Gender Pay Gap Report 2018

At Starbucks, we have a proud history of celebrating inclusivity and diversity in our workforce. As part of the Gender Pay Gap legislation, under the Equality Act 2010, we are required to publish specific criteria looking at gender pay across the more than 5,100 partners (the term we use for ‘employees’ as we all have shares in the business) employed by Starbucks UK Ltd.

For the purposes of this report our gender pay gap is calculated using the approach required by the regulations, which compares the pay of males and females. We are encouraged that our figures mirror those we reported last year and show that across our UK partners there is a 0% median pay gap between men and women.

In the past year, we have also made progress on bringing the mean pay gap down in our business. This figure is 5%, down from 6% last year.

There are always areas where we can do more including bringing more women up to senior positions to reduce bonus pay disparity, and in the past 12 months, we have made significant progress in reducing this bonus gap.

We are committed to helping each partner reach their full potential regardless of gender, and continue to push forward as a business to hold ourselves accountable.

Carol Muldoon

Message from Carol Muldoon
vp Partner Resources, Starbucks Europe, Middle East and Africa
What is gender pay gap reporting?

UK gender pay reporting legislation requires employers with 250 or more employees to publish statutory calculations every year showing how large the pay gap is between their male and female employees.

There are six calculations:

1. Mean gender pay gap (this number is the average)
2. Median gender pay gap (halfway point between the highest and lowest pay)
3. Mean bonus gender pay gap
4. Median bonus gender pay gap
5. Proportion of males receiving a bonus payment and proportion of females receiving a bonus payment
6. Proportion of males and females when divided into four groups ordered from lowest to highest pay

Understanding mean and median gender pay gap:

The mean gender pay gap shows the percentage difference in average pay between men and women across the business.

The median gender pay gap is the percentage difference when we compare the middle point of all female partner salaries in our business and all male partner salaries. The proportion of men and women awarded any bonus pay over the same 12 month period is also reported.

Gender pay reporting is different to equal pay - Equal pay deals with the pay differences between men and women who carry out the same jobs, similar jobs or work of equal value. The gender pay gap shows the difference in the average pay between all men and women in a workforce.

Starbucks gender pay gap summary (April 6, 2017 to April 5, 2018)

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<th>Base pay gap</th>
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<th>Bonus pay gap</th>
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<td>Mean gender pay gap</td>
<td>5%</td>
<td>0%</td>
<td>Mean bonus gender pay gap</td>
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<tr>
<td>Median gender pay gap</td>
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<td>Median bonus gender pay gap</td>
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Receiving a bonus

- 12% male employees
- 9% female employees

Proportion of employees in each quartile

- Quartile 1 (entry level): 63%
- Quartile 2: 63%
- Quartile 3: 65%
- Quartile 4 (senior leadership): 62%

*Starbucks UK only
Our results and what they mean

Replicating what we saw in 2017, there is no median gender pay gap between our UK partners. This year, our mean gender pay gap is 5%, down from 6% in 2017, and we continue to focus on bringing that down. In the retail sector, a report by PwC in 2018 found the median gender pay gap was 13%. We have been significantly below that for the past two years.

At all four salaried levels of our business, we have a higher proportion of women at around 63% women - 37% male.

Despite making significant progress to bring this down over the past 12 months, there is a larger gap when we look at the average bonus gap – a 15% mean and 15% median between males and females. This gap is driven by the fact that there are fewer female partners in the most senior roles, and we are working to encourage and develop talented women throughout our organisation. In recent months, we have appointed a new managing director of our UK business. This position is fulfilled by a female leader, responsible for operating our biggest market in EMEA.

Additional support

We are constantly working to make Starbucks a great place to work, and that includes creating a framework for an inclusive and diverse workforce who are supported by a relevant benefits programme. We will continue to update on our progress and policies to support this – whether that’s increasing free access to education, shares in the business or the opportunity to move to a new home and benefit from an interest-free deposit loan to help.

For media inquiries, please contact ukpressoffice@starbucks.com