



December 13, 2023

Dear Fellow Shareholders

At Starbucks, we are guided by our Mission, Values and Promises — including our promises to offer a bridge to a better future for partners and to generate enduring returns for shareholders.

Today and every day, we reaffirm our dedication to these, and other, core principles spelled out in our Global Human Rights Statement. This Statement holds up many ideals, including our abiding commitment to the principles of freedom of association and the right to collective bargaining.

At our March 2023 Annual Meeting, a majority of our shareholders approved a resolution calling for an independent, third-party assessment of that commitment. In response, the Starbucks Board of Directors (Board) engaged Thomas M. Mackall, a highly qualified and deeply experienced, independent assessor to investigate our past practices and deliver a comprehensive and impartial report.

Mr. Mackall brings more than 30 years of experience in domestic and global labor relations, business and human rights, as well as international labor standards to this important task. He also serves a member of the Governing Body of the International Labor Organization (ILO) and sits on the ILO's Committee on Freedom of Association, a tri-partite committee charged with hearing claims that governments have failed to protect freedom of association and collective bargaining. We believe Mr. Mackall's expertise in these areas was especially pertinent.

The Board delegated supervision of the assessment to me, as Chair, along with our Nominating and Corporate Governance Committee. Together, we met regularly with Mr. Mackall, offering him the full support of the Board and Company while ensuring he received extensive access to documentation and Starbucks personnel. Through our meetings and correspondence with Mr. Mackall, we repeatedly emphasized our expectation that he conduct an independent, objective and critical review.

We are writing to inform you that Mr. Mackall has completed his work and has provided his full report to the Board at a recent in-person meeting. Having had the opportunity to study the assessment and discuss his findings and recommendations, we are now providing a non-privileged and non-confidential version of that report to our shareholders and other stakeholders, which can be viewed [here](#).

This assessment contains all findings and recommendations made by Mr. Mackall, with only limited confidential and privileged information omitted, as suggested by the terms of the shareholder resolution.

Findings of the assessment show that:

- Starbucks was recovering from challenges created by the prolonged COVID-19 pandemic at the same time a coordinated, top-down union organizing campaign began in Buffalo, New York.
- Starbucks has shown consistent progress since organizing began, and that strategic investments in a stronger governance process, more on-the-ground support, a dedicated labor relations team and more bespoke management training have had a tangible impact on the Company's adherence to commitments made.
- There is no evidence Starbucks has, or has used, an "anti-union playbook," and the Company has provided consistent reassurances to partners that Starbucks respects their right to collectively organize through fairly conducted elections.
- Starbucks has encouraged partners to vote, and voting participation in single-store representation elections has steadily increased from less than 60% to approximately 80% today. The increase in

participation has not diluted union support, which indicates effective efforts by Starbucks to encourage voting without regard to positions on unionization.

- While 40% of current Unfair Labor Practice (ULP) charges filed against the Company center around discipline or discharge actions, disciplinary actions have been issued at a similar rate in both union and non-union stores.
- Starbucks is not opposed to bargaining and continues to engage in meaningful negotiations with other unions elected to represent our partners.

The assessment was direct and clear that while Starbucks has had no intention to deviate from the principles of freedom of association and the right to collective bargaining, there are things the Company can, and should, do to improve its stated commitments and its adherence to these important principles. Importantly, the assessment highlighted the following opportunities:

- Further strengthen the Global Human Rights Statement to provide meaningful behavioral guidance and a clear basis for compliance.
- Continue to enhance consistency of operations through management communications and more bespoke management training.
- Further improve the framework and standards used by management to evaluate and issue partner discipline.
- Elevate actions to embrace a constructive relationship with Workers United, building on [recent outreach](#) to resume contract bargaining.

The Board deeply appreciates Mr. Mackall's extensive work, and we are intent on taking meaningful action. With the mandate of the Board, Laxman Narasimhan, ceo of Starbucks, and the Executive Leadership Team have begun work against these findings to fully address opportunities identified.

In addition, we recently [announced](#) the formation of a new committee of our Board. The Environmental, Partner, and Community Impact (EPCI) Committee will augment independent oversight of Starbucks promises in these areas. That oversight will include adherence to the Starbucks Global Human Rights Statement as well as the implementation of recommendations made in Mr. Mackall's assessment.

We look forward to continuing to work with our fellow Board members, the EPCI Committee, management and a broad group of our stakeholders in our forever aspiration to be a different kind of company that maintains a partner and performance driven approach — guided through the lens of humanity.

With respect,



Mellody Hobson
Independent chair of the board

A handwritten signature in black ink, appearing to be 'MH'.



Jørgen Vig Knudstorp
independent director and chair of the Nominating and Corporate Governance Committee

A handwritten signature in black ink, appearing to be 'JVK'.

Forward-Looking Statements

Certain statements contained herein are “forward-looking” statements within the meaning of the Private Securities Litigation Reform Act of 1995 regarding future events and the future results of Starbucks Corporation (together with its subsidiaries) that are based on our current expectations, estimates, forecasts and projections about our business, our results of operations, the industry in which we operate, our economic and market outlook, and the beliefs and assumptions of our management. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. They often include words such as “believes,” “expects,” “anticipates,” “estimates,” “intends,” “plans,” “seeks” or words of similar meaning, or future or conditional verbs, such as “will,” “should,” “could,” “may,” “aims,” “intends,” or “projects.” By their nature, forward-looking statements involve risks, uncertainties, and other factors (many beyond our control) that could cause our actual results to differ materially from our historical experience or from our current expectations or projections. Our forward-looking statements, and the risks and uncertainties related thereto, include, but are not limited to, those described under the “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” sections of the company’s most recently filed periodic reports on Form 10-K and Form 10-Q and subsequent filings with the SEC, as well as:

- our ability to preserve, grow and leverage our brands;
- the acceptance of the company’s products and changes in consumer preferences, consumption, or spending behavior and our ability to anticipate or react to them; shifts in demographic or health and wellness trends; or unfavorable consumer reaction to new products, platforms, reformulations, or other innovations;
- our anticipated operating expenses, including our anticipated total capital expenditures;
- the costs associated with, and the successful execution and effects of, our existing and any future business opportunities, expansions, initiatives, strategies, investments and plans, including our Reinvention Plan;
- the impacts of partner investments and changes in the availability and cost of labor including any union organizing efforts and our responses to such efforts;
- the ability of our business partners, suppliers and third-party providers to fulfill their responsibilities and commitments;
- higher costs, lower quality, or unavailability of coffee, dairy, energy, water, raw materials, or product ingredients;
- the impact of significant increases in logistics costs;
- a worsening in the terms and conditions upon which we engage with our manufacturers and source suppliers, whether resulting from broader local or global conditions, or dynamics specific to our relationships with such parties;
- unfavorable global or regional economic conditions and related economic slowdowns or recessions, low consumer confidence, high unemployment, weak credit or capital markets, budget deficits, burdensome government debt, austerity measures, higher interest rates, higher taxes, political instability, higher inflation, or deflation;
- inherent risks of operating a global business including geopolitical instability;
- failure to attract or retain key executive or partner talent or successfully transition executives;
- the potential negative effects of incidents involving food or beverage-borne illnesses, tampering, adulteration, contamination or mislabeling;
- negative publicity related to our company, products, brands, marketing, executive leadership, partners, board of directors, founder, operations, business performance, or prospects;
- potential negative effects of a material breach, failure, or corruption of our information technology systems or those of our direct and indirect business partners, suppliers or third-party providers, or failure to comply with personal data protection laws;
- our environmental, social and governance (“ESG”) efforts and any reaction related thereto such as the rise in opposition to ESG and inclusion and diversity efforts;
- risks associated with acquisitions, dispositions, business partnerships, or investments – such as acquisition integration, termination difficulties or costs or impairment in recorded value;
- the impact of foreign currency translation, particularly a stronger U.S. dollar;
- the impact of substantial competition from new entrants, consolidations by competitors, and other competitive activities, such as pricing actions (including price reductions, promotions, discounting, couponing, or free goods), marketing, category expansion, product introductions, or entry or expansion in our geographic markets;
- the impact of changes in U.S. tax law and related guidance and regulations that may be implemented, including on tax rates and the Inflation Reduction Act of 2022;
- the impact of health epidemics, pandemics or other public health events on our business and financial results, and the risk of negative economic impacts and related regulatory measures or voluntary actions that may be put in place, including restrictions on business operations or social distancing requirements, and the duration and efficacy of such restrictions;
- failure to comply with anti-corruption laws, trade sanctions and restrictions or similar laws or regulations; and
- the impact of significant legal disputes and proceedings, or government investigations.

In addition, many of the foregoing risks and uncertainties are, or could be, exacerbated by any worsening of the global business and economic environment. A forward-looking statement is neither a prediction nor a guarantee of future events or circumstances, and those future events or circumstances may not occur. You should not place undue reliance on the forward-looking statements, which speak only as of the date of this report. We are under no obligation to update or alter any forward-looking statements, whether as a result of new information, future events or otherwise.