

**Conference Title: Starbucks Corporation Annual Meeting VSM**

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Michelle Burns: It's Michelle Burns, and we're in the beautiful setting of Hacienda Alsacia. This morning, we are on the highest point of Alsacia, and you can see it is one of the most beautiful places on earth. I recognize it's been a difficult time in a difficult year for many of us, but here's what I want you to know. The coffee continues to flow. It flows at Alsacia, and it's flowing all around the world. It's one of those miracles of coffee and the resilience that's a part of it. And we're here this week thinking very hard about how we ensure that we have a harvest that not only protects our team at Starbucks, but also, all of the pickers that come to join us. So, we're going to take this opportunity and learn and innovate and do things differently than we've ever done before on the farm to ensure that we are making the safest and the most innovative approaches to continue to use our R & D center to the best of its ability.

So, with that, we wanted to take just a moment and do a coffee tasting with all of you, Pike Place special reserve. This is a special coffee for us. It really speaks to our heritage. And for me, it's so much not just the ritual, but this is around hope and resilience. In this cup are coffees from three countries, but one is Costa Rica. Since 1971, we've been sourcing coffee. And since 2013, we've had a farm here. Our progress just continues today. And for the future, this resilience, this hope that happens here. It's very real. And so, from us here at the top of Alsacia, we give a big salute.

Speaker: Remember that one time, once upon a time, one day in a kingdom, far away, the best stories begin with one. One morning, one sunrise, one city, one cup of coffee. One idea to create one company all beginning with one store, never underestimate the power of one. That one store became 10, 10 became 100, 100 became 10,000 and now 33,000 stores across the world. With 400,000 partners, speaking hundreds of different languages, all sharing one mission to inspire and nurture the human spirit. One person, one cup and one neighborhood at a time,

millions of times a day, covering the world with one vibration, one smile adds joy to another and another, each one, joining and building restoring and connecting coffee farmers to communities, communities to partners, partners to customers, and person to person every day for 50 years. And here we are one company, powered by human connection, living one mission. And re-imagining our future every day. All together, never underestimate the power of one because from one, the possibilities are endless for humanity for our world. One person, one cup, one neighborhood at a time.

Kevin Johnson: Well, good morning from Seattle, Washington. My name is Kevin Johnson, and it is my pleasure to welcome you to Starbucks 29th annual meeting of shareholders. I'm particularly energized by the many Starbucks partners and store managers who are joining us today. Hosting this meeting virtually has enabled thousands of Starbucks store managers who are also shareholders to join us. And I am honored by their participation. I want to speak directly to those store managers when I say, wow, this has been a dynamic and challenging year. You have supported your store partners, created safe and familiar experiences for your customers. And you have recognized the frontline healthcare workers in your communities. You've done so much for so many, and I am grateful for your leadership. I also want to welcome our world-class board of directors to this meeting. It is a privilege to work with such a talented board, and I want to take this opportunity to thank each director for your unwavering support of Starbucks and our management team.

Together, we have navigated many challenges while at the same time we have shaped what I believe is an exciting future for this great company. And I appreciate and value each of you and your contributions. I also want to recognize Mike Allman for his invaluable contributions to Starbucks over the past two decades. Mike is retiring from the Starbucks board after 18 years of service. And since 2018, he has served as our board chair and has been my partner every step of the way. Mike, we thank you for all you have done for Starbucks over the years, we congratulate you on your retirement and we wish you and your family well. And that brings me to

recognize another very special member of our board. Mellody Hobson. We are so fortunate to have Mellody on the Starbucks board. She has served Starbucks since 2005 and today she will officially assume the role of board chair.

She is a talented leader who understands the company and will do a fantastic job as she steps into this new role. I look forward to partnering with Mellody, as together, we shape this next chapter of the Starbucks journey. Please join me in congratulating Mellody Hobson as our incoming Starbucks board chair.

Now, let me introduce you to the Starbucks executive leadership team. Angela Lis, Belinda Wong, Brady Brewer, George Dowdy, Jerry Martin Flickinger, Gina Woods, Hans Melotte, John Culver, Michael Conway, Rachel Gonzales, Rachel Ruggeri, and Rossann Williams. Now. For those attentive participants of last year's annual meeting of shareholders, you might recall that I shared my personal aspiration and a prediction that today we would all be together here in Seattle, in a large venue, celebrating with all of the pomp and circumstance that has been our tradition from past shareholder meetings. My wish for us all to be here together in person this day did not come true, but my aspiration to be with you today, virtually, as we celebrate Starbucks, and what Starbucks stands for is as strong as ever.

This was a proud year for Starbucks. All the challenges Starbucks navigated. This was a year of inspiration and pride. Why? It is all because of our Starbucks partners. Thank you, partners, a big thank you. You've certainly inspired me over this past year and you continue to inspire me each and every day. You rose to this unprecedented occasion, you showed up, you truly demonstrated what it means to inspire and nurture the human spirit. And with each interaction and each cup of coffee, you helped your customers and community navigate a global pandemic and social unrest, offering them that third place, where they are always welcome and can feel a sense of belonging. Thank you, all of you, for your hard work, your dedication, your commitment

to your communities and your ability to adapt to challenging and ever-changing circumstances. You are the heartbeat of Starbucks, and it is an honor to work in service of you.

This past year, a trying time for humanity, has reminded us all that Starbucks over the course of our 50-year journey, was built for this moment. So, let's take a moment to reflect on this past year.

You may have been seeing a number of news announcements that are coming out from all different States and local jurisdictions. Increasingly, we're seeing guidance for communities to self-isolate. Things are going to keep changing and things might change so fast over the next couple days or a couple of weeks, we may not be able to tell you everything before they happen. I had 11 stores and only three are still open. We're at one of those defining moments in our history. We are all in this together. We're taking care of our customers. We're taking care of our partners. We had social unrest or dealing with racial injustice, seeing the impact that that's had on my city and my partners was heartbreaking and we have so much more work than we still have to do. We stand with our black partners. We stand with our black customers and we stand with every community together as allies to speak up for one another. Hate will not be tolerated in any form at Starbucks. We will not be bystanders.

There are different reasons or causes for hope, but being hopeful is a choice. It's a decision that you have to make. What brings me hope is seeing how our partners respond in the face of that type of an environment in the midst of what can feel like chaos. We also get to wake up and demonstrate support in our own ways. And that we're on this path now where we're open and change is coming and we're embracing it and we're leading it. I'm just inspired. And I'm proud to be a part of it.

And we support our public sector leaders as they work to scale up vaccination capability across the state of Washington. Thank you for helping us on this, big time. We're very fortunate in this

state to have business leaders who recognize this community effort. No matter what happened, we need to be here for our communities for each other. And that's my hope is all of you.

So, today, our goal is to celebrate Starbucks, to celebrate Starbucks partners and to celebrate a significant Starbucks milestone. The 50th anniversary of this resilient and enduring company. Our team here in Seattle has gone above and beyond to bring you a special kind of meeting, a meeting that recognizes and thanks all stakeholders past and present, a meeting that celebrates the remarkable story of Starbucks' first 50 years. A meeting that reflects on who we are in this historic moment and a meeting that aims our eyes towards the future with courageous aspirations and dreams for the future of this great and enduring company.

I'm honored to share this day with each of you. I'm inspired by the story of Starbucks and by all of the partners past and present who have brought us to this special moment. Remember the story of Starbucks. Our story began with one store, the store I am standing in here today at Seattle's Pike Place market. Our journey began in one store and illustrates the power of one, one store with a mission grounded in humanity, inspiring and nurturing the world. One person, one cup and one neighborhood at a time.

Camille Heinz: Hello everyone. My name is Camille Heinz, a proud seven-year partner, and I'm walking the cobblestones in Seattle's historic Pike Place market, the birthplace of Starbucks, and still home to our first store. You know, I've been searching for just the right word to describe the journey of Starbucks so far from its start in 1971, selling whole bean coffee to well, today, 50 years later, the word that keeps coming to mind is Epic. And I'm not just saying that because I'm your narrator. The story of Starbucks has everything. Twists and turns, setbacks and breakthroughs, valleys and pinnacles, like all good tales, there are a few different roads we can take to get to the heart of this one. Today, we'll walk a cobblestone one in Milan, Italy. It's on this road where we'll meet a young man from Seattle on a trip that will forever change the way the world experiences coffee. The year 1983, that young man's name, Howard Schultz.

He was on his first visit to Italy. And as he strolled through the streets and the plazas of Milan, he was overwhelmed by the architecture, fashion, art, music, the magic of the place, and especially its espresso bars. Back home in Seattle, Howard was working as the marketing director of a small business called Starbucks. At the time, Starbucks sold bags of whole bean Arabica coffee, as well as tea and spices at four stores around the city. Now, while wandering Italy, Howard noticed these casual, welcoming coffee houses, everywhere. All who entered these cafes were greeted with the same warmth and enthusiasm, whether it was the first visit ever, or their third that day, the people holding cups of espresso and cappuccino or family and friends, coworkers, even perfect strangers seemed to be so present. So connected, all amid the joyful clatter of coffee, grinders and steaming milk and Italian opera.

This scene, this experience, had a profound effect on Howard. He returned to Seattle with an idea. Now, there's no such thing as spoilers when it comes to history. So, even though we all know a little something about Howard's big idea, I'm going to keep going because the next part of the story is especially good. Come see. Howard was exhilarated by his idea to bring Italy's cafe and espresso culture to America. But at the time some in Starbucks felt it would be a distraction from their business model of selling whole bean coffee. You have to remember in 1983, most people brewed pots of coffee at home using ground coffee from the grocery store, drank their coffee at diners or restaurants. They worried Americans wouldn't embrace Italian style coffee houses, but Howard, he was determined.

Eventually, he convinced Starbucks to let him open a test cafe inside a single downtown Seattle store. They gave him a little bit of space, 300 square feet to be exact. And on a rainy morning in April, 1984, Starbucks served its first cafe latte.

Speaker: For a cup of good coffee I just walk half a block North on fourth Avenue to Starbucks. All those great caffeine charged drinks with the Italian names, macchiato and mocha.

Camille Heinz: At the time, the handful of Starbucks whole bean coffee stores in Seattle were serving about 250 customers a day. The store with Howard's new coffee bar was soon serving as many as 800, but there was a lot more to Howard's idea than serving coffee. He believed coffee could serve to build community, empower the human connection, the kind of connections that make hard days easier and celebration sweeter. The kind of connections that help us navigate sorrow and help bring us closer to opportunity, strength and joy. This belief in the power of coffee to bring us closer was brewed in the first cup Starbucks ever served, and it's been poured into every cup since. Take a look.

It was here at Seattle's historic Pike Place market that three friends opened a little specialty coffee store in 1971. They sold coffee from places like Columbia, Indonesia, Uganda coffee. They roasted themselves and hand scooped into Brown paper bags. To name the place, they looked out the front door to the waterfront for inspiration. They chose the name, Starbucks, the book character from the classic novel Moby Dick. For the logo, they chose a siren as alluring as the coffee itself.

Fast forward to 1987, Howard and a group of investors acquired Starbucks, merging Starbucks coffee with the IL Giornale coffee houses Howard had started two years before. This is when the siren logo transformed from Brown to green. And the aprons did too. Starbucks opened its first stores outside the Puget sound in Chicago and Vancouver, Canada,

Speaker: The company's headquarters in Seattle's industrial area doesn't look like much from the outside, but inside you see that Starbucks is a company on the move.

Camille Heinz: Culture started to form. A culture that would serve as a foundation for the young company's values. Starbucks wrote its first mission statement guided by a commitment to treat each other with respect and dignity. Starbucks also did something unheard of. Offering full

health benefits to employees, even for those working part-time. And then, Starbucks made its employees partners offering equity in the company through Bean stock.

By the time Starbucks initial public offering came around in 1992, things really started to take off. Starbucks Coffee was served on airlines, in airports, even making a splash on something called the worldwide web. Soon, you could see the siren and storefronts in Los Angeles and New York. We started to make the experience all our own, adding comfy chairs and playing jazz and blues. Customers liked our music so much, we began making our own CDs beginning with the blue note blend. Howard was even in a gap ad. By our 25th anniversary, Starbucks was ready to expand beyond the U.S. and Canada, to be honest, no one was sure how this would go, but Japan embraced Starbucks and the company soon opened more stores in Asia Pacific before moving on to Europe.

Speaker: Each day, somewhere in the world, we open three Starbucks stores. Today, it's our turn. We have great companies like Starbucks here, China, the Middle East, Latin America, and the Caribbean. A bewildering menu. You don't see the word coffee anywhere.

Camille Heinz: Starbucks continued to appear more and more in pop culture in movies, TV shows and late night comedy.

Speaker: Things you don't want to hear from a guy at Starbucks. Number four, can I have I'd like machiatto mocha Americano, half cap, extra hot with soy. And then some of those sprinkle things. Can I just give you a regular cup of drip coffee? Come on.

Camille Heinz: Starbucks was trying all kinds of new things. Some were hits, like Frappuccino. And people flocked to our first drive-thrus. Other ideas, well, perhaps they were just ahead of their time. Starbucks tried to make the world a little bit better. Starting the cup fund, opening its first farmer support center, planting community gardens and reading to kids. But by 2007, cracks



were starting to show. Going from 1,000 to 13,000 stores, Starbucks was seemingly everywhere, but with growth came sacrifice. The company had streamlined its store designs to work anywhere in the world, but to visitors, they felt sterile, cookie-cutter, and same-store sales declined for the first time in history.

Speaker: No company is immune from the impact of the recession, not even the one-time darling of wall street, Starbucks.

Camille Heinz: It was clear the company had to do something. And so, it did. Starbucks partners rededicated themselves to coffee, to their customers, to each other. Starbucks refocused on its core values and on reigniting people's passion for coffee and innovation. The company's new mission became a guiding star to inspire and nurture the human spirit. One person, one cup and one neighborhood at a time.

This mission gave partners a purpose and something to believe in when they needed it the most. And they got to work rebuilding the company. Partners returned to our love affair with coffee and thanked customers for their loyalty and reached out to them in new ways, always listening and always learning. And Starbucks made its stores a better reflection of the neighborhoods they served. As Howard would say, dream big and then dream bigger.

We bought a coffee farm and Starbucks has continued to celebrate coffee in the places where coffee is grown, in stores, and in the hearts of partners and customers. Starbucks started meeting customers where they, are and using technology to help improve the connection. Striving to make sure everyone who walks into a Starbucks feels welcomed and valued. Four years ago, in the spot where it all began, Starbucks started a new chapter when Howard handed over his key to the pike place store to a new CEO, Kevin Johnson.

Speaker: The 1912 key is a symbol, but this key is also the key to our future.

Camille Heinz: Starbucks continues to learn and grow as our partners demonstrate what it truly means to nurture the human spirit and how to create a culture of inclusion and warmth, where everyone is welcome, how to act with boldness and courage to challenge the status quo. For the past 50 years, the Starbucks mission and values have been not only an anchor for this journey, but the wind in our sails, who we were in the beginning is who we are today.

So, as you can see, the first 50 years have been quite a ride. You can also start to fathom just how remarkable it was for a small coffee shop from Seattle to become a beloved global brand, all the while managing to stay true to its core values. The Starbucks experience was unwavering. Whether you ordered a coffee at the first Pike Place market store or at the 17,000 stores, say in Morocco or Guatemala, John Culver, who has been at Starbucks since 2002 was one of the leaders who helped to make it happen this way.

John Culver: The success of Starbucks around the world has been defined by our partners and how we show up in every market we serve. Since we opened our very first store outside of North America, 25 years ago in Tokyo, Starbucks partners have been united by two key elements, our mission and values and our enduring love for the convening power of coffee. Together, partners across the globe have built one of the most admired and trusted companies. One focused on caring for our people, creating uplifting experiences for our customers and playing a positive role in the communities we serve. Our values are universal. They transcend borders and are why we have seen the love for Starbucks grow beyond the four walls of our stores and now extend into new channels. Increasing the relevance of Starbucks in people's daily lives. Our international partners have helped shape Starbucks, making us better, stronger, and more committed than ever to focus on the mission and values that unite us all. This has always been who we are, no matter where we are. This is Starbucks.

Speaker: I grew up drinking tea as do most people in China. Yet Starbucks has enjoyed early success in this traditionally tea-drinking culture. And that's all because of our love and passion for coffee. We have devoted ourselves to sharing a unique Starbucks experience with our Chinese customers and local communities. The dedicated craftsmanship it embodies, the uplifting experience it provides and the genuine human connection it inspires. We couldn't be more proud of our partners who pour their hearts into bringing these to life every day through every cup of coffee they brew and every customer connection they make. Each morning as the sun rises on neighborhoods around the globe, our partners hold the keys to open more than 32,000 doors. Behind each door is a team of Starbucks partners proudly putting on the green aprons and getting ready for the world to wake up so they can once again, deliver coffee and connection.

Rossann Williams: I'm Rossann Williams, a 16-year partner, and I am still so humbled and so proud of our partners who serve all across the globe. We are 400,000 partners strong, serving in over 32,000 stores, all around the world and each and every one of us shares deep personal conviction to bring our mission to life, to inspire and nurture the human spirit, to be that very best moment in every single person's day, whether you are a partner or a customer. Although we've navigated so much change and faced so many challenges over these past 50 years, this last year was a true inflection point for us all. A moment where we had to look deep within ourselves to connect with the essence of us to be in service of humanity. We've had the privilege of becoming the very best version of us, becoming stronger, smarter, and more resilient than ever before.

And this was made possible because our partners showed up each and every day with such kindness, grace, generosity, and yes, even love. We know from first-hand experience the ripple effect of doing something good that comes from even the smallest moment of human connection. Whether it's a partner wearing a green apron or a partner in service of our partners who wear a green apron, all of our partners who are determined to serve our customers and our communities every single day. Each one of our partners is a special hero to me. As I believe our mission and

values have never been more clear, more relevant and more meaningful than ever before. I have never been more confident or optimistic that we can achieve anything we are dreaming of because the best is yet to come.

Speaker: When you say what's different about Starbucks, it's these amazing people that we brought together, aligned on a mission to inspire and nurture the human spirit and magic acts. The culture and the community that I've personally experienced as a military family member and a military spouse has been sort of overwhelming. It doesn't feel like a job. You know, we're called partners, not employees, the way we're treating our partners and our customers. It really has helped to spread love and the goodness of people to people. It's the clarity that we have on our values. It's not something that we just talk about, but we actually live them. We are really good at asking the question, how can we be better? We are invited to be our authentic selves. I don't have to show up and be somebody different, no matter what role I'm in to show up every day to work unafraid, you can be who you are. You literally see people walk in my store and kind of exhale and like they're coming home and they're comfortable. I think about Starbucks. I think of Starbucks as being the foundation of love. I think everything we do is around, surrounded around, love and that it makes it so different from everyone else.

Kevin Johnson: Well, here we are in the Tryer center, our 20,000 foot innovation lab, where new ideas enable our Starbucks partners to deliver that great Starbucks experience for each and every customer we serve. This is where new store concepts are designed. New coffee equipment is invented and new and exciting beverages come to life. It's also where we are re-imagining how to become a more sustainable company so that we give more than we take from the planet. We focus on innovation that inspires our partners and ensures Starbucks remains relevant to the ever-changing needs of our customers. For Starbucks, it's inspiring to think about how a powerful vision came to life in one store. And then, over a 50-year period, grows to 33,000 stores around the world serving over 100 million customer occasions a week, pre-pandemic. Howard Schultz

deserves all the credit for his vision, his passion and his perseverance that created one of the world's most admired brands.

Founders of enduring companies like Starbucks, create something very special that they know intuitively will connect deeply personally and emotionally with many people. That is perhaps why when Howard approached me several years ago, I was a bit apprehensive. Founder transitions are significant. Perhaps the most significant transition a company ever goes through. Succeeding the charismatic founder of an iconic brand that reaches hundreds of millions of people around the world. Well, that can be very intimidating. And so, I asked myself, what can I bring to the table? How can I help advance the mission? Is my authentic self good enough? And because of my respect for Howard and my love of Starbucks, I accepted the challenge, embraced the opportunity and grounded myself in one simple concept. My responsibility in leading a transition from founder-led to founder-inspired was to have the wisdom to know what to honor and preserve from the past while at the same time, having the courage to boldly re-imagine our future. Honor the past. And re-imagine the future. Wisdom and courage. I knew that we must stay true to the foundation of this great company, to our purpose, grounded in humanity and to our culture of warmth and belonging.

At the same time, I knew that we must look boldly to the future, adapting the third place for the world and society to come. If we don't honor and stay true to our mission and culture, we will lose our way, but in a rapidly changing world, if we don't boldly reimagine our future, the world will pass us by. Four years ago, we gracefully led one of the most significant business transitions any company will ever go through. From a founder-led to a founder-inspired company. And the beautiful thing about being founder-inspired is that each and every Starbucks partner can take inspiration and help shape our future. In many ways, this was a transition from Howard to all of us. As Starbucks partners we all share an emotional connection to our mission, and we all have a responsibility to adapt for the future.

I am privileged to work with so many great partners at Starbucks. And so, what have we done in the past four years? Well, as a team we have transformed the way we innovate. Building an ethos that allows us to bring great ideas to reality within 100 days. When we fail, we do so quickly, and we celebrate what we have learned from that failing. And because we constantly learn and adapt, we are agile and can respond rapidly to changes in our environment and to the needs of our customers. We have focused on the U S and China as our two lead markets. And that has enabled all other markets to more swiftly follow. We built an Alliance with Nestle to expand the global reach of Starbucks into the homes of millions with single-serve and at home coffees. As a team, we navigated a global pandemic and we did that by first prioritizing the safety of our partners, our customers, and our communities.

Second, supporting local government and health officials as they work to mitigate and contain the virus. And third, showing up. Showing up in a responsible and positive way in each and every community we serve. As we did this, we accelerated many of our plans to reinvent the Starbucks experience, focusing on mobile, convenience and new store formats that re-imagined the third place experience. These were strategic plans we put in place long ago, which we accelerated to meet this moment. And that's been our approach over these past four years to honor the mission values and attributes that create that special Starbucks experience while boldly reinventing for the future. Hasn't this very moment put that philosophy into practice? And it has made us an even stronger and more resilient company. Not only have we navigated a global pandemic, but we have led with purpose, through some of our most trying moments as a society.

And we positioned Starbucks for the inevitable great human reconnection that is about to unfold. We must respect and preserve the legacy of this great company, because that is what makes it resilient and sustainable. If we do that, we will not lose our way. At the same time, we must look to the future and reinvent this company so that we are not passed by. We cannot be idle. There's a beautiful balance and harmony in all of this. Respect and re-invention wisdom and

courage, the wisdom to know what to preserve from the past and the courage to reinvent the future. Wisdom and courage. That's how I think about Starbucks in this very moment.

Camille Heinz: Kevin took the helm, he clearly reinforced the purpose driven nature of Starbucks and the importance of living our values. At the same time, he also began shaping a vision for the future while asking some pretty big questions, including how can Starbucks stay uniquely Starbucks while also evolving to meet the needs of an ever-changing world? To him, knowing what to hold on to, mission and values, was pretty clear. There's no question that since the beginning, success at Starbucks meant investing in people, starting with our partners.

In turn, our partners take care of our customers and the communities we serve. The communities they are a part of. Few people understand this investment and how it pays off better than our chief people officer Angela Lis, who began her career as a barista nearly 30 years ago and worked her way up to the executive leadership team.

Angela Lis: Our partners have been and always will be our heartbeat. The thing that most differentiates us as a company, and this is by design. Howard was intentional about creating a company in which everyone could share in the success. It's why we call each other partners. So, we are in it together, both this company and this life. So, why not do everything we can to help each other succeed at both? This is a fundamental truth I've known since 1992. When I started working as a part-time Starbucks barista in Denver, Colorado, and it's something I've been demonstrating time and time again, as I moved from barista, the store manager to recruiter, partner resources, and to the executive leadership team. Let's hear from a few more partners about the benefits that have made a difference in their lives.

Speaker: My favorite thing, and what I tell everybody about whenever I hired them on at Starbucks is the benefits. We have the Bean stock, health benefits, Lyra, Headspace, SCAP for students who are wanting to go to college, Spotify, coffee mark out, food mark out, beverage mark out,

dental, eye vision insurance. Paid time off catastrophe pay, and we've continued the catastrophe pay for almost a year. They usually just think, wow, that's a lot of stuff.

Speaker: March of 2020 was one of the most stressful, magical, wonderful, chaotic months that I've ever been at Starbucks and America. The pandemic hit pretty hard when the benefits first started rolling out and catastrophe pay was announced, and we got to have partner planning conversations. And we started unveiling the supportive benefits that we were able to offer them to partners. It was this really surreal moment of just overwhelming emotion to know that, you know, we were putting our faith in our company. Starbucks has the refugee hiring program and works with multiple organizations. And one of them is the refugee council, which is the organization that I got my job when I got the job in Starbucks. I was so happy. I was so excited. I was like, Oh yeah, I got there. I got there. For a refugee who's come from Syria, not speaking the language and getting to where I am right now. I want to make sure everyone knows that nothing is impossible.

Speaker: I used my bean stock to make the down payment on my home. Bean stock is one of the many benefits Starbucks has to offer. I like to tell my new partners that get hired on that because you are a piece of the company you're going to receive a piece of the company as well. In 2017, my home was flooded due to hurricane Harvey, but luckily, we were able to rebuild with some help from the cup fund, some help from volunteers within the Starbucks community, a cup fund is a fund you can use if you're ever in the situation in your life where you need extra help, and you're not sure where else to go.

Speaker: I was working with someone who was in the staff program and I saw the opportunity when I joined ASU. I wasn't sure if I could be a successful student and a successful mother, the primary impact that I wanted to have on my children is that I can set a goal for myself. Getting there is not going to be easy, but I'm still persistent. And that's really what I wanted them to see.



Speaker: I got an opportunity with Tata Starbucks two-wheeler mobility. I not only got to loan subsidy, but they give the advance payment for the vehicle that I purchased. It's fixed G Honda Prime, when it arrived, it was really amazing.

[Chinese]

Speaker: I wouldn't say that 2020 was my year. In May, my mom lost her six-year battle with multiple myeloma cancer. And that kind of turned my world upside down. I started going to Lyra when my mom passed away, knowing that I was going through something that was so big, that I knew I needed help with it. Through Lyra, I was able to figure out what emotions I was feeling, understanding that all of them were normal. I learned it's okay to get help. Starbucks has put mental health in such a spotlight when often issues that people face in that atmosphere are swept under the rug or ignored.

Speaker: My 2020 experience was traumatic and stressful and emotional thing knew that whatever's going to happen our company is going to take care of us. For these people that I've met through Starbucks. They are my family. They're part of my life. It does not mean just the job, the human connection to Starbucks changed my life.

Camille Heinz: When people feel supported, they are more ready to support and inspire others. The truth of this equation is evident in the countless demonstrations of kindness, large and small, that happened in Starbucks stores around the world each and every day. The bond between Starbucks partners and customers is a remarkable and beautiful thing. Together, they exercise daily acts of love. To me, it's no accident when good things happen. Even in the hardest of times, our partners and our customers are making good things happen. Take a look.

Karima Rasul: Good morning and welcome to the annual meeting of shareholders. And to a very special edition of good things are happening. I'm Karima Rasul and I'm Sergio Alvarez. And

we're here today to share some of the most courageous, heart-warming and inspiring stories of good things happening in Starbucks stores all over the world this year.

Sergio Alvarez: This year, our partners served 4.2 million free cups of coffee to first responders and healthcare workers.

Karima Rasul: But they didn't stop there. They fed their neighbors. They made care packages. They sent masks. They reached out to those who were struggling, found inventive ways to serve and support communities, navigating unprecedented challenges.

Sergio Alvarez: They threw each other socially distant graduation ceremonies and proms and baby showers to make up for so many canceled milestones. They orchestrated dance parties and costume days and random acts of kindness to make sure no day passed without joy.

Karima Rasul: In the Southwest United States, the COVID-19 infection rate on the Navajo nation was at one point even higher than New York city. Making it one of the hardest hit areas in the entire world. Ty Bar Bone, a Starbucks store manager in Gallup New Mexico, wasn't about to stand by as people in his community were suffering. He teamed up with his life partner, Dwayne, a Navajo nation police officer, and local businesses to get people desperately needed supplies, including fresh drinking water. Ty, thank you so much for being with us here today. Tell us why you felt it was important that you take action.

Ty Bar Bone: Water is life. We were always taught that to respect water. It's used in ceremonies. Of course, it replenishes the earth and replenishes us. And water is scarce. Especially here on the Navajo reservation, the elders, what did like to do is, you know, thank you like this, and delivering the food, delivering the water and them, me seeing that. Thank you. It gets, it is a good feeling. And seeing that has brought tears to my eyes.

Sergio Alvarez: Thanks to Ty into all the first responders, healthcare workers, teachers, central workers, including our own Starbucks partners who sacrificed so much to help us get us through the last year. And another good bit of good things happening. I wanted to share that Tie was instrumental in creating the first indigenous partner network at Starbucks and as a partner. That makes me so proud. Our next story takes us to Fayetteville, North Carolina, where assistant store manager, Victoria Train, got a call from a customer named Cameron. Cameron, a soldier, had arrived home a couple of days early from Iraq and wanted to know if he could surprise his family in the Starbucks drive through window.

Karima Rasul: Wow. Cameron chose his local store, their Starbucks, to create that moment for his family. Well done, Victoria, what a beautiful surprise. Our next story takes us to Rochester, New York, where customer Dallin entered Starbucks drive through expecting to order a hot chocolate and drove away, shaking his head in a good way.

Speaker: I'm sorry, I'm deaf, so I can't really understand what you're saying.

Karima Rasul: Incredible. Kudos to barista, Briana Roth, who studied American sign language for making that moment into a real connection. Here are a few important numbers to know about that story. 4,000, that's how many of our drive-thrus so far have been equipped with a video technology that made this interaction possible. 5.1 million. That's how many likes Dallin's TikTok video has received so far. And finally, forever. That's how long Dallin says he'll be a customer after this experience.

Sergio Alvarez: While we're on the topic of signing. We opened some truly unique and wonderful Starbucks this year, including our sixth signing store in Beijing, China. Our signing stores continue to expand career and leadership opportunities for deaf and hard of hearing partners.

Karima Rasul: In India, where less than 20% of working age women have jobs, Tata Starbucks open two stores run entirely by female partners. These stores aimed to provide women in India with equal pay. In addition to being supportive and encouraging environment to grow their careers.

Sergio Alvarez: Even this year, one of the hardest, most disruptive and unpredictable years, any of us have lived through. It seems like Starbucks partners were serving as much love and light as they were coffee. This is Sergio.

Karima Rasul: And this is Karima.

Sergio Alvarez: Signing off for today and reminding all of you, to keep on making good things happen back to you, Camille.

Camille Heinz: Karima and Sergio. Thank you for this reminder that even in the most difficult times, good things are happening. Especially in Starbucks. Chavonne a nurse from Brooklyn, a long time customer and possibly the world's biggest pumpkin spice latte enthusiast, told us about what Starbucks means to her and how that has changed this past year to mean even more. Take a look.

Chavonne: My name is Chavonne. I go by the nickname, Chevy. Chevy, like the car. I live in Brooklyn. I love everything about fall. I love coffee. I love cats, zombies. I am one of the moderators for the leaf raker society. And I also am a nurse. I've been a nurse for three years. I love interacting with patients. My mom is a nurse and I always observed the way that she showed kindness and patience to others. And that definitely influenced me on my journey to become a nurse. I believe in those small moments, there have been mornings where I get up and I'm so nervous about going to work because honestly you never know what you're going to face. When I go to Starbucks, that little smile that good morning, just a small drop of kindness can turn anyone's stay into something better.

Fall has always been my favorite season. The leaf rakers society is a group on Facebook. It was definitely inspired by the PSL at Starbucks, the pumpkin spice latte. And from there, it exploded into something else. We're just here to promote happiness. And if you're feeling down, come on over to the leaf rakers, we promise you we'll be there for you. It's the most magical place. In the beginning when COVID truly started, it was hard to keep a positive face on. It was hard to keep that smile going. When you have what feels like your world crashing around you, we're pulling through it. We support each other. We try our very best for the patients and families. It was just a very overwhelming time even thinking about it now the feelings do rush back to you.

There are a lot of people that try their best to say thank you, to boost your spirits. When Starbucks finally reopened, I would get my little cup of coffee and it would have a smiley face on it, or just, you know, someone to write a quick, thank you or have a nice day. And when I'm walking out the door, I feel ready to just tackle whatever comes my way.

Camille Heinz: Chevy describes Starbucks as a hug in a cup, which she said was particularly important this year, when hugs have been hard to come by, I think it's absolute magic. The small moments of connection Chevy tried to give her patients at the hospital. And I love that she finds these small moments of connection for herself at Starbucks. As much as we have changed over the last 50 years, it's moments like the ones Chevy described that this company does best. Kevin knew that for Starbucks to be able to keep doing this for another 50 or a hundred or 150 years, we must keep investing in people honoring the craft of coffee and believing in the power of the human connection. But what other things would Starbucks need to do to meet and exceed the demands of a changing world? Now, that would take some bold re-imagining.

Kevin Johnson: We are so fortunate, especially in these times that we have this magic thing called coffee. Coffee brings us together. And that's this moment in time. Our innovation mandate is to bring coffee back into the world in a way that brings people back together. When we think about

innovation, the word bold is critical, small incremental ideas help, but the future is moving much faster. When the pace of change goes faster than the pace of adaptation companies fall behind. We have to set our gaze way out into the future and think radically about where the world's going to be.

Speaker: It's not an exaggeration to say that Kevin has revolutionized innovation at Starbucks. He's created an environment where he's encouraged any partner, no matter what level to bring their ideas to the table.

Speaker: Every partner, especially the partners in the stores. They have the best ideas. We needed a way to surface those ideas and scale them up.

Speaker: We are standing in the Tryer center at the Starbucks support center in Seattle Washington. This is a 20,000 square foot facility. It's an innovation center. You've got teams that are prototyping in the beta lab or the hack lab here maybe building stuff, either machines or building stuff out of cardboard and duct tape. All of that together creates this great creative kind of collaborative ecosystem.

Speaker: When the idea comes in Janice and our team, look at the idea and you see whether we should take it on and run that idea within the Tryer lab. I sort of determine the what, what needs to be done. And Janice figures out how to do it.

Speaker: We are imagining the next 50 years of the Starbucks story down here, but we do that in this ever evolving landscape. We must be changing and kind of thinking about tomorrow and building solutions for tomorrow, today.

Brady Brewer: Boldly re-imagined means we need to constantly push for renewal and innovate to not only adapt to who we want to be, but also adapt to the external marketplace. The range of things

we're doing right here at Tryer to bring forward. The future will mean that if a customer orders a beverage in the next four or five years, it will be made on a new, innovative piece of equipment that is unique to Starbucks. And it's very exciting to see what's in test right now.

Rossann Williams: If you look in our stores today, there's a number of pieces of equipment that we've innovated over these last couple of years. First take the Mastrena. The Mastrena 2 actually makes a higher quality consistent shot of espresso, every single pull and the partners absolutely love interacting with it because they actually helped us design it. You can also take a look at nitro cold brew. It was the largest rollout in the U.S. than any other company has done. Nobody has nitro cold brew at scale. Another important aspect of innovation is all the work that we've done around partner care. Everything from providing a free online college education, all the way over to the mental health benefits that we believe so deeply about.

Speaker: The Tryer center was critical to our success. In this past year I remember pictures coming through partners in masks and visors in front of walls covered in sticky notes, following human centered design principles to rapidly respond to new things that were developing in the marketplace. It was almost like Apollo 13, dump the tools and the pieces onto the table that we have available to us in the store right now. And that cycle has just kept repeating itself.

Speaker: We need every partner to raise their hand and say, I am an innovator too. And I put a solution to a problem as my role as the first entrepreneur in residence at Starbucks, my job was to go out into the world and find innovation. We were already developing incredible innovation inside the building, but what else was out there? Could we formalize that more by creating an investment fund would allow us to introduce and find technologies that may or not have been discovered. And that was the calling for Valor Simon ventures. Now fast forward a year later, we are a \$400 million fund. We've made 31 investments in food and retail tech supply chain. That's part of the dynamic and role that we can play for a strategic partner like Starbucks.

Brady Brewer: Knowing that we have to constantly push for renewal and that's in our mission and values to challenge the status quo. **We have to challenge the status quo is this company that's essential to life, to grow.**

Rossann Williams: Innovation is actually what enriches people's lives. And in fact, innovation is what fuels our growth. We always have been a growth company and that growth company is founded on one relationship. And that relationship is between a partner and a customer. Innovation is the lifeblood of Starbucks and the muscles that we built around innovation, just like we have for our first 50 years will be even more important for the next 50 years.

Speaker: In the next 50 years I do see Starbucks becoming these great leaders of humanity.

Speaker: Starbucks is going to stand for love and growth.

Speaker: It's going to be a little kinder world, a little better world, and Starbucks will play a big role in it.

Speaker: I hope that we have established relationships that lasts for 50 years. Relationships, that spark joy, spark optimism, and positivity that we've created something different.

Speaker: Continue to live our mission and values and be more than just a coffee company. How do we continue to have impact in the communities that we serve? How do we make the planet better? How can we provide families with clean water and with fresh food to eat?

Speaker: I see Starbucks shattering the status quo.

Speaker: I think everything that we do right now. Other companies are watching and they want to see us lead.



Speaker: And when we step out and we can lead with the courage of our convictions, stand on our morals and be first to do what other people wouldn't do just as we do with coffee, they may, in the next 50 years is going to be as awesome as the first 50.

Kevin Johnson: In just the past few years, we have fundamentally positioned this company for the future. We've done this by staying true to our mission and living our values, but also while re-imagining and adapting for the future and enduring company is one that routinely adapts in order to stay relevant to the stakeholders it serves. And that is exactly what Starbucks has done over the course of the past 50 years. It's true, the pace of change has accelerated this past year, as we navigated a global pandemic. And now, as all of humanity emerges from this pandemic, and as we advance on the journey for social justice and equality, we are on the precipice of a seismic shift, as humans, once again, seek human connection. As we always do. And Starbucks was built for connection. Starbucks was built for this moment. Think about how perfectly positioned Starbucks is to rise to this moment.

Sadly, this pandemic has created a crisis of isolation and we are a company built on a mission of human connection. This pandemic has dampened spirits and our mission is to uplift the every day. This pandemic has kept us apart, but soon the familiar phrase "let's grab a coffee together," will be more possible and more meaningful in every community we serve. It's not just happenstance. Over the past few years, we have re-imagined the third place. One which remains focused on human connection, but has evolved to meet our customers where they are and how they choose to connect. We have built Starbucks for this moment. We are the third place outside of home and outside of work where we find community and acceptance. Acceptance without exception. Inclusion in every way.

But what about the moments to come? What about the next 50 years? Not just the coming 12 months, we are building a company that gives back more than we take. We aim to give back

more than we take when it comes to people, the planet and creating prosperity for all stakeholders. When it comes to people, I think we have a unique opportunity to use our reach and scale, to create a better society, to create a more inclusive society in which people can pursue their dreams and feel a sense of community. Our people positive agenda is about investing in the future of humanity and doing this with the same level of focus and discipline we put into our core business.

When it comes to our planet positive agenda, we aspire to give more than we take from the planet. And we set goals for ourselves to achieve carbon neutral green coffee and reduce water usage in green coffee processing by 50%, both by 2030. Next year, in fact, we will open the Starbucks coffee innovation park in China, our first sustainable coffee roasting plant.

This next generation facility will showcase innovation in smart supply chain operations, state-of-the-art technologies, and our sustainability practices from bean to cup. And here in the United States, we're supporting dairy farmers and farm workers to improve their livelihoods. We are extending the same approach we use to empower coffee farmers, to support dairy farmers across the United States. And I want to make clear that for Starbucks, these people positive and planet positive goals are not side cars to the engine of profit. We pursue these objectives with the same level of focus and discipline that drives our business. We've established metrics. We are being intentional, transparent, and accountable in everything we do for people and the planet in the same way we do. As we run our business, we are grounded in the belief that for-profit companies need to serve a purpose beyond the pursuit of profit and a for-profit company can serve and create value for all stakeholders.

In fact, for the 19th consecutive year, Starbucks has been one of fortune magazine's most admired brands. And this year, we moved up in ranking to become the fifth most admired company in the world. We were also named for the 13th year by Ethisphere as one of the world's most ethical companies. Over the past four years, Starbucks has made so much progress in our

people and planet initiatives while also delivering 95% in total shareholder returns and increasing our market cap by nearly \$40 billion. That's how we know that this can be done in harmony. We know that we can be a planet positive and a people positive company while also pursuing a profit positive agenda. We know that everyone who has a stake in Starbucks will be lifted when Starbucks succeeds, maybe it's a uniquely Starbucks version of capitalism. Of course, as you all know by now, Starbucks is a different kind of company.

Rachel Ruggeri: Hello everyone. My name is Rachel Ruggeri and I'm a nearly 17 year partner at Starbucks. And I've just been given the opportunity to serve as the CFO of this great company. Talk about possibility. I like to say that I came to Starbucks for the espresso and it's true. I did, but I stayed because of the people, the partners. The partners at Starbucks are truly like no other we're all here because we believe wholeheartedly in being part of a different kind of company, the kind of company where as Kevin said, we work together to balance the need for profit, with our commitment, to creating a positive impact on the world. That's inspiring. And over my tenure with the company, if I've learned anything, it's that our partners want to be inspired. They need to believe in what they're doing because belief and conviction create an enduring brand and an enduring company. I've seen first-hand that a for-profit company can absolutely create value for all stakeholders. In fact, I believe it's what makes Starbucks so successful. We all benefit when we use our profit to fuel the betterment of our planet and the people on it, both in our communities and at the world at large, this has been true for the past 50 years, and I have no doubt it'll be true for the next 50.

Camille Heinz: Have you ever stopped to consider what kind of ripples you create in your communities and in the world? Even the smallest acts of kindness or service can be a wave of good that reaches further than you may know. Store manager, Cameron Moore understands this better than most. 15 years ago, the compassion of one stranger at one community organization helped change the trajectory of her life. This year, Cameron, with the help from the Starbucks foundation, was able to bring that ripple of kindness from all those years ago to full circle. Since

September, 2019 Cameron and 8,000 other Starbucks partners have been able to nominate their favorite community organization for neighborhood grants. The Starbucks foundation has now awarded \$4 million in grants to nearly 2000 local non-profits like dress for success, Louisville. Take a look.

Cameron Moore: My name is Cameron Moore. I'm a store manager here in Elizabethtown, Kentucky. I'm that leader that, you know, looks like I have it all together on the outside, but deep down inside, you know there were some demons I had to battle to get here. When I saw the posting on workplace for the Starbucks foundation grant. And I just felt like the story needed to be shared. About 15 years ago, I was in a very dark place. Checking into a homeless shelter, not knowing where my next meal was going to come from. Not knowing what to do next. Without a job. I can't even begin to think about an apartment or even getting out of the homeless shelter. I only had probably two pairs of jeans, maybe two t-shirts that had logos on them. You know, first impressions are everything.

And if you can't ace a first impression, a lot of people aren't even given a chance to prove that they can do better. I found the flyer for dress for success. I knew I needed to go. So, I kind of fought with myself because who wants to go and tell complete strangers that you don't have anything and you don't know what to do? I remember getting there being greeted warmly at the door. The ladies were super nice. There was one lady that I remember. She just gave me that confidence that it was going to be okay. I remember the outfit that she put me in was like some brown slacks, a grayish brown sweater, a nice little necklace and some flats. Now I look like a million bucks. So, it was time to go chase a million bucks.

I think a day or two later. I actually had an interview with a restaurant and I landed that job. I went back to college and then finally moved up to that sweet position as a general manager, running a restaurant. And I was the general manager for many, many years. And the siren, the siren called me and I answered and I have never looked back.

Well, hello there, Ms. Valerie, how are you?

I think it's the feeling that we give to our customers that come in, the feeling that I give to my partners when they come in, it's that culture, that warmth that we have here, we're just like a family. When I saw the posting on workplace for the Starbucks foundation grant and that it was geared towards minority. That's what kind of really made me want to step up and share the story dress for success was what I needed.

There's all different organizations vying for this wonderful grant. I definitely felt like it was a universe just inspired this to happen. Like how fitting, you know, for dress, for success level to be chosen. And then, for myself to have been the one that nominated them, I just thought it was just my way of giving back. Not only to dress for success level, but to any other person out there that might be struggling. It would be awesome to just come back and say, you know, Hey you know, I was that frightened lady that didn't even really want to talk to you. And now, I've got this check from Starbucks because, oh, we did it.

Rachel Ruggeri: It's pure joy to seeing Cameron walk through door again. But I feel like her story has come full circle because she has been willing to share that she received help from dress for success many years ago. And it has still had an impact on her life and she hasn't forgotten about it. It's a wonderful feeling to be able to give back. And again, this company allows us to be able to do that. And that's just super awesome.

Camille Heinz: Just as we're at our best when we serve others, we're at our brightest when we give more than we take from each other and from the planet. Starbucks has made a number of commitments to reduce our carbon, water and waste in order to do just that. We're also looking for opportunities to take less and give more in every aspect of our business from expanding plant-based menu items, to exploring ways to reduce food waste. And from shifting away from single

use packaging to developing more eco-friendly operations across stores, supply chain, and manufacturing, we're even looking for ways to revolutionize the way our coffee is grown. Our coffee farm, Hacienda Alsacia, in Costa Rica is a hub of research and development. We're testing all kinds of precision agronomy and developing hybrid coffee trees built to withstand the stress climate change. Our goal is to share all of this- trees and seeds, and everything we learned at Hacienda Alsacia with coffee farmers around the world, whether they grow coffee for us or not, all in the hopes of ensuring a better life for our farmers and a sustainable future for coffee, take a look.

Speaker: Pack your bag. We are headed to a rugged, beautiful country in Central America, known for its rainforest, beaches and wildlife, and for its coffee, we're headed to go study located between Nicaragua and Panama. The country is home to tens of thousands of coffee farms, including the only Starbucks owned coffee farm in the world, which sits at the foot of the spectacular Poas volcano. It's called Hacienda Alsacia. Beautiful, right? The future of coffee is at a bit of a crossroads. There are more coffee drinkers in the world than ever before, yet each year problems like climate change disease and diminishing natural resources can make the business of coffee farming harder and harder.

[Spanish]

Speaker: Starbucks purchased Hacienda Alsacia in 2013 to better understand these challenges and to look for solutions. Since then, the farm has become a hub of research and discovery. Discoverys agronomist Carlos Mario hopes will help coffee farmers all over the planet.

Carlos Mario: Open-source agronomy is to really share information and seeds. Sustainabilities is critical to improve the living condition for the farmers.

Speaker: The farm has been putting its own research to work, developing agricultural practices that Victor, the farm manager, says have led to some impressive gains in sustainability and productivity.

Carlos Mario: From the beginning to now, here, in Hacienda Alsacia, we are saving four times the amount of water we are saving more than 50%, the amount of power, and then having doubled the coffee production here on the farm.

Speaker: One of the most interesting things happen in Hacienda Alsacia is in a plot of coffee trees that has earned the nickname Il Paradiso. On this plot, Victor and his team are using all sorts of new and interesting techniques for everything from soil management to pruning. And it's working. The branches of the trees on Il Paradiso are so thick with cherries that farm manager, Victor, says they look more like corncobs than coffee trees. Another interesting thing happening at the farm is science. Lots of science. For years, Carlos and Mario have been working to create new coffee tree hybrids that are resistant to some of the devastating side effects of climate change. Like the deadly fungus coffee leaf rust, he combines the strongest trees with the most desirable characteristics to create tough little seedlings built for a changing future. But what about other farms and other farmers? Starbucks buys coffee from more than 400,000 farmers in more than 30 countries.

[Spanish]

Speaker: I am the fourth generation of coffee growers. So, I feel lots of responsibility to keep going to keep the business going.

[Spanish]

Speaker: It's kind of one big circle. Hacienda Alsacia shares its agronomy research, innovative farming practices in disease resistant coffee seeds in trees with farmers all over the world. So, their farms can be more productive and sustainable, which means they can grow even more delicious coffee for Starbucks to buy and for you to drink, which means coffee farmers have more money to support their families and community. There's a sign on a Hacienda Alsacia that does a great job of summarizing what all of this means. Starbucks and farmers all over the world are working hard to ensure the sustainable future of coffee for all.

Kevin Johnson: You can see why I am so incredibly proud of Starbucks heritage and so optimistic about our future. We will continue to strive to have the wisdom to honor and preserve what is so special about our history. While at the same time, demonstrating the courage to boldly re-imagine our future. We know that the third-place community is needed now more than ever. Over the past 50 years, we have built a company that's about more than coffee. It's about the human experience. It's about connection. It's about acceptance. It's about community and it's about being human. We need that now more than ever, Starbucks has been a gift in my life. Starbucks has made me a better person and a better leader. The more than 400,000 green apron partners around the world work each and every day to create that special feeling of connection, a feeling of inclusion and a feeling of community for you and your families. We appreciate you joining us here today. And we look forward to seeing you soon. Humanity needs the third place now more than ever. And I look forward to meeting you there. Thank you.

We've spent the last 50 years building a different kind of company with people at the center of balancing profitability and a social conscience. So, who are we today? What is Starbucks? As we look to the future, we are a people company. What should be more clear now than ever before, we are a coffee company, for sure. Coffee is at the very core of what we do. But remember, this is a different kind of company. One with scale that gives us the ability to affect change across the world and in each individual community that we serve.



What if we ask the really big questions without even being able to grasp what the answer might look like? What are the things we dream we might do when we look up at the stars, when we are alone with our thoughts, bursting with possibilities, what are our moonshots, those things that may have nothing to do with coffee, but everything to do with humanity and our planet? One thought one question, and just like that, we've already started. What if we help strengthen community so everyone can thrive? What if we gave back even more to the planet than we take? What if we fight for racial justice, with equity and inclusion as if it was as essential as the air we breathe? What if we spend the next 50 years using what we've learned in our last 50 to make people's lives better? The planet better, all of humanity better. What if we always remember to never underestimate the power of one, one idea, one store, one mission with one goal to be a different kind of company. What if we stopped asking what if and start asking why not?

Rachel Gonzales: Good morning, shareholders and partners. My name is Rachel Gonzalez and I'm Starbucks, general counsel and corporate secretary. It's an honor to present the formal portion of our meeting today. Before we get started, I wanted to take a moment and thank Kevin Johnson, John Culver, Rachel Ruggeri, Belinda Wong, Rossann Williams, Angela Lis, Camille Heinz, Karima Russell, and Sergio Alvarez, for their leadership. And for taking us on that journey in celebration of Starbucks' storied heritage, over the last 50 years. I have no doubt that with partners at the helm anchored by our mission and our values, the opportunities we have to create a better tomorrow for our people and our planet are endless. Starbucks is ready to embrace this moment and we look forward to charting the course for the next 50 years together. I also want to a moment to recognize Mike Allman, who is retiring today after 18 years of dedicated service as a member of our board of directors, including serving in key leadership roles, both as our lead independent director, and as our board chair. Mike, you've provided oversight and strong leadership to the board during some of the company's most significant moments and challenging times, including the current global health pandemic.

Thank you for sharing your wisdom, your business acumen, and your experience with us. We appreciate your commitment and your dedication to Starbucks and its partners and we wish you all the best in your retirement. At the same time, we welcome Mellody Hobson as our independent board chair. Mellody, we look forward to your leadership and your powerful voice and advocacy to lend support to our partners who are the heartbeat of Starbucks.

And now, let's proceed with the formal portion of our annual meeting of shareholders. We've received an affidavit signed by Broadridge financial solutions that notice of this meeting along with related proxy and annual report materials was mailed or made available on January 22nd, 2021 to Starbucks shareholders of record. As of the close of business on January 8th, 2021, our record date, a list of shareholders as of the record date is available for inspection by shareholders using the registered shareholder list link found on this webpage based on the affidavit from Broadridge.

This meeting is duly called with timely and proper notice. In addition, based on the information provided by Broadridge, a quorum of shareholders is present to conduct our meeting today. The polls are now open for those who have not yet voted and it will close in a few minutes after the presentation of business matters. If you previously voted via the internet, the phone or mail, you do not have to take any additional action. If you voted previously and you wish to change your vote, please do so before the closing of the polls using the voting buttons on the portal. Broadridge has appointed Mr. Andrew Wilcox as the inspector of elections to tabulate the vote.

The first order of business is the election of the directors as nominated by the board. The nominees are as follows. Mellody Hobson, our incoming independent board chair, co-chief executive officer and president, Ariel Investments. Kevin Johnson, our president and chief executive officer, Richard E Alison Jr., chief executive officer and director of Domino's pizza, Inc. Andrew Campion, chief operating officer of Nike, Inc. Mary Dillon, chief executive officer and director Ulta Beauty, Inc. Isabel Ge Mahe, vice president and managing director of greater

China, Apple Inc. Jørgen Vig Knudstorp, executive chairman Lego brand group, Satya Nadella, chief executive officer and director Microsoft corporation, Joshua Cooper Ramo chairman, and chief executive officer Sornay. Clara Shih, chief executive officer Salesforce service cloud salesforce.com. And Javier Teruel, retired vice-chairman Colgate Palmolive company. 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 program. The board recommends a vote for this proposal.

The third item of business is the ratification of the selection of Deloitte and Touche, LLP as the company's independent, registered public accounting firm for the current fiscal year ending October 3rd, 2021. The board recommends a vote for this proposal.

The fourth and last item of business is the shareholder proposal submitted by Mr. James McRichie regarding employee board representation. Out of respect for the other shareholders in attendance, and to allow ample time for Q & A, we ask you, Mr. McRichie, to please limit your comments to a period of three minutes or less. Mr. McRichie, are you on the line?

James McRichie: Yeah, thank you. We've been listening and seeing how important partners are to Starbucks. Proposal number four, aims at increasing diversity by adding a worker to the pool of candidates, to be considered for a position on the board. The idea is to increase the voice of partners. Instead of considering a partner for a possible seat at the table, the board responded with our partners numerous ways to be heard and to exert influence outside of board representation, partners can access an ethics helpline, company and organization meetings, partner led groups and anonymous surveys. The board says giving non-management employees a dedicated position on the board or applying a different set of qualifications would adversely impact the role of the board. But the proposal does not ask for a dedicated position for partners.

It does not ask for a different set of qualifications in selecting board members. It only seeks to have partners considered in the initial pool.

Surely at least a one of our 400,000 partners is worth considering for a seat at the table. If you're a partner in a firm or a marriage, you're on the same team, right? But our board refused to consider any significant step to increase the voice of partners. The board could have appointed a formal workforce advisory panel or designated a director to be a liaison with our partners. They could have set up a substance employee stock ownership plan, an ESOP with voting rights held by partners or their elected trustees, a worker on the board of workforce advisory panel or a designated director could institutionalize ongoing dialogue and ESOP with trustees elected by partners could have a real influence on board composition. Any of these changes would engage and empower our partners leading to a better place to work and a more profitable company.

Instead, our board refused to negotiate. This is an advisory proposal. It's much more flexible than federal legislation being considered. I'm interested in hearing from other shareholders and especially from partners. Email me at [jm@corpgov.net](mailto:jm@corpgov.net). That's [jm@corpgov.net](mailto:jm@corpgov.net). And please vote for proposal number four. Let the board know giving partners a more formal voice is important to you. Thank you very much.

Rachel Gonzales: Thank you, Mr. McRichie. For the reasons outlined in our proxy statement, the board has recommended a vote against the shareholder proposal. From its beginning, Starbucks has set out to be a different kind of company. One where performance is measured through the lens of humanity. And the role of our partners is central to our decisions. Human connection is at the center of our vision, our business strategies and investments. And we are obsessive about obtaining the partner perspective. That is the focus of this shareholder proposal through multiple channels, which include continuously engaging in discussions with our partners to learn how to improve their experiences. We take information communicated to us by our partners seriously, and we regularly provide responses and updates on issues that our partners raise. We value

engagement with our partners and we remain intentional in cultivating a culture of inclusion and diversity with a focus on partner retention and development.

During 2020 alone, we held hundreds of partner engagement events, such as open forums, focus groups, town halls, and partner connect conversations. The views and experiences of our partners helped to guide management's decision-making and the board's oversight of those decisions in this way. And as further described in our proxy statement, the board and its nominating and governance committee should retain the flexibility to determine the director nominees who are best suited to serve all Starbucks stakeholders, given our frequent and varied partner communication opportunities for partner feedback and our robust director nominating process together with our current board diversity and governance practices, our board of directors believes that taking the steps contemplated by this proposal to alter the director nomination process and to mandate that a specific category of nominee be considered by the board and to risk distilling all partner voices into one, is simply not in the best interests of our partners or our shareholders or our business.

That concludes the matters to be voted on as outlined in the notice of annual meeting. In accordance with our bylaws, I hereby declare the polls for voting at our 2021 annual meeting closed. The final voting results of today's meeting will be reported on a form 8-K filed with the securities and exchange commission within four business days of this meeting. That concludes the formal business of the meeting. And I now declare the annual meeting of shareholders adjourned. We will begin the Q & A session in a few minutes, please note that we will answer as many questions from shareholders as time allows. And we ask that you limit your time to three minutes. Thank you.

Ladies and gentlemen, I have received the preliminary tabulation from Broadridge and based on that tabulation, I report that all the director nominees were elected. The advisory resolution on our named executive officer compensation was not approved. The selection of Deloitte and

Touche, LLP as our independent registered public accounting firm for fiscal 2021 has been ratified. And the shareholder proposal regarding employee board representation was not approved.

The board will carefully consider the results of all shareholder voting and the feedback and diverse points of views of our shareholders, as it continues to make its future decisions. Prior to this annual meeting, we reached out to shareholders representing approximately 40% of our shares outstanding, and we discussed a variety of topics that were presented at that annual meeting today, including our executive compensation program, we will be intentional and careful about listening to your collective points of view in the months ahead, we look forward to speaking with you and with that, Kevin I'll hand it over to you.

Kevin Johnson: Well, thank you, Rachel. Before we get started on Q & A, I want to take a moment to acknowledge yesterday's shootings in Georgia that have brought unthinkable tragedy to the Asian American community and all of humanity. It's just another reminder that our society is filled with challenges and we need more people, more companies to unite to make this world a better place. With that, I'll now turn it over to the moderator.

Operator: Thank you, Kevin. Our first question, what is the board composition and diversity specifically gender and ethnic representation?

Kevin Johnson: Great. Thanks for the question. Rachel. Perhaps?

Rachel Gonzales: Yeah. Thank you for that question. Starbucks has a longstanding commitment to diversity on its board of directors. And currently as reported in our proxy statement, 45% of the Starbucks board of directors, self identifies as racially or ethnically diverse and 36% are female. We also have joined the board diversity action Alliance, which is an initiative designed to increase

racially and ethnically diverse representation on public company boards. And this is part of our commitment to promote diversity, equity and inclusion at the board level.

Operator: Thank you, Rachel. Second question. With the polarization of political opinion, would it be wise for Starbucks to halt all political contributions and donations?

Kevin Johnson: Yeah, thanks for the question. I'll take that one. You know, first of all, we do not have a political action committee and therefore we do not make political contributions. You know, we certainly with our partners, we encourage them to get involved in their civic responsibilities as citizens to vote. And so, we've helped our partners with things like turbo vote, to stay connected to issues and to elections that are important to them. But we do not have a political action committee and we do not make contributions. Thank you.

Operator: Thank you, Kevin. The third question, the recent raise for partners has made Starbucks a more exciting opportunity and has made baristas feel more confident that they are being valued. Would you commit to a raise for shift supervisors to incentivize baristas to move up and make shift supervisors feel they are valued for all of the extra responsibilities they take on?

Kevin Johnson: Great, thanks for the question. I'm going to hand it over to Rossann Williams, who leads our North American business. Rossann?

Rossann Williams: Thank you, Kevin. In November of 2020 Starbucks shared one of the largest ever wage investments of at least a 10% increase for every single partner, including our shift supervisors with these recent investments, more than 30% of our partners today already are at or over \$15 an hour. And we remain committed to what we have already previously communicated, which is that we will ensure that every single partner in the U.S. business will be at the minimum of \$15 an hour over the next few years, we have always approached our compensation comprehensively with a holistic partner rewards and benefits philosophy.

So, in addition to our base pay or hourly wage, we also offer a very diverse and meaningful total benefits package. That includes health care, mental health support, granting share options to every single partner because we always share our success with one another and we even offer a free online college university for those partners that might want to take advantage of a higher education. Our holistic partner rewards benefits philosophy is designed to reward every single partner for their contributions, contributing to a great work environment that promotes a shared responsibility for individual and company success. And as always, we will remain committed to constantly exploring ways to innovate the very best partner care we can, whether through compensation benefits or any other avenue.

Operator: Thanks, Rossann. Next question. As you look at your continued growth, how do you plan to grow Starbucks outside of the U.S. and China?

Kevin Johnson: Thank you. Let's hand that to Michael Conway who leads our international license business.

Michael Conway: Thank you, Kevin. Well, a lot of our growth will come through international license markets. We're a global leader in licensing where together with our business partners, we operate over 10,000 stores in almost 80 markets. And even with this broad footprint we do see a tremendous runway for growth in both existing and in new markets. We'll continue to partner with and provide guidance to our licensees as they grow our portfolio in three key ways, one providing consistent and elevated customer experience around the world, ensuring that our brand remains financially attractive to our licensees and leveraging our learnings from the U.S. and China, so that those Starbucks proven success drivers are adopted in markets around the world.

So, for example, we're applying right now how to engage customers digitally in new and convenient ways to drive traffic. And we also have new store formats that are reducing both the



investment and operating costs for our licensees. As we've previously shared, our aim is to be in 100 markets by the year 2030 and working with our licensees to adopt these proven success drivers gives us confidence in our future growth potential for our licensees and for Starbucks.

Operator: Thanks Michael. Next question. What are the benefits given to better care for partners that have been, or may be directly affected by COVID-19 and what precautions will Starbucks implement to continue to protect its partners?

Kevin Johnson: Well, since we began dealing with COVID-19 in China first it was the first market. Let's hand it over to Belinda Wong. Who's joining us by phone from China, Belinda, perhaps you can answer about the COVID-19 benefits in China, and then I'll hand over to Rossann to answer the same question in the U.S. So, Belinda to you.

Belinda Wong: Thank you, Kevin. We have come a long way in China from a year ago when we faced huge uncertainty around the pandemic situation, Starbucks response was guided by three core principles. As Kevin has always reinforced to prioritize the health and wellbeing of our partners and customers play a constructive role in supporting local government authorities as they worked to contain the spread of the virus and show up in a positive and responsible way to serve our communities.

We closed 80% of our stores at the peak of the pandemic. Last year, we needed to take care of our partners and their families by providing them with jobs and financial security. We continue to pay them even when our stores were closed. We also stepped up additional insurance benefits in the event that they or their family members may need it. We also provided free counseling and emotional support services for partners and their family members. So, fast forward to today, and the pandemic has been mostly eradicated apart from cases of local resurgences from time to time, which have been effectively contained. We are now working very closely with the relevant authorities to get access to vaccination for our partners, as soon as possible to protect

themselves our customers and local communities. I can't be prouder to work for a company that has led through our values and focuses on doing the right thing in every decision we make. Thank you. Over to Rossann.

Rossann Williams: Thank you, Belinda. I'm also so very proud of how we supported our partners here in the U.S. during the pandemic last year, that included paying partners, even when the stores were closed here as well. And we also offered temporary service pay for those partners who were able to come to work until the end of June, this along with a wide variety of other benefits that we offered were tailored to support our partners and their families during the pandemic. As Kevin also shared, partner and customer safety has always been our number one priority from the very first day of this pandemic. We've taken and will continue to take significant actions to protect our partners, which includes requiring both partners and customers to continue to wear facial coverings when inside our stores, implementing industry leading safety and sanitization standards, like installing plexiglass wherever a partner and a customer may interact, enhancing our in-store standardization protocols throughout the day and requiring daily health checks for every single partner.

We also continue to protect all existing benefits and support partners by providing pay for any time missed due to the exposure to, or the diagnosis of COVID-19 that happens to require a partner to self quarantine. Finally, we continued offer temporary COVID leave of absence for any partner who may not be able to work at this time for personal reasons like homeschooling or high risk medical conditions, and are provided the same exact benefits that they would have if they were still working, we remain committed to continuing to make proactive decisions that are grounded in transparency, facts in the science to do everything we can to provide that safest possible store experience, keeping our partners and our customers safe.

Kevin Johnson: Rossann and Belinda. Thank you. Thank you for your leadership through this whole global pandemic as well. Moderator?

Operator: Next question. The CPG business has seen strong growth over the past year. What innovation is in the pipeline to continue this momentum?

Kevin Johnson: Great question. John Culver.

John Culver: Yes. Thank you, Kevin. I'm more than happy to answer this question. First off, let me just say we've built world-class business partnerships, which have enabled us to accelerate and amplify the growth of Starbucks outside of our retail stores around the world. Through the global coffee Alliance with Nestle, we've been able to rapidly expand our packaged goods, single serve, and into the food service channels. As we've expanded to 62 markets now over the last two years, this past year Starbucks became the number one brand in at-home coffee, increasing our share and growing our business over 13%.

Now, in our ready to drink business, our 25-year partnership with PepsiCo has established Starbucks as the market leader for ready to drink coffee and has helped us to accelerate our innovation pipeline. We're also leveraging our RTD partnerships across, outside the US and have now established Starbucks as the premium segment leader in China with 36% volume growth this past year and 25% volume growth across EMEA. You know, it's clear that our customers have embraced the Starbucks brand and channels outside of our retail stores, and we will continue to invest in our partnerships in innovate to grow this very, very important business for the company.

Operator: Next question. Do you have any additional insights to share about the short and longterm financial impact of COVID-19 on your business? Are Starbucks balance sheet and liquidity positions solid?

Kevin Johnson: Rachel Ruggeri.

Rachel Ruggieri: Yes. Thank you. Well, we're really pleased with the start to our fiscal 2021 the investments we've made in our partners in our beverage innovation and the digital customer relationships have continued to fuel our recovery and position Starbucks for long-term sustainable growth. And while the pandemic temporarily disrupted our business, it's catalyzed a more rapid innovation and transformation to position us for even a brighter future.

Our balance sheet remains strong given our cash balance of over \$5 billion at the end of Q1 and the continued recovery we see in our operating cash flows. In fact, given the strength of our cash flows, we were able to meaningfully de-leverage our balance sheet this year, by paying off our debt that matured totally over \$1.5 billion and are on a path to return to three times leverage target by the end of this fiscal year. So, we remain very excited about our long-term growth potential and the plans and initiatives that we have to unlock the full potential of the Starbucks brand, continuing to drive double digit non-gap earnings growth as we scale. Thank you.

Operator: Thanks Rachel. Next question. Will Starbucks consider COVID vaccine outdoor pop-up tents at locations where spaces available possibly during slow traffic hours only and by appointment?

Kevin Johnson: Well, thanks for the question. You know, we are focused on helping in any way we can States across the country and around the world countries around the world build vaccination capacity, but we are not planning to do any vaccinations at Starbucks or any outdoor pop-up tents. You know, we found that, you know, at least in the United States and we work in every market, they're building enough vaccination capacity and we're able to help them in other ways, but we have no plans do vaccinations at Starbucks stores.

Operator: Thank you. The final question, what gives you confidence in the long-term success in China? Can you comment on your store growth plan?

Kevin Johnson: Great. Well, that's a great question for Belinda. Belinda, are you still with us?

Belinda Wong: Yes. Great. Thank you. China's coffee market is still in its early growth phase with great potential to expand the addressable market. Our focus is on bringing the unique Starbucks experience to life in ways that are relevant to all Chinese customers in China, for China. Through the products we serve and the experience we curate with China being among one of the most digital savvy markets in the world. One of our key priorities is to create relevant and integrated experiences online and offline.

That fit the evolving daily lifestyles of our Chinese customers. This fiscal year, we are committed to opening 600 net new stores, and we are also on track to reach our goal, to have 6,000 stores across 230 cities by end of fiscal year 2022, as we grow, we will stay disciplined to ensure the experience is relevant. And then our new stores are generating great returns alongside our rapid pace of store development. We are also constantly, innovating to create new and elevated experiences, which will be equally critical in feeling our long-term success with our relentless efforts to create new customer occasions and deepen customer relationships. Starbucks has never been better positioned for success as we continue to play the long game here in China. Thank you.

Kevin Johnson: Great. Well, that's the last question that we had today. I want to take this opportunity to thank all of you for joining us here today. We hope you enjoyed the story of the first 50 years of Starbucks, and I hope you share in the optimism that we have for the future. I do want to close by thanking and recognizing our board of directors. We have a world-class board very grateful to Mike Allman and recognize him on his retirement and very excited about Mellody Hobson stepping into her new role.

Also want to take this opportunity to recognize my Starbucks partners on the leadership team. You know, we have a world-class leadership team that is grounded and connected to this mission. And we work hard each and every day in service of the 400,000 Starbucks partners who proudly wear the green apron. Today's event was a recognition for them. Those partners are the heartbeat of Starbucks. Our partners, green apron partners inspire each and every one of us every day. And you know, from us, to all of our green apron partners, congratulations on the 50th anniversary of the Starbucks coffee company. Thank you for all that you do. And we look to the future with optimism and hope and dreams beyond what we could have ever imagined as we continue to build this great and enduring company. Thank you.