



Conference Title: Starbucks Corporation Annual Meeting

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Michelle Burns: Welcome to our 2022 annual meeting of shareholders. Our Starbucks tradition is to start every meeting off with a coffee tasting, and we are so excited to invite you to Madison Park today.

Speaker: Today, we're here at the Tryer Innovation Center in Seattle tasting anniversary. We're having it on a French press and our guest, Freddy, from the farm.

Freddy: Hello partners, yes, I'm here in Costa Rica at the Felicita Center, and here at the background, you can see part of the whole farm that we have here in Costa Rica, Hacienda Alsacia. And we're going to do a tasting of anniversary blend.

Michelle Burns: I love it. Have you all tried this coffee yet before?

Speaker: No, not yet.

Michelle Burns: First time. All around.

Freddy: What aroma do you get? For me it's very spicy, I would say

Speaker: I think spicy is right. A lot of dried fruit for me as well.

Speaker: Yeah, I'm getting very spicy.

Michelle Burns: Some soft Cedar notes.

Speaker: Very woody, very earthy.

Freddy: I would say that's for the aged Sumatra that's featuring in this coffee.

Michelle Burns: Okay. I want to hear some loud slurps. Oh, that was good.

Speaker: I'm getting like Smokey Cedar notes. Very woody.

Speaker: I see the spice really comes through on the taste for sure.

Speaker: Dark, chocolatey.

Speaker: I get a lot of like coco-ey notes.

Speaker: So when I'm sipping on it, I just get the spice but when I'm slurping it, I get more of the Cedar.

Speaker: Smooth buttery black truffle flavor.

Freddy: Where do you locate the coffee? Right now for me, it's all over my palate so I would say it's a very balanced coffee, not very high acidity.

Speaker: I think that's right, yeah. Not too much acidity for me either. It's not overbearing at all.

Michelle Burns: Okay. So big in flavor and inviting spice, thanks to our beloved aged Sumatra.

Speaker: This annual favorite is a tribute to our heritage and toast of the future. Cheers.

Speaker: Cheers, Eddy. Toast to the future.

Speaker: Toast to the future. Cheers.

Speaker: My neighborhood Starbucks, I feel at home.

Speaker: When you're part of Starbucks, a person is a person. It allows you to just interact with a person as a human being.

Speaker: I like seeing the joy and laughter in someone. So how can I make that goal of making someone smile in our store?

Speaker: Every shift, I get a new opportunity to create moments in people's lives. Adding that positivity to their day.

Speaker: We are more than just coffee. We are a family.

Speaker: Starbucks gives me a sense of belonging as a person of the LGBT community. I feel seen.

Speaker: I feel confident coming to work. I feel confident in my everyday life.

Speaker: When I was 18, Starbucks took a chance on me, like a chance you can make change. I didn't really know my future and Starbucks gave that to me.

Speaker: This is more than just a job for me. I have come to love my coworkers and love the company and what it offers to us.

Speaker: You never really know how important you are to our customer base but during COVID, I learned just how important we were to them. We're embedded in their hearts. It made me feel special.

Speaker: Good morning, a new day is dawning. A new swag, a new bag is calling. Life is good. Good morning.

Mellody Hobson: Hi. I'm Mellody Hobson, Chairman of the Board of Starbucks, and I'm delighted to welcome you to our 2022 annual meeting. Today, on behalf of the board of directors, I'd like to discuss leadership changes that will unfold in the coming weeks and months. Succession is always at the top of any board's agenda and the board has been working to advance our planning since our CEO, Kevin Johnson, signaled to us early last year that he was starting to think about his future and possible retirement. After steering Starbucks through the difficult pandemic years, Kevin felt the waning of the global health crisis might be the appropriate bookend to his many years of service. That day has now come; a working committee of the board was formed to oversee the search process aided by Russell Reynolds associates. The process is ongoing and yielding a strong slate of potential candidates and we anticipate having the seat filled by fall.

As we take the time needed to select the right future leader, the board has asked Starbucks founder Howard Schultz to return his interim CEO starting April 4th, he will also rejoin the board. On behalf of the entire company, I want to thank Kevin for his leadership as CEO over the past five years as well as his prior eight years of service, first as a board member and then as

President and COO. Kevin and our talented executive team navigated one of the most difficult periods in modern history. As many know, we have partners not employees, and the economic certainty provided to our partners during the early months of the COVID shutdown as well as during mandatory quarantines upheld our core values and will be an enduring legacy. During his tenure, Kevin expanded the company's reach through the Global Coffee Alliance with Nestle, which now operates in nearly 80 markets. He also devised and executed the growth at scale agenda. Both significantly increased shareholder value.

Our digital platform is now a key driver of our customer interactions around the globe. Kevin also established the people positive, planet positive, and profit positive framework. This initiative is a never-ending effort to create a better world for Starbucks partners, farmers, customers, and the communities we serve. Kevin will remain a Starbucks partner and special consultant to the board through September and we sincerely appreciate his efforts on behalf of all of our stakeholders. You'll hear more from him in a minute. In the near term, the board believes Howard Schultz is singularly qualified to serve as interim CEO. In addition to the day-to-day management of the company, Howard will participate in the CEO search process and help onboard the next leader. Howard is volunteering his time as CEO, and will receive \$1 of compensation. Howard's love of Starbucks is legendary. We are delighted he answered the board's call.

As founder, Howard redefined the role and responsibility of a publicly held company pioneering programs like comprehensive healthcare, stock ownership, and free college tuition for full and part-time employees. During his years at the company, Starbucks grew from 11 to more than 28,000 stores in 77 countries and its stock price surged 21,000% from the time of its 1992 IPO until his retirement in 2018. Howard's return at this inflection point in the world and our own company's history is not back to the past but back to the future. As we pilot the aftermath of the pandemic and the socioeconomic forces impacting the lives of all of our stakeholders, who better to reinforce our culture than its creator? His efforts will underscore our commitment to innovating

and executing on our core purpose to inspire and nurture the human spirit one person, one cup, and one neighborhood at a time.

I also want to directly address the matter of unionization. The power of Starbucks historically has been to learn from every conversation and concern at every level of the company. We hear the feedback and we are committed to finding new ways to enhance and elevate what we call the partner experience. And we truly believe the company has and can continue to deliver far more in direct partnership with our people. This company never stands still. The Starbucks of the future will continue in its tradition of blazing new trails, honing our craft, and learning from our mistakes. Starbucks has always been a people-focused company guided by our belief that when we invest in our partners, they create the experience that uplifts our customers, that will not change. On a personal note, this is my first time addressing you as board chair and I'd like to take a moment to express my deep belief in this company's mission.

Today, demand for Starbucks is strong and growing. Our great coffee remains foundational to so many narratives from first dates and job interviews to study sessions and that much needed break. I strongly believe the relationships built over our coffee make our world better. Although I realize the world is fragile and I'm acutely aware of the pain all around, I'm proud to know, day in and day out, Starbucks and our green apron partners are connecting people at a time when we need it most. Thank you.

Kevin Johnson: Well, thank you, Melody, and welcome to all of you who have joined us for today's meeting. This is my 14th annual meeting of shareholders. Starbucks has been a gift in my life and today, in fact, every day, I want to make this about our partners. It is about all of us and that is why I want to kick off the first part of today's meeting by recognizing and celebrating Starbucks partners. Keep in mind that all Starbucks partners are shareholders through our bean stock program, and more importantly, partners are the heartbeat of Starbucks. Throughout my Starbucks journey, I have experienced first-hand what it means to be a Starbucks partner. How

as partners, we support each other. How as partners, we have a voice in the future of our company. How as partners, together we create authentic customer experiences in 34,000 stores around the world.

To my Starbucks partners, over the years you have shared with me in round tables, open forums and store visits, how personal the experience here is for each of you. You show up each day creating an environment as partners and as customers. We all feel that this is my Starbucks, this is your Starbucks, this is our Starbucks. To be a part of Starbucks is to be a believer. We believe in our Starbucks and we are united by a mission that goes beyond the pursuit of profit to inspire and nurture the human spirit, one person, one cup, one neighborhood at a time. We believe in our Starbucks and we commit each day to our partnership and to one another. We grow, learn, and evolve together. We show up for one another creating a sense of belonging, community and opportunity for our future together. Our Starbucks showed up for one another as partners during the COVID shutdown. When 40 million Americans were out of work, we protected jobs and paid partners.

Even when they felt unsafe to come to work, we provided industry-leading COVID benefits throughout the entire pandemic. And we invested over \$1 billion in incremental wages and training hours. We recognized the lasting impact the pandemic would have on industry and our customers and acted quickly to accelerate our strategies of trade area transformation and digital innovation to respond. Our Starbucks is creating opportunity for each other with free tuition for over 20,000 partners who are currently on their way to a college degree through the Starbucks College Achievement Plan with Arizona State University. Our Starbucks is also creating opportunity for over 100,000 coffee farmers who are engaged with our farmer support centers growing sustainable coffee and improving the prosperity of their family farms. Our Starbucks is on a journey where each day we embrace a culture of inclusion, diversity, and equity, and we never stopped caring for our planet.

Our Starbucks is contributing to a better future through sustainable coffee and dairy practices, building greener stores and shifting toward re-usable cup solutions as we reduce our waste, water, and carbon footprint. You'll hear more about all of this today. You see, as believers that this is our Starbucks, we have proven time and time again we can work together to find solutions to any obstacle and any challenge we face. And while we haven't been perfect, we work each day staying true to our mission and living our values. As Rossann will share later, we have more work to do to reduce complexity in our stores and free up more time so you can do what you do best, create meaningful connections with our customers and communities. I recognize the evolving backdrop of union discussions continues to present uncertainty, requires more progress, and is a point on which different views exist.

But I want to assure our partners that no matter the outcome, Starbucks fundamental commitment to its partners will remain. We have always been a people-focused company dedicated to doing right by our partners and our customers. Staying true to the vision of our Starbucks is the only true path forward. What is unfolding in the world around us in many ways is unfathomable. We've navigated through a global pandemic only to now witness a humanitarian crisis unfolding in Ukraine, unprovoked attacks on innocent people. It's horrific, It's devastating and we are so much better than that. As a global society, we need one another; we need humanity like never before. As our Starbucks journey continues and as the world brings more challenges that we will navigate, every one of us as partners can proudly say, this is my Starbucks, this is your Starbucks, this is our Starbucks.

As believers in this great company, the only way forward is together showing up to do the right thing, even when it's hard. Now I hope today's program reminds us all of the partnership that is so uniquely Starbucks. I am a believer in our Starbucks. Thank you.

Felicia Nelson: I grew up in east Oakland, California, with my grandparents and my mother. One of the things that really inspired me about my grandfather was he didn't give up. I knew very early on

that I was a leader. A lot of the times in my career I was overlooked or belittled not only because of the color of my skin but because I do have a lot of tattoos. I started to doubt myself and I switched to Starbucks. I started to see what the company had to offer as far as movement and promotions development, but it was unclear what they needed from me to advance. I felt like Starbucks just wasn't a place for me. And then our new district manager came in with a different mind-frame and she walks in with this big ball of energy and she says, what do you do here? I tried to put it all in one breath. My name is Felicia Nelson, I'm a shift supervisor, but I want to be an ASM.

And within the first week of meeting her, we were sitting down going over a development plan. To get the phone call to say that you are now a store manager was literally mind blowing. Getting that, okay, to be myself and to lead, that fire re-lit inside of me. I decided I wanted to be a store manager that leads the way that I would like to be led. You want people to feel good to work for you and work for the company. Kristen made me feel heard; she took the time to actually speak me. You have so many amazing people that work for our company. So where do we find that balance for each other, where we're still holding accountability but we're genuinely listening to one another so that we can support each other during this journey? When you bring others along with you and you support others to get to their goal too, you feel so much better and you build bonds that are everlasting.

Rossann Williams: Felicia, thank you for sharing your brave and inspiring story with all of us. I'm so grateful to be your partner and I want to thank you and thank all our partners who, like Felicia, help us create a company we can all be proud of, one that stands for humanity and honors our mission to inspire and nurture the human spirit. And that always, always starts with partners first. We faced two incredibly challenging years, they were hard and sometimes scary and I'm so proud of all we've done these past two years and how our partners inspired the best ideas to lead through the pandemic. We did that by actively listening, learning, and working together. As an

example, we still meet almost every week with nearly 9,000 of our managers to talk about our successes, our concerns, and how we can best support each other.

And that's on top of all the listening sessions, round-table conversations, and one-to-one discussions we have where we're out visiting markets across the country, where we stay connected, hear feedback and gather ideas. That connection and those rich partner conversations have led us through the pandemic and inspired the most courageous decisions we've ever made. I'm really proud that even when the business was down and we decided to close stores, we protected jobs and wages and our partner investments weren't slowed down either. In fact, we accelerated them. I don't know of any other company that has done more than we have to support people during the pandemic. We offered partners additional wages to come to work if they felt safe to do so. We offered paid time for vaccinations and boosters. We offered self-isolation pay for partners exposed to COVID. And all of this was above anything that was required. We did this knowing that it was the right thing to do, this is who we are.

And we also invested in the areas partners have told us are most important to them. Partners have asked for continued investment in their experience. This past year, we committed to an additional \$1 billion in wages and training. In fact, partner hourly pay has increased an average of 17% over 18 months and this summer, starting wages will range from \$15 to \$23 an hour. Additionally, this past January we invested in pay increases for partners with more than two years of service. But it's about more than just pay and benefits, we're bringing partner ideas to life to make work easier and less complex in our stores. Partners help design technology innovations like our shift marketplace app that makes it easy for partners to switch and offer shifts virtually. Our automated ordering system that saves store time and new handheld ordering devices.

Partners also inspired and helped design faster and more innovative equipment like our new Merrychef ovens, our new Mastrena 2 espresso machines and the new Starbucks cold brewer. And there's so much more to come, more training for new baristas, expanding our lift-ride

program for partners to get to and from work, and celebrating our college achievement plan where partners receive a hundred percent tuition coverage. Today, we honor the over 20,000 partners enrolled across the US. We are just coming out of one of the most complex times of our lives and I'm proud of how we figured it out together and service each other, our customers, and our communities. And we are going to use this exact same approach as we build our future, the way only Starbucks can. I know we will be the very best Starbucks we can be because of how we've learned to work so deeply and meaningfully over these past two years. It is my number one priority, commitment, and promise and I know we're just getting started together.

Virginia Tenpenny: It starts with our partners. I became a partner 15 years ago and like a lot of my fellow partners, I joined Starbucks because I wanted to be part of a great company that is a positive force in the world. Growing up, I'd always thought that if I wanted to play a role in changing the world, I needed to pursue non-profit work. Before joining Starbucks, I was skeptical about the role of a company in society. In the last 15 years, I have discovered the breadth and depth of the positive impact a committed company can have around the world. I'm Virginia Tenpenny, Starbucks' Chief Global Social Impact Officer, and I'm honored to share more about our continued commitment to use our scale for good and our bold new ambitions to drive even more impactful change. Over the last two years, our partners and their communities have been confronted with a seemingly never-ending wave of unprecedented challenges.

As we all attempted to navigate through global pandemic, partners downed their green aprons and took care of each other, their customers, and their neighborhoods. They did this through significant adversity because of their character and resilience. Our stores became a place of respite and a beacon of light in an otherwise challenging time. While Sam touched on some of the ways we are supporting partners here in the US, outside the US, we have other innovative partner benefits to help address unique needs in different parts of the world. Our apprenticeship and home-suite loan programs in the UK helps partners tackle the cost of living by providing

interest free loans. In China, we provide a monthly housing subsidy for full-time Starbucks baristas and shift supervisors.

Around the world, we continue to listen deeply to our partners to understand their needs and will remain laser focused and ensuring we are constantly working to enhance every aspect of the green apron experience, this work is never done. Our greatest impact on society is through our jobs and the experience of the hundreds of thousands of partners who wear the green apron all over the world.

Speaker: I love this company so much because you can show up to work every day and be your true, authentic self, and just be loved and embraced for that. And you can do that for others and make them feel seen, make them feel welcome, make them feel safe, during these challenging times that we're all in. My partners have taken advantage of a lot of Starbucks benefits that have really helped them. We provide health insurance, medical, dental, vision, 401K, which is also matched. We provide free counseling sessions through Lyra, we just used our bean stock and Fidelity benefits to purchase our first home. Working at Starbucks over the last 13 years, I've really grown up as a person and as a leader in this company. And I have had so many awesome mentors, so many awesome leaders that have taken the time to truly invest in me and help me prioritize my personal growth in so many ways.

Virginia Tenpenny: As we enter a new chapter as a global society and better understand the needs of partners and communities, there is always an opportunity to do more and a new way to use our scale for good. For us, people positive means impacting all who come into contact with Starbucks with a goal to ignite mutual thriving across all communities. Our business depends on this. From our partners to customers, farmers, suppliers, and those who live in the communities we serve, our aspiration is to not only touch but enhance the lives of one billion people, one eighth of the world's population by 2030. It's a bold aspiration and it starts with being the world's most welcoming place where everyone feels a sense of belonging. As we build on our legacy as

a people-first company, we will focus on and measure the positive outcomes for the people we touch.

Our aspiration will be supported by specific commitments, public accountability, and meaningful actions. Our impact radiates from the inside out and our commitments start with our partners. Through relevant hiring commitments around the world, we will remove barriers to opportunity and ensure partners feel a sense of belonging with their Starbucks family. We will continue to innovate, to provide world-class benefits for partners everywhere. We will guarantee all partners have tools and agency to chart their journey to mental and emotional wellbeing and plan to invest \$100 million in emotional and mental support systems for all partners by 2030. We will pioneer a new industry standard for inclusive store design and share it with others. These design principles will enhance the store experience for partners and customers, reinforcing our commitment to the world's most welcoming place.

I'm here in our White Center community store one of nearly 150 stores globally that are dedicated to creating opportunities and working alongside neighbors to strengthen communities that may otherwise be overlooked around the world. We have locally relevant models, from all female stores in India to stores powered by people with disabilities, and like here in White Center, stores designed to promote economic development in under-resourced communities. And in the US, we're very proud of the 100 military family stores that serve to honor our troops and military families and connect more Americans with military communities. We have much to learn from these communities. They are resilient, purpose-driven, and understand the power of better together. Today, we are proud to announce the expansion of the community store model with the goal of 1,000 locally relevant stores by 2030.

These stores offer a unique way for Starbucks to celebrate diversity, engage untapped talent, and uplift communities around the world. Beyond our store walls, we will strengthen communities by focusing our purchasing power, philanthropic investments and igniting partnerships to advance

social equity and promote community wellbeing. Late last year we announced a \$100 million investment to promote food security in the US, today, we are announcing the global expansion of our commitment and we'll activate our ecosystem of business partners to strengthen food security from coffee-growing communities to the neighborhoods we serve. On top of these corporate investments, last year alone, the Starbucks foundation contributed \$20 million in grants to strengthen communities around the world and we'll continue to expand our global philanthropic ambitions.

This includes a new foundation goal to uplift one million women and girls in coffee, tea, and cocoa growing communities by 2030. We know when we invest in women and girls; we strengthen the economic vitality of their communities. Additionally, the foundation will continue to invite our partners to nominate locally relevant causes for neighborhood grants. By 2030, we'll have grown this program from 3,500 neighborhoods in the US and Canada to 25,000 neighborhoods around the world. These organizations are nominated by our very own partners. We are joining forces with our business partners across the globe to serve as champions for our communities. And we won't stop there, our ambitions are bigger than Starbucks, but we cannot achieve this alone. To accelerate a positive transition to greater wellbeing for everyone, we will look beyond ourselves and collaborate across global markets and industries.

We will engage the world's leading retailers to collaborate, develop, and adopt new practice that uplift the wellbeing of people in essential retail jobs. Creating a new model for companies to be engines of wellbeing, all with one mission, to co-create scalable solutions that shift our systems to promote social equity and enhance wellbeing, all in service to a more thriving global society. Through these goals, strategies, and measures, we will hold ourselves accountable to our aspirations and goals to be a people positive company. Our opportunity and impact starts on the inside with our partners and radiates out to the communities around the world. We will find the edge of the possible to promote belonging, unleash potential, and realize mutual thriving for partners, farmers, and communities. While our goal is to enhance the wellbeing of one billion

people who connect with Starbucks in some way, it starts with one partner, one cup, and one neighborhood at a time.

Florence: My mom left Vietnam in late 1980s. She got on a boat, was on the ocean for two weeks, and so I am a Vietnamese refugee. I joined the PanAsian partner network in 2021. One of our missions and values is to be a resource and advocate for the PanAsian community. And last year during the height of the stop Asian hate movement, we were able to collectively have a voice and advocate for how we wanted Starbucks to show up. And as I was hearing the stories of the partners, like my heart just broke all of their experiences that they had growing up are all of the same experiences that I had as well. When I think about my journey as a partner, I think about the fact that the person that you see in front of you today is different, completely different from the person that walked in through the doors four and a half years ago.

And I have to attribute a lot of that to the programming and the conversations that we have as a company, but most importantly, the spaces and community have in the partner network group. And so I'm really thankful for that.

Dennis Brockman: I love Florence's story because in many ways it reminds me of my journey. Hello, I'm Dennis Brockman, Starbucks Global Chief Inclusion and Diversity Officer. And I have the pleasure of sharing with you our ongoing efforts in creating a Starbucks where everyone feels welcomed. I was a young man when I first became exposed to the realities of systemic discrimination, segregation, disparities in health, wealth, housing, and employment were a way of life. The idea that a young black boy could dream of one day going to college and aspire to be something great existed in my home with my mother and siblings, in my church, and within my community. But the dream often stopped there. Like many black, indigenous, and people of color, we're encouraged to dream big and then we're taught to keep those dreams to ourselves out of fear that someone might question our desire for more. Our desire for true freedom and autonomy.

And while we don't have the antidote to dismantle systemic discrimination, we have the power to make social change through civic engagement, a commitment to our communities and one another. That starts with our own role in driving to create more equitable Starbucks. So we're set to continue and build on commitments, aim to increase diversity and promote inclusion across all of Starbucks. Two years ago, we announced a 2025 goal to achieve bi-pop representation of at least 30% at all corporate levels and at least 40% of all retail and manufacturing roles. We took on this challenge with not only intentionality but by taking an honest look at ourselves, then worked together to develop programs and setting expectations. Just last month, we shared our progress towards that goal, and I am pleased to share we are well on our way to reaching our milestones and then setting new goals.

At Starbucks, every day partners have demonstrated anything is possible when guided by our mission to inspire. Our partner networks starting with our LGBTQ partner affinity group in 1996, our partner-led groups that bring together people with shared identities and experiences along with allies to promote a culture of inclusion and contribute to the success of our partners and our business. Starbucks has 12 partner networks each with unique goals that align with our mission and values. They are thoughtful advocates and powerful voices to help promote change and understanding within the organization and beyond. They have a passion and will to drive change and create space for everyone. These networks are just one way we create inclusion and belonging and one component of Starbucks commitment to drive real actionable change towards being a more equitable company.

We're also steadfast in holding accountability at the highest levels of the organization, tying the building of inclusive and diverse team building to our executive compensation program, building on the success of our inaugural mentorship program. Our second class has been expanded to include additional senior leaders and self-identified bi-pop partners with disability and LGBTQIA+ at the director and manager level. And the launch of our leadership accelerated program,

focusing on empowering partners, capacity for self-promotion, advocacy, and career navigation while increasing diverse representation and the leadership pipeline at Starbucks. We are well aware we don't always get it right at Starbucks. We have experienced setbacks in our journey forward to a more inclusive, diverse and equitable company and our partners are holding us accountable. And it's their thoughts, feelings, and perspectives that makes us better.

Nothing is more important than continuing to invest in the most diverse workforce in Starbucks history. The action of our journey continues every day as we work to advance racial and social equity for our partners and our communities with intentionality, transparency, and accountability. We all have a role to contribute and it's with that purpose in mind that we continue to invest in these areas for all partners. Learning comes by doing and that's what we are committed to. As a 14-year partner, I've prided it myself in living Starbucks' mission and values. With a clear approach, real inclusion requires intent. When we do that, we have the power to refrain and normalize diversity actions that nurture and embrace our cultural complexities, provide proof that we are committed to real change. For over 50 years, Starbucks have been led by its mission and values. For eight years, we have held a perfect score on the disability equality index.

And since 2018, we have maintained 100% pay equity for women and men and people of all races performing similar work in the US. These efforts extend around the world through intentionality, transparency and accountability. We will continue to make substantial change on behalf of all of our partners to ensure Starbucks is the brand of choice and being the most diverse, inclusive, equitable, and accessible company. I am proud of how this company has evolved and I'm even prouder of our partner's commitment to our journey.

Speaker: Starbucks is working on going zero waste. It's really a significant thing especially to the generation that's working in Starbucks right now.

Speaker: I don't think a lot of people know, for every bag of beans sold, it helps plant a new tree. We really help connect with farmers globally in reinvigorating their areas, and what they're doing. I genuinely feel like I'm working for a company that does care. And the initiatives such as moving towards paper straws, moving towards eliminating unnecessary plastics, moving towards sustainable packaging and things like that are wonderful initiatives.

Speaker: I'm not sure exactly what comes next, but this is very true to who Starbucks is and how we treat our planet the way it should be treated.

Brady Brewer: Hello, Starbucks partners and shareholders, I'm Brady Brewer, a 20-year partner. I have the honor of serving as Chief Marketing Officer. For us at Starbucks, helping to create a sustainable future for our planet is both the right thing to do and mission critical to our continued success as a business. Which is why, as Kevin shared earlier, in 2020, we introduced our bold multi-decade aspiration to give more than we take from the planet starting with a 50% reduction in our carbon, water, and waste footprints by 2030. Over the past two years we've made meaningful progress towards those goals with coffee farmers, our suppliers, our licensees, and our partners with a focus on testing and innovating and learning to create bold and scalable sustainability solutions, all for the betterment of people, coffee and the planet.

In fact, I'm here at our Tryer Center with partners who are passionate about anticipating and creating game changing innovation making day-to-day life easier for fellow partners and creating experiences that customers love. Our partners, customers, and the communities we serve expect us to lead and for many years, our partners have taken action to encourage Starbucks planet positive aspirations. Our greener apron program is one example. In 2017, our partners worked with Arizona State University to create the Starbucks Global Academy Greener Apron Course to develop environmentally-minded leaders at every level of the company. Let's hear from Sina[?], one of our greener apron partners.

Speaker: I came to Starbucks because I heard of the Starbucks college achievement plan and I wanted to pursue a long-term goal of mine of continuing a higher education and studying sustainability. I learned about the greener apron program and I was so excited to learn more about Starbucks sustainability initiatives. Afterwards, I wanted to go and implement these in my store. Some of these were rolling out food share ahead of launch, implementing grounds for your garden at my store and encouraging my partners and my customers to use reusable cups. During my senior year of ASU, I had the opportunity to join a fellowship with the global sustainability team at Starbucks.

My project was to develop a sustainability activation for store partners. I created earth bingo, which was a challenge that was sent to all US company operated stores with small actions that they can take in their store and their community that created big changes. All of this led to be accepting a permanent role on the global sustainability team. This means I now support the greener apron program in bringing sustainability to partners around the world.

Brady Brewer: Partners like Sina, who are bringing our mission and values to life every day in their stores are why I'm proud to be a Starbucks partner. More than 15,000 partners have completed the greener apron course since it launched and it's one of the many ways we'll continue to engage partners and customers on the sustainability journey together. As the world's largest retailer of specialty coffee, we embrace our responsibility to care for the planet knowing that we will need a long-term supply of the world's finest coffee. And with that responsibility comes the fundamental need to support the people that care for coffee at every stage of its journey, from farm to customer. To share more about how Starbucks is investing in sustainability to ensure the best outcomes for coffee farmers and the land, I'd like to hand it over to Michelle Burns, who leads Starbucks Global coffee, tea, and Cocoa tea.

Michelle Burns: Thank you, Brady. Hello, coffee is and always has been at the core of our business. I'm here today where I start most of my mornings in one of our stores where our partners complete

the last ten feet of our coffee's journey. But today I'd like to talk about where that journey begins from seed to cup, the first ten feet at the farms. Now, from the beginning, we've been committed to sourcing coffee responsibly for the betterment of both people and the planet. And that's why almost two decades ago, we set out to design our ethical sourcing program to promote transparent, profitable, and sustainable coffee growing practices while also protecting the wellbeing of coffee farmers and workers, their families, and their communities. We call this our coffee and farmer equity program or C.A.F.E. practices. The reality is it has never been more challenging to be a coffee farmer.

Conditions like climate change, drought, market volatility, increasing costs and socio-political factors have all put the future of coffee at risk. Last year, we announced ambitious goals to reduce green coffee's impact on the environment, focused on reducing our carbon and water footprint, and we've been hard at work ever since. One example where we are very focused is fertilizer, it is one of the biggest contributors to carbon emissions on farms. In fact, it makes up over one-third of the carbon emissions in our entire green coffee supply chain. To help farmers minimize its use, we're implementing various tools and technology to collect soil samples and gather data to inform custom plants. Now, with these plans, farmers will be able to make more informed decisions around soil health and management; ultimately helping them increase productivity and quality, save costs, and importantly, reduce their carbon footprint.

To date, we've collected data that provides guidance to impact more than 100,000 of the 400,000 coffee farms we source from today. This is meaningful and rapid progress toward our ambitions and our holistic approach to caring for people and planet. In addition to our environmental work, we continue to build on our people positive foundation by helping farmers and their communities improve their social and financial wellbeing, knowing that these are critical factors to their future success. Now I'd love to share with you an example of all of this work coming together. Let me take you to Narino, a breathtakingly beautiful remote coffee community in the Hills of Columbia. My team and I have been working with local farmers on an incredible new initiative. Here,

alongside our farmer support center partners and our coffee suppliers, we've launched a holistic sustainable five-year coffee program. We're affectionately calling it Granos de Esperanza or grains of hope. Take a look.

Speaker: In Colombia, coffee is produced where you see exuberant nature that we need to protect before it's gone. I am the project manager of Granos de Esperanza, the project is focused on the new generation of coffee growers of Narino. So we're working with young people and women that are in the coffee business, and we are helping them to increase their productivity but also learning with them how to produce coffee more sustainably.

Speaker: Okay, so we are going to show you guys what we have been working on.

Speaker: We are building the proper infrastructure for them to adopt the technologies that we are implementing in the program. We are trying to consume less water in the coffee processing; we are training our farmers on best management, nutrition, on measuring the environmental impact that we are having on the farms. And we are trying to register and monitor every change that that we see so we can show people positive impacts of having a sustainable production.

Michelle Burns: This is my, your and our Starbucks and seeing this work come to life gives all of us hope for the future of coffee and those who grow it. I'm proud to support coffee farmers alongside our partners in every store around the world who bring the Starbucks experience to life in the last ten feet every day. As we all know, the world is complex. Supply chain challenges and inflation remain headline news around the world. Coffee prices have risen dramatically over the past year and the impacts of climate are evident. More people are drinking coffee, and we know the demand for high-quality sustainable coffee will continue. We plan to be here for decades to come. For us at Starbucks, we will continue to invest in farmers and their communities and work

to identify new and innovative solutions to improve the lives and livelihoods of farmers everywhere.

In fact, this commitment to innovation touches on every part of our supply chain, including tea, cocoa, and dairy. And with that, I'd now like to introduce my partner, Michael Kabori, our Chief Sustainability Officer, to share more about our work to support the long-term health of the dairy industry. Thank you.

Michael Kabori: Thank you, Michelle. Dairy is an essential part of some of Starbucks most beloved handcrafted beverages. From the very first, our latte to my favorite, the vanilla sweet cream cold brew. More than half of our handcrafted beverages are made with dairy, which makes Starbucks a large purchaser of dairy in the United States. At the same time, nearly a quarter of our carbon emissions come from dairy. We know we need to look at ways to test learn and be part of the solution to reduce dairy emission so we can become a resource positive company. Let's hear firsthand from our partner, Nicole, to learn how her team is supporting the long-term health of the dairy industry.

Nicole: Within our sustainable dairy program, we are now working with dairies building a program to address sustainability on dairy farms that can move towards zero emissions. It's possible and that's what Starbucks is doing with our dairy supply to get to that goal. What's going on under this big bubble is methane gas production. So the manure in there has a lot of different microbes, one of those is methanogens and they produce methane. When we let that release to the environment, it has a greenhouse gas effect. So instead, this lagoon cover, also known as an anaerobic digester, is capturing all the methane that's produced from the manure. What people really don't understand is how many amazing things are happening on dairies and how forward thinking they are, the innovations that are happening here to make things more sustainable.

Michael Kobori: Nicole, thank you so much. As a company that works with and relies on the farming community every day, I'm so proud of the work that you and your team are doing to help drive solutions that support both people and our planet to achieve our bold aspirations. We need to not only work with our suppliers but across the entire dairy industry and with all who touch Starbucks. That's why we joined the US dairy net-zero initiative with a commitment to spending \$10 million to work with the industry to research and test new approaches including more sustainable cow feed, manure management and on-farm energy efficiency. In addition, we're partnering with the nature conservancy to help refine and scale our sustainable dairy standards. And we're taking our efforts global where we're working with our dairy suppliers in Europe to pilot sustainable dairy with farmers in the UK.

Our shared goal is to make sustainable practices and technologies more accessible and affordable to dairy farmers all around the world so our customers can feel good about their choices with every sip.

Brady Brewer: You've just heard from Michelle and Michael about the work we're doing with our suppliers. Now let me share how we're implementing more sustainable practices in our stores. With more than 34,000 store locations across 84 markets, this is where it all connects. Around the world, our customers are drawn in by our unique and beautiful designs, warm atmosphere, perfectly crafted coffee, and welcoming partners. Each one of our stores requires an array of materials, water, and electricity to provide the Starbucks experience. And these resources are finite. We see an opportunity to do much better in our use of these resources. The innovation we're developing right now aims to minimize our impact in a way that drives the future of green retail for the world. To drive change across the retail industry, we've created a set of practices called the Starbucks Greener Stores Framework.

These principles are available for free to the world and establish a new benchmark, an environmentally responsible retail for design construction and operations. Starbucks currently is

certified more than 2,300 greener stores in the US and Canada. And last year we announced a commitment to expand the program in partnership with our international licensees. We've set a goal of building and retrofitting 10,000 greener stores globally in the next three years. Last year, we opened the first two greener stores outside of North America in Shanghai and in Tokyo with new stores opening later this year in the UK and Chile. Knowing that each region we serve has a diverse set of needs adapted the greener store's framework to achieve reductions in carbon emissions, water usage, and landfill waste in locally relevant ways.

Our partners are proud of this work and we're seeing more engagement and excitement from partners who are proud to be a part of the sustainable shift in our business. And we're already beginning to see how the greener store's ecosystem is enabling more sustainable behaviors for our customers. Just one example, since opening the doors of the Tokyo greener store in December of last year, more than half of visitors have chosen reusable options for their beverages either through the choice of a ceramic mug, a glass, or bringing in their personal cup, or our innovative borrow-a-cup pilot program. Here at our Tryer Center is where we developed the Starbucks borrow-a-cup program. The Starbucks cup is a globally recognized brand icon and while it can be recycled in certain locations, it can only be used once and that needs to change.

But with approximately 80% of Starbucks beverages enjoyed on the go, how do we make choosing reusable cups as convenient and delightful as you'd expect from Starbucks? We know this for sure, we can't do it alone, we need to work together, Starbucks and you, to make reusables a part of everyday life. Within the next year, our goal is to make it easier for many customers around the world to use a personal or Starbucks provided reusable cup for every visit. Whether ordering in the cafe, in the drive-through, or even mobile order and pay, we want our customers to be excited to choose reusables every time. Our first borrow-a-cup pilot in Seattle taught us a lot about what customers need to adopt more sustainable behaviors. And we continue to work with our licensed business partners around the world to understand more.

Building on what we've learned so far, we're now scaling multiple reusable pilots across the globe, including Arizona, Hawaii, New York, Washington, DC, Wisconsin, all to find out the best incentives and then test the program. In South Korea, our first market to commit to fully eliminated single-use plastic cups by 2025, we've brought reusables to the entire island of Jeju and we'll cover Seoul by the end of this year. In Japan, we're learning from office workers and tourists in Tokyo's Marunouchi Business District. And in Singapore, we're learning from local students at three stores on the campus of the National University of Singapore. And in the UK, we're testing at a variety of stores, including a drive-through, to prepare for a rollout across all 4,000 EMEA stores by 2025. And this is just the beginning. We will begin more pilots and testing next week in France and Switzerland, all with more markets to roll out later this year.

Now our partners are passionate about sustainability and together we create amazing ideas and change. Seven years ago, partners created the Partners for Sustainability Network, from the ground up, to educate, engage, and empower fellow partners to drive sustainable change. Today, there are 6,000 members around the world, who are bringing local partner-driven sustainability innovation to Starbucks and their communities. One of these partners is Erica who participated in our greener store innovation challenge where we asked partners to submit ideas to make Starbucks even more sustainable. She drove the development of Starbucks' newest digital innovation, The Partner Recycling App. Let's take a look.

Erica: We handle waste every day as a business and in our lives. Recycling is one of the biggest ways we can really make an impact. Our partners, our customers want to do the right thing for the planet but they don't know how to do it. They need accurate and personalized information. This app provides store specific recycling information at their fingertips, empowering them to take actions for their future and the planet. It was a passion project and I'm excited what we can learn from it. How do we keep making it better? That's the thing that drives me the most is the impact.

Brady Brewer: Our partners and customers have always held Starbucks to a higher standard and we all share a passionate belief in the role that business can play in sustainability. The journey to reach our aspirations will be challenging, but Starbucks is committed to taking a leadership role in the industry, using our scale for good. We see our work as a virtuous circle where our innovation, investment in people, and our more sustainable operations enable us to grow our business while supporting a thriving future for people and the planet. As we look ahead to the bold aspirations we've set, we are challenging ourselves and our business partners to think bigger and do much more because an enduring sustainable planet means a healthy enduring Starbucks.

Speaker: Honestly, it feels like the future. When I first walked in I was kind of taken aback. It feels like you're stepping into something new.

Speaker: It's almost like walking into Willie Wonka's chocolate factory, but when you see in action, you can see it's going to have a huge impact.

Speaker: One of the coolest things about Tryer is that there's a lot of innovation that happens here that we get to be a part of from the start of the idea to the end result, you're testing it. And it's a lot of fun being one of those partners that gets to test it before it's launched.

Speaker: It is very important for me to be a part of the process because I have a voice on what's going to happen and I can give them perspective that they probably don't have.

Speaker: We're kind of the experts in the store. We are going to be the best people to ask because we're the most current on operations. It was really cool getting to see the store pickup concept really start as just cardboard and mock ups in the store for, in the lab here at Tryer to see how we can create something that was mobile focused, that we've never done before. This is an entrance space for the pickup stores. Seeing that full story concept come to real life is totally awesome and super unique.

Rachel Ruggeri: Hello and welcome everyone. My name's Rachel Ruggeri, and I have the privilege of serving as the Chief Financial Officer of Starbucks. Although February 1st marked my first full-year in this role, I've been a partner for over 17 years and seen our company navigate through store reinventions, global expansion and incredible digital growth. We didn't even know what the word app was when I started in this business. Through it all, I remained so proud to not only be a partner but also a customer and a shareholder. The pandemic has changed our lives forever and I'm proud that we've built a company that has demonstrated flexibility, meeting the needs of our partners, customers, and shareholders in a way that creates value for everyone. Each one of you listening is either a partner, a customer, a shareholder, or a combination of these just like me. And that's what I want to focus on today, the fact that this is not only my Starbucks, but it's your Starbucks, it's our Starbucks, all of ours.

And if you remember anything from what I say, it is this, through our growth, by being profit positive, we will continue creating value for all. Now, although I'm a partner, I am first and foremost, a customer. I'm here at the downtown Seattle pickup store just a few blocks from our very first store in Pike Place Market. This is my kind of Starbucks because, and now this may not surprise you, but I am always on the go, and being able to quickly grab my morning iced Grande quad espresso with extra, extra ice is perfect for me. But what works for me, doesn't work for everyone, and that my friends is what makes Starbucks different. At Starbucks we recognize that one size does not fit all, our success has been rooted in how we differentiate ourselves, meeting customers where they need us to be from the personal connections our partners make with our customers every single day to our store formats and our menu offerings. It's how we create your Starbucks.

How do we do this? We call it our growth at scale agenda, being profit positive while growing responsibly with focus and discipline driving double-digit EPS growth at scale. This is the framework that's helped to successfully navigate the past few years in a way that's flexible and

adaptable, critical to operating in these dynamic times. Our approach has led to consistent growth in revenue and income including earnings growth in the double digits this past year. Our revenue grew to 21% with operating income growth of 139% and EPS growing to \$3.24. This was well above our guidance range, driven in large part by our faster than expected recovery. But importantly, this growth has served as fuel for our critical investments, most notably our investments in our partners. There is no better way to differentiate our brand than through the amazing experience that our partners create for our customers, that is our magic.

Let me talk more specifically about our growth at scale agenda. Simply put, it is a framework that's powered by purpose-built design allowing us to differentiate through three key strategic areas of focus. One, elevated customer experience, two, breakthrough beverage and coffee innovation, three, expanded digital customer relationships. And this is all underpinned by continued investments in our partners. Let's first start with our partner investments. Our partners are what makes Starbucks so special and investments in our partners are essential to our success. Since fiscal year 2020, we have tripled the investments in support of our partners, and we are dedicated to make the right investments in the right areas today, tomorrow, and in the future. These include competitive wages, industry-leading benefits, positive store environments, and comprehensive training and onboarding.

And since our industry leading benefits include bean stock for our partners, our partners are also shareholders. So our investment in them is an investment in you. Why? Because this is our Starbucks. Let's take a look at our elevated customer experience which is best demonstrated through our stores. We're building our stores with different formats and different profiles to better meet our customers where they need us to be. Sometimes customers want to meet a friend in one of our cafes. In China, we have a store that offers a pet friendly area, staffed by pet friendly partners, making it a community for pet owners. As a dog lover myself, that store would be my first choice or perhaps they'd like to just pop in for a moment to have a bright spot in their day. Other times they're more like a marathon runner who wants to get their vanilla latte or cup of

coffee on the go like you'll find in our drive-throughs with curbside delivery or in a pick-up store like this one.

Now let's talk numbers. We ended fiscal year 2021 with nearly 34,000 stores globally with more than half of those stores located outside of the US. Importantly, we substantially completed our trade area transformation plan strengthening our portfolio as customers migrated from Metro to suburban areas across North America. This drove greater returns on our investment with cash margins increasing to approximately 29% and ROI of approximately 55%, a notable improvement from what we shared at our most recent investor day. In China, we continue to open stores at a record pace growing 14% year over year on a net new store basis as we shifted our design focus to smaller footprints, lower tiered cities, and enhanced delivery capacity to support increasing demand for convenience. These stores also demonstrated best-in-class economics furthering our belief in the long-term opportunity within this growing market.

Our new stores globally drive new customers and new occasions. They are critical to our growth and give us every confidence that we can successfully drive to 55,000 stores in a hundred markets by 2030. In addition to stores, we're also innovating through our product offerings giving our customers more reasons to come in and visit us. We're continuing to see strong growth from our enticing beverage innovation, notably in cold espresso and plant-based products, two of our fastest growing categories. We see both of these trends that work with the delicious new ice-toasted vanilla oat milk shaken espresso. It's my personal favorite for an afternoon treat and it's a nice compliment to my morning iced-quad espresso. Our customers, myself included, crave cold beverages. With cold accounting for nearly 70% of our total beverage sales last year, up approximately 20% points over the past three years. As we like to say, cold is hot, triple the tees on that hot.

Now, shifting to our Tryer Center, our coffee and equipment experts have been working side by side with our partner stores to develop a new cold espresso. This capability will usher in the next

great wave of espresso-based innovation, plus it's easier for our partners to craft. Additionally, the team has also developed an on-demand brewer, but instead of me telling you about it, how about I show it to you? For over 50 years, we have been dedicated to creating that perfect cup of coffee every single time. It's the heart of what we do and it's a game changer. When you put it all together, our product innovation does more than just fuel our sales growth; it allows us to offer something for everyone. Moving on to digital, we have seen how the pandemic accelerated the adoption of technology and we're working to expand our digital customer relationships. You can see that right here in this pick-up store where digital offerings are an integral part of the customer experience.

We also continue to innovate with the Starbucks mobile app. Have you noticed how personalized the food and beverage recommendations are in your Starbucks app? That's not a coincidence, that's our deep brewed AI technology at work. And those recommendations will become even more personalized as our innovation progresses. To simplify your life even further, on your next vacation, you'll be able to order ahead in one of our licensed airport locations using the Starbucks app and we're working to bring mobile order and pay to more licensed locations across the US. Today we have more global Starbucks rewards members than ever and we're still growing with a loyalty program that is becoming even more relevant and personalized as we saw with our first ever Starbucks rewards member festival in China which had over 58 million viewers across a number of platforms.

Speaking of innovation, in China we introduced 1971 salon in that market and it enables customers to leverage their app to book private curated experiences at the local Starbucks as a way to rejuvenate and reinforce the third place experience. Customers can reserve areas and select stores for private events or register for immersive coffee workshops. Let me share it with you. Again, we are all about finding innovative ways to meet our customers where they need us to be. Innovation has driven our sales growth, evolved to meet the changing needs of our customers, and pushed the envelope on what it means to be a partner and a customer-centric

company. Now, what does this all mean for you as shareholders? All of these efforts collectively have created value through increased return on invested capital and improved capital efficiency.

And in spite of unprecedented macroeconomic headwinds, specifically inflationary pressures, we remain committed to improving margins over the long-term. Over the past four years, we returned over \$25 billion to shareholders, which includes our partners. And we made a commitment to return \$20 billion over the next three years totaling approximately \$45 billion, which is a remarkable 40% of our total market cap. When you add it all up, elevated customer experience, breakthrough innovation and beverage and coffee, expanded digital customer relationships, all underpinned by continued investment in our partners, it equals growth. While our growth this year will not be linear, we are confident our approach supports a profit positive company today and over the long-term, creating value for all stakeholders, our partners, our customers, and our shareholders.

It's our vision to build a different kind of company, a company that welcomes all different types of people from every walk of life and all around the world. After all, this is our Starbucks. I hope to see you in this pick-up store someday soon.

Speaker: I started right when the pandemic started. Coming here kept me afloat in really sad times or challenging times. Especially with the openness here and how free I feel to be myself. I love coffee, I love making coffee, and I feel like I work with people who support me at work and outside of work too. And I feel like there's that mutual love.

Kevin Johnson: Well, thank you partners. Now, before we transition to the business portion of this meeting, I'd like to close on a personal note. I recall my first annual meeting back in 2009, where I was proudly sitting in the front row as the newest member of the board. Observing something unique, a company, a public company with a purpose that went beyond the pursuit of profit. A company that lived up to a set of values and cared for each other as partners. Starbucks

partners united together in a collective pursuit of a common mission doing something meaningful in this world. As I sat there at my first annual meeting, I had no idea how special journey would be for me. But I was excited to be there, filled with enthusiasm, curiosity, and optimism for the future. Roll forward six years to 2015, I was honored to join the management team but I must admit also a bit apprehensive.

After all, I had spent 32 years of my life in the tech industry, what did I know about retail experiences? What did I know about the intricacies of coffee? And because I hadn't yet experienced it first-hand, what was the true meaning of being a Starbucks partner? In fact, I was retired at the time focusing on my health following a skin cancer episode and the prospect of a new adventure at Starbucks was both exhilarating and intimidating. And I am so glad that I embraced this opportunity with all of the passion, energy, and curiosity that all new Starbucks partners bring to this great company. Stepping into the CEO role in 2017, I humbly accepted knowing that I carried a great responsibility, a responsibility to all Starbucks partners. I knew this required having the wisdom to know what to honor and preserve from the past while at the same time, the courage to boldly re-imagine the future. It's a delicate balance that we tried to strike each day for the past 1,808 days.

I think that most days we got it right but I know there were times we didn't. And when that happened, we learned and adapted, it's what makes us better. To my Starbucks partners, I want to offer a heartfelt, thank you. You welcomed me in the stores around the world, you taught me what it means to be a partner, that emotional connection. We shared stories together in hundreds of partner round tables and open forums. And when I put on the green apron and went behind the bar, you would indulge me with a beverage throw-down contest. I have fond memories of making beverages together, laughing together and sharing stories with each other. Overcoming challenges and pursuing opportunity together. You are the heartbeat of Starbucks, our Starbucks, and it has been an honor working in service of you, my Starbucks partners.

I am a believer in you and to the broad set of stakeholders we serve. From partners, to customers, to communities, to coffee farmers, and to shareholders, I appreciate how we all come together and contribute to the special nature of Starbucks. Each step of the way we have been intentional in our actions to build the brand, care for partners, connect with customers, serve our communities, and create value for all stakeholders. We've also been authentic and transparent with our goals and accountable for the outcomes. I want to offer a special thank you to Howard Schultz, Mellody Hobson, and the board of directors and the management team for all the way they continue to inspire this company. I am grateful to all of you. Starbucks has been a gift in my life and I close this portion of meeting filled with gratitude and optimism for the future. Thank you.

Speaker: Starbucks has helped me grow personally, professionally and spiritually.

Speaker: Starbucks was my first job and I continue to grow myself into a leader, a better communicator, a better partner, a better father.

Speaker: I have become partner to my partners and I've become a partner to my community.

Speaker: It feels good to have that connection. I don't think I would ever have that without Starbucks.

Music: We're going to keep on dreaming. Every shot you make, all your hardest days. I'm glad you took this place. We're going to keep on dreaming.

Speaker: Coming here and working, I actually feel like I've gained a second family.

Speaker: Never live your life alone. We're going to keep on dreaming.

Speaker: One day, somebody opened the door, I looked back, this person, she ordered a latte; I made it with a latte heart. She gave me a massive hug and just said, this is the most beautiful thing that happened to me today and started crying.

Speaker: Remembering somebody is so significant to every person, that's what it's about.

Speaker: The most important thing that Starbucks has given me is the opportunity.

Speaker: Honestly, I have found a home here that I don't want to leave. I just feel like I can really be myself around all of my partners and makes me feel like I'm part of something.

Speaker: I feel incredibly thankful that I have this community to grow and learn.

Speaker: We care for each other. I love what I do, and I love being part of Starbucks.

Jennifer Kraft: Good morning, partners and shareholders. My name is Jennifer Kraft and my pronouns are she and her. I have been a Starbucks partner for a year and a half and I currently serve as our Corporate Secretary. It's my privilege to join you to present the formal portion of our meeting. I became a Starbucks partner during an incredibly challenging time for our company and our communities around the world as we all navigated the quickly changing landscape and impacts of the COVID-19 pandemic. As a relatively new partner, I have experienced firsthand, the sense of community and connection that is so deeply rooted in the Starbucks mission, values, and culture, and how it defines who we are as partners. And as a company, during an incredibly challenging time, I am proud of our unwavering commitment to serve and support our communities and each other. I want to thank all of my fellow partners who shared their stories with us today.

I continue to be inspired by each and every person that connects with Starbucks, from our partners to coffee farmers, to the customers in our stores, to our shareholders and beyond. And

now it's time for us to proceed with the formal portion of our annual meeting of shareholders. We have received an affidavit signed by Broadridge Financial Solutions that notice of this meeting, along with related proxy and annual report materials was mailed or made available on January 28th, 2022, to Starbucks shareholders of record, as of the close of business on our record date, which was January 6th, 2022. A list of shareholders as of the record date is available for inspection by shareholders using the registered shareholder list link found on this webcast page. Based on the affidavit from Broadridge, this meeting is duly called with timely and proper notice. In addition, based on the information provided by Broadridge, a quorum of shareholders is present to conduct our meeting today.

The polls are now open and will close after the presentation of our business matters, which will be in a few minutes. If you previously voted using the internet, by phone, or by mail, you do not need to take any additional action. If you would like to vote today or if you previously voted and would like to change your vote, please use the voting buttons on the portal. Broadridge has appointed Mr. Andrew Wilcox as the inspector of elections to tabulate the votes. The first order of business is to select the 11 directors nominated by the board. The nominees are as follows, Melody Hobson, Starbucks, independent Board Chair and Co-chief Executive Officer, President, and Director Ariel Investments, LLC. Kevin R. Johnson, Starbucks, President, Chief Executive Officer. Richard E. Allison Jr, Chief Executive Officer and Director, Domino's Pizza. Andrew Champion, Chief Operating Officer, Nike. Mary N. Dillon, Executive Chair and Retired Chief Executive Officer, Ulta Beauty.

Isabel Ge Mahe, Vice President and Managing Director of Greater China, Apple. Jørgen Vig Knudstorp, Executive Chairman, Lego Brand Group. Satya Nadella, Executive Chairman and Chief Executive Officer, Microsoft Corporation. Joshua Cooper Ramo, Chairman and Chief Executive Officer, Sornay,. Clara Shih, Chief Executive Officer and General Manager of service cloud, salesforce.com. And Javier Terrell, retired Vice Chairman, Colgate Palmolive Company. The board recommends a vote for each of the nominees. The second item of business is to

approve the amendment and restatement of our 2005 long-term equity plan. The board recommends a vote for this proposal. The third item of business is to approve, on a non-binding advisory basis, the compensation of our named executive officers. The board recommends a vote for this proposal.

The fourth item of business is to ratify the selection of Deloitte and Touche LLP as our independent registered public accounting firm for the current fiscal year ending October 2nd, 2022. The board recommends a vote for this proposal. The fifth and last item of business is the shareholder proposal submitted by the state of New York office of the state comptroller related to the preparation of annual reports regarding the prevention of harassment and discrimination in the workplace. We will now hear from Gianna McCarthy, Director, Corporate Governance, a representative of the New York State Comptroller, to present the proposal.

Gianna McCarthy: Good morning, Chair Hobson, members of the board of directors and management and fellow Starbucks stakeholders. I am presenting proposal five on the proxy on behalf of New York State Comptroller, Thomas DiNapoli, Trustee of the New York state common retirement fund which held over 2.5 million shares of Starbucks valued at approximately \$296 million as of December 31st, 2021. The proposal requests for report describing and quantifying the effectiveness and outcomes of company efforts to prevent harassment and discrimination against protected classes of employees including but not limited to sexual harassment and racial discrimination.

Some of the data that would assist shareholders in this assessment include the total number and aggregate dollar amount of dispute settled by the company related to sexual abuse or harassment or discrimination based on race, religion, sex, national origin, age, disability, genetic information, service member status, gender identity, or sexual orientation. The average length of time it takes to resolve harassment complaints. The total number of pending harassment or discrimination complaints the company is seeking to resolve through internal processes or

through litigation. And whether the company uses nondisclosure or mandatory arbitration clauses in employment agreements. The company's assessment as to any negative effects on worker's ability to seek redress and whether any exceptions are provided for harassment and discrimination matters.

Comptroller DiNapoli is requesting the report outlined in proposal five because workplace abuse, harassment and discrimination can result in substantial cost to companies including cost related to employee turnover, increased absenteeism, and reduced productivity, as well as legal costs. All of which can impact shareholders investments in the company. Poor labor relations may also pose difficulties in recruiting new employees, a true challenge in this current labor market. I would also like to note that since the time this proposal was filed, the ending forced arbitration, sexual assault and sexual harassment bill of 2021 was signed into law. The title is self-explanatory. Though we applaud this bipartisan effort, it does not go far enough because it did not eliminate forced arbitration for claims of discrimination. We believe it is in the company's best interest for the board to go beyond what Congress has done and restore access to the courts for discrimination claims as well. Thank you for your consideration.

Jennifer Kraft: Thank you, Gianna, for the reasons outlined in our proxy statement. The board has recommended a vote against the shareholder proposal. Throughout our 50-year history, Starbucks has set out to be a different kind of company, one that puts people first, including our partners, our customers, and our communities. The company embraces diversity and inclusion to create a workplace where partners can be themselves. Discrimination, harassment, and retaliation have no place at Starbucks and no partner is expected to tolerate such conduct. Starbucks board and management are committed to maintaining a respectful workplace consistent with that commitment. The company has established and regularly communicates the process for reporting and promptly and thoroughly investigating claims of discrimination, harassment, or retaliation.

The audit and compliance committee of our board of directors has responsibility for overseeing the adequacy and effectiveness of our legal regulatory and compliance programs and regularly receives reports about harassment and discrimination claims. Given our continuing commitment to create and maintain a respectful workplace supported by our policies, partner training, and our board's ongoing oversight, our board believes that issuing a public report with the information contemplated by this proposal is not necessary. That concludes the matters to be voted upon as outlined in the notice of annual meeting in accordance with our bylaws. I now hereby declare the polls for voting at our 2022 annual meeting closed.

Ladies and gentlemen, I have received the preliminary tabulation from Broadridge, and based on that tabulation, I am pleased to report that all of the director nominees were elected. Each of the management proposals was approved and the shareholder proposal for annual reports regarding the prevention of harassment and discrimination in the workplace was not approved. We will report the final voting results of today's meeting on our form 8K filed with the SEC within four business days of this meeting. That concludes the formal business of the meeting and I now declare the annual meeting of shareholders adjourned. I appreciate having the opportunity to join you all today. We will now transition to the Q&A session, which will begin in a few minutes.

Kevin Johnson: Well, thank you, Jennifer. To take questions today, I'm joined by our Board Chair, Melody Hobson, and a few of my Starbucks partners on the leadership team. To my right is John Culver, Group President and our Chief Operating Officer. Next to John is Rossann Williams, our President of Starbucks, North America. And to her right, Rachel Gonzalez, our General Counsel. And left of Melody here is Rachel Ruggeri, our Chief Financial Officer. And next to Rachel is Michael Conway, Group President who leads our international and channel development business. So I know we have many questions that have been submitted and so now I'm going to turn it over to the moderator to handle the questions.

Speaker: Thank you, Kevin. We did receive a lot of great questions for the group today. Many were around similar themes. So we pulled the ones that were representative to make sure we got everything covered. So our first question today is for Rossann Williams. Rossann, I understand the pandemic has made the business unpredictable but I've also noticed some stores in my area are closed in the middle of the day. What is being done to address this?

Rossann Williams: Well, all through the pandemic, our decision-making has prioritized one thing above all else, and that is the health and wellbeing of our partners and our customers. We leveraged analytics to understand how and when to make adjustments to best support our stores and our communities. In fact, store managers in partnership with their district managers have also been empowered to make decisions for their stores based on their local environment, including reducing hours operating levels, and yes, in some cases, closing stores temporarily. I appreciate your patience and I can assure you we are working hard to get your store back open soon.

Speaker: Thank you, Rossann. The next question is for John Culver, what is Starbucks doing to reduce single-use packaging? What are you doing to reduce plastic use in your stores?

John Culver: Well, first off, thank you for the question. And shifting to reusable cups is a primary strategy for us in achieving the planet positive goal to reduce waste by 50% by the year 2030. But that's not just about cups, we also are remaining focused on managing waste through more sustainable packaging solutions as well. Now we shared some of the details with you today including our borrow-a-cup program and our reusable cup efforts. And our goals are very clear and that is to make choosing a reusable cup as convenient as our customers expect for each and every visit, whether that's in a cafe, a drive-through or through mobile order and pay. Our commitment to sustainability is unwavering and we're working with all our partners and throughout our stores to make this happen in markets across the world. Thanks for the question.

Speaker: Thank you, John. Michael Conway, question for you. The company provides frequent updates about the US and China, how is the business in the rest of the world and what are the areas of growth your focused on ahead?

Michael Conway: Well, there remains incredible runway for growth of the Starbucks brand outside of the US and China. Today across our international business, Starbucks serves customers in 80 markets with more than 200,000 partners that proudly wear the green apron in over 17,000 stores, most of these in partnership with our licensed business operators. We're inspired by what we've learned, drive success in the US and China, and we partner closely with our licensees to adapt and apply these same innovations to unlock more opportunity for growth across the markets we serve around the world. These success drivers include innovative beverage platforms, and elevated customer and store experience and personalized digital relationships.

And to deepen our digital relationships with customers, we're tapping into our digital flywheel to create customer loyalty through Starbucks rewards and convenience features like mobile order and pay. For example, today in Southeast Asia, we announced the partnership with Grab, the region's leading super app, to provide customers with more ways to become Starbucks rewards members and enjoy a seamlessly integrated Starbucks experience within the Grab ecosystem. With more than half of Starbucks stores now outside of the US, we are optimistic for the growth that our international markets will drive for Starbucks globally. Thank you for the question.

Speaker: Thank you, Michael. Mellody, question for you, a group of investors wrote to the company urging Starbucks to take this opportunity to make a pivot towards neutrality and supporting workers' rights to organize. Could you please comment on the concern raised by these investors? Thank you.

Mellody Hobson: Thank you for the question. I want to start off by saying that for 50 years now, this company has grown and succeeded by taking very seriously, all conversations, all concerns that

have been expressed to us at every level of the company and I assure you that we're doing that now. And I also want to say in my day job, I run an investment firm so I certainly value the shareholder voice. So I appreciate the outlook - outreach and so does the company. On the specific issue of neutrality, this one is more nuanced. One would say, how could you be against neutrality? But neutrality in its nuanced form limits our ability to speak to our partners in certain ways. And that goes directly against the DNA of the company.

Now I'll be clear about the fact that we absolutely understand and recognize the right of our partners to organize, that is the American way. We are also negotiating in good faith and we want a constructive relationship with the union. 50 years of experience also shows us that by having a direct relationship with our partners, we've been able to grow and succeed. So we appreciate the question, we're leaning into the issue and we're working hard to make sure we hear the concerns that are out there.

Speaker: Thank you, Melody. Rossann, question for you. What is being done to support the employees that work in your stores? Will you continue raising their pay?

Rossann Williams: Our total rewards approach, which includes our benefits and compensation package is our number one priority. In fact, we've been prioritizing investments in our partner wage and their overall experience. And as an example, this year, we committed to an additional \$1 billion in wages and training. As another example, hourly pays increased an average of 17% over the last 18 months. In fact, we expect our hourly starting wage to be \$15 to \$23 per hour and we'll meet that this summer. This past January, nearly 75% of our tenured partners also received seniority pay increases. We're also improving our partner experience in the stores through the equipment investments that you heard about earlier today. And we're also investing in additional training. I'm very proud of our partners and we're going to continue to prioritize and elevate their experience together.

Speaker: Thank you, Rossann. Rachel, question for you. Can you help me understand why the company would recommend against the shareholder proposal presented today?

Rachel Gonzalez: Yeah. Thank you for the question. Starbucks has published and is deeply committed to bold inclusion and diversity goals. Dennis Brockman discussed them earlier today, and to be clear, harassment, discrimination, retaliation, has no place at Starbucks and no partner should have to tolerate that. This shareholder proposal suggests that very detailed public reporting on the resolution of workplace concerns might prevent harassment and discrimination in the workplace; we disagree with that. We report on these matters to our board and given our commitment and our efforts to create a respectful workplace, our board believes that issuing a public report of this nature as contemplated by this particular shareholder proposal is not necessary and it will not benefit our partners or our shareholders.

Speaker: Thank you, Rachel. Question for Rachel Ruggieri. What gives you confidence that you have the right pieces in place to grow long-term given what we're experiencing today with the stock price?

Rachel Ruggieri: Thank you for the question. As I shared earlier today, we are confident in our growth at scale agenda; it has and is serving us well. We also acknowledge that Starbucks is operating in an industry that's currently facing pronounced headwinds including inflation and labor shortages. However, throughout the pandemic, we've successfully navigated our challenges, we delivered record revenue and earnings in fiscal 2021 while continuing to differentiate ourselves, supporting our partners and our customers. So today we have plans to continue to navigate through these industry headwinds and strengthen our leadership position. Our growth is not going to be linear but we're confident in the underlying health of our business.

Speaker: Another question for you, Rachel.

Rachel Ruggeri: Yeah.

Speaker: Based on the recent news for Yum China and the increased cases of COVID in the market, how is that impacting your performance in China?

Rachel Ruggeri: Well, we're watching the developments closely and we have the benefit of a broad and diverse portfolio. Importantly, we continue to focus on the strategic areas of growth in the market, that includes new stores, digital expansion, and even innovation, and that gives us the confidence over the long-term. As you know, we don't comment inter-quarter on our performance or provide market-level guidance but we're confident in China over the long-term and that's unwavering.

Speaker: Thanks, Rachel. So with that, that takes us to the end of our questions today. I will turn it over to Kevin Johnson to close us out. Thank you.

Kevin Johnson: Well, great. Well, thank you all for joining us for this annual meeting of shareholders. And while this may be my last annual meeting as a member of the management team, as we say here at Starbucks, once a Starbucks partner, always a Starbucks partner. Now I believe in my Starbucks partners, I believe in this great company, and we thank you all for joining us today.