



Starbucks Strategy in relation to Taxation

Group Overview

Starbucks Corporation ("Starbucks", "we" or "the company"), an entity listed on NASDAQ as **SBUX**, is the ultimate parent of the worldwide group of subsidiaries and affiliates companies that form the Starbucks Group of Companies ("Starbucks Group"). The Starbucks Group is headquartered in Seattle, Washington, U.S.A.

The Starbucks Group purchases, roasts, and sells high-quality coffees, along with selling handcrafted coffee, tea and other beverages and a variety of food items, including snack offerings, through company-operated stores throughout the world. The Starbucks Group also sells a variety of coffee and tea products and licenses its trademarks through other channels such as licensed stores, grocery and foodservice accounts in various parts of the world. More information about the Starbucks Group can be found [here](#), and details of our mission and values [here](#).

Introduction - Our Approach to Tax

As a responsible business, we manage our global tax responsibilities in keeping with our mission and values. Our approach to tax aims to align with the needs and long-term interests of our various stakeholders - including governments, shareholders, partners (i.e., employees) and the communities where we operate and source products. As such:

- We always consider the company's corporate and social responsibilities, brand and reputation when considering tax affairs.
- We aim for our tax affairs to be sustainable and equitable, and we recognize the importance of tax systems in helping governments fund policies and programs to meet the needs of their communities and residents.
- We engage with all tax authorities in an open, transparent and respectful manner.
- We support initiatives to improve transparency on tax matters, including OECD measures on country-by-country reporting and automatic exchange of information.
- We comply with the financial and tax related disclosure and transparency requirements of the U.S. Securities and Exchange Commission ("SEC"), as well as other government institutions that require financial and tax reporting in each jurisdiction where we have operations.

This tax strategy applies to Starbucks Group companies and includes application of U.K. tax laws and tax laws of all other jurisdictions in which we operate. This document is reviewed and approved annually by the Starbucks EMEA Group Chief Financial Officer (CFO) and the EMEA Group Financial Controller and is published by Starbucks Coffee Holdings (UK) Ltd.; Starbucks International Holdings Ltd and Conifer

Ventures Ltd. on 28 September 2025 in compliance with their duties under Paragraphs 19(2) and 22(2) of Schedule 19 of the Finance Act 2016 to publish a tax strategy in the current fiscal year.

How We Manage Our Tax Risks

As a multi-national group, we are exposed to a variety of risks, both internally and externally, that could affect our business. A description of the material risks affecting the Starbucks Group is contained in our latest SEC Form 10-K filing, which you can access [here](#). The highest risks we consider from a tax perspective include:

- Complexity and jurisdictional risks - Tax laws are complex, and open to interpretation. Risks can therefore arise in the interpretation of various tax laws and regulations. Different tax authorities may take different positions on similar issues, and such differences in positions may heighten the possibility of disputes.
- Legislative and regulatory changes - Changes in economic, political, legal, or regulatory conditions increase the likelihood of changes to tax systems in countries in which we operate, creating added uncertainty.
- Tax compliance and reporting risks - We heavily rely on financial and other systems as well as appropriately qualified and capable employees across our operations to analyze, calculate, record, report, and/or pay our tax liabilities timely and accurately.
- Business operational risks – Business growth, both in scale and complexity, requires ongoing review in context of our tax strategy and obligations. In particular, business expansion results in new transactions, with new products in new markets. We rely on our business and finance teams to engage with the business and undertake regular reviews of new transactions, major decisions and any changes to our commercial strategies to ensure that all relevant tax matters are identified and addressed in accordance with this tax strategy.

The policies and procedures we have in place, including our tax strategy, are designed to ensure we comply with all applicable laws and regulations.

Responsibility for setting and implementing our tax strategy and the management of our tax risks ultimately sits with the Chief Financial Officer (CFO). Oversight is provided by the Audit & Compliance Committee of the company's Board of Directors.

Day-to-day responsibility for the application of the tax strategy and the management of our tax affairs is delegated by the CFO to the Vice President of Tax. The Vice President of Tax reports to the CFO.

The Vice President of Tax is supported by a team of qualified and experienced in-house tax and finance professionals based in the U.S., the United Kingdom, and other key countries in which we operate. Our tax and finance team manages the Starbucks Group tax matters on a day-to-day basis. This includes managing our tax filing and financial reporting obligations, relationships with tax authorities and working with the business on tax related matters. The team works with the relevant business functions to analyze potential transactions and identify, manage and ensure compliance with relevant tax requirements. Material matters are escalated to the Vice President of Tax and, if appropriate, to the

CFO. External advice will be sought by our tax and finance team where there is a need for specialist guidance and support. This includes, but is not limited to, material or non-routine transactions or areas of uncertainty surrounding the interpretation of tax law.

Our Tolerance of Tax Risk

We are committed to complying with the tax laws and regulations in all countries in which we operate and monitoring changes to the tax laws in those countries. Our internal policies and procedures are designed to ensure we comply with applicable tax laws and minimize our tax risks.

Our tolerance of tax risks is continually evaluated and managed to ensure compliance while remaining consistent with the needs and long-term interests of our various stakeholders. Where appropriate, we will seek advice from professional advisors.

Our Approach to Tax Planning

Our tax and finance team supports the commercial needs of the Starbucks Group. We are committed to accruing, collecting and paying tax in all jurisdictions in which we operate. To meet these objectives, we ensure that the location of taxable profits is aligned with the location of value creation and our business model in accordance with OECD guidance and applicable local tax rules. The tax department assesses the appropriate tax treatment of the operating models which are determined by the business. This may include the identification of tax efficiencies, such as use of or application for local tax incentives, reliefs, or exemptions, where legally available and permissible. However, it is not the role of the Starbucks tax team to determine how the business is operated.

Our Approach to Transfer Pricing

Intercompany transactions are undertaken on an arm's length basis and in accordance with the OECD Transfer Pricing Guidelines For Multinational Enterprises and Tax Administrations in order to ensure that the location in which taxable profits are reported is aligned with the location of value creation by the Starbucks Group.

Our Relationships with Tax Authorities

We are committed to maintaining professional, open and transparent relationships with the tax authorities in all jurisdictions in which we operate, including HM Revenue and Customs ("**HMRC**") in the U.K. and the Internal Revenue Service ("**IRS**") in the U.S. We seek to achieve this through:

- Integrity and good conduct. We act in a constructive, professional, courteous and timely manner. This is central to our culture and approach to tax compliance.
- We strive to comply with both the spirit and letter of the tax laws in all countries in which we operate. Where a tax authority's interpretation of the law varies from ours, we will work with the authority in an effort to explain our position and resolve the issue in a timely matter. In the event we are unable to reach an agreement with a tax authority on the interpretation of the

law, or on another disputed matter, and our position is supported by external advice, we may pursue dispute resolution, as appropriate.

- For material transactions or tax events, we may engage on a real-time basis with the relevant tax authorities, including HMRC, to confirm, agree or clarify the application of the local tax legislation to the transaction or tax event, as appropriate.

UK Business Risk Review

As a large business, our UK companies (the "**UK Group**") are subject to HMRC's annual Business Risk Review process. During this process, our London based tax team works in an open and proactive manner with HMRC (including our Customer Compliance Manager) to discuss and agree on the status of our current, future and past tax risks. HMRC's latest risk assessment of the UK Group reflects its complexity and size, and the amount of taxes it pays, collects and remits.