



TRANSCRIPT Starbucks Inclusion and Diversity Presentation November 2020

Presented by: Roz Brewer, chief operating officer and group president, Americas

Hello, my name is Roz Brewer and I'm the chief operating officer and group president, Americas at Starbucks. Thank you for joining us for a three-part video series in which leaders from across the company will discuss our continued work and aspirations for Sustainability, Global Total Rewards, and Inclusion & Diversity. It is our belief that we must commit to daily, incremental steps for truly transformational change in our company and in the communities we serve.

As Starbucks partners, becoming more inclusive, diverse, and equitable means being intentional about our actions, transparent about our goals and our progress, and holding ourselves accountable at the highest levels of the organization. This is a principled approach and it's one that we outlined over two years ago in Philadelphia that led to the closing of our 8,000 U.S. company-owned stores for a day of anti-bias training. These principles further led to our partnership with Arizona State University in developing our open-sourced "To Be Welcoming" curriculum, to our Civil Rights Assessment led by former U.S. Attorney General Eric Holder, and to our success in achieving pay equity for both race and gender in the U.S. I, along with the entire management team and the Starbucks Board of Directors, believe in this work, and we look forward to keeping all stakeholders updated on our continued progress.

The I&D function is integrated into the Americas organization. This structure allows Starbucks to integrate I&D directly into the business and to support local and global impact on how we serve our partners, our customers and our communities. The I&D function at Starbucks is built around three Centers of Excellence. The first one is The Policy and Practice Center of Excellence which develops and implements I&D policies, processes, and tools across the partner journey, providing consultation to the Partner Resource Organization and to business leaders. This team leads the design and facilitation of I&D learning and education. The second one is The Compliance and Analytics Center of Excellence which leads all of our compliance programs and helps drive innovation in I&D through data analytics and insights. And the third and final one is The Strategy and Integration Center of Excellence which leads and facilitates our strategic and operational planning, our communications, and external relationships. They also integrate our Partner Networks and Accessibility throughout the organization.

We believe when we deliver on our I&D strategy, we live up to our Mission & Values in creating a diverse and inclusive workplace culture where partners feel valued can lead to higher engagement, productivity, and retention, while developing a more creative, innovative, and high-performing workforce. Our strategy for inclusion and diversity is a multi-prong approach. We will advance our culture of inclusion and equity for all partners. We will hold ourselves

accountable at the highest levels of the organization, to build a collective awareness and understanding of I&D at Starbucks; continuing to cultivate an inclusive workplace that ensures partners feel valued and experience a sense of belonging; continuing to build and sustain a highly engaged, high-performing and diverse workforce at all levels; continuing to ensure equal opportunity, pay equity, and proactive workplace resolutions. We will continue the work of integrating I&D throughout the business to achieve operational excellence. We will promote I&D as a valued business imperative across the organization, creating organizational structures and business processes to embed I&D into problem-solving and decision-making, establishing an Inclusion and Diversity Executive Council to provide internal governance to integrate inclusion and diversity throughout the organization. We will continue to create inclusive and welcoming experiences in our workplace and in our stores to deliver meaningful moments of connection for our partners, our customers & our communities.

All Starbucks partners have an important role in our journey to becoming an even more inclusive, diverse, and equitable company. The I&D goals that Starbucks has publicly announced recently apply to our business units in the United States: that's Retail, Manufacturing, and Corporate. These commitments are focused on our U.S. workforce. However, through the lens of our Mission and Values, we are committed to helping to advance inclusion and equity on behalf of our partners, which are our employees, and across our communities across the entire globe.

To understand demographic patterns among Starbucks partners, we publicly disclosed our workforce diversity data by job level for the key functions of our U.S. business. This includes partners who work in company-owned retail stores, which is Retail, those who work in our roasting plants and distribution centers, which is Manufacturing, and those of us with support center roles in our corporate office. So let me share a few statistics: Starbucks U.S. partner base is 69% Female and 47% Black, Indigenous, and People of Color which is BIPOC. Breaking down our BIPOC representation even further, our partners are 8% Black, 27% Latinx, 6% Asian, 5% Multiracial, and .6% Indigenous, which is American Indian, Alaska Native, Native Hawaiian, and Other Pacific Islander.

As we have taken a closer look at our representation data, we see opportunities to improve career advancement for our BIPOC partners throughout the organization. Broadly, these trends are consistent with the U.S. labor market, where demographic trends differ substantially between occupations and management levels. We will also use this data to focus our efforts on promoting greater equity and inclusion amongst BIPOC partners at all levels. Our key inclusion and diversity commitments include: leadership commitment and accountability. All vice presidents and above at Starbucks will be required to complete our two-hour anti-bias training and the foundational and racial bias courses from the To Be Welcoming Curriculum. We are committed to upholding a culture of inclusion, to ensure all partners feel valued and have a true sense of belonging. We are committed to supporting partner retention and development, including supporting career advancement for our BIPOC partners. And we are committed to transparency in our approach through inclusion and diversity, and goal setting, and sharing our progress through annual reporting.

So Starbucks is clearly on a journey, working to build a strong foundation of diversity, inclusion, and equity in our workplace. These continued efforts to establish strong I&D goals will help Starbucks continue to learn, evolve, and grow, and we will focus our efforts in the following areas. We are aligned on our I&D strategy and how we resource it from the top; we are helping managers understand what's needed and what's expected; we are coaching individual managers to adapt and interpret our I&D approach so that it works best within the context of their teams and their functions; and we are creating feedback loops and metrics to help managers gauge their progress against strategic goals.

When setting our diversity goals, we wanted to focus on ensuring increased representation of BIPOC and female partners at all levels of the organization across all three of our business functions. Our diverse representation goals for 2025 is 40% representation in retail, we want to see 40% representation in manufacturing and 30% in corporate. These are aligned to our job levels and show not only where we have exceeded expectations but also that we look better than many other corporations and where we have discrepancies resulting in wider gaps moving into management and leadership positions.

COVID-19 and the recent social justice movements have shined an even brighter light on the many injustices that many BIPOC and other marginalized communities face, including racism, inequities in access to food, clean water, clean air, quality health care. Accessibility and disability inclusion have also been key considerations as we have had to modify our store operations while also demonstrating what is possible through remote working arrangements.

COVID-19 has also highlighted the often-gendered impact of caregiving responsibilities. These crises have demonstrated the importance of intersectionality as our partners navigate these challenging times as multi-dimensional human beings which has brought together our Partner Networks in allyship and solidarity, building a coalition to support one another and to advocate for change.

Demonstrating our commitment to transparency, we disclosed our most recent three years of EEO-1 reports in October 2020 and we commit to publicly sharing our next EEO-1 report in 2021. Beginning in this fiscal year, we will publish an annual I&D report where we will update our I&D data and report on our progress. We will also utilize an analytics tool that will provide leaders with visibility to current diverse representation relative to our representation goals. The I&D strategy prioritizes inclusion as the goal. Representation serves as evidence of an inclusive environment where BIPOC partners want to work given the opportunity to excel and grow their careers. This is what drives candidate interest and partner retention.

Our Board of Directors receives updates from management on various I&D matters as part of its annual work plan. We will join other organizations as a signatory to the Board Diversity Action Alliance, which is taking action to advance diversity on public company boards, as we continue our commitment to racial and ethnic diversity on our board of directors.

I want to thank our investors and our stakeholders for joining our conversation today to hear more on Inclusion & Diversity at Starbucks. To follow our journey and receive the latest updates, please visit stories.starbucks.com or contact us at investorrelations@starbucks.com.

Thank you.

FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking statements. Forward-looking statements are subject to various risks and uncertainties that could cause our actual results to differ materially from these statements, and should be considered in conjunction with cautionary statements and risk factor discussions in our filings with the SEC, including Starbucks Annual Report on Form 10-K for the fiscal year ended September 27, 2020. Starbucks assumes no obligation to update any of these forward-looking statements or information.