



September 17, 2021

Via FedEx to

Rachel A. Gonzalez, Corporate Secretary
Starbucks Corporation
2401 Utah Avenue South
Mail Stop S-LA1
Seattle, Washington 98134

Dear Ms. Gonzalez,

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 the 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 2022 annual meeting of shareholders. A Proof of Ownership letter is forthcoming and will be delivered to the Company.

Pursuant to interpretations of Rule 14(a)-8 by the Securities & Exchange Commission staff, I initially propose as a time for a telephone conference to discuss this proposal September 29, 2021 from 2-5 p.m. eastern, 11 a.m.-2 p.m. pacific. If that proves inconvenient, I hope you will suggest some other times to talk. Please feel free to contact me at sshepard@nationalcenter.org so that we can determine the mode and method of that discussion.

Copies of correspondence or a request for a “no-action” letter should be sent to me at the National Center for Public Policy Research, 20 F Street, NW, Suite 700, Washington, DC 20001 and emailed to sshepard@nationalcenter.org.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott Shepard", with a long horizontal flourish extending to the right.

Scott Shepard

Enclosure: Shareholder Proposal

Employee Training Disclosure Proposal

Resolved: We, shareholders of Starbucks Corporation (“the company”), ask the Board of Directors to publish annually, without incurring excessive costs or disclosing genuinely confidential or proprietary information, the written and oral content of employee-training materials offered to some or all of the company’s employees by the company or with the company’s consent, whether in a mandatory or voluntary setting, as well as any such materials that were sponsored by the company in whole or part. In the alternative we request the Board commission a workplace non-discrimination audit analyzing the company’s impacts, including the impacts arising from company-sponsored or promoted employee training, on civil rights and non-discrimination in the workplace, and the impacts of those issues on the company’s business. In the latter instance, a report on the audit, prepared at reasonable cost and omitting confidential or proprietary information, should be publicly disclosed on the company’s website.

Supporting Statement: Tremendous public attention has focused recently on workplace practices and employee training. All agree that employee success should be fostered and that no employees should face discrimination, but there is much disagreement about what non-discrimination means.

Concern stretches across the ideological spectrum. Some have pressured companies to adopt “anti-racism” programs that seek to establish “racial equity,” which appears to mean the distribution of pay and authority on the basis of race, sex, orientation and ethnic categories rather than on the basis of merit.¹ Where adopted, however, such programs raise significant objection, including concern that the “anti-racist” programs are themselves deeply racist and otherwise discriminatory.²

Many companies have been found to sponsor and promote overtly and implicitly discriminatory employee-training programs, including Bank of America, American Express, Verizon, Pfizer, CVS, and many others.³

¹ <https://www.sec.gov/Archives/edgar/data/1048911/000120677421002182/fdx3894361-def14a.htm#StockholderProposals88>; <https://www.sec.gov/divisions/corpfin/cf-noaction/14a-8/2021/asyousownike051421-14a8-incoming.pdf>; <https://www.sec.gov/divisions/corpfin/cf-noaction/14a-8/2021/nyscrfamazon012521-14a8-incoming.pdf>; https://www.sec.gov/Archives/edgar/data/1666700/000119312521079533/d108785ddef14a.htm#rom108785_58

² <https://www.americanexperiment.org/survey-says-americans-oppose-critical-race-theory/>; <https://www.newsweek.com/majority-americans-hold-negative-view-critical-race-theory-amid-controversy-1601337>; <https://www.newsweek.com/coca-cola-facing-backlash-says-less-white-learning-plan-was-about-workplace-inclusion-1570875>; <https://nypost.com/2021/08/11/american-express-tells-its-workers-capitalism-is-racist/>; <https://www.city-journal.org/verizon-critical-race-theory-training>; <https://www.city-journal.org/bank-of-america-racial-reeducation-program>

³ <https://www.city-journal.org/bank-of-america-racial-reeducation-program>; <https://www.city-journal.org/verizon-critical-race-theory-training>; <https://nypost.com/2021/08/11/american-express-tells-its-workers-capitalism-is-racist/>; <https://www.foxbusiness.com/politics/cvs-inclusion-training-critical-race-theory>; <https://www.msn.com/en-us/money/other/pfizer-sets-race-based-hiring-goals-in-the-name-of-fighting-systemic-racism-gender-equity-challenges/ar-AAOiSwJ>

Starbucks has its own history of discrimination in the ostensible name of anti-discrimination,⁴ and of sponsoring ostensibly anti-racist programming.⁵

This concern, disagreement and controversy creates massive reputational, legal and financial risk. Companies should disclose to shareholders the materials that they use in employee-training programs so that shareholders can appropriately gauge executives' responses to and management of those risks. Training materials that are too controversial or toxic to release to shareholders are necessarily inappropriate for use with employees, so that publication will increase executive thoughtfulness and decrease overall company risk, to the benefit of all stakeholders.

Should the Board elect to perform an audit and render a report, it is encouraged to assess whether Company employee-training programs treat any employees or class of employees as inferior to any others, as by overt or implicit signals that some employees or groups of employees will be offered additional mentoring or support programs denied to other employees on suspect grounds; that some employees will receive non-merit-related preferential treatment in hiring or promotion; or that some employees are encouraged to speak about their lived experiences and feelings – including their impressions of the employee-training itself – while others are constrained.

⁴ <https://www.theblaze.com/news/lawsuit-alleges-starbucks-fired-christian-barista-who-refused-to-wear-lgbt-pride-shirt>; <https://www.usatoday.com/story/news/nation/2019/11/29/police-chief-says-oklahoma-starbucks-served-cup-labeled-pig-cop/4333113002/>; https://www.theepochtimes.com/starbucks-apologizes-after-2-california-police-officers-were-denied-service_3174765.html;

⁵ <https://time.com/5294343/starbucks-employees-racial-bias-training/>