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

DIVISION OF
CORPORATION FINANCE

March 6, 2019

William Brentani
Simpson Thacher & Bartlett LLP
wbrentani@stblaw.com

Re: CBRE Group, Inc.
Incoming letter dated January 2, 2019

Dear Mr. Brentani:

This letter is in response to your correspondence dated January 2, 2019 and February 11, 2019 concerning the shareholder proposal (the "Proposal") submitted to CBRE Group, Inc. (the "Company") by the AFL-CIO Reserve Fund (the "Proponent") for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders. We also have received correspondence from the Proponent dated February 4, 2019. Copies of all of the correspondence on which this response is based will be made available on our website at http://www.sec.gov/divisions/corpfin/cf-noaction/14a-8.shtml. For your reference, a brief discussion of the Division's informal procedures regarding shareholder proposals is also available at the same website address.

Sincerely,

M. Hughes Bates
Special Counsel

Enclosure

cc: Brandon J. Rees
AFL-CIO
brees@aflcio.org

March 6, 2019

Response of the Office of Chief Counsel
Division of Corporation Finance

Re: CBRE Group, Inc.
Incoming letter dated January 2, 2019

The Proposal requests that the board prepare a report on the impact of mandatory arbitration policies on the Company's employees. The report shall evaluate the risks that may result from the Company's current mandatory arbitration policy on claims of sexual harassment.

We are unable to concur in your view that the Company may exclude the Proposal under rule 14a-8(i)(7). In our view, the Proposal transcends ordinary business matters. Accordingly, we do not believe that the Company may omit the Proposal from its proxy materials in reliance on rule 14a-8(i)(7).

Sincerely,

Michael Killoy
Attorney-Adviser

DIVISION OF CORPORATION FINANCE
INFORMAL PROCEDURES REGARDING SHAREHOLDER PROPOSALS

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

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

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

SIMPSON THACHER & BARTLETT LLP

2475 HANOVER STREET
PALO ALTO, CA 94304
(650) 251-5000

FACSIMILE (650) 251-5002

DIRECT DIAL NUMBER
(650) 251-5110

E-MAIL ADDRESS
wbrentani@stblaw.com

VIA E-MAIL

February 11, 2019

Re: CBRE Group, Inc. Omission of Stockholder Proposal from Proxy Materials Pursuant to Rule 14a-8 under the Securities Exchange Act, as amended

Office of Chief Counsel
Division of Corporation Finance
Securities and Exchange Commission
100 F. Street, N.E.
Washington, D.C. 20549

Ladies and Gentlemen:

We are filing this letter on behalf of CBRE Group, Inc. (the "Company") with respect to the stockholder proposal and supporting statement (collectively, the "Proposal") submitted by the AFL-CIO Reserve Fund (the "Proponent") for inclusion in the proxy statement and form of proxy to be distributed by the Company in connection with its 2019 Annual Meeting of Stockholders (collectively, the "Proxy Materials"). The Proposal requested that the Board of Directors of the Company "prepare a report on the impact of mandatory arbitration policies on the Company's employees." The Proposal specified that "the report shall evaluate the risks that may result from the Company's current mandatory arbitration policy on claims of sexual harassment."

On January 2, 2019, we submitted a letter (the "No Action Request") to the Staff (the "Staff") of the Division of Corporation Finance of the Securities and Exchange Commission (the "Commission") requesting that the Staff not recommend any enforcement action against the Company if it omits the Proposal in its entirety from the Proxy Materials. The No Action Request indicated the Company's belief that the Proposal could be excluded from the Proxy Materials in reliance on Rule 14a-8(i)(7) under the Securities and Exchange Act of 1934, as amended (the "Exchange Act"), which permits a company to omit from its proxy materials a shareholder proposal that "deals with a matter relating to the company's ordinary business operations."

On February 4, 2019, the Proponent submitted a letter to the Staff responding to the No Action Request (the "Proponent's Response Letter"). The Proponent's Response Letter and accompanying correspondence from the Proponent is attached as Exhibit A hereto.

In response to the Proponent's Response Letter the Company wishes to respond to certain of the assertions made by the Proponent and reiterate and expand upon some of the reasons that the Company believes that it may omit the Proposal in its entirety from the Proxy Materials pursuant to Rule 14a-8(i)(7) of the Exchange Act.

Pursuant to Rule 14a-8(j) under the Exchange Act, we are simultaneously providing the Proponent with a copy of this submission. The Company will promptly forward to the Proponent any response received from the Staff to this request that the Staff transmits by email or fax only to the Company.

I. Regardless of Whether a Proposal Touches Upon a Significant Policy Issue, it May be Excluded if it Addresses Ordinary Business Matters

As noted in the No Action Request, although the Commission has stated that proposals relating to ordinary business matters but focusing on sufficiently significant social policy issues generally are not excludable, the Staff has expressed the view that proposals relating to both ordinary business matters and significant social policy issues may be excluded in their entirety in reliance on Rule 14a-8(i)(7). *See Exchange Act Release No. 40018, Amendments to Rules on Shareholder Proposals, [1998 Transfer Binder] Fed Sec. L. Rep. (CCH) (May 21, 1998)*. The Staff has consistently concurred that a proposal may be excluded when it focuses on ordinary business or matters or attempts to micromanage the company, even if it touches on significant policy issues. The Proponent's Response Letter focuses almost entirely on the significance of the social policy issues touched upon in the Proposal—it does not meaningfully address the Company's concern that the subject of the Proposal is a matter of ordinary business operations and one for which the Company believes it would be impractical for shareholders to meaningfully participate in informed decision-making due to complex operational considerations.

The Proponent's Response Letter attempts to distinguish the Proposal from most of the other stockholder proposals cited by the Company for which the Staff permitted exclusion under Rule 14a-8(i)(7) by asserting the significance of the social policy issues referenced in the Proposal and incorrectly claiming that the Staff permitted exclusion of such other proposals because the Staff "did not did not find a significant social policy issue in these proposals."[1] This assertion is purely speculative, however, because the Staff responses in the case of each of the letters cited did not comment on the significance (or lack thereof) of the social policy issues raised. Rather, in each case, the Staff stated that it concurred with the company's determination because it found that such proposal related to the company's ordinary business operations and/or sought to micromanage the company. In fact, many of the stockholder proposals for which the Staff has permitted exclusion have touched upon social policy issues that have generated tremendous public interest and may well have been considered significant by the Staff. For example, the Staff has permitted the exclusion under Rule 14a-8(i)(7) of proposals that implicated all of the following substantial

[1] Proponent's Response Letter, page 4.

social policy issues: anti-discrimination or equal employment policies (*Bristol-Myers Squibb Co.*, Jan. 7, 2015; *Yum! Brands, Inc.*, Jan. 7, 2015; *The Walt Disney Co.*, Nov. 24, 2014; *Deere & Co.*, Nov. 14, 2014; and *McDonald's Corp.*, Mar. 19, 1990), policies on freedom of speech and political expression (*PG&E Corp.*, Feb. 27, 2015; *Bank of America Corp.*, Feb. 14, 2012; *Wal-Mart Stores, Inc.*, Mar. 16, 2006; and *Merck & Co., Inc.*, Jan. 23, 1997), human rights (*Lowe's Companies, Inc.*, Mar. 10, 2015), animal cruelty or testing, (*SeaWorld Entertainment, Inc.*, April 23, 2018; and *Amazon.com, Inc.*, Feb. 3, 2015), use of renewal energy sources (*Red Hat, Inc.*, June 12, 2018; and *Dominion Resources, Inc.*, Feb. 14, 2014), the gender pay gap (*Walmart, Inc.*, April 13, 2018) and cutting jobs or relocating jobs offshore (*General Electric Co.*, Feb. 3, 2005; and *Capital One Financial Corp.*, Feb. 3, 2005). The Staff's willingness to permit exclusion of proposals that touched upon social policy issues that have generated as much public attention as those cited in the preceding sentence underlines the fact that the Staff's long-standing position has been that a proposal that implicates significant social policies issues may nonetheless be excluded pursuant to Rule 14a-8(i)(7) if it relates to the company's ordinary business operations and/or attempts to micromanage the company.

II. The Proposal May be Excluded Because it Relates to the Company's Ordinary Business Operations and Attempts to Micromanage the Company

The Proposal probes too deeply into matters of a complex nature by seeking stockholder involvement in the legal provisions of the Company's contractual arrangements with its employees. In addition to their complexity, these matters are fundamentally tied to the Company's hiring and management of its workforce and its "day-to-day" operations. The Staff stated in *United Technologies* (Feb. 19, 1993) that, "[a]s a general rule, the staff views proposals directed at a company's employment policies and practices with respect to its non-executive workforce to be uniquely matters relating to the conduct of the company's ordinary business operations."

The Company's management invests significant time and energy on an ongoing basis in crafting, evaluating and revising the employment agreements and policies that govern the relationships with and among its 90,000 plus employees in more than 100 countries. Management's deliberation of such employment matters include understanding and balancing, among other things, such complex considerations as the patchwork of legal and regulatory regimes to which it is subject, the welfare of its employees, the logistics of managing such a large workforce, industry practice, and the interests of all of its stakeholders. Any policy issue raised by the Proposal is inexorably intertwined with such complex operational considerations that the Company believes that it would be impracticable for its stockholders, as a group, to provide direct or informed oversight over the matters raised in the Proposal.

III. Conclusion

For the reasons discussed above, the Company respectfully reiterates its request that the Staff express its intention not to recommend enforcement action if the Proposal is excluded from the Company's Proxy Materials in reliance on Rule 14a-8(i)(7).

If the Staff disagrees with the Company's conclusions regarding omission of the Proposal, or if any additional submissions are desired in support of the Company's position, we would appreciate an opportunity to speak with you by telephone prior to the issuance of the Staff's Rule 14a-8(j) response.

If you have any questions regarding this request, or need any additional information, please do not hesitate to contact the undersigned at (650) 251-5110 or wbrentani@stblaw.com.

Sincerely,

William Brentani

Enclosure

cc: Laurence Midler, CBRE Group, Inc.
AFL-CIO Reserve Fund

Exhibit A

Copy of Proponent's Response Letter and Accompanying Correspondence

From: Brandon Rees [mailto:brees@aflcio.org]
Sent: Monday, February 4, 2019 2:05 PM
To: shareholderproposals@sec.gov
Cc: Brentani, William B <wbrentani@stblaw.com>
Subject: AFL-CIO Reserve Fund response to CBRE Group letter dated January 2, 2019 [EXT]

Dear Sir or Madam:

Please see the attached letter submitted on behalf of the AFL-CIO Reserve Fund in response to CBRE Group's letter dated January 2, 2019. A copy of this letter is being provided concurrently to the company's attorney William Brentani at Simpson Thacher & Bartlett.

Sincerely,

Brandon Rees
brees@aflcio.org
202-637-5152

American Federation of Labor and Congress of Industrial Organizations
815 16th St., NW
Washington, DC 20006
202-637-5000
aflcio.org

AFL-CIO
AMERICA'S UNIONS

Via E-Mail

February 4, 2019

Office of Chief Counsel
Division of Corporation Finance
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Re: CBRE Group, Inc.'s Request to Exclude a Shareholder Proposal Submitted by the AFL-CIO Reserve Fund

Dear Sir or Madam:

Pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, the AFL-CIO Reserve Fund (the "Fund") submitted a shareholder proposal (the "Proposal") to CBRE Group, Inc. (the "Company"). In a letter to the staff of the Division of Corporation Finance (the "Division Staff") dated January 2, 2019 (the "No-Action Request"), the Company stated that it intends to omit the Proposal from its proxy materials to be distributed to shareholders in connection with the Company's 2019 annual meeting of shareholders. The Company argues that it is entitled to exclude the Proposal in reliance on Rule 14a-8(i)(7), on the ground that the Proposal deals with the Company's ordinary business operations.

As discussed more fully below, the Company has not met its burden of proving its entitlement to exclude the Proposal in reliance on Rule 14a-8(i)(7), and the Fund respectfully requests that the Company's request for relief be denied.

The Proposal

The Proposal states:

"RESOLVED: Shareholders of CBRE Group, Inc. (the "Company") request that the Board of Directors prepare a report on the impact of mandatory arbitration policies on the Company's employees. The report shall evaluate the risks that may result from the Company's current mandatory arbitration policy on claims of sexual harassment. The report shall be prepared at reasonable cost and omit proprietary and personal information, and shall be made available on the Company's website no later than the 2020 annual meeting of shareholders."

The Proposal Addresses a Social Policy Issue that Transcends Ordinary Business

Rule 14a-8(i)(7) permits companies to omit any shareholder proposal from their proxy materials that "deals with a matter relating to the company's ordinary business operations." The Company claims the Proposal is excludable under Rule 14a-8(i)(7) because it relates to the Company's management of its workforce. As explained below, the Company's request for relief should be denied because the issue of mandatory arbitration of sexual harassment claims is a significant social policy issue that transcends ordinary business matters.

As the Division Staff stated in Exchange Act Release No. 34-40018 (May 21, 1998), employment-related shareholder proposals that focus on sufficiently significant social policy issues may transcend the day-to-day business matters and therefore be appropriate for a shareholder vote. In reversing the *Cracker Barrel Old Country Stores, Inc. (Oct. 13, 1992)* position on employment-related proposals, Release No. 34-40018 noted that the Division Staff's definition of significant social policy issues adjusts over time to reflect changing societal views.

Since *Cracker Barrel* was reversed, the Division Staff have repeatedly declined to concur with requests to exclude proposals under Rule 14a-8(i)(7) that address employment discrimination. For example, proposals to prohibit employment discrimination based on sexual orientation were permitted by Division Staff in *Procter & Gamble Co.* (August 16, 2016), *Exxon Mobil Corp.* (March 20, 2012), and *Bank of America* (February 22, 2006). Examples of allowable proposals addressing employment discrimination as an international human rights issue include *TJX Companies* (April 1, 1999) (MacBride Principles), *PPG Industries* (January 22, 2001) (ILO Conventions), and *General Electric* (February 10, 2015) (Holy Land Principles).

The proposal in *Cracker Barrel* sought to change the company's employment policies to adopt non-discriminatory policies relating to sexual orientation. Like the proposal in *Cracker Barrel*, the Fund's Proposal focuses on the Company's employment policies as they pertain to a form of employment discrimination. Specifically, the Fund's Proposal focuses on the issue of the Company's mandatory arbitration policies as they pertain to claims of sexual harassment in the workplace. Sexual harassment is an unlawful form of employment discrimination based on sex.[1]

The No-Action Request concedes that the issue of workplace sexual harassment has become a sufficient social policy issue.[2] Following the sexual-harassment allegations against Hollywood producer Harvey Weinstein, the #MeToo movement against sexual harassment exploded into the public discourse. For example, a text search of U.S. newspapers for the term "#MeToo" on LexisNexis returns 81,090 articles that were published in 2018. As of the date of this letter, a Google search engine query for the term "#MeToo" identifies 214 million webpage results.

The Company's No-Action Request attempts to distinguish the issue of mandatory arbitration from sexual harassment. However, the connection between mandatory arbitration employment policies and their impact on sexual harassment claims is the significant social policy question at

[1] In *Meritor Savings Bank v. Vinson*, 477 U.S. 57 (1986), the U.S. Supreme Court recognized sexual harassment as a violation of Title VII of the Civil Rights Act of 1964.
[2] Company No-Action Request at page 9.

issue in the Proposal. The news media has well covered the potential for mandatory arbitration policies to deter and keep secret sexual harassment claims by employees.[3] Federal legislation has also been introduced to guarantee that sexual harassment victims have a right to their day in court.[4] The Attorneys General of the States, District of Columbia, and territories have signed a letter urging Congress to adopt such legislation.[5]

Since the *Cracker Barrel* reversal, the Division Staff have refused to concur with the exclusion of proposals on ordinary business grounds that address sexual harassment and abuse. For example, in *Oracle Corp.* (August 15, 2000), *McDonald's Corp.* (March 16, 2001), and *3M Co.* (March 2, 2005), the proposals sought to apply human and labor rights principles (including a prohibition of sexual harassment) to company operations in China. In *Corrections Corporation of America* (February 10, 2012), the proposal requested a report on efforts to reduce incidents of sexual abuse of prisoners housed in facilities operated by the company.

Discussion of a company's employment policies does not diminish the fact that the thrust and focus of a proposal addresses a significant social policy issue. For example, in *Amazon.com, Inc.* (March 14, 2017), the Division Staff refused to concur with the exclusion of a proposal that requested a report on the risk of racial discrimination that may result from the use of criminal background checks in hiring and employment decisions. The disparate impact of such employment policies on communities of color was the significant social policy issue in question.

Like the proposal in *Amazon.com, Inc.*, the Fund's Proposal seeks a report on an employment practice that is linked to a significant social policy of employment discrimination. Staff Legal Bulletin No. 14I (November 1, 2017) explains that whether the significant social policy exception applies depends, in part, on the connection between the issue and the company's business operations. The Proposal's supporting statement describes how the Proposal topic is connected to the Company because the Company adopted a mandatory arbitration policy around the time that the Company faced a class action lawsuit for sexual harassment.[6]

The Company's Arguments are Not Persuasive that the Proposal is Ordinary Business

The first set of no-action letters cited by the Company are readily distinguishable from the Fund's Proposal. The proposal in *Fluor Corp.* (February 3, 2005) addressed plant closings and related job losses. *Sprint Corp.* (January 28, 2004) addressed employee benefits, and the

---

[3] Jacob Gershman, "As More Companies Demand Arbitration Agreements, Sexual Harassment Claims Fizzle," *The Wall Street Journal*, January 25, 2018; Terri Gerstein, "End Forced Arbitration for Sexual Harassment. Then Do More.", *The New York Times*, November 14, 2018; Jena McGregor, "Google and Facebook ended forced arbitration for sexual harassment claims. Why more companies could follow." *The Washington Post*, November 12, 2018; Elizabeth Dias and Eliana Dockterman, "The Teeny Tiny Fine Print That Can Allow Sexual Harassment Claims to Go Unheard," *Time*, October 21, 2016.

[4] Ending Forced Arbitration of Sexual Harassment Act of 2017, S.2203 and H.R.4734 — 115th Congress (2017-2018).

[5] Letter from the National Association of Attorneys General to the Honorable Paul Ryan et.al., February 12, 2018, available at http://myfloridalegal.com/webfiles.nsf/WF/HFIS-AVWMYN/%24file/NAAG+letter+to+Congress+Sexual+Harassment+Mandatory+Arbitration.pdf.

[6] Fatima Hussein and Hassan Kanu, "CBRE Labor Board Case Is 'Bellwether' for Forced Arbitration," *Bloomberg BNA*, August 9, 2018, available at https://www.bna.com/cbre-labor-board-n73014481587/.

proposal in *Northrop Grumman Corp.* (March 18, 2010) concerned layoffs and educational status of employees. *Merck & Co. Inc.* (March 6, 2015) concerned hiring and promoting employees. The proposal in *Starwood Hotels & Resorts Worldwide, Inc.* (February 14, 2012) addressed the citizenship status of company employees. *National Instruments Corp.* (March 5, 2009) addressed company's CEO succession planning policy and practices. The Division Staff did not consider the topics addressed by these proposals to be significant social policy issues.

Nor is the second set of no-action letters that the Company cites persuasive. In these letters, the Division Staff concurred with the exclusion of shareholder proposals related to employee speech. The proposals in *Deere & Co.* (November 14, 2014), *The Walt Disney Co.* (Nov. 24, 2014), *Bristol-Myers Squibb Co*. (January 7, 2015), *Yum! Brands, Inc.* (January 7, 2015), and *Bank of America Corp.* (February 14, 2012) sought specific changes in company policy to prohibit discrimination or retaliation against employees based on their participation in political and civic expression. However, proposal topics addressing employee speech have not been recognized by the Division Staff as significant social policy issues.

The third set of no-action letters that the Company cites pertain to various employee relations issues, not the issue of employment discrimination as addressed by the Fund's Proposal. The proposals in *Lowe's Companies, Inc.* (March 10, 2015), *Merck & Co., Inc.* (Jan 23, 1997), and *PG&E Corp*. (February 27, 2025) again pertain to employee speech. As with the previously discussed letters, the Division Staff did not find a significant social policy issue in these proposals. Similarly, *Wal-Mart Stores, Inc.* (March 16, 2006), *W.R. Grace & Co.* (February 29, 1996), *Donaldson Company, Inc.* (September 13, 2006), *McDonald's Corp*. (March 19, 1990), and *Intel Corp.* (March 18, 1999) addressed a variety of workforce management matters that have not been recognized as significant social policy issues. They are therefore not relevant to determining whether the Fund's Proposal may be excluded as ordinary business.

The Company's analysis of whether to seek exclusion of the Proposal does not meet the standards called for by Staff Legal Bulletin No. 14I (November 1, 2017). The fact that the Company employs a large number of employees in different countries does not mean that the Proposal is "beyond the knowledge and expertise of most stockholders." The Company's analysis is conclusory and ignores the nexus between sexual harassment claims and mandatory arbitration policies. For this reason, the Company's analysis is not well-reasoned nor is it well-informed. Furthermore, the No-Action Request does not state that the Board of Directors conducted the analysis in question, only that the Company considered the issue.

Whether other shareholders have "requested the type of action or information sought by the proposal" is one of the criteria that Staff Legal Bulletin No. 14J (October 23, 2018) identifies for analyzing whether a proposal constitutes ordinary business. The Company asserts that the Fund is the only shareholder to express an interest in the Proposal topic. To the contrary, the Proposal's supporting statement references two news articles where investors have expressed concern regarding sexual harassment.[7] Moreover, on January 14, 2019, a group of institutional

[7] Danielle Walker, "Pension funds lead charge to expose Wall St sexual offences," *Financial Times*, June 3, 2018; Christine Williamson, "Money managers get caught up in #MeToo movement," *Pensions & Investments*, September 3, 2018.

investor trustees representing $635 billion in assets announced a set of investment principles to address sexual harassment, including the following on mandatory arbitration policies:

> *Principle 2: The use of non-disclosure agreements and forced arbitration policies reinforce the silence that perpetuates harassment. Transparency in reporting sexual harassment and misconduct settlement costs to investors can help change corporate culture and limit the potential for significant exposure to financial and reputational risk.*[8]

Finally, the Company provides a set of no-action letter citations that purport to show the proposals addressing significant social policy issues may still be excluded if they relate to ordinary business matters. However, these proposals sought additional actions or addressed issues that went beyond the significant social policy issue in question. *CVS Health Corporation* (February 27, 2015) addresses employment discrimination based on political beliefs which is not a protected class of individuals. *Walmart, Inc.* (April 13, 2018) addressed employee recruitment issues related to gender pay gaps. *Lowes Companies* (Jan 30, 2017) addressed outside pressure campaigns on the company regarding the company's political activities. In *Apache Corp*. (March 5, 2008), the proposal went beyond employment discrimination to address advertising policy, charitable contributions, and other ordinary business concerns. Similarly, the proposal in *CVS Caremark Corp.* (January 31, 2008) requested annual reporting on health care reform principles.

Conclusion

For the forgoing reasons, the Company has failed to meet its burden of demonstrating that it is entitled to exclude the Proposal from its proxy materials under Rule 14a-8(i)(7). As the Company has failed to meet its burden of demonstrating that it is entitled to exclude the Proposal, the Proposal should come before the Company's shareholders. The Company's No Action Letter requests that the Division Staff speak with the Company by telephone prior to the issuance of a response if the Division Staff disagrees with the Company's analysis that the Proposal may be excluded under Rule 14a-8(i)(7). The Fund requests to be included in any ex parte conversations between the Division Staff and the Company. If you have any questions or need additional information, please contact me at (202) 637-5152 or brees@aflcio.org.

Sincerely,

Brandon J. Rees
Deputy Director, Corporations and Capital Markets

cc: William Brentani, Simpsson Thacher & Bartlett LLP

[8] Press Release, "Institutional Investor Trustees Representing $635 Billion in Assets Launch Principles Addressing Sexual Harassment and Workplace Misconduct," CalSTRS, January 14, 2019, available at https://www.trusteesunited.com/Home/News.

American Federation of Labor and Congress of Industrial Organizations
815 16th St., NW
Washington, DC 20006
202-637-5000
aflcio.org

AFL-CIO
AMERICA'S UNIONS

Via E-Mail

February 4, 2019

Office of Chief Counsel
Division of Corporation Finance
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Re: CBRE Group, Inc.'s Request to Exclude a Shareholder Proposal Submitted by the AFL-CIO Reserve Fund

Dear Sir or Madam:

Pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, the AFL-CIO Reserve Fund (the "Fund") submitted a shareholder proposal (the "Proposal") to CBRE Group, Inc. (the "Company"). In a letter to the staff of the Division of Corporation Finance (the "Division Staff") dated January 2, 2019 (the "No-Action Request"), the Company stated that it intends to omit the Proposal from its proxy materials to be distributed to shareholders in connection with the Company's 2019 annual meeting of shareholders. The Company argues that it is entitled to exclude the Proposal in reliance on Rule 14a-8(i)(7), on the ground that the Proposal deals with the Company's ordinary business operations.

As discussed more fully below, the Company has not met its burden of proving its entitlement to exclude the Proposal in reliance on Rule 14a-8(i)(7), and the Fund respectfully requests that the Company's request for relief be denied.

The Proposal

The Proposal states:

"RESOLVED: Shareholders of CBRE Group, Inc. (the "Company") request that the Board of Directors prepare a report on the impact of mandatory arbitration policies on the Company's employees. The report shall evaluate the risks that may result from the Company's current mandatory arbitration policy on claims of sexual harassment. The report shall be prepared at reasonable cost and omit proprietary and personal information, and shall be made available on the Company's website no later than the 2020 annual meeting of shareholders."

The Proposal Addresses a Social Policy Issue that Transcends Ordinary Business

Rule 14a-8(i)(7) permits companies to omit any shareholder proposal from their proxy materials that "deals with a matter relating to the company's ordinary business operations." The Company claims the Proposal is excludable under Rule 14a-8(i)(7) because it relates to the Company's management of its workforce. As explained below, the Company's request for relief should be denied because the issue of mandatory arbitration of sexual harassment claims is a significant social policy issue that transcends ordinary business matters.

As the Division Staff stated in Exchange Act Release No. 34-40018 (May 21, 1998), employment-related shareholder proposals that focus on sufficiently significant social policy issues may transcend the day-to-day business matters and therefore be appropriate for a shareholder vote. In reversing the *Cracker Barrel Old Country Stores, Inc. (Oct. 13, 1992)* position on employment-related proposals, Release No. 34-40018 noted that the Division Staff's definition of significant social policy issues adjusts over time to reflect changing societal views.

Since *Cracker Barrel* was reversed, the Division Staff have repeatedly declined to concur with requests to exclude proposals under Rule 14a-8(i)(7) that address employment discrimination. For example, proposals to prohibit employment discrimination based on sexual orientation were permitted by Division Staff in *Procter & Gamble Co.* (August 16, 2016), *Exxon Mobil Corp.* (March 20, 2012), and *Bank of America* (February 22, 2006). Examples of allowable proposals addressing employment discrimination as an international human rights issue include *TJX Companies* (April 1, 1999) (MacBride Principles), *PPG Industries* (January 22, 2001) (ILO Conventions), and *General Electric* (February 10, 2015) (Holy Land Principles).

The proposal in *Cracker Barrel* sought to change the company's employment policies to adopt non-discriminatory policies relating to sexual orientation. Like the proposal in *Cracker Barrel*, the Fund's Proposal focuses on the Company's employment policies as they pertain to a form of employment discrimination. Specifically, the Fund's Proposal focuses on the issue of the Company's mandatory arbitration policies as they pertain to claims of sexual harassment in the workplace. Sexual harassment is an unlawful form of employment discrimination based on sex.[1]

The No-Action Request concedes that the issue of workplace sexual harassment has become a sufficient social policy issue.[2] Following the sexual-harassment allegations against Hollywood producer Harvey Weinstein, the #MeToo movement against sexual harassment exploded into the public discourse. For example, a text search of U.S. newspapers for the term "#MeToo" on LexisNexis returns 81,090 articles that were published in 2018. As of the date of this letter, a Google search engine query for the term "#MeToo" identifies 214 million webpage results.

The Company's No-Action Request attempts to distinguish the issue of mandatory arbitration from sexual harassment. However, the connection between mandatory arbitration employment policies and their impact on sexual harassment claims is the significant social policy question at

[1] In *Meritor Savings Bank v. Vinson*, 477 U.S. 57 (1986), the U.S. Supreme Court recognized sexual harassment as a violation of Title VII of the Civil Rights Act of 1964.
[2] Company No-Action Request at page 9.

issue in the Proposal. The news media has well covered the potential for mandatory arbitration policies to deter and keep secret sexual harassment claims by employees.[3] Federal legislation has also been introduced to guarantee that sexual harassment victims have a right to their day in court.[4] The Attorneys General of the States, District of Columbia, and territories have signed a letter urging Congress to adopt such legislation.[5]

Since the *Cracker Barrel* reversal, the Division Staff have refused to concur with the exclusion of proposals on ordinary business grounds that address sexual harassment and abuse. For example, in *Oracle Corp.* (August 15, 2000), *McDonald's Corp.* (March 16, 2001), and *3M Co.* (March 2, 2005), the proposals sought to apply human and labor rights principles (including a prohibition of sexual harassment) to company operations in China. In *Corrections Corporation of America* (February 10, 2012), the proposal requested a report on efforts to reduce incidents of sexual abuse of prisoners housed in facilities operated by the company.

Discussion of a company's employment policies does not diminish the fact that the thrust and focus of a proposal addresses a significant social policy issue. For example, in *Amazon.com, Inc.* (March 14, 2017), the Division Staff refused to concur with the exclusion of a proposal that requested a report on the risk of racial discrimination that may result from the use of criminal background checks in hiring and employment decisions. The disparate impact of such employment policies on communities of color was the significant social policy issue in question.

Like the proposal in *Amazon.com, Inc.*, the Fund's Proposal seeks a report on an employment practice that is linked to a significant social policy of employment discrimination. Staff Legal Bulletin No. 14I (November 1, 2017) explains that whether the significant social policy exception applies depends, in part, on the connection between the issue and the company's business operations. The Proposal's supporting statement describes how the Proposal topic is connected to the Company because the Company adopted a mandatory arbitration policy around the time that the Company faced a class action lawsuit for sexual harassment.[6]

The Company's Arguments are Not Persuasive that the Proposal is Ordinary Business

The first set of no-action letters cited by the Company are readily distinguishable from the Fund's Proposal. The proposal in *Fluor Corp.* (February 3, 2005) addressed plant closings and related job losses. *Sprint Corp.* (January 28, 2004) addressed employee benefits, and the

---

[3] Jacob Gershman, "As More Companies Demand Arbitration Agreements, Sexual Harassment Claims Fizzle," *The Wall Street Journal*, January 25, 2018; Terri Gerstein, "End Forced Arbitration for Sexual Harassment. Then Do More.", *The New York Times*, November 14, 2018; Jena McGregor, "Google and Facebook ended forced arbitration for sexual harassment claims. Why more companies could follow." *The Washington Post*, November 12, 2018; Elizabeth Dias and Eliana Dockterman, "The Teeny Tiny Fine Print That Can Allow Sexual Harassment Claims to Go Unheard," *Time*, October 21, 2016.

[4] Ending Forced Arbitration of Sexual Harassment Act of 2017, S.2203 and H.R.4734 — 115th Congress (2017-2018).

[5] Letter from the National Association of Attorneys General to the Honorable Paul Ryan et.al., February 12, 2018, available at http://myfloridalegal.com/webfiles.nsf/WF/HFIS-AVWMYN/%24file/NAAG+letter+to+Congress+Sexual+Harassment+Mandatory+Arbitration.pdf.

[6] Fatima Hussein and Hassan Kanu, "CBRE Labor Board Case Is 'Bellwether' for Forced Arbitration," *Bloomberg BNA*, August 9, 2018, available at https://www.bna.com/cbre-labor-board-n73014481587/.

proposal in *Northrop Grumman Corp.* (March 18, 2010) concerned layoffs and educational status of employees. *Merck & Co. Inc.* (March 6, 2015) concerned hiring and promoting employees. The proposal in *Starwood Hotels & Resorts Worldwide, Inc.* (February 14, 2012) addressed the citizenship status of company employees. *National Instruments Corp.* (March 5, 2009) addressed company's CEO succession planning policy and practices. The Division Staff did not consider the topics addressed by these proposals to be significant social policy issues.

Nor is the second set of no-action letters that the Company cites persuasive. In these letters, the Division Staff concurred with the exclusion of shareholder proposals related to employee speech. The proposals in *Deere & Co.* (November 14, 2014), *The Walt Disney Co.* (Nov. 24, 2014), *Bristol-Myers Squibb Co*. (January 7, 2015), *Yum! Brands, Inc.* (January 7, 2015), and *Bank of America Corp.* (February 14, 2012) sought specific changes in company policy to prohibit discrimination or retaliation against employees based on their participation in political and civic expression. However, proposal topics addressing employee speech have not been recognized by the Division Staff as significant social policy issues.

The third set of no-action letters that the Company cites pertain to various employee relations issues, not the issue of employment discrimination as addressed by the Fund's Proposal. The proposals in *Lowe's Companies, Inc.* (March 10, 2015), *Merck & Co., Inc.* (Jan 23, 1997), and *PG&E Corp*. (February 27, 2025) again pertain to employee speech. As with the previously discussed letters, the Division Staff did not find a significant social policy issue in these proposals. Similarly, *Wal-Mart Stores, Inc.* (March 16, 2006), *W.R. Grace & Co.* (February 29, 1996), *Donaldson Company, Inc.* (September 13, 2006), *McDonald's Corp*. (March 19, 1990), and *Intel Corp.* (March 18, 1999) addressed a variety of workforce management matters that have not been recognized as significant social policy issues. They are therefore not relevant to determining whether the Fund's Proposal may be excluded as ordinary business.

The Company's analysis of whether to seek exclusion of the Proposal does not meet the standards called for by Staff Legal Bulletin No. 14I (November 1, 2017). The fact that the Company employs a large number of employees in different countries does not mean that the Proposal is "beyond the knowledge and expertise of most stockholders." The Company's analysis is conclusory and ignores the nexus between sexual harassment claims and mandatory arbitration policies. For this reason, the Company's analysis is not well-reasoned nor is it well-informed. Furthermore, the No-Action Request does not state that the Board of Directors conducted the analysis in question, only that the Company considered the issue.

Whether other shareholders have "requested the type of action or information sought by the proposal" is one of the criteria that Staff Legal Bulletin No. 14J (October 23, 2018) identifies for analyzing whether a proposal constitutes ordinary business. The Company asserts that the Fund is the only shareholder to express an interest in the Proposal topic. To the contrary, the Proposal's supporting statement references two news articles where investors have expressed concern regarding sexual harassment.[7] Moreover, on January 14, 2019, a group of institutional

[7] Danielle Walker, "Pension funds lead charge to expose Wall St sexual offences," *Financial Times*, June 3, 2018; Christine Williamson, "Money managers get caught up in #MeToo movement," *Pensions & Investments*, September 3, 2018.

investor trustees representing $635 billion in assets announced a set of investment principles to address sexual harassment, including the following on mandatory arbitration policies:

> *Principle 2: The use of non-disclosure agreements and forced arbitration policies reinforce the silence that perpetuates harassment. Transparency in reporting sexual harassment and misconduct settlement costs to investors can help change corporate culture and limit the potential for significant exposure to financial and reputational risk.*[8]

Finally, the Company provides a set of no-action letter citations that purport to show the proposals addressing significant social policy issues may still be excluded if they relate to ordinary business matters. However, these proposals sought additional actions or addressed issues that went beyond the significant social policy issue in question. *CVS Health Corporation* (February 27, 2015) addresses employment discrimination based on political beliefs which is not a protected class of individuals. *Walmart, Inc.* (April 13, 2018) addressed employee recruitment issues related to gender pay gaps. *Lowes Companies* (Jan 30, 2017) addressed outside pressure campaigns on the company regarding the company's political activities. In *Apache Corp*. (March 5, 2008), the proposal went beyond employment discrimination to address advertising policy, charitable contributions, and other ordinary business concerns. Similarly, the proposal in *CVS Caremark Corp.* (January 31, 2008) requested annual reporting on health care reform principles.

Conclusion

For the forgoing reasons, the Company has failed to meet its burden of demonstrating that it is entitled to exclude the Proposal from its proxy materials under Rule 14a-8(i)(7). As the Company has failed to meet its burden of demonstrating that it is entitled to exclude the Proposal, the Proposal should come before the Company's shareholders. The Company's No Action Letter requests that the Division Staff speak with the Company by telephone prior to the issuance of a response if the Division Staff disagrees with the Company's analysis that the Proposal may be excluded under Rule 14a-8(i)(7). The Fund requests to be included in any ex parte conversations between the Division Staff and the Company. If you have any questions or need additional information, please contact me at (202) 637-5152 or brees@aflcio.org.

Sincerely,

Brandon J. Rees
Deputy Director, Corporations and Capital Markets

cc: William Brentani, Simpsson Thacher & Bartlett LLP

[8] Press Release, "Institutional Investor Trustees Representing $635 Billion in Assets Launch Principles Addressing Sexual Harassment and Workplace Misconduct," CalSTRS, January 14, 2019, available at https://www.trusteesunited.com/Home/News.

SIMPSON THACHER & BARTLETT LLP

2475 HANOVER STREET
PALO ALTO, CA94304
(650) 251-5000

FACSIMILE (650) 251-5002

DIRECT DIAL NUMBER
(650) 251-5110

E-MAIL ADDRESS
wbrentani@stblaw.com

VIA E-MAIL

January 2, 2019

Re: CBRE Group, Inc. Omission of Stockholder Proposal from Proxy Materials Pursuant to Rule 14a-8 under the Securities Exchange Act, as amended

Office of Chief Counsel
Division of Corporation Finance
Securities and Exchange Commission
100 F. Street, N.E.
Washington, D.C. 20549

Ladies and Gentlemen:

We are filing this letter on behalf of CBRE Group, Inc. ("CBRE" or the "Company") with respect to the stockholder proposal and supporting statement (collectively, the "Proposal") submitted by the AFL-CIO Reserve Fund (the "Proponent") for inclusion in the proxy statement and form of proxy to be distributed by the Company in connection with its 2019 Annual Meeting of Stockholders (collectively, the "Proxy Materials"). A copy of the Proposal and accompanying correspondence from the Proponent is attached as Exhibit A hereto. For the reasons stated below, we respectfully request that the Staff (the "Staff") of the Division of Corporation Finance of the Securities and Exchange Commission (the "Commission") not recommend any enforcement action against the Company if it omits the Proposal in its entirety from the Proxy Materials.

Pursuant to Staff Legal Bulletin No. 14D (November 7, 2008) ("SLB 14D"), we are submitting this request for no-action relief to the Staff via e-mail at stockholderproposals@sec.gov, and the undersigned has included his name and telephone number both in this letter and in the cover e-mail accompanying this letter. Pursuant to Rule 14a-8(j) under the Securities and Exchange Act of 1934, as amended (the "Exchange Act"), we are:

1. filing this letter with the Commission no later than 80 calendar days before the date on which the Company plans to file its definitive Proxy Materials with the Commission; and

2. simultaneously providing the Proponent with a copy of this submission.

Rule 14a-8(k) of the Exchange Act and SLB 14D provide that a stockholder proponent is required to send the company a copy of any correspondence that such proponent elects to submit to the Commission or the Staff. Accordingly, we hereby inform the Proponent that if the Proponent elects to submit additional correspondence to the Commission or the Staff relating to the Proposal, the Proponent must concurrently furnish a copy of that correspondence to the Company. Similarly, the Company will promptly forward to the Proponent any response received from the Staff to this request that the Staff transmits by email or fax only to the Company.

I. The Proposal

On December 4, 2018, the Company received the Proposal, which sets forth the following resolution for adoption by the Company's stockholders:

> "RESOLVED: Shareholders of CBRE Group, Inc. (the "Company") request that the Board of Directors prepare a report on the impact of mandatory arbitration policies on the Company's employees. The report shall evaluate the risks that may result from the Company's current mandatory arbitration policy on claims of sexual harassment. The report shall be prepared at reasonable cost and omit proprietary and personal information, and shall be made available on the Company's website no later than the 2020 annual meeting of shareholders.
>
> SUPPORTING STATEMENT:
>
> Sexual harassment in the workplace has become a significant social policy issue. A 2018 national survey found that 81 percent of women and 43 percent of men reported experiencing sexual harassment and/or assault in their lifetime. 38 percent of women and 13 percent of men said they experienced sexual harassment at the workplace. ("The Facts Behind The #MeToo Movement: A National Study on Sexual Harassment and Assault," Stop Street Harassment, February 2018, http://www.stopstreetharassmentorgfresources/2018-national-sexual-abuse-report/).
>
> We believe that the mandatory arbitration process is ill-suited to remedy sexual harassment claims by employees. The secrecy of proceedings and arbitrators' decisions means potential witnesses may not learn of claims or get the opportunity to testify. According to a February 2018 letter from 56 attorneys general of the States, District of Columbia, and territories, arbitration perpetuates the "culture of silence that protects perpetrators at the cost of their victims." (http://myfloridalegal.com/webfiles.nsf/WF/HFIS-AVWMYN/%24file/NAAG+letter+to+Con gress+Sexual+Harassment+Mandatory+Arbitration.pdf).
>
> Institutional investors are increasingly focusing sexual harassment as an investment risk, many of whom may be clients of the Company. The Financial Times recently reported on ways institutional investors have "put asset managers under a

microscope" on the issue of sexual harassment (Walker, Danielle, "Pension funds lead charge to expose Wall St sexual offences," Financial Times, June 3, 2018, https://www.ft.com/content/la481b4c-5ff6-11e8-9334-2218e7146b04).

According to Pensions & Investments, the headline risk of sexual harassment is a concern to institutional chief investment officers "regardless of whether trustees have formally approved sexual harassment due diligence practices" in investment policy statements, (Williamson, Christine, "Money managers get caught up in #MeToo movement," Pensions & Investments, September 3, 2018, https://www.pionline.com/article/20180903/PRINT/180909984/money managers-get-caught-up-i n-metoo-movement#).

The Company settled a 2002 class action lawsuit for sexual harassment in 2007. (Vincent, Roger, "Women settle with big realty company," Los Angeles Times, October 6, 2007, http://articles.latimes.com/2007/oct/06/business/fi-harass6). A Company spokesperson recently told Bloomberg that it implemented its mandatory arbitration policy for Company employees in the "early 2000's." (Hussein, Fatima and Hassan Kanu, "CBRE Labor Board Case Is 'Bellwether' for Forced Arbitration," Bloomberg BNA, August 9, 2018, https://www.bna.com/cbre labor-board-n73014481587/).

In our view, it is no longer socially acceptable to deny victims of sexual harassment their day in court. Many large employers including Microsoft, Google, and Facebook have recently rescinded their mandatory arbitration policies for sexual harassment claims. We believe the Board of Directors should evaluate the risks of the Company's current mandatory arbitration policy and report to shareholders.

For these reasons, we urge you to vote FOR this proposal."

II. Basis for Exclusion

The Company respectfully requests the Staff's concurrence that the Company may exclude the Proposal from its Proxy Materials in reliance on Rule 14a-8(i)(7), which permits a company to omit from its proxy materials a shareholder proposal that "deals with a matter relating to the company's ordinary business operations." According to the Commission, the underlying policy of the ordinary business exclusion is "to confine the resolution of ordinary business problems to management and the board of directors, since it is impracticable for shareholders to decide how to solve such problems at an annual shareholder meeting." Exchange Act Release No. 40018, Amendments to Rules on Shareholder Proposals, [1998 Transfer Binder] Fed. Sec. L. Rep. (CCH) ~ 86,018, at 80,539 (May 21, 1998) (the "1998 Release").

In the 1998 Release, the Commission identified two central considerations that underlie this policy. The first is that "[c]ertain tasks are so fundamental to management's ability to run a company on a day-to-day basis that they could not, as a

practical matter, be subject to direct shareholder oversight." *Id.* Examples cited by the Commission include "management of the workforce, such as the hiring, promotion, and termination of employees." *Id.* The second consideration relates to "the degree to which the proposal seeks to 'micro-manage' the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment." *Id.* (citing Exchange Act Release No. 12999 (Nov. 22, 1976)). The 1998 Release further states that a proposal may be seen as seeking to micro-manage a company "where the proposal involves intricate detail, or seeks to impose specific time-frames or methods for implementing complex policies." *Id.* As described below, the Proposal may be excluded under Rule 14a-8(i)(7) because it implicates both of the above-described considerations.

The Commission has recognized that "proposals relating to [ordinary business] matters but focusing on sufficiently significant social policy issues . . . generally would not be considered to be excludable." *See* the 1998 Release. Elaborating on this significant policy exception in Staff Legal Bulletin No. 14E (Oct. 27, 2009) ("SLB 14E"), the Staff noted that "[i]n those cases in which a proposal's underlying subject matter transcends the day-to-day business matters of the company and raises policy issues so significant that it would be appropriate for a shareholder vote, the proposal generally will not be excludable under Rule 14a-8(i)(7), as long as a sufficient nexus exists between the nature of the proposal and the company." The Staff further stated that "[c]onversely, in those cases in which a proposal's underlying subject matter involves an ordinary business matter to the company, the proposal generally will be excludable under Rule 14a-8(i)(7)." The significant policy exception is further limited in that, proposals relating to both ordinary business matters and significant social policy issues may be excludable in their entirety in reliance on Rule 14a-8(i)(7) if they do not "transcend the day-to-day business matters" discussed in the proposals. The Staff considers "both the proposal and the supporting statement as a whole" in determining whether a significant social policy issue exists. Staff Legal Bulletin No. 14C (June 28, 2005) ("SLB 14C"). The issues addressed by the Proposal do not give rise to a significant policy issue.

Although the Proposal relates to the creation of a report, the Commission has long held that such proposals are evaluated by the Staff by considering the underlying subject matter of the proposal when applying Rule 14a-8(i)(7). See Commission Release No. 34-20091 (Aug. 16, 1983) (the "1986 Release"). The subject matter of a report, no matter the form it may take, is the relevant consideration for exclusion under Rule 14a-8(i)(7). In the 1986 Release, the Commission stated that where a proposal requests that the company prepare a report on specific aspects of its business, "the staff will consider whether the subject matter of the special report...involves a matter of ordinary business" and "where it does, the proposal will be excludable." *See also Johnson Controls, Inc.* (Oct. 26, 1999) ("[Where] the subject matter of the additional disclosure sought in a particular proposal involves a matter of ordinary business...it may be excluded under [R]ule 14a-8(i)(7)."). Similarly, a proposal's request for a review of certain risks also does not preclude exclusion

if the underlying subject matter of the proposal is ordinary business. As indicated in SLB 14E, when evaluating shareholder proposals that request a risk assessment:

> rather 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...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.

III. Analysis

A. The Proposal is Excludable Because It Relates the Company's Management Of its Workforce

The Commission has long held that shareholder proposals relating to the management of the company's workforce or workplace environment, including the relationship with its employees, are excludable under Rule 14a-8(i)(7). In the 1998 Release, the Commission stated that the "management of the workforce, such as the hiring, promotion, and termination of employees" constituted "tasks...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." When a shareholder proposal seeks to infringe upon the relationship between a company's management and its employees, it is interfering with the management's right to conduct its ordinary business practices.

The Staff has consistently concurred that proposals relating to the management of a company's workforce are excludable under Rule 14a-8(i)(7). For example, in *Fluor Corp.* (Feb. 3, 2005), the Staff concurred in the exclusion of a proposal requesting information relating to the elimination or relocation of U.S.-based jobs within the company, as it related to the company's "management of its workforce". *See also Sprint Corp.* (Jan. 28, 2004) (concurring with the exclusion under Rule 14a-8(i)(7) of a proposal requesting a report on the potential impact on the recruitment and retention of Sprint employees due to changes to retiree health care and life insurance coverage); *Northrop Grumman Corp.* (Mar. 18, 2010) (concurring that a proposal requesting that the board identify and modify procedures to improve the visibility of educational status in the company's reduction-in-force review process could be excluded, noting that "[p]roposals concerning a company's management of its workforce are generally excludable under [R]ule 14a-8(i)(7);" *Merck & Co., Inc.* (Mar. 6, 2015) (concurring in the exclusion of a proposal relating to the source of candidates considered for company positions); *Starwood Hotels & Resorts Worldwide, Inc.* (Feb. 14, 2012) (concurring in the exclusion of a proposal requesting citizenship verification and documentation for the company's workforce); and *National Instruments Corporation* (Mar. 5, 2009) (concurring in the exclusion of a proposal requesting the board to adopt and

disclose a succession planning policy, as it related to the company's ordinary business operations).

As discussed above, because the Proposal requests a report and an evaluation of risk, the relevant inquiry is whether the subject matter of the report or the risk evaluation involves a matter of the Company's ordinary business. The Proposal requests a report detailing "the impact of mandatory arbitration policies on the Company's employees" and, specifically, the impact on claims of sexual harassment. The agreements and policies governing the relationships between and among a company and its employees are fundamental to the management of the Company's workforce. Thus, the Proposal involves ordinary business matters — decisions with respect to the way the Company contracts with and handles disputes with or among its workforce and manages employees. The Proposal directly relates to the Company's general employment agreements, policies and practices and employee relations. Moreover, the penultimate paragraph of the Proposal discusses employment policy changes that other large employers have made, clearly demonstrating that the intent of the Proposal is to cause the Board to consider similar changes to the Company's employment practices.

As described above, it is evident that the Proposal concerns the Company's management of its workforce. The Proposal's intrusion into this area is an inappropriate veiled attempt to micro-manage the Company because decisions and policies involving employment agreements and policies and intra-personnel matters implicate a wide variety of different types of considerations and involve "matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment." Employee management and relations are a significant element of the Company's ordinary business operations and are "so fundamental to management's ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight." *See* the 1998 Release.

The Staff also has consistently allowed the exclusion of proposals that pertain to the relationship between a company and its employees because they affect the day-to-day management of a company's operations and "micro-manage a company's ordinary operations. Employee relations are at the core of day-to-day ordinary business operations of a company. For example, the Staff has concurred in the exclusion of numerous proposals relating to employees' human right to engage in political and civic expression without discrimination, as relating to the company's policies concerning its employees. In *Deere & Co.* (Nov. 14, 2014, *recon. denied* Jan. 5, 2015), the Staff concurred in exclusion of a proposal requesting that the company adopt an employee code of conduct that included an anti-discrimination policy. In its response, the Staff explained that the proposal related to the company's "policies concerning its employees" and thus implicated the company's ordinary business operations. Similarly, in *The Walt Disney Co.* (Nov. 24, 2014, *recon. denied* Jan. 5, 2015), the Staff permitted exclusion of a proposal requesting that the company "consider the possibility of adopting antidiscrimination principles that protect employees' human right[s]" relating to engaging in political and civic expression. In allowing

exclusion, the Staff again affirmed that "policies concerning [the companies'] employees" relate to companies' ordinary business operations covered by Rule 14a-8(i)(7) and are thus excludable on that basis. *See also Bristol-Myers Squibb Co.* (Jan. 7, 2015) (concurring in the exclusion of a proposal suggesting the adoption of employee anti-discrimination principles related to engaging in political and civic expression, stating that the proposal related to the company's "policies concerning [the company's] employees"); *Yum! Brands, Inc.* (Jan. 7, 2015) (exclusion of a proposal the same as that in Bristol-Myers, *supra*, on the same basis); *Bank of America Corp.* (Feb. 14, 2012) (concurring in the exclusion of a proposal requesting that a company policy be amended to include "protection to engage in free speech outside the job context, and to participate freely in the political process without fear of discrimination or other repercussions on the job" because the proposal related to the company's policies concerning its employees).

The Staff also has permitted exclusion of proposals that pertain to employee relations in other contexts. In *Lowe's Companies, Inc. (Mar.* 10, 2015), the Staff permitted exclusion of a proposal requesting Lowe's to "review its policies related to human rights to assess areas in which the Company may need to adopt and implement additional policies," as relating to Lowe's ordinary business operations. The Staff noted that the "proposal relates to Lowe's policies concerning its employees." *See also Wal-Mart Stores, Inc.* (Mar. 16, 2006) (concurring in the exclusion of a proposal requesting an amendment to a company policy barring intimidation of company employees exercising their right to freedom of association, noting that the proposal related to "Wal-Mart's ordinary business operations (i.e., relations between the company and its employees)"); *Merck & Co., Inc.* (Jan. 23, 1997) (concurring in the exclusion of a proposal requesting the adoption of a policy "to encourage employees to express their ideas on all matters of concern affecting the company," as relating to the company's "ordinary business operations (i.e., employee relations)"); *PG&E Corp.* (Feb. 27, 2015) (concurring in the exclusion of a proposal requesting the company to "include in all employment and related policies the right of employees to freely express their personal religious and political thoughts," as relating to the company's policies concerning its employees); *WR. Grace & Co.* (Feb. 29, 1996) (concurring in the exclusion of a proposal requesting that the company implement a "high-performance" workplace based on policies of workplace democracy and meaningful worker participation); *Donaldson Company, Inc.* (Sept. 13, 2006) (concurring in the exclusion of a proposal requesting the establishment of "appropriate ethical standards related to employee relations," on the grounds that the proposal related to "management of the workforce"); *McDonald's Corp.* (Mar. 19, 1990) (concurring in the exclusion of a proposal regarding various company policies, including affirmative action and equal employment opportunity policies under Rule 14a-8(i)(7)); and *Intel Corporation* (Mar. 18, 1999) (concurring in the exclusion of a proposal requesting the adoption of an Employee Bill of Rights, which would have established various "protections" for employees, "as relating, in part, to Intel's ordinary business operations (i.e., management of the workforce)"). Accordingly, proposals relating to workplace policies or practices and employee relations may properly be excluded under Rule 14a-8(i)(7).

The Company employs over 80,000 employees and operates in more than 100 countries. The relationships between these employees and the Company as well as the handling of disputes and claims with and among employees are governed by a variety of employment agreements, policies and practices, all of which are from time to time evaluated by the Company's management with the help of subject matter experts. Decisions concerning the content of employment agreements for this workforce and policies regarding the handling of disputes with and among employees, including possible sexual harassment claims, are multi-faceted, complex and based on a range of factors. These factors include numerous local and international employment, dispute resolution and other laws, regulations and rules applicable in the more than 100 countries in which the Company operates, understanding of which is beyond the knowledge and expertise of most stockholders.

The Company has implemented strong policies against sexual harassment in each country where it operates. These policies are designed to comply with local law and other considerations and to ensure that every employee is treated with the dignity and respect they deserve and are not subjected to offensive or degrading behavior. The Company's policies describe the conduct that is prohibited, establish procedures for raising concerns and reporting violations and define the roles and expectations within the Company for handling reporting, investigation, follow-up and resolution of reported incidents.

In analyzing whether to seek exclusion of the Proposal, the Company considered the complexity of the issues that would be addressed in the report requested by the Proposal as well as the extent to which the underlying subject matter of the report relates to the Company's day-to-day management of its employees. The Company concluded that it would be impracticable to ask stockholders to make informed judgments on such nuanced contractual and policy matters for the Company's large and diverse workforce. The Company also considered the fact that to management's knowledge, the Proponent is the only stockholder to date who has requested or expressed an interest in obtaining the type of information from the Company sought by the Proposal.

The relationship between the Company and its employees constitutes a critical component of its day-to-day management. Further, the Company's workplace environment is fundamentally related to its ordinary business operations. These are fundamental business matters for the Company's management and require an understanding of the business implications that could result from changes made. Accordingly, because the Proposal seeks to affect the relationship between the Company and its employees by implicitly asking the Company to consider changes to its employment agreements, policies and practices with respect to dispute resolution, the Proposal affects the Company's day-to-day business operations and is excludable under Rule 14a-8(i)(7). Additionally, in the normal course of business the Company regularly reevaluates its employee policies from time to time in its day-to-day business operations and any report of these practices would be redundant to the already established procedures and practices of the Company's management.

B. Regardless of Whether the Proposal Touches Upon a Significant Policy Issue, the Entire Proposal is Excludable Because it Addresses Ordinary Business Matters

The fact that a proposal touches upon a significant policy issue is not alone sufficient to avoid the application of Rule 14a-8(i)(7) when a proposal implicates ordinary business matters. Although the Commission has stated that "proposals relating to such [ordinary business] matters but focusing on sufficiently significant social policy issues (e.g., significant discrimination matters) generally would not be considered to be excludable," the Staff has expressed the view that proposals relating to both ordinary business matters and significant social policy issues may be excluded in their entirety in reliance on Rule 14a-8(i)(7). *See* 1998 Release. *See also CVS Health Corporation* (Feb. 27, 2015) (concurring in the exclusion of a proposal requesting the company "to amend its policies to explicitly prohibit discrimination based on political ideology, affiliation or activity," finding that it did not focus on a significant social policy issue, as it related to the company's policies "concerning its employees"); *Walmart Inc.* (April 13, 2018) (concurring with the exclusion of a proposal requesting a report on the risks associated with public policies on the gender pay gap and risks related to recruiting and retaining female talent); *Lowes Companies, Inc.* (Jan. 30, 2017) (concurring in exclusion of proposal that requesting a report on risks and costs caused by pressure campaigns to oppose religious freedom laws and strategies to defend the company's against related discrimination and harassment); *Apache Corp.* (Mar. 5, 2008) (concurring with the exclusion of a proposal requesting that the company "implement equal employment opportunity policies…prohibiting discrimination based on sexual orientation and gender identity" where the proposal addressed "corporate advertising and marketing policy," "employee benefits" and corporate charitable contributions" to specific groups because "some of the principles [mentioned in the proposal] related to [the company's] ordinary business operations"); and *CVS Caremark Corp.* (Jan. 31, 2008, *recon. denied* Feb. 29, 2008) (concurring with the exclusion of a proposal requesting the adoption of "principles for comprehensive health care reform" that also requested annual reporting on how it is implementing such principles," which is an ordinary business matter).

Similarly, although the Proposal references the significant policy issue of workplace sexual harassment, the underlying consideration of the Proposal is on the Company's ordinary business operations because the Proposal's focus is on provisions in the Company's employment agreements and policies as they relate to employee dispute resolution. The Company's employment agreements, policies and practices are matters fundamentally tied to the Company's management of and relationships with its workforce, which are "day-to-day business matters". The Proposal's references to workplace sexual harassment do not override the Proposal's underlying ordinary business subject matter and, therefore, it is excludable under Rule 14a-8(i)(7).

IV. Conclusion

For the reasons discussed above, the Company respectfully requests that the Staff express its intention not to recommend enforcement action if the Proposal is excluded from the Company's Proxy Materials in reliance on Rule 14a-8(i)(7).

If the Staff disagrees with the Company's conclusions regarding omission of the Proposal, or if any additional submissions are desired in support of the Company's position, we would appreciate an opportunity to speak with you by telephone prior to the issuance of the Staff's Rule 14a-8(j) response.

If you have any questions regarding this request, or need any additional information, please do not hesitate to contact the undersigned at (650) 251-5110 or wbrentani@stblaw.com.

Sincerely,

William Brentani

Enclosure

cc: Laurence Midler, CBRE Group, Inc.
AFL-CIO Reserve Fund

Exhibit A

Copy of the Proposal and Accompanying Correspondence

From: Brandon Rees [mailto:brees@aflcio.org]
Sent: Tuesday, December 4, 2018 11:15 AM
To: Midler, Laurence @ Legal <Larry.Midler@cbre.com>
Subject: AFL-CIO shareholder proposal submission for the 2019 annual meeting

Dear Mr. Midler,

Please see the attached letter submitting the AFL-CIO Reserve Fund's shareholder proposal for the 2019 annual meeting of CBRE Group. A printed copy of this correspondence is also being sent by UPS air. We welcome the opportunity to discuss our proposal with you.

Sincerely,

Brandon Rees
brees@aflcio.org
202-637-5152

AFL-CIO

AMERICA'S UNIONS

American Federation of Labor and Congress of Industrial Organizations

815 16th St., NW
Washington, DC 20006

202-637-5000

aflcio.org

December 4, 2018

Laurence H. Midler, Secretary
CBRE Group, Inc.
400 South Hope Street, 25th Floor
Los Angeles, CA 90071

Dear Mr. Midler:

On behalf of the AFL-CIO Reserve Fund (the "Fund"), I write to give notice that pursuant to the 2018 proxy statement of CBRE Group, Inc. (the "Company"), the Fund intends to present the attached proposal (the "Proposal") at the 2019 annual meeting of shareholders (the "Annual Meeting"). The Fund requests that the Company include the Proposal in the Company's proxy statement for the Annual Meeting.

The Fund is the beneficial owner of 203 shares of voting common stock (the "Shares") of the Company. The Fund has held at least $2,000 in market value of the Shares for over one year, and the Fund intends to hold at least $2,000 in market value of the Shares through the date of the Annual Meeting. A letter from the Fund's custodian bank documenting the Fund's ownership of the Shares is enclosed.

The Proposal is attached. I represent that the Fund or its agent intends to appear in person or by proxy at the Annual Meeting to present the Proposal. I declare that the Fund has no "material interest" other than that believed to be shared by stockholders of the Company generally. Please direct all questions or correspondence regarding the Proposal to me at 202-637-5152 or brees@aflcio.org.

Sincerely,

Brandon J. Rees, Deputy Director
Corporations & Capital Markets

Attachments

BJR/sdw
opeiu#2, afl-cio

RESOLVED: Shareholders of CBRE Group, Inc. (the "Company") request that the Board of Directors prepare a report on the impact of mandatory arbitration policies on the Company's employees. The report shall evaluate the risks that may result from the Company's current mandatory arbitration policy on claims of sexual harassment. The report shall be prepared at reasonable cost and omit proprietary and personal information, and shall be made available on the Company's website no later than the 2020 annual meeting of shareholders.

SUPPORTING STATEMENT:

Sexual harassment in the workplace has become a significant social policy issue. A 2018 national survey found that 81 percent of women and 43 percent of men reported experiencing sexual harassment and/or assault in their lifetime. 38 percent of women and 13 percent of men said they experienced sexual harassment at the workplace. ("The Facts Behind The #MeToo Movement: A National Study on Sexual Harassment and Assault," Stop Street Harassment, February 2018, http://www.stopstreetharassment.org/resources/2018-national-sexual-abuse-report/).

We believe that the mandatory arbitration process is ill-suited to remedy sexual harassment claims by employees. The secrecy of proceedings and arbitrators' decisions means potential witnesses may not learn of claims or get the opportunity to testify. According to a February 2018 letter from 56 attorneys general of the States, District of Columbia, and territories, arbitration perpetuates the "culture of silence that protects perpetrators at the cost of their victims." (http://myfloridalegal.com/webfiles.nsf/WF/HFIS-AVWMYN/%24file/NAAG+letter+to+Congress+Sexual+Harassment+Mandatory+Arbitration.pdf).

Institutional investors are increasingly focusing sexual harassment as an investment risk, many of whom may be clients of the Company. The Financial Times recently reported on ways institutional investors have "put asset managers under a microscope" on the issue of sexual harassment (Walker, Danielle, "Pension funds lead charge to expose Wall St sexual offences," Financial Times, June 3, 2018, https://www.ft.com/content/1a481b4c-5ff6-11e8-9334-2218e7146b04).

According to Pensions & Investments, the headline risk of sexual harassment is a concern to institutional chief investment officers "regardless of whether trustees have formally approved sexual harassment due diligence practices" in investment policy statements, (Williamson, Christine, "Money managers get caught up in #MeToo movement," Pensions & Investments, September 3, 2018, https://www.pionline.com/article/20180903/PRINT/180909984/money-managers-get-caught-up-in-metoo-movement#).

The Company settled a 2002 class action lawsuit for sexual harassment in 2007. (Vincent, Roger, "Women settle with big realty company," Los Angeles Times, October 6, 2007, http://articles.latimes.com/2007/oct/06/business/fi-harass6). A Company spokesperson recently told Bloomberg that it implemented its mandatory arbitration policy for Company employees in the "early 2000's." (Hussein, Fatima and Hassan Kanu, "CBRE Labor Board Case Is 'Bellwether' for Forced Arbitration," Bloomberg BNA, August 9, 2018, https://www.bna.com/cbre-labor-board-n73014481587/).

In our view, it is no longer socially acceptable to deny victims of sexual harassment their day in court. Many large employers including Microsoft, Google, and Facebook have recently rescinded their mandatory arbitration policies for sexual harassment claims. We believe the Board of Directors should evaluate the risks of the Company's current mandatory arbitration policy and report to shareholders.

For these reasons, we urge you to vote FOR this proposal.

30 North LaSalle Street
Chicago, Illinois 60602
Fax: 312/267-8775

AMALGATRUST
A division of Amalgamated Bank of Chicago

December 4, 2018

Laurence H. Midler, Secretary
CBRE Group, Inc.
400 South Hope Street, 25th Floor
Los Angeles, CA 90071

Dear Mr. Midler:

AmalgaTrust, a division of Amalgamated Bank of Chicago, is the record holder of 203 shares of common stock (the "Shares") of CBRE Group, Inc. beneficially owned by the AFL-CIO Reserve Fund as of December 4, 2018. The AFL-CIO Reserve Fund has continuously held at least $2,000 in market value of the Shares for over one year as of December 4, 2018. The Shares are held by AmalgaTrust at the Depository Trust Company in our participant account No. 2567.

If you have any questions concerning this matter, please do not hesitate to contact me at (312) 822-3112.

Sincerely,

Mary C. Murray
Senior Vice President

cc: Brandon Rees
Deputy Director, AFL-CIO Corporations & Capital Markets