a-8(j) under the Exchange Act, we have:

- filed this letter with the Commission no later than eighty (80) calendar days before the Company intends to file its definitive 2019 Proxy Materials with the Commission; and
- concurrently sent copies of this correspondence to the Proponents.

Office of Chief Counsel
Division of Corporation Finance
U.S. Securities and Exchange Commission
September 15, 2018
Page 2

Copies of the Proposal and Supporting Statement, the Proponents' cover letters submitting the Proposal, and other correspondence relating to the Proposal are attached hereto as Exhibit A.

Pursuant to the guidance provided in Section F of Staff Legal Bulletin No. 14F (Oct. 18, 2011), we ask that the Staff provide its response to this request to Martin Dunn, on behalf of the Company, via email at mdunn@mofo.com or via facsimile at (202) 887-0763, and to the Proponents' lead representative, Mercy Investment Services, Inc., via email at dmeyer@mercyinvestments.org.

I. THE PROPOSAL

On or after July 23, 2018, the Company received letters from the Proponents containing the Proposal for inclusion in the Company's 2019 Proxy Materials. The Proposal reads as follows:

RESOLVED, that shareholders of Walgreens Boots Alliance Inc. ("Walgreens") urge the Board of Directors (the "Board") to report to shareholders by June 30, 2019 describing the corporate governance changes Walgreens has implemented since 2012 to more effectively monitor and manage financial and reputational risks related to the opioid crisis, including whether and how the Board oversees Walgreens' opioid-related programs and AmerisourceBergen's opioid-related risks, whether the crisis has been designated (or is encompassed within) a material corporate social responsibility (CSR) issue and whether and how Walgreens has changed senior executive incentive compensation arrangements.

The report should be prepared at reasonable cost and should omit confidential and proprietary information.

SUPPORTING STATEMENT

Opioid abuse is a public health crisis: The Centers for Disease Control and Prevention reported that opioid abuse caused more than 42,000 U.S. deaths in 2016. The economic and social effects of the crisis are profound. A recent report pegged the cumulative economic toll of the opioid epidemic at over \$1 trillion. (<https://altarum.org/about/news-and-events/economic-toll-of-opioid-crisis-in-u-s-exceeded-1-trillion-since-2001>) Opioid use and dependency is a key factor in the decline in prime-age male labor force participation. (https://www.brookings.edu/wp-content/uploads/2017/09/1_krueger.pdf)

Office of Chief Counsel
Division of Corporation Finance
U.S. Securities and Exchange Commission
September 15, 2018
Page 3

Walgreens has repeatedly come under fire for irresponsible dispensing and distribution of opioids. In 2013, Walgreens settled claims that it committed an “unprecedented number” of federal Controlled Substances Act violations by failing to report suspicious orders, maintaining inadequate controls against diversion and dispensing opioids despite red flags. Walgreens paid a record \$80 million civil penalty. (<https://www.justice.gov/usao-sdfl/pr/walgreens-agrees-pay-record-settlement-80-million-civil-penalties-under-controlled>)

Walgreens is a defendant in the Ohio multidistrict opioid litigation. (<https://www.nytimes.com/2018/02/27/us/politics/justice-department-opioid-lawsuit.html>) The states of Delaware and Kentucky, the City of Miami and the Cherokee Nation have also sued Walgreens for improperly dispensing opioids. (The Kentucky lawsuit contends that Walgreens also acted as a wholesale distributor in that state.) In March 2018, the Drug Enforcement Administration conducted an administrative inspection of a Walgreens pharmacy in California that had purchased an unusually large number of opioid pills and had an “unexplained loss” of 8,000 hydrocodone tablets. (<https://www.revealnews.org/article/this-walgreens-gets-5-times-us-average-of-oxycodone-the-dea-is-asking-why/>; <https://www.documentcloud.org/documents/4452667-Return-Accounting-for-Items-Seized.html>)

Walgreens owns 26% of distributor AmerisourceBergen, which faces significant financial and reputational consequences for its role in the opioid epidemic, and the two companies have talked about combining. (<https://www.cnbc.com/2018/02/27/walgreens-and-amerisourcebergen-deal-talks-of-cooled-.html>); https://www.washingtonpost.com/national/drug-executives-to-testify-before-congress-about-their-role-in-us-opioid-crisis/2018/04/12/89e7ccf2-3db6-11e8-974f-aacd97698cef_story.html?utm_term=.5670fdc325f6)

In our view, corporate governance can play an important role in effectively addressing opioid-related risks and we think shareholders would benefit from a fuller understanding of how Walgreens’ governance has changed since 2012 to serve that function. For example, Walgreens’ most recent proxy statement asserts that individual performance is considered in determining annual incentive awards, but does not indicate whether any opioid-related objectives, such as promoting ethical conduct, are part of that assessment. Walgreens’ 2017 CSR report touts Walgreens’ opioid-related initiatives such as take-back programs but does not indicate whether the Board’s Nominating and Governance Committee oversees them or Walgreens’ anti-diversion efforts. Nor is it clear from the report how the opioid crisis fits into Walgreens’ designation of material CSR issues. (https://www.walgreensbootsalliance.com/content/1110/files/Walgreens-Boots-Alliance_Corporate-Social-Responsibility-Report-2017.pdf)

Office of Chief Counsel
Division of Corporation Finance
U.S. Securities and Exchange Commission
September 15, 2018
Page 4

We urge shareholders to vote for this proposal.

II. EXCLUSION OF THE PROPOSAL

A. Basis for Excluding the Proposal

As discussed more fully below, the Company believes it may properly omit the Proposal from its 2019 Proxy Materials in reliance on Rule 14a-8(i)(7), as the Proposal deals with matters relating to the Company's ordinary business operations.

B. The Proposal May Be Omitted in Reliance on Rule 14a-8(i)(7), As It Relates To The Company's Ordinary Business Operations

Rule 14a-8(i)(7) permits a company to omit from its proxy materials a stockholder proposal that relates to the company's "ordinary business operations." According to the Commission, the underlying policy of the ordinary business exclusion is "to confine the resolution of ordinary business problems to management and the board of directors, since it is impracticable for shareholders to decide how to solve such problems at an annual shareholders meeting." *Exchange Act Release No. 40018, Amendments to Rules on Shareholder Proposals*, [1998 Transfer Binder] Fed Sec. L. Rep. (CCH) 86,018, at 80,539 (May 21, 1998) (the "**1998 Release**"). In the 1998 Release, the Commission described the two "central considerations" for the ordinary business exclusion. The first is that certain tasks are "so fundamental to management's ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight." The second consideration relates to "the degree to which the proposal seeks to 'micro-manage' the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment." *Id.* at 86,017-18 (footnote omitted).

The Staff has further stated that a proposal requesting the publication of a report may be excluded under Rule 14a-8(i)(7) if the subject matter of the report involves a matter of ordinary business. *See Exchange Act Release No. 20091* [48 FR 38218] (Aug. 16, 1983). In addition, the Staff has stated that "[where] the subject matter of the additional disclosure sought in a particular proposal involves a matter of ordinary business . . . it may be excluded under [R]ule 14a-8(i)(7)." *Johnson Controls, Inc.* (Oct. 26, 1999).

Importantly, in the context of the Proposal and Supporting Statement, in considering whether a proposal asking for a review and report may be excluded under Rule 14a-8(i)(7), the Staff considers whether the underlying subject matter of the resolution and its supporting statement, taken as a whole, involves a matter of ordinary business to the company. *See* Staff

Office of Chief Counsel
Division of Corporation Finance
U.S. Securities and Exchange Commission
September 15, 2018
Page 5

Legal Bulletin No. 14C (June 28, 2005) (“*SLB 14C*”), stating that “[i]n determining whether the focus of these proposals is a significant social policy issue, we consider both the proposal and the supporting statement as a whole.”

1. The Proposal’s Underlying Subject Matter Concerns the Sale of Particular Products

The Proposal may be properly omitted in reliance on Rule 14a-8(i)(7) because the Staff has repeatedly recognized that a proposal relating to the sale of a particular product is excludable under Rule 14a-8(i)(7) as a component of “ordinary business.” At its core, the underlying subject matter of the Proposal relates directly to the ordinary business matter of determining the particular products the Company should or should not offer. The subject matter of the requested report therefore involves “ordinary business” and is not appropriate for stockholder action at an annual meeting.

The Company is a global leader in pharmacy-led health and wellbeing retail, offering customers goods and services, including prescription drugs and pharmacy-related services, as well as healthcare and retail products including non-prescription (“*OTC*”) drugs, beauty, toiletries and general merchandise, with more than 14,000 stores in 11 countries. Decisions with respect to the sale of prescription and OTC pharmaceutical products are an integral part of the Company’s business and inherently involve complex operational, regulatory and business considerations, requiring knowledge of the federal and state regulatory environments, pharmacy licensing requirements, complex contractual agreements with sophisticated partners, and perhaps most importantly the clinical needs of the Company’s patients and customers. In particular, the Company must address the needs and requirements of private (*e.g.*, health insurance companies, pharmacy benefit managers and other healthcare entities) and governmental (*e.g.*, Medicare Part D plans and fee for service Medicaid programs and managed care Medicaid plans) third party payers. These business partners have complicated and sometimes competing priorities that the Company must successfully navigate in order to participate as a pharmacy provider in their plans, optimally as a preferred provider. Failing to offer an entire category of lawful, FDA-approved and highly regulated products (such as opioids) that meet the clinical needs of patients who use them as directed by their physicians may result in the Company losing access to those patients and plans, or alternatively being denied preferred status within those plans. The resulting financial impact on the Company’s revenues by refusing to serve the legitimate clinical needs of all its patients would be substantial. Further, the Company’s pharmacy business is subject to licensing and oversight by the federal Drug Enforcement Administration (“*DEA*”) and boards of pharmacy in each U.S. state, the District of Columbia and Puerto Rico. Complying with the requirements of government and commercial payers and federal and state regulations while mitigating against civil (and potentially criminal) enforcement actions by pharmacy boards, DEA, DOJ or other regulators requires a deep understanding of the Company’s operations,

Office of Chief Counsel
Division of Corporation Finance
U.S. Securities and Exchange Commission
September 15, 2018
Page 6

contractual obligations and legal requirements. Assessing these and other factors that influence the Company's decisions to carry certain pharmaceutical products requires specialized expertise and the judgment of the Company's management, which, unlike individual stockholders, is well-positioned, and has the necessary skills, knowledge and resources, to make informed decisions on such day-to-day business and operational matters.

A failure to offer particular products, such as opioids, also could have a significant adverse effect on the Company's relationships with its retail customers. If the Company cannot fill prescriptions for certain drugs, its customers will move their prescriptions to other pharmacies. Such actions not only would impact the sale of those drugs, but also would result in customers moving prescriptions for other drugs as customers are very unlikely to maintain certain prescriptions at the Company's retail pharmacies while having to fill other prescriptions at other pharmacies if they can get all of the drugs they need at such other pharmacies. Understanding the impact on retail customers of pharmaceutical product decisions is fundamental to the Company's business as a retail pharmacy chain and requires significant specialized expertise to analyze and make those decisions. The Company's management is well-positioned, and has the necessary skills, knowledge and resources, to make informed decisions on such day-to-day business and operational matters while shareholders, as a group, are not.

The Staff draws a distinction between manufacturers and retailers of products, taking the position that proposals regarding products sold by a retailer relate to a company's ordinary business operations and thus are excludable pursuant to Rule 14a-8(i)(7). This distinction comports with Staff Legal Bulletin No. 14E (Oct. 27, 2009), in which the Staff indicated that a stockholder proposal focusing on a significant policy issue "generally will not be excludable under Rule 14a-8(i)(7) as long as a sufficient nexus exists between the nature of the proposal and the company." Consistent with this position, the Staff on numerous occasions has concurred that a proposal relating to a *manufacturer's* production and sale of a particular product that may implicate significant policy considerations may not be excluded because of the nexus between the manufacturer's operations and the proposal. However, the Staff has indicated in precedent that such a nexus does not exist between a retailer's operations and a proposal relating to the *retailer's* sale of a product that may implicate significant policy considerations. While the present proposal focuses on opioid products, parallels can be drawn to tobacco products, a topic about which there is much precedent reflecting the lack of nexus existing between a retailer's operations and a proposal relating to the retailer's sale of a controversial product. *Compare R.J. Reynolds Tobacco Holdings, Inc.* (Mar. 7, 2002) (not permitting exclusion of a proposal requesting the company to provide additional information in the packaging of its tobacco products) and *Philip Morris Cos. Inc.* (Feb. 22, 1990) (not permitting exclusion of a proposal requesting a "Review Committee" to analyze the impact of the company's tobacco advertising on minors because of the "growing significance of the social and public policy issues attendant to operations involving the manufacture and distribution of tobacco related products") with

Office of Chief Counsel
Division of Corporation Finance
U.S. Securities and Exchange Commission
September 15, 2018
Page 7

Walgreens Boots Alliance, Inc. (Nov. 7, 2016, *recon. denied* Nov. 22, 2016) (concurring in the exclusion of a proposal requesting a report assessing the financial risk facing the company based on its continued sales of tobacco products); *Rite Aid Corp.* (Mar. 24, 2015) (concurring in the exclusion of a proposal requesting additional oversight on the sale of certain products, in particular tobacco products, because the proposal concerned the “products and services offered for sale by the company”); *CVS Caremark Corp.* (Feb. 25, 2010) (concurring in the exclusion of a proposal requesting a report to shareholders on how the company is responding to rising public pressures to discourage sales of tobacco products because the proposal concerned the “sale of tobacco products” and “CVS is not involved in manufacturing tobacco products”); *Rite Aid Corp.* (Mar. 26, 2009) (concurring in the exclusion of a proposal requesting a report to shareholders on how the company is responding to rising regulatory, competitive and public pressures to halt sales of tobacco products because the proposal concerned the “sale of a particular product”); and *CVS Caremark Corp.* (Mar. 3, 2009) (same).¹

The Staff’s position with regard to proposals relating to the sale of particular products or services is also consistent where products other than opioids or tobacco are the subject of the proposal. *See, e.g., The TJX Companies, Inc.* (Apr. 16, 2018) (concurring in the exclusion of a proposal requesting a universal and comprehensive annual welfare policy applying to all of the company’s stores, merchandise and suppliers as “the Proposal relates to the products and services offered for sale by the Company”); *Cabela’s Inc.* (Apr. 7, 2016) (concurring in the exclusion of a proposal requesting the implementation of a policy to continue to sell handguns and rifles discharging up to eight shells without reloading, weapons connected to the sports of hunting and marksmanship, and not to sell (other than to police departments and other military and law enforcement agencies of government) firearms capable of discharging more than 8 shells without reloading, noting that “the proposal relates to the products and services offered for sale by the company”); *Wal-Mart Stores, Inc.* (Mar. 20, 2014) (concurring in the exclusion of a proposal requesting additional oversight concerning the sale of certain products, including whether the company should sell “guns equipped with magazines holding more than ten rounds of ammunition (‘high capacity magazines’)” because the proposal concerned the “products and services offered for sale by the company”); *Wells Fargo & Co.* (Jan. 28, 2013, *recon. denied* Mar. 4, 2013) (concurring in the exclusion of a proposal requesting that the company prepare a

¹ The Company notes that AmerisourceBergen sought to exclude a proposal similar to the Proposal. The Staff did not concur that the proposal could be omitted under Rule 14a-8(i)(7) given AmerisourceBergen’s role in the distribution of opioids. *See AmerisourceBergen Corporation* (Jan. 11, 2018) (Sisters of St. Francis). Although the Staff recognized a sufficient nexus between the policy issue and a wholesale distributor of opioids, the Company emphasizes the Staff’s longstanding position on retailers – proposals regarding the selection of products for sale by a retailer relate to a company’s ordinary business operations and thus are excludable pursuant to Rule 14a-8(i)(7). As discussed in detail below, the fact that a retailer has a minority, non-controlling investment in a company with effectively no control over that company’s day-to-day decisions or policies regarding the products and services it offers to its customers, should have no bearing on the application of the Staff’s precedent to the retailer as decisions with respect to product offerings are a matter of the retailer’s ordinary business operations.

Office of Chief Counsel
Division of Corporation Finance
U.S. Securities and Exchange Commission
September 15, 2018
Page 8

report discussing the adequacy of the company's policies in addressing the social and financial impacts of its direct deposit advance lending service, noting in particular that "the proposal relate[d] to the products and services offered for sale by the company"); *General Mills, Inc.* (July 2, 2010) (concurring in the exclusion of a proposal requesting limits on the use of salt and other sodium compounds in the company's food products, noting in particular that the proposal "relate[d] to the selection of ingredients in [the company's] products" and that "[p]roposals concerning the selection of ingredients in a company's products are generally excludable under rule 14a-8(i)(7)"); and *Home Depot, Inc.* (Jan. 24, 2008) (concurring in the exclusion of a proposal requesting the company to "end the sale of glue traps" as relating to the sale of a particular product).

As in all of the cited precedent, the Proposal's underlying subject matter deals specifically with the Company's determinations regarding the sale of particular products (*i.e.*, opioid products). In the Supporting Statement, the Proposal clearly focuses on controlling the Company's sale of opioid products. Where a proposal seeks to interfere with management's day-to-day decisions regarding the particular products offered to customers, as the Proposal does, the Staff consistently has concurred in the exclusion of the proposal as relating to matters of the company's ordinary business.

The Proposal also seeks to have the Company take certain actions with respect to AmerisourceBergen Corporation ("**AmerisourceBergen**"): the report should cover "whether and how the Board oversees . . . AmerisourceBergen's opioid-related risks." The Company beneficially owns approximately 26% of the equity of AmerisourceBergen, a wholesale pharmaceutical distributor. The Company's interest in AmerisourceBergen is accounted for by the Company as an equity investment and is not consolidated as the Company does not control AmerisourceBergen. Further, the Company has agreed to vote on most matters in accordance with the recommendation of AmerisourceBergen's board of directors. The Company has the right to designate one director of the AmerisourceBergen board (the current director designee is a Company executive officer), but that director is one of ten directors on the board, generally recuses herself from matters relating to the Company and has fiduciary duties to the AmerisourceBergen board, not to the Company in that capacity. Accordingly, the Company has no ability to dictate day-to-day decisions regarding the products and services AmerisourceBergen offers to its customers, nor does the Company have the ability to "oversee . . . AmerisourceBergen's opioid-related risks." Further, while the Company has certain distribution arrangements with AmerisourceBergen, those arrangements have been negotiated in the ordinary course of business on an arms-length basis. The Company's interest in AmerisourceBergen is as an investment. The Staff has long recognized that investment and similar decisions are ordinary business matters. *See, e.g., The Boeing Company* (Jan. 9, 2018) (concurring in the exclusion of a proposal seeking disclosure of the selection process and criteria for selecting new or expanding existing aircraft production facilities as an ordinary business matter); and *The Western Union Co.*

Office of Chief Counsel
Division of Corporation Finance
U.S. Securities and Exchange Commission
September 15, 2018
Page 9

(Mar. 6, 2009, *recon. denied* Mar. 23, 2009) (concurring in the exclusion of a proposal requesting a report on company policies for investing in local communities in ways that address community needs because it related to “investment decisions”). As such, the Company’s investment in AmerisourceBergen is, in and of itself, an ordinary business matter. AmerisourceBergen is, however, a supplier of the Company for purposes of Rule 14a-8(i)(7).

Given that the Proposal, in addition to the focus on products and services offered by the Company, addresses the Company’s relationship with a supplier, it is excludable under Rule 14a-8(i)(7) consistent with Commission guidance and a longstanding Staff position. For example, in the 1998 Release, the Commission included supplier relationships as a type of ordinary business matter excludable under Rule 14a-8(i)(7), stating:

Certain tasks are so fundamental to management’s ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight. Examples include the management of the workforce, such as the hiring, promotion, and termination of employees, decisions on production quality and quantity, and the retention of suppliers. (emphasis added)

Further, the Staff has concurred with the exclusion of proposals under Rule 14a-8(i)(7) in numerous instances on the basis that they concerned decisions relating to supplier or vendor relationships. *See, e.g., Walmart Inc.* (Mar. 8, 2018) (concurring in the exclusion of a proposal seeking a report outlining the requirements suppliers must follow regarding engineering ownership and liability as relating to the company’s ordinary business matter); *Foot Locker, Inc.* (Mar. 3, 2017) (concurring in the exclusion of a proposal seeking a report on steps taken by the company to monitor overseas apparel suppliers’ use of subcontractors as relating “broadly to the manner in which the company monitors the conduct of its suppliers and their subcontractors”); *Kraft Foods Inc.* (Feb. 23, 2012) (concurring in the exclusion of a proposal that sought a report detailing the ways the company “is assessing water risk to its agricultural supply chain and action it intends to take to mitigate the impact on long-term shareholder value,” noting that the “proposal relates to decisions relating to supplier relationships”); *Corrections Corp. of America* (Feb. 28, 2014, *recon. denied* Mar. 25, 2014) (concurring in the exclusion of a proposal requesting that the board adopt and implement provisions “relate[d] to inmate telephone service contracts at correctional and detention facilities operated by the business” on grounds that it “relates to decisions relating to supplier relationships”); *The GEO Group, Inc.* (Feb. 24, 2014, *recon. denied* Mar. 25, 2014) (same); *PetSmart, Inc.* (Mar. 24, 2011) (concurring in the exclusion of a proposal regarding the compliance of the company’s suppliers with certain animal rights statutes as relating to the company’s ordinary business operations); *Duke Energy Corp.* (Jan. 24, 2011) (concurring in the exclusion of a proposal requesting that the company “strive to purchase a very high percentage” of “Made in USA” goods and services on the grounds that it related to “decisions relating to supplier relationships”); *The Southern Co.* (Doremus) (Jan. 19,

Office of Chief Counsel
Division of Corporation Finance
U.S. Securities and Exchange Commission
September 15, 2018
Page 10

2011) (same); *Spectra Energy Corp.* (Oct. 7, 2010, *recon. denied* Oct. 25, 2010) (same); *Alaska Air Group, Inc.* (Mar. 8, 2010) (concurring in the exclusion of a proposal requesting a report on contract repair facilities as relating to “decisions relating to vendor relationships”); *Continental Airlines, Inc.* (Mar. 25, 2009) (concurring in the exclusion of a proposal requesting a policy on contract repair stations as relating to “decisions relating to vendor relationships”); *Southwest Airlines Co.* (Mar. 19, 2009) (same); *Dean Foods Co.* (Mar. 9, 2007, *recon. denied* Mar. 22, 2007) (concurring in the exclusion of a proposal requesting a report on, among other things, consumer and media criticism of the company’s production and sourcing practices as relating to “customer relations and decisions relating to supplier relationships”); and *PepsiCo, Inc.* (Feb. 11, 2004) (concurring in the exclusion of a proposal concerning the company’s relationships with different bottlers as relating to “decisions relating to vendor relationships”).

As in the letters described above, the Proposal concerns ordinary business decisions relating to the Company’s supplier relationship with a pharmaceutical distributor. In particular, the Proposal seeks to influence the manner in which the Company monitors its relationships with such supplier. In this regard, the Proposal calls for a report on, among other things, “whether and how the Board oversees . . . AmerisourceBergen’s opioid-related risks.” In addition, the Supporting Statement cites the Company’s minority ownership of AmerisourceBergen and notes that AmerisourceBergen “faces significant financial and reputational consequences for its role in the opioid epidemic”, implying that the Company should be responsible for oversight of those “consequences” notwithstanding the Company’s non-controlling interest as discussed in detail above. The ongoing decisions of Company management regarding the entry into agreements with supplier/vendors for the distribution of products and services, the terms of those agreements, and the day-to-day decisions under those agreements, are fundamental to Company management’s ability to operate the Company on a day-to-day basis and are not, consistent with Commission and Staff precedent, proper matters for direct shareholder oversight. As such, the Proposal relates to the ordinary business operations of the Company, for purposes of Rule 14a-8(i)(7).

The Staff further has routinely concurred with the exclusion of proposals that request the preparation of a report regarding the sale of a particular product. In this precedent, the Staff has concurred with the exclusion of proposals that were similar to the Proposal, including those that focus on tobacco products, as noted above. For example, in *Walgreens Boots Alliance*, the Staff permitted exclusion of a proposal that would have required the board of directors to prepare a report assessing the financial risk facing the company based on its continued sales of tobacco products. In *CVS Caremark Corp.* (Feb. 25, 2010), the Staff permitted exclusion of a proposal that would have required the board of directors to prepare a report detailing how the company is responding to pressures to discourage sales of tobacco products. Similarly, in *Rite Aid Corp.* (Mar. 26, 2009), the Staff permitted exclusion of a proposal that would have required the board of directors to prepare a report detailing how the company is responding to pressures to cease

Office of Chief Counsel
Division of Corporation Finance
U.S. Securities and Exchange Commission
September 15, 2018
Page 11

sales of tobacco products. The Staff also has concurred in the exclusion of proposals that do not seek to impose an outright ban on the sale of tobacco products, but instead request that management terminate sales of tobacco unless the company can demonstrate that it is able to implement FDA regulations restricting youth access to tobacco. *See J.C. Penney Co., Inc.* (Mar. 2, 1998); *CVS Corp.* (Mar. 2, 1998); *Rite Aid Corp.* (Mar. 5, 1997); and *Wal-Mart Stores, Inc.* (Mar. 3, 1997). Although the proposals in those letters more directly targeted the sale of tobacco products, the Staff, as noted above, considers whether the underlying subject matter of the resolution and its supporting statement, taken as a whole, involves a matter of ordinary business to the company.² The underlying subject matter of the Proposal clearly focuses on the sale of opioid products, as evidenced by the emphasis on opioids in the Proposal and Supporting Statement.

As the Proposal addresses the Company's sale of a particular product as well as its supplier relationships, it relates to the Company's ordinary business operations. The Company is, therefore, of the view that it may properly omit the Proposal and Supporting Statement from the 2019 Proxy Materials pursuant to Rule 14a-8(i)(7).

2. *The Proposal May be Omitted Because it Seeks to Micromanage the Company*

It is the Company's view that the Proposal may be properly omitted in reliance on Rule 14a-8(i)(7) because the proposal seeks to micromanage the Company.

As noted above, the Commission has stated that a proposal may be properly omitted under Rule 14a-8(i)(7) if "the proposal seeks to 'micro-manage' the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment." 1988 Release at 86,017-18 (footnote omitted). Decisions with respect to pharmaceutical product offerings are extremely complex such that shareholders, as a group, would not be in a position to make an informed judgment regarding whether to offer particular products.

In *SeaWorld Entertainment, Inc.* (Mar. 30, 2017), the proposal sought to "retire the current resident orcas to seaside sanctuaries and replace the captive-area exhibits with innovative virtual and augmented reality or other types of non-animal experiences." The company argued, among other things, that the proponent sought to micromanage the company's decisions with respect to the entertainment products it offered to customers because those decisions involved myriad complex factors about which shareholders are not in a position to make an informed judgment. The Staff concurred in the omission of the proposal under Rule 14a-8(i)(7) as the proposal sought to "micromanage the company by probing too deeply into matters of a complex

² SLB 14C.

Office of Chief Counsel
Division of Corporation Finance
U.S. Securities and Exchange Commission
September 15, 2018
Page 12

nature upon which shareholders, as a group, would not be in a position to make an informed judgment.” *See also The Wendy’s Company* (Mar. 2, 2017) (concurring in the exclusion of a proposal addressing company practices in the purchase of produce as micromanaging the company).

Similarly, the Proposal seeks to determine the particular products the Company should or should not offer to its customers, which would significantly impact the day-to-day decision making of the Company regarding those customers and projects to which it will provide financing. As discussed in detail above in Section II.B.1., decisions with respect to the sale of pharmaceutical products are an integral part of the Company’s business and inherently involve complex operational, regulatory and business considerations, requiring knowledge of the federal and state regulatory environments, pharmacy licensing requirements, complex contractual agreements with sophisticated partners, and perhaps most importantly the clinical needs of the Company’s patients and customers. Assessing these and other factors that influence the Company’s decisions to carry certain pharmaceutical products requires specialized expertise and the judgment of the Company’s management, which, unlike shareholders as a group, is well-positioned, and has the necessary skills, knowledge and resources, to make informed decisions on such day-to-day business and operational matters.

As the Proposal seeks to dictate whether the Company should offer a particular product, which involves myriad complex factors about which shareholders are not in a position to make an informed judgment, the Company is of the view that the Proposal seeks to micromanage the Company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment. As a result, the Proposal may be omitted pursuant to Rule 14a-8(i)(7) as it seeks to micromanage the Company.

3. *The Proposal Does Not Focus Solely on a Significant Policy Issue; It Focuses, At Least in Part, on Ordinary Business Matters*

Even assuming that the Proposal is found to touch upon a policy issue that may be of such significance that the issue transcends ordinary business and would be appropriate for a stockholder vote, if the Proposal does not focus solely on a significant policy issue or if it addresses, even in part, matters of ordinary business in addition to a significant policy issue, the Staff has consistently concurred with the exclusion of the proposal. For example, in *McKesson Corp.* (June 1, 2017), the Staff permitted the company’s exclusion of its stockholder proposal requesting a report on the company’s processes to “safeguard against failure” in its distribution system for restricted medicines despite the fact that Proponent argued that the proposal touched upon a significant policy issue (the impermissible use of medicines to carry out execution by lethal injection). In granting relief under Rule 14a-8(i)(7), the Staff concurred with the company that the proposal related to the sale or distribution of the company’s products. Similarly, in

Office of Chief Counsel
Division of Corporation Finance
U.S. Securities and Exchange Commission
September 15, 2018
Page 13

Amazon.com, Inc. (Mar. 27, 2015), the Staff permitted the company to exclude a proposal requesting that it “disclose to shareholders reputational and financial risks it may face as a result of negative public opinion pertaining to the treatment of animals used to produce products it sells” despite the proponent’s argument that the sale of *foie gras* raised a significant policy issue (animal cruelty). The Staff concluded that the proposal related to “the products and services offered for sale by the company.” See also *Walgreens Boots Alliance* (discussed above); *Hewlett-Packard Co.* (Jan. 23, 2015) (concurring in the exclusion of a proposal requesting that the board provide a report on the company’s sales of products and services to the military, police, and intelligence agencies of foreign countries, with the Staff noting that the proposal related to ordinary business and “does not focus on a significant policy issue”); *Dominion Resources, Inc.* (Feb. 14, 2014) (permitting the exclusion of a proposal relating to use of alternative energy because the proposal related, in part, to ordinary business operations (the company’s choice of technologies for use in its operations)); *Capital One Financial Corp.* (Feb. 3, 2005) (permitting exclusion under Rule 14a-8(i)(7) when a proposal asked a company to disclose information about the ordinary business matter of how it managed its workforce, even though the proposal also involved the significant policy issue of outsourcing); and *Walgreens Boots Alliance, Inc.* (Nov. 7, 2016, *recon. denied* Nov. 22, 2016), *Rite Aid Corp.* (Mar. 24, 2015), *CVS Caremark Corp.* (Feb. 25, 2010), *Rite Aid Corp.* (Mar. 26, 2009) and *CVS Caremark Corp.* (Mar. 3, 2009) discussed above. As was the case in the letters cited above, the Proposal clearly relates, at least in part, to the ordinary business matter of the sale of particular products by the Company.

The Staff also has consistently concurred that a proposal may be excluded when it addresses ordinary business matters, even if it also touches upon a significant policy issue. For instance, in *General Electric Co.* (Feb. 10, 2000), the Staff permitted exclusion of a proposal requesting that the company (i) discontinue an accounting technique, (ii) not use funds from the GE Pension Trust to determine executive compensation, and (iii) use funds from the trust as intended. The Staff noted that, while the proposal touched on the significant policy issue of executive compensation, the entire proposal was excludable under Rule 14a-8(i)(7) because “a portion of the proposal relate[d] to ordinary business matters (*i.e.*, the choice of accounting methods).” Similarly, although the Proposal mentions executive compensation (“whether and how Walgreens has changed senior executive incentive compensation arrangements”) among other possible significant policy issues, the Proposal addresses the sale of particular products by the Company and is therefore excludable under Rule 14a-8(i)(7). See also *Dominion Resources, Inc.* (Feb. 14, 2014) (permitting the exclusion of a proposal relating to use of alternative energy because the proposal related, in part, to ordinary business operations (the company’s choice of technologies for use in its operations)).

Similarly, in *PetSmart* (Mar. 24, 2011), the Staff concurred with the exclusion of a stockholder proposal asking company suppliers to certify that they did not violate laws relating to the humane treatment of animals, even though the Staff concluded that humane treatment of

Office of Chief Counsel
Division of Corporation Finance
U.S. Securities and Exchange Commission
September 15, 2018
Page 14

animals is a significant policy issue. In granting relief under Rule 14a-8(i)(7), the Staff concurred with the company that the laws encompassed by the proposal were “fairly broad in nature from serious violations such as animal abuse to violations of administrative matters such as record keeping.” *See also CIGNA Corp.* (Feb. 23, 2011) (permitting exclusion under Rule 14a-8(i)(7) where a proposal asked the company to report on the ordinary business matter of expense management, even though it also addressed the potential significant policy issue of access to affordable healthcare); and *Capital One Financial Corp.* (Feb. 3, 2005) (permitting exclusion under Rule 14a-8(i)(7) when a proposal asked a company to disclose information about the ordinary business matter of how it managed its workforce, even though the proposal also involved the significant policy issue of outsourcing).

Further, as noted above, the Staff stated in SLB 14C that “[i]n determining whether the focus of these proposals is a significant social policy issue, we consider both the proposal and the supporting statement as a whole.” Accordingly, the fact that the Proposal itself may address a significant social policy issue will not prevent the Proposal from being excludable under Rule 14a-8(i)(7) if the Supporting Statement makes clear that the Proposal relates, at least in part, to the Company’s ordinary business. The location of these references does not alter the fact that the Proposal implicates ordinary business considerations. As noted in the letter in *Johnson & Johnson* referenced in the next paragraph, the Staff consistently has taken the position that proponents may not circumvent Rule 14a-8(i)(7) where it is clear from the supporting statement or otherwise that the proposal implicates ordinary business matters.

For example, consistent with the Staff’s statement in SLB 14C, in *General Electric Co. (St. Joseph Health System)* (Jan. 10, 2005), the Staff considered a proposal raising a general corporate governance matter by requesting that the company’s compensation committee “include social responsibility and environmental (as well as financial) criteria” in setting executive compensation, where the proposal was preceded by a number of recitals addressing executive compensation but the supporting statement read, “we believe that it is especially appropriate for our company to adopt social responsibility and environmental criteria for executive compensation” followed by several paragraphs regarding an alleged link between teen smoking and the depiction of smoking in movies. The company argued that the supporting statement evidenced the proponents’ intent to “obtain[] a forum for the [p]roponents to set forth their concerns about an alleged risk between teen smoking and the depiction of smoking in movies,” a matter involving the company’s ordinary business operations. The Staff permitted exclusion of the proposal under Rule 14a-8(i)(7), noting that “although the proposal mentions executive compensation, the thrust and focus of the proposal is on the ordinary business matter of the nature, presentation and content of programming and film production.” *See also Johnson & Johnson (Northstar)* (Feb. 10, 2014) (permitting exclusion under Rule 14a-8(i)(7) of a proposal with a resolution concerning the general political activities of the company where the preamble paragraphs to the proposal demonstrated that the thrust and focus of the proposal was on specific

Office of Chief Counsel
Division of Corporation Finance
U.S. Securities and Exchange Commission
September 15, 2018
Page 15

company political expenditures, which are ordinary business matters); and *The Walt Disney Co.* (Dec. 15, 2004) (permitting exclusion under Rule 14a-8(i)(7) of a proposal identical to the proposal in *General Electric Co. (St. Joseph Health System)* (Jan. 10, 2005), where the company argued that the proponents were attempting to “us[e] the form of an executive compensation proposal to sneak in its otherwise excludable opinion regarding a matter of ordinary business (on-screen smoking in the [c]ompany’s movies”).

Even if the Staff were to conclude that the Proposal relates to a significant policy issue (*i.e.*, opioids and/or senior executive compensation), as was the case in the letters discussed above, the Proposal may nonetheless be excluded pursuant to Rule 14a-8(i)(7) because it is not focused solely on such policy issue and clearly also encompasses matters related to the Company’s ordinary business operations. The Company is of the view that the Proposal relates, at least in part, to the ordinary business matters of the Company’s sale of specific products and its relationship with a supplier. The Company’s view is supported by a principal focus of the Supporting Statement, in which the Proponent suggests the Company issue a report examining the risks affiliated with its decision to sell opioid products, which encompasses the ordinary business matter of the sale of the Company’s products, as well as the Proposal and Supporting Statement’s focus on the Company’s relationship with AmerisourceBergen. In this regard, the Proposal is comparable to the proposals in the letters cited in the preceding paragraph, which the Staff concurred could be excluded under Rule 14a-8(i)(7) because the proposal or supporting statement cited a significant policy issue but language in the proposal and/or supporting statement resulted in the proposal operating as a referendum on ordinary business matters. Therefore, as the Proposal relates, at least in part, to matters of ordinary business, notwithstanding a reference to a potentially significant policy issue, the Proposal is excludable under Rule 14a-8(i)(7).

Office of Chief Counsel
Division of Corporation Finance
U.S. Securities and Exchange Commission
September 15, 2018
Page 16

III. CONCLUSION

For the reasons discussed above, the Company believes that it may properly omit the Proposal and Supporting Statement from its 2019 Proxy Materials in reliance on Rule 14a-8. As such, we respectfully request that the Staff concur with the Company's view and not recommend enforcement action to the Commission if the Company omits the Proposal and Supporting Statement from its 2019 Proxy Materials. If we can be of further assistance in this matter, please do not hesitate to contact me at (202) 778-1611.

Sincerely,



Martin P. Dunn
of Morrison & Foerster LLP

Attachments

cc: Donna Meyer, PhD, Director of Shareholder Advocacy, Mercy Investment Services, Inc.
Joseph B. Amsbary, Jr., Vice President, Corporate Secretary, Walgreens Boots Alliance, Inc.
Mark L. Dosier, Director, Securities Law, Walgreens Boots Alliance, Inc.
Kelsey Chin, Director, Tax and Capital Markets - Legal, Walgreens Boots Alliance, Inc.

Exhibit A

From: Donna Meyer <dmeyer@mercyinvestments.org>
Sent: Tuesday, July 24, 2018 12:46 PM
To: Kohli, Ashish <ashish.kohli@wba.com>; Marshall, Cheryl <cheryl.marshall@wba.com>
Cc: mamiller@rhac.com
Subject: WBA filing

Ashish – It was good to talk with you and your team today. I am lead for the Board oversight resolution so I will serve as your contact. Please feel free to contact me at any time via email and/or phone. According to our records, the attached was received in your offices yesterday – delivered by FedEx.

Donna Meyer, Ph.D.

Director of Shareholder Advocacy

Mercy Investment Services, Inc.

713-299-5018

dmeyer@mercyinvestments.org <<mailto:dmeyer@mercyinvestments.org>>

www.mercyinvestmentservices.org <<http://www.mercyinvestmentservices.org/>>

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July 20, 2018

Ms. Elena Kraus, Acting Corporate Secretary
Walgreens Boots Alliance, Inc.
108 Wilmot Road
MS #1858
Deerfield, IL 60015

Dear Ms. Kraus:

Mercy Investment Services, Inc. (Mercy), as the investment program of the Sisters of Mercy of the Americas has long been concerned not only with the financial returns of its investments, but also with the social and ethical implications of its investments. We believe that a demonstrated corporate responsibility in matters of the environment, social and governance concerns fosters long-term business success. Mercy Investment Services, Inc., a long-term investor, is currently the beneficial owner of shares of Walgreens Boots Alliance, Inc. ("Walgreens").

Mercy is the lead filer on the resolution urging Board of Directors ("Board") to report to shareholders by June 30, 2019 describing the corporate governance changes Walgreens has implemented since 2012 to more effectively monitor and manage financial and reputational risks related to the opioid crisis, including whether and how the Board oversees Walgreens' opioid-related programs and AmerisourceBergen's opioid-related risks, whether the crisis has been designated (or is encompassed within) a material corporate social responsibility issue and whether and how Walgreens has changed senior executive incentive compensation arrangements.

Mercy Investment Services, Inc. is filing the enclosed shareholder proposal for inclusion in the 2019 proxy statement, in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities Exchange Act of 1934. Mercy Investment Services, Inc. has been a shareholder continuously for more than one year holding at least \$2,000 in market value, and will continue to invest in at least the requisite number of shares for proxy resolutions through the annual shareholders' meeting. A representative of the filers will attend the Annual Meeting to move the resolution as required by SEC rules. The verification of ownership by our custodian, a DTC participant, is enclosed with this letter. We respectfully request direct communications from Walgreens Boots Alliance, Inc., and to have our supporting statement and organization name included in the proxy statement.

Although we prefer to resolve our concerns through dialogue rather than the formal resolution process, we are filing today to assure our shareholder rights are preserved. Please direct your responses to me via my contact information below.

Best regards,

A handwritten signature in cursive script, appearing to read "Donna Meyer".

Donna Meyer, PhD
Director of Shareholder Advocacy
713-299-5018
dmeyer@mercyinvestments.org

2039 North Geyer Road · St. Louis, Missouri 63131-3332 · 314.909.4609 · 314.909.4694 (fax)

www.mercyinvestmentservices.org

RESOLVED, that shareholders of Walgreens Boots Alliance Inc. (“Walgreens”) urge the Board of Directors (the “Board”) to report to shareholders by June 30, 2019 describing the corporate governance changes Walgreens has implemented since 2012 to more effectively monitor and manage financial and reputational risks related to the opioid crisis, including whether and how the Board oversees Walgreens’ opioid-related programs and AmerisourceBergen’s opioid-related risks, whether the crisis has been designated (or is encompassed within) a material corporate social responsibility (CSR) issue and whether and how Walgreens has changed senior executive incentive compensation arrangements.

The report should be prepared at reasonable cost and should omit confidential and proprietary information.

SUPPORTING STATEMENT

Opioid abuse is a public health crisis: The Centers for Disease Control and Prevention reported that opioid abuse caused more than 42,000 U.S. deaths in 2016. The economic and social effects of the crisis are profound. A recent report pegged the cumulative economic toll of the opioid epidemic at over \$1 trillion. (<https://altarum.org/about/news-and-events/economic-toll-of-opioid-crisis-in-u-s-exceeded-1-trillion-since-2001>) Opioid use and dependency is a key factor in the decline in prime-age male labor force participation. (https://www.brookings.edu/wp-content/uploads/2017/09/1_krueger.pdf)

Walgreens has repeatedly come under fire for irresponsible dispensing and distribution of opioids. In 2013, Walgreens settled claims that it committed an “unprecedented number” of federal Controlled Substances Act violations by failing to report suspicious orders, maintaining inadequate controls against diversion and dispensing opioids despite red flags. Walgreens paid a record \$80 million civil penalty. (<https://www.justice.gov/usao-sdfl/pr/walgreens-agrees-pay-record-settlement-80-million-civil-penalties-under-controlled>)

Walgreens is a defendant in the Ohio multidistrict opioid litigation. (<https://www.nytimes.com/2018/02/27/us/politics/justice-department-opioid-lawsuit.html>) The states of Delaware and Kentucky, the City of Miami and the Cherokee Nation have also sued Walgreens for improperly dispensing opioids. (The Kentucky lawsuit contends that Walgreens also acted as a wholesale distributor in that state.) In March 2018, the Drug Enforcement Administration conducted an administrative inspection of a Walgreens pharmacy in California that had purchased an unusually large number of opioid pills and had an “unexplained loss” of 8,000 hydrocodone tablets. (<https://www.revealnews.org/article/this-walgreens-gets-5-times-us-average-of-oxycodone-the-dea-is-asking-why/>; <https://www.documentcloud.org/documents/4452667-Return-Accounting-for-Items-Seized.html>)

Walgreens owns 26% of distributor AmerisourceBergen, which faces significant financial and reputational consequences for its role in the opioid epidemic, and the two companies have talked about combining. (<https://www.cnbc.com/2018/02/27/walgreens-and-amerisourcebergen-deal-talks-of-cooled-.html>; https://www.washingtonpost.com/national/drug-executives-to-testify-before-congress-about-their-role-in-us-opioid-crisis/2018/04/12/89e7ccf2-3db6-11e8-974f-aacd97698cef_story.html?utm_term=.5670fdc325f6)

In our view, corporate governance can play an important role in effectively addressing opioid-related risks and we think shareholders would benefit from a fuller understanding of how Walgreens' governance has changed since 2012 to serve that function. For example, Walgreens' most recent proxy statement asserts that individual performance is considered in determining annual incentive awards, but does not indicate whether any opioid-related objectives, such as promoting ethical conduct, are part of that assessment. Walgreens' 2017 CSR report touts Walgreens' opioid-related initiatives such as take-back programs but does not indicate whether the Board's Nominating and Governance Committee oversees them or Walgreens' anti-diversion efforts. Nor is it clear from the report how the opioid crisis fits into Walgreens' designation of material CSR issues.

(https://www.walgreensbootsalliance.com//content/1110/files/Walgreens-Boots-Alliance_Corporate-Social-Responsibility-Report-2017.pdf)

We urge shareholders to vote for this proposal.



July 20, 2018

Walgreens Boots Alliance, Inc.
Attn: Ms. Elena Kraus, Acting Corporate Secretary
108 Wilmot Road
MS #1858
Deerfield, IL 60015

Re: Mercy Investment Services Inc.

Dear Elena,

This letter will certify that as of July 20, 2018, Northern Trust held for the beneficial interest of Mercy Investment Services Inc., 79 shares of Walgreens Boots Alliance, Inc. We confirm that Mercy Investment Services Inc. has beneficial ownership of at least \$2,000 in market value of the voting securities of Walgreens Boots Alliance, Inc. and that such beneficial ownership has existed continuously for at least one year including a one year period preceding and including July 20, 2018, in accordance with rule 14a-8 of the Securities Exchange Act of 1934. Further, it is Mercy Investment Services Inc., intent to hold at least \$2,000 in market value through the next annual meeting.

We also confirm that as of the filing date, July 20, 2018, Mercy Investment Services Inc., held 28,894 additional shares of Walgreens Boots Alliance, Inc. with a market value of \$1,877,532.12.

Please be advised, Northern Trust is a DTC Participant, whose DTC number is 2669.

If you have any questions please feel free to give me a call.

Sincerely,

Jennifer W. Beattie
Senior Vice President
Direct Line: 312-630-6041

From: Meredith Miller <mamiller@rhac.com>
Sent: Tuesday, July 24, 2018 2:54 PM
To: Kohli, Ashish <ashish.kohli@wba.com>; Marshall, Cheryl <cheryl.marshall@wba.com>
Cc: Cambria Allen <callen@rhac.com>; Donna Meyer (<dmeyer@mercyinvestments.org> <dmeyer@mercyinvestments.org>) Subject:
WBA Filing From UAW RMBT on Board Risk Report
Importance: High

Dear Ashish and Cheryl,

Thank you for the call today. Attached is a resolution submitted by the UAW Retiree Medical benefits Trust to Walgreens Boots Alliance for inclusion in the 2019 annual proxy. The UAW Retiree Medical Benefits Trust is submitting this resolution as a co-filer with Mercy Investment, Inc. as the lead filer. We are granting Mercy Investment, Inc. the ability to withdraw on our behalf should we come to a mutually acceptable agreement. We look forward to discussing this further and hope this will serve as a placeholder with the goal of withdrawing.

A hard copy will be mailed under separate cover.

Thank you in advance for consideration of this request.

Best regards,

Meredith Miller

Meredith Miller

Chief Corporate Governance Officer

UAW Retiree Medical Benefits Trust

Phone: 734-887-4964

Cell: 860-798-3996

Email: mamiller@rhac.com <<mailto:mamiller@rhac.com>>

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UAW_RMBT_2017

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July 24, 2018

Ms. Elena Kraus,
Acting Corporate Secretary
Walgreens Boots Alliance, Inc.
108 Wilmot Road
MS #1858
Deerfield, Illinois

Dear Ms. Kraus:

The purpose of this letter is to submit the attached shareholder resolution co-filed by the UAW Retiree Medical Benefits Trust (the "Trust") for inclusion in Walgreens Boots Alliance, Inc. (the "Company") proxy statement for the 2019 Annual Meeting of Stockholders. Mercy Investment Services, Inc. (Mercy) is the lead filer and we grant them authority to withdraw on our behalf should we reach agreement.

This resolution is submitted pursuant to Rule 14(a)-8 of the General Rules and Regulations promulgated under the Exchange Act. The Trust is co-filing the attached proposal urging the Board of Directors to report to shareholders by June 30, 2019 describing the corporate governance changes the Company has implemented since 2012 to more effectively monitor and manage financial and reputational risks related to the opioid crisis, including whether and how the Board oversees the Company's opioid-related programs and Amerisource's opioid-related risks, whether the crisis has been designated (or is encompassed within) a material corporate social responsibility issue and whether and how the Company has changed senior executive incentive compensation arrangements. The Trust is the beneficial owner of more than \$2,000 in market value of the Company's stock and has held such stock continuously for over one year. Furthermore, the Trust intends to continue to hold the requisite number of shares through the date of the 2019 annual meeting. Proof of ownership will be sent by the Trust's custodian, State Street Bank and Trust Company, under separate cover.

We appreciated our dialogue with you today. We hope that this resolution will serve as a placeholder and that in the near future we will be able to withdraw the resolution as a result of a mutually agreed upon settlement. I look forward to our continued discussions of this issue. You may contact me at (734) 887-4964 or via email at mamiller@rhac.com.

Sincerely,

A handwritten signature in black ink that reads "Meredith Miller".

Meredith Miller
Chief Corporate Governance Officer
UAW Retiree Medical Benefits Trust

Enclosure

RESOLVED, that shareholders of Walgreens Boots Alliance Inc. (“Walgreens”) urge the Board of Directors (the “Board”) to report to shareholders by June 30, 2019 describing the corporate governance changes Walgreens has implemented since 2012 to more effectively monitor and manage financial and reputational risks related to the opioid crisis, including whether and how the Board oversees Walgreens’ opioid-related programs and AmerisourceBergen’s opioid-related risks, whether the crisis has been designated (or is encompassed within) a material corporate social responsibility (CSR) issue and whether and how Walgreens has changed senior executive incentive compensation arrangements.

The report should be prepared at reasonable cost and should omit confidential and proprietary information.

SUPPORTING STATEMENT

Opioid abuse is a public health crisis: The Centers for Disease Control and Prevention reported that opioid abuse caused more than 42,000 U.S. deaths in 2016. The economic and social effects of the crisis are profound. A recent report pegged the cumulative economic toll of the opioid epidemic at over \$1 trillion. (<https://altarum.org/about/news-and-events/economic-toll-of-opioid-crisis-in-u-s-exceeded-1-trillion-since-2001>) Opioid use and dependency is a key factor in the decline in prime-age male labor force participation. (https://www.brookings.edu/wp-content/uploads/2017/09/1_krueger.pdf)

Walgreens has repeatedly come under fire for irresponsible dispensing and distribution of opioids. In 2013, Walgreens settled claims that it committed an “unprecedented number” of federal Controlled Substances Act violations by failing to report suspicious orders, maintaining inadequate controls against diversion and dispensing opioids despite red flags. Walgreens paid a record \$80 million civil penalty. (<https://www.justice.gov/usao-sdfl/pr/walgreens-agrees-pay-record-settlement-80-million-civil-penalties-under-controlled>)

Walgreens is a defendant in the Ohio multidistrict opioid litigation. (<https://www.nytimes.com/2018/02/27/us/politics/justice-department-opioid-lawsuit.html>) The states of Delaware and Kentucky, the City of Miami and the Cherokee Nation have also sued Walgreens for improperly dispensing opioids. (The Kentucky lawsuit contends that Walgreens also acted as a wholesale distributor in that state.) In March 2018, the Drug Enforcement Administration conducted an administrative inspection of a Walgreens pharmacy in California that had purchased an unusually large number of opioid pills and had an “unexplained loss” of 8,000 hydrocodone tablets. (<https://www.revealnews.org/article/this-walgreens-gets-5-times-us-average-of-oxycodone-the-dea-is-asking-why/>; <https://www.documentcloud.org/documents/4452667-Return-Accounting-for-Items-Seized.html>)

Walgreens owns 26% of distributor AmerisourceBergen, which faces significant financial and reputational consequences for its role in the opioid epidemic, and the two companies have talked about combining. (<https://www.cnbc.com/2018/02/27/walgreens-and-amerisourcebergen-deal-talks-of-cooled-.html>; https://www.washingtonpost.com/national/drug-executives-to-testify-before-congress-about-their-role-in-us-opioid-crisis/2018/04/12/89e7ccf2-3db6-11e8-974f-aacd97698cef_story.html?utm_term=.5670fdc325f6)

In our view, corporate governance can play an important role in effectively addressing opioid-related risks and we think shareholders would benefit from a fuller understanding of how Walgreens' governance has changed since 2012 to serve that function. For example, Walgreens' most recent proxy statement asserts that individual performance is considered in determining annual incentive awards, but does not indicate whether any opioid-related objectives, such as promoting ethical conduct, are part of that assessment. Walgreens' 2017 CSR report touts Walgreens' opioid-related initiatives such as take-back programs but does not indicate whether the Board's Nominating and Governance Committee oversees them or Walgreens' anti-diversion efforts. Nor is it clear from the report how the opioid crisis fits into Walgreens' designation of material CSR issues.

(https://www.walgreensbootsalliance.com//content/1110/files/Walgreens-Boots-Alliance_Corporate-Social-Responsibility-Report-2017.pdf)

We urge shareholders to vote for this proposal.

From: Kohli, Ashish <ashish.kohli@wba.com>
Sent: Monday, July 30, 2018 4:08 PM
To: Meredith Miller
Cc: Kraus, Elena; Chin, Kelsey
Subject: Re: proof of ownership for UAW RMBT
Attachments: Scan_7-30-2018_10-56-54.pdf

Thanks Meredith, look forward to speaking soon.

Best regards,
Ashish

Ashish Kohli, CFA
Vice President, Investor Relations

Walgreens Boots Alliance, Inc. | [108 Wilmot Road](#), MS #1833, Deerfield, IL 60015 Telephone [+1 847 315 3810](#) | Mobile [+1 847 964 3459](#)

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From: Meredith Miller <mamiller@rhac.com>
Date: Monday, July 30, 2018 at 2:46 PM
To: Ashish Kohli <ashish.kohli@wba.com>
Cc: Meredith Miller <mamiller@rhac.com>
Subject: FW: proof of ownership for UAW RMBT

Hi Ashish,

I enjoyed speaking with you and your team the other day. I see Cheryl is out and wanted to send the proof of ownership to you as well. Looking forward to our continued engagement.

Best regards,

Meredith

From: Meredith Miller
Sent: Monday, July 30, 2018 3:41 PM
To: 'Marshall, Cheryl' <cheryl.marshall@wba.com>
Cc: Meredith Miller <mamiller@rhac.com>; Cambria Allen <callen@rhac.com>
Subject: proof of ownership for UAW RMBT

Hi Cheryl,

Attached is our proof of ownership for the shareholder resolution we filed. Thank you,

Best regards,

Meredith

Meredith Miller
Chief Corporate Governance Officer
UAW Retiree Medical Benefits Trust
Phone: 734-887-4964
Cell: 860-798-3996
Email: mamiller@rhac.com



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State Street Global Services

2495 Natomas Park Drive, Suite 400
Sacramento, CA 95833

www.statestreet.com

DATE: July 30, 2018

Ms. Elena Kraus
Acting Corporate Security
Walgreens Boots Alliance, INC
108 Wimot Road
MS#1858
Deerfield, Illinois

**Re: Shareholder Proposal Record Letter for WALGREENS BOOTS ALLIANCE INC: Cusip
(931427108)**

Dear Ms. Kraus,

State Street Bank and Trust Company is custodian for **415,102** shares of **WALGREENS BOOTS ALLIANCE INC, Cusip 931427108**, common stock held for the benefit of the UAW Retiree Medical Benefits Trust (the "Trust") as of **7/24/2018**. The Trust has continuously owned the Company's common stock since for at least one year through **July 24, 2018**

As custodian for the Trust, State Street holds these shares at its Participant Account at the Depository Trust Company ("DTC"). FIORDPIER + CO., the nominee name at DTC, is the record holder of these shares

If there are any questions concerning this matter, please do not hesitate to contact me at 916-319-6588.

Best regards,

Teri Carroll
Client Service
Vice President
State Street Bank and Trust Company



Sisters of Saint Joseph of Peace

1663 Killarney Way P.O. Box 248 Bellevue, WA 98009-0248
425-467-5499 FAX 425-462-9760

July 26, 2018

Ms. Elena Kraus
Acting Corporate Secretary
Walgreens Boots Alliance, Inc.
108 Wilmot Road, MS #1858
Deerfield, IL 60015-5145

Dear Ms. Kraus,

As responsible investors the members of the Northwest Women Religious Investment Trust are concerned about the social and ethical impacts of our investments. Therefore, in an effort to address the public health crisis of opioid abuse in the United States, we call on the Board to report to shareholders on the governance measures Walgreens has implemented since 2012 to more effectively monitor and manage the financial and reputational risks related to this crisis.

The Northwest Women Religious Investment Trust is co-filing the enclosed resolution with Mercy Investment Services, Inc. for inclusion in the Walgreens Boots Alliance 2019 proxy in accordance with rule 14a-8 of the general rules and regulations of the Securities and Exchange Act of 1934. A representative of the filers will attend the annual meeting to move the resolution as required by SEC Rules.

As of July 26, 2018 the Northwest Women Religious Investment Trust held, and has held continuously for at least one year, 50 shares of Walgreens Boots Alliance, Inc. common stock. A letter verifying ownership in the Company is enclosed. We will continue to hold the required number of shares through the annual meeting in 2019.

For matters pertaining to this resolution, please contact Donna Meyer who represents Mercy Investment Services, Inc., the primary filer of this resolution. Please copy me on all communications: Deborah Fleming—dfleming@csjp-olp.org.

Sincerely,

Deborah R. Fleming
Chair, Northwest Women Religious Investment Trust

Encl.: Verification of ownership
Resolution

RESOLVED, that shareholders of Walgreens Boots Alliance Inc. (“Walgreens”) urge the Board of Directors (the “Board”) to report to shareholders by June 30, 2019 describing the corporate governance changes Walgreens has implemented since 2012 to more effectively monitor and manage financial and reputational risks related to the opioid crisis, including whether and how the Board oversees Walgreens’ opioid-related programs and AmerisourceBergen’s opioid-related risks, whether the crisis has been designated (or is encompassed within) a material corporate social responsibility (CSR) issue and whether and how Walgreens has changed senior executive incentive compensation arrangements.

The report should be prepared at reasonable cost and should omit confidential and proprietary information.

SUPPORTING STATEMENT

Opioid abuse is a public health crisis: The Centers for Disease Control and Prevention reported that opioid abuse caused more than 42,000 U.S. deaths in 2016. The economic and social effects of the crisis are profound. A recent report pegged the cumulative economic toll of the opioid epidemic at over \$1 trillion. (<https://altarum.org/about/news-and-events/economic-toll-of-opioid-crisis-in-u-s-exceeded-1-trillion-since-2001>) Opioid use and dependency is a key factor in the decline in prime-age male labor force participation. (https://www.brookings.edu/wp-content/uploads/2017/09/1_krueger.pdf)

Walgreens has repeatedly come under fire for irresponsible dispensing and distribution of opioids. In 2013, Walgreens settled claims that it committed an “unprecedented number” of federal Controlled Substances Act violations by failing to report suspicious orders, maintaining inadequate controls against diversion and dispensing opioids despite red flags. Walgreens paid a record \$80 million civil penalty. (<https://www.justice.gov/usao-sdfl/pr/walgreens-agrees-pay-record-settlement-80-million-civil-penalties-under-controlled>)

Walgreens is a defendant in the Ohio multidistrict opioid litigation. (<https://www.nytimes.com/2018/02/27/us/politics/justice-department-opioid-lawsuit.html>) The states of Delaware and Kentucky, the City of Miami and the Cherokee Nation have also sued Walgreens for improperly dispensing opioids. (The Kentucky lawsuit contends that Walgreens also acted as a wholesale distributor in that state.) In March 2018, the Drug Enforcement Administration conducted an administrative inspection of a Walgreens pharmacy in California that had purchased an unusually large number of opioid pills and had an “unexplained loss” of 8,000 hydrocodone tablets. (<https://www.revealnews.org/article/this-walgreens-gets-5-times-us-average-of-oxycodone-the-dea-is-asking-why/>; <https://www.documentcloud.org/documents/4452667-Return-Accounting-for-Items-Seized.html>)

Walgreens owns 26% of distributor AmerisourceBergen, which faces significant financial and reputational consequences for its role in the opioid epidemic, and the two companies have talked about combining. (<https://www.cnbc.com/2018/02/27/walgreens-and-amerisourcebergen-deal-talks-of-cooled-.html>; https://www.washingtonpost.com/national/drug-executives-to-testify-before-congress-about-their-role-in-us-opioid-crisis/2018/04/12/89e7ccf2-3db6-11e8-974f-aacd97698cef_story.html?utm_term=.5670fdc325f6)

In our view, corporate governance can play an important role in effectively addressing opioid-related risks and we think shareholders would benefit from a fuller understanding of how Walgreens' governance has changed since 2012 to serve that function. For example, Walgreens' most recent proxy statement asserts that individual performance is considered in determining annual incentive awards, but does not indicate whether any opioid-related objectives, such as promoting ethical conduct, are part of that assessment. Walgreens' 2017 CSR report touts Walgreens' opioid-related initiatives such as take-back programs but does not indicate whether the Board's Nominating and Governance Committee oversees them or Walgreens' anti-diversion efforts. Nor is it clear from the report how the opioid crisis fits into Walgreens' designation of material CSR issues.

(https://www.walgreensbootsalliance.com//content/1110/files/Walgreens-Boots-Alliance_Corporate-Social-Responsibility-Report-2017.pdf)

We urge shareholders to vote for this proposal.



All of **us** serving you™

July 26, 2018

To Whom It May Concern:

This letter is to verify that the Northwest Women Religious Investment Trust owns fifty (50) shares of Walgreens Boots Alliance common stock. Northwest Women Religious Investment Trust owned the required amount of securities on July 26, 2018 and has continuously owned the securities for at least twelve months prior to July 26, 2018. At least the minimum required will continue to be held through the time of the company's next annual meeting.

This security is currently held by U. S. Bank, N. A. who serves as custodian for the Northwest Women Religious Investment Trust. The shares are registered in our nominee name (Cede & Co.) at U. S. Bank, N. A. at DTC.

Sincerely,

Sheila Dellavedova
Vice President & Account Manager
U. S. Bank Institutional Trust & Custody

FedEx
Express



FedEx carbon-neutral
envelope shipping

FZ
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Align top of FedEx Express® shipping label here.

ORIGIN ID: BVUA (425) 467-5400
DEBORAH FLEMING
SISTERS OF ST JOSEPH OF PEACE
1663 KILLARNEY WAY

SHIP DATE: 26JUL18
ACTWGT: 0.10 LB
CAD: 6996061/SSF01904

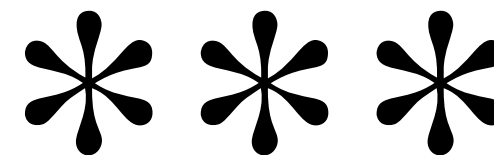
BELLEVUE, WA 98004
UNITED STATES US

BILL THIRD PARTY

TO **ELENA KRAUS**
WALGREENS BOOTS ALLIANCE
108 WILMOT ROAD
MS#1858
DEERFIELD IL 60015

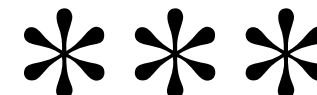
1858

(847) 315-3700
REF: INU: DEPT:



SH OBKA

60015
IL-US ORD



Part # 158237-5001/PS5827/ES55 07/19

From: Adam Kanzer <akanzer@domini.com>
Sent: Tuesday, July 31, 2018 10:27 AM
To: Kraus, Elena; Chin, Kelsey; shish.kohli@wba.com
Cc: Donna Meyer; Meredith Miller
Subject: Domini Shareholder Proposal submission
Attachments: Walgreens Proposal filing 073018.pdf

Importance: High

Dear Ms. Kraus:

Attached, please find a shareholder proposal submitted for inclusion in your next proxy statement. We are co-filing with Donna Meyer of Mercy Investment Services. You should receive a hard copy by UPS today.

Please let me know if you need anything further. We look forward to dialogue on the proposal.

Sincerely,

Adam

Adam Kanzer | akanzer@domini.com | 212-217-1027
Managing Director of Corporate Engagement
Domini Impact Investments LLC
180 Maiden Ln, Suite 1302 New York, NY 10038-4925
Main: 212-217-1100
Shareholder Information Line: 800-582-6757

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July 30, 2018

Ms. Elena Kraus
Interim Acting Corporate Secretary
Walgreens Boots Alliance, Inc.
108 Wilmot Road, MS #1858
Deerfield, IL 60015

Re: Submission of Shareholder Proposal

Dear Ms. Kraus:

I am writing to you on behalf of the Domini Impact Equity Fund, a long-term Walgreens Boots Alliance shareholder. As of June 30, 2018, Walgreens Boots Alliance was a top ten holding, representing an investment of more than 300,000 shares.

We are writing to submit the enclosed shareholder proposal seeking greater board oversight of risks related to the opioid crisis. The attached shareholder proposal is submitted for inclusion in the next proxy statement in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities Act of 1934. The Fund has held more than \$2,000 worth of Walgreens Boots Alliance shares for greater than one year, and will maintain ownership of the required number of shares through the date of the next stockholders' annual meeting. A letter verifying our ownership of Walgreens shares from our portfolio's custodian is forthcoming under separate cover. A representative of the filers will attend the stockholders' meeting to move the resolution as required by SEC Rules.

Mercy Investment Services is serving as lead filer of this proposal. I would appreciate being copied on any correspondence relating to the proposal. We strongly believe the attached proposal is in the best interests of our company and its shareholders, and welcome the opportunity to discuss the issues raised by the proposal with you at your earliest convenience. I can be reached at (212) 217-1027, or at akanzer@domini.com.

Sincerely,

Adam Kanzer
Vice President, Domini Impact Equity Fund
Managing Director of Corporate Engagement, Domini Impact Investments LLC

cc:

Donna Meyer, PhD, Director of Shareholder Advocacy, Mercy Investment Services
Encl.

RESOLVED, that shareholders of Walgreens Boots Alliance Inc. (“Walgreens”) urge the Board of Directors (the “Board”) to report to shareholders by June 30, 2019 describing the corporate governance changes Walgreens has implemented since 2012 to more effectively monitor and manage financial and reputational risks related to the opioid crisis, including whether and how the Board oversees Walgreens’ opioid-related programs and AmerisourceBergen’s opioid-related risks, whether the crisis has been designated (or is encompassed within) a material corporate social responsibility (CSR) issue and whether and how Walgreens has changed senior executive incentive compensation arrangements.

The report should be prepared at reasonable cost and should omit confidential and proprietary information.

SUPPORTING STATEMENT

Opioid abuse is a public health crisis: The Centers for Disease Control and Prevention reported that opioid abuse caused more than 42,000 U.S. deaths in 2016. The economic and social effects of the crisis are profound. A recent report pegged the cumulative economic toll of the opioid epidemic at over \$1 trillion. (<https://altarum.org/about/news-and-events/economic-toll-of-opioid-crisis-in-u-s-exceeded-1-trillion-since-2001>) Opioid use and dependency is a key factor in the decline in prime-age male labor force participation. (https://www.brookings.edu/wp-content/uploads/2017/09/1_krueger.pdf)

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Walgreens is a defendant in the Ohio multidistrict opioid litigation. (<https://www.nytimes.com/2018/02/27/us/politics/justice-department-opioid-lawsuit.html>) The states of Delaware and Kentucky, the City of Miami and the Cherokee Nation have also sued Walgreens for improperly dispensing opioids. (The Kentucky lawsuit contends that Walgreens also acted as a wholesale distributor in that state.) In March 2018, the Drug Enforcement Administration conducted an administrative inspection of a Walgreens pharmacy in California that had purchased an unusually large number of opioid pills and had an “unexplained loss” of 8,000 hydrocodone tablets. (<https://www.revealnews.org/article/this-walgreens-gets-5-times-us-average-of-oxycodone-the-dea-is-asking-why/>; <https://www.documentcloud.org/documents/4452667-Return-Accounting-for-Items-Seized.html>)

Walgreens owns 26% of distributor AmerisourceBergen, which faces significant financial and reputational consequences for its role in the opioid epidemic, and the two companies have talked about combining.
(<https://www.cnbc.com/2018/02/27/walgreens-and-amerisourcebergen-deal-talks-of-cooled-.html>; https://www.washingtonpost.com/national/drug-executives-to-testify-before-congress-about-their-role-in-us-opioid-crisis/2018/04/12/89e7ccf2-3db6-11e8-974f-aacd97698cef_story.html?utm_term=.5670fdc325f6)

In our view, corporate governance can play an important role in effectively addressing opioid-related risks and we think shareholders would benefit from a fuller understanding of how Walgreens' governance has changed since 2012 to serve that function. For example, Walgreens' most recent proxy statement asserts that individual performance is considered in determining annual incentive awards, but does not indicate whether any opioid-related objectives, such as promoting ethical conduct, are part of that assessment. Walgreens' 2017 CSR report touts Walgreens' opioid-related initiatives such as take-back programs but does not indicate whether the Board's Nominating and Governance Committee oversees them or Walgreens' anti-diversion efforts. Nor is it clear from the report how the opioid crisis fits into Walgreens' designation of material CSR issues.

(https://www.walgreensbootsalliance.com//content/1110/files/Walgreens-Boots-Alliance_Corporate-Social-Responsibility-Report-2017.pdf)

We urge shareholders to vote for this proposal.

From: Adam Kanzer <akanzer@domini.com>
Date: August 16, 2018 at 8:29:19 AM CDT
To: "Chin, Kelsey" <kelsey.chin@wba.com>
Cc: Donna Meyer <dmeyer@mercyinvestments.org>, "Kraus, Elena" <elena.kraus@walgreens.com>, "shish.kohli@wba.com" <shish.kohli@wba.com>
Subject: RE: Domini Shareholder Proposal submission

Dear Kelsey:

Attached, please find a letter from the Domini Impact Equity Fund's custodian, State Street, attesting to our ownership of the required number of shares to submit a shareholder proposal. Please let me know if you need anything further.

Sincerely,

Adam

Adam Kanzer | akanzer@domini.com | 212-217-1027
Managing Director of Corporate Engagement
Domini Impact Investments LLC
180 Maiden Ln, Suite 1302 New York, NY 10038-4925
Main: 212-217-1100
Shareholder Information Line: 800-582-6757

From: Chin, Kelsey [<mailto:kelsey.chin@wba.com>]
Sent: Tuesday, July 31, 2018 11:45 AM
To: Adam Kanzer <akanzer@domini.com>
Subject: RE: Domini Shareholder Proposal submission

Thank you, Adam.

Kelsey Chin
Director, Tax and Capital Markets - Legal
Walgreens Boots Alliance, Inc.
104 Wilmot Road | MS#144E | Deerfield, IL 60015
T: 224-300-9552

From: Adam Kanzer <akanzer@domini.com>
Sent: Tuesday, July 31, 2018 10:35 AM
To: Chin, Kelsey <kelsey.chin@wba.com>; Kraus, Elena <elena.kraus@walgreens.com>;
shish.kohli@wba.com
Cc: Donna Meyer <dmeyer@mercyinvestments.org>; Meredith Miller <mamiller@rhac.com>
Subject: RE: Domini Shareholder Proposal submission

Dear Kelsey –

Thank you for the confirmation. Yes, I can confirm that Ms. Meyer has the authority to act on our behalf, including presenting and withdrawing the proposal.

Sincerely,

Adam

Adam Kanzer | akanzer@domini.com | 212-217-1027
Managing Director of Corporate Engagement
Domini Impact Investments LLC
180 Maiden Ln, Suite 1302 New York, NY 10038-4925
Main: 212-217-1100
Shareholder Information Line: 800-582-6757

From: Chin, Kelsey [<mailto:kelsey.chin@wba.com>]
Sent: Tuesday, July 31, 2018 11:29 AM
To: Adam Kanzer <akanzer@domini.com>; Kraus, Elena <elena.kraus@walgreens.com>;
shish.kohli@wba.com
Cc: Donna Meyer <dmeyer@mercyinvestments.org>; Meredith Miller <mamiller@rhac.com>
Subject: RE: Domini Shareholder Proposal submission

Dear Adam,

Thank you. I confirm receipt.

Would you please confirm that Ms. Meyer has the authority to act on your behalf, including with respect to a withdrawal?

Kind regards,

Kelsey

Kelsey Chin
Director, Tax and Capital Markets - Legal
Walgreens Boots Alliance, Inc.
104 Wilmot Road | MS#144E | Deerfield, IL 60015
T: 224-300-9552

From: Adam Kanzer <akanzer@domini.com>
Sent: Tuesday, July 31, 2018 9:27 AM
To: Kraus, Elena <elena.kraus@walgreens.com>; Chin, Kelsey <kelsey.chin@wba.com>;
shish.kohli@wba.com
Cc: Donna Meyer <dmeyer@mercyinvestments.org>; Meredith Miller <mamiller@rhac.com>
Subject: Domini Shareholder Proposal submission
Importance: High

Dear Ms. Kraus:

Attached, please find a shareholder proposal submitted for inclusion in your next proxy statement. We are co-filing with Donna Meyer of Mercy Investment Services. You should receive a hard copy by UPS today.

Please let me know if you need anything further. We look forward to dialogue on the proposal.

Sincerely,

Adam

Adam Kanzer | akanzer@domini.com | 212-217-1027
Managing Director of Corporate Engagement
Domini Impact Investments LLC
180 Maiden Ln, Suite 1302 New York, NY 10038-4925
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8/16/18

Adam Kanzer
Managing Director of Corporate Engagement
Domini Impact Investments LLC
180 Maiden Ln, Suite 1302
New York, NY 10038-4925

Re: Custodial Letter

Mr. Kanzer,

As your custodian, State Street confirms that as of 7-31-18 the Domini Impact Equity Fund held, and has held continuously for at least one year, 138,917 shares of WALGREENS BOOTS ALLIANCE INC.

If you have any questions, please feel free to call me at (617) 662-4287.

James McCallum
Assistant Vice President