



January 22, 2021

Dear Shareholders,

On a Friday evening last March, as the pandemic was taking hold in North America, we made the decision, guided by our navigating principles, to temporarily close customer access to the cafes of all company-operated Starbucks stores across the U.S. and Canada and shifted to a drive-thru and delivery only operating model. Believing that no Starbucks partner (employee) should be asked to choose between work and their health, we also communicated we were committed to paying store partners, whether or not their store was closed, if they were unable, or even uncomfortable, coming to work.

The following morning, something incredible happened. Our partners showed up. They showed up for their shifts before dawn to open drive-thrus. Even when they knew they didn't have to. They showed up for one another. They showed up for their communities. And they have shown up every day since. This is Starbucks.

Since 1971, Starbucks has been a company grounded in humanity with a mission to inspire and nurture the human spirit – one person, one cup, and one neighborhood at a time. And for the past 50 years we have aspired to do just that, from our first store at Seattle's Pike Place Market to the nearly 33,000 stores we operate today in 83 markets around the world.

And while Starbucks has proven to be a resilient company through good times and bad over that half-century, 2020 showed our resiliency to be true beyond what we could have imagined. Together with the rest of the world, Starbucks navigated uncharted territory – a global pandemic, the climate crisis, a reckoning with racial injustice and inequity, and more. It was a year that presented both unprecedented challenges and a sharper focus on the opportunities ahead of us all.

We are proud of how Starbucks partners around the world have responded to the challenges. Under the leadership of our world-class Starbucks management team and board of directors, we acted quickly and decisively to show up for our partners (employees) and the people on the frontlines in the communities we serve. We have made commitments and actions to show up for our planet. And we continued to responsibly grow our business with focus and discipline in a way that makes customers proud to come to Starbucks and welcome us into their neighborhoods around the world.

As we outlined at December's Investor Day event, our growth-at-scale agenda is working, we've rapidly adapted to a changing environment, and we already have line of sight to an innovation agenda that positions Starbucks for the next phase of growth. We are well positioned for the future.

And the opportunities ahead of us are immense. By embracing our responsibility to serve all stakeholders – Starbucks partners, customers we serve each day in our stores, communities both local and global that we are a part of, and the shareholders who support us through their investment in Starbucks – we look to the future of Starbucks Coffee Company asking ourselves exciting questions: How can we, as a publicly traded for-profit company, continue to build on this great heritage while doing even more to bring forward a better world? How can we uplift the well-being of people and the planet with the same focus and rigor with which we pursue profit? And if we lead by example, can we encourage other publicly traded for-profit companies to join us in this quest, so that our people-positive and planet-positive goals are amplified?

At the center of all our success and opportunity are the more than 400,000 Starbucks partners around the world who proudly wear the green apron, inspiring, nurturing, and showing up for their communities every day. Starbucks partners were there for their communities all throughout this consequential year, in a way that only Starbucks can. And it is our partners who will remain at the center of our decisions moving forward as we work toward our goal to create a company that is profit positive, planet positive and people positive.

Responsibly growing our business with focus and discipline

As we continue the path to recover our business, we will remain focused and disciplined in executing the “Growth at Scale” agenda we outlined over two years ago. That plan continues to be aimed at accelerating growth in our lead markets of the United States and China, expanding the global reach of Starbucks through the Global Coffee Alliance with Nestlé, and increasing returns to all of our stakeholders – including our partners, shareholders and the communities we serve.

We have maintained our disciplined approach to investing in our best-in-class digital ecosystem. We have also continued to stay ahead of customer behaviors and trends, aligning our products portfolio, store footprints, and partner-led customer experience to meet evolving needs, such as the expansion of Curbside Pickup and Starbucks Delivers. In fact, our track record of delivering innovations in these areas undergirded the resilience of our business during the depths of the pandemic. We made the decision to accelerate planned innovations and changes to ensure Starbucks continued leadership as we navigate the path ahead.

In the coming year, we will further grow our business responsibly, including continued store growth in the U.S, China, and around the world as we accelerate the repositioning of our store portfolio to meet customer needs; investment in technology to drive further customer engagement and improve store operations and environmental sustainability; and continued focused efforts on the Global Coffee Alliance in partnership with Nestlé, building on the momentum gained in fiscal 2020.

Giving more than we take from the planet

Over the course of our 50 years, Starbucks has built one of the world’s most admired and trusted brands. That is due in significant part to the pride we take in being active members of our community. To date, that sense of responsibility to community has manifested itself the way it does for many businesses: through a social impact agenda, or what many refer to as corporate social responsibility. To Starbucks, this is much more than a casual commitment. It is the core of our purpose – our reason for being. This past year brought into undeniable focus that corporate social responsibility cannot be a sidecar to the engine of profit. We believe that

it is more critical than ever that our efforts to better the local and global communities we serve be woven into the very fabric of Starbucks – for the good of people and our planet.

In January 2020, we declared a bold aspiration to become planet positive – to give back to the planet more than we take from it. For example, we aim to store more carbon than we emit, eliminate waste, and generate more clean freshwater than we use. We believe by embracing a longer-term planetary value for our company, we will create greater value for all stakeholders. We outlined clear strategies that will help us on our way to becoming a planet-positive company.

One year later, we're making great progress toward these commitments. This work includes collaborating with others as we update our strategies to ensure climate justice and resilience in an increasingly uncertain world. It means holding ourselves accountable through transparent reporting of our short- and long-term progress against our goals. We remain committed to the Science Based Targets Initiative (SBTi) to help track our progress.

It's impossible to share a love for coffee without caring about the planet. Our team of experts dedicated to sourcing high-quality arabica coffee from various regions around the world know that our work extends far beyond making great coffee. We have a responsibility to care for the entire supply chain and the many people who make coffee possible, from bean to cup, farmer to customer. We are committed to sourcing coffee responsibly, for the betterment of people and planet, while we also work to empower farmers, improve their livelihoods, and positively impact their communities.

Supporting the well-being of all who connect with Starbucks

Our partners are the heartbeat of Starbucks. It is through their spirit and fortitude that we cultivate an inclusive environment where everyone belongs, empower our partners with opportunities to pursue their aspirations, and make tangible differences in every community we serve. As we continue to learn from our partners, we are making continuous investments in them. We are providing eligible full-time and part-time partners long-held, flagship benefits, such as health care and equity in the form of stock. We are offering innovative new benefits such as mental wellness support (in the U.S. and Canada), the opportunity to earn a tuition-free

four-year college degree through Arizona State University (in the U.S.), and a critical illness insurance program for the parents of Starbucks partners in China.

This past year, we have sharpened our focus on partner engagement, including continuing our journey to advance racial and social equity on behalf of our partners and our communities. As part of these actions, we have put into writing our intentional goals and commitments for nurturing a culture of inclusion, diversity and equity, with a focus on partner retention and development. We will continue to be transparent with our progress and will hold ourselves accountable at the highest rung of the organization.

Of course, the welcoming Third Place environment Starbucks stores create connects so many millions more people across the nearly 33,000 communities in which we operate stores. Our stores serve as a beacon of hope and resilience during crisis – whether that is the aftermath of an earthquake, hurricane, wildfire, or now as we strive to provide familiar and safe experiences amid a global pandemic. In the U.S. and Canada this past year, partners helped donate 6.9 million meals for food banks through the Starbucks FoodShare program, and provided more than 4 million cups of free coffee for first responders and front-line health care workers. Starbucks also opened our 17th Community Store in the Watts neighborhood of Los Angeles with the aspiration to open more cafes in historically underserved communities in the years to come.

Through the Company's donations, The Starbucks Foundation invested more than \$9 million in response to COVID-19 to support a variety of organizations, extending emergency assistance while also investing in thriving communities – from Origin Grants to support women in coffee and tea-growing regions, to Neighborhood Grants for local nonprofit organizations nominated by Starbucks partners.

As we look to the future of the Starbucks Coffee Company, our management team is confident that the strategic investments we have made, combined with the plans we have developed and accelerated for fiscal 2021, will not only build on our heritage and the strength of our business, but will lead to a more equitable and thriving future for our partners, our communities, and our planet.

Starbucks Board of Directors

The Starbucks board of directors is integral in shaping the Company's overall long-term strategy, and brings deep experience, expertise, and insights to the important issues facing Starbucks. As we work to create a company that is profit positive, planet positive and people positive, the board's continued commitment to meaningful social impact will further drive this work.

The board shares the Company's commitment to fostering inclusion and diversity, with its members representing a variety of identities, perspectives, backgrounds, and personal and professional experiences, bringing a broad variety of expertise to support the Company's goal of being one of the world's leading brands.

The board would like to congratulate board chair Myron (Mike) Ullman who will retire effective March 2021 after serving 18 years as a board member. The board also extends congratulations to Mellody Hobson who has been appointed as our next board chair, with the transition to take place in connection with the Starbucks Annual Meeting of Shareholders in March 2021. Mellody has served on the Starbucks board of directors since 2005 and is a talented leader and a great supporter of the Starbucks Mission and Values, who will provide valuable insight as we continue to execute our strategy and invest in the future of the Company.

The future of Starbucks

Since we opened our doors in 1971, we have been committed to being a different kind of company. And over the past 50 years, we have taken all that we have learned, in good times and in bad, and together have created a resilient, enduring brand that connects millions of partners, customers, farmers and communities, around the world.

We look forward to our future with confidence and optimism – to be a for-profit company, yes. But also, a for-people company, and a for-the planet company, all at the same time. Each piece equally important, and all working in harmony, proliferating one another. Guided by our mission and values, we will continue to grow our business while building a more equitable and thriving future for our planet and all who connect with Starbucks.

With Respect,



A handwritten signature in black ink, appearing to read "Myron E. Ullman, III".

Myron E. Ullman, III
independent chair of the board



A handwritten signature in black ink, appearing to read "Kevin Johnson".

Kevin Johnson
president and ceo



A handwritten signature in black ink, appearing to read "Mellody Hobson".

Mellody Hobson
incoming independent chair of the board

Forward-Looking Statements

Certain statements contained herein are “forward-looking statements” within the meaning of the applicable securities laws and regulations. Generally, these statements can be identified by the use of words such as “aim,” “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “feel,” “forecast,” “intend,” “may,” “plan,” “potential,” “project,” “should,” “will,” “would” and similar expressions intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. These statements are based upon information available to Starbucks as of the date hereof, and Starbucks actual results or performance could differ materially from those stated or implied due to risks and uncertainties associated with its business. These risks and uncertainties include, but are not limited to, the risks detailed in the company filings with the Securities and Exchange Commission, including the “Risk Factors” section of Starbucks Annual Report on Form 10-K for the fiscal year ended September 27, 2020. We assume no obligation to update any of these forward-looking statements.