

## Starbucks Coffee Company Claims Being Mischaracterized in Recent Class Action Lawsuits

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### Company issues statement

Recent litigation has resulted in misunderstanding among some of our customers and partners (employees) about tipping in Starbucks (Nasdaq:SBUX) stores. Our tip policy allows hourly partners (baristas and shift supervisors) to receive their fair share of customer tips. Shift supervisors are not managers and have no managerial authority. Even the California Court recognized this distinction.

Both baristas and shift supervisors are hourly store partners who serve our customers and provide the Starbucks Experience in our stores. We do not believe customers differentiate between them, because they provide the same customer service. As a result, they pool their tips when customers express their gratitude for superior service. In contrast, store managers and assistant store managers perform managerial duties, and therefore do not share in the tips given by customers.

That is why we disagree so strongly with the California Superior Court's recent ruling that would not allow shift supervisors to receive what is rightfully theirs. We believe the California Court's decision is not only contrary to the law, but also fundamentally unfair and beyond all common sense and reason.

Unfortunately, copy-cat lawsuits have been filed. We intend to vigorously fight all such unjust lawsuits.

To further clarify and contrary to some media reports, Starbucks has not taken money from any of its partners, nor is there money to be refunded or returned from Starbucks. Consistent with what is one of the most widely accepted practices in the service industry, this tip money goes directly from customers to the partners who provide them with superior service.

For more than 35 years, Starbucks has been committed to treating its partners with the highest respect and dignity. As part of this commitment, Starbucks provides benefits unrivaled by many other companies - including healthcare for eligible full and part-time partners and stock option programs. All eligible store employees are included in these programs.

We pledge to continue to provide a great workplace for our more than 170,000 partners around the world.

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