



# To our shareholders

We're working to build a Starbucks with a clear mission and purpose we can all be proud of — one loved for its coffee, its warm and welcoming coffeehouses, its talented green apron partners, and its positive impact in communities across the globe.

Dear fellow shareholders,

Starbucks Coffee Company was founded on the simple idea to become the premier purveyor of the finest coffee in the world — and to operate as a different kind of company that put its people first. They're ideas that set us apart and propelled Starbucks to become the global icon it is today, serving millions of customers at more than 40,000 stores across 88 global markets.

Since I took on the role of chairman and ceo, I've met with partners and customers in stores across the U.S., with many of our global licensed business partners and with our teams at Hacienda Alsacia, our roasting plants, distribution centers, and support centers. Everything I have seen and heard tells me we have significant strengths to build on: a strong and enduring brand, deep coffee expertise, and the very best partners.

But we also have an opportunity to improve the experience for our customers and partners — and our recent performance made it clear we needed a fundamental change in strategy to return to growth.

We've made that change.

Since September 2024, we've been focused on getting "Back to Starbucks" and what has always set us apart — a welcoming coffeehouse where people gather and where we serve the finest coffee, handcrafted by our skilled baristas.

We'll accomplish this by creating world class customer experiences every day, and in every store. By providing a warm and welcoming environment that fosters connection in every community we serve. By being visible, relevant and valued in every market we operate. And by being the unrivaled best job in retail, because we know our success begins and ends with our green apron partners.

We've started to make progress, guided by feedback and building on our strengths.

We made a new commitment to fill 90% of North American retail leadership roles from within. We more than doubled paid parental leave for U.S. store partners. And we've continued to increase average hours per partner while improving partner retention.

We eliminated the upcharge for non-dairy milks and shared our intention not to adjust prices at our U.S. company-owned stores through the remainder of the fiscal year. We brought back personal touches like written messages on cups and the condiment bar. And we're orienting our work to consistently deliver a handcrafted beverage and a moment of connection to café customers in four minutes or less.

We're making sure our customers know that nobody sources, roasts, and serves coffee like Starbucks. We're expanding our network of coffee farms to support future agronomy research and innovation. We're refocusing our menu to highlight our deep coffee expertise. And we're continuing to roll out new equipment that provides customers a great cup of coffee, brewed just for them.

We stopped relying on discounting and promotions to drive transactions. And we're overhauling our marketing to reintroduce Starbucks to the world, focusing on brand-forward coffee storytelling with broad reach.

But we have more work to do.

We have a critical year ahead of us as we work to get "Back to Starbucks" and return the company to growth. We're working to build a Starbucks with a clear mission and purpose we can all be proud of — one loved for its coffee, its warm and welcoming coffeehouses, its talented green apron partners, and its positive impact in communities across the globe.

It's why we re-articulated our mission, drawing on our heritage, to clearly define who we are and the role we play in the world:

**"To be the premier purveyor of the finest coffee in the world, inspiring and nurturing the human spirit — one person, one cup, and one neighborhood at a time."**

To achieve this, and to get "Back to Starbucks," it will require investments in our people, our stores — including our menu, equipment, processes, and atmosphere — our communication, and our technology. We have to get the partner experience right, through a focus on staffing, scheduling, and coverage hour improvements, so they can deliver a world-class customer experience, every time. And we have to make sure our in-store equipment and our mobile app support our four minute café wait time aspiration. A consistent handoff with a moment of connection is our moment of truth, and we'll test and learn to ensure investments enable our partners to make it happen.

Our board of directors, executive leadership team, and the whole of our company are focused on moving quickly, executing with excellence, and delivering on our commitments. It's a focus made possible, in many ways, by Mellody Hobson, who will be retiring from our board after 20 years. A respected leader, mentor, and advocate for Starbucks, she's been a steady hand helping the Company chart a path to incredible growth. She leaves behind an enduring legacy and a world-class board with a bias for action and an uncompromising belief in our mission, our promises, and our values.

We're confident in our path forward and believe that by getting "Back to Starbucks", we will create economic opportunity for our partners, provide an experience that is worth it to our customers, and generate long-term, enduring returns for our shareholders.

On we go.



**Brian Niccol**  
chairman and chief executive officer  
Starbucks Coffee Company