STARBUCKS CORPORATION

MEETING DATE	Wed, 18 Mar 2020 10:00 am	TYPE AGM	ISSUE DATE Fri, 06 Mar 2020
MEETING LOCATION	WAMU Theater next to CenturyLink Field, 800 Occidental Avenue South, Seattle, WA 98134		
CURRENT INDICES	S&P500		
SECTOR	Eating and drinking places		

	PROPOSALS	ADVICE
1a	**Elect Director Richard E. Allison, Jr.** Independent Non-Executive Director.	**For**
1b	**Elect Director Rosalind G. Brewer** Executive Director. Support recommended.	**For**
1c	**Elect Director Andrew Campion** Independent Non-Executive Director.	**For**
1d	**Elect Director Mary N. Dillon** Independent Non-Executive Director. There are concerns over the director's potential time commitments and individual director attendance has not been disclosed. Triodos abstains on this resolution	**Abstain**
1e	**Elect Director Isabel Ge Mahe** Independent Non-Executive Director.	**For**
1f	**Elect Director Mellody Hobson** Non-Executive Director. Not considered independent as her tenure exceeds nine years. There is sufficient independent representation on the Board; however there are concerns over the director's potential aggregate time commitments and individual director's attendance has not been disclosed. Triodos abstains on this resolution	**Abstain**
1g	**Elect Director Kevin R. Johnson** Chief Executive.	**For**
1h	**Elect Director Jorgen Vig Knudstorp** Independent Non-Executive Director.	**For**
1i	**Elect Director Satya Nadella** Independent Non-Executive Director.	**For**
1j	**Elect Director Joshua Cooper Ramo** Independent Non-Executive Director. Independent Non-Executive Director. There are concerns over the director's potential time commitments and individual director attendance has not been disclosed. Triodos abstains on this resolution	**Abstain**
1k	**Elect Director Clara Shih** Independent Non-Executive Director.	**For**
1l	**Elect Director Javier G. Teruel** Non-Executive Director. Not considered independent owing to a tenure of over nine years. However, there is sufficient independent representation on the Board.	**For**
1m	**Elect Director Myron E. Ullman, III** Non-Executive Chair. Not considered independent owing a tenure of over 9 years. However, there is sufficient independent representation on the Board.	**For**

2 **Advisory Vote to Ratify Named Executive Officers' Compensation** **Oppose**

The Company has submitted a proposal for shareholder ratification of its executive compensation policy and practices. The voting outcome for this resolution reflects the balance of opinion on the adequacy of disclosure, the balance of performance and reward and the terms of executive employment.The Company uses adjusted performance metrics for most elements of compensation. The use of non-GAAP metrics prevents shareholders from being able to assess fully whether the performance targets are sufficiently challenging. The Company does not consider non-financial metrics in its assessment of performance. Performance shares have a three-year performance period. Maximum long-term award opportunities are not limited to 200% of base salary, which raises concerns over the potential excessiveness of the remuneration structure. For the year under review, annual bonus payouts are considered to be excessive as they represent more than 200% of base salary. Retention awards make up a significant portion of the long-term incentives and therefore the scheme does not link pay to performance. Executive compensation is not aligned with peer group averages. Potential severance entitlements in a change of control scenario are considered excessive as they exceed three times the base salary. 'Good reason' is not defined appropriately, such that the Remuneration Committee is able to apply discretion when determining the status of a departing executive. The Compensation Committee has full discretion to accelerate the vesting of awards upon a change of control, which is a concern.The compensation rating is: ADE. Based on this rating, opposition is recommended.

3 **Ratify Deloitte & Touche LLP as Auditors** **Oppose**

Deloitte proposed. Non-audit fees represented 4.88% of audit fees during the year under review and 7.91% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years, and there are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

Triodos opposes this resolution.

4 **Shareholder Resolution: Report on Risks of Omitting Viewpoint and Ideology from EEO Policy** **Oppose**

The potential benefits of diversity lie in widening the perspectives on business issues brought to bear on innovation, avoiding too great a similarity of attitude and helping companies understand their customers, marketplace, supply chain and workforces. Disclosure of a policy to improve diversity and goals that have been set to meet this policy also reassures shareholders that a diverse workforce is not just an aspiration but a goal. However, this resolution has been filed as a spoiler resolution to prevent other shareholders from filing resolutions regarding the Company's workforce diversity and focuses on ideological diversity with the clear intent to ensure that conservative views are represented in the workforce. While there is nothing inherently wrong about the proponents request for political and idealogical tolerance, the requested report is too one-sided to provide any real benefit to shareholders. For these reasons, a vote against the resolution is recommended.

SUPPORTING INFORMATION FOR RESOLUTIONS

Proposal 2 - Advisory Vote to Ratify Named Executive Officers' Compensation

Disclosure: A - The Company has failed to provide the fees it paid the Compensation Consultants. The disclosure of these fees is encouraged in the interests of greater transparency. The peer groups used for the purpose of pay comparison have been fully disclosed by the Company. The grant of performance awards was based on the achievement of set levels of specific performance targets relating to Net Revenue, Operating Income and an Individual Performance Factor.. The performance-based long term incentive is subject to quantified performance targets.

Balance: D - The Company uses adjusted performance metrics for most elements of compensation. The use of non-GAAP metrics prevents shareholders from being able to assess fully whether the performance targets are sufficiently challenging. The annual incentive award made during the year under review is not considered to be overly excessive as it amounts to less than 200% of base salary. The Company does not consider non-financial metrics in its assessment of performance. Performance shares have a three-year performance period, which is a market standard. However, a five-year performance period is considered best practice. The minimum performance period prior to vesting is less than three years, which is considered to be short term. Five-year vesting would be preferred. Maximum long-term award opportunities are not limited to 200% of base salary, which raises concerns over the potential excessiveness of the remuneration structure. For the year under review, annual bonus payouts are considered to be excessive as they represent more than 200% of base salary. Awards under the annual-incentive plans are tied to multiple performance conditions, which is considered best practice. Performance measures attached to long-term incentives do not duplicate those attached to other awards, which is considered acceptable practice. Retention awards make up a significant portion of the long-term incentives and therefore the scheme does not link pay to performance. Executive compensation is not aligned with peer group averages.

Contract: E - Change-in-control payments are subject to double-trigger provisions. Potential severance entitlements in a change of control scenario are considered excessive as they exceed three times the base salary. 'Good reason' is not defined appropriately, such that the Remuneration Committee is able to apply discretion when determining the status of a departing executive. The Compensation Committee has full discretion to accelerate the vesting of awards upon a change of control, which is a concern. The claw-back policy is considered appropriate as it applies to short- and long-term incentives, and is not limited to cases of financial misstatement.

Proposal 4 - Shareholder Resolution: Report on Risks of Omitting Viewpoint and Ideology from EEO Policy

Proponent's Argument

Starbucks does not explicitly prohibit discrimination based on viewpoint or ideology in its written EEO policy. Starbucks' lack of a company-wide best practice EEO policy sends mixed signals to company employees and prospective employees and calls into question the extent to which individuals are protected due to inconsistent state policies and the absence of federal protection for partisan activities. Approximately half of Americans live and work in a jurisdiction with no legal protections if their employer takes action against them for their political activities. Companies with inclusive policies are better able to recruit the most talented employees from a broad labour pool, resolve complaints internally to avoid costly litigation or reputational damage, and minimize employee turnover. Moreover, inclusive policies contribute to more efficient human capital management by eliminating the need to maintain different policies in different locations. Individuals with conservative viewpoints may face discrimination at Starbucks as has been seen at other companies with far-left leadership. At the 2019 annual meeting of Apple shareholders, an audience member told company CEO Tim Cook about her close friend who works at Apple and lives in fear of retribution every single day because she happens to be a conservative. What she described was the textbook definition of a hostile work environment. Starbucks has also refused requests to increase the viewpoint diversity of its board. This signals to employees that viewpoint discrimination is condoned if not encouraged. Presently shareholders are unable to evaluate how Starbucks prevents discrimination towards employees based on their ideology or viewpoint, mitigates employee concerns of potential discrimination, and ensures a respectful and supportive work atmosphere that bolsters employee performance. Without an inclusive EEO policy, Starbucks may be sacrificing competitive advantages relative to peers while increasing exposure to reputational and financial risks.

Company's Argument

The Company has a publicly available Equal Employment Opportunity Policy, which provides that all partners and applicants will be treated fairly, without regard to race, colour, religion, sex, national origin, age, disability, sexual orientation, marital status, veteran status, gender identity and expression, genetic information, or any other basis protected by local, state or federal law. This policy applies with regard to all aspects of one's employment, including hiring, transfer, promotion, compensation, eligibility for benefits and termination. Failure to comply with this policy will result in disciplinary action, up to and including termination of employment. The robust policy reflects the broad cultural commitment to create a welcoming environment for everyone. As part of the commitment to evaluate the efforts to promote equity, diversity and inclusion, the Company published the Civil Rights Assessment in January 2019, conducted by Covington & Burling LLP. Covington determined that the policies and procedures were consistent with the Mission and Values and were well designed and implemented to promote equity, diversity and inclusion. This work reflects the Companies larger philosophy that, as a company, the Company wants to welcome all perspectives and viewpoints, for the years to come. In May 2018, Starbucks closed more than 8,000 company-owned stores in the United States to conduct racial-bias education geared toward preventing discrimination in stores. The training was provided to nearly 175,000 partners and has become part of the onboarding process for new partners. In January 2019, the Company published the principles on upholding the third place. This public statement describes the key principles and responsibilities, including the position on discrimination, that will continue to guide Starbucks as the Company holds itself accountable to them. To encourage more meaningful conversations on this topic, leaders at Starbucks reached out to the experts at Arizona State University to create a curriculum to address bias through understanding the human experience – the To Be Welcoming curriculum, which is available to all Starbucks partners and to the general public.

PIRC's Analysis

The potential benefits of diversity lie in widening the perspectives on business issues brought to bear on innovation, avoiding too great a similarity of attitude and helping companies understand their customers, marketplace, supply chain and workforces. Disclosure of a policy to improve diversity and goals that have been set to meet this policy also reassures shareholders that a diverse workforce is not just an aspiration but a goal. However, this resolution has been filed as a spoiler resolution to prevent other shareholders from filing resolutions regarding the Company's workforce diversity and focuses on ideological diversity with the clear intent to ensure that conservative views are represented in the workforce. While there is nothing inherently wrong about the proponents request for political and idealogical tolerance, the requested report is too one-sided to provide any real benefit to shareholders. For these reasons, a vote against the resolution is recommended.

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