

WHEREAS: America faces a caregiving crisis. Approximately 87 percent of private sector workers in the United States do not have access to a single day of paid family leave (Bureau of Labor Statistics, 2016). One in four new mothers returns to work just 10 days after giving birth (*Chicago Tribune*, May 2017).

Paid family leave promotes gender, racial, and socioeconomic equity, as well as workforce attachment and public health. According to *The New York Times*, “Paid leave raises the probability that mothers return to employment later, and then work more hours and earn higher wages” (January 2015). Research indicates that 10 weeks of paid leave would reduce infant mortality by 10 percent (Heymann, 2011).

Federal inaction on paid family leave has put companies like Starbucks Corporation at the center of this national policy issue. Corporate America’s response is lopsided: 94 percent of low-income working people have no access to paid family leave (Bureau of Labor Statistics, 2016), and companies’ approaches are frequently less generous for non-birth mothers and hourly wage workers.

Starbucks has a particularly unequal approach. While new mothers in Starbucks’s corporate headquarters receive 18 weeks of fully paid leave, new mothers who work in retail stores receive only six weeks. Fathers and adoptive parents who work in Starbucks stores are left out entirely.

This runs counter to Starbucks’s widely recognized commitment to social responsibility, non-discrimination, and inclusion. Our Company’s unequal stance may disproportionately harm low-income workers and workers of color. LGBTQ workers face particular challenges, as they are four times more likely to parent adopted children and six times more likely to raise foster children.

Starbucks is also missing an opportunity to bolster its human capital. According to the Center for Economic and Policy Research, companies that offer paid family leave to all employees report increased morale, as well as cost savings from job retention — including for those in lower wage jobs.

Our Company’s stance on paid family leave has been criticized in the media (e.g. “Major employers like Starbucks shaft low-wage workers when it comes to paid parental leave,” *Slate*, May 2017; “How paid leave policies can negatively affect LGBTQ families,” *Washington Post*, June 2017). And Starbucks has fallen behind leading companies like Amazon, Nordstrom, and Ikea, which have more equal approaches.

Investors seek clarity on how Starbucks addresses these challenges, including the risk of employment discrimination based on gender, race, ethnicity, LGBTQ status, parental status, and/or work status.

RESOLVED: Shareholders of Starbucks Corporation request that the Board of Directors prepare a report on paid family leave. The report shall evaluate the risk of employment discrimination that may result from Starbucks’s approach to paid family leave. The report shall be prepared at reasonable cost, omit proprietary information, omit information regarding legal compliance or litigation, and be made available on the Company’s website no later than the 2019 annual meeting of shareholders.