

Starbucks Makes Historic Investments in its Partners (Employees), Building on Long-Time Belief that Success is Best When Shared

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- Announces significant investment in wage to recognize and reward tenured partners while also increasing pay floor; U.S. hourly partners will average nearly \$17/ hr. with new range of \$15-\$23 for baristas in Summer 2022
- Strengthens the Partner Experience through new training and recruiting, implementing 'Training Store' concept in markets around the U.S. and enhanced referral bonuses for store partners
- Introduces new behind-the-bar equipment and technology; tests New Cold Beverage Station to help make it easier for partners to handcraft beverages and connect with customers
- Innovating the partner and customer experience by teaming retail and support partners together in 20,000 sq. foot Tryer Lab in Seattle for store-partner innovation

SEATTLE--(BUSINESS WIRE)-- Starbucks Coffee Company (NASDAQ: SBUX) today announced a wave of investments for its partners (employees), building on its 50-year history and tradition of listening and learning, while investing its success back into its people. Announcements of both operational and wage investments for U.S. partners and company-operated stores are designed to retain and recruit the best people and affirm Starbucks as one of the very best jobs in retail – a reflection of the company's unwavering belief that success is best when it's shared.

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Today, Starbucks announced a wave of historic investments in its partners (employees), building on the company's unwavering belief that success is best when it's shared. Announcements of both operational and wage investments for U.S. partners and company-

"As Starbucks celebrates our 50th anniversary we are reminded that our heritage is based on the simple concept that our green apron partners are the heartbeat of Starbucks and that success is best

operated stores are designed to retain and recruit the best people, and affirm Starbucks as one of the very best jobs in retail.(Photo: Business Wire)

when it's shared," said Kevin Johnson, Starbucks president and chief executive officer. "Today, we are announcing another historic investment in our partners, knowing that when we take care of our

partners, they take care of our customers, and all stakeholders benefit. This is how we continue to build a great and enduring company. One that is committed to the ideal that doing good for one another – and for society – is good for business over the long-term."

In a letter to all U.S. partners, Rossann Williams, Starbucks executive vice president, president North America, emphasized the company's continued commitment to listen, learn together, and deliver real, measurable value to partners, customers and shareholders. The investments the company will be making will enhance wage, training and in-store experiences, nationwide.

Investments include:

- **Unprecedented Investments in Wage:** Building on substantial wage and benefit investments throughout the pandemic, Starbucks is prioritizing another significant investment to recognize and reward tenured partners while also ensuring all partners earn at least \$15/hour in Summer 2022. This next investment culminates in a total of approximately \$1 billion in incremental investments in annual wages and benefits over the last two years.
 - Effective in late January 2022, partners with two or more years of service could receive up to a 5% raise and partners with five or more years could receive up to a 10% raise.
 - Additionally, in Summer 2022, average pay for all U.S. hourly partners will be nearly \$17/hr.
 - In December 2020, Starbucks committed to raising its wage floor to \$15/hr.
 - Barista hourly rates will range based on market and tenure from \$15 to \$23/ hr. across the country in Summer 2022.
- **Training and Recruiting:** The company added recruiting specialists across all U.S. markets and is extending its \$200 referral bonuses to help attract new talent. The company is also investing in store partner training, including a complete redesign of the company's "Barista Basics" guide for partners to include added training time for all roles as well as practice shifts and looking to expand beyond its 40 highly successful training stores around the country currently dedicated entirely to training partners in this area.
- **Store Partner Hours and In-Store Experiences:** With significant customer demand for Starbucks and an increasing pace of beverage innovation, Starbucks has invested in forecasting capabilities to improve store staffing; testing of a "shifts app" aiming to make it easier for partners to work available shifts that meets their personal needs; and improving behind the bar floor design and equipment, including testing a Cold Beverage Station in select stores around the country. A team of support partners and data analysts, as well as a Store

Manager Council, are working side by side with our store partners to help shape this work.

- **Partner-Centered Innovation:** Finally, to ensure ongoing improvements for retail partners, Starbucks has brought together a team of partners to **design and test** initiatives that will ultimately improve the partner experience and reduce complexity in stores. The 20,000 square foot Tryer Lab is focused on bringing new innovation and ideas to action in stores with a test and learn approach. This team, which includes a rotation of over 20 of our talented store partners, is focused on several initiatives, including 1) behind-the-bar layout redesigns 2) innovative store equipment and technology, and 3) evolving operational roles in stores. This partner-focused effort helps hold support partners accountable to the store experience with real-life challenges being designed by both support center and store partners, together, working shoulder to shoulder.

“Our founder Howard Schultz believed in the dignity of the human experience, in building a successful company, and that our success should always be shared,” said Williams. “These new investments show the continued commitment we all have to creating the best opportunities and experience for our partners.”

With innovative benefits for part-time employees, including health care, equity ownership for all levels in the organization, free college tuition through the Starbucks College Achievement Plan with Arizona State University and Mental Health support through a partnership with Lyra, Starbucks has been on the forefront of investing in its people since the opening of the original store in the Pike Place Market in Seattle in 1971. The introduction of these latest investments builds on unprecedented partner investments uniquely designed to **support partners during** the COVID-19 pandemic.

Forward-Looking Statements

Certain statements contained herein are “forward-looking” statements within the meaning of the applicable securities laws and regulations. Generally, these statements can be identified by the use of words such as “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “forecast,” “intend,” “may,” “outlook,” “plan,” “potential,” “predict,” “project,” “remain,” “should,” “will,” “would,” and similar expressions intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. These statements include statements relating to: our labor investments; our business outlook, projections and guidance; operations and financial results; our sustainability goals and initiatives; the recovery of our business; and our ability to drive long-term growth. These forward-looking statements do not represent historical data, are based on currently available operating, financial and competitive information and are subject to a number of significant risks and uncertainties. Actual future results and trends may differ materially depending on a variety of factors, including, but not limited to: the actual impact of our labor investments on our operations and financial results; further spread of COVID-19 and its variants; regulatory measures or voluntary actions that may be put in place to limit the spread of COVID-19, including vaccine mandates and restrictions on business operations or social

distancing requirements and the duration and efficacy of such restrictions and the world-wide distribution and acceptance of vaccines; the potential for a resurgence of COVID-19 infections in a given geographic region after it has hit its “peak”; fluctuations in U.S. and international economies and currencies; our ability to preserve, grow and leverage our brands; the ability of our business partners and third-party providers to fulfill their responsibilities and commitments; potential negative effects of incidents involving food or beverage-borne illnesses, tampering, adulteration, contamination or mislabeling; potential negative effects of material breaches of our information technology systems to the extent we experience a material breach; material failures of our information technology systems; costs associated with, and the successful execution of, the company’s initiatives and plans, including the successful expansion of our Global Coffee Alliance with Nestlé; our ability to obtain financing on acceptable terms; the acceptance of the company’s products by our customers, evolving consumer preferences and tastes and the availability of consumer financing; changes in the availability and cost of labor; significant increased logistic costs, including but not limited to inflationary pressures; the impact of competition; inherent risks of operating a global business; the prices and availability of coffee, dairy and other raw materials; the effect of legal proceedings; and the effects of changes in tax laws and related guidance and regulations that may be implemented and other risks detailed in the company filings with the Securities and Exchange Commission, including the “Risk Factors” sections of Starbucks Annual Report on Form 10-K for the fiscal year ended September 27, 2020 and Quarterly Report on Form 10-Q for the fiscal quarter ended June 27, 2021. The company assumes no obligation to update any of these forward-looking statements.

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Starbucks Contact, Media:

206-318-7100

press@starbucks.com

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