



DIVISION OF  
CORPORATION FINANCE

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

February 24, 2025

Brad Rock  
DLA Piper LLP (US)

Re: Ross Stores, Inc. (the "Company")  
Incoming letter dated February 21, 2025

Dear Brad Rock:

This letter is in regard to your correspondence concerning the shareholder proposal (the "Proposal") submitted to the Company by The Nathan Cummings Foundation (the "Proponent") for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders. Your letter indicates that the Proponent has withdrawn the Proposal and that the Company therefore withdraws its January 17, 2025 request for a no-action letter from the Division. Because the matter is now moot, we will have no further comment.

Copies of all of the correspondence related to this matter will be made available on our website at <https://www.sec.gov/corpfin/2024-2025-shareholder-proposals-no-action>.

Sincerely,

Rule 14a-8 Review Team

cc: Laura Campos  
The Nathan Cummings Foundation



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January 17, 2025

VIA ONLINE SUBMISSION

OFFICE OF CHIEF COUNSEL  
DIVISION OF CORPORATION FINANCE  
SECURITIES AND EXCHANGE COMMISSION  
100 F STREET, N.E.  
WASHINGTON, DC 20549

Re: Ross Stores, Inc.  
Notice of Intent to Omit from Proxy Materials the Shareholder Proposal from  
The Nathan Cummings Foundation

Ladies and Gentlemen:

This letter is to inform you that our client, Ross Stores, Inc., a Delaware corporation (“**Ross**” or the “**Company**”), intends to omit from its proxy statement and form of proxy for its 2025 Annual Meeting of Stockholders (collectively, the “**2025 Proxy Materials**”) a shareholder proposal (the “**Proposal**”) and statement in support thereof (the “**Supporting Statement**”) received from The Nathan Cummings Foundation (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 2025 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 the proponent of a shareholder proposal is required to send the company a copy of any correspondence that the proponent elects to submit to the Commission or the staff of the Division of Corporation Finance (the “**Staff**”). Accordingly, we are taking this opportunity to remind the Proponent that if the Proponent elects to submit additional correspondence to the Commission or the Staff with



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respect to the Proposal, a copy of that correspondence should be furnished concurrently to the undersigned on behalf of the Company pursuant to Rule 14a-8(k) and SLB 14D.

## **THE PROPOSAL**

The text of the resolution contained in the Proposal is set forth below:

**RESOLVED: Shareholders of Ross Stores, Inc. (“Ross”) ask the company to adopt and publicly disclose a policy that all employees, part-time and full-time, accrue some amount of paid sick leave that can be used after working at Ross for a reasonable probationary period.**

## **BASIS FOR EXCLUSION**

We hereby respectfully request that the Staff concur with the Company’s view that it may exclude the Proposal from the 2025 Proxy Materials pursuant to Rule 14a-8(i)(7) because the Proposal deals with matters relating to the Company’s ordinary business operations.

The Commission has stated that the policy underlying the ordinary business exception rests on two central considerations. The first relates to the proposal’s subject matter, which here relates to the Company’s general employee compensation and management of its workforce (Ross refers to its employees as “associates”) – in particular, and in practical effect, accrual of paid sick leave for certain part-time associates – and does not focus on a significant social policy issue that transcends the Company’s ordinary business operations. The second relates to the degree to which the proposal “micromanages” 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.” This Proposal is excludable under both considerations that underlie Rule 14a-8(i)(7).

## **BACKGROUND**

Ross operates two brands of off-price retail apparel and home fashion stores — Ross Dress for Less® and dd’s DISCOUNTS®. Ross Dress for Less is the largest off-price apparel and home fashion chain in the United States, with 1,836 locations in 43 states, the District of Columbia, and Guam, as of November 2, 2024. Ross offers first-quality, in-season, name brand and designer apparel, accessories, footwear, and home fashions for the entire family at savings of 20% to 60% off department and specialty store regular prices every day. Ross also operates 356 dd’s DISCOUNTS stores in 22 states as of November 2, 2024 that feature a more moderately-priced assortment of first-quality, in-season, name brand apparel, accessories, footwear, and home



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fashions for the entire family at savings of 20% to 70% off moderate department and discount store regular prices every day.

Ross employs more than 108,000 total associates, which includes both full- and part-time associates in its retail stores, distribution centers, and buying and corporate offices. Approximately 85% of these associates work in retail stores. As one aspect of its wage and benefits offerings, Ross already has adopted paid sick leave policies that cover most of its workforce. Paid sick leave eligibility currently varies by associate status and location, with several dozen distinct policies in place across the country. All exempt and all full-time non-exempt associates are already currently eligible for some amount of sick leave pay in all locations. Rates of accrual vary. Part-time non-exempt associates are also already eligible for paid sick leave in numerous locations (states, counties, or cities) where there is a local requirement to provide paid sick leave. The vast majority of part-time associates work in retail stores, and on average they work less than 20 hours per week.

The Company received the Proposal on December 5, 2024, accompanied by a cover letter from the Proponent, dated December 3, 2024, and a written statement from the record owner of the Proponent's shares verifying the Proponent's beneficial ownership of the requisite number of shares of Company common stock. Copies of the Proposal and cover letter are attached hereto as Exhibit A.<sup>1</sup>

## ANALYSIS

### **The Proposal May Be Excluded Under Rule 14a-8(i)(7) Because the Proposal Deals with Matters Relating to the Company's Ordinary Business Operations.**

#### *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**").

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<sup>1</sup> Exhibit A omits correspondence between the Company and the Proponent that is irrelevant to this request, such as the proof of beneficial ownership. See the Staff's "Announcement Regarding Personally Identifiable and Other Sensitive Information in Rule 14a-8 Submissions and Related Materials" (Dec. 17, 2021), available at <https://www.sec.gov/corpfin/announcement/announcement-14a-8-submissions-pii-20211217>.



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In the latest legal bulletin relating to this exclusion rule, Staff Legal Bulletin No. 14L, Part B.2 (November 3, 2021) (“*SLB 14L*”), the Staff reaffirmed the policy and standards set forth in the 1998 Release. The Staff noted that “[t]he purpose of the exception 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.” The Staff identified two central considerations that underlie this policy. One consideration 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.” The Commission has stated that examples of tasks that implicate the ordinary business standard include “the management of the workforce, such as the hiring, promotion, and termination of employees, decisions on production quality and quantity, and the retention of suppliers.” Under this first consideration, a proposal that is fundamental to management’s ability to run a company’s business may be excluded, unless the “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 . . . .” Staff Legal Bulletin No. 14E (Oct. 27, 2009). A second consideration is 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.* at footnote 8 (citing the 1998 Release). A proposal that may not be excludable under the first consideration (because of countervailing social policy considerations) may nevertheless be excludable under the second consideration if it seeks to micromanage the company.

As demonstrated below, this Proposal is excludable under both considerations that underlie Rule 14a-8(i)(7).

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

The Proposal asks the Company “to adopt and publicly disclose a policy that all employees, part-time and full-time, accrue some amount of paid sick leave that can be used after working at Ross for a reasonable probationary period.” A company’s paid sick leave policies comprise one set of policies that are a part of its overall array of compensation and benefits for employees. The establishment of compensation and benefits practices for the general workforce is clearly among those tasks that are fundamental to management’s ability to run a company on a day-to-day basis, and that cannot, as a practical matter, be subject to direct shareholder oversight. At Ross, all exempt and all full-time non-exempt associates in all locations, and also the part-time associates in various locations, are already currently eligible for some amount of paid sick leave. Therefore, in practical effect, the Proposal is asking the shareholders to mandate expansion of the Company’s existing paid sick leave policies to cover additional part-time associates in additional locations.



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In analyzing shareholder proposals relating to compensation, the Staff has distinguished between proposals that relate to general employee compensation and proposals that address only executive officer and director compensation, indicating that the former implicate a company's ordinary business operations and thus are excludable under Rule 14a-8(i)(7). *See* Staff Legal Bulletin No. 14A (July 12, 2002) (“**SLB 14A**”), in which the Staff stated “[s]ince 1992, we have applied a bright-line analysis to proposals concerning equity or cash compensation” under which “[w]e agree with the view of companies that they may exclude proposals that relate to general employee compensation matters in reliance on [R]ule 14a-8(i)(7)” but “may [not] exclude proposals that concern only senior executive and director compensation”; *Xerox Corp.* (avail. Mar. 25, 1993).

Consistent with the approach articulated in SLB 14A, the Staff had consistently concurred with the exclusion of shareholder proposals under Rule 14a-8(i)(7) when the proposals relate to general employee compensation matters. For example, in *Dollar Tree, Inc.* (avail. May 2, 2022), the Staff concurred with the exclusion of a proposal as relating to ordinary business matters where it requested a report explaining how the company's business strategy and incentives “will enable competitive employment standards, including wages [and] benefits” and to “include particular attention to [the company's] lowest paid employees.” As with the Supporting Statement, the supporting statement in *Dollar Tree* mentioned general socio-economic concerns (there noting that “employment conditions, including low wages and benefits, are key factors driving the low [workforce] participation rates” that prevailed following the COVID-19 pandemic, and that “[l]abor shortages are influencing a dynamic policy situation as the federal government, states and localities all reassess their minimum wage regulations.”) Similarly, in *Amazon.com, Inc. (McRitchie)* (avail. Apr. 8, 2022) (“**Amazon 2022**”), the Staff concurred with the exclusion of a proposal that requested an annual report assessing the distribution of stock-based incentives throughout the company's worldwide workforce, including a table showing stock ownership “granted and utilized” by company employees in the United States, as relating to the company's ordinary business operations under Rule 14a-8(i)(7). The first line of the supporting statement in that proposal also refers to inequality, noting that “[w]ealth inequality in the United States has increased dramatically, is widely recognized as a significant social policy issue, and brings many problems, such as political polarization.” The company argued that the proposal related to one aspect of non-executive employee compensation and did not focus on a significant social policy issue. The Staff agreed that the proposal related to the company's ordinary business operations and concurred with the exclusion of the proposal.<sup>2</sup>

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<sup>2</sup> *See also Repligen Corp.* (avail. Apr. 1, 2022) (same). Similarly, in *JPMorgan Chase & Co. (Ott)* (avail. Mar. 25, 2022), *recon. denied on procedural grounds* (avail. Apr. 19, 2022), the Staff concurred with the exclusion under Rule 14a-8(i)(7) of a proposal requesting an annual report of pay and total estimated compensation for each



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These recent precedents are consistent with the Staff's historic position involving shareholder proposals addressing minimum wage and other non-executive employee compensation and general workforce-related matters. In *Amazon.com, Inc.* (avail. Mar. 1, 2017) ("*Amazon 2017*"), *CVS Health Corp.* (avail. Mar. 1, 2017), and *The TJX Companies, Inc.* (avail. Mar. 1, 2017), the Staff in each instance concurred with the exclusion under Rule 14a-8(i)(7) of a proposal requesting that the companies adopt and publish principles for minimum wage reform, on the basis that each "proposal relates to general compensation matters, and does not otherwise transcend day-to-day business matters."<sup>3</sup> In each of these cases, whether the proposal requested a report or an affirmative change in employee compensation practices, the Staff concurred with exclusion under Rule 14a-8(i)(7).

By requesting that the Company adopt and publicly disclose a policy that all employees accrue some amount of paid sick leave after working at the Company for some probationary period, the Proposal unequivocally focuses on the Company's policies relating to general employee compensation and benefits, and the way the Company manages its workforce. Accordingly, the Proposal asks shareholders to vote on a matter relating to ordinary business matters, and should be excludable under Rule 14a-8(i)(7) as it implicates the Company's ordinary business operations.

*C. The Proposal Does Not Focus On A Significant Social Policy Issue That Transcends The Company's Ordinary Business Operations*

In the 1998 Release, the Commission also distinguished proposals pertaining to ordinary business matters that are excludable under Rule 14a-8(i)(7) from those that "focus on" significant social policy issues. The Commission stated, "proposals relating to [ordinary business] matters but focusing on sufficiently significant social policy issues (e.g., significant discrimination matters) generally would not be considered to be excludable, because the proposals would transcend the day-to-day business matters and raise policy issues so significant that it would be appropriate for a shareholder vote." 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*

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employee role, broken down by location, for the prior year giving the mean, median, and pay band (high/low) for the role, both weighted and unweighted for cost of living adjustments. The company argued that the proposal related to general compensation considerations, even though the proposal's supporting statement argued that transparency around such compensation information would enhance shareholder profits, empower employees, control reputational narrative, and reduce gender and ethnic wage gaps.

<sup>3</sup> *See also McDonald's Corp.* (avail. Mar. 18, 2015) (concurring with the exclusion of a proposal requesting an increased minimum wage of \$11.00 per hour, on the basis that the proposal "relates to general compensation matters"); *Best Buy Co., Inc.* (avail. Mar. 8, 2016) (concurring with exclusion and noting "that the proposal relates to general compensation matters, where the proposal called for the company to adopt principles for minimum wage reform").



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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.”).

In SLB 14L, the Staff discussed how it will evaluate whether a proposal “transcends the day-to-day business matters” of a company, noting that it was then “realign[ing]” its approach to determining whether a proposal relates to ordinary business with the standards the Commission reaffirmed in the 1998 Release. The Staff stated that it will “no longer tak[e] a company-specific approach to evaluating the significance of a policy issue under Rule 14a-8(i)(7)” but rather will consider only “whether the proposal raises issues with a broad societal impact, such that they transcend the ordinary business of the company.” The Staff also stated that under its new approach proposals “previously viewed as excludable because they did not appear to raise a policy issue of significance for the company may no longer be viewed as excludable under Rule 14a-8(i)(7)” and 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).

In *CVS Health Corporation* (avail. Mar. 18, 2022) (“*CVS 2022*”), the company received a proposal that was substantially the same as the Proposal. In that instance, the Staff was unable to concur with the company to permit exclusion of the proposal, stating “In our view, the Proposal transcends ordinary business matters because it raises human capital management issues with a broad societal impact, *see* [SLB 14L], and does not seek to micromanage the Company.” We respectfully request that the Staff reconsider those conclusions here, based on a further review of the issues actually presented, and the factual context of the Proposal and its practical implications.

As to the Proposal, after noting that earned sick leave is not provided to a significant portion of the private sector workforce in America, the focus of the Supporting Statement is primarily on the potential economic consequences *for Ross* of having an expansive paid sick leave policy, including in terms of potentially “reduced ‘presenteeism’ (working while sick), improvements to employee job satisfaction, employee retention, and employee health and safety, and increased ease of hiring.” The Supporting Statement adds, “Furthermore, the reductions in turnover associated with the provision of [paid sick leave] offer additional opportunities for cost savings, particularly in lower-wage industries like retail, where turnover is high. Estimates place the cost to employers of job turnover between 25 percent and 200 percent of the yearly salary of departing workers.” These are company-internal cost optimization points, not broad, societal considerations.



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Ross already provides paid sick leave in varying amounts to all of its full-time associates, and to part-time associates in various locations based on local requirements. As a result, as a practical matter, the Proposal (without saying so) is really addressed to mandating changes to Ross' paid sick leave policies for (some portion of) part-time associates only. Assessment of the costs/benefits and tradeoffs from potentially expanding those benefits offerings is an ordinary business matter relating to general compensation, and does not transcend Ross' day-to-day business.

The Staff's prior decisions make clear that the mere mention of a social policy issue, such as public health, is not enough for a proposal to avoid exclusion under Rule 14a-8(i)(7) – rather, the social policy issue must be the focus of the proposal. *See, e.g., McDonald's Corp.* (Mar. 22, 2019) (permitting exclusion of a proposal that touched on concerns about animal cruelty because the proposal was “focuse[d] primarily on” the company's ordinary business operations); *Papa John's International, Inc.* (Feb. 13, 2015) (permitting exclusion of a proposal encouraging the company to add vegan options to its menu, which touched on significant policy issues such as animal welfare and sustainability, because the proposal related to the company's ordinary business and “[did] not focus on a significant policy issue” (emphasis added)).

The Staff's guidance in SLB 14L should not affect the excludability of the Proposal here because, unlike the proposal cited in *Dollar General*, and consistent with the standards the Commission reaffirmed in the 1998 Release, the Proposal does not raise significant discrimination matters or board-oversight of human capital issues, and it does not focus on any other issue “with a broad societal impact” such that it transcends ordinary business matters. Instead, the Proposal here relates to a narrow, general compensation matter – specifically, mandating the establishment of Company sick leave policies that would extend more broadly to additional part-time workers. In terms of “human capital management issues with a broad societal impact,” this is indistinguishable from proposals seeking minimum wage reform. The Proposal's focal concern is with the Company's general employee compensation practices, and the possible advantages for the Company and its own associates of revising its policies, which demonstrates that the Proposal relates to an ordinary business matter, and does not transcend the Company's ordinary business.

In this respect, the Proposal is comparable to the proposal considered in *Amazon 2022*, discussed above, where the supporting statement referenced wealth inequality and racial/gender wealth gaps, but the subject matter actually related to the company's ordinary business matters and therefore was excludable.

Historically, the Staff had consistently concurred with the exclusion of shareholder proposals under Rule 14a-8(i)(7) relating to wage reform and wage inequality for hourly and non-executive employees, finding that such proposals did not implicate a significant social policy



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matter. In *Wal-Mart Stores, Inc.* (avail. Mar. 15, 1999), the Staff concurred with exclusion of a proposal requesting a report that was to include, among other things, a description of “[p]olicies to implement wage adjustments to ensure adequate purchasing power and a sustainable living wage,” with the Staff noting the proposal was excludable under Rule 14a-8(i)(7) because the quoted language “relate[d] to ordinary business operations.” Similarly, in *Apple, Inc. (Zhao)* (avail. Nov. 16, 2015), the proposal requested that the company’s compensation committee “adopt new compensation principles responsive to America’s general economy, such as unemployment, working hour[s] and wage inequality.” Notably, the supporting statement discussed concerns related to wage inequality by reference to certain executive officers’ compensation. The Staff concurred with exclusion of the proposal as relating to the company’s ordinary business operations, 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.”<sup>4</sup>

Here, similar to the proposals in the precedents cited above, and CVS 2022 notwithstanding, the Proposal relates to an ordinary business issue of general employee compensation (specifically, given the context, the policies for eligibility to accrue sick leave pay for part-time associates in various local labor markets), and, as with those precedents, general references to income inequality, the economy and private sector working conditions do not “focus on” a significant social policy issue for purposes of Rule 14a-8(i)(7).

*D. The Proposal May Be Excluded Under Rule 14a-8(i)(7) Because It Seeks To Micromanage the Company*

Under Rule 14a-8(i)(7), a proposal that seeks to micromanage a company’s business operations is excludable even if it involves a significant policy issue. SLB 14L clarified that in considering arguments for exclusion based on micromanagement, “the staff will take a measured approach to evaluating companies’ micromanagement arguments – recognizing that proposals seeking detail or seeking to promote timeframes or methods do not per se constitute micromanagement. Instead, [the Commission] will focus on the level of granularity sought in the

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<sup>4</sup> See also *Amazon 2017*, *CVS Health Corp.* and *The TJX Companies, Inc.* (concurring with the exclusion of proposals requesting adoption and publication of principles for minimum wage reform, noting that each “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 social policy issue and the supporting statement arguing in support that “[p]overty-level wages and income inequality may undermine consumer spending and economic growth”); *Kmart Corp.* (avail. Mar. 12, 1999) (concurring with the exclusion of a proposal requesting a report that was to include, among other things, a description of “[p]olicies to implement wage adjustments to ensure adequate purchasing power and a sustainable living wage” and noting the proposal was excludable under Rule 14a-8(i)(7) because it “relate[d] to ordinary business operations”).



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proposal and whether and to what extent it inappropriately limits discretion of the board or management.” The Staff further stated, “[t]his approach is consistent with the Commission’s views on the ordinary business exclusion, which *is designed to preserve management’s discretion on ordinary business matters* but not prevent shareholders from providing *high-level direction on large strategic corporate matters.*” *Id.* (emphasis added).

As noted in the Background section and in the analysis discussion above, the management of Ross has already developed and implemented complex, multi-level, multi-regional compensation practices that include comprehensive paid sick leave policies. Ross operates and staffs approximately 2,200 retail stores, in 43 states, the District of Columbia, and Guam, as well as multiple distribution centers and warehouses in different regions of the country, and buying and corporate offices in California and New York. Based on management’s business judgement, Ross currently has many distinct paid sick leave policies in place. All exempt and full-time non-exempt associates are already eligible for sick pay in all locations. Part-time non-exempt associates are already eligible for paid sick leave in numerous locations (states, counties, or cities) where there is a legal requirement to provide paid sick leave. Under its current policies, a majority of Ross associates are eligible for paid sick leave. Ross actively competes for talent in all of the markets in which it has stores or other operations, and Ross management is continuously adjusting the pay and benefits that are offered for various positions based on its hiring needs, to remain competitive in each local market, while closely managing costs. But the mix of pay and benefits is not the same everywhere. The competitive factors in different local labor markets vary, and the needs and preferences of different categories of workers are also different. There are different compensation “cards” to potentially play, to attract enough of the right kinds of associates in each market (wage rates, scheduling flexibility, employee discounts, various health benefits, etc.). However, under the Proposal, the shareholders would be invited to say “No, management must always play a ‘paid sick leave’ card for everyone [after a ‘reasonable’ probation period].” That is micromanaging.

In SLB 14L, the Staff noted that “[t]he purpose of the exception 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.” The Supporting Statement itself makes the case for why setting paid sick leave policies for a large business like Ross is not a determination that shareholders as a group are in a good position to make. The Supporting Statement suggests that “[o]n average, paid sick leave is estimated to cost employers an additional 2.7 cents per hour worked.” But how much would it cost Ross? In particular local markets? The Supporting Statement cites potential benefits “includ[ing] reduced “presenteeism” (working while sick), improvements to employee job satisfaction, employee retention, and employee health and safety, and increased ease of hiring. . . . Furthermore, the reductions in turnover associated with the provision of [paid sick leave] offer additional opportunities for cost savings, particularly in lower-wage industries like retail, where



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turnover is high. Estimates place the cost to employers of job turnover between 25 percent and 200 percent of the yearly salary of departing workers.” But are those possible benefits and potential savings valid for part-time retail store associates at Ross? And if so, what is the actual value? Company management is the customary and appropriate decision-making body for those determinations. The Proposal takes a hyper-focused position on a single matter that is one aspect of a complex and dynamic management challenge.

As noted above, in considering arguments for exclusion based on micromanagement, the Staff is to “focus on the level of granularity sought in the proposal and whether and to what extent it inappropriately limits discretion of the board or management.” The Staff stated, “[t]his approach is consistent with the Commission’s views on the ordinary business exclusion, which is designed to *preserve management’s discretion on ordinary business matters* but not prevent shareholders from providing *high-level direction on large strategic corporate matters*.” (emphasis added). The current Proposal does not provide “high-level direction on large strategic matters.” And the Proposal inappropriately limits the discretion of Ross management on a nuanced, complex, and ordinary business matter, by mandating the establishment of alternative paid sick leave policies and ignoring the Company’s existing compensation structure. As such, the Proposal seeks to micromanage the Company and may therefore be excluded under Rule 14a-8(i)(7).

## **CONCLUSION**

Ross hereby requests that the Staff concur with the conclusion that it can properly exclude the Proposal, and confirm that the Staff will not recommend any enforcement action if Ross excludes the Proposal from the 2025 Proxy Materials. Should you disagree with the conclusions set forth herein, we would appreciate the opportunity to confer with you prior to the issuance of the Staff’s response. Moreover, Ross reserves the right to submit to the Staff additional bases upon which the Proposal may properly be excluded from the 2025 Proxy Materials.

By copy of this letter, the Proponent is being notified of Ross’ intention to omit the Proposal from its 2025 Proxy Materials.



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We would be happy to provide you with any additional information and answer any questions that you may have regarding this subject. If we can be of any further assistance in this matter, please do not hesitate to call me at (415) 836-2598.

Very truly yours,

**DLA Piper LLP (US)**

A handwritten signature in blue ink that reads 'Brad Rock'.

Brad Rock

Partner

Enclosures

cc: Ken Jew, Group Senior Vice President, General Counsel and Corporate Secretary  
Ross Stores, Inc.

Laura Campos, Senior Director, Economic Justice  
The Nathan Cummings Foundation  
[laura.campos@nathancummings.org](mailto:laura.campos@nathancummings.org)

## EXHIBIT A

**RESOLVED:** Shareholders of Ross Stores, Inc. (“Ross”) ask the company to adopt and publicly disclose a policy that all employees, part-time and full-time, accrue some amount of paid sick leave that can be used after working at Ross for a reasonable probationary period.

**WHEREAS:** 28 million Americans working in the private sector have no access to earned sick leave, or “paid sick leave” (PSL), for short-term health needs and preventive care. The U.S. Department of Labor’s Bureau of Labor Statistics estimates that as of March 2024, roughly one in every five private industry workers lacked access to PSL.<sup>1</sup> Many working people face an impossible choice when they are sick: stay home and risk their economic stability or go to work and risk their health and, potentially, the health of others.

Although 96% of workers in the highest income decile have some paid sick days, only 39% of workers in the lowest income decile have access to this important benefit.<sup>2</sup> Ross strives to be a great place to work and describes the benefits it offers but does not publicly describe paid sick leave as an employee benefit.<sup>3</sup>

On average, paid sick leave is estimated to cost employers an additional 2.7 cents per hour worked.<sup>4</sup> On the other hand, PSL can benefit employers in several ways. These include reduced “presenteeism” (working while sick), improvements to employee job satisfaction, employee retention, and employee health and safety, and increased ease of hiring.<sup>5</sup> The Journal of Occupational and Environmental Medicine found that cost savings associated with reductions in presenteeism, which is estimated to reduce an employee’s productivity by an average of 20 percent, can outweigh the costs of employee absences from PSL.<sup>6</sup> Furthermore, the reductions in turnover associated with the provision of PSL offer additional opportunities for cost savings, particularly in lower-wage industries like retail, where turnover is high. Estimates place the cost to employers of job turnover between 25 percent and 200 percent of the yearly salary of departing workers.<sup>7</sup>

Many of Ross’ part-time workers are likely covered by state or local mandates. Proactively establishing PSL for all employees would help prepare Ross for potential regulation. Eighteen states and the District of Columbia have adopted PSL laws since 2006<sup>8</sup> and paid sick leave enjoys widespread public support. For instance, a Nebraska ballot initiative calling for paid sick time passed by a margin of almost three-to-one in November 2024. Ballot initiatives calling for PSL also passed in Alaska and Missouri in 2024.<sup>9</sup>

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<sup>1</sup> <https://www.bls.gov/ebs/factsheets/paid-sick-leave.htm>

<sup>2</sup> <https://ir.lawnet.fordham.edu/cgi/viewcontent.cgi?article=2969&context=ulj>

<sup>3</sup> <https://corp.rossstores.com/responsibility/empowering-our-associates/a-great-place-to-work/>

<sup>4</sup> <https://equitablegrowth.org/working-papers/mandated-sick-pay-coverage-utilization-and-welfare-effects/>

<sup>5</sup> <https://ir.lawnet.fordham.edu/cgi/viewcontent.cgi?article=2969&context=ulj>

<sup>6</sup> <https://nationalpartnership.org/wp-content/uploads/2023/02/paid-sick-days-good-for-business-and-workers.pdf>

<sup>7</sup> <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5649342/>

<sup>8</sup> <https://www.ncsl.org/labor-and-employment/state-family-and-medical-leave-laws>

<sup>9</sup> <https://www.abetterbalance.org/victory-voters-passed-3-new-state-paid-sick-time-laws-via-ballot-initiative/>

RECEIVED

DEC 05 2024

Legal Department

December 3, 2024

Ross Stores, Inc.  
5130 Hacienda Drive  
Dublin, CA 94568  
Attention: Corporate Secretary

Re: Shareholder proposal for 2025 Annual Shareholder Meeting

Dear Mr. Jew,

The Nathan Cummings Foundation is submitting the attached proposal (the "Proposal") pursuant to the Securities and Exchange Commission's Rule 14a-8 to be included in the proxy statement of Ross Stores, Inc. (the "Company") for its 2025 annual meeting of shareholders. The Nathan Cummings Foundation is the lead filer of the Proposal.

The Nathan Cummings Foundation has continuously beneficially owned at least \$2,000 worth of the Company's common stock for at least three years as of the date hereof. Verification of this ownership, provided by our custodian and former custodian, is included herewith. The Nathan Cummings Foundation intends to continue to hold these shares through the date of the Company's 2025 annual meeting of shareholders.

A representative of the Nathan Cummings Foundation is available to meet with the Company on December 17<sup>th</sup> between noon and 1 pm Eastern or on December 23<sup>rd</sup> between noon and 2 pm Eastern.

Please send me future correspondence and communications regarding this proposal at [laura.campos@nathancummings.org](mailto:laura.campos@nathancummings.org).

Sincerely,



Laura Campos  
Senior Director, Economic Justice



**DLA Piper LLP (US)**  
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Brad Rock  
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T 415.836.2598  
F 415.659.7309

February 21, 2025

VIA ONLINE SUBMISSION

OFFICE OF CHIEF COUNSEL  
DIVISION OF CORPORATION FINANCE  
SECURITIES AND EXCHANGE COMMISSION  
100 F STREET, N.E.  
WASHINGTON, DC 20549

Re: Ross Stores, Inc.

Withdrawal of No-action Request and Notice of Intent to Omit from Proxy Materials the Shareholder Proposal from The Nathan Cummings Foundation

Ladies and Gentlemen:

In a letter dated January 17, 2025, we requested that the Staff of the Division of Corporation Finance concur that our client, Ross Stores, Inc., a Delaware corporation (the “**Company**”), is permitted to exclude from its proxy statement and form of proxy for its 2025 Annual Meeting of Stockholders (collectively, the “**2025 Proxy Materials**”) a shareholder proposal (the “**Proposal**”) and statement in support thereof received on December 5, 2024 from The Nathan Cummings Foundation (“**TNCF**”).

In an agreement with the Company effective February 21, 2025, TNCF has agreed to withdraw the Proposal. In reliance on that withdrawal agreement, we hereby withdraw the January 17, 2025, no-action request relating to the Proposal and the Company's ability to exclude it from the 2025 Proxy Materials pursuant to Rule 14a-8 under the Exchange Act of 1934.

If there are any questions or other further correspondence or actions regarding this matter, please contact me at the phone number or the email address indicated above.

Very truly yours,

**DLA Piper LLP (US)**

A handwritten signature in blue ink that reads 'Brad Rock'.

Brad Rock  
Partner

cc: Ken Jew, Group Senior Vice President, General Counsel and Corporate Secretary  
Ross Stores, Inc.

Laura Campos, Senior Director, Economic Justice  
The Nathan Cummings Foundation  
[laura.campos@nathancummings.org](mailto:laura.campos@nathancummings.org)