

Conference Title: Starbucks 2024 Annual Meeting of Shareholders

Date: Wednesday, 13th Mar 2024

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Mellody Hobson: Good morning. I'm Mellody Hobson, independent chair of the Board of Directors of Starbucks. On behalf of the entire leadership team and board, I'm pleased to welcome you to the 2024 Starbucks Annual Meeting of Shareholders. Thank you all for joining us today. Starbucks is and always will be a different kind of company. Over our 53-year history, we have continually transformed and innovated our business to meet and exceed the expectations of our partners and customers around the globe.

Today, as we move through yet another transformation, we are staying true to our values and all that makes Starbucks special. As we navigate shifting consumer behaviors and evolving customer preferences, we are also reinvigorating our partner experience to ensure that Starbucks remains a great place to work. In so doing, we seek to provide a bridge to a better future for our people. As board chair, I'm proud of our ability to deliver strong financial performance and progress on our commitments to all stakeholders while navigating an ever-changing world. And still, Starbucks and our Board have so much more to accomplish.

Over the past two years, we've navigated a significant leadership transition. Our founder, Howard Schultz, returned to the company in May, 2022 at the board's request and launched a Reinvention Plan to reset the business for even greater long-term success. The plan was designed to re-accelerate growth by elevating our partner experience to drive an even higher level of customer satisfaction. Although Laxman was announced as our new ceo in September of 2022, he began his unique six-month immersion into the business before officially stepping into the ceo role last year. He worked at so many stores. He studied the issues. He gained deep knowledge of operations, and he even earned the coveted black apron.

Laxman has been leading with energy and purpose. In this past year, he launched a new mission promises and values. These support the next phase of our board endorsed Reinvention Plan called the Triple Shot with Two Pumps. As Laxman approaches his one-year anniversary, Starbucks has tremendous momentum with a laser focus on the key priorities that will drive the company's long-term success. The Board has also worked hard on our own process of continuous improvement and transformation.

Since we began our board refresh in 2022, we have added five new independent directors reflecting our commitment to ensuring we have the deep expertise needed to thrive in a changing environment. We're excited to have Beth Ford, Wei Zhang, Neal Mohan, Daniel Servitje, and Mike Sievert in the board room with us. The Starbucks Board is truly noteworthy. Stocked with world-class business leaders who help operate some of the most successful and iconic companies in the world. They bring remarkable expertise to Starbucks across so many fields. These areas include consumer technology, media, restaurant operations, food production, digital marketing, human capital management, expansion of global brands, and the list goes on and on.

We appreciate the strong support every Board member received from investors in the run up to today's meeting. I also want to acknowledge that we also received a proposal for three new director nominees. While these director nominees were later withdrawn, we respect and value the input and

support of all shareholders. Lastly, as a continued evolution of our overall governance, we recently established a new Environmental, Partner and Community Impact Board Committee. The Impact Committee will assist the Board in overseeing the evolving regulations and standards as they apply to Starbucks partners and stakeholders.

And about the future. There are headwinds, but we are very optimistic. We have a beloved brand. Loyal, repeat customers, a pipeline of innovation, and we are always, always striving to be better. Starbucks has the right leadership, the right strategy, and the right governance to ensure our best days lie ahead.

Laxman Narasimhan: Welcome and thank you for joining us today. On behalf of Starbucks, thank you for your investment. We are proud of our 53-year history, our focus on the long term and our proven track record of delivering for all stakeholders. Starbucks has always believed that our partners are at the heart of the experience we create in our stores. We stay true to this belief because we know that when we exceed the expectations of our partners, we will exceed the expectations of our customers.

I want to express my thanks to the 460,000 green apron partners all around the world who bring to life the Starbucks experience for our customers in our stores, digitally, at home or delivered wherever they may be. Our partners are remarkable symbols of our company. And know that when we operate with our partners at the heart of what we do, we are at our best. I also want to acknowledge our Board of Directors who have helped the Company stay true to that vision. I believe we have a meticulously crafted board of directors that is a competitive advantage for this company. They're remarkably engaged, deeply connected, and terrific thought partners as we navigate an environment that can be best described as complex.

Over the past year, I've seen the truly global nature of Starbucks and there is much to be proud of. I've visited stores in the U.S., in China, in Mexico, the UK, Continental Europe, Japan, Saudi Arabia,

Kuwait, Dubai, and near and dear to me, India. While there I worked at the store in a place called Koregaon Park, Pune, which is less than one kilometer from where I grew up. What I found remarkable is how deeply this brand has become part of the everyday for customers around the world.

Now, why is that? What's become apparent as I look through the windows of our stores is that in our society, the need for human connection has never been more apparent. Despite such profound change, the everyday ritual of coffee remains a powerful way to connect, to connect with ourselves and through that connect with others. Starbucks is uniquely positioned to help foster those moments. It's in the everyday acts of our partners that we see the power of a smile, the value of a simple connection, the joy of a familiar face or the delight in a beverage made just right for a customer.

Those moments represent the warmth that Starbucks is about and why the brand remains so powerful despite issues we faced throughout our history. When you tie that innate desire for connection with our central purpose as a company, it tells me that Starbucks' potential is in fact limitless. After taking the helm as CEO and through conversations with partners around the world, it became clear it was an opportune time for us to re-found the company and to evolve our mission.

Our re-founding set firm on dedication to human connection and putting partners right at the center. By rearticulating our mission, we defined a new sense of agency for our partners. Every one of their actions furthers what we do, that with every cup, with every conversation, with every community, we through our partners could nurture the limitless possibilities of human connection.

Similarly, we realized that there were an important and expanded set of promises worthy of articulating. Promises that define who we are at our best. They include a promise to our partners, our customers, our farmers, our communities, the environment, and our shareholders. I'm proud to say we are making progress on each of these promises. A few examples. Since joining the

company, I've spent time listening to and learning from partners. I've been clear that I lead this company on behalf of all partners. We are committed to delivering on our partner promise, reinvigorating our culture, and to re-stitching the fabric of the green apron for all partners.

To advance our partner promise, we invested 20% of our profits in fiscal year 2023 back into our partners. Take home compensation in the U.S. has increased 50% over the last four years with further increases to come. As a result, we now have the highest retention rate in our industry. Further, turnover has decreased and is now well below pre-pandemic levels. In support of our promise to more than half a million farmers and our efforts to ensure the future of coffee for all, we are investing in regenerative agriculture, reforestation, forest conservation and water replenishment.

We're also making strong progress on our customer, environmental and community promises overseen by our new Environmental, Partner and Community Impact Board Committee. These successes have been outlined in our annual Global Impact report. Working in stores and listening to our partners, it is clear to me that we're living in a very complicated time. Our morning customers continue to visit regularly, but as we said during first quarter earnings, we've seen headwinds impact our occasional and very occasional customers, especially in the afternoon. We are responding with both product innovation and targeted marketing. We are making progress, but as we said, full recovery will take some time.

Similarly, in China, consumers are going through a transition coming out of the pandemic. As I mentioned during first quarter earnings, a business recovery in China has continued to be choppy and slower than expected. Still, China is a market with lots of headroom and we remain committed to our long-term growth ambitions in the market. Consumers continue to grapple with difficult macroeconomic pressures, particularly in the U.S. and in markets like the UK. We see the impact of the choices they continue to make as a result. There's no question that value is of increasing importance.

Finally, I want to address the situation in the Middle East. Misperceptions about what we stand for as a company have created ongoing and unexpected challenges. This was clear in my visits to our stores in talking with our partners in Saudi Arabia, Kuwait and Dubai and in my conversations with the Alshaya Group, our business partner with whom we have operations in 13 markets in the Middle East and in Africa. To be clear, we abhor violence, reject attacks on the innocent and pray for immediate peace. Despite these complexities, we're committed to investing in the region where the brand has always had a strong following.

For 53 years, the Starbucks brand has always had an amazing way of finding a path forward, reinventing itself and continuing to find relevance with customers. Every time we have faced outside challenges, we have stood firm grounding our actions in our Mission, in our Promises and in our Values. Throughout our history, we have continued to reinvent not who we are or what we stand for, but what we do and how we connect with our customers and for the long term, we're doing it again with our Triple Shot with Two Pump strategy. It's early in the work but we're already seeing a positive impact.

Let me take you through highlights of our Triple Shot strategy. We're finding new ways to elevate the brand from the design of our stores, the innovation of our products, both in what we offer and how we bring it to market. As we think about product innovation even more, our opportunity in coffee remains a real advantage. It is our core strength and we're investing to sustain its distinctiveness and ensure its future. We will launch our new Milano Duetto Espresso Roast in Milan in a few weeks ahead of a global launch later in the year. And in addition to further coffee based drinks, both hot and cold, we're exploring new ways to deliver caffeine forward energy through our make to order and ready to drink products.

Dayparts are an important aspect of thinking as we plan for our future. Looking forward, you should also expect to see a significant pipeline of innovations targeted times of the day where we see more

growth opportunity across beverages and increasingly, food. This includes focused efforts to build more meaningful customers, engagement notably in the afternoon daypart. For example, the initial feedback on our new lavender beverages and their unique flavor notes launched for the spring season has been overwhelmingly positive, particularly for the afternoon. I've personally just loved our lavender matcha. It's incredible.

Food attach is another strong opportunity for us across all day parts and we have exciting new product plans to maximize this opportunity too. In food, for example, our potato chive bakes have been very successful and we are ramping up even more capacity. And in China and Japan, we have an incredible number of new beverages and food offerings. Tea is an underappreciated but growing part of our business, right from our founding along with coffee and spices. We sold tea in our Pike Place store, which I visited earlier this morning and for me, a visit to that store is a pilgrimage.

Today, our tea business is growing at nearly twice the rate of the global tea market and we are one of the largest purchasers of the world's ceremonial grade matcha. In Japan for instance, we've seen terrific success in tea with our matcha based products including through our nascent Starbucks tea stores in that market. We also see strong momentum for tea in Korea, China, and increasingly the U.S. We're also innovating with our brand. For instance, we're working to leverage Starbucks Reserve as a platform for collaboration with artists, fashion designers, cultural icons, and musicians that bring our brand to life in new ways. Innovations like these are happening in every part of the world and at great pace. This is what Starbucks does best.

In digital, we're building new partnerships and continuing to scale. For example, we launched new rewards partnerships with Delta and Bank of America. These are two of the new Starbucks Rewards partnerships we said we will roll out this year. We also expect to launch another partnership in the hospitality space soon. We're also making strides to becoming truly global. For example, we've opened our 400th store in India on way to a 1,000 and recently celebrated our

7,000th store in China. In the year ahead, while we see significant headroom for store growth in the U.S. three out of four stores we open will be in international markets and no matter what store you visit, what you will get is you'll get a consistent look, a consistent feel that is tailored to connect with the local community.

As we open and build new stores around the world, we're building scalable capabilities that help us grow. Our capabilities in real estate and design are often overlooked. It's core to us and is evident in the approximately 700 stores we will open in the U.S. this year. Our focus on productivity has helped us craft a plan to further unlock our capacity at the peak hours. We are on track with the rollout of the Siren System as well as our overall productivity program.

As part of this effort, we're also expanding our Siren System to rethink store processes that unlock peak throughput and drive a better partner experience. To do so, we have been working with the Toyota Production System Support Center over the last six months and we are excited about the potential it creates for us to meet greater demand at peak. Some process improvements that we've generated can be rolled out without equipment and are already in place in some of our highest volume stores. We are continuing to invest in capabilities like technology, marketing, supply chain, and AI driven analytics, partnering with the world's leading companies to drive the business to its fullest potential.

In summary, the world is increasingly complex. Like other global companies, we face a complicated operating environment and some challenging headwinds that will take time to resolve, but our brand is strong. Throughout our history, Starbucks has grown stronger and has become more relevant and more resilient. We have navigated many difficult moments and it has led us to reinvent not who we are but what we do and how we do it. We have the right team and the right plan. As we look to the future, the opportunity we have is truly limitless.

We are committed to executing our Triple Shot with Two Pumps Reinvention Plan and continue to invest in the business to realize our full potential. We are making strong progress. You see, this moment is truly like no other. This is a moment for the brand. This is a moment for the brand that stands for human connection. This is a moment for the brand which has resonance around the world. This is truly a moment for Starbucks.

Brad Lerman: Good morning partners and shareholders. My name is Brad Lerman and I serve as Starbucks general counsel and corporate secretary. It is my privilege to join you today at the 2024 annual meeting of shareholders. Each of you registered in advance to participate in this meeting. You have been presented with an agenda and the rules of conduct and procedures for the annual meeting. To conduct an orderly meeting, we ask that participants abide by these rules. After you are recognized to speak or ask a question, first, identify yourself and your status as a shareholder or representative of a shareholder. Then state your point or ask your question.

As stated in the rules of conduct, we ask that you restrict your remarks to the agenda items that are before us. The rules of conduct also address the time limitations on those addressing the meeting and that matters of individual concerns should not be raised during the meeting. Thank you for your cooperation with these rules.

We have received an affidavit of mailing executed and certified by Innisfree M&A Incorporated, our proxy solicitor that notice of this meeting along with related proxy and annual report materials was first mailed or made available on January 25, 2024, to Starbucks shareholders of record as of the close of business on our record date, which was January 5, 2024. A list of shareholders as of the record date is available for inspection by shareholders using the registered shareholder list link that is found on our site.

Based on the signed affidavit received from Innisfree, this meeting is duly called with timely and proper notice. In addition, based on the information provided by the Inspector of Election, a quorum

of shareholders is present to conduct our meeting today, the polls are now open. If you previously voted, you do not need to take any additional action unless you wish to change your prior vote. If you intend to vote by ballot at this meeting, please use the shareholder ballot link located on the right-hand side of your console under the section called meeting links and follow the instruction. Please note that you must submit your ballot before the polls close in order for your vote to be included in the count.

Michael Barbera of First Coast Results, Inc., is serving as the Independent Inspector of Election to tabulate the votes. Mr. Barbera is present at the meeting and has previously taken his oath as Inspector of Election. We will file the executed oath with the records of this meeting. The six proposals being considered at this meeting are explained in detail in the proxy statement that was made available to all shareholders entitled to vote at the meeting today. Each of the proposals being voted upon at this meeting is deemed to have been properly brought before the meeting.

The first order of business is to elect the 11 directors nominated by the board. The nominees are as follows, Mellody Hobson, Starbucks Independent Board Chair and Co-Chief Executive Officer, President, and Director, Ariel Investments, LLC, Laxman Narasimhan, Starbucks chief executive officer, Rich Allison, Former Chief Executive Officer and Director Domino's Pizza, Inc. Andy Champion, Managing Director of Nike Strategic Business Ventures, Nike, Inc. Beth Ford, President and Chief Executive Officer Land O'Lakes, Inc. Jørgen Vig Knudstorp, Special Partner to the LEGO Brand Owner Family, KIRKBI Group, Neal Mohan, Chief Executive Officer YouTube, Satya Nadella, Chairman and Chief Executive Officer, Microsoft Corporation, Daniel Servitje, Chief Executive Officer, President, and Chairman, Grupo Bimbo SAB de CV, Mike Sievert, Chief Executive Officer, President, and Director, T-Mobile US, Inc. and Wei Zhang, Former Senior Advisor and President, Alibaba Pictures Group. The board recommends a vote for each of the nominees.

The second item of business is to approve on a non-binding advisory basis, the compensation paid to our name executive officers. The board recommends a vote for this proposal. The third item of business is to ratify the selection of Deloitte and Touche LLP as our independent registered public accounting firm for the current fiscal year ending September 29th, 2024. The board recommends a vote for this proposal. The fourth item of business is the shareholder proposal submitted by the People for the Ethical Treatment of Animals, also known as PETA on behalf of Sandy Labowitz related to the commission of a report on plant-based milk pricing. We will now hear from Jacqueline Sadashige, senior officer for corporate responsibility at PETA to speak on behalf of PETA and to present the proposal. Starbucks AV team, could you please open the line for Ms. Sadashige?

Jacqueline Sadashige: Thank you very much. Good morning everyone. My name is Jacqueline Sadashige speaking on behalf of People for the Ethical Treatment of Animals. Starbucks prides itself on having offered soy milk as early as 1997. Our company claims that expansion of its plant-based offerings is part of its commitment to give more than it takes from the planet and empower customers. The production of plant-based milks emits roughly three times less greenhouse gases and uses nearly 10 times less land and two to 20 times less freshwater than the production of cow's milk. Charging approximately 70 cents per beverage extra for them does not empower customers, it penalizes them.

Huge subsidies for the dairy industry in the United States may make cow's milk cheaper, but there's a simple fix for that. Charge more for dairy and less for vegan milk, which would likely have no financial effect on our company. Over the weekend a major U.S. grocery chain was selling both oat and almond milk for less than 10 cents per fluid ounce while organic cow's milk was selling at nearly twice that price. Our company has repeatedly pointed to the fact that adding a splash of any plant-based milk is free of charge. With such a claim is akin to touting that it doesn't charge for standard complimentary items such as sugar packets or stirring sticks.

Starbucks further claims that commissioning a separate report on the impact of pricing strategy for plant-based milks would divert resources from ongoing efforts to expand plant-based options. This is simply absurd. The statement is not only logically fallacious but also just bad business. It implies that our company's plant-based pricing occurs without attention to the broader implications of that pricing strategy and independent of any larger plan for expanding plant-based options and here's why it matters. Number one, U.S. dairy consumption recently hit an all-time low. Two, Gen-Zer's global spending power is estimated at \$450 billion view cow's milk as so basic or uncool that they're embarrassed to order it.

Three, most people of color suffer from some form of lactose intolerance because many of these populations are also victims of a widening racial wealth gap. The upcharge may be deterring them from even entering a Starbucks. Four, Generation Alpha, Gen Z successor is poised to become the first majority minority population in the U.S. likely increasing the demand for plant-based milk. Five, young people have become increasingly frustrated by what they see as a lack of attention on environmental issues and parents of Gen Alpha children are already talking to them about issues like racism and the climate catastrophe.

Six, failure to align publicly stated values with business practices. For example, greenwashing, may negatively impact consumer sentiment towards companies and ultimately affect the value of a company's stock. Given Starbucks' opaque pricing strategy and apparent lack of attention to the greater repercussions of that strategy's effect on consumer sentiment and behavior, it's reasonable for shareholders to request a report examining any costs to Starbucks reputation and any impact on its projected sales incurred as a result of its ongoing upcharge on plant-based milks. Accordingly, we urge all shareholders to vote for this ethically and economically responsible resolution. Thank you.

Brad Lerman: Thank you Ms. Sadashhige. For the reasons outlined in our proxy statement, the board recommends a vote against the shareholder proposal. The fifth item of business is the shareholder

proposal related to the commission of a report on direct and systemic discrimination submitted by the National Center for Public Policy Research. We will now hear from Ethan Peck, a representative of NCPPR to speak on behalf of NCPPR and present the proposal. Mr. Peck provided Starbucks the following pre-recorded remarks.

Ethan Peck: This proposal requests an audit of whether the company's partner network program and its role in the company's greater DEI efforts is discriminatory in nature. It's a necessary proposal because the partner networks and DEI policies in general for that matter are in fact discriminatory, immoral, illegal, and detrimental to shareholder value. To say nothing of the networks themselves, the mere existence of certain networks but not others is already discriminatory.

For example, there are networks for Black people, Asians, Hispanics, and Indians, but not one for white people. There's one for LGBT people but not one for straight people, one for women but not one for men, one for interfaith, but not one specifically for Christians or for Jews and one for so-called sustainability but not one for any right of center causes. It should go without saying that none of these networks should exist, that it's wrong on its face and divisive to the workforce to segregate employees by race, sex and orientation.

But if the company is going to have these networks, which it shouldn't, then it definitely can't have them for some groups but not for others, but perhaps even more importantly, these groups aren't also what they purport to be. What they really are political lobbying groups that use identity politics to sow division and advance a radical agenda. For example, the women's network is not just a group for women, more accurately it's a feminist group disguised as a woman's group. Likewise, the Black group is more accurately a BLM group and so on.

These are important distinctions because of course there's a difference between a woman and a feminist or a Black person and a BLM supporter. So, these networks are not only discriminatory in that they divide people by race, sex and orientation. They're also bigoted in their assumptions and

discriminatory against employees with other views. This whole partner network endeavor is incredibly toxic and damaging to the workforce and therefore to the productivity of the company and therefore to shareholder value.

The networks exist to advance DEI from the bottom up while the company managers administrate DEI top down. Hiring or promoting someone because they're a woman or because they're Black or because they're gay is wrong. First of all, because it automatically attributes the members of those groups of victimhood identity and wrongly assumes that they can't succeed on their own merits, so it doesn't actually help the people it purports to help.

But secondly, if you're hiring someone because they're Black, then you're not hiring someone else because they're white and discriminating against somebody because they're white or because they're a man is equally as abhorrent and equally as illegal as discriminating as someone because they're Black or a woman. It has always been the case that this is illegal and that it violates the Constitution and the Civil Rights Act, but in light of the recent Supreme Court decision on affirmative action, it's now clear beyond the doubt that DEI is illegal.

DEI also harms the company because it comes at the expense of merit and therefore excellence and productivity and innovation by not hiring or promoting completely irrespective of race, sex and orientation. In other words, not by merit alone. The company is by definition not always hiring the best person for the job and anything less than always hiring the best person no matter who they are is selling the future of this company short and in doing so, the company is also not abiding by its legal duty to do what's in the best interest of shareholders. This proposal provides the company with an off ramp away from this immoral, illegal and financially detrimental practice. It gives the company the opportunity to get out of the DEI and partner network business before it does more significant damage to the company and therefore to us as shareholders.

Brad Lerman: Thank you Mr. Peck. For the reasons outlined in our proxy statement, the board recommends a vote against this shareholder proposal. The sixth and final order of business is the proposal submitted by the National Legal and Policy Center regarding a report on human rights policies. We will now hear from Paul Chesser, director of the Corporate Integrity Project, a representative of the NLPC to speak on behalf of the NLPC and to present the NLPC proposal. Mr. Chesser provided Starbucks the following pre-recorded remarks.

Paul Chesser: Good morning. In August, the Wall Street Journal reported that western companies are losing their enthusiasm about doing business with China because it is increasingly uninsurable due to political risk. Of the 60 or so insurers that offer political risk insurance, only four or five still offer it for China and less than six months ago, the journal reported that U.S. companies are painting the bleakest picture in decades over doing business in China, thanks to a declining environment for operations.

But while most other American corporations are shying away from dealing with a two-faced human rights abusers in the communist government, Starbucks sees an opportunity? Somehow this iconic coffee brand is aggressively expanding in China spending \$220 million on a manufacturing and distribution facility. Meanwhile, other companies' executives are afraid to go there for fear of not being allowed to leave due to exit bans. So how does Starbucks get away with amazing growth in a place where most other U.S. companies are increasingly unsafe and uneasy?

Maybe it's because Starbucks has made "friends in high places" of the communist party, as one expert stated. This expert also said Starbucks is very politically savvy when it comes to the Chinese marketplace and that most of their real estate partners are either high ranking party officials or real estate entities that are in some way tied to the Chinese Communist party and some of the leaders. Well, that would explain a lot, wouldn't it?

So how and where does Starbucks top brass cozy up to the genocidal and dictatorial communist government where so many other American business executives fear to tread? While Mr. Narasimhan and the board of directors are under assault by big labor forces who just scored huge wins against the U.S. automotive industry, are Starbucks executives looking for an easier path by dealing with the dictators in China instead? Starbucks has responded to our proposal by claiming they conducted an enterprise-wide human rights impact assessment in accordance with the United Nations guiding principles on human rights.

But this assessment was led by an independent consultancy that looks more like a PR firm than human rights advocates. The assessment plays more like a defense against the labor union attacks against Starbucks rather than show any concern about human rights under communism, especially under China. Last I looked, big labor unions weren't throwing people in gulags for their dissent like the CCP does. Knows Starbucks so-called human rights assessment has absolutely nothing to say about any concerns with doing business in China despite the company's ambitious growth plans over there. A human rights assessment that fails to say anything about China can be called only one thing, a joke. Please vote for proposal number six.

Brad Lerman: Thank you Mr. Chesser. For the reasons outlined in our proxy statement, the board recommends a vote against this shareholder proposal. That concludes the matters to be voted on as outlined in the notice of annual meeting and in accordance with our bylaws, I hereby declare and have recorded the timing of the closing of the polls for voting at our 2024 annual meeting. Our board will carefully consider the results of all shareholder voting.

Leading up to the annual meeting, we engaged numerous shareholders. We were intentional in our outreach and appreciative of the time and commitment our shareholders made to provide us with feedback and engage in dialogue that we found enormously helpful. Our engagement with our shareholders began many months before the annual meeting as we were able to engage with

nearly 50% of our shareholders on topics ranging from sustainability and social impact to other key non-financial issues.

We are committed to this comprehensive and continuous outreach, which allows us to proactively educate our shareholders on our progress and more importantly, solicit their feedback on topics most important to them. This robust outreach approach is an important part of how we gather, internalize, and act on shareholder feedback in our quest to increase value for all stakeholders. We have also engaged proxy advisory firms about our company, our board nominees, and the proposals presented at this meeting today. We look forward to continued engagement with our shareholders in the months ahead.

The results of the voting on the proposals are still being tabulated by the Inspector of Election and are not yet final. We will report the final voting results of today's meeting on a Form 8-K filed with the SEC within four business days following this meeting. And that concludes the formal business of the meeting and I now declare the formal business of the annual meeting of shareholders, adjourned. We would now like to present a video highlighting our investments in the partner experience and progress made against Triple Shot Reinvention with Two Pumps, and following the video, we will open for Q&A with our leaders on stage.

Speaker: Starbucks has always been a different kind of company and we're constantly adapting to operate in a changing world. From selling whole bean coffee in our only store in 1971 to serving handcrafted beverages around the globe. For millions of people, the siren isn't just a symbol for Starbucks the company, 53 years on, she still represents genuine human connection, a celebration of stories set around the everyday ritual of coffee and its power to bring people together.

This past year, we updated our mission and launched a set of promises and values that honor our heritage and the evolution of the company into the future. With every cup, with every conversation, with every community, we nurture the limitless possibilities of human connection. When we are at

our best, our promises to stakeholders come to life through the actions of hundreds of thousands of Starbucks partners around the world. Starbucks is a bridge to a better future for our partners.

We uplift the everyday for our customers. We ensure the future of coffee for our farmers. We contribute positively to our communities. We give more than we take to the environment. And all this culminates in our promise to shareholders to generate and during long-term returns. The actions behind these promises demonstrate the core of who we are, while our values enable every partner to deliver performance through the lens of humanity. Starbucks is no stranger to reinvention a process that requires us to truly listen to and learn from one another as partners.

The Triple Shot Reinvention with Two Pump strategy, a long-term growth plan focuses on five areas. Elevating the brand, strengthening, and scaling digital, becoming truly global, identifying opportunities for efficiencies and reinvigorating our company culture. Already, we're seeing signs that our focus and investments are paying off through improved in-store operations. Last quarter, we saw a more stable environment for our partners as turnover decreased and average partner hours increased. We're investing more in our people with 20% of our profits now going back into our partners.

This fiscal year, 250,000 Starbucks partners receive a Beans Stock grant. Since launching our reinvention in May 2022, Starbucks has grown to nearly 39,000 stores in 86 markets and has produced an estimated 30% total return to our shareholders. We have done all this while remaining focused on the partner experience and sourcing the highest quality Arabica coffee from over 450,000 farms. Our industry leading coffee verification program helps support farmers and their families and helps ensure that our supply chain promotes sustainable and transparent growing practices.

We're now entering a new phase of growth with exciting opportunities in front of us, anchored by a revitalized long-term strategy, mission, promises and values. Something that remains unchanged

is, we are a performance company leading through the lens of humanity. The Third Place experience at Starbucks has never been defined solely by a physical space. It's the feeling of connection, belonging, and warmth created wherever Starbucks has a presence, that's what makes us different. That's what we do best. Welcome to Starbucks where we nurture the limitless possibilities of human connection.

Speaker: We will now transition to the Q&A session. To submit a question, please use the ask a question box on the right-hand side of your console next to the slides with the heading, ask a question. Enter your question in the box and hit the send button to submit it. Please also refer to our rules of conduct, which contain guidelines on the types of questions that Starbucks does not intend to address at this meeting.

Okay. Let's open up for Q&A. The first question, why won't Starbucks charge extra for dairy instead of vegan milks?

Laxman Narasimhan: Thank you for your question. Brady.

Brady Brewer: Thank you. So we're always evaluating our pricing and continuously, make decisions on a regular basis about the pricing of our products, including for our plant-based milks. And while I have no update to share on a pricing strategy for alt milks today, what I would share is that our customers have embraced them. We continue to innovate in that space, and increasingly, we are offering those alternative milks at no extra charge. Some examples of that are in our very popular ice shaken espresso platform or in our current lavender oat milk latte.

We were first to market with alt milks, both with the variety and speed and will continue to evolve in this space. And in addition to that, customers who enjoy, whether it's a cold brew, Americano, drip coffee, all of those, we can put a splash of any alt milk of a customer's choice in there at no

extra charge. We've loved how customers have embraced this plant-based milk variety that we have and will continue to evolve in this space. Thank you.

Speaker: Thank you, Brady. The next question, Starbucks maintains a perfect score from the HRC in the 2023 Corporate Equality Index survey. What steps is Starbucks taking to ensure employee viewpoints on diversity are respected within these internal trading elements?

Laxman Narasimhan: Thank you. Sara.

Sara Kelly: Certainly. As Laxman had shared, we've been on a journey of re-founding over the course of the last year from contemporizing our mission to introducing a set of promises, but also co-creating values with our partners globally. Those values define who we are as partners, and those values are courage, results, craft, belonging and joy. Belonging is central to who we are as a company. Belonging means no matter how a partner or customer identifies that they feel welcomed at Starbucks and that we create spaces free from bias, free from hate, that is embedded in our training and development throughout the organization. So, I close by saying at Starbucks, you are welcome and at Starbucks you belong.

Speaker: Thank you, Sara. The next question, what is the total annual cost for free pup cups and free water?

Laxman Narasimhan: Well, let me get Rachel to address then I have a comment at the end of it. Rachel.

Rachel Ruggeri: Sure. So, when you think about our offerings at Starbucks, we're always evaluating costs, but when you think about what really differentiates Starbucks, it's the experience that we create for our customers, more specifically the experience that our partners create for our customers. And so, when you think about that, there are specific offerings like a pup cup for

example, that we believe compliment the broader experience that we offer. And so that's how we consider it today as part of our broader offering.

Laxman Narasimhan: Well, thank you Rachel. Rachel's a pet lover and does a lot with regard to pet adoption. You must recognize of course that we have wonderful customers who have pets that they care for as their own family members, and when they come to our stores, they feel that they belong and they're part of the community. I'll tell you a story. I was in China recently and the Chinese team has done a wonderful job in several stores across China where they've actually adopted this notion of bringing together communities of pet owners in order to celebrate them and connect them. And again, if you think about a third place, we're not just a third place for people. We also bring together people who are pet owners and their pets because they're also really family members for our customers. So, we are proud of it and we intend to continue doing it.

Speaker: Thank you both. The next question, you've made several changes to the board in the last couple of years. Why is this the right composition for the company in this increasingly complex operating environment?

Laxman Narasimhan: Mellody.

Mellody Hobson: We began our board refresh back in 2022, and since that time we've added five new board members to our board. The one thing I would say is getting here, we looked far and wide for the best people for the Starbucks board. We reviewed over 200 names, we interviewed over 20 people and ultimately landed on the 11 directors that we have today. We think we have a world-class board. We think we have a board that is envied by other companies and gives Starbucks a competitive advantage. One of the things about our board is we have these leaders who are diverse in their backgrounds, diverse in their experiences. Many lead or have led iconic beloved organizations and as a result of that, have experienced with complex global organizations that they bring into the boardroom with us.

The other thing about this board, which is really great for this moment, they're multidimensional. We don't have one dimensional board members who only know one thing about one thing. We have board members whose experiences again, span many, many issues and we need and are able to bring all that to bear as we look at all of the issues that our company is confronting. Lastly, I'd say about this board, we have these big companies and these big brands that are represented.

One of our board members once said, "We don't have know-it-alls, we have learn it alls." We don't have big egos. And when we're in the room together, you would find a group of people who challenge the status quo, who offer constructive feedback, who really are collaborative in every way with each other and with the management team, who are encouraging and who believe in this business. So, we are extremely excited about this board. We just left a board meeting and we're glad that they're serving you as our shareholders.

Laxman Narasimhan: If I could just add to it as CEO, the level of engagement I have with the board is high. And if you look at our Triple Shot and Two Pumps strategy, there've been many conversations I've had off cycle with board members around each element of that strategy. And what they do is they bring their expertise and experience, they're accessible, available to me and our leadership team if we have thoughts, if you have questions, if we want perspectives and they've always been available. This is a hardworking board.

Speaker: Thank you both. The next question, a shareholder wrote in, I've been a shareholder since 1992. I've always viewed Starbucks as a good employer. Can you discuss what the union is asking for from Starbucks? It appears negotiations are beginning. Can you share more?

Laxman Narasimhan: Well, thank you for the question. I'm going to get Sara to comment and then I'll come at the end. Go ahead, Sara.

Sara Kelly: Thank you, Laxman. While Starbucks believes core to our culture and our in-store experience is the direct relationship we have with our partners, we both believe and are deeply committed in bargaining in good faith, and we respect the outcomes of fairly conducted elections. For our partners who have selected union representation, we have shared our commitment to a constructive solution and a relationship with the union moving forward.

As it relates to the investments that we continue to make from a partner experience perspective, I would share that we have continuously invested in the partner experience. We have a long history at Starbucks of continuously investing back into our partner experience. Recently, Aon had shared and done a benefit analysis saying that Starbucks has the most valuable benefits in the retail industry, and that shows up by innovating in the ways that matter most to our partners.

Recently, we announced that our partners had shared that they wanted accelerated vacation accrual. They wanted to be able to earn credit, which we introduced a partnership with cred.ai and an exclusive siren card to support our partners in building credit. Also, what they shared that matters most was schedules that meet their lives and our partner-centric scheduling team and reinvention team have been working actively on supporting our partners with schedules that meet their lives as well as deliver the business need. So, I would share that partner investment and the partner experience is core to who we are as an organization and at Starbucks and we have a deep history and will continue to invest in the partner experience in meaningful ways.

Laxman Narasimhan: I'll just add one thing. As I said in my comments, the partner experience is central to us at Starbucks and I'm proud of the progress we have made. We have more to do, but I'm very proud of the progress we've made, and I think the commitment I've made is, I'm the ceo for all partners and we're re-stitching the green apron for all partners as part of reintegrating our partner culture. And by the way, entirely consistent with history where we have put partners at the heart of all that we do.

Speaker: Thank you both. Next question. This is a new format for the annual meeting at Starbucks.
Do you expect to remain virtual and in this format?

Laxman Narasimhan: Brad, do you have an opinion of that?

Brad Lerman: I do, Laxman. Thank you. So, the annual meeting of shareholders is an important event not only for our shareholders but also for our executive team and for our boards of directors. And it's something that we are very proud to conduct in a way that has transparency, communicates in a two-way fashion. Taking Q&A for example, is something that we think is important. We will continue to evaluate going forward, the best way to put together these meetings so that we can be in touch with our shareholders and our community of partners and those who are interested in our company.

Speaker: Thank you, Brad. That concludes the Q&A we received today. And so, with that Laxman, I'll hand it over to you to close us.

Laxman Narasimhan: Well, thank you to everyone who joined us today and to those who raised questions and shared ideas with us, we are deeply appreciative of your input. As I shared in my opening remarks, since joining Starbucks, I have learned that we are truly a different kind of company, and we are now operating in a different kind of world. Put simply, we are like no other. I'm proud to be leading us through such an exciting time.

I will leave you all with this. Our Triple Shot Reinvention plan laid out in November focuses on three priorities, elevating the Starbucks brand, strengthening the company's digital capabilities in scaling them around the world. And third, becoming truly global and is customized with two pumps, much like you would a Starbucks order, unlocking efficiency and reinvigorating the partner culture. With our strong strategy, which is underpinned by our refreshed mission, values and promises, I have great optimism for what lies ahead at Starbucks.

We believe we have significant headroom to invest in our business and in our partners while delivering strong, long-term shareholder returns. With every cup, with every conversation, with every community, we nurture the limitless possibilities of human connection. That is our mission. That is why we exist. We value our craft, we value our results, we value courage, we value belonging, and we value joy.

We will continue to invest in our partners to bridge to a better future. We will continue to uplift the everyday for our customers. We contribute positively to our communities. We give more than we take to the environment at our best, and we ensure the future of coffee for all. This is our commitment to the mutual success we can achieve together. Thank you for joining in. The best days of Starbucks are ahead of us.