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November 7, 2025

**VIA STAFF ONLINE FORM**

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

Re: Shareholder Proposal Submitted by National Center for Public Policy Research

Ladies and Gentlemen:

Pursuant to Rule 14a-8(j) of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), Starbucks Corporation, a Washington corporation (the “**Company**”), hereby notifies the Division of Corporation Finance of the U.S. Securities and Exchange Commission (the “**Commission**”) of the Company’s intention to exclude from its proxy materials for its 2026 Annual Meeting of Shareholders scheduled for March 25, 2026 (the “**2026 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 2026 Proxy Materials.

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 2026 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 2026 Proxy Materials.

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 2026 Proxy Materials with the Commission on or about January 26, 2026.

### THE PROPOSAL

The Company received the Proposal on September 26, 2025. A full copy of the Proposal and Supporting Statement is attached hereto as Exhibit A. The resolution of the Proposal reads as follows:

**RESOLVED:** Shareholders request that the Board of Directors of Starbucks conduct an evaluation and issue a report within the next year, at reasonable cost and excluding confidential information, assessing financial risks associated with the company’s apparent exclusion of detransitioning in its healthcare coverage.

### BASIS FOR EXCLUSION

The Company respectfully requests the Staff concur that the Proposal may be excluded from the 2026 Proxy Materials for the following reasons:

- A. The Proposal may be excluded pursuant to Rule 14a-8(i)(11) because the Proposal substantially duplicates another proposal submitted to the Company.
- B. The Proposal may be excluded pursuant to Rule 14a-8(i)(7) because the Proposal’s subject matter directly relates to the Company’s ordinary business operations and seeks to micromanage the Company.

### ANALYSIS

#### **A. Under Rule 14a-8(i)(11), the Proposal may be excluded because it substantially duplicates another proposal submitted to the Company.**

On September 23, 2025, three days before receiving the Proposal, the Company received a proposal (the “**TSET Proposal**”) from The Oklahoma Tobacco Settlement Endowment Trust. A copy of the TSET Proposal is attached hereto as Exhibit B.

The Proposal is substantially duplicative of the TSET Proposal, as shown below:

	<i>The Proposal</i>	<i>TSET Proposal</i>
Principal Focus	Inclusion of “gender-affirming care as a part of [the Company’s] employee benefits package” and Company policy	“[L]iability and brand damage caused by [...] gender-affirming care” and Company policy on “detransition care.” <i>See Exhibit B.</i>

	on “detransition coverage.” <i>See</i> Exhibit A.	
Requested Actions	Board of Directors to “conduct an evaluation and issue a report within the next year, at reasonable cost and excluding confidential information, assessing financial risks associated with the company’s apparent exclusion of detransitioning in its healthcare coverage.”	Board of Directors to “report on median compensation and benefits gaps across gender as they address reproductive and gender dysphoria care, including associated policy, reputational, competitive, operational and litigative risks, and risks related to recruiting and retaining diverse talent. The report should be prepared at reasonable cost, omitting proprietary information, litigation strategy and legal compliance information.”

Rule 14a-8(i)(11) provides that a shareholder proposal may be excluded if it “substantially duplicates another proposal previously submitted to the company by another proponent that will be included in the company’s proxy materials for the same meeting.” When two substantially duplicative proposals are received by a company, the Staff has indicated that the company may exclude the later of the proposals it receives from its proxy materials, unless the initial proposal otherwise may be excluded.

Two proposals need not be identical to provide a basis for exclusion under Rule 14a-8(i)(11). In evaluating whether two proposals are substantially duplicative under Rule 14a-8(i)(11), the Staff has considered whether the proposals share the same “principal thrust” or “principal focus.” Proposals that differ as the terms and/or scope may nevertheless be deemed to be substantially duplicative if the principal thrust or focus is the same. *See, e.g., Alphabet Inc.* (Apr. 15, 2025) (concurring with exclusion under Rule 14a-8(i)(11) when two proposals both requested a report on children’s online safety, even though the requested reports differed in scope and detail); *Berkshire Hathaway* (Mar. 13, 2025) (concurring with exclusion under Rule 14a-8(i)(11) when two proposals both requested a report on a civil rights and anti-discrimination policies and practice, even though the requested reports differed in scope and detail).

As shown in the table above, the principal focus on the Proposal and the TSET Proposal are the same—the Company’s policy on “detransition coverage.” Both proposals request that the Company address this focus topic by issuing a report analyzing risks related to gender affirming care. The TSET Proposal seeks a report on “compensation and benefits gaps across gender as they address reproductive and gender dysphoria care,” which is an arguably broader request than the Proposal’s focus on the financial risks of an “apparent exclusion of detransitioning coverage”. However, these differences do not change the fact that the two proposals share the same underlying concern, and are intended to prompt the board of directors to evaluate and report on risks related to its approach on “transition treatments and detransition care.”

Accordingly, the Proposal is excludable under Rule 14a-8(i)(11).

**B. Under Rule 14a-8(i)(7), the Proposal may be excluded because it deals with matters relating to the Company’s ordinary business operations and seeks to micromanage the Company.**

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

Pursuant to Rule 14a-8(i)(7), a shareholder proposal may be excluded if it “deals with a matter relating to the company’s ordinary business operations.” The Commission explained that the underlying policy of the ordinary business exclusion is “to confine the resolution of ordinary business problems to management and the board of directors, since it is impracticable for shareholders to decide how to solve such problems at an annual shareholders meeting,” and identified two central considerations that underlie this policy. *See* Exchange Act Release No. 34-40018 (May 21, 1998) (the “**1998 Release**”). The first is that “[c]ertain tasks are so fundamental to management’s ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight.” The second consideration relates to “the degree to which the proposal seeks to ‘micro-manage’ the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment.” *Id.* at 86,017-18 (footnote omitted).

On February 12, 2025, the Staff issued *Staff Legal Bulletin No. 14M* (Feb. 12, 2025) (“**SLB 14M**”), which (1) rescinded Staff Legal Bulletin No. 14L (“**SLB 14L**”) and (2) reinstated guidance on “micromanagement” under Staff Legal Bulletin No. 14J (“**SLB 14J**”) and Staff Legal Bulletin No. 14K (“**SLB 14K**”) that had been rescinded by SLB 14L. Taken together, SLB 14M and the reinstated guidance under SLB 14J and SLB 14K make clear that the Proposal is excludable under 14a-8(i)(7), because the Proposal (1) relates to matters that 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 and (2) impermissibly seeks to micromanage the Company by seeking to impose a specific method for implementing a complex policy.

The Proposal seeks a report to assess the risks of matters that implication both considerations. Framing a proposal as a request for a report on risk assessment does not change the nature of the proposal. The Commission has stated that a proposal requesting the dissemination of a report is excludable under Rule 14a-8(i)(7) if the substance of the proposal involves a matter of ordinary business of the company. *See* Exchange Act Release No. 34-20091 (Aug. 16, 1983). When evaluating a proposal that relates to a company’s assessment of risk, the Staff has focused on the subject matter to which the risk pertains, or that gives rise to the risk, to determine whether the proposal relates to the company’s ordinary business. *See* Staff Legal Bulletin No. 14E (Oct. 27, 2009). The Staff has consistently permitted exclusion of shareholder proposals under Rule 14a-8(i)(7) requesting an assessment of risks when the underlying subject matter concerns the ordinary business of the company.

*II. The Proposal is excludable because it relates to the Company’s general employee benefits.*

The Proposal’s requested report focuses on the healthcare coverage that the

Company offers its employees through its employee benefits package, including covered expenses, and related risks to the Company arising from those benefits and expense coverages. As a result, the Proposal directly relates to the ordinary business matter of the general employee benefits provided by the Company as an employer of a large, global workforce.

The Staff has long held that a shareholder proposal may be excluded under Rule 14a-8(i)(7) if it relates to a company's general employee compensation and benefits. Most recently, SLB 14M reiterated that, consistent with the Commission's prior guidance, "proposals that relate to general employee compensation and benefits are excludable under Rule 14a-8(i)(7)."

The Company's policies and practices relating to employees' health benefits are ordinary business matters as they concern Company management's determinations with respect to the overall benefits available to its employees under its general compensation and benefits package. Determinations regarding the types of benefits and the amounts of compensation—including with regard to health benefits—for over 350,000 employees across the Company's large, complex, and international organization is a fundamental responsibility of the Company's management. Shareholders are not in a position to determine the appropriateness of such benefits in the context of the local, regional, national, and international labor markets; the circumstances of the Company's business; the roles that various Company employees perform; and employees' overall compensation and benefits packages. Accordingly, consistent with the foregoing precedents, the Proposal may be properly excluded under Rule 14a-8(i)(7) because it addresses matters relating to general employee compensation and benefits. Consistent with SLB 14M, the mere reference to policy issues, without Company-specific analysis, does not subject this Proposal to the "significant policy exception" under this prong of Rule 14a-8(i)(7).

*III. The Proposal is excludable because it seeks to micromanage the Company on an issue which is complex and highly technical.*

In Sections C.2 and C.3 of SLB 14J, which have been reinstated by SLB 14M, the Staff clarifies that "a proposal may probe too deeply into matters of a complex nature if it 'involves intricate detail, or seeks to impose specific time-frames or methods for implementing complex policies.'" Moreover, the argument that a proposal may be excluded for micromanaging a company "also applies to proposals that call for a study or report." *Id.* In addition, it is well established that a proposal that seeks to micromanage a company's business operations is excludable under Rule 14a-8(i)(7) regardless of whether the proposal raises a "significant social policy issue." See Staff Legal Bulletin No. 14E (Oct. 27, 2009) at note 8, citing the 1998 Release for the premise that "a proposal [that raises a significant policy issue] could be excluded under Rule 14a-8(i)(7), however, if it 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."

The Staff has consistently granted no-action relief for shareholder proposals that probe matters too complex for shareholders. Employee benefit programs, particularly those related to medical coverage, are highly technical, both in a medical sense and as they relate to the Company's relationship with employees and the applicable health insurance providers. Whether

a particular type of care or service is covered by the Company's health insurance plans is highly negotiated exercise, managed by expert human resources employees with significant experience in these matters. Further, whether a particular medical treatment or procedure is ultimately covered by the Company's insurance plan involves many variables outside of the Company's control, including actions taken by both medical providers and the insurer. Shareholders are also not in a position to determine the appropriateness of employees' benefits in the context of the local, regional, national, and international labor markets; the circumstances of the Company's business; the roles that various Company employees perform; and the Company's overall benefits package. In addition, the Company's legal compliance and risk management programs are highly complex and require significant depth of expertise, experience, and skill to make an informed decision.

Given their complexity, it is crucial for the Company's management team, which possesses the necessary expertise and judgment, to have the flexibility to make decisions regarding these matters. Under SLB 14K, "[w]hen a company asserts the micromanagement prong as a reason to exclude a proposal, we would expect it to include in its analysis how the proposal may unduly limit the ability of management and the board to manage complex matters with a level of flexibility necessary to fulfill their fiduciary duties to shareholders." The Proposal would limit the flexibility of the Company's board of directors by seeking to impose a specific method—i.e., an evaluation and report by the Board of Directors on the "financial risks associated with the company's apparent exclusion of detransitioning in its healthcare coverage"—as well as a specific time-frame—i.e., "within the next year." *Cf.* SLB 14J.

As described above, the Proposal does not provide "high-level direction on large strategic corporate matters" but instead seeks to micromanage the Company by probing too deeply into a complex matter that is too complex for shareholders, as a group, to make an informed judgment. The Proposal thereby seeks to micromanage the Company and accordingly is excludable under Rule 14a-8(i)(7).

## 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 2026 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](mailto: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.

U.S. Securities and Exchange Commission, p. 7

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

Enclosure

cc: Pilar Ramos, executive vice president, chief legal officer, Starbucks Corporation  
J.T. Ho, Cleary Gottlieb Steen & Hamilton LLP

**Exhibit A**

Proposal

*(see attached)*



September 26, 2025

Starbucks Corporation  
2401 Utah Avenue South  
Mail Stop S-LA1  
Seattle, Washington 98134  
Attention: corporate secretary  
Via email to: corpsec@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 Executive Director of the Free Enterprise Project of the National Center for Public Policy Research (NCPFR). NCPFR 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 intends to hold these shares through the date of the Company’s next annual meeting of shareholders. A proof of ownership letter is forthcoming.

Pursuant to interpretations of Rule 14(a)-8 by the Securities and Exchange Commission staff, I initially propose a time for a meeting to discuss this proposal Oct. 9, 2025, or Oct. 10, 2025, from 1-4pm ET on each date. If these times prove inconvenient, I hope that the Company will provide alternative dates within the window proposed by Rule 14(a)-8(b)(iii). 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 all sides to reach a mutually satisfactory resolution and to implement whatever revisions may be agreed to. We herewith express our openness to consider in good faith

any specific objections to this proposal that you may raise, and a commitment to work earnestly towards an acceptable adjustment in all instances 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 delivered to me at the National Center for Public Policy Research, 2005 Massachusetts Ave. NW, Washington D.C., 20036 and emailed to [REDACTED]

Sincerely,

/s/ Stefan Padfield

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

Enclosures: Shareholder Proposal

## **Detransition Coverage Audit**

**RESOLVED:** Shareholders request that the Board of Directors of Starbucks conduct an evaluation and issue a report within the next year, at reasonable cost and excluding confidential information, assessing financial risks associated with the company's apparent exclusion of detransitioning in its healthcare coverage.

**SUPPORTING STATEMENT:** Starbucks promotes the fact that it offers comprehensive gender-affirming care as a part of its employee benefits package.<sup>1</sup> Specifically, the company has “partnered with the World Professional Association for Transgender Health (WPATH) to create a gender-affirming care medical policy that is inclusive of medical services that most companies have historically considered cosmetic.”<sup>2</sup>

WPATH's public Standards for Care (Version 8) focuses on aiding persons in transition<sup>3</sup> but declines to affirmatively state that coverage should extend to detransitioning.<sup>4</sup> Starbucks' website also is apparently silent on detransition coverage.<sup>5</sup>

It is worth noting that reliance on WPATH has itself become risky. For example, in April 2025, the White House noted that WPATH standards “were not drafted based on scientific evidence, but on political considerations.”<sup>6</sup> Critically, this opens institutions pushing those standards up to potentially significant damages.<sup>7</sup> All may explain why Texas recently passed a law “requiring health plans cover detransition.”<sup>8</sup>

Detransitioning is likely at least as expensive as transitioning. For context, the NIH has estimated that the average cost for surgical intervention in gender-affirming care is \$41,236 per person on average.<sup>9</sup> Additionally, hormone treatment costs per person vary based on the hormone prescribed; for example: a complete, 6.8 year dose of GnRH costs \$17,838 per transitioner.<sup>10</sup>

These numbers, while already expensive, do not include individual costs involved in reparative procedures, medicines, or health complications which may arise due to detransitioning.<sup>11</sup> It would arguably be an injustice to not include detransitioning procedures as part of “gender affirming care.” Unfortunately, promoting gender transitioning while ignoring detransitioning may be an embedded part of transgender ideology.<sup>12</sup>

Beyond an appeal to base justice, the Supreme Court has clarified that employers cannot discriminate based on gender identity or expression when making employment decisions (including healthcare), without violating Title VII.<sup>13</sup> The Court has clarified earlier this year that Title VII protections extend to both majority and minority populations equally.<sup>14</sup> Refusal to provide detransition services could expose Starbucks to costly anti-discrimination lawsuits involving damages and sanctions from private plaintiffs and the government.<sup>15</sup>

And lest anyone try to argue that potentially covered individuals represent too small a number to be material, recall that a single transgender influencer was apparently able to destroy “a whopping \$27 billion in market value” at Anheuser-Busch InBev in 2023.<sup>16</sup>

In light of the foregoing, shareholders should vote in favor of our Proposal.

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1 <https://www.starbucksbenefits.com/en-us/home/health-benefits/medical-dental-vision/>

2 Id.

3 <https://www.tandfonline.com/doi/pdf/10.1080/26895269.2022.2100644>

4 See generally, id.

5 Supra note 1.

6 <https://www.whitehouse.gov/fact-sheets/2025/04/report-to-the-president-on-protecting-children-from-surgical-and-chemical-mutilation-executive-summary/>

7 See generally, e.g., Campbell Miller Payne, PLLC (“seeking justice for the detransitioner community nationwide”), <https://cmppllc.com/> .

8 <https://www.yahoo.com/news/abbott-signs-bill-requiring-health-155158778.html>

9 <https://pmc.ncbi.nlm.nih.gov/articles/PMC9679590/>

10 Id.

11 <https://pmc.ncbi.nlm.nih.gov/articles/PMC9315415/>

12 See, generally, <https://www.reuters.com/investigates/special-report/usa-transyouth-outcomes/> (“detransitioning and regret have long been untouchable subjects”).

13 *Bostock v. Clayton County*, 590 U.S. 644, 666-73 (2020).

14 *Ames v. Ohio Dep’t of Youth Servs.*, 605 U.S. 303, 309-10 (2025).

15 <https://www.whitehouse.gov/presidential-actions/2025/01/ending-illegal-discrimination-and-restoring-merit-based-opportunity/>

16 <https://nypost.com/2023/06/02/bud-light-parent-anheuser-buschs-stock-lost-27b-over-dylan-mulvaney/>

**Exhibit B**

**TSET Proposal**

*(see attached)*



**BOWYER**  
RESEARCH

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September 23, 2025

Starbucks Corporation  
2401 Utah Avenue South, Mail Stop S-LA1  
Seattle, Washington 98134  
Attention: Corporate Secretary

**Re: Report on Healthcare Coverage Gaps**

Dear Secretary,

I hereby submit the enclosed shareholder proposal (“Proposal”) for inclusion in the Starbucks Corporation (the “Company”) 2026 proxy statement to be circulated to Company shareholders in conjunction with the Company’s 2026 annual meeting of shareholders. The Proposal is submitted under Rule 14a-8 (Proposals of Security Holders) of the United States Securities and Exchange Commission’s proxy regulations. The resolution at issue relates to the subject described below.

**Proponent:** The Oklahoma Tobacco Settlement Endowment Trust (TSET)

**Company:** Starbucks Corporation

**Subject:** Report on Healthcare Coverage Gaps

I submit the Proposal on behalf of, and with the permission of, the Oklahoma Tobacco Settlement Endowment Trust, which has continuously owned more than \$25,000 worth of Starbucks Corporation securities for more than 3 years, and intends to continue holding the requisite amount of Company shares through the date of the Company’s 2026 Annual Meeting of Shareholders. A letter from the Trust authorizing us to submit this proposal on their behalf is enclosed. Also enclosed find an offer of times to discuss the proposal. We respectfully ask the company to join us in good-faith negotiations towards a withdrawal before expending shareholder resources and valuable SEC staff time in the no-action process.

A Proof of Ownership letter attesting to the Shareholder’s ownership of the shares as of the date of this proposal’s submission is forthcoming. Copies of correspondence or any request for a “no-action” letter may be sent to Jerry Bowyer, Bowyer Research, P.O. Box 120, McKeesport, PA 15135 or emailed to me at [REDACTED], copying [REDACTED].

Sincerely,

Jerry Bowyer  
Bowyer Research

9/23/2025

Starbucks Corporation  
2401 Utah Avenue South, Mail Stop S-LA1  
Seattle, Washington 98134  
Attention: Corporate Secretary

**Re: Report on Healthcare Coverage Gaps**

Dear Secretary,

In accordance with Rule 14a-8 of the General Rules and Regulations of the Securities and Exchange Act of 1934, the undersigned (“Proponent”) authorizes Bowyer Research, Inc. to file a shareholder proposal on the Proponent’s behalf with Starbucks Corporation (“the Company”) for inclusion in the Company’s 2026 proxy statement. The proposal at issue relates to the subject described below.

**Proponent:** The Oklahoma Tobacco Settlement Endowment Trust (TSET)  
**Company:** Starbucks Corporation  
**Subject:** Report on Healthcare Coverage Gaps

The Proponent gives Bowyer Research, Inc. the authority to address, on TSET’s behalf, any and all aspects of the shareholder proposal, including drafting and editing the proposal, representing the Proponent in engagements with Starbucks, entering into any agreement with the Company, and designating another entity as lead filer and representative of the Proponent. TSET understands that the Proponent’s name may appear on the company’s proxy statement as the filer of the aforementioned proposal, and that the media may mention the Proponent’s name in relation to the proposal. The Proponent supports this proposal and authorizes Bowyer Research to write a more detailed statement of support of the proposal on TSET’s behalf.

The Oklahoma Tobacco Settlement Endowment Trust (the “Proponent”) has continuously owned more than \$25,000 worth of Starbucks securities for more than a year and intends to continue holding the requisite amount of Company shares through the date of the Company’s 2026 Annual Meeting of Shareholders. Pursuant to interpretations of Rule 14a-8 by the U.S. Securities and Exchange Commission staff, I initially propose the following times for a telephone conference to discuss this proposal:

October 8, 2025 at 10AM ET  
October 15, 2025 at 10AM ET

If these times don’t work, feel free to suggest alternatives. We aim to negotiate a withdrawal by addressing these concerns while minimizing resource use for shareholders, the company, and SEC staff. Feel free to contact me at [REDACTED], copying [REDACTED] and [REDACTED], so that we can determine the mode and method of that discussion.

Sincerely,

Signed by:  
  
C08C0AFD70EB43E...  
Todd Russ

Chairman of the Board of Investors, TSET (Proponent)

## Report on Healthcare Coverage Gaps

**Whereas:** Compensation and benefits inequities persist across employee gender categories and pose substantial risk to companies and the shareholders who own them. In 2022, shortly before the Supreme Court's 2022 decision in *Dobbs v. Jackson Women's Health Organization* that overturned *Roe v. Wade*, Starbucks announced<sup>1</sup> its intention to reimburse employee travel for abortion. Despite the personal nature of reproductive care, the Company's behavior seems to indicate a belief that abortion, and other controversial medical decisions, ought to involve patients, physicians, and also the political opinions of Starbucks. As noted by the 1792 Exchange's Corporate Bias Rating,<sup>2</sup> Starbucks has committed<sup>3</sup> itself to covering costs of "medically necessary transition-related care" for employees and their children. The Company has staked out a position on gender dysphoria and confusion that indicates that sufferers can "transition" to a different sex. Yet, an increasing body of scientific evidence shows harms resulting from such "transition" treatments. Do the Company's employees victimized by such treatments receive healthcare benefits too?

This is not merely a moral or social issue. It is an area of direct, significant risk for the company. Starbucks is one of the highest-valued restaurant brands in the world, with an estimated brand value<sup>4</sup> near \$40 billion, a massive proportion of its over \$100 billion valuation<sup>5</sup>. The higher the brand value of a company, the more vulnerable it is to public scandal, scandal that is quickly emerging for companies that have taken non-fiduciary activist positions on issues such as abortion and gender-affirming care. Healthcare organizations like Kaiser Permanente are currently facing high-profile lawsuits<sup>6</sup> over coverage of transition treatments resulting in long-term harm<sup>7</sup> to patients, seeking damages worth millions of dollars.

Given the rapidly-shifting legal landscape surrounding such treatments, evidenced by cases such as *United States v. Skrmetti*, this risk area is only increasing for companies like Starbucks. Shareholders are right to ask Starbucks to address the obvious contingent liability and brand damage caused by championing controversial, scientifically dubious, and risk-fraught procedures such as abortion and gender-affirming care, especially when the company is unclear as to its coverage of corresponding areas such as detransition care.

Side-taking via healthcare policy is not in keeping with Starbucks' fiduciary duty or its responsibility to mitigate significant areas of legal and reputational risk and avoid widespread damage to brand value. In its healthcare coverage, as with all aspects of its corporate policies, Starbucks must instead focus on its fiduciary duty to shareholders, a fiduciary duty likely to be violated by engaging in politically divisive rhetoric and/or actions, including through its decisions on healthcare coverage.

**Resolved:** Shareholders request the board of Starbucks report on median compensation and benefits gaps across gender as they address reproductive and gender dysphoria care, including

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<sup>1</sup> <https://one.starbucks.com/tobeapartner/supporting-your-access-to-healthcare/>

<sup>2</sup> <https://1792exchange.com/company/starbucks/>

<sup>3</sup> <https://www.hrc.org/resources/corporations/starbucks-corp.>

<sup>4</sup> <https://www.nrn.com/restaurant-finance/mcdonald-s-passes-starbucks-as-the-world-s-most-valuable-restaurant-brand>

<sup>5</sup> <https://finance.yahoo.com/quote/SBUX/key-statistics/>

<sup>6</sup> <https://www.dhillonlaw.com/lawsuits/chloe-cole-v-kaiser-permanente/>

<sup>7</sup> <https://nationalpost.com/news/canada/michelle-zacchigna-ontario-detransitioner-sues-doctors>

associated policy, reputational, competitive, operational and litigative risks, and risks related to recruiting and retaining diverse talent. The report should be prepared at reasonable cost, omitting proprietary information, litigation strategy and legal compliance information.