Wednesday, October 15, 2025

Jørgen Vig Knudstorp, Lead Independent Director
Beth Ford, Chair of Environmental, Partner, and Community Impact Committee
Starbucks Corporation
Investor Relations Department
2401 Utah Avenue South, Mailstop IR
Seattle, WA 98134

Via email to Catherine Park, SVP of Investor Relations

Dear Jørgen Vig Knudstorp and Beth Ford:

We write as long-term shareholders of Starbucks Corporation to express our concern regarding the current state of Starbucks' labor relations and urge the company to restart negotiations and promptly reach a first contract with Starbucks Workers United (SBWU).

We are concerned that Starbucks' labor relations have significantly deteriorated, as reflected by over one hundred Unfair Labor Practice complaints filed since the beginning of the year, in-store actions, partner walkouts and protests over store closings, and even strikes.[1] While we understand that earlier this year the company entered mediation to assist both parties in "reaching a framework for single store contracts," the recent September 1st publication of a full-page ad in the New York Times, alleging that the company is "refusing to settle a union contract" and "stonewalling a contract," underscores the continuing concern. Over three years have passed since the first successful union election by Starbucks Workers United (SBWU) and yet no contract agreement has been reached.

We also take note of the September 15th opinion piece by SBWU's President, Lynne Fox, which provides a warning to investors that there is a very high risk of a SBWU strike. She calls out the company's approach to the bargaining process, including allegations that the company misused mediation and unjustifiably delayed negotiations.[2]

As you know, we were proponents of the successful 2023 shareholder proposal, supported by 52% of investors, that led to a third-party assessment of Starbucks' adherence to its stated commitments to workers' freedom of association and collective bargaining rights. The assessor recommended that Starbucks "redouble its efforts" and

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[1] The number of ULP complaints is based on a search of the NLRB database as of September 20, 2025; With contract talks stalled, Starbucks baristas rally in L.A. - Los Angeles Times; Starbucks Baristas Stage Walkouts Over Dress Code Change - The New York Times; More than 2,000 Starbucks baristas go on strike to protest new dress code – Associated Press; After 3 years without a contract, Starbucks workers are turning to civil disobedience - Fast Company

[2] "Starbucks Is on the Ropes," Says SBWU President Lynne Fox, Who Is Eyeing a Strike – In These Times

engage constructively with SBWU.

The current situation is particularly concerning because it follows what were positive developments after the shareholder proposal and the third-party assessment. In February 2024, the company announced that it had agreed with SBWU to begin discussions on a foundational framework designed to achieve collective bargaining agreements. The new Starbucks CEO, Brian Niccol, stated in September 2024 that he was "committed to making sure we engage constructively and in good faith with the union." The company's most recent proxy statement also highlighted its commitment to "bargaining with Workers United and to reaching agreements." However, it now appears that labor relations at Starbucks have deteriorated since his arrival.

We believe that effective oversight of these issues is critical to the success of Starbucks and its ability to create long-term shareholder value – and to live up to its stated mission, values, and policies. Some of us recently published an investor perspective on collective bargaining principles that supports a healthy collective bargaining process. We are monitoring this issue because we believe that a company's ability to establish and maintain constructive relationships with workers is a hallmark of a company with a sustainable long-term strategy.

As such, we are calling on the company to promptly reach a first contract with SBWU.

We remain dedicated to continuing engagement with Starbucks and would like the opportunity to further share our perspectives and concerns and learn more about how Starbucks is putting into action its stated commitments. Please contact Jonas Kron at jkron@trilliuminvest.com to schedule a meeting. We look forward to continuing our dialogue on this important topic. Thank you for your attention to this matter.

Best regards,

Trillium Asset Management, LLC
Shareholder Association for Research and Education (SHARE)
Pensions Investment Research Consultants (PIRC) on behalf of investor clients
New York City Comptroller Brad Lander