



DIVISION OF
CORPORATION FINANCE

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

December 16, 2015

Ronald O. Mueller
Gibson, Dunn & Crutcher LLP
shareholderproposals@gibsondunn.com

Re: Starbucks Corporation
Incoming letter dated November 6, 2015

Dear Mr. Mueller:

This is in response to your letter dated November 6, 2015 concerning the shareholder proposal submitted to Starbucks by the National Center for Public Policy Research. 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,

Matt S. McNair
Senior Special Counsel

Enclosure

cc: Justin Danhof
The National Center for Public Policy Research
jdanhof@nationalcenter.org

December 16, 2015

Response of the Office of Chief Counsel
Division of Corporation Finance

Re: Starbucks Corporation
Incoming letter dated November 6, 2015

The proposal requests that management review its policies related to human rights to assess areas in which the company may need to adopt and implement additional policies and to report its findings.

We are unable to concur in your view that Starbucks may exclude the proposal under rule 14a-8(i)(7). In our view, the proposal focuses on the significant policy issue of human rights. Accordingly, we do not believe that Starbucks may omit the proposal from its proxy materials in reliance on rule 14a-8(i)(7).

We are unable to concur in your view that Starbucks may exclude the proposal under rule 14a-8(i)(10). Based on the information you have presented, it does not appear that Starbucks' public disclosures compare favorably with the guidelines of the proposal. Accordingly, we do not believe that Starbucks may omit the proposal from its proxy materials in reliance on rule 14a-8(i)(10).

Sincerely,

Adam F. Turk
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 matter 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 proposals 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 administered by the Commission, including argument as to whether or not activities proposed to be taken would be violative of 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 adversary procedure.

It is important to note that the staff's and Commission'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 shareholders 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 management omit the proposal from the company's proxy material.

November 6, 2015

VIA E-MAIL

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

Re: *Starbucks Corporation*
Shareholder Proposal of The National Center for Public Policy Research
Securities Exchange Act of 1934—Rule 14a-8

Ladies and Gentlemen:

This letter is to inform you that our client, Starbucks Corporation (the “Company”), intends to omit from its proxy statement and form of proxy for its 2016 Annual Meeting of Shareholders (collectively, the “2016 Proxy Materials”) a shareholder proposal (the “Proposal”) and statements in support thereof received from The National Center for Public Policy Research (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 2016 Proxy Materials with the Commission; and
- concurrently sent copies of this correspondence to the Proponent.

Rule 14a-8(k) and Staff Legal Bulletin No. 14D (Nov. 7, 2008) (“SLB 14D”) provide that shareholder 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 the Proponent 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.

Office of Chief Counsel
Division of Corporation Finance
November 6, 2015
Page 2

THE PROPOSAL

The Proposal states:

Resolved, the proponent requests that management review its policies related to human rights to assess areas in which the Company may need to adopt and implement additional policies and to report its findings, omitting proprietary information and at a reasonable expense, by December 2016.

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

BASES FOR EXCLUSION

We hereby respectfully request that the Staff concur in our view that the Proposal may be excluded from the 2016 Proxy Materials:

- pursuant to Rule 14a-8(i)(7) because it deals with matters relating to the Company's ordinary business operations; and
- pursuant to Rule 14a-8(i)(10) because it has been substantially implemented.

ANALYSIS

I. The Proposal May Be Excluded Under Rule 14a-8(i)(7) Because It Deals With Matters Relating To The Company's Ordinary Business Operations.

Rule 14a-8(i)(7) allows for the exclusion of a shareholder proposal that "deals with a matter relating to the company's ordinary business operations." According to the Commission's release accompanying the 1998 amendments to Rule 14a-8, the term "ordinary business" "refers to matters that are not necessarily 'ordinary' in the common meaning of the word," but instead the term "is rooted in the corporate law concept providing management with flexibility in directing certain core matters involving the company's business and operations." Exchange Act Release No. 40018 (May 21, 1998) (the "1998 Release"). In the 1998 Release, the Commission stated that 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," and identified two central considerations that underlie this policy. As relevant here, one of these considerations is that "[c]ertain tasks are

Office of Chief Counsel
Division of Corporation Finance
November 6, 2015
Page 3

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 1998 Release further distinguishes proposals pertaining to ordinary business matters from those involving "significant social policy issues," the latter of which are not excludable under Rule 14a-8(i)(7) because they "transcend the day-to-day business matters and raise policy issues so significant that it would be appropriate for a shareholder vote." *Id.* (citing Exchange Act Release No. 12999 (Nov. 22, 1976)). In this regard, when assessing proposals under Rule 14a-8(i)(7), the Staff considers the terms of the resolution and its supporting statement as a whole. *See* Staff Legal Bulletin No. 14C ("SLB 14C"), part D.2 (June 28, 2005) ("In 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.").

A shareholder proposal being framed in the form of a request for a report does not change the nature of the proposal. The Commission has stated that a proposal requesting the dissemination of a report may be excludable under Rule 14a-8(i)(7) if the subject matter of the report is within the ordinary business of the issuer. *See* Exchange Act Release No. 20091 (Aug. 16, 1983) (the "1983 Release"). In addition, the Staff has indicated 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 rule 14a-8(i)(7)." *Johnson Controls, Inc.* (avail. Oct. 26, 1999).

Similarly, the fact that a shareholder proposal requests a review or report on areas of risk facing a company does not preclude exclusion of the proposal if the underlying subject matters of the risks are ordinary business. As the Staff indicated in Staff Legal Bulletin No. 14E (Oct. 27, 2009), in evaluating shareholder proposals that request a risk assessment:

[R]ather than focusing on whether a proposal and supporting statement relate to the company engaging in an evaluation of risk, we will instead focus on the subject matter to which the risk pertains or that gives rise to the risk. . . .
[S]imilar to the way in which we analyze proposals asking for the preparation of a report, the formation of a committee or the inclusion of disclosure in a Commission-prescribed document – where we look to the underlying subject matter of the report, committee or disclosure to determine whether the proposal relates to ordinary business – we will consider whether the underlying subject matter of the risk evaluation involves a matter of ordinary business to the company.

Office of Chief Counsel
Division of Corporation Finance
November 6, 2015
Page 4

Accordingly, the Staff has continued to concur with the exclusion of shareholder proposals seeking risk reports or reviews when the requested risk subject matters concerned ordinary business operations.¹

Here, taking the Proposal and its supporting statement as a whole, the Company may exclude the Proposal pursuant to Rule 14a-8(i)(7) because it deals with matters relating to the Company's ordinary business operations – decisions regarding geographic locations in which it will conduct its business operations. Although the Proposal also touches upon the ability of individuals to participate in the political process, such references do not prevent the Proposal from being excluded under Rule 14a-8(i)(7) because they do not implicate an issue that transcends the day-to-day business matters of the Company and do not raise policy issues so significant that it would be appropriate for a shareholder vote.

A. The Proposal Relates To Ordinary Business Because It Implicates Company Decisions Regarding The Location Of Its Operations.

The “Resolved” clause of the Proposal consists of a generalized request for a review and report on policies related to human rights. However, the Proposal as a whole focuses on the locations in which the Company operates. In a recital appearing right before the “Resolved” clause, the Proposal asserts, “Whereas, the Company operates in regions where not all

¹ See also *Exxon Mobil Corp.* (avail. Mar. 6, 2012) (concurring in the exclusion of a proposal asking for a report on “environmental, social and economic challenges associated with the oil sands,” which involved ordinary business matters); *The TJX Cos., Inc.* (avail. Mar. 29, 2011) (concurring in the exclusion of a proposal requesting an annual assessment of the risks created by the actions the company takes to avoid or minimize U.S. federal, state and local taxes and a report to shareholders on the assessment, which involved ordinary business matters); *Amazon.com, Inc.* (avail. Mar. 21, 2011) (same); *Wal-Mart Stores, Inc.* (avail. Mar. 21, 2011) (same); *The Western Union Co.* (avail. Mar. 14, 2011) (concurring in the exclusion of a proposal requesting the establishment of a board risk committee and a report by the committee on how the company was monitoring and controlling particular risks, where the subject matters of the risks involved ordinary business matters); *Lazard Ltd.* (avail. Feb. 16, 2011) (concurring in the exclusion of a proposal requesting an annual assessment by the board of the risks created by the actions the company takes to avoid or minimize U.S. federal, state and local taxes and a report to shareholders on the assessment, which involved ordinary business matters); *Pfizer Inc.* (avail. Feb. 16, 2011) (same).

Office of Chief Counsel
Division of Corporation Finance
November 6, 2015
Page 5

individuals are extended human rights – such as full suffrage rights, gender equality and access to education.” Likewise, three of the four numbered paragraphs under the caption “Supporting Statement” state that the requested review of the Company’s human rights policies may include “[w]hether the Company operates in regions that have a pattern of human rights abuses,” “[w]hether the Company operates in regions where some or all individuals are not permitted to partake in their government,” and “[w]hether the Company operates in regions where individuals face potential retribution for partaking in their government.”

The Staff consistently has concurred in the view that decisions regarding the location of company facilities implicate a company's ordinary business operations. For example, the proposal in *Sempra Energy* (avail. Jan. 12, 2012, *recon. denied* Jan. 23, 2012) asked the company’s board to review and report on the company’s management of certain “risks posed by Sempra operations in any country that may pose an elevated risk of corrupt practices.” The company argued that the proposal could be excluded under Rule 14a-8(i)(7), and the Staff agreed, noting that “although the proposal requests the board to conduct an independent oversight review of . . . management of particular risks, the underlying subject matter of these risks appears to involve ordinary business matters.” Likewise, in *Hershey Co.* (avail. Feb. 2, 2009), the proponent was concerned that the company’s decision to locate manufacturing facilities in Mexico instead of in the United States and Canada could harm the company's reputation and was “un-American.” Based on a long line of precedent, the Staff concurred that the proposal could be excluded under Rule 14a-8(i)(7) because it implicated the company's ordinary business decisions by addressing decisions relating to the location of the company’s operations. *See also Tim Hortons Inc.* (avail. Jan. 4, 2008) (concurring in exclusion of a proposal involving decisions relating to the location of restaurants); *Minnesota Corn Processors, LLC* (avail. Apr. 3, 2002) (proposal excludable as involving decisions relating to the location of corn processing plants); *MCI Worldcom, Inc.* (avail. Apr. 20, 2000) (concurring in the exclusion of a proposal that called for analysis of the company’s plans to abandon, relocate, or expand office or operating facilities); *Tenneco, Inc.* (avail. Dec. 28, 1995) (concurring in the exclusion of a proposal requesting a report relating to the relocation of the company’s corporate headquarters); *Pacific Gas and Electric Co.* (avail. Jan. 3, 1986) (concurring in the exclusion of a proposal requesting a feasibility study leading to relocation of the company’s corporate headquarters).

The Company operates more than 23,000 retail stores in 68 countries, and its coffee buyers personally travel to coffee farms in Latin America, Africa and Asia to select high quality beans. The Company’s decisions and actions regarding the location of its operations are a fundamental part of the Company’s ordinary business operations. As a global organization, the Company’s management routinely must make decisions regarding whether to open retail

Office of Chief Counsel
Division of Corporation Finance
November 6, 2015
Page 6

locations or engage in other operations in various foreign countries and, in that context, must consider many factors. In making decisions regarding whether and where to maintain retail operations, the Company's management necessarily considers a multitude of factors, including the retail and business environment in a particular jurisdiction, consumer preferences and the potential market size of a particular location. With respect to its purchasing operations, the Company takes a holistic approach to ethically sourcing high quality coffee, including responsible purchasing practices, supporting farmer loans and forest conservation programs. These decisions regarding the location of the Company's operations are the type that the Commission described in the 1998 Release as "fundamental to management's ability to run a company on a day-to-day basis." The Proposal's attempt to emphasize a single consideration in determining the location of the Company's operations would impermissibly interfere with these routine business decisions by management and therefore, as with the long line of precedent concurring with the exclusion of proposals implicating the location of company operations cited above, the Proposal may properly be excluded under Rule 14a-8(i)(7).

B. The Proposal's References To Human Rights Issues Do Not Raise A Significant Policy Issue That Relates To The Company.

As discussed above, when evaluating whether a proposal asking for a review and report may be excluded under Rule 14a-8(i)(7), the Staff evaluates 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. SLB 14C, at part D.2. Here, we believe the Proposal is properly viewed as relating to the Company's ordinary business operations, specifically the location of the Company's operations, notwithstanding that the resolution addresses a review of the Company's human rights policies. In this regard, the Proposal is comparable to many others that the Staff has concurred may be excluded under Rule 14a-8(i)(7), where the resolution addresses one topic but the supporting statements demonstrate that the proposal will operate as a referendum on ordinary business matters.

For example, in *General Electric Co. (St. Joseph Health System)* (avail. 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 "[w]e believe it is especially appropriate for our company to adopt social responsibility and environmental criteria for executive compensation because:" and then set forth a number of paragraphs regarding an alleged link between teen smoking and the depiction of smoking in movies. The company argued that the supporting statement

Office of Chief Counsel
Division of Corporation Finance
November 6, 2015
Page 7

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 implicating 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* (avail. 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 indicated that the thrust and focus of the proposal was on specific company political expenditures, which are ordinary business matters); *The Walt Disney Co. (St. Joseph Health System)* (avail. 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)* (avail. 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)").

While the Staff has determined that some proposals addressing human rights issues may not be excludable under Rule 14a-8(i)(7), the Staff has concurred on numerous occasions that merely invoking human rights or phrasing a proposal as implicating human rights does not bar a determination that a proposal is excludable under Rule 14a-8(i)(7). For example, this year the Staff has concurred with exclusion of numerous proposals that, as with the Proposal, contained a resolution seeking a review of human rights policies but which were accompanied by supporting statements that implicated a company's ordinary business operations. In *Lowe's Companies, Inc.* (avail. Mar. 10, 2015), the Proponent submitted a proposal with an identical resolution to that of the Proposal, requesting management to review its human rights policies and report its findings by the end of the next calendar year. The proposal was preceded by generic statements describing the importance of human rights, and was followed by a single request for the company to identify whether its policies "permit employees to take part in his or her government free from retribution." Concurring in the exclusion of the proposal under Rule 14a-8(i)(7), the Staff implicitly agreed with the company's assertion that the proposal's reference to a review of human rights policies and discussion regarding the right of citizens to participate in their country's government did not raise a significant policy issue that transcended the ordinary business nature of the proposal. *See id.* (in concluding its Rule 14a-8(i)(7) argument, asserting that the company's managers are "in the best position to select and evaluate which policies are in the best interests of the [c]ompany and its stakeholders."). *See also Comcast Corp.* (avail. Mar. 10, 2015) (same proposal and outcome, as submitted by a different proponent); *CBS Corp.* (avail. Mar. 10, 2015) (same proposal and outcome, as submitted by a different proponent).

Office of Chief Counsel
Division of Corporation Finance
November 6, 2015
Page 8

Here, although the Proposal has been minimally revised from the one considered in *Lowe's*, *Comcast* and *CBS* so that it no longer references employee matters, it retains the same fundamental deficiency by implicating the Company's ordinary business operations and not raising a significant policy issue that transcends day-to-day business matters. In this regard, other than a generic assertion that corporations lacking fundamental human rights protections may face risks to their reputations and shareholder value, the Proposal does not (and as discussed in the section below, could not credibly) relate this assertion to the Company's operations. In this respect, the Proposal differs significantly from the one considered by the Staff in *Halliburton Company* (avail. Mar. 9, 2009). In *Halliburton*, a resolution identical to the one set forth in the Proposal was accompanied by extensive discussions of human rights issues directly impacting that company's operations. In contrast, the Proposal fails to establish any nexus between the Company's operations and the Proposal's assertions about regions in which the Company operates. Instead, as with the proposals considered in *Sempra Energy* and *Hershey Co.*, the recitals and supporting statements in the Proposal contain only generic references to reputational and shareholder value risks and to operations in countries where certain practices may exist. As such, the Proposal, taken as a whole, fails to focus on a significant social policy issue and instead questions the Company's overall business judgment in balancing the costs and benefits of its day-to-day operations, and therefore may properly be excluded under Rule 14a-8(i)(7).

II. The Proposal May Be Excluded Under Rule 14a-8(i)(10) Because It Has Been Substantially Implemented.

Rule 14a-8(i)(10) permits a company to exclude a shareholder proposal from its proxy materials if the company has 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." Exchange Act Release No. 12598 (July 7, 1976). Originally, the Staff narrowly interpreted this predecessor rule and granted no-action relief only when 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 proposals that differed from existing company policy by only a few words. The 1983 Release, at § II.E.6. Therefore, in the 1983 Release, the Commission adopted a revision to the rule to permit the omission of proposals that had been "substantially implemented" and the Commission codified this revised interpretation in the 1998 Release, at n.30.

Office of Chief Counsel
Division of Corporation Finance
November 6, 2015
Page 9

Under this standard, when a company can demonstrate that it already has taken actions to address the underlying concerns and essential objectives of a shareholder proposal, the Staff has concurred that the proposal has been “substantially implemented” and may be excluded as moot. *See, e.g., Exelon Corp.* (avail. Feb. 26, 2010); *Exxon Mobil Corp. (Burt)* (avail. Mar. 23, 2009); *Anheuser-Busch Companies, Inc.* (avail. Jan. 17, 2007); *ConAgra Foods, Inc.* (avail. July 3, 2006); *Johnson & Johnson* (avail. Feb. 17, 2006); *Talbots Inc.* (avail. Apr. 5, 2002); *Exxon Mobil Corp.* (avail. Jan. 24, 2001); *Masco Corp.* (avail. Mar. 29, 1999); *The Gap, Inc.* (avail. Mar. 8, 1996). 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.* (avail. Mar. 28, 1991). In applying Rule 14a-8(i)(10), the Staff consistently has concurred with the exclusion of shareholder proposals that, like the Proposal, request a report containing information that the company has already publicly disclosed.

At the same time, a company need not implement a proposal in exactly the manner set forth by the proponent. *See* 1998 Release, at n.30 and accompanying text. *See, e.g., Hewlett-Packard Co. (Steiner)* (avail. Dec. 11, 2007) (proposal requesting that the board permit shareholders to call special meetings was substantially implemented by a proposed bylaw amendment to permit shareholders to call a special meeting unless the board determined that the specific business to be addressed had been addressed recently or would soon be addressed at an annual meeting). Differences between a company’s actions and a shareholder proposal are permitted as long as the company’s actions satisfactorily address the proposal’s essential objectives. Thus, in the context of evaluating whether a company has substantially implemented a proposal that requests a review and report, the Staff has taken into account a company’s existing disclosures, even if not issued in the form of a report in response to a proposal. Among the numerous precedents addressing this type of proposal under Rule 14a-8(i)(10) are the following:

- *The Dow Chemical Co.* (avail. Mar. 18, 2014, *recon. denied* Mar. 25, 2014), in which the Staff concurred with the exclusion of a proposal requesting that the company prepare a report “assessing the short and long term financial, reputational and operational impacts” of an environmental incident in Bhopal, India. The company argued that a document included on its website providing “Q and A” with respect to the Bhopal incident substantially implemented the proposal. In making its determination, the Staff noted that “it appears that [the company’s] public disclosures compare favorably with the guidelines of the proposal and that [the company] has, therefore, substantially implemented the proposal.”

Office of Chief Counsel
Division of Corporation Finance
November 6, 2015
Page 10

- *Mondelez International, Inc.* (avail. Mar. 7, 2014), in which the Staff concurred with the exclusion under Rule 14a-8(i)(10) of a proposal requesting that the board produce a report on the company's process for identifying and analyzing potential and actual human rights risks in the company's operations and supply chain, where the company already disclosed its risk management process and the framework it used to assess potential human rights risks.
- *The Coca-Cola Co.* (avail. Jan. 25, 2012, *recon. denied* Feb. 29, 2012), in which the proposal requested that the board prepare a report "updating investors on how the company is responding to the public policy challenges associated with [Bisphenol A, or BPA]." The company asserted that its website already disclosed "information about the use of BPA in aluminum can liners and the [c]ompany's priority of ensuring the safety and quality of its products and packaging." Although the disclosures referenced by the company were scattered across multiple pages of the company's website, the Staff concurred in the exclusion of the proposal under Rule 14a-8(i)(10), noting that the company's "public disclosures compare favorably with the guidelines of the proposal and that [the company] has, therefore, substantially implemented the proposal."
- *Target Corp.* (avail. Mar. 26, 2013), in which the Staff concurred in the exclusion of a proposal requesting that the board study the feasibility of adopting a policy prohibiting the use of treasury funds for direct and indirect political contributions, where the company referenced a one-page statement in opposition from a previous proxy statement and five pages excerpted from a company report, both of which addressed company reviews of the use of company funds for political purposes.
- *TECO Energy, Inc.* (avail. Feb. 21, 2013), in which the Staff concurred in the exclusion under Rule 14a-8(i)(10) of a proposal requesting a report on the environmental and public health effects of mountaintop removal operations as well as feasible mitigating measures, where the company supplemented its sustainability report with a two-page report and a four-page table on the topic.
- *General Electric Co.* (avail. Jan. 18, 2011, *recon. granted* Feb. 24, 2011), in which the Staff concurred in the exclusion on substantial implementation grounds of a proposal requesting a report on legislative and regulatory public policy advocacy activities where the company prepared and posted an approximately two-page report regarding public policy issues on its website, noting that the

Office of Chief Counsel
Division of Corporation Finance
November 6, 2015
Page 11

company's "policies, practices and procedures compare favorably with the guidelines of the proposal."

- *Pfizer Inc.* (avail. Jan. 11, 2013, *recon. denied* Mar. 1, 2013), in which the Staff concurred in the exclusion of a proposal requesting that the board issue a report detailing measures implemented to reduce the use of animals and specific plans to promote alternatives to animal use, where the company cited its compliance with the Animal Welfare Act and published a two-page "Guidelines and Policy on Laboratory Animal Care" on its website.

See also Wal-Mart Stores, Inc. (avail. Mar. 10, 2008); *PG&E Corp.* (avail. Mar. 6, 2008); *The Dow Chemical Co.* (avail. Mar. 5, 2008); *Johnson & Johnson* (avail. Feb. 22, 2008) (in each case, concurring in the exclusion, under Rule 14a-8(i)(10), of a proposal requesting that the company issue a report based upon the company having already publicly disclosed the subject matter of the requested report).

Here, the Proposal asks that management "review its policies related to human rights to assess areas in which the Company may need to adopt and implement additional policies and to report its findings" by the end of next year. The Company has substantially implemented the Proposal through the Company's ongoing review of its policies and issuance of reports setting forth the Company's position on human rights issues. Specifically, the Company maintains an ongoing review of its social responsibility and annually publishes its Global Responsibility Report ("GR Report"), the Company has issued its Global Human Rights Statement, and the Company is a member in the UN Global Compact. In addition, under the charter of the Nominating and Corporate Governance Committee of the Company's Board of Directors, the Committee annually reviews and assesses the Company's environmental and social responsibility policies, goals and programs through the annual GR Report.²

On an ongoing basis, the Company reviews the scope and nature of its business operations and, in light of such operations, assesses issues that are appropriate for the Company to address. The GR Report, which the Company has published annually since 2002, reports on

² Paragraph 16 of the Starbucks Corporation Nominating and Corporate Governance Committee Charter (approved by the Committee on June 4, 2013), is available on the Company's website at <http://www.starbucks.com/about-us/company-information/corporate-governance> and states that the Committee's responsibilities include to "[a]nnually review and assess the effectiveness of the Company's environmental and social responsibility policies, goals and programs through the annual Global Responsibility Report, and make recommendations as deemed appropriate based on such review and assessment."

Office of Chief Counsel
Division of Corporation Finance
November 6, 2015
Page 12

the results of this ongoing review as it relates to sustainability and community impacts, and in this context encompasses human rights issues. The 2014 GR Report provides shareholders with significant detail on the Company's current policies and initiatives with respect to ethical supply chain sourcing, environmental considerations, diversity and inclusion, and the global economic empowerment of youth through access to education and job skills, in addition to other aspects of corporate responsibility.³ For example:

- Page 3 of the 2014 GR Report reflects the Company's policy to address fair pay and working conditions as part of its ethical coffee sourcing program and reports that in 2014 the Company achieved a 96% ethical sourcing rate.
- Page 5 of the 2014 GR Report reflects the Company's conclusion that the health and stability of coffee communities impacts farmers from whom the Company purchases coffee beans and details the steps that the Company has taken to help improve the quality of life in those farmers' communities.
- With respect to access to education, one of the human rights issues specifically addressed in the Proposal's recitals and Supporting Statement, pages 11 and 12 of the 2014 Report address the steps that the Company is taking to promote education and training among youth.
- Also with respect to access to education, page 11 of the 2014 GR Report discusses the launch of a new program to help employees obtain college degrees:

In 2014 we introduced the Starbucks College Achievement Plan – an innovative education benefit to help Starbucks partners complete their degrees online through Arizona State University.

- With respect to the Company's commitment to creating and maintaining workplace equality and equal workplace opportunities, which aligns with the Proposal's reference to disparate treatment of women and minorities, page 13 of the 2014 GR Report discusses the policies and the initiatives that the Company has implemented.

³ A copy of the 2014 GR Report is available at <http://globalassets.starbucks.com/assets/ea2441eb7cf647bb8ce8bb40f75e267e.pdf>, and the Company's archive of GR Reports is available at <http://www.starbucks.com/responsibility/global-report>. The Company is in the process of preparing its 2015 GR Report for publication.

Office of Chief Counsel
Division of Corporation Finance
November 6, 2015
Page 13

A comparison of prior years' GR Reports demonstrates that, as requested by the Proposal, the Company consistently reviews its policies to assess areas where the Company may need to adopt and implement additional measures.

- Reflecting the Company's review of access to education in communities in which the Company operates, page 23 of the Company's 2013 GR Report⁴ describes the Company's program to increase access to primary education in Guatemala, a key farming region for the Company:

Since 2005 Starbucks has contributed over \$2.6 million toward the Guatemala Education Initiative, an effort with Save the Children to bring education programs to children living in remote coffee-producing villages in that country. Starbucks has been focused on Guatemala's Huehuetenango region since 2011 through a three-year, \$1 million project that is improving the overall quality of preschool and primary education for children in more than 20 communities.

- Reflecting the Company's determination to address healthcare and educational rights, page 14 of the Company's 2012 GR Report⁵ describes the Company's initiatives in 40 coffee growing communities in Indonesia.

Thus, the Company's annual GR Report covers "topics and issues that are important to Starbucks and our stakeholders based on year-round engagement with and feedback from advocates and investors, and via easily accessible customer and Starbucks partner (employee) tools such as My Starbucks Idea, Starbucks social media channels . . . and [its] Customer Service team."⁶ These topics and issues include human rights issues such as those addressed in the Proposal, and reflect the Company's ongoing review of its policies that relate to human rights concerns, its determinations as to which areas are appropriate for the Company to address, and its engagement with stakeholders to address its commitments to human rights.

⁴ A copy of the 2013 GR Report is available at <http://globalassets.starbucks.com/assets/b48b38aed56e4fdd8dcdbbfad23e3242.pdf>.

⁵ A copy of the 2012 GR Report is available at <http://globalassets.starbucks.com/assets/581d72979ef0486682a5190eca573fef.pdf>.

⁶ 2014 GR Report, at page 19. For clarification, My Starbucks Idea is an online forum for Company customers and partners to share product, customer experience and social responsibility ideas. The forum is accessible at <http://mystarbucksidea.force.com>.

Office of Chief Counsel
Division of Corporation Finance
November 6, 2015
Page 14

In addition to its annual GR Reports, pursuant to the Company's membership in the UN Global Compact, which it signed in 2004, the Company maintains an ongoing commitment to evaluating and addressing human rights concerns and to align its policies with the UN Global Compact's 10 guiding principles, which specifically address fundamental responsibilities in the area of human rights.⁷ Page 17 of the Company's 2007 GR Report⁸ sets forth the Company's policies and priorities that are aligned with the human rights principles of the UN Global Compact. And the Company relies on its annual GR Report to fulfill the Company's commitment under the UN Global Compact "to communicate annually with its stakeholders on progress made to implement the principles."

As an additional facet of its ongoing review and development of policies related to human rights, the Company also has issued its Global Human Rights Statement. The most recent version of this policy is available online and is also attached as Exhibit B to this letter.⁹ The Company evaluates its Global Human Rights Statement as part of the Company's ongoing review and assessment of whether and how to address the Company's commitment to the communities in which it operates.¹⁰

The review and reporting undertaken by the Company compares favorably to, and substantially implements, the Proposal. In this regard, the Proposal has provided the Company wide latitude in determining how to accomplish its review of policies related to

⁷ The UN Global Compact's 10 guiding principles are addressed at <https://www.unglobalcompact.org/what-is-gc/mission/principles>. As stated at that website, the UN Global Compact's Ten Principles are derived from, among other things, the UN's Universal Declaration of Human Rights, which is specifically referenced in the Proposal.

⁸ A copy of the 2007 GR Report is available at <http://globalassets.starbucks.com/assets/ae2f32c159e64a3e96fafd5a9b37ef25.pdf>.

⁹ The Company's most recent Global Human Rights Statement is available at <http://globalassets.starbucks.com/assets/1d7de46ff5f845d89c01a81bebdbdb59.pdf>.

¹⁰ Among other things, the Global Human Rights Statement sets forth the Company's policy that "Starbucks respects employees' rights to engage in free association." This policy is manifested in other policies and reports that the Company also has issued. For example, under the Starbucks Coffee Company Policy on Corporate Political Contributions and Expenditures, attached to this letter as Exhibit C and available at <http://globalassets.starbucks.com/assets/861fc693724f48eba114fdb064998f0c.pdf>, the Company states, "Starbucks supports partners becoming personally involved in their community and in the political process"

The Global Human Rights Statement also sets forth the Company's policy that "Starbucks promotes, protects and helps ensure the full and equal enjoyment of human rights by all persons, including those with disabilities."

Office of Chief Counsel
Division of Corporation Finance
November 6, 2015
Page 15

human rights, and the scope of that review. The recitals to the Proposal merely list, by way of example, a number of human rights issues “such as suffrage rights, gender equality and access to education.” The paragraphs labeled “Supporting Statement,” while focused on the regions in which the Company operates, address primarily rights to participate in government, but also list other human rights issues. However, the Proposal qualifies this discussion by stating that the review requested by the Proposal “may include consideration of” those topics, “[i]f management chooses” (emphasis added).

The Staff has recognized that when a proposal merely suggests that a certain issue be addressed, the proposal may be excluded where the company has addressed the requested, but not suggested, matters. For example, in *ConAgra Foods, Inc.* (avail. July 3, 2006), the Staff concurred in the exclusion under Rule 14a-8(i)(10) of a proposal requesting that the board issue a sustainability report, where the supporting statement recommended that the report follow certain guidelines that the company did not address in its existing policies and procedures. *See also Wal-Mart Stores, Inc.* (avail. Mar. 30, 2010) (concurring with the exclusion under Rule 14a-8(i)(10) of a proposal urging the board to adopt principles regarding global warming “based on” a set of principles listed in the supporting statement, where the company argued that it need not adopt the listed principles wholesale).

Thus, the Proposal affords the Company substantial leeway in determining how best to implement the Proposal in a manner that is appropriate to the Company and its business. After reviewing and considering the Proposal, the Company believes that its annual GR Reports, Global Human Rights Statement, ongoing membership in the UN Global Compact, and annual Nominating and Corporate Governance Committee review and assessment of the effectiveness of the Company’s environmental and social responsibility policies, goals and programs through the annual Global Responsibility Report, all demonstrate that the Company reviews its human rights policies and takes ownership of strategies for engaging with stakeholders on human rights issues, thereby fulfilling the requests set forth in the Proposal. Accordingly, we believe the Proposal may be properly excluded from the Company’s 2016 Proxy Materials under Rule 14a-8(i)(10).

CONCLUSION

Based upon the foregoing analysis, we respectfully request that the Staff concur that it will take no action if the Company excludes the Proposal from its 2016 Proxy Materials pursuant to Rule 14a-8(i)(7) and Rule 14a-8(i)(10).

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

GIBSON DUNN

Office of Chief Counsel
Division of Corporation Finance
November 6, 2015
Page 16

should be sent to shareholderproposals@gibsondunn.com. If we can be of any further assistance in this matter, please do not hesitate to call me at (202) 955-8671.

Sincerely,

A handwritten signature in blue ink, appearing to read "Ronald O. Mueller", is written over a light blue rectangular background.

Ronald O. Mueller

Enclosures

cc: Lucy Lee Helm, Starbucks Corporation
The National Center for Public Policy Research

EXHIBIT A

THE NATIONAL CENTER



FOR PUBLIC POLICY RESEARCH

Amy M. Ridenour

Chairman

David A. Ridenour

President

Via FedEx

September 23, 2015

Lucy Lee Helm
Starbucks Corp
2401 Utah Avenue South
Mail Stop S-LA1
Seattle, Washington 98134.

Dear Ms. Helm,

I hereby submit the enclosed shareholder proposal ("Proposal") for inclusion in the Starbucks Corporation (the "Company") proxy statement to be circulated to Company shareholders in conjunction with the next annual meeting of shareholders. The Proposal is submitted under Rule 14(a)-8 (Proposals of Security Holders) of the United States Securities and Exchange Commission's proxy regulations.

I submit the Proposal as General Counsel of the National Center for Public Policy Research, which has continuously owned Starbucks Corp. stock with a value exceeding \$2,000 for a year prior to and including the date of this Proposal and which intends to hold these shares through the date of the Company's 2016 annual meeting of shareholders. A Proof of Ownership letter is forthcoming and will be delivered to the Company.

Copies of correspondence or a request for a "no-action" letter should be forwarded to Justin Danhof, Esq., General Counsel, National Center For Public Policy Research, 501 Capitol Court NE, Suite 200, Washington, D.C. 20002, and emailed to JDanhof@nationalcenter.org.

Sincerely,



Justin Danhof, Esq.

Enclosure: Shareholder Proposal (Human rights Review)

Human Rights Review

Whereas, the Securities and Exchange Commission has consistently recognized that human rights constitute a significant policy issue.

Corporations that lack fundamental human rights protections may face serious risks to their reputations and shareholder value.

The proponent recommends that the Company base its human rights policies, in part, on the United Nations' "Universal Declaration of Human Rights," endorsed and in part drafted by the United States. A portion of that document provides that "[e]veryone has the right to take part in the government of his country," and that "[t]he will of the people shall be the basis of the authority of government; this will shall be expressed in periodic and genuine elections."

Whereas, the United States of America was founded on the ideal of a representative government with the duty of protecting the rights of its citizens – to wit, the Declaration of Independence makes clear that "to secure these rights, Governments are instituted among Men, deriving their just powers from the consent of the governed."

Whereas, the Company operates in regions where not all individuals are extended human rights – such as full suffrage rights, gender equality and access to education.

Resolved, the proponent requests that management review its policies related to human rights to assess areas in which the Company may need to adopt and implement additional policies and to report its findings, omitting proprietary information and at a reasonable expense, by December 2016.

Supporting Statement

If management chooses, the review may include consideration of:

1. Whether the Company operates in regions that have a pattern of human rights abuses. Some of these abuses might include disparate treatment of women, disparate treatment of minorities or unequal access to education.
2. Whether the Company operates in regions where some or all individuals are not permitted to partake in their government.
3. Whether the Company operates in regions where individuals face potential retribution for partaking in their government.
4. The Company's strategies for engaging with stakeholders to ensure its commitments to human rights.

EXHIBIT B



Global Human Rights Statement

INTRODUCTION

Starbucks Mission includes the commitment to treat its employees with respect and dignity, and to be a force for positive action in the community in which it does business. To this end, Starbucks is committed to support and uphold the provision of basic human rights and to eliminate discriminatory practices. Starbucks respects the inherent dignity of all persons, and seeks to enable all employees to do their best work by embracing and valuing the unique combination of talents, experiences and perspectives of each employee.

PURPOSE AND SCOPE

Starbucks Global Human Rights Policy emphasizes Starbucks commitment to basic human rights as a core component of the way Starbucks does business and how Starbucks engages its employees. The Policy supports the company's Mission Statement by guiding employees toward the fundamental principles and requirements for upholding basic human rights in the workplace. The Policy supports employees in creating and maintaining a work culture that protects the unique rights of children to pursue basic education as a priority over work, prohibits forced labor, supports the rights of employees to engage in free association, and supports the provision of equal human rights to all persons.

This Policy provides direction and guidance to employees to ensure that all practices and processes support the fundamental principles of basic human rights, and are developed and implemented in a manner that complies with Starbucks core values around human rights and respects the inherent value of each individual. This Policy helps ensure that employees engaged in company business understand their responsibility for upholding human rights and equality in the workplace. Starbucks goal is to maintain an environment that fosters open and direct communication between managers and employees as the most effective way to work together and resolve differences, and respects its employees' rights to participate in a collective bargaining process should they so choose.

The Global Human Rights Policy applies to all Starbucks employees. Starbucks expects any parties who do business on Starbucks behalf to conduct business in ways that uphold the principles of this Policy.

DEFINITIONS

Child Labor

The economic exploitation of children under the age of 18 or their employment in work that is harmful to their health, safety or morals

Forced or Compulsory Labor

Work or service that is coerced or imposed with little or no freedom of choice and deprives a worker of a genuine possibility of terminating his or her employment without penalty or the threat of penalty, including deliberate withholding or non-payment of wages

Free Association

Free formation and joining of groups by workers and employers for the promotion and defense of occupational interests, and to influence matters that directly concern them

Collective Bargaining

A process through which employers or their organizations, and representatives designated by the workers, discuss and negotiate their relations, particularly the terms and conditions of work, to reach mutually acceptable collective agreements

REQUIREMENTS

Starbucks is committed to maintaining a work environment that respects and supports the provision of basic human rights to all of its employees around the world, regardless of the country in which they work, to the full extent permitted by law. To this end:

- Starbucks strictly prohibits all forms of labor in the workplace that are detrimental to the health or safety of children,
- Starbucks strictly prohibits forced or compulsory labor for any employees,
- Starbucks respects employees' rights to engage in free association and to participate in a collective bargaining process should they so choose, and
- Starbucks promotes, protects and helps ensure the full and equal enjoyment of human rights by all persons, including those with disabilities.

Starbucks will not tolerate any behavior or actions prohibited by the requirements herein. Starbucks does not consider such behaviors or actions within the core values of the company, nor is such conduct authorized by Starbucks employees, including managers.

Complaint

Employees should immediately report any conduct engaged in or endured by a Starbucks partner, or any individual conducting business on Starbucks behalf, that is a potential violation of the Global Human Rights Policy or may compromise the company's values around the provision of basic human rights. Such a report, preferably in writing, can be made by following the company's Anti-Harassment / Anti-Retaliation Compliant Procedure or the Standards of Business Conduct.

Child Labor Restrictions

Starbucks prohibits all forms of child labor as defined in this Policy. When employing employees under the age of 18, managers must comply with all Starbucks-established or legally required limitations on minimum hiring age, hours and tasks performed by these employees to ensure any work performed does not hamper the child's education, health, safety, and mental or physical development.

Starbucks will gather and maintain data on the age of employees for auditing and reporting purposes. Additionally, Starbucks requires employees under the age of 18 to provide a current work permit where legally required.

Equality and Non-Discriminatory Practices

Starbucks embraces and values the unique combination of talents, experiences and perspectives of each partner. It is expected that all employees are offered equal opportunities to develop knowledge, skills and competencies relevant to the company's mission through inclusion, equality and accessibility.

Starbucks employees are required to uphold the elimination of discriminatory practices in the workplace as outlined in its Equal Employment Opportunity Policy and related governance tools. Additionally, Starbucks employees are expected to uphold practices that focus on merit and the ability to perform work, rather than practices that are based on irrelevant characteristics that may lead to exclusions.

Prohibition of Forced or Compulsory Labor

Starbucks will not make use of any form of forced or compulsory labor at any time for any purpose.

Wages will be paid regularly and according to all Starbucks requirements and applicable laws. It is prohibited for any employees to instruct or permit any other partner or individual doing work on Starbucks behalf to work any amount of time for which the partner is deliberately not compensated.

Right to Free Association

It is every partner's responsibility to uphold employees' basic rights to engage in free association.

Participation in Collective Bargaining

Managers and employees are expected to engage in active and direct dialog to solve joint problems and deal with mutual challenges. Starbucks also respects its employees' rights to participate in a collective bargaining process should they so choose.

Partner Responsibilities

All employees are responsible for supporting human rights in the work environment. It is every partner's responsibility to:

- Understand Starbucks Global Human Rights Policy concerning basic human rights and uphold the provision of these rights in the workplace

- Contribute to a positive experience at Starbucks, offering inclusion, equity and accessibility to employees and customers
- Treat each other with respect and dignity
- Foster free, direct and open communication among all employees
- Raise awareness of any behaviors or business situations involving Starbucks that may compromise the company's values around the provision of basic human rights
- Report potential violations of the Policy directly to the person involved, or if not comfortable speaking directly to that person, report such concerns to his/her manager, Partner Resources representative, or Business Ethics and Compliance

EXHIBIT C



Starbucks Coffee Company Policy on Corporate Political Contributions and Expenditures

Starbucks Coffee Company ("Starbucks") is committed to being actively involved in the communities we serve. This commitment extends to our approach to public policy. We believe we have a responsibility to advocate policies that support the health of our business, our partners and communities we are part of.

In an effort to better communicate these activities, Starbucks adopted a policy to provide more transparency about our corporate political contributions and expenditures. We believe this policy serves Starbucks interests in promoting public policies of concern to the company and educating elected and public officials about our business, while providing important information to our partners, customers, and shareholders.

Starbucks is committed to conducting business ethically, with integrity, and in accordance with the law. Part of that commitment includes compliance with rules, regulations, and standards governing our interaction with the government, including our disclosure and accountability regarding political contributions and expenditures.

Corporate Contributions

To the extent legally permitted and deemed appropriate and authorized by the senior vice president, Global Responsibility and Public Policy, Starbucks may consider corporate contributions to (a) candidates running for state or local office; (b) state or local political parties and committees; (c) entities operating under section 527 of the Internal Revenue Code and other tax-exempt organizations when such contributions are used for political purposes; and (d) support issue or ballot measure campaigns and committees. Such contributions may include, in accordance with applicable law, appearances by candidates at Starbucks facilities or events. The company's Nominating and Corporate Governance Committee will review such corporate contributions and payments on an annual basis to ensure alignment with Starbucks policy and values.

Personal Partner (Employee) Contributions

Starbucks supports partners becoming personally involved in their community and in the political process but does not permit the use of corporate resources or Starbucks time for personal political matters. Starbucks will not reimburse partners for political contributions. In addition, giving money, gifts, products or services to government officials in exchange for official action is strictly prohibited.

Political Action Committee

Starbucks does not have a Political Action Committee (PAC). Should Starbucks decide to form a PAC, the company will update this policy to reflect that decision.

Trade Associations

Starbucks may communicate our positions on public policies through industry associations to which we belong in our major markets and locations. These organizations give us a collective voice with our

industry partners, enabling us to reach government officials more efficiently. We will list the major associations where Starbucks pays annual dues of \$50,000 or more per year on our website and update that information annually.

Disclosure

Starbucks annual voluntary disclosure will include the following information on the publicly available Starbucks website:

- a. A copy of Starbucks Policy on Corporate Political Contributions and Expenditures
- b. Information about our public policy agenda
- c. Payments to trade associations where we are members at \$50,000 per year or more, and the portions of these payments that are used for lobbying purposes
- d. Contributions to: (a) candidates running for state or local office; (b) state or local political parties and committees; (c) entities operating under section 527 of the Internal Revenue Code and other tax-exempt organizations when such contributions are used for political purposes; and (d) support issue or ballot measure campaigns and committees.

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