



DIVISION OF  
CORPORATION FINANCE

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

May 2, 2022

Elizabeth A. Ising  
Gibson, Dunn & Crutcher LLP

Re: Dollar Tree, Inc. (the "Company")  
Incoming letter dated February 1, 2022

Dear Ms. Ising:

This letter is in response to your correspondence concerning the shareholder proposal (the "Proposal") submitted to the Company by United Church Funds for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders.

The Proposal asks the board to analyze and report on risks to its business strategy in the face of increasing labor market pressure, and, at minimum, (1) explain how the Company's forward-looking strategy and incentives will enable competitive employment standards, including wages, benefits and employee safety and (2) include particular attention to its lowest paid employees across geographies.

There appears to be some basis for your view that the Company may exclude the Proposal under Rule 14a-8(i)(7). In our view, the Proposal relates to, and does not transcend, ordinary business matters. Accordingly, we will not recommend enforcement action to the Commission if the Company omits the Proposal from its proxy materials in reliance on Rule 14a-8(i)(7).

Copies of all of the correspondence on which this response is based will be made available on our website at <https://www.sec.gov/corpfin/2021-2022-shareholder-proposals-no-action>.

Sincerely,

Rule 14a-8 Review Team

cc: Matthew Illian  
United Church Funds

February 1, 2022

**VIA E-MAIL**

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

Re: *Dollar Tree, Inc.*  
*Shareholder Proposal of United Church Funds*  
*Securities Exchange Act of 1934—Rule 14a-8*

Ladies and Gentlemen:

This letter is to inform you that our client, Dollar Tree, Inc. (the “Company”), intends to omit from its proxy statement and form of proxy for its 2022 Annual Meeting of Shareholders (collectively, the “2022 Proxy Materials”), a shareholder proposal (the “Proposal”) and statement in support thereof (the “Supporting Statement”) received from United Church Funds (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 2022 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 the Proposal, a copy of such 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  
February 1, 2022  
Page 2

## THE PROPOSAL

The Proposal states:

**Resolved:** That shareholders of Dollar Tree Inc. ask the board of directors to analyze and report on risks to its business strategy in the face of increasing labor market pressure. The report should, at minimum, (1) explain how the Company’s forward-looking strategy and incentives will enable competitive employment standards, including wages, benefits and employee safety and (2) include particular attention to its lowest paid employees across geographies.

A copy of the Proposal and the Supporting Statement, as well as relevant correspondence with the Proponent, is attached to this letter as Exhibit A.<sup>1</sup>

## BASIS FOR EXCLUSION

We hereby respectfully request that the Staff concur in our view that the Proposal may be excluded from the 2022 Proxy Materials pursuant to Rule 14a-8(i)(7) because the Proposal relates to the Company’s ordinary business operations.

## ANALYSIS

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

This Proposal seeks a report on the Company’s business risks due to labor market challenges, specifically addressing how the Company’s strategy will “enable competitive employment standards, *including wages, benefits and employee safety*” (emphasis added) and relating to the Company’s “employees across [all] geographies.” As discussed below, the Proposal may be omitted under Rule 14a-8(i)(7) as it relates to (i) general employee compensation and benefits, (ii) workplace safety, and (iii) workforce management, including staffing, employee recruitment and retention, and it does not focus on any significant social policy issue that transcends the Company’s ordinary business operations.

---

<sup>1</sup> In reliance on the announcement by the Staff, we have omitted all correspondence that is not directly relevant to this no-action request. See Announcement Regarding Personally Identifiable and Other Sensitive Information in Rule 14a-8 Submissions and Related Materials, *available at* <https://www.sec.gov/corpfin/announcement/announcement-14a-8-submissions-pii-20211217> (last updated Dec. 17, 2021).

Office of Chief Counsel  
Division of Corporation Finance  
February 1, 2022  
Page 3

*A. Background On The Ordinary Business Standard*

Rule 14a-8(i)(7) permits a company to omit from its proxy materials a shareholder proposal that relates 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. *Id.* As relevant here, one of these considerations 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 of the tasks cited by the Commission include "management of the workforce, such as the hiring, promotion, and termination of employees, decisions on production quality and quantity, and the retention of suppliers." *Id.*

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." 1998 Release. 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, 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). 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 [R]ule 14a-8(i)(7)." *Johnson Controls, Inc.* (avail. Oct. 26, 1999).

Office of Chief Counsel  
Division of Corporation Finance  
February 1, 2022  
Page 4

*B. The Proposal Is Excludable Because It Relates To General Employee Compensation And Benefits*

The Proposal directly relates to general employee compensation and benefits because the Proposal is concerned with challenges facing the Company due to “increasing labor market pressure” and the requested report is expected to “explain how the Company’s forward-looking strategy and incentives will enable competitive employment standards, including wages [and] benefits” and to “include particular attention to [the Company’s] lowest paid employees.”

The Staff consistently has concurred with the exclusion of shareholder proposals under Rule 14a-8(i)(7) when the proposal relates to general employee compensation rather than compensation of senior executive officers and directors. *See generally* Staff Legal Bulletin No. 14A (July 12, 2002)<sup>2</sup> (“SLB 14A”). For example, in *Capital Cities Communications, Inc. (The League for Industrial Democracy, et al.)* (avail. Mar. 14, 1984), the proposal requested a written report of the company’s policies on, among other matters, wages, benefits, pensions and sick leave. The Staff concurred with exclusion under Rule 14a-8(i)(7), noting that the proposal “relat[ed] to the conduct of the company’s ordinary business operations (i.e., employee compensation and employee relations).” *See also Yum! Brands, Inc.* (avail. Feb. 24, 2015) (concurring with the exclusion of a proposal requesting a report on the company’s executive compensation policies, where the proposal suggested that the report include a comparison of senior executive compensation and “our store employees’ median wage”); *ENGlobal Corp.* (avail. Mar. 28, 2012) (concurring with the exclusion of a proposal that sought to amend the company’s equity incentive plan, noting that “the proposal relates to compensation that may be paid to employees generally and is not limited to compensation that may be paid to senior executive officers and directors”); *International Business Machines Corp. (Boulain)* (avail. Jan. 22, 2009) (concurring with the exclusion of a proposal requesting that no employee above a certain management level receive a salary raise in any year in which at least two-thirds of all company employees did not receive a three percent salary raise); *Ford Motor Co.* (avail. Jan. 9, 2008) (concurring with the exclusion of a proposal requesting that the company stop awarding all stock options, where the proposal was not limited to banning stock option awards to senior executive officers and directors, but instead generally applied to all company employees); *Amazon.com, Inc.* (avail. Mar. 7, 2005) (concurring with the exclusion of a proposal requesting that the board adopt a new policy on equity compensation and cancel an existing equity compensation plan that potentially

---

<sup>2</sup> In SLB 14A, the Staff stated that “[s]ince 1992, we have applied a bright-line analysis to proposals concerning equity or cash compensation: We agree with the view of companies that they may exclude proposals that relate to general employee compensation matters in reliance on Rule 14a-8(i)(7) . . . .” On the other hand, the Staff stated that it did “not agree with the view of companies that they may exclude proposals that concern only senior executive and director compensation in reliance on [R]ule 14a-8(i)(7).”

Office of Chief Counsel  
Division of Corporation Finance  
February 1, 2022  
Page 5

affected the general company workforce). Like the foregoing precedent, the Proposal is broadly concerned with the compensation paid to the Company's general workforce, as it seeks a report that analyzes "risks to [the Company's] business strategy in the face of increasing labor market pressure" and addresses the Company's "competitive employment standards, including wages [and] benefits." Further, the Proposal does not address, nor is it in any way limited to, executive compensation. Thus, as in the above-cited precedent, the Proposal relates to general employee compensation and is properly excludable pursuant to Rule 14a-8(i)(7).

The Proposal also relates to general employee benefits, since the Proposal asks that the requested report requested consider the "benefits" provided to Company employees. In addition, the Supporting Statement indicates that employee "benefits" are among the "key factors" that impact employee participation in the labor force, and therefore a consideration of the Company's employee benefits, are essential to the Proposal's request to analyze and report on how current "labor market pressure" is impacting the Company. Notably, the Staff has consistently concurred with the exclusion of shareholder proposals under Rule 14a-8(i)(7) that relate to various employee benefits. In *Exelon Corp.* (avail. Feb. 21, 2007), the proposal requested the implementation of rules and regulations that would forbid the company's executives from establishing incentive bonuses requiring the reduction of retiree benefits in order to meet such incentive bonuses. The Staff concurred with the exclusion noting that the proposal "relat[es] to [the company's] ordinary business operations (i.e., general employee benefits)." See also *McDonald's Corp.* (avail. Feb. 19, 2021) (concurring with the exclusion of a proposal requesting a report on the "feasibility of extending the paid sick leave policy adopted in response to COVID19 . . . as a standard employee benefit"); *Walmart Inc.* (avail. Mar. 12, 2021) (concurring with the exclusion of a proposal requesting a report on the "feasibility of providing two weeks of paid sick leave" as an employee benefit); *ConocoPhillips* (avail. Feb. 2, 2005) (concurring with the exclusion of a proposal to eliminate pension plan offsets as ordinary business operations relating to employee benefits); *International Business Machines Corp.* (avail. Jan. 13, 2005) (concurring with the exclusion of a proposal requesting a "report examining the competitive impact of rising health insurance costs" including "steps or policy options the [b]oard has adopted, or is currently considering, to reduce these costs"); *International Business Machines Corp. (Jaracz)* (avail. Jan. 2, 2001) (concurring with the exclusion of a proposal requesting cost of living allowances to the company's retiree pensions as ordinary business operations relating to employee benefits). Similar to the foregoing precedent, and as demonstrated above, the Proposal expressly relates to consideration of the Company's employee benefits, and is likewise excludable under Rule 14a-8(i)(7).



Office of Chief Counsel  
Division of Corporation Finance  
February 1, 2022  
Page 6

### C. *The Proposal Is Excludable Because It Relates To Workplace Safety*

The Proposal also directly relates to employee safety, as the requested report expressly seeks an explanation of how the Company's business strategy "will enable competitive employment standards, including... employee safety." The Supporting Statement also refers to "[e]mployee safety" as a "factor that could be driving labor challenges" more broadly and indicates that investors "seek additional disclosure around what the [C]ompany is doing to establish employment standards that holds employee safety as a top concern."

The Staff has routinely recognized that proposals relating to workplace safety are a matter of ordinary business and excludable under Rule 14a-8(i)(7). For example, in *Amazon.com, Inc. (International Brotherhood of Teamsters General Fund)* (avail. Apr. 1, 2020, *recon. denied* Apr. 9, 2020) ("*Amazon 2020*"), the proposal requested a report on the company's efforts to "reduce the risk of accidents" that "describe[s] the [b]oard's oversight process of safety management, staffing levels, inspection and maintenance of facilities and equipment and those of the [c]ompany's dedicated third-party contractors." In concurring with exclusion under Rule 14a-8(i)(7), the Staff noted that "the [p]roposal focuses on workplace accident prevention, an ordinary business matter, and does not transcend the [c]ompany's ordinary business operations." Similarly, in *Pilgrim's Pride Corp.* (avail. Feb. 25, 2016), the proposal requested that the company publish a report describing the company's policies, practices, performance, and improvement targets related to occupational health and safety. The supporting statement also referred to alleged occupational health and safety violations and stated that workers in that company's industry suffer injury and illness at five times the national average. The company argued that workplace safety is at the core of its business operations, and that the broad report requested by the proposal "implicates every aspect of the [c]ompany's workplace safety efforts" and therefore related to the Company's ordinary business operations. The Staff concurred with exclusion of the proposal, noting that the proposal "relates to workplace safety." See also *TJX Companies Inc. (NorthStar Asset Management, Inc. Funded Pension Plan)* (avail. Apr. 9, 2021) (concurring with the exclusion of a proposal requesting a report on the company's use of prison labor with the supporting statement citing to unsafe or unhealthy working conditions and worker mistreatment when the company argued, among other things, that the proposal was excludable as relating to overall workplace safety, workplace conditions, and general worker compensation issues); *The Home Depot, Inc.* (avail. Mar. 20, 2020) (same); *TJX Companies Inc.* (avail. Mar. 20, 2020) (same); *The GEO Group Inc.* (avail. Feb. 2, 2017) (concurring with the exclusion of a proposal requesting implementation of provisions relating to operational audits of its facilities examining issues such as workplace violence rates and disciplinary and grievance systems, as relating to the company's ordinary business operations); *The Chemours Co.* (avail. Jan. 17, 2017) ("*Chemours*") (concurring with the exclusion of a proposal requesting a report "on the steps the [c]ompany has taken to reduce the risk of accidents" with the supporting statement citing to a number of industrial accidents at the company's facilities

Office of Chief Counsel  
Division of Corporation Finance  
February 1, 2022  
Page 7

and significant regulatory fines that had been assessed against the company for various safety violations).

The Staff's determinations in the foregoing recent precedent are consistent with decades-old precedent concurring with the exclusion of proposals addressing workplace safety issues as implicating a company's ordinary business operations. See *CNF Transportation, Inc.* (avail. Jan. 26, 1998) (concurring with the exclusion of a proposal requesting that the board of directors develop and publish a safety policy accompanied by a report analyzing the long-term impact of the policy on the company's competitiveness and shareholder value because "disclosing safety data and claims history" was a matter of the company's ordinary business); *Chevron Corp.* (avail. Feb. 22, 1988) (concurring with the exclusion of a proposal as ordinary business because it related to the protection of the safety of company employees).

Here, as in *Amazon 2020*, *Pilgrim's Pride* and the other above-cited precedent, the Proposal is concerned with employee safety and seeks a report that specifically addresses "how the Company's forward-looking strategy... will enable competitive employment standards, including... employee safety." The foregoing priority is reiterated in the Supporting Statement, which references alleged safety concerns at certain Company stores and indicates that investors seek disclosure and affirmation that the Company "holds employee safety as a top concern." As with the proposals in *Amazon 2020* and *Pilgrim's Pride*, the Proposal seeks information on a broad array of workplace safety matters at the Company. Workplace and employee safety are integrally related to the management of the Company's operations and are routine elements of the Company's day-to-day business. Thus, as in the precedent discussed above, the Proposal may properly be excluded under Rule 14a-8(i)(7) as relating to the Company's ordinary business operations.

*D. The Proposal Is Excludable Because It Relates To The Ordinary Business Topic Of Workforce Management*

The primary focus of the Proposal is on how the Company is navigating "labor market pressure." The Supporting Statement expands on the request by referencing nation-wide staffing constraints ("America's labor-force participation rate remains below pre-pandemic levels"; "quits are at a record high") and alleging that "[e]mployee recruitment and retention" are challenges for the Company. Specifically, the Supporting Statement also states that the Company, like many other companies in the current labor market, reported "a shortage of associates and applicants to fill staffing requirements at [its] distribution centers and stores due to the current labor shortage affecting businesses" and indicated that such labor shortages (which are but one of the many ordinary business challenges that the Company experiences and manages on a regular basis) are impacting the Company's operations and sales. Thus, the subject matter of the report requested by the Proposal unequivocally relates to how the Company manages staffing within its workforce and related complex but routine business



Office of Chief Counsel  
Division of Corporation Finance  
February 1, 2022  
Page 8

and operational considerations, such as employee recruitment, hiring, and retention, wage and benefit levels, operating hours, and scope of operations. Each of the foregoing are fundamental to management's ability to run the Company on a day-to-day basis, implicating complex considerations that are not appropriately addressed through the shareholder proposal process. The Proposal thus focuses on quintessentially routine workforce management considerations and therefore is excludable under Rule 14a-8(i)(7) as relating to the Company's ordinary business operations. Through its discussion of these issues, the Proposal and Supporting Statement focus on the Company's ability to navigate current labor markets and how the Company hires, manages, and incentivizes its employees, all of which are core components of managing a large, global workforce on a day-to-day basis.

The Commission and Staff have also long held that shareholder proposals relating to the management of the company's workforce, including the relationship with its employees, are excludable under Rule 14a-8(i)(7). Notably, in *United Technologies Corp.* (avail. Feb. 19, 1993), the Staff provided the following examples of excludable ordinary business categories: "employee health benefits, general compensation issues not focused on senior executives, *management of the workplace*, employee supervision, labor-management relations, *employee hiring* and firing, conditions of the employment and employee training and motivation" (emphasis added). See also *PepsiCo, Inc.* (avail. Mar. 24, 1993) (same). In the 1998 Release, the Commission subsequently recognized that the "*management of the workforce*, such as the *hiring*, promotion, and termination of employees" (emphasis added) constitute "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."

Consistent with the Commission's statement in the 1998 Release and the Staff's statement in *United Technologies* categorizing proposals that address "management of the workforce" as relating to a company's "ordinary business" operations, the Staff has long held that proposals addressing workforce management and staffing are excludable under Rule 14a-8(i)(7). For example, in *Starwood Hotels & Resorts Worldwide, Inc.* (avail. Feb. 14, 2012), the proposal requested that the company require verified U.S. citizenship for all workers in the United States and minimize required training for foreign workers in the United States, which the company characterized as involving "employee staffing and training decisions." The Staff concurred with the exclusion of the proposal, noting that it "relates to procedures for hiring and training employees" and that "[p]roposals concerning a company's management of its workforce are generally excludable under [R]ule 14a-8(i)(7)." See also *Walmart, Inc.* (avail. Apr. 8, 2019) (concurring with the exclusion of a proposal that requested the board evaluate the risk of discrimination that may result from [the company's] policies and practices of hourly workers taking absences from work for personal or family illness, as relating to "management of [the company's] workforce"); *Apple, Inc. (Zhao)* (avail. Nov. 16, 2015) (concurring with the exclusion of a proposal requesting that the company "reform its Compensation Committee to include outside independent experts from the general public to

Office of Chief Counsel  
Division of Corporation Finance  
February 1, 2022  
Page 9

adopt new compensation principles *responsive to America's general economy, such as unemployment, working hour and wage inequality*" (emphasis added), as relating to the company's ordinary business operations and, specifically "compensation that may be paid to employees generally"); *Intel Corp.* (avail. Mar. 18, 1999) (concurring with the exclusion of a proposal seeking adoption of an "Employee Bill of Rights," which would have established various "protections" for the company's employees, including limited work-hour requirements, relaxed starting times, and a requirement that employees treat one another with dignity and respect, noting that the foregoing was excludable as relating to "management of the workforce").

Similarly, the Staff also has concurred that proposals addressing geographic staffing decisions relate to management of a company's workforce and thus are excludable under Rule 14a-8(i)(7). For example, in 2005, the Staff addressed seven proposals relating to offshoring of company jobs. The proposals centered on management's ability to determine the location of employment for its employees, and the proposals requested that the companies issue a "Job Loss and Dislocation Impact Statement" concerning the elimination of jobs and relocation of jobs to foreign countries, including the "decision-making process by which job elimination and job relocation decisions are made." The Staff concurred with the exclusion of all seven proposals on Rule 14a-8(i)(7) grounds, acknowledging that such proposals related to each company's "ordinary business operations (i.e., management of the workforce)." See *Boeing Co.* (avail. Feb. 25, 2005); *Citigroup Inc.* (avail. Feb. 4, 2005); *Mattel, Inc.* (avail. Feb. 4, 2005); *SBC Communications Inc.* (avail. Feb. 4, 2005); *Capital One Financial Corp.* (avail. Feb. 3, 2005); *Fluor Corp.* (avail. Feb. 3, 2005); *General Electric Co.* (avail. Feb. 3, 2005). Further, in *Wells Fargo & Co.* (avail. Feb. 22, 2008), the Staff concurred with the exclusion of a proposal relating to decisions on how to staff the workforce, agreeing that a proposal requesting a policy to not employ individuals who worked at a credit rating agency within the last year related to "ordinary business operations (i.e., the termination, hiring, or promotion of employees)."

In addition, the Staff has concurred with the exclusion of proposals requesting reports that discuss a company's staffing levels as relating to ordinary business operations under Rule 14a-8(i)(7). See *Amazon 2020* (concurring with the exclusion of a proposal that requested a report on the company's efforts to "describe the Board's oversight process of safety management, *staffing levels*, inspection and maintenance of [c]ompany facilities and equipment and those of the [c]ompany's dedicated third-party contractors" (emphasis added) because the proposal focused "on . . . [an] ordinary business matter, and [did] not transcend the [c]ompany's ordinary business operations"); *Chemours* (concurring with the exclusion of a proposal requesting a board report "on the steps the [c]ompany has taken to reduce the risk of accidents" and stating that "[t]he report should describe the [b]oard's oversight of Process Safety Management; *staffing levels*; inspection and maintenance of facilities and other equipment" (emphasis added) because the proposal related to "ordinary business

Office of Chief Counsel  
Division of Corporation Finance  
February 1, 2022  
Page 10

operations”); *Northrop Grumman Corp.* (avail. Mar. 18, 2010) (concurring with the exclusion of a proposal requesting that the board provide certain disclosures in the context of the company’s reduction-in-force review process and noting “[p]roposals concerning a company’s management of its workforce are generally excludable under [R]ule 14a-8(i)(7)”).

As described above, the Proposal and Supporting Statement relate to concerns regarding labor market challenges and pressures, “low participation rates”, and “staffing requirements,” including the Company’s “[e]mployee recruitment and retention,” and the impact of the foregoing on the Company’s operations. Accordingly, like the foregoing precedent, the Proposal relates to how the Company manages and staffs its workforce by focusing on the challenges presented by the current labor market. Consistent with the above-described precedent, proposals like the Proposal, which relate to workforce management, including staffing, incentives, recruitment and retention, are excludable under Rule 14a-8(i)(7) as relating to the Company’s ordinary business operations.

*E. The Proposal Does Not Focus On Any Significant Social Policy Issue That Transcends The Company’s Ordinary Business Operations*

The well-established precedent set forth above demonstrates that the Proposal squarely addresses ordinary business matters and, therefore, is excludable under Rule 14a-8(i)(7). While the 1998 Release indicated that proposals that “focus on” significant social policy issues may not be excludable under Rule 14a-8(i)(7), in contrast, proposals with passing references touching upon topics that might raise significant social policy issues—but that do not focus on or have only tangential implications for such issues—are not transformed from an otherwise ordinary business proposal into one that transcends ordinary business, and as such, remain excludable under Rule 14a-8(i)(7).

Here, even if the Proposal may touch upon topics that might raise a significant social policy issue, it fails to focus on any significant social policy issue. For example, the Proposal is not focused on addressing workplace safety or reforming the Company’s workplace safety practices. In this regard, there is but one sentence in the entire six paragraph Supporting Statement that makes passing reference to safety concerns. Further, the Proposal taken as a whole does not imply that existing Company workplace procedures, policies and standards are anything other than adequate; nor does it suggest that the alleged “crime and violence” at certain Company stores have any bearing on the extent to which the Company already prioritizes workplace safety. Additionally, the Proposal is not focused on the Company’s pandemic response, as only one Supporting Statement sentence references COVID-19, and it does so simply to convey that the pandemic has impacted the American workforce and labor-

Office of Chief Counsel  
Division of Corporation Finance  
February 1, 2022  
Page 11

force participation rates generally.<sup>3</sup> The foregoing, however, does not relate to or implicate the Company's response to the pandemic or any Company-offered employee compensation and benefits tied to ongoing pandemic concerns. Likewise, despite general references to "wages" and employment standards broadly, the Proposal itself is not focused on minimum wage reform and the Supporting Statement makes only passing reference to minimum wage laws presenting a risk to business strategy. Instead, as established above, the Proposal requests a report on how the Company is confronting labor market challenges, including how its business "strategy and incentives will enable competitive employment standards, including wages, benefits and employee safety." In doing so, the Proposal seeks a broad array of information concerning routine, employee-related challenges across the Company's global operations that would entail reporting on a wide variety of policies and practices relating to the Company's management and optimization of its workforce, all of which traditionally relate to ordinary business matters.

Consistent with long-established Staff precedent, merely referencing topics in passing that might raise significant social policy issues, but which have only tangential implications for the issues that constitute the central focus of a proposal, do not transform an otherwise ordinary business proposal into one that transcends ordinary business. To this end, the Staff has frequently concurred that a proposal which touches, or may touch, upon significant social policy issues is nonetheless excludable if the proposal does not focus on such issues. For example, the proposal in *Union Pacific Corp.* (avail. Feb. 25, 2008) addressed safety concerns in the course of the company's operations and requested disclosures of the company's efforts to safeguard the company's operations from terrorist attacks and "other homeland security incidents." The company argued that the proposal was excludable because the proposal related to the company's day-to-day efforts to safeguard its operations—including not only terrorist attacks, but also earthquakes, floods, and other routine operating risks that were overseen by the Department of Homeland Security but were incident to the company's ordinary business operations. The Staff's response noted that the proposal was excludable because it "include[d] matters relating to [the company's] ordinary business operations," despite the fact that safeguarding against terrorist attacks might be viewed as not part of the company's ordinary business. *See also Walmart Inc.* (avail. Apr. 8, 2019) ("*Walmart 2019*") (concurring with the exclusion of a proposal requesting that the board prepare a report evaluating the risk of discrimination that may result from the

---

<sup>3</sup> *Contrast with Walmart Inc.* (avail. Feb. 19, 2021), where the proposal requested that the company create a "Pandemic Workforce Advisory Council" to advise the board on "pandemic-related workforce issues, including health and safety measures, whistleblower protection, and paid sick leave," and thus squarely focused on health and safety measures taken in connection with the COVID-19 pandemic with an emphasis on board-level governance relating to such concerns. In contrast the Proposal makes only passing reference to COVID-19, is not seeking formation of a board-level advisory committee, and does not relate to paid sick leave.

Office of Chief Counsel  
Division of Corporation Finance  
February 1, 2022  
Page 12

company's policies and practices for hourly workers taking absences from work for personal or family illness because it related to the company's ordinary business operations, i.e., the company's management of its workforce, and "[did] not focus on an issue that transcends ordinary business matters"); *Amazon.com, Inc. (Domini Impact Equity Fund and the New York State Common Retirement Fund)* (avail. Mar. 28, 2019) ("*Amazon 2019*") (concurring with the exclusion of a proposal requesting a report on the company's "analysis of the community impacts of [the company's] operations" where although the proposal might have touched on significant inequality concerns, the proposal was so broadly worded that the Staff concurred that the proposal did not focus on any single issue that transcended the company's ordinary business); *Wells Fargo & Co. (Harrington Investments, Inc.)* (avail. Feb. 27, 2019) (concurring with the exclusion of a proposal requesting "enhance[d] fiduciary oversight of matters relating to customer service and satisfaction" where the proponent argued that it implicated significant policy issues related to board oversight and accountability and mismanagement of consumer relations and the supporting statement contained references to "insurance abuse," "social harm[s]," and "disregard for lawful conduct"); *Amazon.com, Inc.* (avail. Mar. 1, 2017) ("*Amazon 2017*") (concurring with the exclusion of a proposal that requested adoption and publication of principles for minimum wage reform); *PetSmart, Inc.* (avail. Mar. 24, 2011) (concurring with the exclusion of a proposal requesting that the board require suppliers to certify that they had not violated animal cruelty-related laws, finding that while animal cruelty is a significant social policy issue, the scope of laws covered by the proposals was too broad); *Apache Corp.* (avail. Mar. 5, 2008) (concurring with the exclusion of a proposal requesting the implementation of equal employment opportunity policies based on certain principles and noting that "some of the principles relate to [the company's] ordinary business operations"); *General Electric Co.* (avail. Feb. 10, 2000) (concurring with the exclusion of a proposal relating to the accounting and use of funds for the company's executive compensation program because it both touched upon the significant social policy issue of senior executive compensation, and involved the ordinary business matter of choice of accounting method).

Similar to the foregoing precedent, including *Walmart 2019*, *Amazon 2019*, and *Amazon 2017*, the Proposal relates generally to the Company's operations (here, how it manages its workforce, compensates and incentivizes its employees, recruits and retains employees, and general standards pertaining to workplace safety), and only touches upon topics that potentially raise a policy issue. Similar to the proposal in *PetSmart*, the Proposal is broad in nature and covers issues ranging from workplace safety to employee compensation and benefits, employee recruitment and retention and general employee standards; from the Company's general strategy for managing its workforce (including how it response to changing labor markets and staffing challenges) to workforce-related risks and consideration of particular subsets of its workforce (i.e., non-management employees, including "lowest paid employees across geographies"). The Proposal's request for such a broad-reaching report on risks to the Company as a large, global employer in the current labor market would



Office of Chief Counsel  
Division of Corporation Finance  
February 1, 2022  
Page 13

entail a review and report on a wide variety of Company policies, practices, procedures and programs relating to the Company's workforce and employees, all of which encompass matters incident to the Company's (and many other businesses') ordinary business operations. The fact that the Supporting Statement touches upon concerns over employee safety and wages does not transform the Proposal into one focused on such issues, nor are such matters unique or transcendent to the Company's ordinary business. Moreover, the supporting statements in both *Amazon 2019* and *Pilgrim's Pride* cited past workplace incidents and the supporting statement in *Amazon 2017* cited concerns over "[p]overty-level wages and income inequality" and minimum wage, respectively. In each case the Staff concurred that such proposals were properly excludable under Rule 14a-8(i)(7) in light of the fact that such proposals remained focused on ordinary business matters, as does the Proposal. The Company agrees that workplace safety issues are important, and understands the importance of remaining competitive in the face of increased labor costs. However, as demonstrated above, nothing about the Proposal focuses on any possible significant policy issue beyond the day-to-day compensation, benefits, and safety management issues that are incident to the Company's ordinary business operations.

Moreover, while the Proposal relates to general employee compensation and wages, it is not focused on reforming the Company's compensation structure or on minimum wage concerns specifically. Even if the Supporting Statement may make passing reference to minimum wage regulation, the Staff has consistently recognized that shareholder proposals addressing minimum wage concerns are excludable as relating to ordinary business matters. For example, in *Amazon 2017*, the Staff concurred with the exclusion of a proposal requesting adoption and publication of principles for minimum wage reform, noting that "the proposal relates to general compensation matters, and does not otherwise transcend day-to-day business matters" despite the proponent's assertion that minimum wage was a significant policy issue. *See also CVS Health Corp.* (avail. Mar. 1, 2017) ("*CVS Health 2017*") (concurring with the exclusion of a proposal urging the board to adopt and publish principles for minimum wage reform as "relating to ordinary business operations" and, specifically, "general compensation matters"); *The Home Depot, Inc.* (avail. Mar. 1, 2017) (same); *The TJX Companies, Inc.* (avail. Mar. 1, 2017) (same); *CVS Health Corp.* (avail. Feb. 23, 2016, *recon. denied* Mar. 8, 2016) (same); and *Chipotle Mexican Grill, Inc.* (avail. Feb. 23, 2016, *recon. denied* Mar. 8, 2016) (same). Like the cited precedent, the Proposal expressly relates to employee compensation, and wage concerns fall squarely within the realm of ordinary business matters and render the Proposal properly excludable under Rule 14a-8(i)(7). However, unlike the above precedent which focused squarely on minimum wage reform, like *Amazon 2017* which requested that the company adopt principles of minimum wage reform, the Proposal here makes only passing reference to this issue. Thus, even if the Proposal was considered to touch upon minimum wage concerns it by no means focuses on such issue and the underlying report requested by the Proposal focuses instead on broader labor and employment concerns which render the Proposal excludable under Rule 14a-8(i)(7).



Office of Chief Counsel  
Division of Corporation Finance  
February 1, 2022  
Page 14

In Staff Legal Bulletin No. 14L (Nov. 3, 2021), the Staff stated that it “will realign its approach for determining whether a proposal relates to ‘ordinary business’ with the standard the Commission initially articulated in [the 1976 Release] . . . and which the Commission subsequently reaffirmed in the 1998 Release.” As such, the Staff stated that it will focus on the issue that is the subject of the shareholder proposal and determine whether it has “a broad societal impact, such that [it] transcend[s] the ordinary business of the company.” The Staff noted further that “proposals squarely raising human capital management issues with a broad societal impact would not be subject to exclusion solely because the proponent did not demonstrate that the human capital management issue was significant to the company” (citing to the 1998 Release and *Dollar General Corp.* (avail. Mar. 6, 2020) and providing “significant discrimination matters” as an example of an issue that transcends ordinary business matters). This guidance does not affect the excludability of the Proposal because, unlike *Dollar General*, the Proposal does not raise significant discrimination matters or board-oversight of human capital issues, and does not focus on any other issue “with a broad societal impact” such that it transcends ordinary business matters. Instead, as discussed above, the Proposal focuses on general workforce concerns that the Staff has consistently determined over the years do not transcend ordinary business.

Accordingly, consistent with the precedent cited above, because the Proposal relates to ordinary business matters—employee compensation and benefits, workplace safety, and managing workforce staffing—and does not focus on a significant social policy issue, the Proposal may be excluded under Rule 14a-8(i)(7).

## CONCLUSION

Based upon the foregoing analysis, the Company intends to exclude the Proposal from its 2022 Proxy Materials, and we respectfully request that the Staff concur that the Proposal may be excluded under Rule 14a-8(i)(7).

We would be happy to provide you with any additional information and answer any questions that you may have regarding this subject. Correspondence regarding this letter should be sent to [shareholderproposals@gibsondunn.com](mailto:shareholderproposals@gibsondunn.com). If we can be of any further

# GIBSON DUNN

Office of Chief Counsel  
Division of Corporation Finance  
February 1, 2022  
Page 15

assistance in this matter, please do not hesitate to call me at (202) 955-8287, or William A. Old, Jr., the Company's Chief Legal Officer, at (757) 321-5419.

Sincerely,

A handwritten signature in blue ink that reads "Elizabeth A. Ising". The signature is written in a cursive style.

Elizabeth A. Ising

Enclosures

cc: William A. Old, Jr., Dollar Tree, Inc.  
Matthew J. Illian, United Church Funds

**EXHIBIT A**

**From:** Matthew Illian [REDACTED]  
**Sent:** Wednesday, December 22, 2021 2:21 PM  
**To:** William Old [REDACTED]; Corp Secy <[corpsecy@dollartree.com](mailto:corpsecy@dollartree.com)>  
**Cc:** Nadira Narine [REDACTED]  
**Subject:** Shareholder resolution

**CAUTION: This email originated from outside of the organization. Do not click on links or open attachments unless you were expecting them.**

Greetings Mr. Old,

I have attached a shareholder resolution with suggested dates/times to meet.

Please do confirm receipt.

We look forward to a meaningful dialogue with the Company on these matters.

Best Regards,

Matthew



**Matthew Illian, CFP®**  
*Director of Responsible Investing*  
475 Riverside Drive, Suite 1020, New York NY 10115

[REDACTED]  
ucfunds.org

**Investing with a Mission: Performance Beyond the Numbers**



**Via email**

December 22 2021

Corporate Secretary, William A. Old Jr.  
Dollar Tree Inc.  
500 Volvo Parkway  
Chesapeake, VA 23320  
CorpSecy@DollarTree.com

Dear Mr. Old:

United Church Funds (UCF) is filing the attached proposal requesting that Dollar Tree board of directors analyze and report on risks to its business strategy in the face of increasing labor market pressure. UCF is the lead filer for this proposal for inclusion in the 2022 proxy statement, in accordance with the Securities and Exchange Commission's Rule 14a-8 and may be joined by other shareholders as co-filers.

UCF has continuously beneficially owned, for at least a year as of December 22 2021, at least \$25,000 worth of the Company's common stock. Verification of this ownership is attached. UCF intends to continue to hold such shares through the Company's 2022 annual meeting of shareholders.

Per SEC requirements, I am available to meet with the company via teleconference on January 11 at 11am EST or January 13 at 1pm EST or at other times that are mutually convenient. Please direct all future correspondence regarding this proposal to me via the information below. We look forward to having productive conversations with the company.

Sincerely,

A handwritten signature in black ink, appearing to read "Matthew J. Illian".

Matthew J. Illian  
Director of Responsible investing  
475 Riverside Drive, Suite 1020  
New York, NY 10115

**Resolved:** That shareholders of Dollar Tree Inc. ask the board of directors to analyze and report on risks to its business strategy in the face of increasing labor market pressure. The report should, at minimum, (1) explain how the Company’s forward-looking strategy and incentives will enable competitive employment standards, including wages, benefits and employee safety and (2) include particular attention to its lowest paid employees across geographies.

**Whereas:** As countries recover from the Covid-19 pandemic, America’s labor-force participation rate remains below pre-pandemic levels. In 2021, the U.S Bureau of Labor Statistics has recorded historic numbers of job openings – last day of October, that number reached 11 million<sup>1</sup>. Research shows that quits are at a record high.

Experts say that employment conditions, including low wages and benefits, are key factors driving the low participation rates. A report from Mercer<sup>2</sup> reveals that “frontline workers, low wage, minority and lower-level employees are more likely to be looking to leave – at rates significantly higher than historical norms.”

Employee recruitment and retention are publicly recognized challenges at Dollar Tree. In October 2021, the company reported, “we are experiencing a shortage of associates and applicants to fill staffing requirements at our distribution centers and stores due to the current labor shortage affecting businesses.” The same report articulates, “the labor shortages at our distribution centers and stores has had and could have an adverse impact on the operating efficiency of our distribution centers and our ability to transport merchandise to and operate our stores, and could result in lower sales.”<sup>3</sup>

Labor shortages are influencing a dynamic policy situation as the federal government, states and localities all reassess their minimum wage regulations. A large number of retailers have raised their minimum wage above legal minimums.<sup>4</sup> While Dollar Tree lists increasing minimum wage laws as a risk to its business strategy, investors seek further clarity on how the company is assessing and responding to the evolving regulatory and competitive landscape to sustain long-term consumer and public trust.

Employee safety is an additional factor that could be driving labor challenges. Recent reports of ongoing crime and violence in Dollar Tree and Family Dollar stores<sup>5</sup> is a concerning reputational risk. At this time, Glassdoor reports that only 44% of Dollar Tree employees would recommend the company to a friend.<sup>6</sup> As investors, we seek additional disclosure around what the company is doing to establish employment standards that holds employee safety as a top concern.

Commitment is a core value of Dollar Tree and we seek to understand how the Company strategy supports this value with its employees while recognizing the current labor challenges.

---

<sup>1</sup> <https://www.bls.gov/news.release/jolts.nr0.htm>

<sup>2</sup> <https://www.mercer.us/content/dam/mercer/attachments/private/us-2021-inside-employees-minds-report.pdf>

<sup>3</sup> [https://www.sec.gov/ix?doc=/Archives/edgar/data/935703/000093570321000058/dltr-20211030.htm#i0a2fa380e8174e799e93468f813ea745\\_49](https://www.sec.gov/ix?doc=/Archives/edgar/data/935703/000093570321000058/dltr-20211030.htm#i0a2fa380e8174e799e93468f813ea745_49)

<sup>4</sup> <https://www.yahoo.com/news/retail-chains-increased-minimum-wage-105832606.html>

<sup>5</sup> <https://www.propublica.org/article/how-dollar-stores-became-magnets-for-crime-and-killing>

<sup>6</sup> <https://www.glassdoor.com/Reviews/Dollar-Tree-Reviews-E4033.htm> (retrieved 12/21/2021)





March 2, 2022

Via e-mail at [shareholderproposals@sec.gov](mailto:shareholderproposals@sec.gov)

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

Re: Request by Dollar Tree Inc. to omit proposal submitted by United Church Funds

Ladies and Gentlemen,

Pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, United Church Funds (the “Proponent”) submitted a shareholder proposal (the “Proposal”) to Dollar Tree Inc. (“Dollar Tree” or the “Company”). The Proposal asks Dollar Tree’s board to report to shareholders on risks to its business strategy in the face of increasing labor market pressure.

In a letter to the Division dated February 1, 2022 (the “No-Action Request”), Dollar Tree stated that it intends to omit the Proposal from its proxy materials to be distributed to shareholders in connection with the Company’s 2022 annual meeting of shareholders. Dollar Tree 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. Because the risks associated with the tight labor market are a consistent subject of widespread public debate, transcending ordinary business, Dollar Tree has not met its burden of proving that it is entitled to exclude the Proposal on that basis. The Proponent thus respectfully requests that Dollar Tree’s request for relief be denied.

### **The Proposal**

The Proposal states:

Resolved: That shareholders of Dollar Tree Inc. ask the board of directors to analyze and report on risks to its business strategy in the face of increasing labor market pressure. The report should, at minimum, (1) explain how the Company’s forward-looking strategy and incentives will enable competitive employment standards, including wages, benefits and employee safety and (2) include particular attention to its lowest paid employees across geographies.

### **Ordinary Business**

Rule 14a-7(i)(7) allows exclusion of a proposal that “deals with a matter relating to the company’s ordinary business operations.” Dollar Tree argues that the Proposal is excludable because it addresses the ordinary business matters of wages and benefits, worker health and safety, and management of the workforce. While the Division has generally regarded workforce-related concerns as ordinary business matters, if a proposal focuses on a significant social policy issue, the

fact that it implicates a company's workforce does not support exclusion on ordinary business grounds. The Proposal focuses on such an issue.

Two examples illustrate workforce-related matters rising to the level of a significant policy issue. BB&T<sup>1</sup> claimed that a proposal asking the company to consider the pay of other employees when setting target amounts for CEO compensation was excludable on ordinary business grounds because "although styled as directed towards CEO compensation, the Proposal addresses the compensation of employees in general." The Staff did not grant relief, stating that the proposal "focuse[d] on senior executive compensation" despite the use of non-senior executives' pay in setting targets. Similarly, the Staff did not concur with IBM's<sup>2</sup> argument that a proposal requesting a policy regarding age discrimination in benefit plan conversions was excludable, reasoning that the subject transcended ordinary business because of "the widespread public debate concerning the conversion from traditional defined benefit pension plans to cash-balance plans and the increasing recognition that this issue raises significant social and corporate policy issues."

Dollar Tree's narrow characterizations of the Proposal disregard the broader context of the staffing crisis facing many companies, amidst the extreme labor market tightening known as the "Great Resignation"<sup>3</sup> or "Great Quit."<sup>4</sup> Harvard economist Lawrence Katz has called it a "once-in-a-generation 'take this job and shove it' moment."<sup>5</sup> As of December 31, 2021, there were 11 million open jobs in the U.S., and the number of workers who quit their jobs reached an all-time high in November 2021, inching down slightly in December.<sup>6</sup> One in four American workers quit their job in 2021.<sup>7</sup> A July 2021 Gallup poll found that 48% of U.S. workers were "actively job searching or watching for opportunities."<sup>8</sup>

Retailers in particular are struggling to keep stores staffed. The National Retail Federation ("NRF"), the largest trade association for retail stores, recently identified the labor shortage as the top macroeconomic "headwind" for 2022.<sup>9</sup> Data from the Bureau of Labor Statistics show 250,000 more retail job openings in December 2021 than a year earlier.<sup>10</sup> Staffing shortages was part of the NRF's motivation in suing to enjoin the federal vaccine mandate for companies with 100 or more employees.<sup>11</sup> The writer of a June 2021 article interviewed workers who had recently quit jobs in

---

<sup>1</sup> BB&T Corporation (Jan. 17, 2017).

<sup>2</sup> International Business Machines Corporation (Feb. 16, 2000).

<sup>3</sup> E.g., <https://www.wsj.com/articles/investors-seek-more-information-about-companies-struggles-to-hire-retain-staff-11645045610>

<sup>4</sup> <https://www.forbes.com/sites/lisacurtis/2021/06/30/why-the-big-quit-is-happening-and-why-every-boss-should-embrace-it/?sh=7eba2041601c>; <https://www.motherjones.com/politics/2022/01/record-quits-great-resignation-labor-workers-pandemic/>

<sup>5</sup> <https://www.theguardian.com/commentisfree/2021/nov/01/great-resignation-employers-sweating-time-to-escalate-pressure>

<sup>6</sup> <https://www.bls.gov/news.release/jolts.nr0.htm>

<sup>7</sup> <https://www.motherjones.com/politics/2022/01/record-quits-great-resignation-labor-workers-pandemic/>

<sup>8</sup> <https://www.gallup.com/workplace/351545/great-resignation-really-great-discontent.aspx>

<sup>9</sup> <https://nrf.com/blog/whats-ahead-retail-2022>; see also <https://www.cnbc.com/2022/01/07/omicron-compounds-worker-shortage-supply-chain-woes-for-retailers.html>; <https://qz.com/2013596/the-us-labor-shortage-is-creating-problems-for-retailers/>

<sup>10</sup> <https://www.bls.gov/news.release/jolts.a.htm>

<sup>11</sup> Lauren Hirsch and Sapna Maheshwari, "Retailers fighting mandates; Companies cite labor shortage as the main reason for resistance to vaccines," *Chicago Tribune*, Nov. 30, 2021

retail and found that “nearly all said the pandemic introduced new strains to already challenging work: Longer hours, understaffed stores, unruly customers, and even pay cuts.”<sup>12</sup>

An October 2021 interview on the Harvard Business School website noted special challenges for dollar stores: “Dollar stores typically pay among the worst in retail, close to the minimum wage, and maintain very low staffing levels. A recent New York Times story suggests dollar store workers are flocking to competitors because these businesses are resisting the changing labor/wage environment.”<sup>13</sup> Dollar stores may also face particular challenges because of the safety issues workers face there, including robberies and killings.<sup>14</sup> Over the five years ended in April 2021, Dollar Tree racked up \$9.3 million in proposed penalties following OSHA inspections that revealed hazardous working conditions such as blocked fire exits.<sup>15</sup>

Employer treatment has been a key factor in workers’ decision making. Federal Reserve Chairman Jerome Powell explained that workers are leaving for jobs with better pay.<sup>16</sup> In an October 2021 column, economist Paul Krugman pronounced that “[l]ong-suffering American workers, who have been underpaid and overworked for years, may have hit their breaking point.”<sup>17</sup> Some observers have characterized the Great Resignation as a type of general strike.<sup>18</sup> One BBC article explained:

Workers who, pre-pandemic, may already been teetering on the edge of quitting companies with existing poor company culture saw themselves pushed to a breaking point. That’s because, as evidenced by a recent Stanford study, many of these companies with bad environments doubled-down on decisions that didn’t support workers, such as layoffs (while, conversely, companies that had good culture tended to treat employees well). This drove out already disgruntled workers who survived the layoffs, but could plainly see they were working in unsupportive environments.<sup>19</sup>

Labor scarcity is pushing up wages. Low-income U.S. workers’ wages are increasing at a faster rate than at any time since the financial crisis.<sup>20</sup> And wages paid to younger workers, those between 16 and 24, rose at the quickest rate since 1997.<sup>21</sup>

The staffing crisis has strategic implications for companies. Seventy-three percent of CEOs surveyed in October 2021 said that a “labor/skills shortage” was the “most likely external issue to disrupt their business” in the following 12 months.<sup>22</sup>

---

<sup>12</sup> Abha Bhattari, “Retail workers quitting at record rates,” The Boston Globe, June 22, 2021

<sup>13</sup> <https://hbswk.hbs.edu/item/fed-up-workers-and-supply-woes-whats-next-for-dollar-stores>

<sup>14</sup> <https://www.propublica.org/article/how-dollar-stores-became-magnets-for-crime-and-killing>

<sup>15</sup> <https://www.osha.gov/news/newsreleases/region4/04292021>

<sup>16</sup> <https://www.businessinsider.com/great-resignation-labor-shortage-healthy-labor-market-jerome-powell-fed-2021-11>

<sup>17</sup> <https://www.nytimes.com/2021/10/14/opinion/workers-quitting-wages.html>

<sup>18</sup> <https://www.cnbc.com/2022/02/04/robert-reich-great-resignation-general-strike-health-care-childcare.html>;

<https://www.washingtonpost.com/outlook/2021/11/18/are-we-witnessing-general-strike-our-own-time/>

<sup>19</sup> <https://www.bbc.com/worklife/article/20210629-the-great-resignation-how-employers-drove-workers-to-quit>

<sup>20</sup> <https://www.theatlantic.com/ideas/archive/2021/10/great-resignation-accelerating/620382/>

<sup>21</sup> <https://www.wsj.com/articles/investors-seek-more-information-about-companies-struggles-to-hire-retain-staff-11645045610>

<sup>22</sup> <https://fortune.com/2021/10/21/the-great-resignation-is-no-joke/>

The labor shortage is a consistent subject of widespread public debate, the standard applied by the Division in determining whether a proposal's subject transcends ordinary business operations.<sup>23</sup> As one author recently put it, "Not a single day passes without news of the Great Resignation's impact on companies big and small."<sup>24</sup> It even has its own social media hashtag, #TheGreatResignation. The subject has received extensive media coverage, including:

- <https://www.wsj.com/articles/an-american-labor-market-mystery-11643976005>
- <https://www.wsj.com/articles/omicron-absences-fail-to-dent-job-growth-11643991329>
- <https://www.nytimes.com/2022/01/04/business/economy/job-openings-coronavirus.html>
- <https://www.motherjones.com/politics/2022/01/record-quits-great-resignation-labor-workers-pandemic/>
- <https://www.bloomberg.com/news/articles/2021-05-10/quit-your-job-how-to-resign-after-covid-pandemic>
- <https://www.businessinsider.com/why-everyone-is-quitting-great-resignation-psychologist-pandemic-rethink-life-2021-10>
- <https://www.washingtonpost.com/washington-post-live/2021/09/24/transcript-great-resignation-with-molly-m-anderson-anthony-c-klotz-phd-elaine-welteroth/>
- <https://www.barrons.com/articles/covid-worker-shortage-great-resignation-professor-what-comes-next-51640853004>
- <https://msmagazine.com/2020/09/30/what-the-increase-in-quit-rates-during-a-recession-means-for-women-and-how-to-counteract-it/>
- <https://www.npr.org/2021/06/04/1003035263/hiring-picked-up-last-month-a-relief-for-an-economy-desperate-for-workers>
- <https://www.reuters.com/business/us-trade-deficit-narrows-april-2021-06-08/>
- <https://www.latimes.com/opinion/story/2021-08-28/lz-grandson-employment-workplace-genz-millennials-resignation>
- <https://www.seattletimes.com/opinion/is-the-great-resignation-a-great-rethink/>
- <https://www.cnbc.com/2021/08/25/great-resignation-55-percent-are-looking-to-change-jobs-over-the-next-year.html>
- <https://fortune.com/2021/08/26/pandemic-burnout-career-changes-great-resignation-adobe/>
- <https://www.npr.org/2021/05/05/993433235/hotels-and-restaurants-that-survived-pandemic-face-new-challenge-staffing-shortage>
- <https://www.npr.org/2021/09/01/1033053756/millions-will-lose-unemployment-benefits-that-doesnt-mean-theyll-return-to-work>
- <https://www.usnews.com/news/economy/articles/2021-08-26/study-gen-z-millennials-driving-the-great-resignation>
- <https://www.cnbc.com/2021/06/09/4-million-people-quit-their-jobs-in-april-to-find-better-work.html>
- <https://www.bostonglobe.com/2021/06/27/business/giant-game-musical-chairs-waves-workers-are-changing-jobs-pandemic-wanes/>

---

<sup>23</sup> See, e.g., [www.sec.gov/interps/legal/cfslb14a.htm](http://www.sec.gov/interps/legal/cfslb14a.htm).

<sup>24</sup> "5 Tips for Young Companies to Hire Talent During the Great Resignation," *Inc.*, Feb. 16, 2022

- <https://finance.yahoo.com/news/the-great-resignation-is-ripping-through-the-restaurant-industry-162052446>
- <https://www.bbc.com/worklife/article/20211028-what-were-getting-wrong-about-the-great-resignation>
- <https://www.businessinsider.com/whats-a-labor-shortage-strike-shortages-great-resignation-defined-2021-11>
- <https://www.businessinsider.com/great-resignation-labor-shortage-healthy-labor-market-jerome-powell-fed-2021-11>
- <https://www.theatlantic.com/ideas/archive/2021/10/great-resignation-accelerating/620382/>
- <https://www.npr.org/2021/06/24/1007914455/as-the-pandemic-recedes-millions-of-workers-are-saying-i-quit>
- <https://www.cnn.com/2021/10/29/opinions/labor-activism-and-striketober-hemmer/index.html>
- <https://www.bloomberg.com/news/features/2021-12-07/why-people-are-quitting-jobs-and-protesting-work-life-from-the-u-s-to-china>
- David Gelles, “Great Resignation Spills Into the C-Suite,” The New York Times, Feb. 21, 2022
- “Workers have been bombarded with news about the Great Resignation for a year, and it’s making them rethink their careers,” Business Insider, Feb. 14, 2022
- Chris Roebuck, “How to Beat the Great Resignation and Secure Your Future,” Newsweek, Feb. 10, 2022
- Katie Hitchcock-Smith, “Navigating the Great Resignation as a jaded millennial; I’ve had three corporate jobs in three years, quit two of them, and I’d do it again,” The Boston Globe, Feb. 11, 2022
- Murray Peiperl, “Will the Great Resignation lead to a corporate realization?” HR Dive, Feb. 10, 2022.
- Erika Lance, “How to Stop the Great Resignation: 5 Tips for Higher Employee Retention,” Newsweek, Feb. 11, 2022
- E. Tammy Kim, “Get Rid of the Bad Bosses,” The New York Times, Feb. 20, 2022

Podcasts have addressed the Great Resignation. An October 2021 episode of NPR’s “Consider This” took on “The Great Resignation: Why People Are Leaving Their Jobs in Growing Numbers.” Fast Company’s podcast, “The New Way We Work,” included a September 2021 episode on “What is Behind the Great Resignation.” The subject of a September 2021 episode of Washington Post Live was “The Great Resignation?: Why millions of Americans are quitting their jobs.” That same month, WBUR’s “On Point” posed the question, “The Great Resignation: What’s Driving America’s Labor Gap.” The Daily Show with Trevor Noah even broadcast a segment entitled “Why is Everyone Quitting Their Jobs? Getting Back to Normal-ish” on October 14, 2021.<sup>25</sup>

The importance of workforce issues is reflected in investors’ push to obtain more information about them, including wages, benefits and safety. According to a recent article in The Wall Street Journal, “Workers are increasingly important to forecasting corporate profitability, but investors receive little information about them.”<sup>26</sup> The COVID-19 pandemic has highlighted the

<sup>25</sup> <https://www.youtube.com/watch?v=D5fOUgKwCYM>

<sup>26</sup> <https://www.wsj.com/articles/investors-seek-more-information-about-companies-struggles-to-hire-retain-staff-11645045610>

importance of human capital management by showing the value of workers in low-wage jobs as well as the public health implications of inadequate worker protections. The Commission is shortly expected to propose rules requiring disclosure of human capital information, with a likely focus on turnover, skills and development training, compensation, benefits and safety.<sup>27</sup> Bills have been proposed in Congress to require companies to disclose information about their workforce management policies, practices and performance<sup>28</sup> and to disclose certain human capital metrics dealing with issues like turnover and worker health and safety.<sup>29</sup> The Division highlighted human capital matters in Staff Legal Bulletin 14L (“SLB 14L”)<sup>30</sup> where it announced that it would no longer require proponents to show a company-specific nexus: “For example, proposals squarely raising human capital management issues with a broad societal impact would not be subject to exclusion solely because the proponent did not demonstrate that the human capital management issue was significant to the company.”

Dollar Tree relies on many determinations in which the Staff allowed exclusion on ordinary business grounds of proposals that dealt with companies’ workforces, but none of those proposals involved a significant policy issue. In Amazon.com,<sup>31</sup> the Staff allowed exclusion on ordinary business grounds of a proposal asking Amazon to report on the steps it had taken to reduce the risk of accidents, including board oversight of safety, staffing levels, and inspections and maintenance of the company’s facilities and equipment and that of its contractors. Importantly, the Amazon proponent did not argue, as the Proponent does here, that any of the workforce issues mentioned in the proposal were a significant policy issue; instead, the proponent identified the significant policy issue as the sustainability of Amazon’s business model, board oversight, and the “digital transformation” of the nation’s economy and the social costs it imposes.

As well, the Amazon determination was issued less than three weeks after COVID-19 was declared a pandemic. At that time, worker health and safety had a much lower profile than it does now. The timing of the proposal and no-action correspondence locked the Amazon proponent into proposal language that did not reflect the pandemic’s impact. The Staff recognized that fact in its determination, stating: “Although the Proponents’ last correspondence attempts to shift the focus of the Proposal to the Company’s efforts to mitigate health risks during the current coronavirus pandemic, the Proposal, which was submitted on December 6, 2019, focuses on workplace accidental injuries. As such, the Proposal’s focus remains on an ordinary business matter and does not address a matter that may transcend ordinary business.”

Similarly, the Pilgrim’s Pride,<sup>32</sup> Chemours<sup>33</sup> CNF,<sup>34</sup> and Chevron<sup>35</sup> determinations Dollar Tree cites, which involved proposals on workplace safety, were issued at a time when far less public debate was occurring about the issue than is now the case. They also pre-dated SLB 14L and its identification of “human capital management issues with a broad societal impact” as an example of a

---

<sup>27</sup> <https://www.wsj.com/articles/investors-seek-more-information-about-companies-struggles-to-hire-retain-staff-11645045610>

<sup>28</sup> <https://www.congress.gov/bill/117th-congress/house-bill/1187>;

<sup>29</sup> <https://www.congress.gov/bill/117th-congress/senate-bill/1815>

<sup>30</sup> Staff Legal Bulletin 14L (Nov. 3, 2021)

<sup>31</sup> Amazon.com, Inc. (Apr. 1, 2020), *recon. denied* (Apr. 9, 2020).

<sup>32</sup> Pilgrim’s Pride Corp. (Feb. 25, 2016)

<sup>33</sup> The Chemours Co. (Jan. 17, 2017).

<sup>34</sup> CNF Transportation Inc. (Jan. 26, 1998)

<sup>35</sup> Chevron Corp. (Feb. 22, 1988)



potentially significant social policy issue. The Staff's now-abandoned approach of requiring that proposals evidence a significant nexus between the issue and the company was the basis for the Staff's determination allowing TJX (Northstar)<sup>36</sup> to exclude a proposal seeking disclosure on the company's monitoring of suppliers' compliance with a policy prohibiting use of prison labor. The Staff explained that "the Proposal acknowledges that the Company already prohibits prison labor and does not otherwise explain how its compliance program raises a significant issue for the Company." Accordingly, that determination--as well as those in TJX (2020)<sup>37</sup> and Home Depot,<sup>38</sup> where the Staff allowed omission of a similar proposal without a written explanation-- might well be decided differently today.

In the other determinations Dollar Tree cites, the Staff did not conclude that any of the employment-related proposals addressed significant social policy issues. In many cases--Wells Fargo,<sup>39</sup> ENGlobal,<sup>40</sup> IBM (Boulain),<sup>41</sup> Ford,<sup>42</sup> Exelon,<sup>43</sup> ConocoPhillips,<sup>44</sup> and IBM (2001)<sup>45</sup>--the proponents did not respond at all to the companies' no-action requests, depriving the Staff of the proponents' views as to the significant policy issue involved. In Starwood,<sup>46</sup> Capital Cities Communications,<sup>47</sup> and Intel,<sup>48</sup> the proponents responded but did not make the significant policy issue argument. The remaining proponents urged that their proposals addressed significant social policy issues, but the Division was unpersuaded that the gap between CEO and median worker pay, "evergreen" provisions of equity plans, paid leave, the rapidly rising costs of health care coverage, safety in private prisons, "new compensation principles responsive to America's general economy," outsourcing, and the reduction-in-force review process were significant policy issues. Those determinations, then, do not stand for the proposition that a proposal addressing a significant policy issue, as the Proposal does, is excludable simply because it addresses or relates to a company's workforce.

Finally, the Proposal does not merely touch on or reference a significant policy issue, as Dollar Tree claims.<sup>49</sup> In the determinations Dollar Tree cites on pages 11-12 of the No-Action Request, the proposals' requests strayed from the putative significant policy issues. For example, in Union Pacific,<sup>50</sup> the proposal asked the company to report on its efforts to safeguard the security of its operations "arising from a terrorist attack and/or other homeland security incidents." The company argued that homeland security incidents may include occurrences other than terrorism such as natural disasters, which are not significant social policy issues, and the staff concurred that the proposal was excludable. Likewise, in PetSmart,<sup>51</sup> the proposal asked the company to require its

---

<sup>36</sup> The TJX Companies (Northstar) (Apr. 9, 2021)

<sup>37</sup> The TJX Companies (Mar. 20, 2020)

<sup>38</sup> The Home Depot Inc. (Mar. 20, 2020)

<sup>39</sup> Wells Fargo & Co. (Feb. 22, 2008).

<sup>40</sup> ENGlobal Corp. (Mar. 28, 2012)

<sup>41</sup> International Business Machines Corp. (Boulain) (Jan. 22, 2009)

<sup>42</sup> Ford Motor Company (Jan. 9, 2008)

<sup>43</sup> Exelon Corporation (Feb. 21, 2007)

<sup>44</sup> ConocoPhillips (Feb. 2, 2005)

<sup>45</sup> International Business Machines Corp. (Jan. 2, 2001)

<sup>46</sup> Starwood Hotels & Resorts Worldwide, Inc. (Feb. 14, 2012)

<sup>47</sup> Capital Cities Communications (League for Industrial Democracy) (Mar. 14, 1984)

<sup>48</sup> Intel Corporation (Mar. 18, 1999)

<sup>49</sup> No-Action Request, at 8.

<sup>50</sup> Union Pacific Corp. (Feb. 25, 2008)

<sup>51</sup> PetSmart, Inc. (Mar. 24, 2011)

suppliers to attest that they had not violated certain laws. PetSmart pointed out that the laws in question governed not only animal cruelty, a significant policy issue, but also mundane matters such as record keeping. The Staff concurred and granted relief, citing the breadth of the laws referenced in the proposal. Here, by contrast, the Proposal directly and exclusively addresses the significant policy issue of risks associated with increased labor market pressure.

Dollar Tree is not entitled to exclude the Proposal on ordinary business grounds because it addresses a significant social policy issue transcending ordinary business, as evidenced by the consistent and widespread public debate in the media and among policy makers. Putting it in SLB 14L's language, the tight labor market is a human capital issue with "broad societal impact." Thus, Dollar Tree should not be permitted to omit the Proposal on ordinary business grounds.

\* \* \*

For the reasons set forth above, Dollar Tree has not satisfied its burden of showing that it is entitled to omit the Proposal in reliance on Rule 14a-8 (i)(7). Accordingly, the Proponent respectfully requests that Dollar Tree's request for relief be denied.

The Proponent appreciates the opportunity to be of assistance in this matter. If you have any questions or need additional information, please contact me at (332) 219-8769.

Sincerely,



Matthew Illian  
Director of Responsible Investing  
United Church Funds

cc: Elizabeth A. Ising, Esq.  
Eising@gibsondunn.com