

Starbucks Builds on Its Foundation of Industry-Leading Benefits for Retail Employees Announcing New Investments in Comprehensive Paid Leave and Wage
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- *Company announces a new 'Partner and Family Sick Time' benefit for all U.S. employees to launch this year*
- *Announces second wage increase for all U.S. hourly and salaried partners in addition to the annual increases already granted this fiscal year*
- *Announces additional 2018 Stock Grant with a one-year vest*
- *Highlights an Aon study indicating its standing as the No. 1 retailer in comprehensive benefits for part-time and full-time employees*
- *Reiterated commitment to create more than 8,000 new retail jobs and 500 manufacturing jobs this year as part of the company's strategic growth plan*

Building on a long history of providing relevant, industry-leading benefits, Starbucks Coffee Company (NASDAQ: SBUX) today announced a series of new partner (employee) offerings that span across wage and benefits. These offerings will total more than \$250 million for more than 150,000 partners and are accelerated by recent changes in the U.S. tax law. Further details on the impact of these changes on our 2018 financial statements and earnings guidance will be discussed during our January 25 earnings call.

With this investment, Starbucks announces a total compensation approach that is best in class for part-time and full-time employees across American retail.

According to a new benchmarking study Starbucks commissioned, performed by Aon, a leading global professional services firm providing a broad range of risk, retirement and health solutions, the benefits awarded to partners who work 20 hours or more per week at Starbucks rank above any other retailer in the study and are three times more valuable than any other retailer in their study.

"For more than 30 years, Starbucks has continued to challenge the status quo offering comprehensive employee compensation for our partners (employees). We were one of the first retailers to offer full healthcare benefits to our partners – even those working part-time – and more recently we revolutionized access to a tuition-free four-year degree for all partners with the Starbucks College Achievement Plan through our partnership with Arizona State University," said Kevin Johnson, ceo of Starbucks.

"Today, we are proud to announce additional investment in stock, wages and a new Partner and Family Sick Time benefit that will further enhance our industry-leading approach. Just as we have always felt strongly that our partners are key to our business success, we have also known offering a valuable, comprehensive benefits package helps us retain our valuable partners. The value of Starbucks benefit package [fully accessed] is unmatched by other retailers and provides thousands of dollars above the value of other companies compensation offerings. I am extremely proud to share that in the past four years Starbucks has made an investment of nearly \$800 million in employee compensation and benefits – a testament to our belief in our people and the role they play in creating the Starbucks Experience," added Johnson.

Starbucks provided the following details regarding these investment decisions:

- Starbucks pays above the minimum wage in all states across the country. In April, all eligible U.S. hourly and salaried partners will receive a second wage increase in addition to the annual increases that they have already received this fiscal year. This will include an investment of approximately \$120 million in wage increases that will be allocated based on regional cost of living and laws that vary from state to state.
- On April 16, we will provide an additional 2018 stock grant for all eligible full-time, part-time, hourly and salaried U.S. partners across our stores, plants and support centers, who have been active as of Jan. 1, 2018. All Starbucks retail partners will receive at least a \$500 grant, store managers will each receive a \$2000 grant and plant and support center partner (non-retail) grants will vary depending on annualized salary or level. This investment alone is valued at more than \$100 million.

- A new Partner and Family Sick Time benefit will be available to all eligible U.S. partners, which will allow partners to accrue paid sick time based on hours worked and then use them if they or a family member needs care. When this benefit goes into effect this year, Sick Time will accrue at a rate of one hour for every 30 hours worked, thus a partner working 23 hours a week can expect to accrue approximately five days of sick time benefit over the course of one year.
- Starbucks has also reaffirmed their commitment to create more than 8,000 new part-time and full-time retail jobs and an additional 500 manufacturing jobs in its Augusta, Georgia soluble coffee plant.
- For store partners, Starbucks has also expanded their parental leave policy to include all non-birth parents with up to 6 weeks of paid leave when welcoming a new child.

These new offerings are in addition to the nearly \$7 billion of capital that Starbucks will deploy to build and renovate stores, manufacturing plants and technology platforms in the U.S. over the next five years. Starbucks remains committed to providing opportunities to tens of thousands of Americans from disadvantaged backgrounds.

Starbucks also remains committed in continuing to offer industry-leading comprehensive health care benefits and marketplace, disability and life insurance benefits, a 401K savings plan benefit and continue the Starbucks College Achievement Plan, which is a free tuition benefit offered to Starbucks partners together with Arizona State University.

About Starbucks

Since 1971, Starbucks Coffee Company has been committed to ethically sourcing and roasting high-quality *arabica* coffee. Today, with more than 23,000 stores around the globe, Starbucks is the premier roaster and retailer of specialty coffee in the world. Through our unwavering commitment to excellence and our guiding principles, we bring the unique Starbucks Experience to life for every customer through every cup. To share in the experience, please visit our stores or online at news.starbucks.com and [Starbucks.com](https://starbucks.com).

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Contact:

Starbucks Coffee Company
206-318-7100
press@starbucks.com

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