

November 3, 2020

**VIA E-MAIL**

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

Re: *Walgreens Boots Alliance, Inc.*  
*Supplemental Letter Regarding Stockholder Proposal of Domini Impact Equity Fund*  
*Securities Exchange Act of 1934—Rule 14a-8*

Ladies and Gentlemen:

In a letter dated September 18, 2020, and supplemented on October 30, 2020, we requested that the staff of the Division of Corporation Finance concur that our client, Walgreens Boots Alliance, Inc. (the “Company”), could exclude from its proxy statement and form of proxy for its 2021 Annual Meeting of Stockholders a stockholder proposal (the “Proposal”) and statements in support thereof received from Domini Impact Equity Fund (the “Proponent”).

Enclosed as Exhibit A is an email from the Proponent withdrawing the Proposal. In reliance on this communication, we hereby withdraw the September 18, 2020 no-action request.

Please do not hesitate to call me at (202) 955-8287, or to email Joseph B. Amsbary, Jr., the Company’s Vice President and Corporate Secretary, at [jake.amsbary@wba.com](mailto:jake.amsbary@wba.com), if you have questions.

Sincerely,



Elizabeth A. Ising

Enclosures

cc: Joseph B. Amsbary, Jr., Vice President, Corporate Secretary, Walgreens Boots Alliance, Inc.  
Mark L. Dosier, Senior Director, Securities Law, Walgreens Boots Alliance, Inc.  
Kelsey Chin, Assistant Corporate Secretary, Walgreens Boots Alliance, Inc.  
Corey Klemmer, Esq., Domini Impact Equity Fund

**EXHIBIT A**

**From:** [Corey Klemmer](#)  
**To:** [shareholderproposals@sec.gov](mailto:shareholderproposals@sec.gov); [\\*\\*\\* Shareholder Proposals - DC](#)  
**Cc:** [Amsbary Jr, Joseph](#); [Chin, Kelsey](#); [martha.peterson@wba.com](mailto:martha.peterson@wba.com); [Dosier, Mark](#); [Ising, Elizabeth A.](#); [Lankford, Zach](#)  
**Subject:** Walgreens Boots Alliance, Inc. Domini Proposal Withdrawal  
**Date:** Tuesday, November 3, 2020 7:10:11 AM

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[External Email]

To Whom it May Concern:

Based on the company's recent disclosure, Domini has elected to withdraw its proposal regarding bonus deferrals. Please contact me if you need any additional information.

Sincerely,  
Corey Klemmer

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**Corey Klemmer, CFA, Esq.**

Director of Engagement  
212-217-1027

Domini Impact Investments LLC  
180 Maiden Ln, Suite 1302 New York, NY, 10038-4925  
Main: 212-217-1100 Shareholder Information: 800-582-6757

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October 30, 2020

**VIA E-MAIL**

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

Re: *Walgreens Boots Alliance, Inc.*  
*Supplemental Letter Regarding Stockholder Proposal of Domini Impact Equity*  
*Fund*  
*Securities Exchange Act of 1934—Rule 14a-8*

Ladies and Gentlemen:

On September 18, 2020, we submitted a letter (the “No-Action Request”) on behalf of Walgreens Boots Alliance, Inc. (the “Company”) notifying the staff of the Division of Corporation Finance (the “Staff”) of the Securities and Exchange Commission (the “Commission”) that the Company intends to omit from its proxy statement and form of proxy for its 2021 Annual Meeting of Stockholders (collectively, the “2021 Proxy Materials”) a stockholder proposal (the “Proposal”) and statements in support thereof (the “Supporting Statement”) received from Domini Impact Equity Fund (the “Proponent”).

The Proposal states:

RESOLVED that shareholders of Walgreens Boots Alliance Inc. (“WBA”) urge the Compensation and Leadership Performance Committee (the “Committee”) of the board to adopt a policy authorizing the Committee to decline to pay in full an award (a “Bonus”) to a senior executive or group of senior executives under any annual cash incentive program (“Bonus Program”) that is based on one or more financial measurements (a “Financial Metric”) whose performance measurement period (“PMP”) is one year or shorter for a period (the “Deferral Period”) following the award. The policy should include a methodology for determining the length of the Deferral Period, should the Committee decide to defer, and adjusting the unpaid portion of the Bonus over the Deferral Period, in each case that allows accurate assessment of risks taken during the PMP that could have affected performance on the Financial Metric(s) and facilitates recoupment pursuant to WBA’s recoupment policy.

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The changes should be implemented in a way that does not violate any existing contractual obligation or the terms of any compensation or benefit plan currently in effect.

### **BASIS FOR SUPPLEMENTAL LETTER**

Consistent with the No-Action Request, we hereby respectfully request that the Staff concur in our view that the Proposal may properly be excluded from the 2021 Proxy Materials pursuant to Rule 14a-8(i)(10) because the administration of the Company's existing Management Incentive Plan (the "MIP") and Compensation Recoupment (Clawback) Policy (the "Clawback Policy"), together with the actions recently taken by the Compensation and Leadership Performance Committee (the "Committee") of the Company's Board of Directors to memorialize the CLPC Bonus Deferral Policy (as defined below), substantially implement the Proposal.

### **ANALYSIS**

#### **The Proposal May Be Excluded Under Rule 14a-8(i)(10) Because The Company Has Substantially Implemented The Proposal**

##### *A. Background*

The Proposal requests that the Committee adopt a policy authorizing the Committee to decline to pay in full certain annual cash bonuses to senior executive officers, which shall include a methodology for both determining the length and terms of any such deferrals that allows for the assessment of risks taken during the performance measurement period and facilitates recoupment. As noted in the No-Action Request, the only Company compensatory plan or program pursuant to which annual cash incentives are awarded to senior executives is the MIP, which designates the Committee as the administrator of the MIP and specifically permits the deferral of bonuses, as requested by the Proposal. The MIP is attached hereto as Exhibit A.<sup>1</sup> Further, the Company's Board of Directors delegated authority to the Committee to discharge its responsibility relating to "the establishment, maintenance and administration of compensation and benefit policies and programs," and the compensation of the Company's senior executive officers, as provided for in the Compensation and Leadership Performance Committee Charter attached here to as Exhibit B (the "Committee Charter").

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<sup>1</sup> The MIP is also attached to the Company's Form 10-K for the year ended August 31, 2016 as Exhibit 10.2 and is available at <https://www.sec.gov/Archives/edgar/data/1618921/000114036116083198/form10k.htm#Item15>.

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Moreover, as explained in the No-Action Request, the Committee already has a process for reviewing and approving incentive compensation awarded and paid pursuant to the MIP in a manner that satisfies the essential objectives of the Proposal. In order to demonstrate this, the Committee recently adopted resolutions (the “CLPC Bonus Deferral Policy”) confirming its policy with respect to administering the deferral of bonuses for senior executives that are based on one or more financial metrics whose performance measurement period is one year or shorter, including its methodology for determining the length of deferrals and adjusting any such bonuses, which combined with the Clawback Policy substantially implements the Proposal.

B. *The Company’s MIP, CLPC Bonus Deferral Policy And Clawback Policy, Taken Together, Substantially Implement The Proposal*

1. Management Incentive Plan

The MIP is the Company’s sole annual incentive program and is a cash-based bonus program that is based on fiscal year financial performance metrics and impacts bonus payments to more than 10,000 Company employees, including its senior executives. The MIP grants the Committee broad powers and discretion in establishing the terms of and methodology for administering the MIP. For example:

- Under Section 6 of the MIP, the Committee serves as administrator of the Plan and “has ultimate authority and responsibility for the administration of the Plan.” The MIP grants the Committee “all powers necessary to administer the Plan, including, without limitation, the power to interpret the provisions of the Plan, [and] to decide all questions of eligibility, to establish rules and forms for the administration of the Plan.” In fact, Section 6 provides that all decisions and interpretations of the Committee with respect to any question of administration, interpretation and application of the Plan shall be final.
- Section 4 of the MIP sets forth how bonuses shall be determined, and it provides that all bonuses must be approved by the Committee, including “bonus structure and accompanying details for that Plan Year.” Section 4.a specifies that performance measures (4.a.(2)), target bonus levels (4.a.(3)) and any “Individual Adjustments that may be applied, whether based on pre-established individual performance measures or determined on a discretionary basis” (4.a.(4)), are all reviewed and considered by the Committee.
- Relatedly, the MIP specifically contemplates that the Committee may reduce bonus awards. “Individual Adjustment” is defined by Section 2.g of the MIP as “the amount of any increase or reduction in the bonus share that would otherwise be allocated to a Participant; or shall mean any separate individual performance bonus component, as

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applicable.” As such, pursuant to Sections 4 and 6, the Committee’s powers include the ability to increase, reduce or otherwise adjust MIP bonuses for any Participant.

- Section 9.e. of the MIP further provides that the Committee has discretion to defer payment of any bonus: “Bonuses otherwise payable hereunder may be paid on a deferred basis pursuant to any deferred compensation program that may be implemented with Committee approval in compliance with the requirements of Internal Revenue Code Section 409A and the regulations thereunder.”
- Sections 4.b and 4.d of the MIP provide for the timing of payment of any bonus. Specifically, pursuant to Section 4.b: “After the end of each Plan Year when the computations and accounting determinations required to determine Plan bonuses have been completed, the highest-ranking accounting officer of the Company will report to the Committee that in his or her opinion those computations and accounting determinations were made in reasonable accordance with the terms of the Plan, and generally accepted accounting principles, subject to any adjustments provided for under the terms of paragraph 4c of the Plan and the certifications provided for under the terms of this paragraph 4b.” Additionally, per Section 4.d: “The bonuses earned by Participants under the terms of the Plan will be paid to Participants after the first meeting of the Board of Directors which follows the end of the applicable Plan Year, but in no event later than the date by which such bonuses must be paid in order to be allowed as a Federal income tax deduction for the fiscal year coinciding with such Plan Year.”
- Section 3 grants the Committee broad authority and discretion to determine eligibility under the MIP, and provides that “all awards and payments are ultimately subject to the approval and authorization of the Committee.”

## 2. CLPC Bonus Deferral Policy

At a meeting held on October 28, 2020, the Committee reviewed an articulation of the Committee’s administration of the MIP and the Committee’s annual review process in connection therewith, including with respect to bonus deferrals. Following such review, the Committee memorialized the CLPC Bonus Deferral Policy. Specifically, the Committee adopted resolutions, attached hereto as Exhibit C, confirming that:

- Under the MIP, the Committee establishes a funding target based in whole or in part upon a financial performance measure reflecting the budget for adjusted Operating Income, or any approved finance measure approved by the Committee under the MIP, subject to adjustment based on performance against budget over the fiscal year.

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- The Committee defers all decisions on payment of awards under the MIP until after year-end audited financial statements are complete and defers payment of bonuses in full, as provided for in the MIP, for a period of up to the 15th day of the third month after the end of the applicable performance period.
- As part of the Committee’s annual year-end review of bonus awards under the MIP, and consistent with its responsibilities as set forth in the Committee Charter<sup>2</sup>, the Committee assesses how performance was achieved, including whether the Company was subjected to inappropriate risks. As part of this assessment, the Committee evaluates the performance and conduct of individual executives, including consideration of any inappropriate risk taking that should result in negative bonus adjustment and whether there has been any misconduct to support application of the Company’s Clawback Policy.
- If the Committee determines, in a manner consistent with 409A of the Internal Revenue Code, to further defer full payment of a bonus award, pursuant to the authority and flexibility granted to the Committee by the MIP, the Committee would, in its sole discretion, determine the length of any deferral period and any adjustments to the unpaid portion of the bonus over such deferral period. In doing so, the Committee would consider, among other things, the nature of the circumstances giving rise to the deferral decision and the appropriate deferral period taking into account such circumstances.
- The foregoing practice reflects the Committee’s policy on bonus deferrals under the MIP and would be applied under any other annual cash incentive bonus program for senior executives that are based on one or more financial metrics whose performance measurement period is one year or shorter.

### 3. Clawback Policy

Additionally, the Company has a Clawback Policy, which applies to all forms of incentive compensation. The Clawback Policy specifically provides the Committee with the discretion to recoup amounts of excess incentive compensation paid to an officer in conjunction with any materially incorrect results (even if not resulting in a restatement), or misconduct on the part of the executive officer, including fraud or other conduct that would lead to a “for cause” termination (as defined in the Clawback Policy). Accordingly, the

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<sup>2</sup> The Committee Charter specifically provides, in a section entitled “Specific Duties,” that the Committee shall: “[r]eview, at least annually, the Company’s compensation programs for the purpose of assessing whether risks arising from the design and implementation of those programs are reasonably likely to have a material adverse effect on the Company, such as the extent to which such programs encourage excessive or inappropriate risk-taking or earnings manipulation.”

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Committee may, in its discretion, require that all or any portion of any bonus paid or payable pursuant to the MIP to a participant be recouped.<sup>3</sup>

As demonstrated above, the CLPC Bonus Deferral Policy, together with the MIP and the Clawback Policy, substantially implement the Proposal. Specifically, as requested by the Proposal, the Committee has:

<b><u>Proposal</u></b>	<b><u>Company Policy</u></b>
1. adopted a policy	CLPC Bonus Deferral Policy; the MIP (which is overseen by the Committee)
2. authorizing the Committee to decline to pay in full a Bonus to a senior executive or group of senior executives under any annual cash incentive program that is based on one or more financial measurements whose performance measurement period is one year or shorter	CLPC Bonus Deferral Policy; Sections 3, 4, and 6 of MIP
3. for a period following the award	CLPC Bonus Deferral Policy; Sections 4.b, 4.d and 9.e of MIP
4. policy should include a methodology for determining the length of the deferral period and adjusting the unpaid portion of the bonus over the deferral period	CLPC Bonus Deferral Policy

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<sup>3</sup> The Company’s Clawback Policy authorizes the Committee to seek reimbursement of incentive awards from an executive officer if there is a restatement of financial results or other misconduct (including fraud). The Committee may look back for a three-year period prior to the restatement or other misconduct for the recoupment, and may look to both current and former executive officers. Additionally, the Clawback Policy provides the Committee with discretion to recoup amounts of excess incentive compensation paid to an officer in conjunction with any materially incorrect results (even if not resulting in a restatement), or misconduct on the part of the executive officer, including fraud or other conduct that would lead to a “for cause” termination (as defined in the Clawback Policy). See the Company’s 2020 Proxy Statement and Notice of Annual Meeting of Stockholders at 68, available at [https://s1.q4cdn.com/343380161/files/doc\\_financials/2019/annual/2020-Annual-Meeting-of-Stockholders-and-Proxy-Statement.pdf](https://s1.q4cdn.com/343380161/files/doc_financials/2019/annual/2020-Annual-Meeting-of-Stockholders-and-Proxy-Statement.pdf).

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5. in each case that allows accurate assessment of risks taken during the performance measurement period that could have affected performance on the Financial Metric(s)	CLPC Bonus Deferral Policy; Committee Charter
6. and facilitates recoupment pursuant to WBA’s recoupment policy	Clawback Policy

As demonstrated above, the CLPC Bonus Deferral Policy, the MIP and the Clawback Policy already implement the Proposal’s request seeking adoption of a policy authorizing the Committee to defer full payment of bonuses in its discretion and a methodology for determining the terms of any such deferrals, in each case that allows for assessment of the risks taken during the performance measurement period and facilitates recoupment pursuant to the Clawback Policy. When a company has already acted favorably on an issue addressed in a stockholder proposal, Rule 14a-8(i)(10) does not require the company and its stockholders to consider the issue. In this regard, it is well established that if a company has satisfactorily addressed a proposal’s “essential objective,” the proposal will be deemed “substantially implemented” and, therefore, may be excluded as moot. *See, e.g., Exelon Corp.* (avail. Feb. 26, 2010); *Anheuser-Busch Companies, Inc.* (avail. Jan. 17, 2007); *ConAgra Foods, Inc.* (avail. July 3, 2006); *Johnson & Johnson* (avail. Feb. 17, 2006); *The Talbots Inc.* (avail. Apr. 5, 2002); *Masco Corp.* (avail. Mar. 29, 1999); and *The Gap, Inc.* (avail. Mar. 8, 1996).

Further, the Staff has previously concurred that a company substantially implemented a stockholder proposal seeking adoption by the board of a policy relating to senior executive compensation where the requested policy was evidenced through resolutions of a committee of the board or action amending a compensatory plan. *See Citigroup Inc.* (avail. Jan. 15, 2015) and *AT&T Inc.* (avail. Jan 22, 2014), each of which were discussed in the No-Action Request. Like in *AT&T*, where the company relied on the terms of its equity incentive plan, as amended, to demonstrate that it had substantially implemented a proposal requesting the adoption of a policy pertaining to a component of executive compensation, here the Company relies, in part, on the MIP to demonstrate that it has substantially implemented the Proposal’s request for a policy granting the Committee the authority to defer full payment of certain bonuses. Like the compensation plan in *AT&T*, here, the MIP by its terms already addresses the concern raised in the Proposal, since the Committee is vested with the authority to defer bonuses. Further, as in *Citigroup*, where the company evidenced its substantial implementation of a proposal seeking adoption of a policy pertaining to the vesting of certain equity awards by providing the text of resolutions of the company’s compensation committee confirming its policy with respect to the subject of the proposal, here too the Company has substantially implemented the Proposal because the Committee adopted resolutions confirming the CLPC Bonus Deferral Policy and has provided the text of those resolutions herewith. In each case the Staff concurred that exclusion of the proposal was warranted

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based on the existing company policy, whether demonstrated through a board action or compensatory plan. Here, the Company provides both. Not only do the MIP and the Clawback Policy demonstrate that the Committee already has policies pursuant to which it has the discretion to defer bonuses and the authority to recoup payments, but the Committee also confirmed its process and methodology for determining deferrals, as articulated in the CLPC Bonus Deferral Policy. Accordingly, and consistent with precedent, the Proposal may properly be excluded under Rule 14a-8(i)(10).

## CONCLUSION

Based upon the foregoing analysis, the Company intends to exclude the Proposal from its 2021 Proxy Materials, and we respectfully request that the Staff concur that the Proposal may be excluded under Rule 14a-8(i)(10). In accordance with Rule 14a-8(j), a copy of this supplemental letter and its attachments is being sent on this date to the Proponent.

We would be happy to provide you with any additional information and answer any questions that you may have regarding this subject. Correspondence regarding this letter should be sent to [shareholderproposals@gibsondunn.com](mailto:shareholderproposals@gibsondunn.com). If we can be of any further assistance in this matter, please do not hesitate to call me at (202) 955-8287.

Sincerely,



Elizabeth A. Ising

Enclosures

cc: Joseph B. Amsbary, Jr., Vice President, Corporate Secretary, Walgreens Boots Alliance, Inc.  
Mark L. Dosier, Senior Director, Securities Law, Walgreens Boots Alliance, Inc.  
Kelsey Chin, Assistant Corporate Secretary, Walgreens Boots Alliance, Inc.  
Corey Klemmer, Esq., Domini Impact Equity Fund

**EXHIBIT A**

**WALGREENS BOOTS ALLIANCE, INC. MANAGEMENT INCENTIVE PLAN**

(As amended and restated effective July 1, 2016)

Walgreen Co. ("Walgreens") previously maintained the Walgreen Co. Management Incentive Plan (the "Plan"). On December 31, 2014, a reorganization of Walgreens into a holding company structure (the "Reorganization") was completed. Pursuant to the Reorganization, Walgreens became a wholly owned subsidiary of a new Delaware corporation named Walgreens Boots Alliance, Inc. (the "Company"). In connection with the Reorganization, the Plan was assumed by the Company and the Plan was amended and restated, effective as of December 31, 2014, in order to reflect such assumption. The Plan is hereby further amended and restated, effective as of July 1, 2016, in order to provide for certain terms and conditions related to non-U.S. participants.

1. **Purpose:** The purpose of the Plan is to provide special incentive and motivation to eligible employees through annual bonuses.
2. **Definitions:** Whenever used in the Plan, the following terms shall have the meanings set forth below, unless the context clearly provides otherwise:
  - a. The term "Base Salary" shall mean, (i) for U.S. Participants the hourly or salaried base compensation paid during the fiscal year, and any such base salary earned but deferred or reduced pursuant to a Company Section 401(k) plan, or Section 125 plan, or another Company deferral plan, but excluding any incentive or other bonuses, stock purchase discounts, or other fringe benefits or supplementary remuneration; and (ii) for non-U.S. Participants, bonus-eligible base compensation, as defined by Local Rules.
  - b. The term "Committee" shall mean the Compensation Committee of the Board of Directors of the Company.
  - c. The term "Company" shall mean Walgreens Boots Alliance, Inc., a Delaware corporation, and, as applicable, subsidiaries and affiliates of Walgreens Boots Alliance, Inc. whose employees are eligible to participate in the Plan.
  - d. The term "Disability" shall mean total disability as determined by the Committee, consistent with how the Company determines whether termination of employment is upon disability for other benefit plan purposes, and such determination may vary based on Local Rules.
  - e. The term "Employee" shall mean any employee of the Company, including, but not limited to, the officers of Walgreens Boots Alliance, Inc. Employee shall not include any person who is not classified as an employee in the common law sense in the records of the Company, even if those records are subsequently determined to have been in error or the person is subsequently reclassified as an employee. For example, no person shall be considered to be an Employee for any period of time during which he or she: (1) is a leased employee; (2) is an independent contractor; or (3) is otherwise not classified as an employee in the records of the Company.
  - f. The term "Extraordinary Items" shall mean significant transactions that are different from the typical or customary business transactions and are not expected to occur frequently as determined by the informed professional judgment of the Chief Financial Officer of the Company after taking into consideration all the facts involved in a particular situation and the objectives of the Plan.

- g. The term "Individual Adjustment" shall mean the amount of any increase or reduction in the bonus share that would otherwise be allocated to a Participant; or shall mean any separate individual performance bonus component, as applicable.
  - h. The term "Local Rules" shall mean terms and conditions of the Plan applied on a customized basis to all or portions of non-U.S. Participants based on country-specific rules and/or business unit specific rules or practices, as defined, documented and administered at the local business unit level.
  - i. The term "Participant" shall mean any Employee who participates in and is eligible to receive incentive compensation pursuant to paragraph 3 of the Plan.
  - j. The term "Plan Year" shall mean the fiscal year of Walgreens Boots Alliance, Inc., which runs from September 1 to the following August 31, or such other 12-month period as may be designated by the Committee.
  - k. The term "Retirement" shall mean termination of employment from the Company in good standing, as determined by the Committee or its delegates, and after having attained at least age 55 and at least 10 years of continuous service; or as may otherwise be defined based on Local Rules.
3. Eligibility and Participation: The Committee shall have the authority and discretion to determine the class or classes of Employees eligible to participate in the Plan for any Plan Year. As of the effective date of this amended and restated Plan, the following categories of Employees shall be eligible to participate in the Plan:
- a. Any Walgreens U.S. Employee whose job position is within the Analysis pay band and above or its equivalent and is not covered by another Company management incentive plan;
  - b. Any non-U.S. Employee of the Company whose position is in the Company's executive level 7 (or its equivalent) or above; and
  - c. Any other Employee who is approved for participation by the Committee, based on the recommendation of Company management that he or she is in a position to make a substantial contribution to the success of the Company by exceptional service in a supervisory or staff position.

The Committee shall also have the authority to approve or deny Plan participation to any individual Employee. No Employee shall have a contractual right to receive any incentive award or payment, as all awards and payments are ultimately subject to the approval and authorization of the Committee.

4. Determination of Bonuses: Participant bonuses for each Plan Year shall be determined as follows:

- a. Prior to the beginning of the Plan Year, or as early in the Plan Year as is practical considering the circumstances, management will recommend for Committee approval the bonus structure and accompanying details for that Plan Year. Such recommendation shall cover the following areas and any other pertinent bonus provisions:
  - (1) The class or class of employees eligible to participate in the Plan for such Plan Year.

- (2) The performance measure or measures upon which bonuses shall be based, and the extent to which such measures shall be based on overall Company, division, or business unit performance, or some combination thereof. The application of such performance measures may vary among different categories of Participants.
- (3) Target bonus levels (typically expressed as a percentage of Base Salary), threshold and maximum bonus levels (typically expressed as a percentage of the target bonus level), and the corresponding Company performance measure or measures. Such bonus levels may vary for different groups of Participants as determined by the Committee.
- (4) Any Individual Adjustments that may be applied, whether based on pre-established individual performance measures or determined on a discretionary basis.

- b. After the end of each Plan Year when the computations and accounting determinations required to determine Plan bonuses have been completed, the highest-ranking accounting officer of the Company will report to the Committee that in his or her opinion those computations and accounting determinations were made in reasonable accordance with the terms of the Plan, and generally accepted accounting principles, subject to any adjustments provided for under the terms of paragraph 4c of the Plan and the certifications provided for under the terms of this paragraph 4b.
- c. In the event that the Company experiences any Extraordinary Items, the Chief Financial Officer, in consultation with the Chief Human Resources Officer, will recommend to the Committee, whether such Extraordinary Items will be included in or excluded from the determination of the Company's financial performance measure or measures used in determining the bonus for the Plan Year.
- d. The bonuses earned by Participants under the terms of the Plan will be paid to Participants after the first meeting of the Board of Directors which follows the end of the applicable Plan Year, but in no event later than the date by which such bonuses must be paid in order to be allowed as a Federal income tax deduction for the fiscal year coinciding with such Plan Year.

5. Participation for Partial Plan Years:

- a. Any Plan Participant whose employment with the Company terminates during a Plan Year for reasons other than Retirement, Disability or death shall not be eligible for a bonus for that Plan Year. Notwithstanding the foregoing, Company management may recommend to the Committee for its approval a discretionary bonus for any terminated Participant if in the judgment of management such a discretionary bonus is warranted.
- b. Any Plan Participant whose employment with the Company terminates during a Plan Year due to Retirement, Disability or death shall be eligible for a pro-rated bonus for such Plan Year, based on Base Salary earned while a Participant in the Plan prior to such termination of employment.
- c. A Participant who is eligible for a bonus hereunder for a portion of a Plan Year (due to hire, promotion or transfer during that Plan Year), shall generally be eligible for a bonus under this Plan based on Base Salary earned during the eligible portion of the Plan Year. Notwithstanding the foregoing, the bonus amount payable to a Participant who is hired within the Plan Year, moves to a different target bonus level during the Plan Year, or receives payment under another Company incentive plan during the current or prior year, shall be subject to the discretion of the Committee and its delegates.

- d. Subject to the end-of-year employment requirement set forth in paragraph 5a above, a Plan Participant who is on a Company-approved leave of absence (other than a Personal Leave of absence) for a portion of a Plan Year shall remain eligible for a bonus for up to the first six months of such leave of absence. Any short-term disability pay during any such leave of absence shall be included in such Participant's bonusable Base Salary.
  - e. The foregoing provisions of this paragraph 5 are subject to any Local Rules as may apply in determining (i) bonus eligibility for Employees who are hired or transferred during the Plan Year, or for Participants who terminate employment during the Plan Year or prior to the bonus payment date; and (ii) bonusable Base Salary determinations for those who are Participants for partial Plan Years due to hire, transfer or termination, and for Participants who are on Company-approved leaves of absence during the Plan Year.
6. Administration. Subject to the terms of the Plan and the powers granted to the full Board of Directors, the Committee has ultimate authority and responsibility for the administration of the Plan. The Committee shall have all powers necessary to administer the Plan, including, without limitation, the power to interpret the provisions of the Plan, to decide all questions of eligibility, to establish rules and forms for the administration of the Plan, and to delegate specific duties and responsibilities to officers or other employees of the Company. All determinations, interpretations, rules, and decisions of the Committee with respect to any question arising out of or in connection with the administration, interpretation and application of the Plan and the rules and regulations promulgated hereunder shall be final, conclusive and binding upon all persons having or claiming to have any interest or right under the Plan.
7. Indemnification. The Company shall indemnify the members of the Committee, the other members of the Board of Directors and all Company officers and other employees responsible for administering the Plan against any and all liabilities arising by reason of any act or failure to act made in good faith in accordance with the provisions of the Plan. For this purpose, liabilities include expenses reasonably incurred in the defense of any claim relating to the Plan.
8. Amendment and Termination. The Plan may be amended from time to time or terminated at any time by the Board of Directors of Walgreens Boots Alliance, Inc., or the Compensation Committee thereof to the extent so delegated by the Board of Directors.
9. General Plan Provisions:
- a. In addition to bonuses determined and paid pursuant to paragraph 4 hereof, nothing in this Plan is intended to limit the authority of the Committee (i) to award additional discretionary bonuses to one or more senior executives of the Company as the Committee deems appropriate from time to time and/or to (ii) approve additional discretionary bonus pools to be allocated among Participants as determined by the Committee.
  - b. The impact of the payment of bonuses under the Plan on Participants' other Company employee benefits shall be based on the governing terms of such other employee benefit plans and programs, or as determined by the Committee or its delegates, where necessary.

- c. Neither the existence of the Plan nor any substantive aspect of the Plan shall give any Participant the right to continued employment with the Company for any period of time or shall interfere with the right of the Company to discipline or discharge a Participant at any time.
- d. The Company shall withhold from any bonus payment made pursuant to the Plan any taxes required to be withheld from such payment under local, state or federal law.
- e. Bonuses otherwise payable hereunder may be paid on a deferred basis pursuant to any deferred compensation program that may be implemented with Committee approval in compliance with the requirements of Internal Revenue Code Section 409A and the regulations thereunder.
- f. The Company shall not be required to fund or otherwise segregate any cash or other assets for purposes of meeting its obligations under the Plan.
- g. The provisions of the Plan shall be construed and interpreted according to the laws of the State of Illinois, except as preempted by federal law.
- h. A Participant shall not have any right to pledge, hypothecate, anticipate or in any way create a lien upon any amounts provided under this Plan and no benefits payable hereunder shall be assignable in anticipation of payment either by voluntary or involuntary acts, or by operation of law.
- i. The Plan shall be binding upon the Company and any successor of the Company, including without limitation any corporation or other entity acquiring directly or indirectly all or substantially all of the assets of the Company whether by merger, consolidation, sale or otherwise. Such successor shall thereafter be deemed the "Company" for the purposes of the Plan.

**EXHIBIT B**

**Walgreens Boots Alliance, Inc.**  
**Compensation and Leadership Performance Committee Charter**

**Purpose**

The Board of Directors (the “Board”) of Walgreens Boots Alliance, Inc. (the “Company”) has established the Compensation and Leadership Performance Committee (the “Committee”) to discharge the Board’s responsibility relating to (1) the establishment, maintenance and administration of compensation and benefit policies and programs designed to attract, motivate and retain personnel with the requisite skills and abilities to enable the Company to achieve its business objectives; (2) the compensation of the Company’s Chief Executive Officer (“CEO”) and the Company’s other senior executive officers (which term includes the Company’s “executive officers” as defined by Rule 3b-7 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”) and the Company’s “officers” as defined by Rule 16a-1(f) under the Exchange Act); (3) ensuring that succession planning takes place for the CEO and other senior management positions; and (4) compliance with the compensation rules, regulations and guidelines promulgated by The Nasdaq Stock Market (“Nasdaq”), the Securities and Exchange Commission (the “SEC”) and other authorities, as applicable.

In addition to the powers and responsibilities expressly delegated to the Committee in this Charter, the Committee may exercise any other powers and carry out any other responsibilities delegated to it by the Board. To the fullest extent permitted by law, the Committee shall have the power to determine which matters are within the scope of the powers and responsibilities delegated to it.

**Composition**

The Committee will consist of no fewer than three directors. Each member of the Committee must meet the independence requirements of Nasdaq (including the additional factors relevant to the determination of independence of members of compensation committees). Each member of the Committee must also qualify as an “outside” director within the meaning of Internal Revenue Code Section 162(m) and as a “non-employee” director within the meaning of Rule 16b-3 under the Exchange Act. Determinations of whether a particular director satisfies the requirements for membership on the Committee will be made by the Board.

The members of the Committee are appointed by the Board upon recommendation of the Nominating and Governance Committee, and serve at the discretion of the Board. One member of the Committee will be appointed by the Board as Chair, upon recommendation of the Nominating and Governance Committee. The Board may remove Committee members, with or without cause, upon the recommendation of the Nominating and Governance Committee. Any action duly taken by the Committee shall be valid and effective, whether or not the members of the Committee at the time of such action are later determined not to have satisfied the requirements for membership provided herein.

**Authority and Delegation**

In fulfilling its responsibilities, the Committee may, on its own initiative and in its sole discretion, retain or obtain the advice of compensation consultants, legal counsel and other advisors (collectively, “Advisors”), who may, but need not be, independent. The Committee will be directly responsible for

appointing, compensating and overseeing the work of the Advisors, and shall receive appropriate funding from the Company, as determined by the Committee, for payment of reasonable compensation to such Advisors. In exercising this authority to select or receive advice from an Advisor, the Committee will take such Advisor's independence into consideration in accordance with the applicable stock exchange listing standards and legal requirements.

The Committee may also delegate to one or more subcommittees such duties as the Committee deems necessary and appropriate.

### **Meetings**

The Committee shall meet at least quarterly, and may hold such additional meetings as the Committee or the Committee Chair deems necessary. Notice of all Committee meetings will be given, and waiver thereof determined, in accordance with the notice and waiver of notice requirements applicable to the Board.

A majority of the members, present in person, by phone, or via other electronic media, will constitute a quorum. A majority of the members present at a duly constituted meeting may decide any question brought before the Committee. The Committee may act by written consent to the extent permitted by and in accordance with the by-laws of the Company.

The Committee may request that members of management, the Secretary of the Company, any advisors retained by the Committee, or any other person whose presence the Committee believes to be desirable or appropriate be present at its meetings; provided that the Committee shall hold executive sessions at least once per year at which no members of management may be present.

### **Minutes**

The Secretary of the Company or the Chair's designate will prepare the minutes of the Committee's meetings. Minutes will be distributed to Committee members and to the Company's directors who are not Committee members. The Secretary of the Company will maintain copies of all minutes as permanent records.

### **Specific Duties**

Acting in a manner that is consistent with the purpose and authority described above, the Committee will perform such specific duties as it deems appropriate. The following responsibilities are set forth as a guide to the Committee with the understanding that the Committee may alter or supplement them consistent with its authority outlined under the heading "Purpose" above.

The Committee shall:

1. Review and approve the Company's executive compensation philosophy, strategy, principles and levels.
2. Develop market-comparable total compensation that enables the Company to attract and retain talented executives and to reward outstanding performance in a manner that is designed to lead

to long-term enhancement of shareholder value. In so doing, the Committee will determine which companies to use for the purpose of benchmarking compensation or for the determination of “comparable companies”. In determining actual compensation levels, the Committee must consider all elements of the program in total rather than any one element in isolation.

3. Review and approve, on an annual basis, the corporate goals and objectives relevant to the compensation of the CEO. The Committee must evaluate at least once a year the CEO's performance in light of these established goals and objectives and, taking into account these evaluations, set the CEO's annual compensation, including salary, bonus, fees, benefits, incentive compensation, equity compensation and perquisites. In determining the long-term incentive component of the CEO's compensation, the Committee will consider relevant factors, such as Company performance and shareholder return, past awards and similar awards at comparable companies. The CEO may not be present during voting or deliberations on his or her compensation. The Committee shall report such evaluation to the Chairman of the Board and the full Board.
4. Review and approve, on an annual basis, the evaluation process and compensation structure for the Company's senior executives other than the CEO. The Committee must oversee the performance evaluation process for the Company's senior executives and approve the compensation of such senior executives, including salary, bonus, fees, benefits, incentive compensation, equity compensation and perquisites. The Committee will certify the attainment of goals for performance-based compensation for such senior executives.
5. Review and approve any employment agreement, consulting agreement or severance arrangement, including any change in control arrangement, between the Company and any of the Company's senior executives.
6. Review and oversee the administration of the Company's executive benefit plans and recommend changes in such plans to the Board as needed. In carrying out these responsibilities, the Committee will periodically review and make recommendations to the Board with respect to the adoption and approval of, or amendments to, all equity-based plans and arrangements, the shares and amounts reserved thereunder, and submission thereof to shareholders for approval. The Committee will also periodically review and make recommendations to the Board with respect to the adoption and approval of, and amendments to, all cash-based incentive plans for senior executives.
7. Review with management and make recommendations to the Board regarding changes to other Company employee retirement and equity-based benefit plans.
8. Review, at least annually, the Company's compensation programs for the purpose of assessing whether risks arising from the design and implementation of those programs are reasonably likely to have a material adverse effect on the Company, such as the extent to which such programs encourage excessive or inappropriate risk-taking or earnings manipulation.
9. Review, on an annual basis, executive succession plans (which will include considerations of diversity) with management and report findings and recommendations to the Board.
10. Review, on an annual basis, the Company's strategies and programs for leadership development (which will include considerations of diversity) and for maintaining a talent pipeline for executive roles.

11. Receive periodic reports on the Company's compensation programs as they affect all employees.
12. Review and discuss with management the Company's diversity and inclusion initiatives, objectives and progress.
13. Review and discuss with management the Company's talent development activities, including employee engagement and leadership effectiveness.
14. Review all elements of non-employee director compensation, including expense reimbursement policies, and make recommendations to the Board regarding any changes.
15. Monitor the Company's compliance with the requirements under the Sarbanes-Oxley Act of 2002 relating to loans to directors and officers, and with all other applicable laws affecting employee compensation and benefits.
16. Review and discuss the Compensation Discussion and Analysis ("CD&A") required to be included in the Company's proxy statement and Annual Report on Form 10-K by the rules and regulations promulgated by the SEC with management and, based on such review and discussion, determine whether or not to recommend to the Board that the CD&A be so included.
17. Annually produce the Compensation Committee Report for inclusion in the Company's proxy statement in compliance with the rules and regulations promulgated by the SEC.
18. Establish, monitor and enforce share ownership requirements for senior executives.
19. Establish, approve and oversee the application of the Company's recoupment policy.
20. As directed by the Chairman of the Board, review any compensation-related stockholder proposals and results of stockholder advisory votes and recommend to the Board how to respond to such proposals and advisory votes.
21. The Chair of the Committee shall report to the Board regarding the activities of the Committee at appropriate times and as otherwise requested by the Chairman of the Board.
22. At least annually, evaluate the Committee's performance and report to the Board regarding the Committee's self-evaluation.
23. At least annually, review this Charter and recommend any proposed changes to the Board for approval.
24. Perform such other duties and responsibilities as may be assigned to the Committee by applicable law or regulation (whether in a domestic or foreign jurisdiction), under the provisions of any compensation or benefit plan maintained by the Company, by the Company's by-laws, or by the Board.

*Last Updated: July 10, 2019*

**EXHIBIT C**

Approved Resolutions from Meeting of the Compensation and Leadership Performance Committee  
of Walgreens Boots Alliance, Inc. on October 28, 2020

**WHEREAS**, the Committee follows a process each year whereby the Committee reviews and approves cash incentive plan awards and payment decisions;

**WHEREAS**, the MIP permits the deferral of payment of such awards; and

**WHEREAS**, the Committee desires to document the process by which it makes incentive award and payment decisions, including any deferrals of incentive plan payments.

**NOW THEREFORE, BE IT RESOLVED**, that under the MIP, the CLPC establishes a funding target based in whole or in part upon a financial performance measure reflecting the budget for adjusted Operating Income, or any approved finance measure approved by the Committee under the MIP, subject to adjustment based on performance against budget over the fiscal year;

**FURTHER RESOLVED**, that the CLP Committee defers all decisions on payment of awards under the MIP until after year-end audited financial statements are complete and defers payment of bonuses in full, as provided for in the MIP, for a period of up to the 15th day of the third month after the end of the applicable performance period;

**FURTHER RESOLVED**, that as part of the CLP Committee's annual year-end review of bonus awards under the MIP, and consistent with its responsibilities as set forth in the CLP Committee Charter, the CLP Committee assesses how performance was achieved, including whether the Company was subjected to inappropriate risks. As part of this assessment, the CLP Committee evaluates the performance and conduct of individual executives, including consideration of any inappropriate risk taking that should result in negative bonus adjustment and whether there has been any misconduct to support application of the Company's Clawback Policy;

**FURTHER RESOLVED**, that if the CLP Committee determines, in a manner consistent with Section 409A of the Internal Revenue Code, to further defer full payment of a bonus award, pursuant to the authority and flexibility granted to the CLP Committee by the MIP, the CLP Committee would, in its sole discretion, determine the length of any deferral period and any adjustments to the unpaid portion of the bonus over such deferral period. In doing so, the

CLP Committee would consider, among other things, the nature of the circumstances giving rise to the deferral decision and the appropriate deferral period taking into account such circumstances; and

**FURTHER RESOLVED**, that the foregoing practice reflects the CLPC's policy on bonus deferrals under the MIP and would be applied under any other annual cash incentive bonus program for senior executives that are based on one or more financial metrics whose performance measurement period is one year or shorter.

September 18, 2020

**VIA E-MAIL**

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

Re: *Walgreens Boots Alliance, Inc.*  
*Stockholder Proposal of Domini Impact Equity Fund*  
*Securities Exchange Act of 1934—Rule 14a-8*

Ladies and Gentlemen:

This letter is to inform you that our client, Walgreens Boots Alliance, Inc. (the “Company”), intends to omit from its proxy statement and form of proxy for its 2021 Annual Meeting of Stockholders (collectively, the “2021 Proxy Materials”) a stockholder proposal (the “Proposal”) and statements in support thereof (the “Supporting Statement”) received from Domini Impact Equity Fund (the “Proponent”).

Pursuant to Rule 14a-8(j), we have:

- filed this letter with the Securities and Exchange Commission (the “Commission”) no later than eighty (80) calendar days before the Company intends to file its definitive 2020 Proxy Materials with the Commission; and
- concurrently sent a copy of this correspondence to the Proponent.

Rule 14a-8(k) and Staff Legal Bulletin No. 14D (Nov. 7, 2008) (“SLB 14D”) provide that stockholder proponents are required to send companies a copy of any correspondence that the proponents elect to submit to the Commission or the staff of the Division of Corporation Finance (the “Staff”). Accordingly, we are taking this opportunity to inform the Proponent that if it elects to submit additional correspondence to the Commission or the Staff with respect to this Proposal, a copy of that correspondence should be furnished concurrently to the undersigned on behalf of the Company pursuant to Rule 14a-8(k) and SLB 14D.

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## THE PROPOSAL

The Proposal states:

RESOLVED that shareholders of Walgreens Boots Alliance Inc. (“WBA”) urge the Compensation and Leadership Performance Committee (the “Committee”) of the board to adopt a policy authorizing the Committee to decline to pay in full an award (a “Bonus”) to a senior executive or group of senior executives under any annual cash incentive program (“Bonus Program”) that is based on one or more financial measurements (a “Financial Metric”) whose performance measurement period (“PMP”) is one year or shorter for a period (the “Deferral Period”) following the award. The policy should include a methodology for determining the length of the Deferral Period, should the Committee decide to defer, and adjusting the unpaid portion of the Bonus over the Deferral Period, in each case that allows accurate assessment of risks taken during the PMP that could have affected performance on the Financial Metric(s) and facilitates recoupment pursuant to WBA’s recoupment policy.

The changes should be implemented in a way that does not violate any existing contractual obligation or the terms of any compensation or benefit plan currently in effect.

A copy of the Proposal, as well as related correspondence with the Proponent, is attached to this letter as Exhibit A.

## BASIS FOR EXCLUSION

We hereby respectfully request that the Staff concur in our view that the Proposal properly may be excluded from the 2021 Proxy Materials pursuant to Rule 14a-8(i)(10) because the administration of the Company’s existing Management Incentive Plan (the “MIP”) and Compensation Recoupment (Clawback) Policy (the “Clawback Policy”), together with the anticipated Committee Action (as defined below) by the Compensation and Leadership Performance Committee (the “Committee”) of the Company’s Board of Directors substantially implement the Proposal.

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## ANALYSIS

### **The Proposal May Be Excluded Under Rule 14a-8(i)(10) As Substantially Implemented.**

#### *A. Background.*

Rule 14a-8(i)(10) permits the exclusion of a stockholder proposal “[i]f the company has already substantially implemented the proposal.” The Commission stated in 1976 that the predecessor to Rule 14a-8(i)(10) was “designed to avoid the possibility of shareholders having to consider matters which already have been favorably acted upon by the management.” *See* Exchange Act Release No. 12598 (July 7, 1976). Originally, the Staff narrowly interpreted this predecessor rule and granted no-action relief only when stockholder proposals were “fully effected” by the company. *See* Exchange Act Release No. 19135 (Oct. 14, 1982). By 1983, the Commission recognized that the “previous formalistic application of [the Rule] defeated its purpose” because proponents were successfully convincing the Staff to deny no-action relief by submitting stockholder proposals that differed from existing company policy by only a few words. Exchange Act Release No. 20091, § II.E.6. (Aug. 16, 1983) (the “1983 Release”). Therefore, in 1983, the Commission adopted a revised interpretation to the rule to permit the omission of stockholder proposals that had been “substantially implemented.” 1983 Release. The 1998 amendments to the proxy rules codified this position. 1998 Release at n.30 and accompanying text.

Under this standard, when a company can demonstrate that it already has taken actions to address the underlying concerns and essential objectives of a stockholder proposal, the Staff has concurred that the stockholder proposal has been “substantially implemented” and may be excluded as moot. The Staff has noted that “a determination that the company has substantially implemented the proposal depends upon whether [the company’s] particular policies, practices and procedures compare favorably with the guidelines of the proposal.” *Texaco, Inc. (Recon.)* (avail. Mar. 28, 1991).

In applying this standard, a company need not implement a stockholder proposal in the manner that a stockholder may prefer. *See* 1998 Release at n.30 and accompanying text. Differences between a company’s actions and a stockholder proposal are permitted as long as the company’s actions satisfactorily address the stockholder proposal’s essential objectives. For example, the Staff has concurred that companies, when substantially implementing a stockholder proposal that touches upon executive compensation matters, can address aspects of implementation that may differ from the manner in which the stockholder proponent would implement the proposal. For example, in *Rite Aid Corp.* (avail. Apr. 14, 2020), the Staff concurred that the company had substantially implemented a stockholder proposal requesting amendments to the Company’s clawback policy, even though the company had not addressed one aspect of the proposal (relating to the location and timing of public disclosure regarding

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application of the policy) in the manner specifically requested in the proposal. Similarly, in *Visa Inc.* (avail. Oct. 11, 2019), the Staff concurred that the company had substantially implemented a proposal recommending that the compensation committee reform the company's executive compensation philosophy to include social factors to enhance the company's social responsibility, even though the factors considered by the company did not include the one specifically recommended in the proposal. Likewise, in *Nike, Inc. (Recon.)* (avail. July 16, 2019), the Staff ultimately concurred that the company had substantially implemented a proposal seeking a director skills matrix that discloses "[e]ach nominee's skills, ideological perspectives, and experience presented in a chart or matrix form" where the company committed to providing such a matrix in its proxy materials, even though it stated it would not be disclosing the "ideological perspectives" of the nominees. *See also, Wal-Mart Stores, Inc.* (avail. Mar. 25, 2015) (concurring with the exclusion of a proposal that requested the company to include at least one metric related to the company's employee engagement as a metric in determining senior executives' incentive compensation, noting "that [the company's] policies, practices and procedures compare favorably with the guidelines of the proposal and that [the company] has, therefore, substantially implemented the proposal"). Therefore, if a company has satisfactorily addressed a proposal's "essential objective," the proposal will be deemed "substantially implemented" and, therefore, may be excluded as moot. *See, e.g., Exelon Corp.* (avail. Feb. 26, 2010); *Anheuser-Busch Companies, Inc.* (avail. Jan. 17, 2007); *ConAgra Foods, Inc.* (avail. July 3, 2006); *Johnson & Johnson* (avail. Feb. 17, 2006); *The Talbots Inc.* (avail. Apr. 5, 2002); *Masco Corp.* (avail. Mar. 29, 1999); and *The Gap, Inc.* (avail. Mar. 8, 1996).

Additionally, the Staff has previously concurred that a company substantially implemented a stockholder proposal seeking adoption by the board of a policy relating to senior executive compensation where the requested policy was evidenced through resolutions of a committee of the board or action amending a compensatory plan. For example, in *Citigroup Inc.* (avail. Jan. 15, 2015), the proposal asked the board to adopt a policy that in the event of a change of control, there shall be no acceleration of vesting of any equity award granted to any senior executive (other than vesting on a partial, pro rata basis). Thus, the proposal contained two essential elements: (i) the adoption of a policy and (ii) that the policy shall provide for no acceleration of vesting of any equity award granted to any executive in the event of a change in control. In evidencing the company's substantial implementation of the proposal, the company provided the text of a resolution of the company's compensation committee affirming that it was the policy of the committee that no equity or other deferred incentive award held by any executive will vest as a result of a change in control of the company. The staff concurred that the resolution adopted by the company's compensation committee documented its policy with respect to the subject of the proposal and therefore had substantially implemented the proposal, such that exclusion was warranted. *See also AT&T Inc.* (avail. Jan 22, 2014) (concurring with the exclusion of a stockholder proposal requesting the adoption of a policy limiting accelerated vesting of equity awards in connection with a change in control, where the company amended its

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equity incentive plan (rather than adopting a separate policy) to remove certain provisions relating to the accelerated vesting of equity awards in connection with a change in control).

*B. Anticipated Committee Action Will Substantially Implement The Proposal.*

The Proposal requests that the Committee:

adopt a policy authorizing the Committee to decline to pay in full an award (a “Bonus”) to a senior executive or group of senior executives under any annual cash incentive program (“Bonus Program”) that is based on one or more financial measurements (a “Financial Metric”) whose performance measurement period (“PMP”) is one year or shorter for a period (the “Deferral Period”) following the award.

The Proposal further states that:

[t]he policy should include a methodology for determining the length of the Deferral Period, should the Committee decide to defer, and adjusting the unpaid portion of the Bonus over the Deferral Period, in each case that allows accurate assessment of risks taken during the PMP that could have affected performance on the Financial Metric(s) and facilitates recoupment pursuant to WBA’s recoupment policy.

Here, the Company’s existing annual incentive program and Clawback Policy<sup>1</sup>, together with the anticipated Committee Action (as defined below), will substantially implement the Proposal because, collectively, they address the Proposal’s underlying concerns and essential objectives consistent with Rule 14a-8(i)(10).

Specifically, the only Company compensatory plan or program pursuant to which annual cash incentives are awarded to senior executives is the Management Incentive Plan (the “MIP”), which designates the Committee as the administrator of the MIP and specifically permits the

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<sup>1</sup> The Company’s Clawback Policy applies to all forms of incentive compensation and authorizes the Committee to seek reimbursement of incentive awards from an executive officer if there is a restatement of financial results or other misconduct (including fraud). The Committee may look back for a three-year period prior to the restatement or other misconduct for the recoupment, and may look to both current and former executive officers. Additionally, the policy provides the Committee with discretion to recoup amounts of excess incentive compensation paid to an officer in conjunction with any materially incorrect results (even if not resulting in a restatement), or misconduct on the part of the executive officer, including fraud or other conduct that would lead to a “for cause” termination (as defined in the Clawback Policy). See the Company 2020 Proxy Statement and Notice of Annual Meeting of Stockholders at 68, available at [https://s1.q4cdn.com/343380161/files/doc\\_financials/2019/annual/2020-Annual-Meeting-of-Stockholders-and-Proxy-Statement.pdf](https://s1.q4cdn.com/343380161/files/doc_financials/2019/annual/2020-Annual-Meeting-of-Stockholders-and-Proxy-Statement.pdf).

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deferral of bonuses.<sup>2</sup> Moreover, the Committee already has a process for reviewing and approving incentive compensation awarded and paid pursuant to the MIP in a manner that satisfies the essential objectives of the Proposal. In order to substantially implement the Proposal, the Committee is scheduled to take action (the “Committee Action”) confirming its policy with respect to administering the deferral of bonuses for senior executives that are based on one or more financial metrics whose performance measurement period is one year or shorter, including its methodology for determining the length of deferrals and adjusting any such bonuses in a manner that substantially implements the Proposal. Accordingly, the anticipated Committee Action, in the context of the design and flexibility of the MIP and the Committee’s recoupment authority pursuant to the Clawback Policy, will substantially implement the Proposal’s request.

### *C. Supplemental Notification.*

We submit this no-action request now to address the timing requirements of Rule 14a-8(j). Following the Committee Action, the Company expects to promptly supplement this letter to report on the Committee’s Action, which we expect to file on or about October 30, 2020. The Staff consistently has granted no-action relief under Rule 14a-8(i)(10) where a company has notified the Staff of the actions expected to be taken that will substantially implement the proposal and then supplements its request for no-action relief by notifying the Staff after those actions have been taken. *See, e.g., United Continental Holdings, Inc.* (avail. Apr. 13, 2018); *United Technologies Corp.* (avail. Feb. 14, 2018); *The Southern Co.* (avail. Feb. 24, 2017); *Mattel, Inc.* (avail. Feb. 3, 2017); *The Wendy’s Co.* (avail. Mar. 2, 2016); *The Southern Co.* (avail. Feb. 26, 2016); *The Southern Co.* (avail. Mar. 6, 2015); *Visa Inc.* (avail. Nov. 14, 2014); *Hewlett-Packard Co.* (avail. Dec. 19, 2013); *Starbucks Corp.* (avail. Nov. 27, 2012); *DIRECTV* (avail. Feb. 22, 2011); *NiSource Inc.* (avail. Mar. 10, 2008); and *Johnson & Johnson* (avail. Feb. 19, 2008) (each granting no-action relief where the company notified the Staff of its intention to omit a stockholder proposal under Rule 14a-8(i)(10) because the board of directors was expected to take action that would substantially implement the proposal, and the company supplementally notified the Staff of the board action).

## CONCLUSION

Based upon the foregoing analysis, the Company intends to exclude the Proposal from its 2020 Proxy Materials, and we respectfully request that the Staff concur that the Proposal may be excluded under Rule 14a-8.

We would be happy to provide you with any additional information and answer any questions that you may have regarding this subject. Correspondence regarding this letter should

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<sup>2</sup> The MIP is attached to the Company’s Form 10-K for the year ended August 31, 2016 as Exhibit 10.2 and is available at <https://www.sec.gov/Archives/edgar/data/1618921/000114036116083198/form10k.htm#Item15>.

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be sent to [shareholderproposals@gibsondunn.com](mailto:shareholderproposals@gibsondunn.com). If we can be of any further assistance in this matter, please do not hesitate to call me at (202) 955-8287.

Sincerely,

A handwritten signature in blue ink that reads "Elizabeth A. Ising".

Elizabeth A. Ising

Enclosures

cc: Joseph B. Amsbary, Jr., Vice President, Corporate Secretary, Walgreens Boots Alliance, Inc.  
Mark L. Dosier, Senior Director, Securities Law, Walgreens Boots Alliance, Inc.  
Kelsey Chin, Assistant Corporate Secretary, Walgreens Boots Alliance, Inc.  
Corey Klemmer, Esq., Domini Impact Equity Fund

**EXHIBIT A**



August 11, 2020

Mr. Joseph B Amsbary, Jr.  
Vice President and Corporate Secretary  
Walgreens Boots Alliance, Inc.  
108 Wilmot Road, MS #1858  
Deerfield, IL 60015

Via email to [jake.amsbary@wba.com](mailto:jake.amsbary@wba.com).

Re: Submission of Shareholder Proposal

Dear Mr. Amsbary:

I am writing to you on behalf of the Domini Impact Equity Fund, a long-term Walgreens Boots Alliance shareholder to submit the enclosed shareholder proposal urging the company to empower the compensation committee to exercise greater discretion over certain components of executive incentive pay.

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 participate in the stockholders' meeting to move the resolution as required by SEC Rules.

We may be joined by other investors submitting the identical proposal. Please consider us to be the lead filer of the proposal. Should you have any questions or concerns, I can be reached at (212) 217-1027, or at [cklemmer@domini.com](mailto:cklemmer@domini.com).

Sincerely,

Corey Klemmer, CFA, Esq.  
Director of Corporate Engagement

cc: Kelsey Chin <[Kelsey.chin@wba.com](mailto:Kelsey.chin@wba.com)>

RESOLVED that shareholders of Walgreens Boots Alliance Inc. (“WBA”) urge the Compensation and Leadership Performance Committee (the “Committee”) of the board to adopt a policy authorizing the Committee to decline to pay in full an award (a “Bonus”) to a senior executive or group of senior executives under any annual cash incentive program (“Bonus Program”) that is based on one or more financial measurements (a “Financial Metric”) whose performance measurement period (“PMP”) is one year or shorter for a period (the “Deferral Period”) following the award. The policy should include a methodology for determining the length of the Deferral Period, should the Committee decide to defer, and adjusting the unpaid portion of the Bonus over the Deferral Period, in each case that allows accurate assessment of risks taken during the PMP that could have affected performance on the Financial Metric(s) and facilitates recoupment pursuant to WBA’s recoupment policy.

The changes should be implemented in a way that does not violate any existing contractual obligation or the terms of any compensation or benefit plan currently in effect.

### **SUPPORTING STATEMENT**

As long-term shareholders, we support compensation policies that align senior executives’ incentives with the company’s long-term success. We are concerned that short-term incentive plans can encourage senior executives to take on excessive risk.

In our view, the opioid crisis reflects overly risky behavior by companies in the supply chain, including retailers such as Walgreens. That behavior has led to costly litigation, as well as civil and criminal enforcement actions, with potential financial and reputational consequences. Walgreens is a defendant in the multi-district opioid litigation in Ohio.

To foster a longer-term orientation, this proposal asks that the Committee develop a policy on bonus deferral; the Committee would have discretion to set the terms and mechanics of this process. Bonus deferral is widely used in the banking industry, where overly risky behavior was widely viewed as contributing to the financial crisis. The Financial Stability Board’s *Principles for Sound Compensation Practices* state that bonus deferral is “particularly important” because it allows “late-arriving information about risk-taking and outcomes” to alter payouts and reduces the need to claw back compensation already paid out, which may “fac[e] legal barriers,” in the event of misconduct. Banking supervisors in 16 jurisdictions, including the US, have requirements or expectations regarding bonus deferral.

<https://www.fsb.org/wp-content/uploads/P170619-1.pdf>) Pharmaceutical manufacturers GlaxoSmithKline and Novartis defer a portion of annual bonuses into equity that does not immediately vest.

We urge shareholders to vote FOR this proposal.

**From:** Corey Klemmer  
**Sent:** Tuesday, August 11, 2020 9:02 AM  
**To:** Amsbary Jr, Joseph ; Chin, Kelsey  
**Cc:** Nolan Ritcey  
**Subject:** Shareholder Proposal Submission

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Hi Jake,

Please find a shareholder proposal attached, submitted for inclusion in the 2021 proxy. We appreciate the work WBA has put into engagement and would welcome the opportunity to withdraw if the issue can be addressed through those channels. Given the timing, however, we have elected to file the attached proposal as well. A letter verifying ownership of the required shares will be sent separately. Please don't hesitate to reach out with any questions or concerns.

Thank you,  
Corey

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**Corey Klemmer, CFA, Esq.**

Director of Engagement  
212-217-1027

Domini Impact Investments LLC  
180 Maiden Ln, Suite 1302 New York, NY, 10038-4925  
Main: 212-217-1100 Shareholder Information: 800-582-6757

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August 13, 2020

**VIA OVERNIGHT MAIL AND EMAIL**

Corey Klemmer, CFA, Esq.  
Director of Corporate Engagement  
Domini Impact Equity Fund  
180 Maiden Lane, Suite 1302  
New York, NY 10038-4925

Dear Ms. Klemmer:

I am writing on behalf of Walgreens Boots Alliance, Inc. (the “Company”), which received on August 11, 2020, the stockholder proposal submitted on behalf of the Domini Impact Equity Fund pursuant to Securities and Exchange Commission (“SEC”) Rule 14a-8 for inclusion in the proxy statement for the Company’s 2021 Annual Meeting of Stockholders (the “Proposal”).

The Proposal contains certain procedural deficiencies, which SEC regulations require us to bring to your attention. Rule 14a-8(b) under the Securities Exchange Act of 1934, as amended, provides that stockholder proponents must submit sufficient proof of their continuous ownership of at least \$2,000 in market value, or 1%, of a company’s shares entitled to vote on the proposal for at least one year as of the date the stockholder proposal was submitted. The Company’s stock records do not indicate that you are the record owner of sufficient shares to satisfy this requirement. In addition, to date we have not received proof that you have satisfied Rule 14a-8’s ownership requirements as of the date that the Proposal was submitted to the Company.

To remedy this defect, you must submit sufficient proof of your continuous ownership of the required number or amount of Company shares for the one-year period preceding and including August 11, 2020, the date the Proposal was submitted to the Company. As explained in Rule 14a-8(b) and in SEC staff guidance, sufficient proof must be in the form of:

- (1) a written statement from the “record” holder of your shares (usually a broker or a bank) verifying that you continuously held the required number or amount of Company shares for the one-year period preceding and including August 11, 2020; or
- (2) if you have filed with the SEC a Schedule 13D, Schedule 13G, Form 3, Form 4 or Form 5, or amendments to those documents or updated forms, reflecting your ownership of the required number or amount of Company shares as of or before the date on which the one-year eligibility period begins, a copy of the schedule and/or form, and any subsequent amendments reporting a change in the ownership level and

Corey Klemmer, CFA, Esq.  
August 13, 2020  
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a written statement that you continuously held the required number or amount of Company shares for the one-year period.

If you intend to demonstrate ownership by submitting a written statement from the “record” holder of your shares as set forth in (1) above, please note that most large U.S. brokers and banks deposit their customers’ securities with, and hold those securities through, the Depository Trust Company (“DTC”), a registered clearing agency that acts as a securities depository (DTC is also known through the account name of Cede & Co.). Under SEC Staff Legal Bulletin No. 14F, only DTC participants are viewed as record holders of securities that are deposited at DTC. You can confirm whether your broker or bank is a DTC participant by asking your broker or bank or by checking DTC’s participant list, which is available at <http://www.dtcc.com/~media/Files/Downloads/client-center/DTC/alpha.ashx>. In these situations, stockholders need to obtain proof of ownership from the DTC participant through which the securities are held, as follows:

- (1) If your broker or bank is a DTC participant, then you need to submit a written statement from your broker or bank verifying that you continuously held the required number or amount of Company shares for the one-year period preceding and including August 11, 2020.
- (2) If your broker or bank is not a DTC participant, then you need to submit proof of ownership from the DTC participant through which the shares are held verifying that you continuously held the required number or amount of Company shares for the one-year period preceding and including August 11, 2020. You should be able to find out the identity of the DTC participant by asking your broker or bank. If your broker is an introducing broker, you may also be able to learn the identity and telephone number of the DTC participant through your account statements, because the clearing broker identified on your account statements will generally be a DTC participant. If the DTC participant that holds your shares is not able to confirm your individual holdings but is able to confirm the holdings of your broker or bank, then you need to satisfy the proof of ownership requirements by obtaining and submitting two proof of ownership statements verifying that, for the one-year period preceding and including August 11, 2020, the required number or amount of Company shares were continuously held: (i) one from your broker or bank confirming your ownership, and (ii) the other from the DTC participant confirming the broker or bank’s ownership.

The SEC’s rules require that any response to this letter be postmarked or transmitted electronically no later than 14 calendar days from the date you receive this letter. Please transmit any response by email to Kelsey Chin at [kelsey.chin@wba.com](mailto:kelsey.chin@wba.com). Alternatively, you may transmit any response by mail to Kelsey Chin, Assistant Corporate Secretary, Walgreens Boots Alliance, Inc., 108 Wilmot Road, MS #1858, Deerfield, IL 60015.

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Corey Klemmer, CFA, Esq.

August 13, 2020

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If you have any questions with respect to the foregoing, please contact me at (202) 955-8287. For your reference, I enclose a copy of Rule 14a-8 and Staff Legal Bulletin No. 14F.

Sincerely,



Elizabeth A. Ising

cc: Joseph B. Amsbary, Jr., Vice President, Corporate Secretary, Walgreens Boots Alliance, Inc.  
Mark L. Dosier, Senior Director, Securities Law, Walgreens Boots Alliance, Inc.  
Kelsey Chin, Assistant Corporate Secretary, Walgreens Boots Alliance, Inc.

Enclosures



August 14, 2020

Mr. Joseph B Amsbary, Jr.  
Vice President and Corporate Secretary  
Walgreens Boots Alliance, Inc.  
108 Wilmot Road, MS #1858  
Deerfield, IL 60015

Via email to [jake.amsbary@wba.com](mailto:jake.amsbary@wba.com).

Re: Submission of Shareholder Proposal

Dear Mr. Amsbary:

Attached, please find a letter from our custodian, attesting to our ownership of the required number of shares to submit the shareholder proposal relating to bonus deferral that we filed on August 11<sup>th</sup>.

Please let us know if you need anything further.

Sincerely,

Corey Klemmer  
Director of Corporate Engagement  
Domini Impact Investments LLC

cc: Kelsey Chin <Kelsey.chin@wba.com>  
Mark Dosier <Mark.Dosier@Wba.com>  
Geoffrey E. Walter <GWalter@gibsondunn.com>



8/14/20

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

Re: Custodial Letter

Ms. Corey Klemmer,

As custodian, we confirm that as of August 11<sup>th</sup>, 2020 the Domini Impact Equity Fund held at least \$2,000 worth of shares continuously for one year of Walgreens Boots Alliance Inc (WBA/931427108).

<b><u>Security</u></b>	<b><u>Shares as of August 11<sup>th</sup>, 2020</u></b>
Walgreens Boots Alliance Inc	30,448

If you have any questions, please feel free to call me at (617) 662-3546.

Thanks and kind regards,

*Eric Baxter*

Eric Baxter  
Vice President  
State Street Global Services  
1 Iron St.  
Boston, MA 02210