

Starbucks EMEA Ltd.

GENDER PAY GAP REPORT 2020



ABOUT STARBUCKS EMEA LTD.



This report looks at the gender pay gap across the 307 partners (employees) at Starbucks EMEA Ltd. Partners is the term that we use for ‘employees’ as we all have shares in the business.

Starbucks EMEA Ltd is the headquarters for Starbucks in Europe, the Middle East and Africa. Located in London, Starbucks EMEA Ltd partners are responsible for the licensing and management of the Starbucks business within the 43 markets in the region and provide brand management and support services.

This year is the first time that Starbucks EMEA Ltd is reporting on its gender pay gap because the number of partners employed now exceeds 250.

A separate report continues to detail the gender pay gap across the approximately 4,000 partners at Starbucks Coffee Company (UK) Ltd – the part of the company responsible for the retail and wholesale of gourmet coffee, tea and related products in the UK, and which includes partners working within company-operated Starbucks stores, as well as Support Centre partners supporting UK stores.

MESSAGE FROM CAROL MULDOON

VP PARTNER RESOURCES
STARBUCKS EUROPE, MIDDLE EAST AND AFRICA



At Starbucks, creating a warm and welcoming environment where everyone can thrive is at the heart of everything we do. It's because we are driven by our mission: to inspire and nurture the human spirit one person, one cup and one neighbourhood at a time.

In compliance with gender pay gap Legislation under the Equality Act 2010, Starbucks has previously reported on the Gender Pay Gap within the Starbucks Coffee Company (UK) Ltd – the company that runs and supports our company-operated UK stores.

However, for the first time, we are also reporting on the gender pay gap within Starbucks EMEA Ltd. Starbucks EMEA is the headquarters of Starbucks in Europe, the Middle East and Africa and we now have over 300 partners (employees) working within our London based head office, overseeing the licensing and management of Starbucks across 43 markets in this region, and providing brand management and support services.

This document outlines the gender pay gap for these office-based partners, and we are particularly encouraged to see that women represent a significant proportion of employees within the two most senior quartiles of our organisation (Quartile 3 – 58.4% and Quartile 4 – 40.8%). However, there is still work to do to progress even more women to these levels within our organisation. This is particularly the case with Quartile 4 – as the differences in pay (particularly bonuses) outlined within this document can be accounted for mainly by the greater number of men than women at this level within our organisation.

To support with this, we continue to run a Women's Leadership Network, providing top-talent with the opportunity to hear from external speakers on topics that aid their career development and to provide networking opportunities. However, over the course of 2020 we made significant further investments in support of partner wellbeing, inclusion and diversity – detail of which is outlined in this report.

This year also saw the Women's Impact Network (WIN) being established within our region. With over 100 members the group is one of three partner networks established in EMEA this year. WIN's purpose is to empower every woman to find their own version of success, and like all the Partner Networks the group plays a powerful role supporting our partners, representing their diverse voices and holding us to account as we continue to work towards greater inclusion, diversity and equity within our organisation.

We are proud of the progress that has been made this year, but we continue to push forward, particularly as we look ahead to our future as a company in our 50th year.

Carol Muldoon

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 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 paygap:

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 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

Base pay gap

18.3%

mean gender pay gap

12.8%

median gender pay gap

Bonus pay gap

19.6%

mean bonus gender pay gap

12.9%

median bonus gender pay gap

Receiving a bonus

40.8%

female employees

58.7%

male employees

Proportion of employees in each quartile



	55.8%	44.2%
Quartile 1		
Quartile 2	64.9%	35.1%
Quartile 3	58.4%	41.6%
Quartile 4	40.8%	59.2%

OUR RESULTS AND WHAT THEY MEAN

This is our first year reporting on the gender pay gap for Starbucks EMEA Ltd and so historical comparisons can not be made. However, this year's calculations highlight that within our head office for the region, there is a mean pay gap of 18.3% between male and female employees, which drops to 12.8% when looking at the median. There is a similar difference in the mean and median bonus pay gaps (19.6% and 12.9%) respectively.

These results are reflective of the fact that there are more men than women at the most senior levels

within the organisation. For example, if the pay of those on the EMEA Leadership Team (9 partners) were removed from these results the mean pay gap would fall by approximately 5%.

The results also highlight that an area the business should focus on is supporting women to progress to management, and particularly senior management roles within the organisation, as while women represent 64.9% of employees in Quartile 2, and men 35.1%, the proportion of men in Quartile 3 increases to 41.6%, while for women it falls to 58.4%

While these results compare favourably to other organisations of similar size, our industry and companies with a similar organisational structure, they also highlight the need for a continued focus on developing a pipeline for women into senior roles within the organisation. In addition, it's important that we continue exploring flexible working and learning opportunities, particularly given the challenges that COVID 19 has brought and the impact this has had on women and primary caregivers in particular.

Action plan

We need to continue our focus on developing a pipeline of women into senior roles, and for a number of years we have had in place a Women's Leadership Network which provides top-talent with access to external speakers and networking opportunities.

In addition to this, over the course of 2020 we have made significant investment into our partner wellbeing, inclusion and diversity strategies. This has included: appointing a strategic designated lead for D&I in the EMEA region; the formation of an EMEA Inclusion Advisory Group; the mandatory

introduction of an anti-bias curriculum and training for all EMEA Support Centre partners; and the de-biasing of our recruitment, onboarding and partner processes, including the introduction of blind CVs, diverse gender interview panels, and inclusion competency-based questions.

The establishment of the Women's Impact Network in our region in 2020 is another exciting step forward. This group of over 100 partners hosted a number of virtual events throughout March to mark 'Women's Heritage Month'; and the network will play a critical

role in the review of Starbucks EMEA company policies that is currently underway, with the view to taking a more inclusive and gender blind approach. We are committed to helping every partner reach their full potential, and look forward to continuing to push forward as a business and hold ourselves accountable.

For media inquiries, please contact
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