

**Walgreens Shareholder Meeting
Supporting Statement for Proposal Four
Scott Shepard, Free Enterprise Project Director
National Center for Public Policy Research, January 27, 2022**

The Business Roundtable, a social club for wealthy CEOs, declared in 2019 that it had redefined the corporate purpose. It said the purpose had shifted from the traditional and legally required rule of shareholder primacy to a new theory of stakeholder capitalism. Under it, CEOs and boards of directors would supposedly run the company for the benefit of all stakeholders, meaning “for everyone.”

The problem: it’s impossible for company executives, at Walgreens or elsewhere, to make decisions that legitimately capture all stakeholder interests, since stakeholders have divergent interests. Just consider how deep social, political and economic divisions are these days.

Even if there were, that’s not what CEOs and companies even attempt to do. They do not poll all stakeholders, feed the results into some objective decision process, and then enact the result.

Consider BlackRock CEO Larry Fink’s arrogant and irresponsible letter to CEOs just last week. In it, he admitted that “[d]elivering on the competing interests of a company’s many divergent stakeholders is not easy.... In this polarized world, CEOs will invariably have one set of stakeholders demanding that we do one thing, while another set of stakeholders demand that we do just the opposite.”

How does Larry decide? He listens to the stakeholders who demand – conveniently – exactly what he wanted to do in the first place.

But that isn’t stakeholder capitalism. It isn’t capitalism at all. It is an insurrection by c-suites and CEOs against their bosses – the ultimate investors.

The company urges you to vote against this proposal, arguing that the Business Roundtable Statement didn’t really change anything. We agree, and we also ask you to vote no. But then we urge you to demand that Walgreens withdraw from the Statement and the Business Roundtable altogether.

One way or the other, Walgreens is now lying to us. If the Business Roundtable’s Statement didn’t change anything, then the Statement and all of the promises surrounding it were a PR fraud. And if it did change things, as in Larry Fink’s formulation, then it is an illegal fraud against shareholders and a c-suite insurrection. Walgreens should step well away.

So yeah: Vote no on Proposal 4, and then demand Walgreens’s withdrawal from the Statement and the corrupt Business Roundtable.

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