

Conference Title: Starbucks 2025 Annual Meeting of Shareholders

Date: Wednesday, 12th March 2025

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APPROXIMATELY TWO MINUTES OF VIDEO CONTENT AVAILABLE VIA WEBCAST REPLAY

Brian Niccol: Hello, I'm Brian Niccol, chairman and ceo of The Starbucks Coffee Company. On behalf of the Board of Directors and executive leadership team, welcome to the 2025 Annual Meeting of Shareholders. Thank you for joining. I've spent my career working to understand, build and steward great brands. So, when I had the opportunity to join Starbucks, which is without a doubt one of the world's most iconic and admired brands, I couldn't say no. I've been a customer and in many ways a student of Starbucks for quite some time. In my first few months, I've spent a lot of time in our stores across the U.S. and around the world. I've spoken with our baristas and store managers, engaged with customers, and gotten feedback from people across the country and sometimes the other side of the world. As I reflect on these conversations and my own insights, three themes consistently emerge: our commitment to serving the world's finest coffee, the impact of our incredible green apron partners, and the enduring strength of the Starbucks brand. Let me talk about each of these. We start with great coffee. Starbucks was founded on a love for high quality coffee grown with care, roasted and blended with expertise, and handcrafted by skilled baristas. This passion for coffee remains as strong today as it was at our founding. We own and operate

Hacienda Alsacia, our coffee farm in Costa Rica, where we employ top agronomists to share research, education and best practices with local farmers.

We invest in the finest quality beans, which our skilled team of roasters carefully prepare in five Starbucks roasting facilities across the U.S., Europe and Asia. Our engineers design the best equipment for our stores, and our baristas devote time to training and education. Every cup reflects our commitment to excellence. Then we have our people who absolutely make it happen. From bean to cup, it's the people at Starbucks that make us special. At the heart of the experience are our green apron partners. Their coffee knowledge, skill and commitment to taking care of every customer are unmatched. The moment of connection between a customer and their barista can mean so much, especially in today's fast paced and sometimes isolating world. I'm proud to call them partners, and I'm proud of all they do. Together, it's what make our Brand enduring and iconic. Across the globe, the Starbucks brand is strong and resilient. We operate over 40,000 stores in 88 markets around the world. In each country, the brand stands for coffee quality, connection and community while showing up in locally relevant ways. The challenges we are working through are real, but these core strengths and the many opportunities they create make us unbeatable once unleashed. That gives me incredible optimism. Our recent results have been disappointing, but we have a clear path forward.

This path is grounded in reconnecting with who we are when we're at our best. We call it "Back to Starbucks." It's not about winding the clock back. It's about focusing on our brand truths and the role we play in the lives of our customers and our partners and communities. It's about getting those fundamentals right and then building and innovating from there. Our plan has four parts:

1. Reintroducing Starbucks to the world
2. Delivering the customer experience to win the morning and at peak
3. Reestablishing Starbucks as the community coffee house
4. And ensuring Starbucks is the unrivaled best job in retail, recognizing our success starts and ends with our green apron partners.

Let me walk you through each initiative and what we're working to achieve. First, we are reintroducing Starbucks to the world as a brand. We have reduced the frequency of discount driven offers, taking steps to simplify our menu, and overhauled our marketing to remind people what sets us apart. The coffee we make and the company we keep. Focusing on fewer, more popular items executed with excellence will make way for innovation as we continue to lead in coffee culture, capitalize on cultural moments, and listen to our partners and customers. I'm excited about our runway here. Second, we are delivering the customer experience to win the morning and at peak. We're making changes in store and behind the counter to improve the experience for both customers and partners during peak. Our goal is to deliver a high-quality beverage in four minutes or less with a moment of connection. We've invested additional hours in 3,000 stores, we're testing a new staffing model, and we are working to bring order to mobile orders.

Third, we are reestablishing Starbucks as the community coffee house. In many communities, Starbucks is the place where people come together and we're working to cement our role as the community coffee house. We've added condiment bars back to our U.S. stores, are serving drinks in ceramic mugs and glasses, and we've brought back the sharpies to write messages on cups. In response to feedback from customers and partners, we also rolled out a new code of conduct that helps create a warm and welcoming environment in every store. I'm happy to say the third place is alive and well. It's as needed as it ever was, but we have a lot of work to do to ensure every Starbucks provides that experience. All for the price of just a cup of coffee with a free refill. Early reactions tell me these were the right steps for our partners, our customers, and the business. Let's hear directly from some about what these changes mean to them as we get back to Starbucks.

APPROXIMATELY ONE MINUTE OF VIDEO CONTENT AVAILABLE VIA WEBCAST REPLAY

Much of our work is just beginning and we have much more to do, but it's enthusiastic responses like those that give me confidence in our path forward. As we take our next steps back to Starbucks,

we'll continue to enhance the health of our store portfolio. We're working hard to ensure our coffee houses have the right vibe. We want to invite customers in, showcase our great coffee, provide a comfortable place to stay, and make them feel like their visit was time well spent. Imagine coffee houses that are comfortable and warm with expanded seating options, power outlets, and abundant food displays. Stores with more separation between the cafe and mobile order experience, featuring new risers and dedicated pickup shelves in select locations to create an intuitive handoff, and cafes anchored by a redesigned espresso bar that adds a sense of theater to the experience and enhances the connection between our baristas and our customers. We've started testing new designs in select locations across the U.S., and finally, our success will always start and end with our green apron partners. The early progress we've seen wouldn't be possible without our green apron partners. That's why we're committed to ensuring Starbucks is the unrivaled best job in retail. As part of our "Back to Starbucks" plan, we've more than doubled paid parental leave for eligible U.S. store partners. We made a new commitment to promote from within for 90% of retail leadership roles over the next three years, and more than 15,000 partners have earned a college degree on us through the Starbucks College Achievement Plan, with another 25,000 on the way.

We've continued to improve average hours per partner by ensuring they get the hours and the schedules they want to work. When combined with our industry leading benefits and competitive pay. Together worth on average over \$32 per hour. These efforts create lasting economic opportunity for our partners while helping them grow their families and their careers. I said in September that my near-term focus was on the U.S. business. It's where I've spent most of my time. But Starbucks is a truly global business with huge international opportunity. Our operations in many global markets also set an example for our U.S. coffee houses, with outstanding partners serving customers every day. We now have more stores outside the U.S. than in the U.S., and we have so much potential to keep growing around the world. China is an area of focus for us, and I've seen how dynamic that market is and the opportunities ahead. I also saw several near-term changes we can make to stabilize and strengthen our business, while continuing to explore

strategic partnerships to grow. I believe there are several lessons we can learn from the strength of our supply chain in China to improve our North American business.

We are in the early days of our turnaround and have much more to do to return the business to growth. We know there will be ups and downs, but we're focused on our back to Starbucks plan. We are moving quickly to execute, and I am pleased at the early reaction to changes we've made from both customers and partners. It makes me optimistic for our future. Starbucks expertise in coffee is unrivaled. Our green apron partners are incredible, and our brand is strong. We have much work to do, but I truly believe we are on the right track. I am grateful for your trust and support. Before we transition to our formal meeting, please join me in thanking one of our most passionate leaders and loyal shareholders, Melody Hobson. Melody has been a Starbucks board member and a most respected leader of the company for more than 20 years. In that time, she has served as vice chair, chair and most recently lead independent director. Melody, thank you for your service and leadership. You've been a relentless advocate for Starbucks through the years. You've made us better, and you've always reminded us of the importance of putting our green apron partners at the center of everything we do so that we can take care of our customers.

Melody Hobson: Thank you partners. When Howard Schultz first called to ask if I was interested in being considered for the Starbucks board, I could barely contain my enthusiasm. That enthusiasm has lasted for 20 years. Few experiences have shaped my view of business and people more than sitting in the Starbucks boardroom. Year after year, this group has shown a fierce and uncompromising dedication to its customers, partners, communities and investors. The Starbucks board puts in the work because they know this beloved company requires tremendous care. The current board is stocked with a deep bench of world class business minds, and with Brian now firmly at the helm, I'm confident Starbucks is in excellent hands. Together, Brian and the board will guide this company into the future while remaining laser focused on driving long term value for all stakeholders. I want to offer a special thanks to Howard, who taught me so much over the years. When I assumed the chairmanship, I adopted Howard's practice of imagining two empty seats in

the boardroom, one for a hard-working partner and one for the customer. This advice was a powerful North Star. Thanks also to the many partners around the world who uplifted my day whenever I stopped in, especially during my weekend store tours. I will always be grateful for the opportunity to contribute to this legendary brand. I will cherish my 20 years of memories as I sip my Pike Place roast each and every morning. Thank you from the bottom of my cup.

Josh Gaul: Good morning partners and shareholders. My name is Josh Gaul, and I serve as Starbucks vice President and corporate secretary. It is my privilege to join you today at the 2025 Annual Meeting of Shareholders. You have been presented with an agenda and the rules of conduct and procedures for the annual meeting. To conduct an orderly meeting, we ask the participants abide by these rules as stated in the rules of conduct. We ask that you restrict your remarks to the agenda items that are before us. The rules of conduct also address the time limitations on those addressing the meeting, and that matters of individual concern should not be raised during the meeting. Thank you for your cooperation with these rules. We have received an affidavit of mailing executed and certified by Broadridge Financial Solutions, our proxy solicitor. The notice of this meeting, along with related proxy and annual report materials, was first mailed or made available on January 24th, 2025, to Starbucks shareholders of record as of the close of business on our record date, which was January 10th, 2025. A list of shareholders as of the record date is available for inspection by shareholders using the registered shareholder list link found on our site. Based on the signed affidavit received from Broadridge, this meeting is duly called with timely and proper notice.

In addition, based on the information provided by the Inspector of Election, a quorum of shareholders is present to conduct our meeting today. The polls are now open. If you previously voted, you do not need to take any additional action unless you wish to change your prior vote. If you would like to vote today or if you previously voted and would like to change your vote, please use the voting buttons on the webcast portal. Please note that you must submit your ballot before the polls close, in order for your vote to be included in the count. Broadridge has appointed Andrew M. Wilcox to serve as the Independent Inspector of Election to tabulate the votes. Mr. Wilcox is

present at the meeting and has previously taken his oath as Inspector of Election. We will file the executed oath with the records of this meeting. The eight proposals being considered at this meeting are explained in detail in the proxy statement that was made available to all shareholders entitled to vote at the meeting today. Each of the proposals being voted upon at this meeting is deemed to have been properly brought before the meeting.

The first order of business is to elect the nine directors nominated by the board. The nominees are as follows. Brian Niccol, Starbucks chairman of the board and chief executive officer. Ritch Allison, former Chief Executive Officer and Director, Domino's Pizza, Incorporated. Andy Campion, Chairman and Chief Executive Officer, Unrivaled Sports. Beth Ford, President and Chief Executive Officer, Land O'Lakes, Incorporated. Jorgen Vig Knudstorp, Chair, BrainPOP and KIRKBI Education and Deputy Chair, Lego Foundation. Neal Mohan, Chief Executive Officer, YouTube. Daniel Servitje, Executive Chair, Grupo Bimbo SAB de CV. Mike Sievert, Chief Executive Officer, President and Director, T-Mobile US, Incorporated. Wei Zhang, former Senior Adviser and President of Alibaba Pictures Group. The board recommends a vote for each of the nominees. The second item of business is to approve, on a non-binding basis, the compensation paid to our named executive officers. The board recommends a vote for this proposal. The third item of business is to ratify the selection of Deloitte and Touche LLP as our independent registered public accounting firm for the current fiscal year ending September 28th, 2025. The board recommends a vote for this proposal. The fourth item of business is the shareholder proposal submitted by Boyer Research on behalf of Kelly Amon, related to the commission of an annual report on discrimination risks related to charitable giving. We will now hear from Rick Figueroa, Managing Partner at Patron Partners, to speak on behalf of Boyer Research and to present the proposal. Mr. Figueroa provided Starbucks the following pre-recorded remarks.

Rick Figueroa: Starbucks shareholders, my name is Rick Figueroa, managing partner at Patron Partners. I represent the proponent for proposal number four. I'm here to ask for your vote in support of proposal number four, asking Starbucks to commit to depoliticizing its charitable giving. Companies

such as Meta and McDonald's are increasingly stepping away from political side taking and biased policies. Starbucks asserts its commitment to value diverse perspectives and experiences. It makes sense that Starbucks would want political neutrality to be the standard across the corporate policy. Starbucks itself believes this. We spoke to Starbucks about the issue of charitable giving. The company representative thought the company was simply matching employees donation to all 501(c)(3)'s, regardless of religious or social viewpoint. We inform the Starbucks representative that the company's charitable gift matching policies are not politically neutral. Starbucks screens out religious organizations that benefit only those with like beliefs without explaining what that means. Starbucks also screens out organizations opposed to the Southern Poverty Law Center, a notoriously partisan organization which has smeared as extreme conservative's legal organizations as moms who are concerned with sexual material and children's school curriculum. Starbucks also maintains its official corporate partnership with the divisive Human Rights Campaign, an organization that advocates for employees children to have access to puberty blockers. According to Starbucks current policy, an organization that pushes companies to cover puberty blockers for the children is fine, but an employee's local church, synagogue or mosque is not. This isn't equality of treatment for employees, and it certainly isn't focusing on core business for shareholders. In the name of freedom of philanthropy, the employees who deserve and the political neutrality and fiduciary focus that shareholders deserve. I urge a vote in favor of proposal number four.

Josh Gaul: Thank you, Mr. Figueroa. For the reasons outlined in our proxy statement, the board recommends a vote against the shareholder proposal. The fifth item of business is the shareholder proposal submitted by the Accountability Board, or TAB, regarding independent board chair requirements. We will now hear from Matt Prescott, President and Chief Operating Officer of TAB, to speak on behalf of TAB and present the proposal. Operator, could you please open the line for Mr. Prescott?

Matt Prescott: Thanks so much. Yeah, I'm Matt Prescott with the Accountability Board. I want to note first that we co-filed this proposal with the Comptroller of the State of New York as trustee of the New

York State Common Retirement Fund, which owns over \$150 million worth of Starbucks stock presently. Beyond what's in the proposal itself, I just want to add that with an independent chair at the helm, The Starbucks board has been annually declaring its belief that that the previous leadership structure, I should say, is, quote, appropriate because it effectively allocates authority, responsibility and oversight between management and the independent members of the board and supports the independence of Non-management directors. That's what I've been saying every year with an independent chair at the helm. But despite its years of acknowledging that the fundamental role of the board's responsibility to oversee management, the opposition statement abandons that responsibility and asks shareholders to be content to now just let management oversee itself. Um, you know, we heard from Mellody Hobson earlier. So we also want to note that when Miss Hobson chaired DreamWorks board, that board even acknowledged that an independent chair. Quote provides strong leadership while also positioning our CEO as the leader of the company for our employees, business partners and investors in the media. It said that we believe that that structure with a non-executive chair helps ensure independent oversight of the company, and that the current structure further allows the CEO to focus his energies on management of the company. That's what DreamWorks said when Ms. Hobson was the chair of its board.

Other examples abound, similarly with Starbucks director Beth Ford as its board chair and the chair of its governance committee. Clearwater paper called having a CEO and chair separation one of its corporate governance highlights. When Ms. Ford was on the board of Paccar, they touted that the board regularly reviews developments in corporate governance and specifically referenced having separation of chairman and CEO roles as an example of their best practices. With Starbucks director and Governance Committee member Rich Allison on the board, Kenvue says that its directors are committed to strong corporate governance and independent oversight, which they say is essential to driving sustained shareholder value, and they tout having an independent board chair as one of their corporate governance highlights. And finally, with director Wei Zhang on its board and nominating committee, Ralph Lauren calls having CEO and chair separation one of its corporate governance highlights as well. The list goes on and on here. Yet the Starbucks board

now has reversed its long-standing practice of having an independent chair, awarding Mr. Niccol almost \$100 million in 2024, and agreeing to let him use the company's corporate plane to commute 1,000 miles to and from work. It asks shareholders to ignore its own long professed claims of the core protections served by effectively separating authority, responsibility and oversight between the board and management. Adoption of our proposal would prevent those core safeguards from being abandoned, and we hope you'll vote for it. Thank you.

Josh Gaul: Thank you, Mr. Prescott. For the reasons outlined in our proxy statement, The board recommends a vote against this shareholder proposal. The sixth item of business is the shareholder proposal submitted by the National Legal and Policy Center, or NLPC, regarding the commission of a report on human rights risks related to labor organizing. We will now hear from Mr. Paul Chesser, director of the Corporate Integrity Project, for NLPC, to speak on behalf of the NLPC and to present the proposal. Mr. Chesser provided Starbucks the following pre-recorded remarks.

Paul Chesser: Good morning. In 2021 and 2022, as the seriously mismanaged Starbucks nosedived with regard to financial performance and stock price, the giant labor union SEIU spotted the weakness and pounced on the company like a lion on a wounded antelope. Deploying Big Labor's familiar harassment and astroturfing tactics, the union drove wedges and instigated malcontent on a store-by-store basis, starting in Buffalo, New York, and spreading to other locations. They had to do it this way because if SEIU, Starbucks affiliate, tried to do it on a company wide scale, they never would have amassed enough support to be authorized for collective bargaining rights. But the goal for big labor is to accumulate dues paying members rather than have concern for mistreated workers. One of union's main tactics are what they call salting. Salting means labor organizers infiltrate company stores as employees and in many instances, paid by the union to woo coworkers and start stirring anti Starbucks sentiment among baristas. Independent research determined that as much as \$2.5 million was spent by SEIU, Starbucks subsidiary, to salt at stores. With overall union membership dwindling down to 10% of U.S. workers last year from 20% in the 1980s, big labor is desperate. That's why they pay big bucks to salt vulnerable companies like Starbucks.

One of these salts testified before Congress in 2022 about her alleged grievances with Starbucks, but she failed to disclose that she was paid \$50,000 by the union, as required under the law. A congresswoman said after learning of her deception, that it once again shows the dishonest lengths that union operatives are willing to go to tilt the playing field in their favor. While a union can get authorized at a Starbucks location with a simple majority vote of employees, once it's authorized, it's extremely difficult to decertify it. That's the case for a multitude of Starbucks employees who don't want the union, but they can't get rid of it. Two of them are Ariana Cortes and Logan Karam, who each have majority support from coworkers at their respective New York stores to decertify their union. But the National Labor Relations Board won't let them hold a vote. Only 525 of 17,000 Starbucks stores are unionized as of December 2024. This does not represent the will of the vast majority of the company's workers, and it violates their individual rights. The company must do more to support them, and our proposal addresses that. Please vote for proposal number six.

Josh Gaul: Thank you, Mr. Chesser. For the reasons outlined in our proxy statement, the board recommends a vote against this shareholder proposal. The seventh item of business is a shareholder proposal submitted by Humane World for animals, formerly known as the Humane Society of the United States, requesting disclosure on cage free egg commitments in China and Japan. We will now hear from Karla Dumas, Vice President, Farm Animal Protection of HWA, to speak on behalf of HWA and present the proposal. Operator, could you please open the line for Miss Dumas?

Karla Dumas: Hi everyone. We think our proposal speaks for itself, but I did want to add a few remarks. The cage free egg issue is not just about how animals are treated. Study after study shows they're safer from a food safety standpoint and simply better quality. This is no doubt why Starbucks uses 100% cage free eggs in the U.S. already. In fact, in big, bold letters right on the menu board is a note about using 100% cage free eggs. Now, for years and years, Starbucks has been saying its goal to reach 100% cage free eggs globally. But for two of its largest markets, China and Japan, it

just keeps making this big claim that supply is limited when in reality, cage free eggs make up 10% of the Chinese market already. It's growing so fast that Chinese poultry industry media names cage free the word of the year recently. There and in Japan, all the largest producers are hugely growing their cage free operations. Apparently, Starbucks has plans now to move forward in these regions, but for some reason it refuses to be transparent about what they are. Given the food safety and quality implications, we are just asking that the company disclose details of these plans. Thank you so much.

Josh Gaul: Thank you, Ms. Dumas. For the reasons outlined in our proxy statement, the board recommends a vote against this shareholder proposal. The eighth and final item of business is the shareholder proposal submitted by the National Center for Public Policy Research, or NCPPR, requesting the commission of an annual emissions congruency report. We will now hear from Stefan Padfield, Executive director and representative of NCPPR to speak on behalf of NCPPR and present the proposal. Mr. Padfield provided Starbucks the following pre-recorded remarks.

Stefan Padfield: My name is Stefan Padfield, and I am the executive director of the Free Enterprise Project, which is part of the National Center for Public Policy Research. The National center is the proponent of proposal eight, which asks the company to publish an annual report analyzing the congruency of Starbucks publicly stated environmental commitments and Starbucks actual carbon emissions, including those generated by in-house personnel travel related policies. Starbucks touts its commitment to mitigating the impacts of climate change. However, the company has allowed its new CEO to commute weekly from California via private jet. It has been reported that these commutes released nearly nine tons of carbon dioxide each round trip. This is roughly the annual energy consumption footprint of the typical American household, this apparent discrepancy creates reputational and other risks for the company, potentially exposing the company's environmental commitments as greenwashing, which can result in costly boycotts and fines. It is not enough for Starbucks to publish environmental goals. The board should determine whether its commitments are realistic. Starbucks has a goal of a 50% absolute reduction in scope one, two and three

greenhouse gas emissions by 2030, yet fiscal year '22 and fiscal year '23 results showed an increase in emissions from the fiscal year '19 baseline. While the emissions generated by executive travel may make up a small part of the company's overall emissions, the recent attention paid to the company's CEO travel serves as a warning that heightened scrutiny is just one news cycle away.

In fact, in recent years, Starbucks has faced greenwashing allegations for misleading marketing of its tea and coffee products, strawless lids that allegedly contained more plastic than the old lid and straw combination, its coffee production carbon footprint and adding a surcharge for non-dairy alternatives. Perhaps the problem is not the related business practices, but rather the ill-conceived decision to wrap the company in unrealistic climate goals. In light of this, a congruency report is essential to identify anything plausibly framed as corporate hypocrisy that could negatively impact the company. Such a report can help identify decision making defects, including unrealistic climate commitments, which can lead to gaps between the company's commitments and practices. Starbucks already publishes an annual report detailing its environmental and social impact strategies, and the board believes that adopting this proposal to create an additional report is not an effective use of time and resources. However, the existing report structure apparently failed to properly prepare the company for the public's perception of corporate hypocrisy stemming from the new CEO's travel perk. If the company was unprepared for this backlash, what will happen if the SEC becomes concerned about greenwashing issues at Starbucks? For these reasons, I ask you to vote for proposal eight.

Josh Gaul: Thank you, Mr. Padfield. For the reasons outlined in our proxy statement, the board recommends a vote against this shareholder proposal. That concludes the matters to be voted on as outlined in the Notice of Annual Meeting. In accordance with our bylaws, I hereby declare and have recorded the timing of the closing of polls for voting at our 2025 Annual Meeting. Our board will carefully consider the results of all shareholder voting. Leading up to the annual meeting, we engaged numerous shareholders. We were intentional in our outreach and appreciative of the time

and commitment our shareholders made to provide us with feedback and engage in dialogue that we found enormously helpful. Our engagement with our shareholders began many months before the annual meeting, as we were able to engage with nearly 45% of our shareholders on topics ranging from board governance to executive compensation to social impact and sustainability. We are committed to this comprehensive and continuous outreach, which allows us to proactively educate our shareholders on our progress and, more importantly, solicit their feedback on topics most important to them. This robust outreach approach is an important part of how we gather, internalize, and act on feedback in our quest to increase value for all stakeholders. We look forward to continuing our shareholder engagement in the years ahead. The results of voting on the proposals are still being tabulated by the Inspector of Election and are not yet final. We will report the final voting results of today's meeting on a form 8-K filed with the SEC within four business days following this meeting. I now declare the formal business of the annual meeting of shareholders adjourned. Q&A with our leaders will begin shortly.

Brian Niccol: Thanks, Josh for our Q&A. I'm joined on stage today by Brad Lerman, our chief legal officer, and Sara Kelly, our chief partner officer. Also in the room are others from our executive leadership team along with our board of directors. Now we will begin today's Q&A with a mix of pre-submitted and live shareholder questions.

Speaker: Thank you, Brian. Our first shareholder question is how does the board plan to introduce more diversity on the board of directors?

Brian Niccol: Thank you for the question. Obviously, we're always focused on ensuring that our directors bring unique skills, experience, tenure and diversity and that they're able to contribute, frankly, to the effectiveness of our board and committees. As you're probably aware, we're always working to improve our board to ensure our directors are capable, prepared and equipped to oversee the success of our business both today and in the future.

Speaker: Thank you, Brian. Our next question is can you speak to the CEO work and travel arrangements?
Specifically, what is the environmental impact from private jet usage?

Brian Niccol: Obviously Starbucks serves customers in over 88 markets. The CEO, in this case, myself, needs to be where the business needs to be. I am focused always on spending time with our partners in all these markets, visiting our stores across the world, and making sure that we're listening to our customers. At the end of the day, our business happens in the stores around coffee and connecting over that coffee, and that's really the approach we take. I think. Brad.

Brad Lerman: Yeah, let me let me just add a couple of things. First of all, it's a great question. The oversight for corporate aircraft is carefully managed by the board of directors. The board requires the CEO to travel on corporate aircraft, both because that's the most dependable way for him to travel and also the most secure way for him to travel. The company is very focused on using the most modern technologies in order to limit environmental impact, including the purchase of low emissions fuel and the purchase of aircraft that that is more efficient in the air. These are things that the board looks at, that management looks at carefully, and it's carefully governed.

Speaker: Thank you, Brad. Thank you, Brian. Practically speaking, what are the lead independent director duties?

Brian Niccol: Yeah. The lead independent director, obviously, they facilitate board oversight of the management and Starbucks long term strategy and business initiatives. They really do serve as a liaison between management and the independent directors. Not surprising. There're many other duties too, like reviewing, advising, approving the scheduling of board meetings, facilitating the discussion dialogue among independent directors, providing the chair, the CEO with feedback and counsel. Obviously, they help provide over meetings at which the chair is not present. In every meeting we have executive sessions of just the independent directors, and in that case, the lead independent director leads that exercise.

Speaker: Thank you. Our next question is when will Starbucks negotiate its first union contract?

Brian Niccol: Yeah. Look, first, before I hand this over to Sara, I do want to emphasize how much we as a company are committed to ensuring we offer the best job in retail. We start from that position and every partner; we are focused on ensuring that they are set up for success. With that, I'll hand it over to you, Sara.

Sara Kelly: Thanks, Brian. And I think what Brian said is part of our Back to Starbucks strategy. It is about the fact that it starts and ends with our green apron partners. To do that, it is about becoming the best job in retail for every single one of our partners. As it relates to the union, Starbucks and Workers United have committed to engaging with the mediator, and that mediator is supporting us as we look to really negotiate a foundational framework that will serve for single store contracts. We've been at the table for nine months with the union making great progress. Really, as we look ahead, that mediator will support both Starbucks and the union with managing through complex topics in support of fair contracts. What we value at Starbucks is we value partner to partner relationships, because we do believe that the best person to speak for a partner is the partner. When a partner elects a union to represent them, we are committed to engaging in good faith with that union and the partners who have selected that union to negotiate fair contracts. Thank you for the question.

Speaker: Thank you, Sara. Next question. How is the board planning to take advantage of the downstream involvement with artificial intelligence?

Brian Niccol: Yeah. Thank you. As you can imagine, this is probably on the minds of just about every business around the world. We're focused, obviously, on innovating and deploying technology that enhances the customer and the partner experience. We're always looking for technology, AI, equipment, process to ensure that that is the outcome. As it relates to AI, the good news is we're

already having some of these things in action, whether it's applications for forecasting, helping with order recommendations, supply chain management. It's a really powerful tool. Most recently we've seen this show up in some large language models where we think we can help with our order sequencing, our equipment maintenance. Obviously, we think AI has the potential to making ordering easier and hopefully the experience even more personalized for every single one of our customers. Lastly, we want to make sure that whatever we do with AI, it assists our partners so that they can actually focus on the craft and the ability to connect with our customers.

Speaker: Thank you, Brian. Onto a very hot topic right now, how is the company diversifying imports based on changing geopolitical issues, such as tariffs relating to fundamental coffee sources?

Brian Niccol: Yeah. First, look, regardless of what happens, we're always focused on delivering high quality products consistently for our customers. We're unwavering in that. Obviously as the political environment moves or the tariff markets move, we will figure out how to navigate that effectively given those conditions and the regulatory environments. But we will never compromise on the quality or the commitment to the coffee and the drinks and the food that we want to provide in our stores. The good news is the company at our scale has a great history of navigating these various changes. I think we have purchasing practices that help reduce the price volatility that do ensure we have a healthy green coffee supply. Then obviously we've got a great team that's closely monitoring any of these changes and the potential impacts on our business, so that we do navigate this in the most effective and efficient fashion going forward.

Speaker: Fantastic. Our next question is Missouri recently brought a lawsuit against Starbucks on diversity issues. How is Starbucks navigating issues related to diversity?

Brian Niccol: Yeah. Look, first I want to start off with Starbucks is a tremendously diverse organization and will continue to be a tremendously diverse organization just by the nature of our mission, our values, and how we operate around the world. We're in over 88 markets, 40,000 stores, which means we're

in 40,000 communities. I think it's great that we reflect the diversity of our customers, and we reflect the diversity of our team members and partners that are in every single one of our stores. Diversity is going to continue to be a key, I think, strength of our business and frankly, helps us connect with our customers at another level. But Sara, anything you'd like to add to that?

Sara Kelly: Yeah. Thank you, Brian. I love that because what you said is that Starbucks is deeply committed to diversity. When I think about the work that we're doing, we're focused on creating diversity through a culture of inclusion as well, where every partner and every customer feels like they belong at Starbucks. We're continuing to do this by developing and designing programs that are focused on how we create and foster that inclusion, from strong partner networks to rewarding our senior leaders for creating a culture of belonging. We also want to make sure that every program, every benefit, all of our partners have access to that at Starbucks. Specific to the allegation of the lawsuit, I do want to be clear that our hiring practices, they're inclusive, they're fair and they're competitive, and they are designed to ensure that we hire the strongest candidate for every job, every time. Thank you for the question.

Speaker: Thank you. What actions are being considered to balance the coffee house experience with mobile order and pay?

Brian Niccol: Yeah, thanks for this question. This is, I think, hugely important for our company going forward because we want to be the solution for when people want to connect. We also want to be the solution for people when they need to do something quick and convenient. The good news is we have the ability to do both. I think one of the things that you're going to hear us talking more and more about is this idea of 4-4-12. How do we make sure that we can deliver great experiences, whether you're coming into the store and we can, you know, set you up with a great ceramic mug or enjoy your cold drink and some lovely glassware. Or if you're in the scenario of ordering ahead, you want to just grab and go, we have the ability to sequence that correctly so that people show up when their drink shows up, and vice versa. Our partners are set up for success where they have

the room to connect with our in-store customers, our in cafe customers, while we still have the ability to hit the time, the accuracy that our mobile order customers are looking for and look, this business needs to be able to do all of these things, and I do believe we have the ability to do it. We just have to bring order to how we do it, and we've got to support our partners with the right process, standards and equipment to ensure that it happens every single time. We're committed to investing in the labor required to do it. We're committed to investing in the learning so that we can do it every single time. I'm confident we're going to we're going to get this one solved for Starbucks right now and in the future.

Speaker: Fantastic. How are you thinking about the future of the Starbucks China business?

Brian Niccol: I just recently made my first visit to China, and it had been a while since I had been in the market, so it was great to see our team and the strength of the Starbucks brand. One thing I want to be crystal clear on is the Starbucks brand is tremendously well respected, held in high regard. We have a terrific team in our China business, and the partners that work in our stores are really talented people. Obviously, there's some near-term challenges in this business, both from a macro standpoint and a new competitive environment that we're dealing with. But the good news is I believe the team is now focused on what are the things we're going to change, what are the things we're going to learn so that we can continue to be the brand that we want to be, Starbucks as a great place for people to experience the coffee experience, but then also to do it in a way that's convenient, delivers the menu offerings that customers want and that we're frankly competitive with the new environment that we're dealing with.

There's been a lot of talk around the strategic partnerships and what are we doing there? Obviously, we're going to continue to evaluate what is the best way to grow in China. But that doesn't mean we aren't committed to figuring out how we get this business turned around and how we set this market up for success, because I believe there's tremendous opportunity down the road. This just is another example of the power of a global company like Starbucks. The supply chain work that's

happening in our China business is top, top, top performing. We need to figure out how we can take those learnings of what we're doing there and apply it into our North American business. I think there's opportunities for us to demonstrate the scale of our business globally and how we can bring that to all our markets. At the same token, I think get back on our front foot in China.

Speaker: All right. The next question that we've received is why does Starbucks give stock to executives and directors?

Brian Niccol: Yeah. Look, it's pretty simple. We want to align everybody to the company's success. We also have a fundamental belief at Starbucks from a long time ago that we want everybody to be a true partner. The way to be a true partner is to have a piece of the Starbucks business. That is why we focus on it. I don't know, Sara, if you want to add anything to that.

Sara Kelly: Yeah, I love this question because to Brian's point, we believe that success is best when shared. It was 1991 that we introduced Beanstalk. Beanstalk allowed us to provide partners in a part time status with a share in the company. That's why we call ourselves partners, not employees at Starbucks, is because all of our partners have shares in the company's success. Beanstalk is so critical. But when you think about executive compensation to the question as well, executive compensation and their program is designed with the stock component to make sure that we're aligning our executives to our shareholder interests, as well as to retain executives through long term vesting, as well as really drive company performance, because it's directly connected back to that company performance. As it relates to our non-employee directors, we do award their service with company stock as well, which really aligns them also to our shareholders and the interest of our shareholders. This is certainly a common practice with public companies. Thanks for the question.

Speaker: Thank you, Sara. Next question is why are you removing items from your menu?

Brian Niccol: Yeah. Look at the simplest form, what we want to do is eliminate the things that actually aren't ordered that often, or we don't actually prepare that often, so that it frees us up to deliver on the things that actually we believe we can do on a bigger, better, more consistent basis. You've probably heard us talk about this 30% reduction in beverages and food by the end of this fiscal year '25. Really, what this is all about is freeing us up so that we can capitalize on both opportunities. Most recently the Dubai Matcha Latte, if we're able to free up our menu so that we can follow where culture is going, that's hugely powerful. We also want to free up ourselves so that we can lead culture, and we also want to free ourselves up so that we can lead in coffee culture. You might have seen us most recently do the cortado. So I think it's important for us to, frankly, just give us that flexibility or that room so that we can be in culture when there's cultural moments that hop in front of us so that we can also have the freedom to then innovate and lead in culture, and then obviously continue to demonstrate our ability to innovate around coffee and other drinks. Then obviously we've got real opportunity on food too. Simplification so that we can actually do fewer things on a bigger and better execution.

Speaker: Great. Thank you. Next question here is what was the goal of the recent corporate restructuring efforts?

Brian Niccol: Look obviously what we want to do here is get focused on being accountable. We want to also be very efficient in how we get our work done. We have to be, I think, much more agile in how we basically respond to customer feedback as well as partner feedback. I think it's really important that the corporate structure is set up to first and foremost, serve the store, support the customer experience, and support the partner experience so that we can exceed the customer's expectations. This was all about simplifying some complexity, getting clarity of who's responsible for what and then resulting in ideally better integration, and ultimately so that we get focused on the biggest things that have the biggest impact in store for our customers and our partners.

Speaker: Great. Thank you. Can you provide background on the recent executive leadership team changes?

Brian Niccol: Yeah. Look, I'm really excited about the new members to our team. You know, we've got Tressie Lieberman, who is our new chief brand officer. Hugely talented and hugely passionate about Starbucks. That's one of the things I should mention. All these new members of the Starbucks team are hugely passionate about Starbucks. In fact, we've got one member on the team that might have met her husband in a Starbucks, which I think just speaks volumes to what this brand means to people, what this brand means to communities. Mike Grams, he's a pro when it comes to store operations, and I think store level leadership. Meredith Sandland, again, a true expert in the space of development and frankly, the technology behind how we can manage this algorithm of mobile order, drive thru in-store experiences. Sanjay Shah, he just joined us on the supply chain side. If you look at his resume, I'm confident our supply chain is not going to get a little bit better, but a whole lot better and quickly. I think Cathy Smith, she hasn't had the opportunity yet to get started, but I'm so excited about her expertise and looking forward to partnering with her on executing this turnaround. The thing I love about this is we have some existing leaders that are still a part of the team, like Sar and Brad and some others. Brady, deb, that I think in the end, we're coming together in a way where we're singularly focused on turning the Starbucks business around, making it centered on this idea of coffee connection, great partner experiences that ultimately exceed customer experiences. I'm really energized by the new team. I'm so excited about the new people on the team. I'm really excited about the people that are continuing to partner with this team, and I'm really optimistic about the future with these leaders.

Speaker: That's great. Now we've got our final question here. This is to build more on sort of the third place for Starbucks. The question here is can you share more specifics about what you're doing in terms of improvements to stores? Is there anything else you can share about how you're making the customer experience more positive, welcoming, and comfortable in your stores?

Brian Niccol: Well, look, thank you for the question. That's our strategy. That's what we want to achieve. I love it when I get these customer emails or when I'm visiting stores and customers grab me and they're like, hey, can I grab you for a second? Because this store used to have more seats, or this store used to have a community table, or this store used to have outlets or why can we not have a great seat with great lighting, with great music? You know what the answer is? We can and we will. This is part of the strategy as it relates to getting back to Starbucks. That third place is probably more necessary than it ever has been. It is without a doubt whether you are a teenager or an 80-year-old person or somebody in their 50s or 40s, you know what everybody likes to do? They like to connect with people in their community, in a safe place over a cup of coffee, hot or cold. Starbucks can play that role in everybody's community. We're going to get back to doing that. Look, I think strategically, we might have made some mistakes on this one, and now we have to go back and fix it. But the good news is, I think we have clarity on what we need to fix, and it's consistently feedback I hear from customers like, hey, will you please bring back the Starbucks third place? The answer is we're going to do it. It won't happen overnight, but we're going to do it. All right. I guess that was the last question. I want to thank everyone for attending our annual meeting of shareholders. It's an honor to be in the seat of CEO and chairman of one of the, I think, most special brands, global companies in the world. It's a real honor and it's a huge opportunity. I don't take it lightly. I look forward to talking to everybody a year from now. Thank you.