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

DIVISION OF
CORPORATION FINANCE

January 17, 2025

Joshua C. Gaul
Starbucks Corporation

Re: Starbucks Corporation (the "Company")
Incoming letter dated November 4, 2024

Dear Joshua C. Gaul:

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

The Proposal requests an annual report analyzing the congruency of (1) the Company's carbon emissions, including those generated by in-house personnel travel-related policies, during the preceding year, and (2) the Company's publicly stated environmental commitments.

We are unable to concur in your view that the Company may exclude the Proposal under Rule 14a-8(i)(7). In our view, the Proposal transcends ordinary business matters and does not seek to micromanage the Company.

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/2024-2025-shareholder-proposals-no-action.

Sincerely,

Rule 14a-8 Review Team

cc: Stefan Padfield
National Center for Public Policy Research

Starbucks Coffee Company

P.O. Box 34067

Seattle, WA 98124-1067

Josh Gaul

vice president, assistant general counsel and corporate secretary

Starbucks Coffee Company

November 4, 2024

VIA STAFF ONLINE FORM

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

Re: Starbucks Corporation – Notice of Intent to Exclude from Proxy Materials Shareholder Proposal Submitted by the National Center for Public Policy Research

Ladies and Gentlemen:

Pursuant to Exchange Act Rule 14a-8(j) under the Securities Exchange Act of 1934, Starbucks Corporation, a Washington corporation (the **"Company"**), hereby notifies the Division of Corporation Finance of the Securities and Exchange Commission (the **"Commission"**) of the Company's intention to exclude from its proxy materials for its 2025 Annual Meeting of Shareholders scheduled for March 12, 2025 (the **"2025 Proxy Materials"**), a shareholder proposal (the **"Proposal"**) and statement in support thereof (the **"Supporting Statement"**) from the National Center for Public Policy Research (the **"Proponent"**). The Company requests confirmation that the staff of the Division of Corporation Finance (the **"Staff"**) will not recommend an enforcement action to the Commission if the Company excludes the Proposal from its 2025 Proxy Materials in reliance on Rule 14a-8(i)(7) because the Proposal relates to the Company's ordinary business, attempts to micromanage the Company's ordinary business, and does not focus on a significant policy issue that transcends the Company's ordinary business operations.

Pursuant to Rule 14a-8(j), we have:

- submitted this letter and its attachments to the Commission via the online Shareholder Proposal Form located on the Commission's website no later than 80 calendar days before the Company intends to file its 2025 Proxy Materials with the Commission; and

- concurrently sent copies of this correspondence to the Proponent as notification of the Company's intention to exclude the Proposal from its 2025 Proxy Materials.

This request is being submitted electronically pursuant to the SEC's announcement, dated November 7, 2023, available online at https://www.sec.gov/corpfin/announcement/announcement-new-intake-system-110723. Accordingly, we are not enclosing the additional six copies ordinarily required by Rule 14a-8(j).

Rule 14a-8(k) and the Commission's *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 proponent elects to submit to the Commission or the Staff. Accordingly, the Company is 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 that correspondence should be furnished concurrently to the undersigned on behalf of the Company pursuant to Rule 14a-8(k) and SLB 14D.

The Company currently intends to file its definitive 2025 Proxy Materials with the Commission on or about January 24, 2025.

The Proposal

The Company received the Proposal on September 24, 2024. A full copy of the Proposal and Supporting Statement is attached hereto as **Exhibit A**. The Proposal reads as follows:

> **Whereas**: Starbucks touts its "decades-long commitment to find solutions to mitigate the impacts of climate change," and claims achieving this goal "takes all of us,"[1] it nonetheless has allowed new Starbucks CEO Brian Niccol to commute weekly from his California home via private jet.[2]
>
> "Niccol's private jet perk has brought some attention to the climate change implications of those flights and Starbucks' projection as an environmentally friendly business."[3] Estimates, likely on the low side, "indicate that his commute will release nearly nine tons of carbon dioxide each round trip. That's roughly the annual energy-consumption footprint of the typical American household."[4] This creates reputational risk in the form of

[1] https://www.wsj.com/opinion/starbucks-new-ceo-has-a-big-footprint-commutes-private-jet-nevermind-climate-goals-3df1aa5f
[2] https://www.cnn.com/2024/08/23/business/starbucks-ceo-brian-niccol-private-jet/index.html
[3] https://www.cnn.com/2024/08/23/business/starbucks-ceo-brian-niccol-private-jet/index.html
[4] https://www.wsj.com/opinion/starbucks-new-ceo-has-a-big-footprint-commutes-private-jet-nevermind-climate-goals-3df1aa5f

potentially exposing the Company's environmental commitments as greenwashing, which can result in costly boycotts[5] and fines[6].

The jet perk also raises reputational risk in terms of the Company's relationship with its employees, who would not be granted a similar perk, as well other stakeholders. For example, one set of commentators noted: "We'd like to see him explain to California's dairy farmers … why they should have to install cumbersome and costly 'anaerobic digesters' to manage emissions from cow manure while the new Starbucks CEO jets up and down the West Coast to keep his Newport Beach lifestyle."[7]

Resolved: Shareholders request that Starbucks Corporation publish an annual report, at reasonable expense, analyzing the congruency of (1) Starbucks' carbon emissions, including those generated by in-house personnel travel-related policies, during the preceding year, and (2) Starbucks' publicly stated environmental commitments.

Basis for Exclusion

The Company respectfully requests the Staff concur that the Proposal may be excluded from the 2025 Proxy Materials pursuant to Rule 14a-8(i)(7) because the Proposal's subject matter directly relates to the Company's ordinary business operations (i.e., personnel travel-related policies and decisions related to disclosure of environmental commitments and how to achieve such commitments), seeks to micromanage the Company's ordinary business operations, and does not focus on a significant policy issue that transcends the Company's ordinary business operations.

Analysis

A. Background on Rule 14a-8(i)(7)

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. 34-40018 (May 21, 1998) (the "**1998 Release**").

As outlined in the 1998 Release, the underlying policy of the "ordinary business" exclusion is "to confine the resolution of ordinary business problems to management and the board of

---

[5] https://sustainability-news.net/greenwashing/over-half-of-consumers-would-boycott-companies-caught-greenwashing/

[6] https://www.jdsupra.com/legalnews/sec-issues-record-penalty-for-esg-2468892/

[7] https://www.wsj.com/opinion/starbucks-new-ceo-has-a-big-footprint-commutes-private-jet-nevermind-climate-goals-3df1aa5f

directors, since it is impracticable for shareholders to decide how to solve such problems at an annual shareholders meeting." *Id.* In the 1998 Release, the Commission noted that the "policy underlying the ordinary business exclusion rests on two central considerations." *Id.*

The first relates to the subject matter of the proposal. More specifically, "[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.* Notwithstanding the foregoing policy rationale, a proposal may nevertheless be safe from exclusion under the "ordinary business" exception if it focuses on a significant social policy issue. Specifically, the Commission noted in the 1998 Release that "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." *Id.*

The second consideration "relates to the degree to which the proposal seeks to 'micromanage' 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; see also, e.g., JPMorgan Chase & Co* (avail. March 29, 2024) *JPMorgan Chase & Co.* (Mar. 22, 2019); *Royal Caribbean Cruises Ltd.* (avail. Mar. 14, 2019); *Walgreens Boots Alliance, Inc.* (avail. Nov. 20, 2018); *RH* (May 11, 2018); and *Amazon.com, Inc.* (avail. Jan. 18, 2018). In Staff Legal Bulletin No. 14L (November 3, 2021) ("**SLB 14L**") the Staff elaborated on this by explaining that, while not all "proposals seeking detail or seeking to promote timeframes" constitute micromanagement, going forward the Staff would "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." To that end, the Staff stated that this "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).

Framing a shareholder proposal 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). *See also Johnson Controls, Inc.* (avail. Oct. 26, 1999) ("[Where] the subject matter of the additional disclosure sought in a particular proposal involves a matter of ordinary business . . . it may be excluded under [R]ule 14a-8(i)(7).").

Finally, 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").

B. The Proposal Should Be Excluded Pursuant to Rule 14a-8(i)(7) Because the Proposal Deals with Matters Relating to the Company's Ordinary Business Operations

The Proposal implicates the first of the policy considerations behind the "ordinary business" exception as outlined in the 1998 Release, because its subject matter is "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," and does not present a significant social policy issue that transcends ordinary business matters.

i. The Company's Decision-Making Regarding Personnel Travel-Related Policies Relates to its Ordinary Business Operations

The Proposal relates to the Company's ordinary business operations because it addresses the Company's management and decision-making regarding in-house personnel travel-related policies, which is a fundamental aspect of management of the Company's workforce. Specifically, the Proposal requests a report "analyzing the congruency of (1) Starbucks' carbon emissions, including those generated by in-house personnel travel-related policies, during the preceding year, and (2) Starbucks' publicly stated environmental commitments." The Supporting Statement makes clear that the Proponent's primary focus is on carbon emissions from travel by Starbucks personnel. As demonstrated below, the Proposal implicates the Staff's first consideration set out in the 1998 Release, in that the establishment and management of personnel travel-related policies is a matter of day-to-day business operations related to management of the workforce that cannot, as a practical matter, be subject to direct shareholder oversight.

The Company operates in 87 markets across the globe, offers beverages and food options at approximately 40,000 licensed and company-operated stores around the world and employs approximately 361,000 people. While the Supporting Statement references recent media stories about travel by the Company's leadership, the resolution itself is written broadly and the requested report would cover carbon emissions generated in relation to <u>any</u> personnel travel-related policies. The Company has in place numerous travel-related policies spanning global, regional, and local business travel, as well as day-to-day local commuting to offices, roasting plants, stores, and other corporate locations, all of which would be caught under the broad umbrella of the Proposal. Direct shareholder oversight of this granular day-to-day detail across such a large and complex business organization is simply not practical and is a matter best left to the Company's management, with oversight, where appropriate, by the Company's board of directors.

The Commission and the Staff have long held that shareholder proposals relating to the management of a company's workforce are excludable under Rule 14a-8(i)(7). In *United Technologies Corp.* (avail. Feb. 19, 1993) ("**United Technologies**"), the Staff noted specific

examples of these categories of proposals, including "employee health benefits, general compensation issues, management of the workplace, employee supervision, labor-management relations, employee hiring and firing, conditions of the employment and employee training and motivation." Over the years the Staff has extended the reasoning in United Technologies to cover a wider range of topics constituting management of a company's workforce. *See e.g., Apple Inc.* (avail. January 3, 2023) (concurring with exclusion under Rule 14a-8(i)(7) of two related proposal seeking a report on the company's "return-to-office" policy and employee retention) ("**Apple**"); *Intel Corp.* (avail. March 18, 1999) (concurring with exclusion under Rule 14a-8(i)(7) of a proposal seeking an "Employee Bill of Rights"); and *Starwood Hotels & Resorts Worldwide, Inc.* (avail. Feb. 14, 2012) (concurring with exclusion under Rule 14a-8(i)(7) of a proposal related to employee training). Similarly, the Staff has routinely found that proposals seeking to influence policies that apply to employees are excludable as ordinary business matters. *See, e.g., American Brands, Inc.* (avail. Feb. 3, 1993) (concurring with the exclusion of a proposal regarding the work environment); *Bank of America Corp.* (avail. Feb. 14, 2012) (concurring with the exclusion of a proposal to amend the company's Equal Employment Opportunity and Affirmative Action Statement to permit certain political activity); and *Donaldson Company, Inc.* (avail. Sept. 13, 2006) (concurring with the exclusion of a proposal regarding the establishment of "appropriate ethical standards related to employee relations").

The Company's decisions around where, when, and how its employees may travel fit squarely into this line of precedent. Policies related to personnel travel are fundamentally a matter of workforce management as they get to the heart of how a Company's employees show up when and where the business needs them. The web of corporate decision-making relating to personnel travel-related policies is highly complex, particularly at the level of granularity and specificity implicit in the Proposal, and is "so fundamental to management's ability to run [the Company] on a day-to-day basis that [it] could not, as a practical matter, be subject to direct shareholder oversight" and thus is properly excludable under Rule 14a-8(i)(7).

ii. The Proposal Does Not Present Any Significant Social Policy Issues that Transcend the Day-to-Day Business of the Company, and is Therefore Appropriate for Exclusion under Rule 14a-8(i)(7)

For the reasons summarized in the preceding section, the policy considerations underlying the "ordinary business" exemption support exclusion of the Proposal from the Company's 2025 Proxy Materials because it relates to an ordinary business matter. To the extent the balance of considerations weighs in favor of exclusion, a proposal is excludable under Rule 14a-8(i)(7) unless it focuses on a significant social policy issue that transcends the Company's ordinary business matters. For the reasons summarized below, the Proposal fails to do so.

In the 1998 Release, the Commission reaffirmed the standards for when proposals are excludable under the "ordinary business" provision that the Commission initially articulated in

Exchange Act Release No. 12999 (Nov. 22, 1976). 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." 1998 Release.

Further, in SLB 14L, the Staff clarified that it is "realign[ing]" its approach to determining whether a proposal relates to ordinary business with the standards the Commission initially articulated in 1976 and reaffirmed in the 1998 Release. In addition, 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)."

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). For example, in *American Express* (avail. Mar. 9, 2023), the Staff concurred with the exclusion of a shareholder proposal requesting a report "describing if and how the Company intends to reduce the risk associated with tracking, collecting, or sharing information regarding the processing of payments involving its cards and/or electronic payment system services" where the proposal was not focused on reducing gun violence or another significant social policy. Similarly, in *Walmart Inc.* (avail. Apr. 8, 2019), the Staff concurred with the exclusion of a proposal requesting a report evaluating the risk of discrimination that may result from the company's policies and practices for hourly workers taking absences from work for personal or family illness because it related "generally to the [c]ompany's management of its workforce, and [did] not focus on an issue that transcends ordinary business matters." *See also* **Apple** (discussed above); *Amazon.com, Inc.* (*AFL-CIO Reserve Fund*) (avail. Apr. 8, 2022) (concurring with the exclusion of a proposal requesting a report on the company's workforce turnover rates and labor market changes resulting from the COVID-19 pandemic noting that "the [p]roposal . . . does not focus on significant social policy issues"); *Amazon.com, Inc.* (*McRitchie*) (avail. Apr. 8, 2022) (concurring with the exclusion of a proposal requesting an annual report on the distribution of stock-based incentives throughout the workforce despite referring to wealth inequality in the United States as a significant policy issue); *Intel Corp.* (avail. Mar. 18, 2022) (concurring with the exclusion of a proposal requesting a report "on whether, and/or to what extent, the public display of the pride flag has impacted . . . employee's [sic] view of the company

as a desirable place to work," stating it "relate[d] to, and [did] not transcend, ordinary business matters"); *PetSmart, Inc.* (avail. Mar. 24, 2011) (concurring with the exclusion of a proposal requesting that the board require the company's suppliers to certify that they had not violated "the Animal Welfare Act, the Lacey Act, or any state law equivalents" where the Staff stated that, "[a]lthough the humane treatment of animals is a significant policy issue, we note your view that the scope of the laws covered by the proposal is 'fairly broad in nature from serious violations such as animal abuse to violations of administrative matters such as record keeping'"); and *Dominion Resources, Inc.* (avail. Feb. 3, 2011) (concurring with the exclusion of a proposal requesting the company to promote "stewardship of the environment" that touched upon environmental matters—such as renewable energy—with the Staff noting that the proposal related to "the products and services offered for sale by the company").

Although the Proponent's Supporting Statement attempts to connect their Proposal to societally important issues related to climate change, it fails in that effort and does not directly address an issue with broad societal impact that transcends the Company's ordinary business operations. Although the Supporting Statement's references to "environmental goals and greenhouse emissions" may address a significant social policy matter, the Proposal does not focus on a broad policy issue relating to environmental goals or greenhouse emissions. Instead, the Proposal seeks highly specific disclosure focused on operational policies and decisions related to personnel travel-related policies on the one hand, and voluntary environmental commitments on the other. As analyzed above, both of those topics are inherently ordinary business matters and the request for a congruency report linking the two topics does not give the Proposal sufficient loft to constitute a significant social policy issue that would allow it to transcend the Company's ordinary business operations. Therefore, the Proposal is properly excludable under Rule 14a-8(i)(7).

C. The Proposal Should Be Excluded Pursuant to Rule 14a-8(i)(7) Because the Proposal Attempts to Micromanage the Company

The Proposal implicates the second of the policy considerations behind the "ordinary business" exception as outlined in the 1998 release, as it seeks to "micromanage" the company by limiting the discretion of the Company's board and management and by imposing specific methods for implementing complex business policies. The Proposal also relates to the Company's ordinary business operations by implicating the Company's decision-making regarding its environmental commitments and the way it operationalizes achievement of those commitments. Specifically, the Proposal asks for an annual report analyzing congruency between carbon emissions from in-house personnel travel-related policies and the Company's publicly stated environmental commitments. By asking for a congruency report the Proposal goes beyond a request for information and implicitly seeks to oversee how the Company operationalizes achievement of its environmental commitments. Since 2001, the Company has published annually a report detailing its environmental and social impact strategies and annual progress against such strategies (referred to

currently as "**Impact Reports**"), and publicly maintains copies of the Impact Reports at https://www.starbucks.com/responsibility/reporting-hub. Over the 23-year period since the first Impact Report, Starbucks has continued to refine its environmental commitments and the strategies aimed at achieving such commitments. Developing the Company's environmental and social impact strategy requires complex principles, tradeoffs, and business goal considerations that are properly left to the judgment and discretion of the Company's management.

The Staff has consistently found similar proposals to constitute micromanagement under Rule 14a-8(i)(7). In *JP Morgan Chase & Co* (avail. March 29, 2024) the Staff determined that a proposal sought to micromanage the company because it would have required the company adopt a specific methodology for sector-by-sector achievement of emissions targets within its investment portfolios. The Staff came to a similar conclusion in *Amazon.com, Inc.* (Apr. 7, 2023, recon. denied Apr. 20, 2023), where the Staff determined that a proposal sought to micromanage the company because it would have required the company to adopt a particular methodology for greenhouse gas emissions measuring and reporting that differed from the company's existing approach. *See also The Coca-Cola Co.* (avail. Feb. 16, 2022) (permitting exclusion on the basis of micromanagement of a proposal requesting that the company submit any proposed political statement to shareholders prior to issuing a statement publicly); and *JPMorgan Chase & Co.* (avail. Mar. 30, 2018) (permitting exclusion on the basis of micromanagement of a proposal that requested a report on risks associated with project and corporate lending, underwriting, advising and investing for tar sands projects, noting that the proposal sought to "impose specific methods for implementing complex policies").

Here, as in the examples above, the proposal seeks to micromanage the company by imposing specific reporting methodologies that differ from the Company's existing practices. Although framed as a request for disclosure of information, the Proposal inappropriately limits the discretion of Company management by requiring that the Company analyze and report annually on its environmental commitments and approaches to achieving such commitments in a way that is different than the Company's current approaches as reflected in its Impact Reports. Specifically, in asking for congruency reporting between carbon emissions from personnel travel-related policies and stated environmental commitments, the Proposal attempts to delve deeply into the Company's environmental and social impact strategies by requesting highly specific disclosures that would require the Company to adopt a wholly different system of measuring, analyzing, and reporting than the current approach, which was carefully developed by the Company's management and board of directors. In so doing, the Proposal seeks to micromanage the Company by limiting the discretion of the Company's board and management and by imposing specific methods for implementing complex business policies.

Decisions concerning the Company's environmental commitments, efforts to pursue those commitments, and related disclosures of progress against such commitments, require complex

business judgments and assessments by the Company's teams across multiple business functions. Furthermore, such decisions and disclosures require the intricate balancing of the Company's business interests and interests of its stakeholders, including employees, customers, investors, and the public at large, and are inappropriate for shareholder involvement. Accordingly, the Proposal should be excluded pursuant to Rule 14a-8(i)(7) as it attempts to micromanage the Company.

Conclusion

Based on the foregoing analysis, we respectfully request that the Staff confirm that it will not recommend any enforcement action to the Commission if the Company excludes the Proposal from its 2025 Proxy Materials.

We would be happy to provide you with any additional information and answer any questions that you may have regarding this matter. Correspondence regarding this letter should be sent to jgaul@starbucks.com. Should you disagree with the conclusions set forth in this letter, we would appreciate the opportunity to confer prior to the determination of the Staff's final position.

Please feel free to call me at 206.678.9424 if I can be of any further assistance in this matter.

Thank you for your consideration.

Sincerely,

Joshua C. Gaul
vice president, assistant general
counsel, and corporate secretary
Starbucks Corporation

Enclosures

Cc:

Brad Lerman, executive vice president, chief legal officer, Starbucks Corporation
JT Ho, Orrick Herrington & Sutcliffe LLP
National Center for Public Policy Research

EXHIBIT A

Proposal

(*see attached*)

September 24, 2024

Via email to

Corporate Secretary
Starbucks Corporation
2401 Utah Avenue South,
Mail Stop S-LA1,
Seattle, Washington 98134
CorporateSecretary@starbucks.com

Dear Corporate Secretary,

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

I submit the Proposal as Director of the Free Enterprise Project of the National Center for Public Policy Research, which has continuously owned Company stock with a value exceeding $2,000 for at least 3 years prior to and including the date of this Proposal and which intends to hold these shares through the date of the Company's 2025 annual meeting of shareholders. A proof of ownership letter is forthcoming.

Pursuant to interpretations of Rule 14(a)-8 by the Securities & Exchange Commission staff, I initially propose as a time for a recorded meeting in person or via teleconference to discuss this proposal October 7, 2024, or October 8, 2024, from 12-3 p.m. eastern (9 am to noon pacific). If that proves inconvenient, I hope you will suggest some other times within the window proposed by Rule 14(a)-8(b)(iii) to talk. Please feel free to contact me at [redacted] so that we can determine the mode and method of that discussion. This letter constitutes notice of our intent to record any related meetings.

As you know, SEC guidance has admonished corporations against seeking no-action "relief" on grounds that could have been resolved by clear and open correspondence between the parties and a good-faith willingness on both sides to reach a mutually satisfactory resolution and to

implement whatever emendations may have been agreed. We herewith express our openness to consideration in good faith of any specific objections to this proposal that you might wish to raise, and a commitment to work earnestly toward an acceptable adjustment in all instances in which the objections raised are demonstrably supported by SEC regulation, staff guidance, or other relevant explications of specific rules governing the situation at hand.

Copies of correspondence or a request for a "no-action" letter should be sent to me at the National Center for Public Policy Research, 2005 Massachusetts Ave. NW, Washington, DC 20036 and emailed to [redacted]

Sincerely,

Stefan Padfield
Director, Free Enterprise Project
National Center for Public Policy Research

cc: Scott Shepard, General Counsel
Ethan Peck, FEP Deputy Director
Enclosures: Shareholder Proposal

EMISSIONS CONGRUENCY REPORT

Whereas: Starbucks touts its "decades-long commitment to find solutions to mitigate the impacts of climate change," and claims achieving this goal "takes all of us,"[1] it nonetheless has allowed new Starbucks CEO Brian Niccol to commute weekly from his California home via private jet.[2]

"Niccol's private jet perk has brought some attention to the climate change implications of those flights and Starbucks' projection as an environmentally friendly business."[3] Estimates, likely on the low side, "indicate that his commute will release nearly nine tons of carbon dioxide each round trip. That's roughly the annual energy-consumption footprint of the typical American household."[4] This creates reputational risk in the form of potentially exposing the Company's environmental commitments as greenwashing, which can result in costly boycotts[5] and fines[6].

The jet perk also raises reputational risk in terms of the Company's relationship with its employees, who would not be granted a similar perk, as well other stakeholders. For example, one set of commentators noted: "We'd like to see him explain to California's dairy farmers … why they should have to install cumbersome and costly 'anaerobic digesters' to manage emissions from cow manure while the new Starbucks CEO jets up and down the West Coast to keep his Newport Beach lifestyle."[7]

Resolved: Shareholders request that Starbucks Corporation publish an annual report, at reasonable expense, analyzing the congruency of (1) Starbucks' carbon emissions, including those generated by in-house personnel travel-related policies, during the preceding year, and (2) Starbucks' publicly stated environmental commitments.

Supporting Statement: It is not enough for Starbucks to publish environmental goals and greenhouse emissions. In order to comply with its fiduciary duties, the board should also determine whether (1) the commitments are unrealistic or (2) the emissions too much or (3) both. For example, the Company has published a goal of "50% absolute reduction in scope 1, 2 and 3 greenhouse (GHG) emissions representing all of Starbucks direct operations and value chain by 2030," and yet FY22 and FY23 results showed an increase in emissions from the FY19 baseline.[8] Furthermore, the recent issue involving CEO travel warrants updating any related assessments previously conducted. Finally, shareholders deserve publication of this analysis

[1] https://www.wsj.com/opinion/starbucks-new-ceo-has-a-big-footprint-commutes-private-jet-nevermind-climate-goals-3df1aa5f
[2] https://www.cnn.com/2024/08/23/business/starbucks-ceo-brian-niccol-private-jet/index.html
[3] https://www.cnn.com/2024/08/23/business/starbucks-ceo-brian-niccol-private-jet/index.html
[4] https://www.wsj.com/opinion/starbucks-new-ceo-has-a-big-footprint-commutes-private-jet-nevermind-climate-goals-3df1aa5f
[5] https://sustainability-news.net/greenwashing/over-half-of-consumers-would-boycott-companies-caught-greenwashing/
[6] https://www.jdsupra.com/legalnews/sec-issues-record-penalty-for-esg-2468892/
[7] https://www.wsj.com/opinion/starbucks-new-ceo-has-a-big-footprint-commutes-private-jet-nevermind-climate-goals-3df1aa5f
[8] https://stories.starbucks.com/uploads/2024/02/2023-Starbucks-Global-Impact-Report.pdf

given that reputational and financial risk to companies abound when consumers cannot trust the commitments made by company leaders.

A congruency report that examines the extent to which Starbucks' rules for executives, and the results achieved by those rules, align with its outward facing promises is essential to ferreting out corporate hypocrisy that could negatively impact the Company. Such a report can help identify decision-making defects that led to gaps between the Company's commitments and practices including, possibly, the extent to which such gaps are the result of the Company's environmental commitments being driven, at least in part, by ideologically-rooted activism rather than realistic cost-benefit analysis.

November 15, 2024

VIA STAFF ONLINE FORM

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

Re: Starbucks Corporation – Notice of Intent to Exclude from Proxy Materials Shareholder Proposal Submitted by the National Center for Public Policy Research

Ladies and Gentlemen:

This letter is in reply to the no-action request submitted to the SEC on November 4, 2024, by Joshua C. Gaul on behalf of Starbucks Corporation.

The Proposal

On September 24, 2024, the National Center for Public Policy Research ("Proponent") submitted a shareholder proposal ("Proposal") to Starbucks ("Company") requesting

> that Starbucks Corporation publish an annual report, at reasonable expense, analyzing the congruency of (1) Starbucks' carbon emissions, including those generated by in-house personnel travel-related policies, during the preceding year, and (2) Starbucks' publicly stated environmental commitments.

Analysis

Starbucks argues it is entitled to exclude the Proposal because it (1) impermissibly relates to the Company's ordinary business without advancing any transcending social policy issue, and (2) attempts to impermissibly micromanage the Company's ordinary business.

A. Background on Rule 14a-8(i)(7)

As outlined in the 1998 Release, 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." However, this underlying policy is not implicated here because the Proposal does not seek to resolve an ordinary business problem but rather merely asks the board to determine whether there is a problem at all. If a problem is subsequently identified, the Proposal in no way impinges on management's role in solving that problem. While it may be impracticable (i.e., "incapable of being performed or accomplished")[1] for shareholders to solve ordinary business problems at an annual meeting, shareholders are quite capable of deciding whether to ask if a problem exists and are entitled to do so.

B. The Proposal Should Not Be Excluded Pursuant to Rule 14a-8(i)(7) Because the Proposal Does Not Deal with Matters Relating to the Company's Ordinary Business Operations

The Proposal's subject matter is not "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."[2] Furthermore, the Proposal presents a significant social policy issue that transcends ordinary business matters.

1. The Company's Day-To-Day Decision-Making Does Not Include Deciding Whether to Publish a Congruency Report on Its Carbon Emissions and Climate Commitments, and Thus the Proposal Does Not Impermissibly Relate to Its Ordinary Business Operations

The Company argues that "the establishment and management of personnel travel-related policies is a matter of day-to-day business operations related to management of the workforce that cannot, as a practical matter, be subject to direct shareholder oversight." However, this observation is irrelevant because the Proposal does not seek to (1) establish any particular personnel travel-related policies, or (2) interfere with the day-to-day management of those policies. Rather, the Proposal merely seeks a report on the congruency of the Company's carbon emissions to its publicly stated environmental commitments.

Importantly, the Proponent's claim here is not that the ordinary business exclusion is inapplicable because the Proponent is seeking a report. Proponent understands that, as the Company puts it, "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 this case, the subject matter is clear: "the congruency of (1) Starbucks' carbon emissions … and (2) Starbucks' publicly stated environmental commitments." The fact that the resolution references inclusion of travel policies in this analysis does not transform the subject matter into a question of what travel policies should be adopted. Similarly, the Proposal does not improperly impinge on decision-making regarding, as the Company argues, "disclosure of environmental commitments and how to achieve such commitments." Rather, the Proposal asks the Company to assess the congruency of the decisions it has already made in those areas – and it in no way binds management's hands as to relevant decision-making once that congruency has been assessed.[3]

---

[1] https://www.merriam-webster.com/dictionary/impracticable

[2] 1998 Release.

[3] The Proposal also raises issues related to executive compensation, which is often deemed to be squarely within the purview of shareholder oversight. See generally SLB No. 14J.

The no-action letters the Company cites in section B.i. of its letter are more supportive of Proponent's position than the Company's in that they indicate what sorts of proposals do impermissibly interfere with management's ordinary business decision-making, providing a stark contrast to Proponent's permissible proposal. For example, a proposal seeking an "Employee Bill of Rights," *Intel Corp*. (avail. March 18, 1999), is dramatically more prescriptive in terms of management of a company's workforce than Proponent's proposal, which does not request any similarly prescriptive outcome. Of the cited letters, perhaps the proposal seeking "a report to assess the effects of the Company's return-to-office policy on employee retention and the Company's competitiveness," *Apple Inc.* (avail. January 3, 2023), is most comparable. However, even if one assumes the analysis in that decision is correct, it is distinguishable because the resolved clause there requested the board to "prepare a report regarding the Company's return-to-office policy, addressing [1] employees' desire for in-office work, [2] employees' desire for location-flexible work, [3] the impact of the Company's return-to-office policy on retention, and [4] agreements that would allegedly provide incentives for the Company to mandate in-office work." Id. This laundry list is far more prescriptive, and thus far more likely to improperly interfere with ordinary business decisions, than Proponent's proposal here.

2. The Proposal Presents Significant Social Policy Issues that Transcend the Day-to-Day Business of the Company

Regardless of the foregoing, the Proposal addresses significant social policy issues that transcend the day-to-day business of the Company, including climate change/greenwashing and human capital management. SLB No. 14L. The Company argues that these significant social policy issues should be ignored because the Proposal allegedly only makes passing reference to them and does not focus on them since they only have tangential implications for the Proposal. The Company argues:

> the Proposal seeks highly specific disclosure focused on operational policies and decisions related to personnel travel-related policies on the one hand, and voluntary environmental commitments on the other.... both of those topics are inherently ordinary business matters and the request for a congruency report linking the two topics does not give the Proposal sufficient loft to constitute a significant social policy issue that would allow it to transcend the Company's ordinary business operations.

What is glaringly missing from the Company's analysis is some explanation for why Proponent would file the Proposal if not out of concern for the socially significant policy issues set forth above. It has been said that the simplest explanation is often the best, and here the simplest (and correct) explanation for the Proposal is the significant social policy issues it addresses. Rather than being tangential, these are the heart of the Proposal.

C. The Proposal Does Not Attempt to Micromanage the Company

The Company argues that "the proposal seeks to micromanage the company by imposing specific reporting methodologies that differ from the Company's existing practices." If that standard were to make Proponent's proposal excludable here, then companies would have license to exclude every

shareholder proposal requesting a report because it is difficult to imagine a request for a report leaving more discretion to management in terms of how it should be produced.

The no-action letters cited by the Company in support of its micromanagement argument again support Proponent's position more than the Company's because they (1) reveal what constitutes actual micromanagement, and (2) are glaringly more granular in their prescriptions and the extent to which they limit management's discretion. Compare, for example: "In *JP Morgan Chase & Co* (avail. March 29, 2024) the Staff determined that a proposal sought to micromanage the company because it would have required the company adopt a specific methodology for sector-by-sector achievement of emissions targets within its investment portfolios."

Beyond that, the expansive use of micromanagement as a basis for exclusion is troubling for other reasons.

First, there is concern that exclusions on the basis of micromanagement have turned into a form of regulatory creep at the expense of shareholders. As one commentator noted:

> [T]he most significant substantive development in the Rule 14a-8 process in the last two seasons has been largely ignored in the anti-shareholder furor. Far from representing a system unfairly tilted toward proponents, the SEC is more readily concurring with issuers' increasingly aggressive use of the micromanagement exclusion.... According to preliminary calculations by the Shareholder Rights Group, in 2023, micromanagement arguments accounted for 8 out of 27, or 30%, of successful Rule 14a-8(i)(7) requests. In 2024 so far, micromanagement arguments have accounted for 25 of 56, or 44.6%, of winning requests based on the ordinary business/micromanagement rule.[4]

Second, as Proponent has argued elsewhere:

> [W]e note that the SEC's own extensive disclosure regime rests heavily on the distinction between disclosure requirements and other types of interventions that reach the internal affairs of the corporation for which the SEC lacks authority.[5] In doing so it bases its own regulatory regime on the premise that disclosure is not micromanagement of a company and is instead properly linked to making markets more accessible and regular for shareholders. In fact, it has made this argument explicitly in its defense of its approval of the NASDAQ rule requiring company disclosure of private

[4] Luke Morgan, *Reality Catches Up with the Anti-Shareholder Narrative*, HARVARD LAW SCHOOL FORUM ON CORPORATE GOVERNANCE (June 16, 2024), available at https://corpgov.law.harvard.edu/2024/06/16/reality-catches-up-with-the-anti-shareholder-narrative/ .

[5] Cf. James J. Park, *Reassessing the Distinction Between Corporate and Securities Law*, 64 UCLA L. REV. 116, 128 (2017) ("According to the [U.S. Supreme] Court, securities law is based on a 'philosophy of full disclosure,' while corporate law is about the 'internal affairs of the corporation.'") (quoting *Green*, 430 U.S. at 470); *Bus. Roundtable v. SEC*, 905 F.2d 406, 411-12 (D.C. Cir. 1990).

> information about the surface characteristics of its board members.[6] Those arguments apply to our Proposal, which seeks disclosure as an efficient, inexpensive and non-burdensome way for the Company to provide shareholders information that will help them determine whether the Company is acting prudently – without in any conceivable way micromanaging anything. If the Staff asserts that the relevant disclosures sought by the Proposal constitute micromanagement of the Company, then it has contravened the SEC's own argument in *AFBR v. SEC*.[7]

Finally, the entire edifice of exclusions on the basis of micromanagement may be built on a foundation lacking the requisite statutory authorization. See generally, *Lowe's Companies, Inc.* (April 8, 2024) (setting forth relevant arguments under: "The Company is requesting relief the Staff lacks statutory authority to issue.").

Conclusion

Based on the foregoing analysis, Proponent respectfully asks that the Staff deny the Company's request for no-action relief in connection with the Company's planned exclusion of the Proposal from its 2025 Proxy Materials.

We would be happy to provide you with any additional information and answer any questions that you may have regarding this matter. Correspondence regarding this letter should be sent to spadfield@nationalcenter.org. Should you disagree with the conclusions set forth in this letter, we would appreciate the opportunity to confer prior to the determination of the Staff's final position.

Sincerely,

Stefan Padfield
Director, Free Enterprise Project
National Center for Public Policy Research

cc: Scott Shepard, General Counsel
Ethan Peck, FEP Deputy Director

[6] Cf. *All. for Fair Bd. Recruitment v. Sec. & Exch. Comm'n*, 85 F.4th 226, 255 (5th Cir. 2023) ("Nasdaq's disclosure-based framework does not alter the state-federal balance. It is well-established that disclosure rules do not interfere with the role of 'state corporate law' in 'regulat[ing] the distribution of powers among the various players in the process of corporate governance.'") (quoting *Bus. Roundtable*, 905 F.2d at 411-12).
[7] Id.