

SHAREHOLDER PROPOSAL RELATING TO AN EXECUTIVE COMPENSATION PERFORMANCE MEASURE

RESOLVED: That the shareholders of Walgreen Boots Alliance request the Board's Compensation Committee, when setting senior executive compensation, include sustainability as one of the performance measures for senior executives under the Company's incentive plans. Sustainability is defined as how environmental and social considerations, and related financial impacts, are integrated into corporate strategy over the long term.

SUPPORTING STATEMENT: We believe that the long-term interests of shareholders, as well as other important constituents, are best served by companies that operate their businesses in a sustainable manner focused on long-term value creation. As the recent financial crisis demonstrates, those boards of directors and management that operate their companies with integrity and a focus on the long term are much more likely to prosper than ones that are dominated by a short-term focus.

The best means of demonstrating a company's commitment to sustainability is through incorporating it as a performance measure in the Company's annual and/or long-term incentive plans. Proponents believe that the merger with Alliance Boots presents an opportunity combine the best sustainability practices from each of the two companies and then integrating new metrics for energy, water, and materials sustainability goals into decisions regarding senior executive compensation.

Energy. Walgreens and Alliance Boots both have worked to promote energy efficiency goals; however, to the proponent's knowledge neither linked energy sustainability with senior executive compensation.

Water. While Walgreens publicly reported on a few efforts to conserve water, Alliance Boots has a formal product sustainability assessment process that "considers the implications for water scarcity in the area where the raw material or product has been sourced, and the impact of the water required to use the product in the areas where the product is being sold." One water consumption metric recommended by the Carbon Disclosure Project measures "water intensity" (amount of water consumed/product units).

Materials. Walgreens was fined by the US EPA \$16.6 million in 2012 for failure to manage hazardous waste generated by its pharmacies. Walgreens has also been targeted by consumer and environmental health groups for failure to eliminate certain toxic materials in products sold in its stores. In contrast, Alliance Boots has established clear and ambitious goals for elimination of toxic chemicals in products and pollution. Alliance Boots has made public commitments that require, "by 2016, all solid wood and paper used in Boots UK products and Goods Not For Resale (GNFR) will be from Forest

Stewardship Council (FSC) certified sources, or use recycled materials.” Walgreens has not made such a commitment.

While determining specific metrics to utilize rests within the discretion of the board and its compensation committee, an executive compensation policy that reflects sustainability performance can draw upon the best efforts of both companies.