December 9, 2021

Kevin Johnson, CEO
Starbucks Corporation
Investor Relations Department
2401 Utah Avenue South, Mailstop EX-4
Seattle, WA 98134

Re: Unionization Drive by Starbucks Workers United

Dear Mr. Johnson,

We, the undersigned investors, representing over $1.3 trillion in assets under management, are writing concerning how Starbucks is responding to the unionization effort by a group of its workers ("partners") in Buffalo, NY. Specifically, we are writing to urge the Company to accept the results of the December 2021 election and proceed expeditiously and in good faith according to the results.

As Starbucks partners in Buffalo seek to form unions, we are concerned about claims that have surfaced in public reporting that appear inconsistent with international standards. First, rather than accept the three unions’ request to be voluntarily recognized, it appears that the Company attempted to use the National Labor Relations Board (NLRB) process to seek a single election for all stores in the region. This tactic suggests that the Company is trying to use the NLRB process, not in a neutral or good faith manner to have a free and fair election, but rather to weaken the unions as much as possible.

Furthermore, under NLRB guidance, union election campaigns should be allowed to proceed in "laboratory conditions," but Starbucks has reportedly taken a number of steps to delay and frustrate efforts. The company appears to have indirectly intimidated employees through closing two of the Buffalo locations affiliated with the organizing effort, sending a top corporate executive, senior company officials, and managers under the premise of additional training, and introducing large numbers of partners to the stores after the announcement of union filings. This is in addition to reporting about the Company conducting captive audience meetings and instructing employees to consult the "Partner Hub" online, in which Starbucks employees have been required to hear and read anti-union rhetoric, including a November 6th voluntary meeting with former CEO Howard Schultz. Although Starbucks asserts that these actions are standard procedure, the sudden and numerous changes suggest that the company is trying to circumvent union activity to the fullest extent possible.

As investors, we believe that Starbucks should abide by international standards and best practices and its own words about engaging in good faith with workers to maintain positive labor relations. Effective human capital management is a key performance indicator that a growing number of investors prioritize. Partnerships between companies and labor unions is a time-tested method that can have positive human capital impacts. By giving workers independent channels to communicate with management regarding suggestions, concerns, and requests without fear of retaliation, unions foster more effective workplace feedback loops.
The formation of labor unions is also a fundamental human right recognized under international law. Employees exercising their right to form unions is recognized by the OECD Guidelines for Multinational Enterprises, the Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights, and the International Labour Organization. The ability of workers to organize, act concertedly, and engage in collective bargaining is an important human right that can be a net positive for companies and investors, and good for society. In contrast, allegations that the Company is not respecting its workers’ rights to exercise their freedom to organize raises reputational and legal risks for investors.

We therefore urge Starbucks Corporation, in keeping with the spirit of international norms and its pro-partner mission, to accept the results of the Buffalo elections and proceed expeditiously and according to the results.

Sincerely,

Trillium Asset Management
Parnassus Investments

This is not a recommendation to buy or sell any of the securities mentioned. It should not be assumed that investments in such securities have been or will be profitable. The specific securities were selected on an objective basis and do not represent all of the securities purchased, sold or recommended for advisory clients.