

Shareholder Meeting

Company Participants

- Angela Lis, EVP & Chief Partner Officer
- Camille Hymes, Unknown
- Ching Ying Wong, Chairman & CEO of Starbucks China
- James McRitchie, Unknown
- John Culver, Group President of International, Channel Development and Global Coffee, Tea & Cocoa
- Karima Rasul, Unknown
- Kevin Johnson, Analyst
- Michael Conway, EVP & President of Starbucks Canada
- Rachel Gonzalez, Executive VP, General Counsel & Secretary
- Rachel Ruggeri, EVP & CFO
- Rossann Williams, EVP & President of U.S. Retail
- Sergio Alvarez, Unknown
- Ty Barbone, Manager
- Unidentified Speaker, Unknown

Presentation

Kevin Johnson {BIO 3773960 <GO>}

Well good morning from Seattle, Washington. My name is Kevin Johnson. 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 health care 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. 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. I appreciate and value each of you and your contributions.

I also want to recognize Mike Ullman for his invaluable contributions to Starbucks over the past two decades. Mike is retiring from the Starbucks Board after 18 years of service. 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.

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. 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 Dowdie, Gerri Martin-Flickinger, Gina Woods, Hans Melotte, John Culver, Michael Conway Rachel Gonzalez, 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 on 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. With 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 have 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. With each interaction and each cup of coffee, you helped your customers and communities 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.

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 Hymes

Hello, everyone. My name is Camille Hymes, a proud 7-year partner, and I'm walking the cobblestones in Seattle's historic Pike Place Market, the birth place of Starbucks and still home to our first store.

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. I'm not just saying that because I'm your narrator. The story of Starbucks is everything, twists and turns, setbacks and breakthroughs, values 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 cafés were greeted with the same warmth and enthusiasm, whether it was their first visit ever or their third that day. The people holding cups of espresso and cappuccino were 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 café and espresso culture to America, but at the time, some at Starbucks felt it would be a distraction from their business model of selling whole bean coffee. You have to remember, in 1983, most people grew 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 café 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 Caffè Latte.

At the time, a 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 celebrations 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 Colombia, 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 to name Starbucks, evoking a character from the classic novel, *Moby Dick*. With 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.

A 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. 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 World Wide Web. So on, you could see the siren in 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 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. China, the Middle East, Latin America and the Caribbean.

Starbucks continued to appear more and more in pop culture, in movies, TV shows and late-night comedy. Starbucks was trying all kinds of new things. Some were a hit 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.

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 has 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 welcome and valued. 4 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.

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 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 {BIO 15817924 <GO>}

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.

Ching Ying Wong {BIO 17337899 <GO>}

I grew up drinking tea, as do most people in China. Yet Starbucks has enjoyed early success in this traditionally tea drinking culture. That's all because of our love and passion for coffee. We have devoted ourselves to sharing the unique Starbucks experience with our Chinese customers and local communities, the dedicated craftsmanship it embodies, the uplifting experience it provides and a 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 their green aprons and getting ready for the world to wake up so they can once again deliver coffee and connection.

Rossann Williams {BIO 18658634 <GO>}

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 today 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. 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 were 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're dreaming of because the best is yet to come.

Kevin Johnson {BIO 3773960 <GO>}

Well here we are in the Tryer Center, our 20,000-square-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 reimagining 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 ensure 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, rose 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 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 reimagine our future, honor the past and reimagine 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. 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.

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 thing. 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 Nestlé to expand the global reach of Starbucks into the homes of millions with single-serve and at-home coffee. 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 reimagine the third place experience. These were strategic plans we put in place long ago, which we accelerated to meet this moment. 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. We have 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 reinvention, 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 Hymes

When 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 {BIO 22000270 <GO>}

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 is intentional about creating a company in which everyone can share in the success. It's why we call each other partners. 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. It's something I've been demonstrating time and time again as I moved from barista to 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.

Camille Hymes

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 happen 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. Welcome to the Annual Meeting of Shareholders and to a very special edition of Good Things are Happening. I'm Karima Rasul.

Sergio Alvarez {BIO 16905648 <GO>}

And I'm Sergio Alvarez.

Karima Rasul

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

Sergio Alvarez {BIO 16905648 <GO>}

This year, our partners served 4.2 million free cups of coffee to first responders and health care workers.

Karima Rasul

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

Sergio Alvarez {BIO 16905648 <GO>}

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 Barbone, 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 Barbone

Water is life. We were always taught that, to respect water. It's used in ceremonies. Of course it replenishes the earth. It replenishes us. Water is scarce, especially here on the Navajo reservation. The elders, what they like to do is thank you like this. And delivering the food, delivering the water and then seeing -- me seeing that, I think you'll get that is a good feeling and seeing that is -- brought tears to my eyes.

Sergio Alvarez {BIO 16905648 <GO>}

Thanks to Ty and to all the first responders, health care workers, teachers, essential 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 Ty 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 Tring, got a call from a customer named Cameron [ph]. Cameron, a soldier, had arrived home a couple of days early from Iraq. He wanted to know if he could surprise his family in the Starbucks drive-thru window.

Karima Rasul

Wow. 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-thru expecting to order a hot chocolate and drove away shaking his head in a good way. Incredible. Kudos to barista, Brianna Roth, who studied American Sign Language, for making that moment into a real connection.

Here are few important numbers to know about that story. 4,000, that's how many of our drive-thrus so far have been equipped with the 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 {BIO 16905648 <GO>}

While we're on the topic of signing, we opened some truly unique and wonderful Starbucks this year, including our 6th 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 aged women have jobs, Tata Starbucks opened two stores run entirely by female partners. These stores aim to provide

women in India with equal pay in addition to a supportive and encouraging environment to grow their careers.

Sergio Alvarez {BIO 16905648 <GO>}

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 {BIO 16905648 <GO>}

Signing off for today and reminding all of you to keep on making good things happen. Back to you, Camille.

Camille Hymes

Karima and Sergio, thank you for this reminder that even in the most difficult times, good things are happening, especially at Starbucks. Chevonne [ph], 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.

Chevy described 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. 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 one Chevy described that this company does best. Kevin knew that for Starbucks to be able to keep doing this for another 50 or 100 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 reimagining.

Kevin Johnson {BIO 3773960 <GO>}

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 reimagining and adapting for the future. An 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. We are a company built on a mission of human connection. This pandemic has dampened spirits. Our mission is to uplift it 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 happened today. Over the past few years, we have reimagined 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 the innovation in smart supply chain operations, state-of-the-art technology and our sustainability practices from being [ph] to come.

And here in the United States, we're supporting dairy farmers and farmworkers to improve their livelihood. We are extending the same approach we use to empower coffee farmers to support dairy farmers across the United States. I want to make clear that for Starbucks, these people-positive and planet-positive goals are not sidecars 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. 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 Company.

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 capital. Of course as you all know by now, Starbucks is a different kind of company.

Rachel Ruggeri {BIO 20021043 <GO>}

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'd 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 firsthand 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 will be true for the next 50.

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 2,000 local non-profits like Dress For Success Global. Take a look.

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 of climate change. Our goal is to share all of this, trees and seeds and everything we learn 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.

Kevin Johnson {BIO 3773960 <GO>}

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 reimagine 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. It's about being human [ph]. 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. I look forward to meeting you there. Thank you.

Rachel Gonzalez {BIO 17980657 <GO>}

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 Hymes, Karima Rasul 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 take a moment to recognize Mike Ullman, 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 22, 2021, to Starbucks' shareholders of record as of the close of business on January 8, 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 web page.

Based on the affidavit from Broadridge, this meeting is duly called with timely and proper notice. In addition, based on the information provided by Broadridge, a quorum of shareholders is present to conduct our meeting today. The polls are now open for those who have not yet voted, and it will close in a few minutes after the presentation of business matters.

If you've 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 votes.

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. Allison, 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 of Apple Inc.; Jorgen 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 & Touche LLP as the company's independent registered public accounting firm for the current fiscal year ending October 3, 2021. The Board recommends a vote for this proposal.

The fourth, and last item of business, is the shareholder proposal submitted by Mr. James McRitchie 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. McRitchie to please limit your comments to a period of three minutes or less. Mr. McRitchie, are you on the line?

James McRitchie {BIO 5114010 <GO>}

Yes. 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 have numerous ways to be heard and to exert influence outside of board representation. Partners can access an ethics help line, accompany an organization meeting, 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 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 partner. The Board could have appointed a formal workforce advisory panel or designated a director to be a liaison with our partner. They could have set up a substantive Employee Stock Ownership Plan, an ESOP with voting rights held by partners or their elected trustees, a worker on the Board, a workforce advisory panel or a designated director to institutionalize ongoing dialogue, an ESOP with trustees elected by partners that 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 that is much more flexible than federal legislation being considered. I'm interested in hearing from other shareholders and

especially from partners, e-mail me at jm@corpgov.net, that's J-M@C-O-R-P-G-O-V.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 Gonzalez {BIO 17980657 <GO>}

Thank you, Mr. McRitchie. For the reasons outlined in our proxy statement, the Board has recommended a vote against this 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. The role of our partners is central to our decisions.

Human connection is at the center of our vision, our business strategies and our 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 help 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 believe 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 & 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. We've 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. With that, Kevin, I'll hand it over to you.

Kevin Johnson {BIO 3773960 <GO>}

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.

Questions And Answers

A - Unidentified Speaker

Thank you, Kevin. Our first question, what is the Board composition in diversity, specifically, gender and ethnic representation?

A - Kevin Johnson

 {BIO 3773960 <GO>}

Great. Thanks for the question. Rachel, perhaps you can answer that?

A - Rachel Gonzalez

 {BIO 17980657 <GO>}

Yes. Thank you for that question. Starbucks has a long-standing commitment to diversity on its Board of Directors. And currently, as reported in our proxy statement, 45% of the Starbucks Board of Directors self-identify 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. This is part of our commitment to promote diversity, equity and inclusion at the Board level.

A - Unidentified Speaker

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

A - Kevin Johnson {BIO 3773960 <GO>}

Yes. Thanks for the question. I'll take that one. First of all, we do not have a political action committee, and therefore, we do not make political contributions. We certainly, with our partners, we encourage them to get involved in their civic responsibility as citizens to vote. So we've helped our partners with things like TurboVote 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 contribution.

A - Unidentified Speaker

Thank you, Kevin. A 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?

A - Kevin Johnson {BIO 3773960 <GO>}

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

A - Rossann Williams {BIO 18658634 <GO>}

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 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 co-benefit package that includes health care, mental health support, granting share options to every single partner because we always share our success with one another. We even offer a free online college university for those partners that might want to take advantage of higher education.

Our holistic partners 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.

A - Kevin Johnson {BIO 3773960 <GO>}

Thanks, Rossann.

A - Unidentified Speaker

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?

A - Kevin Johnson {BIO 3773960 <GO>}

Great. Thank you. Let's hand that to Michael Conway who leads our International License business. Michael?

A - Michael Conway {BIO 18036959 <GO>}

Thank you. Thank you, Kevin. While a lot of our growth will come through our 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 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. We also have new store formats that are reducing both the investment and operating costs for our licensees. As we previously -- as previously shared, our aim is to be in 100 markets by the year 2030. Working with our licensees to adopt these proven success drivers gives us confidence in our future growth potential for our licensees and for Starbucks.

A - Kevin Johnson {BIO 3773960 <GO>}

Thanks, Michael.

A - Unidentified Speaker

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?

A - Kevin Johnson {BIO 3773960 <GO>}

Well since we began dealing with COVID-19 in China, first, it's 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. Then I'll hand over to Rossann to answer the same question you asked. So Belinda, to you.

A - Ching Ying Wong {BIO 17337899 <GO>}

Thank you. 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 well-being of our partners and customers; play a constructive role in supporting local government authorities as they work 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 continued 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.

A - Rossann Williams {BIO 18658634 <GO>}

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 covering 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 sanitization 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 continue to 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 customer safe.

A - Kevin Johnson {BIO 3773960 <GO>}

Rossann, Belinda, thank you for your leadership through this whole global pandemic as well. Moderator?

A - Unidentified Speaker

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

A - Kevin Johnson {BIO 3773960 <GO>}

Great question. John Culver?

A - John Culver {BIO 15817924 <GO>}

Yes. Thank you, Kevin. 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 Nestlé, we've been able to rapidly expand our packaged goods, single-serve and into the foodservice 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 U.S. 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. It's clear that our customers have embraced the Starbucks brand in channels outside of our retail stores, and we will continue to invest in our partnerships and innovate to grow this very, very important business for the company.

A - Kevin Johnson {BIO 3773960 <GO>}

John, thank you.

A - Unidentified Speaker

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

A - Kevin Johnson {BIO 3773960 <GO>}

Rachel Ruggeri?

A - Rachel Ruggeri {BIO 20021043 <GO>}

Yes. Thank you. 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 to continue 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 deleverage our balance sheet this year by paying off our debt that matured totaling over \$1.5 billion and are on a path to return to 3x leverage target by the end of this fiscal year. 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-GAAP earnings growth as we scale. Thank you.

A - Kevin Johnson {BIO 3773960 <GO>}

Thanks, Rachel.

A - Unidentified Speaker

Next question. Will Starbucks consider COVID vaccine outdoor pop-up tents at locations where space is available, possibly during slow traffic hours only and by appointment?

A - Kevin Johnson {BIO 3773960 <GO>}

Well thanks for the question. 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. We found it 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 to do vaccinations at Starbucks stores.

A - Unidentified Speaker

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

A - Kevin Johnson {BIO 3773960 <GO>}

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

A - Ching Ying Wong {BIO 17337899 <GO>}

Yes. 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 our 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 '22.

As we grow, we will stay disciplined to ensure the experience is relevant, and that 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 fueling 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.

A - Kevin Johnson {BIO 3773960 <GO>}

Great. Well that's the last question we have today. I want to take this opportunity to thank all of you for joining us here today. We hope you had -- you enjoyed the story of the first 50 years of Starbucks, and I hope you share 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 Ullman and recognize him on his retirement and very excited about Mellody Hobson stepping into her new role.

I also want to take this opportunity to recognize my Starbucks partners on the leadership team. 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. 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. 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.

This transcript may not be 100 percent accurate and may contain misspellings and other inaccuracies. This transcript is provided "as is", without express or implied warranties of any kind. Bloomberg retains all rights to this transcript and provides it solely for your personal, non-commercial use. Bloomberg, its suppliers and third-party agents shall have no liability for errors in this transcript or for lost profits, losses, or direct, indirect, incidental, consequential, special or punitive damages in connection with the furnishing, performance or use of such transcript. Neither the information nor any opinion expressed in this transcript constitutes a solicitation of the purchase or sale of securities or commodities. Any opinion expressed in the

transcript does not necessarily reflect the views of Bloomberg LP. © COPYRIGHT 2024, BLOOMBERG LP. All rights reserved. Any reproduction, redistribution or retransmission is expressly prohibited.