

20-Mar-2019

# Starbucks Corp. (SBUX)

Annual General Meeting

## CORPORATE PARTICIPANTS

**Kevin Johnson**

*President, Chief Executive Officer & Director, Starbucks Corp.*

**Patrick J. Grismer**

*Chief Financial Officer & Executive Vice President, Starbucks Corp.*

**Michelle Burns**

*Senior Vice President-Global Coffee & Tea, Starbucks Corp.*

**Rosalind Gates Brewer**

*Chief Operating Officer, Group President & Director, Starbucks Corp.*

**Rachel A. Gonzalez**

*Secretary, Executive VP & General Counsel, Starbucks Corp.*

**Justin Danhof**

*General Counsel & Director-Free Enterprise Project, The National Center for Public Policy Research*

**Bruce Thomson Herbert**

*Founder & Chief Executive Officer, Newground Social Investment SPC*

---

## OTHER PARTICIPANTS

**Larry Brown**

*President, Washington State Labor Council, AFL-CIO*

**Jan Drago**

*Member-Board, Mary's Place Seattle*

---

## MANAGEMENT DISCUSSION SECTION

### Unverified Participant

There will be a number of forward-looking statements made today that should be considered in conjunction with the cautionary statements contained in the company's recent SEC filings. Forward-looking statements are subject to the various risks and uncertainties that could cause Starbucks' actual results to differ materially from these statements. Starbucks assumes no obligation to update any of these forward-looking statements or information. Please see our filings with the SEC including the last Annual Report on Form 10-K for a discussion of specific risks that may affect our performance and financial condition. Please refer to the Investor Relations page of [starbucks.com](http://starbucks.com) for reconciliations of certain non-GAAP financial measures noted today and their corresponding GAAP measures.

[Video Presentation] (00:01:17-00:05:11)

Please welcome, Kevin Johnson.

---

**Kevin Johnson**

*President, Chief Executive Officer & Director, Starbucks Corp.*

Well, good morning, and welcome to Starbucks 27th Annual Meeting of Shareholders. Now, you'll notice that we are in a different venue today, and for good reason. McCaw Hall provided a wonderful setting for our annual meetings for many years, but it became clear that we needed more space. And so here we are today, with nearly

4,000 attendees right here in the WaMu Theater and many more joining us live on the webcast. This is the largest annual shareholder meeting in the history of Starbucks. Welcome.

Now, today is also a very special day for me. It was 10 years ago at this annual meeting that I officially joined the board of directors and my Starbucks journey began. For the past decade, I have had the privilege to work side by side by a – with a very talented and engaged board. And so, I begin today by thanking and recognizing my fellow directors. Please stand.

Now, we also have several of our international license partners who have traveled great distances to be here with us today. These partners do so much to bring the Starbucks brand to life in markets around the world. I want to thank you for being here with us today. Today is a celebration. It's a celebration of the 380,000 Starbucks partners around the world who proudly wear the green apron. You are the ones that create that special Starbucks experience for the more than 100 million customers that we serve each week in our stores. Starbucks partners, please stand up. Thank you for what you do.

Now, I also want to offer a special welcome to our veterans, active duty military and military spouses who are here with us today. Please stand. We are so pleased to have all of you here as we celebrate the past year while looking forward to the future. Now, we have a full program for you today. You'll hear from several of our senior leaders who will tell the story of how we have sharpened our focus on the most important priorities for Starbucks and how we are executing against those priorities in a disciplined manner.

We will share the details of our financial performance over the past year and how are we – we are creating value for all stakeholders, our partners, our customers, communities and our shareholders. We will reinforce our commitment to our mission and values, while at the same time boldly reimagining our future. We'll take you on the journey from bean to cup and share some exciting new announcements.

We will also welcome a very special musical guest. And yes, we will conduct the official business of the annual meeting. Now, this has been a transformative year for Starbucks. It was a year of change that has positioned the Starbucks Coffee Company for our next chapter of growth. It was also a year in which we delivered record revenue and we watched our stock price climbed to an all-time high.

It was a year of progress that has amplified the importance of playing the long game. Think about it. Every morning, 5:00 AM, the leadership team wakes up and they study the daily sales report. Every month, we do a deeper dive on our business performance. Each quarter, we publish our financial results and we host an investor call. And then in real time, even at this moment, the Starbucks stock is trading on Nasdaq.

Now, all of these activities are important. But let's be real. These are all short-term milestones that can lead to short-term thinking. Companies that optimize for the short term often lose their way. These are the companies that stumble and sometimes never recover. So today, we want to focus on the long term and how together we are building an enduring company.

A little late, Sumitro. French press. Now, let me start by putting this into context. Starbucks was founded 48 years ago, in 1971. And since then has built one of the world's most admired and trusted brands. 1984, Starbucks introduced the new Third Place Experience with handcrafted beverages.

1987, we had 17 stores across Seattle, Chicago and Vancouver, Canada. 1992, Starbucks went public. 1996, we opened our first international market outside of North America, in Japan. 2004, we opened the first farmer support center in Costa Rica. And 2008, we embraced the mission: To inspire and nurture the human spirit – one person,

one cup, one neighborhood at a time. Today, we are a 48-year-old company with over 30,000 stores; 380,000 Starbucks partners serving over 100 million customers a week. We celebrate the history of Starbucks with our eye on the future.

Building an enduring company means that we are focused on how we build the foundation for the next 50 years of Starbucks. How we stay true to our core, reinvent our future and dream of the centennial anniversary of Starbucks. Imagine if you will, celebrating the 100th anniversary of Starbucks. Now that is an enduring company.

So, I want to pose a question. What does it take to build an enduring company? Here's what I believe. I believe an enduring company unites partners through an emotional connection to a powerful mission and demonstrates values through action. I believe an enduring company is constantly evolving taking on new challenge, not afraid to take risks and always learning and adapting while staying true to its mission. And I believe an enduring company handles adversity with grace and success with humility, never losing its way. Now, it goes without saying that building an enduring company demands a long-term view and a long-term commitment.

Now, two years ago, before this meeting, Howard Schultz presented me this key. It is the key to the pipe play store that he carried in his pocket for decades. This key is a symbol. It's a symbol of the responsibility that the leadership team and I have for the future of Starbucks. We must always have the wisdom to know what to honor and preserve from the past and the courage to boldly reimagine the future.

Here is what it takes to build an enduring company: staying true to our mission and values, embracing new ideas and innovating ways that are relevant to our customers, inspiring to our partners, meaningful to our business, inspiring the believers. The people that believe Starbucks has a purpose that goes beyond profit, believers who approach the world with an attitude of optimism and the constant pursuit of doing good. We aspire for Starbucks to be one of these enduring companies. Why? Because our mission is grounded in humanity and we have experienced firsthand how it touches people's lives.

Now, I've seen firsthand how Starbucks touches the lives of coffee farmers around the world. I was visiting at fifth generation family farm in Costa Rica. I stood amongst the coffee trees on a beautiful hillside as a 7-year-old boy, his father and his grandfather shared the story of their family farm. I listened as the grandfather explained how the Starbucks C.A.F.E. Practices helped their family farm not only improve the yield of their crop but the quality of their coffee. How C.A.F.E. Practices ensure that they were paid fairly for their coffee so that they could support their family. And as I listened to him sharing their story, I watched this 7-year-old boy looking up at his father and his grandfather with pride. An enduring company will be there when that 7-yearold boy one day takes over that farm and cares for his family.

Now, I've seen firsthand how Starbucks touches the lives of partners around the world. Last year, I was hosting an open forum in Washington, D.C., 400 Starbucks partners in a hotel meeting room. Partners can stand up and share a story, ask a question, give feedback. When a young man in his early 20s stood up with the microphone, he said, Kevin, I've only been a Starbucks partner for nine months. A year ago I was homeless on the streets of Baltimore. My brother had just been murdered. I had no family, I had no place to go and I had no purpose in my life. But a Starbucks store manager cared enough to reach out to me, understand my situation and give me an opportunity. And he said, I just want to say thank you, thank you.

Starbucks touches people's lives in meaningful ways every day all over the world. Last year, I was sitting in a Starbucks just observing. When a barista calls out, I have a beverage for [ph] Camden (00:18:16). And this young 3-year-old child jumps out of a chair, runs as fast as he can up to the hand-off plane, reaches as high as he possibly could to get his beverage. And as he turned to me enjoying his beverage, he smiled, and his heart was

full of joy but so is mine. My heart was full of joy because that 3-year-old little boy is my grandson, and he likes to go to Starbucks with his pop.

Now, building an enduring company means we will be there for coffee farmers. We will be there for Starbucks partners. We will be there in the future for our customers, the communities we serve, and we have worked so hard this past year to transform our approach and create an agenda we call growth at scale. This agenda acknowledges that we are growing off a very large base with 30,000 stores around the world. The consumer behavior is changing rapidly that we operate in a dynamic economy and a dynamic geopolitical world.

With this agenda, we are focusing on the most important priorities and then executing with discipline. Growth at scale has three building blocks: streamline, three strategic focus priorities and build the brand.

Now, we've streamlined the company across four dimensions, retail market alignment. We've transitioned a number of markets around the world to our licensed partners. Why? Because they'll grow that market faster than we would as a company operated model. We acquired 100% of our East China joint venture making China one of our two targeted long-term growth markets. Business simplification, we put ourselves in the shoes of the barista. Simplifying and automating administrative tasks so that they can spend more time focused on the customer.

And the global coffee alliance with Nestlé has unlocked new growth opportunity by opening up international markets and bringing Starbucks coffee to the Nespresso and Dolce Gusto platforms. The final dimension of streamline is to increase the velocity of innovation by changing the way we work. We've done this by going from a long cycle innovation model, which was too slow, to one that enables us to go from idea to action in 100 days and then rapidly learn and adapt, learn and adapt.

Today, we work in smaller cross-functional teams that collaborate on an idea and leverage the new Tryer Lab that provides rapid ideation, prototyping and action. And finally, we are increasing the idea flow from innovative startups in early stage companies from outside of Starbucks that are focused on retail tech and food tech.

So today, we are announcing the Valor Siren Venture Fund. We have partnered with Valor Equity Partners, a successful investment firm that was an early investor in some startups you might have heard of: Tesla, Uber, eatsa, SpaceX. Now, this fund focuses on innovators building businesses in areas that are relevant to Starbucks; retail tech businesses like eatsa; food tech businesses like [indiscernible] (00:22:20) print, companies at Starbucks may explore commercial relationships with and accelerate our innovation agenda.

Our anchor investment of \$100 million is the first of its kind for Starbucks. Valor will raise an additional \$300 million from other investors to round out the fund. This action reinforces our belief that innovative ideas are fuel for the future. By streamlining the business, we're now focused on three priorities: accelerating our growth in China and the U.S., our two targeted long-term growth markets. These are the two markets that will shape the future. We're expanding our global reach through the Global Coffee Alliance with Nestle and we're increasing returns for stakeholders, partners, customers, communities and our shareholders. These three priorities are built on a solid foundation: the Starbucks brand, a brand that has been listed as one of Fortune's Most Admired Brands for the past 17 years. Now, we're recently ranked as the fifth most admired in the world and the only food and beverage brand in the top 10, a distinction we have held since the year 2012.

The Starbucks brand is anchored in our mission and these fundamental concepts: an elevated customer experience that we create in our stores for more than 100 million customers a week, the romance of the world's finest Arabica coffees, hand-crafted beverages tailored to each customer's personal preference; and the actions

that we take to demonstrate that our purpose goes far beyond the pursuit of profit. We believe in the pursuit of doing good.

Now, throughout the day, you will hear from people who helped make this happen because together, we are building an enduring company. How does all this come together? What is the common thread? Well, it's actually a green thread. It's the green thread that is woven in the fabric of our company by the men and women who proudly wear the green apron. And it's an honor knowing that I can play a role in building an enduring Starbucks and dream of the day when Starbucks celebrates our centennial anniversary in the year 2071. Together, we're on a mission, and here we go. Thank you.

Now, it is my pleasure to introduce you to Pat Grismer, who joined Starbucks as our Chief Financial Officer four months ago. Pat brings more than 25 years of experience at The Disney Company, Yum! Brands and Hyatt. Pat has tremendous experience and passion, and he has been core to helping us drive the growth agenda for the business. He understands the consumer, he understands the food and beverage industry, and he understands enduring companies. Please welcome, Pat Grismer.

---

## Patrick J. Grismer

*Chief Financial Officer & Executive Vice President, Starbucks Corp.*

Thank you, Kevin, and good morning, everyone. Behind me you see a wonderful photo of our newest beverage at Starbucks, the Cloud Macchiato. It also happens to be my new favorite beverage. For many years, my go-to beverage at Starbucks was a tall, skinny Vanilla Latte. You might say it's a bit like me, tall, skinny, and some would say a little vanilla, maybe. But last month I savored for the very first time the Cloud Macchiato, and I was hooked. How could something so indulgent-tasting and with such rich texture be so light? That's the magic of Starbucks. And what a privilege it is for me to be at Starbucks to help write the next chapter of growth for one of the world's greatest and most magical companies.

The past four months have been a time of tremendous learning for me, but I've been fortunate to build my career with some outstanding, global, consumer-facing companies. And this experience, coupled with the support of a world-class finance team at Starbucks, has positioned me to help shape the company's growth agenda. And so I'm thrilled to share with you today our growth outlook for Starbucks, as well as a recap of recent financial results.

As context for our future growth expectations, fiscal 2018 provided emerging evidence that the strategies we are implementing to sustain growth and build long-term shareholder value are working. With improving business momentum in the last quarter of the year, Starbucks grew revenues by 10% to a record \$25 billion fueled by 7% growth in our global retail store base. However, to help build the enduring brand that Kevin described, the company smartly invested a large portion of the upside from U.S. tax reform in the middle of the PNL, in our partners, and in technology, pillars of our business, and key points of competitive advantage to lay the foundation for future growth.

As a result, our operating margins contracted significantly, limiting our non-GAAP operating income growth to only 1% in fiscal 2018, in pursuit of long-term growth. But with the benefit of a lower income tax rate, as well as substantial share repurchases fueled by a more optimal capital structure, Starbucks drove non-GAAP EPS growth of 17% for the year.

Now, to be fair, Starbucks' operating performance had been uneven for several quarters. But new strategies to improve performance began to take hold in the back half of fiscal 2018 delivering positive results in the fourth quarter, results that sustained into fiscal 2019 giving us confidence that we're taking the right steps to drive more consistent performance and realized the full value of the Starbucks brand.

Now, looking ahead, we envisioned a new phase of growth for the company what we call growth at scale as Kevin mentioned. This acknowledges three things. Number one, we remain a growth company. We are not a mature business whose best days are behind us. With many geographies and channels still not fully penetrated, we are continuing to grow rapidly and we are investing behind that growth, demonstrating our belief in the power of the brand and its untapped potential globally. Number two, we've achieved a global scale that requires a different approach to sustaining a high rate of growth, an approach that requires more focus and more discipline. And number three, while growing at a rapid pace, our rate of growth has admittedly slowed if only because of our larger base.

Ongoing non-GAAP EPS growth of at least 10% is the revised long-term guidance that we unveiled at our biennial investor conference in December. In other words, we believe that we can sustain double-digit EPS growth for years to come, excluding non-core or non-recurring items and events that may impact our reported results in any particular year.

So, how do we deliver ongoing EPS growth of at least 10%? Well, it starts with revenue growth of 7% to 9% led by our retail business, which includes global comp growth of 3% to 4% and net store growth of 6% to 7%. And although our channel development business will be growing at a more modest rate in the near to medium term, we expect that rate of growth will accelerate longer term as our Global Coffee Alliance with Nestlé unlocks new territories.

With a modest amount of margin expansion, our total revenue growth of 7% to 9% translates into non-GAAP operating income growth of 8% to 10%. And with at least a 2% net benefit from ongoing share repurchases, we have a clear path to non-GAAP EPS growth of at least 10%. This is a rate of growth that we expect to sustain for the foreseeable future.

But we're not concerned solely about growth as a means of creating shareholder value, we're also very much focused on returns, guided by a disciplined approach to capital allocation. With a substantial operating cash flow that we generate annually, our number one priority is to fuel the growth of our business, investing in high-return opportunities like new store development in the U.S. and China, with cash paybacks of less than two years.

Second, we're committed to paying a meaningful dividend. We target an earnings payout ratio of approximately 50%, and that has generated a dividend yield of about 2% recently, which is quite competitive for a company with our growth profile.

And finally, we allocate the balance of our cash flow to ongoing share repurchases. Now, what I mean by ongoing is that this does not include cash from non-core activities or non-recurring events, at our targeted leverage ratio of 3 times lease-adjusted EBITDA, we believe these ongoing share repurchases, net of incremental interest expense, will sustain an annual EPS growth benefit of about 2%.

In the last year, we committed to return \$25 billion of shareholder capital over a three-year period, fueled by actions to streamline the company, monetize assets and optimize our capital structure. At the beginning of this year, fiscal 2019, we initiated a \$5 billion accelerated share repurchase plan utilizing after-tax proceeds from the Global Coffee Alliance. I'm pleased to announce today an additional accelerated share repurchase plan of \$2 billion, which we expect to complete by the end of June 2019. This puts us on a path to deliver over 80% of our \$25 billion shareholder capital return commitment by the end of this fiscal year.

So, how have we performed thus far in 2019? We are very pleased with our overall business momentum that we demonstrated in the first quarter with solid revenue growth of 9% driven by net store growth of 7% over the past 12 months and global comp growth of 4%. Despite continued margin compression largely due to the investments that we made last year, non-GAAP EPS grew 15% versus prior year, helped by discrete tax benefits in the quarter.

These results position us well to deliver our fiscal year 2019 guidance, which remains unchanged from our last update, revenue growth of 5% to 7%, admittedly lower than our ongoing model due to the one-time dilutive impact of the Global Coffee Alliance, a moderate decline in operating margin given the investments we're making for long-term growth, and non-GAAP EPS growth of 11% to 13%, helped once again by income tax benefits and an above normal level of share repurchases for the year.

Integral to our growth and scale agenda are focus and discipline, continuing to streamline our business to bring greater focus to what matters most, and applying a higher level of discipline in how we operate our business, including capital allocation. You will hear more about this from Roz. And what you will see is that we remain focused on growing in a sustainable way, investing for the long term so that we build an enduring brand for our customers, for our partners, for our communities and for our shareholders, not just this quarter, not just this year, but for decades to come.

All of this is not possible without the significant efforts of our partners all around the world. So thank you. Thank you to our partners who work on our roasteries and our distribution centers, to our partners who work in our support centers, and to our partners who wear the green apron every day. It is your enduring commitment to serving our customers that drives the financial results and the outlook that I've shared today.

You are the most important part of our business. And thanks to our shareholders for your support of Starbucks, many of you our partners and customers, and we expect to continue to earn your trust and your support by growing this great company and delivering strong operating results.

I will close the way that I started. It is indeed a privilege to be a Starbucks partner and to help lead a company that is focused on building an enduring brand for many years to come. Thank you.

[Video Presentation] (37:15-39:35)

---

## Michelle Burns

*Senior Vice President-Global Coffee & Tea, Starbucks Corp.*

Good morning. Isn't that a beautiful, beautiful example of the love and care that happens on farming in generations around the world? There's a lot of joy that happens on farms. My only hope is that I could bring you there with me today, but let me try. My name is Michelle Burns and I'm a 24-year Starbucks partner. And over the past year, I've had the privilege to lead the Starbucks Global Coffee & Tea team.

My Starbucks journey has not only deepened my love of our coffee and our brand, but it has led me to both champion and protect the role of coffee at Starbucks. Today, Starbucks' share of the global demand of coffee is 3%, which actually makes us the fourth largest roaster in the world. But because we only source the highest quality specialty arabica coffee, our purchases are nearly half of the world's highest quality specialty arabica that we're providing to our customers every single day. But we're doing more than just purchasing our coffee, we are leading, working with them through the supply chains in a responsible and sustainable way.



Now, some of the most important work we do and frankly the most rewarding on the Global Coffee team is that it's our job to make sure that the entire coffee community, not only endures, but thrives. And that's why our coffee buyers traveled over 30 countries sourcing our highest quality coffee beans from countries both large and small. And the real key is establishing deep and long-term relationships with coffee farmers and their communities.

So, to put this in perspective, we source from over 380,000 farms from around the world, and we impact many more. Now, hopefully, many of you got a chance to rake the parchment out on your way in today. That parchment actually comes from our farm in Hacienda Alsacia. In 2013, important step we took was to purchase our own farm. Now, you're probably wondering why would we own a farm, just one farm. Well, Hacienda Alsacia is also a global research and development facility and a working farm for Starbucks. So, on that farm in partnership, our Head of Coffee Research and Development, Carlos Mario Rodriguez, and his partner, our Farm Manager, Victor Trejos, work hand-in-hand with a team of top agronomists to advance the sustainability of coffee through their research.

To date, they are testing an incredible 400 new coffee varieties to resist disease and improve the quality and yield for farmers in the world. So staying true to our purpose, we share these learnings in an open source environment through our eight additional farmer support centers all around the world with farmers both in and outside of our Starbucks supply chains.

Further, I have the privilege of leading a world-class team that creates the unique blend and taste of Starbucks, and once our experienced and passionate small team of coffee developers create and perfect the perfect blend of – or profile of coffee, they hand the beans over to an even smaller team of our master roasters. Average tenure of our master roasters, just for a little perspective, over 20 years, and they [ph] roaster our (43:20) signature flavored profiles to perfection. All in all, this is a team of about a dozen people in this company leading the way.

So, as you can see, we are building an enduring company and it's about knowing who we are and what we're good at. And for us, coffee is at our core.

Now, let me share a real quick story with you about a recent visit I took to Antigua. I was hosted by Estuardo Falla and his two sons. Let me just tell you, those two, they're the future generations of coffee. They are curious. They are eager. They want to use new data and they want to bring to life the future and future of coffee.

So we've been fortunate to enjoy a deep Starbucks relationship for more than 20 years with Estuardo and his family. Some of our most beautiful elegant coffees come right from this region. Antigua is breathtaking and it's the perfect conditions. But what was special on this trip, you see, is that Estuardo not only farms, but he shares the knowledge of many smallholder farmers. So he's a large farmer, but the trust that he's established in his region, combined with our Starbucks donation of disease-resistant trees, together, this is investing in the future.

And we're committed to building the future with farmers. We continue to look for the highest quality coffee grown in the most sustainable way because we can't assume that it's going to be there tomorrow. We're going to dedicate to building that future for farmers to ensure the future of coffee and the economic livelihood of farmers is protected for many generations to come. We are playing the long game.

Now, I get to invite you all to join with me in what I think is one of the most special and wonderful things that we do here at Starbucks. So, coming into the room are more than 150 of my fellow Starbucks partners who exemplify our deep passion and our love for coffee. So whether it be in our stores or in our support centers, we celebrate the journey of coffee from seed to cup through a ritual of a coffee tasting. So these moments of human connection, they get our days going, they get the ideas flowing. And overall, they really create community.

So, now we're going to go through an exercise. We'll hand the coffee out to each of you. While we do that, please pass them to the end of your row. Please don't start drinking. We're going to wait until everyone has their coffee. This is the hardest thing you'll all do today, I promise. And while we do that, we'd like to share with you images of the few people in place where Starbucks is making a difference. So it'll take three or four minutes. [indiscernible] (46:05)

[Video Presentation] (46:06-49:38)

All right. Does everyone have their cup? All right, very good. Today we are tasting Pike Place Roast. What makes this an incredibly special coffee is that this was our first designated as 100% ethically sourced and verified under C.A.F.E. Practices. In 2008, Pike Place Roast demonstrated to the world that sustainability sourcing our coffee is just as important as the quality.

And I'm going to invite you to do what we do every day, please smell the coffee. It's amazing to look at all of you out there [ph] just smelling, it's (50:18) a wonderful, wonderful picture. This is the largest tasting I've ever done. I love it. I could smell the aroma and the toasted nuts. Can you? Slurp, please. A little nutty, toasted almonds, smooth balance, rich flavor to this coffee. This is a fantastic consistent coffee where no single characteristic dominates.

But why this has become the most popular coffee in the world is around that consistency, that experience that you can get this in every store on your visits every single day. But why else might we be drinking this coffee? Well, as I mentioned, one of the very important things that we're committed to as a company is sustainability.

Last year, Kevin announced as part of our mission to make coffee the world's first sustainable agriculture product that we would look at leveraging technology to provide transparency in a meaningful and a relevant way. We've always had full transparency to where our coffees come from at Starbucks, but over the last year, we've made great progress exploring how we can trace our coffee digitally. And we took the liberty to see what could be possible with this very Pike Place Roast that you're enjoying.

Let's hear more about this and take a look.

[Video Presentation] (51:40-53:31)

Pretty great, huh? Yeah. This is a tremendous milestone. Now you've seen a preview of digital traceability and what's possible. Now we're still testing and learning, but imagine tracing your favorite coffees in the near future. And we're not done. More to come and how we work hand-in-hand with the farmers to empower them through digital technology in this ever-changing environment is incredibly exciting.

So, as we've been making progress on the sustainability of our coffee and the role that digital traceability can play, [ph] our other chains (54:07) have been working hard on the sustainability of our packaging, like the cup that you all have in your hand today. So, let's learn more briefly.

[Video Presentation] (54:19-55:40)

So there you see some progress. It's fantastic to see it in real time. Soon Starbucks customers in select global cities will be able to test – help test different cups. They're both recyclable and compostable in both municipalities and facilities. There's more to come and we look forward to choosing the cup technologies that the NextGen Cup

Challenge winners will deliver, made possible with the expertise and support from the NextGen Consortium, sustainable coffee, served sustainably. This is our great aspiration.

Let me close by saying this, we believe it is our responsibility to create a sustainable future for farmers and the communities we serve around the world. And while we stay true to our heritage, we'll continue to innovate and create a bright future for generations and generations of futures to come. Thank you.

[Video Presentation] (56:41-58:06)

---

## Rosalind Gates Brewer

*Chief Operating Officer, Group President & Director, Starbucks Corp.*

Thank you. Thank you. Thank you very much. So, that's what's happening every single day in our stores in the third place all around the world, conversations over coffee. You can walk into any Starbucks anywhere or read your social media feed because that's what you'll find. It validates the very exciting work that's underway to bring our brand to life each and every day in every store.

So, good morning, I'm Roz Brewer, I'm Chief Operating Officer and Group President of the Americas, and I'm really happy to be here. Thank you. So, today, you'll see how Starbucks is quickly changing and adapting to meet the customers' needs. But most importantly, you'll hear our work is built ahead on a foundation [ph] and our past (59:15) heritage and our success, and it's helping us to create an enduring company, and you heard Kevin say it, for decades to come.

So let's start with the progress we're making in some of our very important growth areas. First, delivery. From Hong Kong where we started this year, Starbucks now offers delivery in 12 countries, including China, Japan, the UK and Mexico. In the U.S., Starbucks Delivers is now available in almost 1,600 stores and seven major markets. Soon, you'll see us here in Seattle and you'll see an expansion across the San Francisco Bay Area.

Beverage innovation continues to be our most important focus and we brought Nitro to nearly half of our U.S. stores and that's right on plan for us. And of course, digital remains a key growth driver for us as well. So over the last two years, we've grown our Starbucks Rewards loyalty program more than 25%, a significant achievement given that these members drive 40% of our sales in the U.S.

It's also why starting next month, we'll introduce enhancements to give the program 16 million members more flexibility and choice when redeeming Stars. And following Philadelphia, we commissioned a report on our efforts to promote civil rights, to promote equity and to promote diversity and inclusion. And that report continues to inform our commitment of creating the culture of belonging for all.

I'm thrilled with the headway we've made and it's been driven by the passion and the hard work of our partners. And we see it in markets all around the world. So, last month, I had the great fortune to travel to Japan with the team to celebrate our opening of the Tokyo Roastery. I was really amazed by the pride of the partners there, the enthusiasm, and an enthusiasm for being Starbucks' first international market that we entered some 23 years ago and now, it's home to our fifth Roastery. Opening day was the highest sales day ever, ever, in the history of the company, and the store is continuing to attract thousands of people each week and this, this is our brand at its best.

We're also celebrating our 20th anniversary in China this year. We're opening 600 stores this year at a rate of one every 15 hours. That's amazing. And the opening of a new store in Shenzhen last week marked our 30,000th, 30,000th Starbucks store around the world. It truly is remarkable to think how we've grown from a single store in

Seattle where customers scooped roasted beans for brewing at home to serve a city halfway around the world with a full menu of craft beverages and delicious food. And now, they can have their Starbucks delivered to them, too.

So our performance in the China region continues to be in line with expectations and beyond the financials, Belinda and her team in China continue to elevate the experience for our customers and for our partners. For the fourth year in a row, Starbucks was named China's Best Employers. Congratulations to that team.

So growing our store base remains essential to our brand and uplifting our existing stores in new and inspiring ways will accelerate our next phase of growth. So it's really hard to believe that 40 years ago, Howard first articulated his vision for the third place. He dreamed of our cafés as places where people could take respite. They could take respite from the busy days of their lives, the pace of their lives, share conversation with a friend and have a great cup of coffee. And that vision remains today and it remains today with Starbucks and our customers, rapidly changing along the way.

We now offer a robust menu of beverages and food. We've evolved the way we work through innovations, through new technology and equipment. Our customers' lives, they are as busy as ever. They're more hectic but they're also much more digital and we've introduced new channels and new formats to keep pace with their evolving needs. We bring this together and it affirms that the third place is more vital than ever.

This really inspires us to lead with a growth mindset. It inspires us to reinvest in our partners, in our customers, and our company. And at the same time, the vitality of our mission and our place in the world challenges us to connect with customers on a much deeper level. We have to do this to ensure we always see the humanity in every customer who walks through our doors.

So, to build an enduring company requires thinking differently than yesterday. We have to continue innovating. We have to reimagine so this means evolving our business around three attributes. First is convenience; second, we have to think about comfort; and third, it's about the connection. That's what customers expect when they visit our stores. So, starting this summer, in New York City, we're embarking upon the next phase of the third place, inspiring work that leads us into a modern view of our reality while holding on to our heritage and we won't let go of our deeply rooted mission.

Now, I don't want anyone to walk away from here thinking that this is a next new furniture reset or a new renovation strategy. It's much more important than that. Reimagining the third place is about listening to our customers, listening to our customers so we can better position our business for now and for the future.

So, we began studying several of our markets -- our key markets last summer. Now, we love Austin. A lot of people love Austin, Texas but this happens to be a really important growth market for us, so it was our first store there that was the evolution of our customer [ph] inside as work. (01:06:56)

So customers love our stores. First thing we learned, they love what we do for them throughout the day, but you know what? They really just want our stores to be places that make them feel good again. We got that message so we're making them brighter. We're making them fresher. We're making them cleaner.

Then in New Jersey, we found customers interact with us differently by day part. So we evolved our Glen Ridge store to provide convenience in the morning and comfort in the afternoon. And in big cities, it became even more important to help customers along their daily routine. A pickup store answers one part of their day effortlessly,

maybe even two parts of their day if they're in a hurry. But even in busy places like New York, customers need comfort too. That's why stores like Park Row and Beekman, they're essential to us.

And yet no matter how much we innovate, perhaps the most important insight is this: we must always, always, always feel like Starbucks. Our relationship with our customers starts with the very moment that they think of us. They connect with us through their barista and the quality of what's in the cup and that cup that they take with them. Their third place is everywhere they're holding our cup no matter their journey. After leaving our stores, the feeling of comfort stays with them and in an increasingly busy and on-demand world, that's the feeling that keeps this third place growing.

Now, there is a lot of work going on behind the scenes to make this happen and to ensure that our customers experience consistency no matter what Starbucks they visit; things like automating inventory practices, labor scheduling and connecting our coffee equipment to the cloud so maintenance can be remotely managed. And the one common thread that binds it all together is our store partners. They should feel empowered to make connections that are personal, that are inspired and that are positive and they should feel supported in having fewer administrative tasks, greater clarity on what's important and more time to make those meaningful connections.

But over the years, we've really complicated the work in our stores. We've complicated the business and we've complicated their jobs. So that's why we're working very hard to reduce the time they spend on manual tasks and their hours with how traffic flows. So we're managing the traffic flow in the store with the hours that we spend in the store.

We found partner engagement was at its highest just after we closed our stores for anti-bias training last May. So from there, we learned a lot. We continued our journey to bring unique experiences to help our partners become better listeners, to be better learners and to be better leaders. We started with training on topics like mindful decision-making, engaging with empathy, courageous leadership and cultural perspectives.

Later this year, we're introducing a new curriculum developed in partnership with Arizona State University faculty and outside diversity experts that focuses on empathy, courage and inclusion. And in September, 12,000 store managers will gather in Chicago for a leadership conference and this is our first in 10 years. We know this will be a defining moment for galvanizing our partners around our mission and values and together, we'll build on conversations about taking ownership, about making best moments, making those best moments for our customers. Taking ownership and making best moments for customers, it's at our core. This is the path. This is the path that lies ahead and we believe – we think that reimagining the third place and our companies will help us for decades to come.

Now, circling back to where I began, we are in the people business serving coffee. Our success rises and it falls on human connection. And I want to close today with a story about a woman who's showing us the way, a story about Annie. Annie is a partner at one of our New York stores. She says to us her job is to spread joy every day, to try not to judge, and to act with compassion. Her leadership has inspired her partners and uplifted her customers. She and her store represent us at our very best. Take a look.

[Video Presentation] (01:12:31--01:14:17)

So, I know Annie is shocked. Annie is with us here today. Annie, can you stand? You are so awesome. You are so awesome. Thank you. Thank you for all you're doing. Keep spreading joy and thanks, everyone.

[Music] (01:14:46-01:15:25)

## Kevin Johnson

*President, Chief Executive Officer & Director, Starbucks Corp.*

All right. Well, now that you've heard from Pat, Michelle, and Roz, there is one more element of Starbucks I want to close with. We are believers who understand that the pursuit of profit is not in conflict with the pursuit of doing good. Doing good is what inspires the believers and it's authentic to who we are. And it begins with our commitment to creating opportunity, opportunity for all Starbucks partners.

Over the past three years, we have hired more than 22,000 veterans and military spouses. They are making us a better company and over the last three years, we have hired over 75,000 young adults through our Opportunity Youth initiative. Today, we celebrate the 12,000 Starbucks partners who are pursuing a free college degree through the Starbucks College Achievement program.

We're not just creating opportunities. We are creating equal opportunities. Last year, we announced that we had achieved 100% gender and race pay equity in the United States and today, I'm proud to share that Starbucks will maintain that standard in the U.S. for the second straight year. We've also been hard at work, hard at work expanding our pay equity to other markets and I'm proud to share that we've achieved gender pay equity, 100% gender pay equity in both Canada and China.

Sustainability. A year ago, we outlined our commitment to make coffee the first sustainable agricultural product and then serve that coffee in sustainable packaging. Our agronomists continue to make progress in partnership with Conservation International on sustainability of coffee. In this year, we donated now – have donated over 30 million disease-resistant coffee trees to farmers around the world.

We've invested \$50 million in the Starbucks Global Farmer Fund to help coffee farmers operate their businesses and today, you held cups that are both recyclable and compostable, and we're not stopping there. We created strawless lids and we're moving quickly to eliminate plastic straws in our stores by the year 2020. We cannot do this alone. We will continue to work with the industry and governments around the world to address climate change. We are committed and we will do our part.

Now, the pursuit of good means strengthening our communities. Throughout the year, in 30,000 locations around the world, Starbucks partners are engaged in meaningful and inspiring community service. Across the U.S., we launched our FoodShare program in partnership with Feeding America and over the past two years, over 15 million Starbucks meals have been donated to neighbors in need. And right here in Seattle, Starbucks worked with the community to enable six shelters operated by Mary's Place to ensure that no child sleeps outside.

These are just a few of the examples of how we are a different kind of company with a different mindset, a company with a purpose that goes far beyond profit and is grounded in our mission and our values. There are so many inspiring stories and while we have seen and heard some of them today, so many of them go untold. Storytelling is an important part of the Starbucks culture and it's part of our ritual. So this year, we assembled a small, very talented in-house creative team to begin to capture stories that celebrate the human experience. Some of this work is original content and some is created in partnership with others. I want to share a brief trailer with you that gives you a sense of what this team and Starbucks Productions is working on. Let's take a look.

[Video Presentation] (01:20:57-01:22:01)

Well, I hope throughout today that you've seeing that we are building an enduring company and we're doing that by staying true to the mission and values grounded in the human experience. And as our tradition at the Annual Meeting, we have an incredible musical guest and I'm going to give – we're going to give the stage crew two minutes – two or three minutes to set up and I'll be back in just a moment to introduce them to you. Thank you.

[Music] (01:22:59-01:25:15)

All right. Well, thanks, guys. I kind of wanted to help them out, but I think they got it all set up. All right. Now, at today's meeting, we have explored stories about the human experience and it is my pleasure to introduce a very special musical guest.

She is one of the best lyrical storytellers in music today, a woman who combines her art with her personal mission. Her Looking Out Foundation amplifies the impact of music by empowering those without a voice. She is committed to use her music to generate awareness around issues from community development to human and civil rights to children in war zones and injustices in our world. She is a passionate advocate for women, children and the incarcerated, among many others. And she is the winner of three Grammy Awards just last month. It's a pleasure to introduce one of Washington State's greatest treasures. Please welcome Brandi Carlile.

[Presentation] (01:26:47-01:44:24)

---

## Unverified Participant

Now I hope you've all found this Annual Meeting and Shareholders as energizing as I have. Our Growth At Scale agenda is positioning Starbucks for the long term, and we continue to build Starbucks around the romance of our coffee, the third place experience, and the constant pursuit of doing good. We are all believers, believers that our purpose goes far beyond the pursuit of profit, believers in an enduring Starbucks.

Thank you for joining us today. We are going to take a 10-minute break and then we will begin the official business of the Annual Meeting. Thank you.

---

## Unverified Participant

Please welcome Executive Vice President, General Counsel, and Secretary, Rachel Gonzalez.

---

### Rachel A. Gonzalez

*Secretary, Executive VP & General Counsel, Starbucks Corp.*

Good afternoon, shareholders and partners. We have saved the best for last. My name is Rachel Gonzalez. I have proudly been a Starbucks partner for 10 months, 21 days, 5 hours, and 58 minutes. Not that I'm counting. Actually maybe I have been counting, and the reason for that is every second has been an honor and a privilege. And today it's an honor to present the formal portion of our meeting.

Before we consider the proposals detailed in the proxy statement, it will be my privilege to introduce the nominees to the Starbucks board of directors. So if I could please ask our board members to stand when I call your name: Myron Ullman, III, our Independent Board Chair and Retired Chairman and CEO, J.C. Penney Company; Mellody Hobson, our Independent Vice Chair and President, Ariel Investments; Kevin Johnson, our President and Chief Executive Officer, I think Kevin's in the back; Rosalind Brewer, our Group President, Americas, and Chief

Operating Officer; Mary Dillon, Chief Executive Officer, Ulta Beauty, Inc.; Jørgen Vig Knudstorp, Executive Chairman, Lego Brand Group; Satya Nadella, Chief Executive Officer, Microsoft Corporation; Joshua Cooper Ramo, Co-Chief Executive Officer and Vice Chairman, Kissinger Associates; Clara Shih, Chief Executive Officer, Hearsay Systems, Inc.; and Javier Teruel, retired Vice Chairman Colgate-Palmolive Company.

Broadridge Financial Solutions has been appointed the inspector of elections today to tabulate votes, and Mr. Andrew Wilcox representing Broadridge is present at our meeting today. We have received an affidavit signed by Broadridge that notice of this meeting along with related proxy and Annual Report materials was mailed or made available on January 25, 2019 to Starbucks' shareholders of record as of the close of business on January 10, 2019, our record date.

Based on that affidavit, this meeting is duly called with timely and proper notice. In addition, based on information provided by Broadridge, a quorum of shareholders is present to conduct our meeting today.

Please note that a list of shareholders as of the record date is available for inspection by shareholders at the Investor Relations table, located in the lobby of this auditorium. The polls for matters to be voted on today are now open. The polls will close immediately after I present the matters to be voted upon at this meeting. If you are a shareholder of record as of January 10, 2019 and you have not previously voted or you wish to change your vote, you should do so now at the Investor Relations table in the lobby.

The first order of business is the election of directors as nominated by the board. The board recommends a vote for each of the nominees.

The second item of business is the approval of an advisory resolution on our executive compensation. The board recommends a vote for this proposal.

The third item of business is the ratification of the selection of Deloitte & Touche LLP as the company's independent registered public accounting firm for the current fiscal year ending September 29, 2019. The board recommends a vote for this proposal.

The fourth item of business is the shareholder proposal submitted by the National Center for Public Policy Research regarding board diversity disclosure. I would now like to recognize Mr. Justin Danhof, a representative of The National Center for Public Policy Research.

Out of respect for other shareholders in attendance and to allow ample time for Q&A, we'd ask you, Mr. Danhof, to please limit your comments to a period of three minutes. Go ahead, sir.

---

## Justin Danhof

*General Counsel & Director-Free Enterprise Project, The National Center for Public Policy Research*

Thank you. My name is Justin Danhof, General Counsel with The National Center for Public Policy Research, and I rise to move Proposal 4, which seeks to increase the ideological diversity within the company's board of directors. Across corporate America, company after company is adopting board diversity policies that are based on race and gender. These procedures have the stated goal of reducing corporate groupthink, that's a good goal. But it does so by requiring companies to interview an underrepresented minority and a woman for each open board seat. This isn't what diversity is. This is actually racism and sexism. Not all women think alike based on the fact that they're a woman.



Similarly, not all Asian or Latino or Black Americans think the same based on their respective skin colors. Rather than promoting racism and sexism today, we urge the company to consider viewpoint diversity, that is people that actually think differently when they make board selections. Through the years, especially under its former CEO, Mr. Schultz, Starbucks earned a well-worn reputation for being a left-of-center company. Under Schultz, the company stake left dispositions on immigration, religious liberty, climate, and had a dicey relationship with certain racial issues.

Interestingly, now that he is considering a presidential run, Schultz has been met with scorn by the liberals whom he supported and promoted for years since he is the B and the C word that is a billionaire that believes in capitalism. Many of today's leftists in Washington, D.C. prefer socialism in which government takes control of industry and would regulate capitalism out of existence. Raise your hands here if you want government-run coffee or Starbucks coffee.

I think most people would raise their hand for Starbucks coffee. And forget about the share buybacks that the CFO talked about earlier, those would be gone under the new leftist wave in D.C. too. Yet Starbucks' liberal convictions remain intact. And even if the company disagrees with that assertion, in business all too often perception is reality. Our proposal offers the company a concrete way to change its left leaning public persona.

When the company engages and takes overtly political positions on legal and policy issues, it would be a benefit not a harm to have voices from both sides of the aisle in the room. That's what our proposal seeks to ensure. We filed this proposal with many different companies across a broad spectrum of industries. Most companies either adopted this proposal or at least engaged in substantial – substantive dialogue with us on this issue. Starbucks did neither. This points to the necessity of implementing our proposal. They don't even want to talk about true diversity.

We believe that boards that incorporate diverse perspectives can think more critically and oversee corporate managers more effectively. Appointing a few conservatives may help this company avoid groupthink. It's a win for investors and a win for diversity. Please join me in voting yes on Proposal 4. Thank you for your time.

---

## Rachel A. Gonzalez

*Secretary, Executive VP & General Counsel, Starbucks Corp.*

Thank you, Mr. Danhof. A diverse and an inclusive environment is critical to Starbucks business. We seek diversity in its broadest sense, and that includes diversity at the board level. This year our proxy statement set forth a matrix describing the skills and experience, and other diversified characteristics of our board members. We're proud to report that 40% of our board members are women and half of our board members are ethnically diverse. Our board of directors believes that the company already addresses the disclosure requested by this proposal and that implementing this proposal would not help our shareholders understanding of our board diversity. Accordingly and respectfully for the reasons stated in our proxy statement, the board recommends a vote against this proposal.

The last item of business is the shareholder proposal submitted by As You Sow on behalf of several co-filers regarding a report on sustainable packaging. I would now like to recognize Bruce Herbert, a representative of As You Sow.

Again, Mr. Herbert, out of respect for our shareholders in attendance and to allow ample time for Q&A, we'd ask that you limit your comments to three minutes. Thank you sir. Go ahead.

## Bruce Thomson Herbert

*Founder & Chief Executive Officer, Newground Social Investment SPC*

Thank you, and good morning. I am Bruce Herbert of Newground Social Investment here in Seattle, and I do stand to represent As You Sow and Trillium Asset Management, the proponents of item number five which seeks a report on sustainable packaging concerns over plastic contamination of land and water arising dramatically with estimates of 16 billion pounds of plastics ending up in our oceans annually. This has led some governments to entirely ban both plastic straws and plastic packaging at last year's AGM. 30% of shareholders representing about \$50 billion in value voted for this proposal, and it urged Starbucks to accomplish really three things: to ensure that all cups gets recycled; to ban plastic straws; and then to emphasize a use of reusable cups or glasses.

Now, Starbucks has made good progress on two of these three goals. For instance, in response to this very proposal last year, it made a \$10 million commitment to the NextGen Cup Recyclability Challenge which we saw some of today. However, Starbucks has lost focus on the third of these three goals, the reusables goal.

In 2018, Starbucks pledged to serve 25% of North American beverages in reusable cups and to "reestablish glassware or ceramic mugs as our global standard". However, Starbucks today serves only 1.4% of its beverages in reusable containers. So, fulfilling on these promises and goals is critical to reducing the company's growing use of plastic cups which find their way directly into our waterways and oceans where they then degrade into tiny particles that harm aquatic life.

A second consideration for 2019 is that cup recycling goals apply only to North America and parts of western Europe. There are no efforts to recycle cups or reduce plastic where the company is expanding most, in China. Starbucks opens a brand new store as we saw every 15 hours in China but without any recycling or plastic reduction programs.

In contrast, competitor McDonald's pulled ahead of Starbucks in 2018 by making a bold commitment to recycle packaging in all of its locations worldwide. This is a major issue in terms of environmental act and represents a major lapse of leadership.

In closing, Starbucks needs to commit resources and to prioritize the use of reusable containers, especially in Asian markets. A vote for this proposal will build the brand and retain the loyalty of very environmentally aware set of customers. The world's leading proxy advisor, Institutional Shareholder Services, recommends support for this proposal. Therefore, please obey ISS and vote for Proposal Number 5. Thank you very much.

---

## Rachel A. Gonzalez

*Secretary, Executive VP & General Counsel, Starbucks Corp.*

Thank you, Mr. Herbert. As we have done throughout our history, we do welcome engagement with our shareholders and other stakeholders to help ensure our leadership on sustainability. Conservation International, Ocean Conservancy, World Wildlife Foundation, our 10,000 Greener Apron partners, and many others have helped us to set ambitious goals, exceed them, and evolve them over a period of time to meet the threats to the environment generally and to climate change.

Together, we've done hard work to get to 99% sustainably and ethically sourced coffee, to be the world's largest builder of LEED-certified stores, and to commit to the elimination of plastic straws among other milestones. We're collaborating with the industry to make coffee the world's first sustainable agricultural product.

For 18 consecutive years, we have publicly reported our challenges and our progress on promoting sustainability. We know that the most pressing issues in sustainability can't be solved by one company alone. And some of our prior solo efforts were less impactful than we had hope. Still we are committed to being transparent about our efforts and we're committed to continued progress. We welcome opportunities to learn and we will continue to make big bets in sustainability in collaboration with others and that includes our customers for whom we will continue to provide sustainable solutions.

A year after declaring a three-year ambition for a greener cup and traceable coffee, we demonstrated significant progress on both today. We recognize our responsibility to lead when it comes to sustainable packaging. The creation of a greener cup and the elimination of plastic straws is only the beginning. We will welcome continued collaboration with our stakeholders, with governments, with partners, with customers, and our shareholders. As Kevin said today, we cannot do this alone but we will continue to do our part.

Accordingly, with regards to the shareholder proposal on sustainable packaging, our board of directors believes that the additional analysis and reporting requested by this particular proposal would be duplicative and unnecessary. Respectfully, the board recommends a vote against this proposal.

That concludes the matter is to be voted on as outlined in the Notice of the Annual Meeting. In accordance with our bylaws, I hereby declare the polls for voting at our 2019 Annual Meeting closed. Ladies and gentlemen, I've received a preliminary tabulation from Broadridge and based on that tabulation, I am pleased to report that all the director nominees were elected. Each of the management proposals was approved, the shareholder proposal regarding board diversity disclosure was not approved, and the shareholder proposal regarding a board level report on sustainable packaging was not approved.

We do recognized that a significant percentage of our shareholders did support this latter proposal, and we will continue to consider the issues raised. Of course, we've demonstrated a long and strong commitment to environmental and sustainability issues and that will continue to be case. The final voting results of today's meeting will be reported on a Form 8-K filed within four business days of this meeting.

That concludes the formal business, and I now declare the formal portion of this meeting adjourned. I will now turn the meeting back to Kevin Johnson and Roz Brewer for the Q&A session. Any shareholder who does not have an opportunity to ask a question today may submit their question by going to the Investor Relations table in the lobby and completing a comment card.

Welcome, Kevin and Roz.

---

## Kevin Johnson

*President, Chief Executive Officer & Director, Starbucks Corp.*

Rachel, thank you very much. Thank you. We have microphones here in the aisles. So if we have questions, please form a queue and we'll start right here. Yes, sir.

## QUESTION AND ANSWER SECTION

Q

Thank you. My name is [ph] John Nichols (02:03:53). I would like to address an issue concerning the milk used in the lattes. I appreciate all your efforts for sustainable sourcing of coffee. I would like to ask if you can make a statement about the labor dispute that's going on here in Washington. It's actually happening in many places around the world where the farm workers working with the cattle are being abused, suffering from sexual and other harassment, and even in some cases losing their lives because of unsafe conditions.

The Presbyterian Church recently last month sent you a letter and stated in part we understand our company, Starbucks, has been sourcing dairy products from farms where workers have faced unsafe working conditions. These reports are deeply concerning to us as Presbyterians, and as investors we are very concerned about these workers and also about the reputation of Starbucks.

In the face of these concerns, are you going to require Darigold to work with the dairy workers and their representatives, the UFW, the United Farm Workers, to guarantee the protection of the workers and that they should have safe conditions.

Rosalind Gates Brewer

*Chief Operating Officer, Group President & Director, Starbucks Corp.*

I'll take that.

A

Kevin Johnson

*President, Chief Executive Officer & Director, Starbucks Corp.*

Thank you for your question. Roz, I'll let you take that.

A

Rosalind Gates Brewer

*Chief Operating Officer, Group President & Director, Starbucks Corp.*

[ph] John (02:05:17), thank you for that question. First of all, let me say to everybody here that we have a very clear policy against human rights violations and we take those allegations very seriously. So we've engaged with both the UFW and Darigold repeatedly. And we've done that to really understand the concerns that are involved in this situation and we want to underscore that the expectation that we have of our suppliers is that they respond the way we would. And we ask that of all of our business partners. So we'll continue to sit down with them and try and understand the issues around what's happening in the situation but we're not party to the litigation that's happening here with Darigold and the farm workers. But we'll continue to strongly encourage that conversations happen and we'll make sure that this comes to a greater understanding.

A

So I also want to mention too, we talked earlier about our coffee practices, and we think that there is something to be learned and transferred in what we have engaged with with our coffee partners and that could be transferred in this very same topic. So, [ph] John (02:06:23), thank you for that question and we'll continue to work with Darigold.

Kevin Johnson

*President, Chief Executive Officer & Director, Starbucks Corp.*

Thank you. We'll go over here.

---

A

Q

Good afternoon. My name is [ph] Doug (02:06:30). At last year's Shareholder Meeting, Starbucks made the buzzworthy announcement that a vegan food line was on the way for your U.S. restaurants. And while we you keep brewing up dairy-free drinks which we appreciate, the more than 30,000 people who have signed Compassion Over Killing's petition with Jane Velez-Mitchell are still hungry for a hearty vegan food. Meanwhile, competitors are cashing on the demand for plant-based foods with options like vegan cream cheese at Einstein Bagels and vegan soup at Panera. So when will Starbucks cater to all your customers with tasty vegan treats like a blueberry muffin, protein bowl, or a chocolate chip cookie nationwide?

---

Rosalind Gates Brewer

*Chief Operating Officer, Group President & Director, Starbucks Corp.*

Thank you for that question. So we were here last year at this time when we talked about vegan products and how we would expand. We have expanded our alternative milks as you described. Our oatmeal breakfast both the blueberry oatmeal and our classic oatmeal are both vegan and so we continue to explore this through our food and beverage innovation and you'll continue to see where it come from us in that area. But thank you for the question.

---

A

Kevin Johnson

*President, Chief Executive Officer & Director, Starbucks Corp.*

Thank you. We'll go over here.

---

A

Q

Good afternoon. My name is [ph] George (02:07:45). I'm here to today with my mother. She's right over there. She started working in the fields when she was nine years old. She worked to provide for me the opportunities that she had never had. Working with their Darigold, our mother experienced wage theft, sexual harassment, and discrimination at work. When she stood up for herself she was fired. She filed a claim and she won. Most victims of labor abuse are not strong enough in the face of power. Now she is working hard to help other women still employed at Darigold Farms. Can you look me in the eye and tell me you'll protect women working on dairy farms that supply your milk?

---

Rosalind Gates Brewer

*Chief Operating Officer, Group President & Director, Starbucks Corp.*

So thank you for your question and I'm personally disturbed by your statements and what happened with your mother. We've got a lot of conversations going on and we expect our partners and our suppliers to step up to the plate and operate like we would and accept our values and our missions. And we'll continue to work with Darigold to help get through to a good solution here. And you'll see more work from us in this area.

---

A

Kevin Johnson

*President, Chief Executive Officer & Director, Starbucks Corp.*

A

Yeah. Just to reinforce, we have a clear policy against human rights violations and we will stand up for that. Thank you. Thank you, [ph] George (02:09:09). Over here.

---

Q

Thank you. My name is [ph] Jim Heinen (02:09:11), and first off I'd like to tell you how much I appreciate your shareholder user-friendly meeting. I attend a number of annual meetings throughout the year and clearly this is one of the more user-friendly meetings and you need to be complimented for that.

---

Kevin Johnson

*President, Chief Executive Officer & Director, Starbucks Corp.*

Thank you, Jim.

---

A

Rosalind Gates Brewer

*Chief Operating Officer, Group President & Director, Starbucks Corp.*

Thank you.

---

A

Kevin Johnson

*President, Chief Executive Officer & Director, Starbucks Corp.*

Thank you.

---

A

Q

The question I have, you mentioned, Kevin, in your presentation the \$100 million that the firm has committed to the joint venture. I got this T-bone, would you put a little bit more steak on that, please?

---

Kevin Johnson

*President, Chief Executive Officer & Director, Starbucks Corp.*

Yeah. [ph] Jim (02:09:45), thank you very much. Yeah, the \$100 million that we are investing, we are investing in a venture fund in partnership with Valor Equity Partners. And this fund will be managed by Valor. They are investors. They know how to invest money in early-stage growth stage companies that are innovating in areas that are relevant to Starbucks. So what Valor will do, will take the \$100 million that we invest. They're going to raise another \$300 million, so they should have roughly a \$400 million fund. And what happens then is they look for early-stage growth-stage companies that are doing interesting things that Starbucks could embrace and take advantage of. And what they do is they make us aware of those companies. And when they do, we get an opportunity to look at those companies and decide, do we enter into a commercial relationship with them.

A

For example, there's a company called Elementum in Silicon Valley that has automated supply chain that was introduced to us through our relationship with Valor. We now are using Elementum to help make our supply chain more efficient. And through things with Valor Siren Venture (sic) [Valor Siren Ventures] (02:10:51) fund, they will also invest in some of these companies.

So it's a way for us to get ideas from outside Starbucks into Starbucks so that we can take advantage of them. That's what we're going. Thank you, [ph] Jim (02:11:03). Thank you. Over here.

---

Larry Brown

*President, Washington State Labor Council, AFL-CIO*

Q

Yes. Thank you very much. My name is Larry Brown. I'm President of the Washington State Labor Council. I'm here today to ask for your help in resolving a problem with our company's milk supply here in our state. This problem arises at Darigold, the farmers' cooperative whose member dairies supply Starbucks milk.

Starbucks associates its brand with the values of social responsibility and responsible supply chain management. Starbucks is a signatory to the United Nations Compact supporting workers' rights to organize. In our opinion, Starbucks' silence in the face of this abuse is inconsistent with the image it projects. So I'm here today to ask, will you meet with United Farm Workers to hear their claims, and will you exercise our company's good offices to bring the parties together to seek resolution to these problems? Can you tell me who within the company can we speak with who assist us in arranging this dialogue.

Kevin Johnson

*President, Chief Executive Officer & Director, Starbucks Corp.*

A

Well, first of all, thank you for raising the issue again this morning. We've commented on the policy, and what we will do, we'd be glad to have Rachel Gonzalez, our General Counsel, sit down and understand. I think clearly there's litigation going on between different parties in this matter that we're not a part of. But that said, we're happy to sit down with the United Farm Workers and listen and understand.

Thank you.

Q

Kevin Johnson

*President, Chief Executive Officer & Director, Starbucks Corp.*

A

Thank you. Yes, sir?

Q

My name is Dan Sutherland. I've been a shareholder since 2003. This is my first annual meeting. I am a coffee drinker. Concerning the constitution of the board, I think it's very powerful. I think there's a lot of high-IQ talent there. It's most impressive. I would like you to consider going forward the inclusion of someone from the Agricultural Sciences on this board. Why would Starbucks, a company whose focus is agricultural products not want to have an agriculturalist on their board? Please.

Kevin Johnson

*President, Chief Executive Officer & Director, Starbucks Corp.*

A

Thank you. Do you have a resume? No, I'm just kidding. Well...

Q

My son does go to Iowa.

Kevin Johnson

*President, Chief Executive Officer & Director, Starbucks Corp.*

Okay, perfect. We will take your feedback. Jørgen who leads our nominating governance committee, so noted, we appreciate the feedback. Yes. Over here.

A

Q

Good afternoon my name is [ph] Aisha Townsend (02:13:46). I travelled all the way here from Chicago.

Kevin Johnson

*President, Chief Executive Officer & Director, Starbucks Corp.*

[ph] Aisha Townsend (02:13:50), welcome.

A

Q

And I am with the Fight for \$15 in a union. I'm here to support the Starbucks' workers and farm workers. My question is, what are you going to do for the sexual harassment that's going on in stores and on safety hazard in addition to discrimination in the stores?

Kevin Johnson

*President, Chief Executive Officer & Director, Starbucks Corp.*

Thanks for your question. You want to comment?

A

Rosalind Gates Brewer

*Chief Operating Officer, Group President & Director, Starbucks Corp.*

Yeah. So I'll take that question. So, first of all, thank you for joining us this morning. We've learned a lot since the work that we've been doing since our May 29 training. Well, we continue to respect the partners that work in our store and make sure that they are in a safe environment. We're doing training and development to help understand how the leaders in the store can handle those situations if and ever they surface. And so we'll continue to do that work in our stores to keep our partners safe as we employ a large amount of partners across our stores. But the work is under way. It's part of our training and development that we took on back since May 29 and every month ever since.

A

Q

I'm also a fast food worker at McDonald's, and Starbucks workers are having the same issue that we have in all over the world. So my question is for my two boys at home, are you going to get some type of sexual harassment training or any hazardous training because we go to work and we have to live in unstable conditions at work. And my thing is that I'm not able to go home to my kids. If something fell or the equipment fell, if I pass or something, I can't go home to my boys, so...

Rosalind Gates Brewer

*Chief Operating Officer, Group President & Director, Starbucks Corp.*

A



Yeah. So one thing I will tell you is that the training and development that we do in our stores is open-sourced. And so I understand you work for another company and it's one of those things where we would love to partner with all other companies, and everything we do is open and available for other people to use in terms of training documents, and the policies also are very open to anyone that wants to adopt.

Q

But I'm also here to support the Starbucks workers in Chile too. So I just want to make sure that everything that you're saying that you're going to do, that you're going to keep your word.

Rosalind Gates Brewer

*Chief Operating Officer, Group President & Director, Starbucks Corp.*

A

That's right. Our work is global.

Kevin Johnson

*President, Chief Executive Officer & Director, Starbucks Corp.*

A

Thank you for your question.

Rosalind Gates Brewer

*Chief Operating Officer, Group President & Director, Starbucks Corp.*

A

Thank you.

Q

Thank you.

Kevin Johnson

*President, Chief Executive Officer & Director, Starbucks Corp.*

A

Yes, sir?

Q

Good morning. My name is [ph] John (02:15:59). My wife and I are longtime shareholders, and we retired about a year ago and have been volunteering at a soup kitchen regularly in San Francisco. And I know that Starbucks has greatly expanded your menu of perishable food items and as your presentation indicated you donate much of that to homeless shelters and meal programs around the country.

And I just want to indicate I'm a little conflicted between my commitment to volunteer at the soup kitchen and the fact that I see a truck every morning when we volunteer there back up with a huge amount of perishable items ranging from parfaits to pastry items. And is this something that Starbucks is working to fine-tune in your different markets? Because it is a little bit stunning to see literally an entire truck back up every single morning, pulling off food items. It's great for the people we serve, but as a shareholder, I'm a little conflicted by that.

Kevin Johnson

*President, Chief Executive Officer & Director, Starbucks Corp.*

A

Well, first of all just – first of all, thanks for the volunteer work you do and for sharing that topic. We launched a food sharing program that has been rolling out in different markets around the world in partnership with Feeding America. So if there's any food that's bit for consumption before it spoils, we donate that to Feeding America. And they have the entire food safety program. They get that to the different shelters and the different organizations that are in need of food. And so rest assured, we continue to expand that program and it's our intent to do that nationally.

Rosalind Gates Brewer

*Chief Operating Officer, Group President & Director, Starbucks Corp.*

A

Yes.

Kevin Johnson

*President, Chief Executive Officer & Director, Starbucks Corp.*

A

And so thank you.

Rosalind Gates Brewer

*Chief Operating Officer, Group President & Director, Starbucks Corp.*

A

I was just going to add one point to that, sir. In terms of the work that we're doing with inventory management and some of the work that we're automating in our stores, we are actually trying to solve that same equation because I understand that your issue is also around food waste and how that impacts us financially. But we're doing a lot of work in inventory management to help.

Q

Thank you.

Kevin Johnson

*President, Chief Executive Officer & Director, Starbucks Corp.*

A

Thank you.

Q

Good morning.

Kevin Johnson

*President, Chief Executive Officer & Director, Starbucks Corp.*

A

Good morning, [indiscernible] (02:18:11).

Q

Let me express. I don't think it's fair to after an evangelical meeting prayer services you had today to have Q&A at the church. This is evangelical meeting. I want to express my thanks especially to Roz when we worked across the years.

Kevin Johnson

*President, Chief Executive Officer & Director, Starbucks Corp.*

Thank you.

A

Q

You, Kevin, and Melody Hobson and Sasha and Adela. I'm trying to be [indiscernible] (02:18:42) these fights to expand options but Mr. Schultz spoke some years ago at our Shareholders' Meeting, our Annual Meeting, we still feel how you guys care so much from being in the cup, it's a big deal. I think as you promote your product, more people need to appreciate the globalization of the coffee cup was all in then, who is benefiting from it.

I couldn't help but think workers in Colombia on one side of the mountain are growing coffee beans, other side they're growing drugs. And they are in conflict trying to escape to America and being shut off at the gate. I know you're fighting a tough headwind because one side America's saying make America great again. You're saying, make America great as it ought to be and should be. We appreciate that trajectory make America as great as it should be. The concerns we have today, several, do you make EEO-1 reports public?

Kevin Johnson

*President, Chief Executive Officer & Director, Starbucks Corp.*

Do we make which reports public?

A

Q

EEO-1, equal employment...

Rosalind Gates Brewer

*Chief Operating Officer, Group President & Director, Starbucks Corp.*

EEO.

A

Kevin Johnson

*President, Chief Executive Officer & Director, Starbucks Corp.*

Equal employment opportunity, we published – do we make those public, Rachel?

A

Rachel A. Gonzalez

*Secretary, Executive VP & General Counsel, Starbucks Corp.*

I have to...

A

Rosalind Gates Brewer

*Chief Operating Officer, Group President & Director, Starbucks Corp.*

We'll have to ask our...

A

Rachel A. Gonzalez

*Secretary, Executive VP & General Counsel, Starbucks Corp.*

We could come back to you on that.

A

Rosalind Gates Brewer

*Chief Operating Officer, Group President & Director, Starbucks Corp.*

A

One thing that I will say is that we do have public reporting. Our most recent public reporting was done through an outside firm called the Covington Group and it reports our most recent numbers on our hiring and where we stayed with minorities in position.

Kevin Johnson

*President, Chief Executive Officer & Director, Starbucks Corp.*

A

It was part of the Civil Rights Audit that Eric Holder and Covington, and we published that.

Q

Well, there's some years ago about the Magic Johnson licensee deal that ended. Has any other intention to ever open up licensees again?

Kevin Johnson

*President, Chief Executive Officer & Director, Starbucks Corp.*

A

We aren't doing – we have probably 50% of our stores are licensed stores. And in many cases in the United States, they are licensed to some large channel partners who build stores within their existing buildings, around markets around the world, we license to partners' entire markets, to our license partners. So roughly 50% of our stores are licensed.

Q

Well, I want you to consider that as your partners, investors, and workers at the same time. Maybe you could consider community participants in the partnership. I think the whole community should be able to join in the expansion. While you represent the best bag of ideas in Americans today, we are all in debt to you because workers should work, should get paid to have benefits for their work. And those picking the beans, the poorest, blackest workers on earth were living in the most hellish conditions. And [indiscernible] (02:21:31) is browse the morning paper and look at the Internet and not appreciate that's where the coffee bean come from. And so we want to make certain that you are sensitive as we seek to be for that.

Last point is that these teachers, many teachers teach school and they remain Starbucks workers to get the benefits, and that's a good deal. The last point has been raised several times before, outside of some workers, farm workers [indiscernible] (02:22:05) they were workers. These workers deserve to be heard. Now, technically there's a court case with them. There's a moral case. If you affirm these workers' right to be treated humanely, it destroyed the suit as we knew it because the workers may lose in court. They will not lose morally. Since you're the beneficiaries of their work, it seems to me that you cannot rest that easily, stand by, and watch them lose their court suit, they could win if they had the money to win.

It suggests something to us that's eating at my soul how some of our [indiscernible] (02:22:48) are living with 15- and 20-year sentences for sniffing drugs or cocaine and [indiscernible] (02:22:55) gets three years. It conflicts with who we are. The reason I'm so glad you're into a – sustainable environmental stuff because if the world is destroyed, [indiscernible] (02:23:08) don't drink coffee. The hurricanes keep coming fiercely and the [indiscernible] (02:23:12) keep blowing. People on – those couldn't – don't drink coffee. So you have some [indiscernible] (02:34:45) to make the world better, so that it's a better product and drink.

And let me express my thanks to you and to the company, really, for trying to make America as it ought to be, not just as it once was. Thank you so much.

Kevin Johnson

*President, Chief Executive Officer & Director, Starbucks Corp.*

A

Reverend Jackson, thank you so much for your feedback. Thank you for being here, sir. Thank you.

Rosalind Gates Brewer

*Chief Operating Officer, Group President & Director, Starbucks Corp.*

A

Thank you.

Kevin Johnson

*President, Chief Executive Officer & Director, Starbucks Corp.*

A

We'll go over here.

Jan Drago

*Member-Board, Mary's Place Seattle*

Q

Good afternoon. My name is Jan Drago and I'm representing the Mary's Place board. And Mary's Place provides emergency family shelter. Our motto is No Child Sleeps Outside. And I want to say a special thanks to you, Kevin, to John Kelly, and to Shannon Boldizar for leading the way, for the leadership you provided here in Seattle to other corporations and other businesses. It's making a huge difference.

I also want to thank the partners that hire our guests that treat them with respect and that feed them, a massive, massive feeding program. We couldn't do it ourselves. The professional help that you've given us and financial training and then leadership strategic hiring consultants to work with us, and I would like to say the end is in sight of meeting our goal, and I'd like to do a shoutout to our Executive Director Marty Hartman who walks on water, and we believe within the next year or two, I can come back and say we've met our goal of No Child Sleeps Outside. So thank you for everything you do.

Kevin Johnson

*President, Chief Executive Officer & Director, Starbucks Corp.*

A

Thank you.

Rosalind Gates Brewer

*Chief Operating Officer, Group President & Director, Starbucks Corp.*

A

Thank you.

Kevin Johnson

*President, Chief Executive Officer & Director, Starbucks Corp.*

A

Thank you very much.

Rosalind Gates Brewer

*Chief Operating Officer, Group President & Director, Starbucks Corp.*

A

Thank you very much.

Kevin Johnson

*President, Chief Executive Officer & Director, Starbucks Corp.*

Thank you for everything you do. Mary's Place. Great organization. This will be our last question. Yes, sir?

---

A

Q

Thank you very much. My name is Attorney and Former Representative [ph] Jesse Wineberry (02:25:31) for Washington State. I am here representing, believe it or not, 395,938 people in this state, many of them here amongst the shareholders who signed an initiative to bring back diversity, equity, and inclusion to Washington State.

Many of you may know that 20 years ago, Many of you may know that 20 years ago diversity and affirmative action were banned in Washington State by an initiative that was deceptively put on our ballot by a guy named [ph] Tim Heiman (02:26:08). And so as a result of the passage of that law called I-200, our state for the last 20 years has been one of only eight states in America that has banned affirmative action for women and people of color. Initiative 1000 is now before the people. The 395,000-plus people signed that initiative to put it on the ballot. The Seattle Times just this morning unanimously endorsed Initiative 1000.

And so my question is to the Starbucks board, what is the appropriate channel to seek the support of Starbucks for Initiative 1000 as other companies have given such as the Seattle Times Company today?

---

Kevin Johnson

*President, Chief Executive Officer & Director, Starbucks Corp.*

Well, first of all thank you for being here today and thank you for your question. Clearly I think as Roz outlined and we've outlined throughout the day, diversity and inclusion is a big part of who we are and what we do. And we feel like we have within Starbucks an approach and a model that continues to make improvements every single year, and we also acknowledge we're not done. So I think – and our focus is on the business of Starbucks and taking care of our partners.

So we'd be glad to take a look at this particular initiative. But typically we look at things that are important and aligned with the interests of Starbucks and our partners. And so we'd be happy to take a look at the initiative.

---

Rosalind Gates Brewer

*Chief Operating Officer, Group President & Director, Starbucks Corp.*

And it's good to see you again. I know we talked just this past weekend. So we'll keep talking, I think. We should talk.

---

A

Q

Okay. So who is the appropriate person that our staff would follow up with?

---

Rosalind Gates Brewer

*Chief Operating Officer, Group President & Director, Starbucks Corp.*

Actually, you can give me a call.

---

A

Q

Okay. Roz Brewer.

Kevin Johnson

*President, Chief Executive Officer & Director, Starbucks Corp.*

Thank you.

A

Rosalind Gates Brewer

*Chief Operating Officer, Group President & Director, Starbucks Corp.*

Roz Brewer.

A

Q

Thank you very much.

Rosalind Gates Brewer

*Chief Operating Officer, Group President & Director, Starbucks Corp.*

Thank you.

A

Kevin Johnson

*President, Chief Executive Officer & Director, Starbucks Corp.*

All right. Well, look, on behalf of Starbucks and all the Starbucks partners, we want to thank you for joining us today. We thank you for your questions and we thank you because we know you are believers. Thank you so much.

Rosalind Gates Brewer

*Chief Operating Officer, Group President & Director, Starbucks Corp.*

Thank you.

Disclaimer

The information herein is based on sources we believe to be reliable but is not guaranteed by us and does not purport to be a complete or error-free statement or summary of the available data. As such, we do not warrant, endorse or guarantee the completeness, accuracy, integrity, or timeliness of the information. You must evaluate, and bear all risks associated with, the use of any information provided hereunder, including any reliance on the accuracy, completeness, safety or usefulness of such information. This information is not intended to be used as the primary basis of investment decisions. It should not be construed as advice designed to meet the particular investment needs of any investor. This report is published solely for information purposes, and is not to be construed as financial or other advice or as an offer to sell or the solicitation of an offer to buy any security in any state where such an offer or solicitation would be illegal. Any information expressed herein on this date is subject to change without notice. Any opinions or assertions contained in this information do not represent the opinions or beliefs of FactSet CallStreet, LLC. FactSet CallStreet, LLC, or one or more of its employees, including the writer of this report, may have a position in any of the securities discussed herein.

THE INFORMATION PROVIDED TO YOU HEREUNDER IS PROVIDED "AS IS," AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, FactSet CallStreet, LLC AND ITS LICENSORS, BUSINESS ASSOCIATES AND SUPPLIERS DISCLAIM ALL WARRANTIES WITH RESPECT TO THE SAME, EXPRESS, IMPLIED AND STATUTORY, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, ACCURACY, COMPLETENESS, AND NON-INFRINGEMENT. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, NEITHER FACTSET CALLSTREET, LLC NOR ITS OFFICERS, MEMBERS, DIRECTORS, PARTNERS, AFFILIATES, BUSINESS ASSOCIATES, LICENSORS OR SUPPLIERS WILL BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, INCLUDING WITHOUT LIMITATION DAMAGES FOR LOST PROFITS OR REVENUES, GOODWILL, WORK STOPPAGE, SECURITY BREACHES, VIRUSES, COMPUTER FAILURE OR MALFUNCTION, USE, DATA OR OTHER INTANGIBLE LOSSES OR COMMERCIAL DAMAGES, EVEN IF ANY OF SUCH PARTIES IS ADVISED OF THE POSSIBILITY OF SUCH LOSSES, ARISING UNDER OR IN CONNECTION WITH THE INFORMATION PROVIDED HEREIN OR ANY OTHER SUBJECT MATTER HEREOF.

The contents and appearance of this report are Copyrighted FactSet CallStreet, LLC 2019 CallStreet and FactSet CallStreet, LLC are trademarks and service marks of FactSet CallStreet, LLC. All other trademarks mentioned are trademarks of their respective companies. All rights reserved.