Risk Factors Comparison 2023-11-17 to 2022-11-18 Form: 10-K

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You should carefully consider the risks described below in addition to the other information set forth in this Annual Report on Form 10- K, including the Management' s Discussion and Analysis of Financial Conditions and Results of Operations section, the Quantitative and Qualitative Disclosures About Market Risk section and the consolidated financial statements and related notes. If any of the risks and uncertainties described in the cautionary factors described below actually occur or continue to occur, our business, financial condition and results of operations and the trading price of our common stock could be materially and adversely affected. The considerations and risks that follow are organized within relevant headings but may be relevant to other headings as well. Moreover, the risks below are not the only risks we face and additional risks not currently known to us or that we presently deem immaterial may emerge or become material at any time and may negatively impact our business, reputation, financial condition, results of operations or the trading price of our common stock. **It is not possible for management to predict all such risks, nor can it assess the impact of all such risks on Starbucks business or the extent to which any risk, or combination of risks, may cause actual results to differ materially from those contained in any forward- looking statements. Given these risks and uncertainties, investors should not place undue reliance on forward- looking statements as a prediction of actual results.** Risks Related to ~~Macroeconomic Conditions~~ **Brand Relevance and Brand Execution** • Our **success depends substantially on the value of our brands and failure to preserve their value could have a negative impact on our** financial ~~condition and~~ results **. We believe we have built an excellent reputation globally for the quality** of ~~operations~~ **our products, for delivery of a consistently positive consumer experience and for our global social and environmental impact programs. The Starbucks brand is recognized throughout most of the world, and we have received high ratings in global brand value studies. To be successful in the future, particularly outside of the U. S. where the Starbucks brand and our other brands** are **less well- known, we believe we must preserve, grow and leverage the value of our brands across all sales channels. Brand value is based in part on consumer perceptions on a variety of** ~~subject~~ **subjective** ~~to,~~ **qualities. Erosion of trust in our** ~~and~~ **brand** ~~may~~ **value can** be **caused** ~~adversely affected~~ by **isolated or recurring incidents originating both from us or our business partners** , **or from external events. Such incidents can potentially trigger boycotts of our stores or result in civil or criminal liability and can have** a ~~number of macroeconomic~~ **negative impact on our financial results. Incidents that can erode trust in our** ~~and~~ **brand value include actual or perceived breaches of privacy or violations of domestic or international privacy laws, contaminated food, product recalls, store employees or** other ~~factors~~ **food handlers infected with communicable diseases** , **safety- related incidents** ~~many of which are also largely outside our~~ - **or** ~~control. Our operating results have been in the past and will continue to be subject to a number of macroeconomic and~~ other **potential incidents discussed** ~~factors, many of which are largely outside our control. Any one or more of the factors listed below or described elsewhere~~ in this risk factors section **. The impact of such incidents may be exacerbated if they receive considerable publicity, including rapidly through social or digital media (including for malicious reasons) or result in litigation. Consumer demand for our products and our brand value** could ~~have such incidents may be exacerbated if they receive considerable publicity,including rapidly through social or digital media (including for malicious reasons) or result in litigation.Consumer demand for our products and our brand equity could~~ diminish significantly if we,our employees,licensees or other business partners fail to preserve the quality of our products,act or are perceived to act in an unethical,illegal,racially- biased,unequal **,inequitable** or socially irresponsible manner,including with respect to the sourcing,content or sale of our products,service and treatment of customers at Starbucks stores,treatment of employees **,including our responses to unionization efforts,** or the use of customer data for general or direct marketing or other purposes.Furthermore,if we are not effective in ~~addressing~~ **making sufficient progress toward** our social and environmental program goals ~~,~~ **or in** executing on our Reinvention Plan ~~,or achieving relevant sustainability goals~~ ,consumer trust in our brand may suffer,and **this perception could result in negative publicity or litigation.Additionally,if we fail to comply with laws and regulations,take controversial positions or actions or fail to deliver** a ~~material~~ **consistently positive consumer experience in each of our markets, including by failing to invest in the right balance of wages and benefits to attract and retain employees that represent the brand well or to foster an inclusive and** ~~adverse~~ - **diverse** ~~impact~~ **environment, our brand value may be diminished. The ongoing relevance of our brand may depend** on **making sufficient progress toward** ~~our business, financial condition and / or~~ **our** ~~results~~ **social and environmental program goals as well as the successful execution** of ~~operations: • increases in real estate~~ **the Reinvention Plan, each of which requires company- wide coordination and alignment. We are working to manage risks and** costs ~~in certain domestic and international markets; • inflationary pressures; • disruptions~~ to **us, our licensees and** our supply chain ~~; •~~ **of any effects of climate** ~~changes~~ - **change** ~~in~~ **as well as diminishing energy and water resources. These risks include any increased public focus, including by** governmental ~~rules~~ and **nongovernmental organizations, on these and** ~~approaches to taxation; • fluctuations in foreign currency exchange rates; • adverse outcomes of litigation; • severe weather or~~ other ~~natural or man-~~ **environmental sustainability matters, including packaging and waste, animal health and welfare, deforestation and land use. These risks may also include any increased pressure to** ~~made~~ **make** ~~disasters affecting a large~~ **commitments or set goals and take actions to meet them, which could expose us to** market **, operational and execution costs** or ~~several closely located markets that~~ **risks. Some third parties** may ~~temporarily but significantly affect~~ **object to the scope** ~~our~~ - **or nature** ~~retail business in such markets; • changes in climate, including changes to the frequency~~ of ~~severe weather events, that impact the price and availability or~~ **our social** ~~cost of goods~~ and **environmental program initiatives** ~~services, energy and other materials throughout~~

~~our~~ - **or goals,** ~~supply chain; and • especially in our~~ - **or any revisions to** ~~largest markets, including the~~ **these initiatives** ~~U. S. and China, labor discord~~ or ~~disruption~~ **goals** , ~~geopolitical events, war, terrorism~~ **which could give rise to negative responses by governmental actors** (~~including incidents targeting us), political instability, acts of public violence, boycotts, increasing anti- American sentiment in certain markets, hostilities and social unrest and other health pandemics that lead to avoidance of public places or restrictions on public gatherings~~ such as ~~in~~ **retaliatory legislative treatment)** ~~our~~ - **or consumers (such as boycotts or negative publicity campaigns) that** ~~stores. • Economic conditions in the U. S. and international markets~~ could adversely affect our ~~business and~~ **brand value** ~~financial results~~ . ~~As~~ **• We may not be successful in our marketing, promotional and advertising plans and pricing strategies. Our continued success depends in part on our ability to adjust our marketing, promotional and advertising plans and pricing strategy to respond quickly and effectively to shifting economic and competitive conditions as well as evolving customer preferences. We operate in** a **complex and costly marketing** ~~retailer that is dependent upon consumer discretionary spending~~ , **promotional and advertising environment** ~~our results of operations are sensitive to changes in or uncertainty about macroeconomic conditions~~ . **Competition to attract and retain high- quality marketing partners and endorsers has increased** ~~A continued economic downturn or recession, or slowing or stalled recovery therefrom, may have a material adverse effect on our business, financial condition or results of operations~~ . Our ~~customers may have~~ **decisions to collaborate** or **to cease collaborating with certain endorsers or marketing partners** in **light of actions taken or statements made by** ~~the~~ **them could seriously harm** ~~future have less money for discretionary purchases and may stop or~~ **our brand image** ~~reduce their purchases of our products or switch~~ -- **with consumers and,** ~~to Starbucks or competitors' lower- priced products~~ as a result ~~of various factors~~ , including job losses, inflation, higher...... industry. These and other macroeconomic factors could have an adverse effect on our sales ~~, profitability or development plans, which could harm our results of operations~~ and financial condition. ~~• Failure~~ **Our marketing, promotional and advertising programs may not be successful in reaching consumers in the way we intend. Our success depends in part on whether the allocation of our advertising, promotional and marketing resources across different channels, including digital, allows us to reach consumers effectively and efficiently, and in ways that are meaningful to them. If the advertising, promotional and marketing programs or our pricing strategies are not successful, or are not as successful as those of our competitors, our sales and market share could decrease. Finally, consumers are focusing more on sustainability and the environmental impacts of operations, as well as the alignment of Starbucks actions with its stated mission, values and promises. An inability** to meet ~~market~~ **consumer** expectations **with respect to** ~~for our financial performance and fluctuations in the~~ **these issues could** ~~stock market as a whole will likely~~ adversely affect ~~the market price and volatility of~~ our ~~stock. Failure to meet market expectations going forward, particularly with respect to our operational and~~ financial results ~~, and expectations regarding the success of our Reinvention Plan and related guidance, environmental performance and shareholder returns, will likely result in a decline and / or increased volatility in the market price of our stock. In addition, price and volume fluctuations in the stock market as a whole may affect the market price of our stock in ways that may be unrelated to our financial performance~~ . Risks Related to ~~COVID- 19 • Our financial condition and results of operations have been and are expected to continue to be adversely affected by the COVID- 19 pandemic. The COVID- 19 pandemic has had, and is continuing to have, a significant impact on our business and results of operations. At the peak of the COVID- 19 outbreak, many of our company- operated and licensed stores were closed. For stores that remained open, same- store sales declined due to modified operating hours and reduced customer traffic. While nearly all of our company- operated and licensed stores have reopened, we expect that certain parts of our operations will continue to be impacted by the continuing effects of COVID- 19, including resurgences and variants of the virus. Our China market experienced unprecedented COVID- 19 pandemic- related restrictions in multiple cities that severely impacted customer mobility. It remains difficult to predict the full impact of the COVID- 19 pandemic on the broader economy and how consumer behavior may change, and whether such change is temporary or permanent. Social distancing, telecommuting and reductions in travel may become the new normal. In addition, the COVID- 19 pandemic has required and may continue to require us to make controversial decisions about precautionary measures, such as vaccinations, showing proof of vaccinations and face coverings, that could impact our results, including by impacting our brand, our employee retention and satisfaction and the willingness of customers to buy our products. All of these conditions could fundamentally impact the way we work and the services we provide, and could have continuing adverse effects on our financial performance. As a result, we may incur additional impairment charges to our inventory, store and corporate assets — and our ability to realize the benefits from deferred tax assets may become limited — any of which may have a significant or material impact on our financial results. Prolonged volatility or significant disruption of global financial markets due in part to the COVID- 19 pandemic could have a negative impact on our ability to access capital markets and other funding sources, on acceptable terms or at all and impede our ability to comply with debt covenants. Risks Related to~~ Our Business **•** If our business partners and third- party providers do not satisfactorily fulfill their responsibilities and commitments, it could damage our brand and our financial results could suffer. Our global business strategy, including our plans for new stores, branded products and other initiatives, relies significantly on a variety of business partners, including licensee and joint venture relationships, third- party manufacturers, distributors and retailers, particularly for our entire global Channel Development business. Licensees, retailers and foodservice operators are often authorized to use our logos and provide branded food, beverage and other products directly to customers. We believe our customers expect the same quality of service regardless of whether they visit a licensed or company- operated store, so we provide training and support to, and monitor the operations of, certain of these licensees and other business partners. However, the product quality and service they deliver may still be diminished by any number of factors beyond our control, including financial constraints **or solvency** , adherence to sanitation protocols and guidance ~~(including those resulting from the COVID- 19 pandemic)~~ , labor shortages and other factors. We do not have direct control over our business partners and may not have visibility into their practices. We also source our food, beverage and other products from a wide variety of domestic and international business partners, and in certain cases such products are produced or sourced by our licensees directly. ~~And although~~ **We do not monitor the quality of non- Starbucks products served by** foodservice operators ~~are~~ **we have** authorized to use our logos and provide branded products as part of their foodservice business ~~, we do not monitor the quality of non- Starbucks products served in those locations~~ . Additionally, inconsistent uses of our brand and other of our intellectual property assets, as well as failure to protect our intellectual property, can erode consumer trust and our brand value and have a material negative impact on our financial results. • Incidents involving food or beverage- borne illnesses, tampering, adulteration, contamination or mislabeling, whether or not accurate, as well as adverse public or medical opinions about the health effects of consuming our products, could harm our business. Instances or reports, whether true or not, of unclean water supply or food- safety issues, such as food or beverage- borne illnesses, tampering, adulteration, contamination or mislabeling, either during growing, manufacturing, packaging, storing or preparation, have in the past severely injured the reputations of companies in the food and beverage processing, grocery and quick- service restaurant sectors. Any report linking us to such instances could severely hurt our sales and could possibly lead to product liability claims, litigation (including class actions) **,** ~~and / or~~ temporary store closures **, or other adverse consequences** . Clean water is critical to the preparation of coffee, tea and other beverages, as well as ice for our cold beverages, and our ability to ensure adequate supplies of clean water and ice to our stores can be limited, particularly in some international locations. We are also continuing to incorporate more products in our food and beverage lineup that require freezing or refrigeration, which increases the risk of food safety related incidents if correct temperatures are not maintained due to mechanical malfunction or human error. We also face risk by relying on third- party food suppliers to provide and transport ingredients and finished products to our stores. **The** ~~While we monitor the operations of certain of these business partners, the~~ product quality and service they deliver may be diminished by any number of factors beyond our control and it may be difficult to detect contamination or other defects in these products. There is greater risk from those we do not monitor, or do not monitor as closely. Furthermore, ~~due to~~ **stemming from** the COVID- 19 pandemic, there are stricter health regulations and guidelines and increased public concern over food safety standards and controls. Potential food safety incidents, whether at our stores or involving our business partners, could lead to wide public exposure, which could materially harm our business ~~. Additionally, we are evolving our product lineup to include more local or smaller suppliers for some of our products who may not have as rigorous quality and safety systems and protocols as larger or more national suppliers, especially in light of the heightened safety protocols as a result of the COVID- 19 pandemic~~ . In addition, instances of food or beverage- safety issues, even those involving solely the restaurants or stores of competitors or of suppliers or distributors (regardless of whether we use or have used those suppliers or distributors), could adversely affect our sales on a regional or global basis by resulting in negative publicity about us or the foodservice industry in general. A decrease in customer traffic as a result of food- safety concerns or negative publicity, or as a result of a temporary closure of any of our stores, product recalls, viral- contaminated food or beverage claims or other food or beverage- safety claims or litigation, could materially harm our business and results of operations. • We may not be successful in implementing important strategic initiatives or effectively managing growth, which may have an adverse impact on our business and financial results. There is no assurance that we will be able to implement important strategic initiatives in accordance with our expectations or that they will generate expected returns, which may result in an adverse impact on our business and financial results. These strategic initiatives, which ~~includes~~ **include** our Reinvention Plan, are designed to create growth, improve our results of operations and drive long- term shareholder value, and include: • being an employer of choice and investing in employees to deliver a superior customer experience; • building our leadership position around coffee; • driving convenience, brand engagement and digital relationships through our mobile, loyalty, delivery and digital capabilities both domestically and internationally; • simplifying store administrative tasks to allow store partners to better engage with customers; • increasing the scale of the Starbucks store footprint with disciplined global expansion and introducing flexible and unique store formats, including the accelerated development of alternative store formats (such as Starbucks Pickup stores, Starbucks Now stores and curbside pickup) ~~especially in light~~ **; • adjusting rapidly to changing customer preferences and behaviors as a result** of the COVID- 19 pandemic ~~; • adjusting rapidly to changing customer preferences and behaviors in light of the COVID- 19 pandemic~~ , ~~inflation and~~ changing economic conditions **, increased global interest rates and inflation** ; • moving to a more licensed store model in ~~some~~ **certain** markets and a more company- operated model in ~~certain~~ **other** markets; • creating new occasions in stores across all dayparts with new product offerings, including our growing lunch food and beverage product lineup; • continuing the global growth of our Channel Development business through our supply, distribution and licensing agreements with Nestlé and other Channel Development business partners; • delivering continued growth in our cold beverage business; • working to address the potential effects of climate change and the sustainability of our business; and • reducing our operating costs, particularly general and administrative expenses. In addition to other factors listed in this risk factors section, factors that may adversely affect the successful implementation of these initiatives, which could have a material adverse impact on our business and financial results, include the following: • imposition of additional taxes by jurisdictions, such as on certain types of beverages or based on number of employees; • construction cost increases associated with new store openings and remodeling of existing stores; delays in store openings for reasons beyond our control, such as potential shortages of materials and labor and delays in permits, or a lack of desirable real estate locations available for lease at reasonable rates, either of which could keep us from meeting annual store opening targets in the U. S. and internationally; • governmental regulations or other health guidelines concerning operations of stores, including due to ~~the COVID- 19 pandemic or other~~ public health emergencies; • not successfully scaling our supply chain infrastructure as our product offerings increase and as we continue to expand, including our emphasis on a broad range of high-quality food offerings; • not successfully adapting to customer or market factors affecting our supply chain as we work to address sustainability and climate change; ~~and~~ • the deterioration in our credit ratings, which could limit the availability of additional financing and increase the cost of obtaining financing to fund our initiatives **; and • geopolitical instability and international conflicts** . Effectively managing growth can be challenging, particularly as we **continue to** expand in international markets where we must balance the need for flexibility and a degree of autonomy for local management against the need for consistency with our goals, policies and standards. If we are not successful in implementing our strategic initiatives, or, in the event we undertake large acquisitions, integrations and divestitures, we may be required to evaluate whether certain assets, including goodwill and other intangibles, have become impaired. In the event we record an impairment charge, it could have a material impact on our financial results. • Evolving consumer preferences and tastes may adversely affect our business. Our continued success depends on our ability to attract and retain customers. Our financial results could be adversely affected by a shift in consumer spending away from outside- the- home food and beverages (such as ~~the disruption caused by online commerce that~~ **a reduction in discretionary spending as a** ~~results -~~ **result of the resumption of student loan payments** ~~in reduced foot traffic to " brick & mortar " retail stores~~); lack of customer acceptance of new products (including due to price increases necessary to cover the costs of new products or higher input costs), brands (such as the global expansion of the Starbucks brand) and platforms (such as features of our mobile technology, changes in our loyalty rewards programs ~~, the Starbucks Odyssey experience~~ and our delivery services initiatives); or customers reducing their demand for our current offerings as new products are introduced. In addition, some of our products contain caffeine, dairy products, sugar and other compounds and allergens, the health effects of which are the subject of public and regulatory scrutiny, including the suggestion of linkages to a variety of adverse health effects. Particularly in the U. S., there is increasing consumer awareness of health risks, including obesity, as well as increased consumer litigation based on alleged adverse health impacts of consumption of various food and beverage products. **An** ~~While we have a variety of beverage and food items, including items that are coffee- free and have reduced calories, an~~ unfavorable report on the health effects of caffeine or other compounds present in our products, whether accurate or not, imposition of additional taxes on certain types of food and beverage components, or negative publicity or litigation arising from certain health risks could significantly reduce the demand for our beverages and food products and could materially harm our business and results of operations. **Our** ~~Furthermore, our~~ financial results have been **, and could continue to be, adversely affected by changes in macroeconomic conditions, including increases in real estate costs in certain domestic and international markets, inflationary pressures and changes in prevailing interest rates, disruptions to our supply chain, changes in governmental rules and approaches to taxation, and fluctuations in foreign currency exchange rates. Such changes could affect consumer behavior and their ability or willingness to spend discretionary income on our products. Furthermore, our financial results have been** and could continue to be adversely affected by the **persisting** ~~impact~~ **impacts** of the COVID- 19 pandemic, **including the** ~~which has resulted in a~~ disruption of customer routines, changes to employer " work- from- home " policies ~~, reduced business and recreational travel~~ and changes in consumer behavior and the ability or willingness to spend discretionary income on our products. Risks Related to **Operating a Global Business** ~~Brand Relevance and Brand Execution •~~ **We are highly dependent on the financial performance of our North America operating segment.** Our ~~success~~ **financial performance is highly** ~~depends~~ **dependent** ~~substantially~~ on ~~the value~~ **our North America operating segment, which comprised approximately 74 %** of **consolidated total net revenues in fiscal year 2023. If the North America operating segment revenue trends slow** ~~our -~~ **or** ~~brands and failure to preserve~~ **decline, especially in our U. S. market, our** ~~their -~~ **other** ~~value could have a negative impact on~~ **segments may be unable to make up any significant shortfall and** our **business and** financial results **could be adversely affected** . ~~We believe we have built~~ **And because the North America segment is relatively mature** ~~an~~ **and** ~~excellent reputation globally for the quality of our products~~ **produces** ~~, for delivery~~ **the large majority** of **our operating cash flows, such** a **slowdown** ~~consistently positive consumer experience and for -~~ **or decline** our global social and environmental impact programs...... brand may suffer, and this perception could result in ~~negative publicity~~ **reduced cash flows** ~~or~~ **for funding the expansion of** ~~litigation. Additionally, if we fail to comply with laws and regulations, take controversial positions or~~ **our international businesses** ~~actions or fail to deliver a consistently positive consumer experience in each of our markets, including by failing to invest in the right balance of wages and benefits to attract and retain employees that represent the brand well or to foster an~~ **and** ~~inclusive and diverse environment, our brand value may be diminished. The ongoing relevance of our brand may depend on the~~ **other initiatives** ~~success of our social~~ and **for returning cash to shareholders** ~~environmental program goals as well as the success of the Reinvention Plan, which requires company- wide coordination and alignment~~ . **•** We are ~~working~~ **increasingly dependent on the success of certain international markets in order** to ~~manage risks~~ **achieve our growth targets. Our future growth increasingly depends on the growth** and ~~costs to us,~~ **sustained profitability of certain international markets. Some** ~~our -~~ **or all** ~~licensees and our supply chain~~ of **our international market business units (" MBUs ")** ~~any effects of climate change as well as diminishing energy and water resources. These risks include any increased public focus~~ , ~~including~~ **which we generally define** by ~~governmental and nongovernmental organizations, on these and other environmental sustainability matters, including packaging and waste, animal health and welfare, deforestation and land use. These risks may also include any increased pressure to make commitments, set targets or establish additional goals and take actions to meet them -~~ **the** ~~,~~ **countries in** which **they operate** ~~could expose us to market~~ , ~~operational and execution costs or risks. • We~~ may not be successful in ~~our marketing, promotional and advertising plans and pricing strategies. Our continued success depends in part on our ability to adjust our marketing, promotional and advertising plans and pricing strategy to respond quickly and effectively to shifting economic and competitive conditions as well as evolving customer preferences. We operate in a complex and costly marketing, promotional and advertising environment. Our marketing, promotional and advertising programs may not be successful in reaching our customers in the~~ **their** ~~way we intend. Our success depends in part on whether the allocation of our advertising, promotional and marketing resources across different channels, including digital marketing, allows us to reach our customers effectively and efficiently, and in ways that are meaningful to them. If the advertising, promotional and marketing programs or our pricing strategies are not successful, or are not as successful as those of our competitors, our sales and market share could decrease. Finally, customers are focusing more on sustainability and the environmental impacts of~~ operations **or in achieving expected growth, which ultimately requires achieving consistent, stable net revenues and earnings** . **The performance of** ~~An inability to meet customer expectations with respect to~~ these ~~issues could adversely affect our financial results. Risks Related to Cybersecurity~~

~~and Data Privacy • Failure to maintain satisfactory compliance with certain privacy and data protections laws and regulations may subject us to substantial negative financial consequences and civil or criminal penalties. Complex local, state, national, foreign and~~ international **operations** laws and regulations apply to the collection...... regulations or other obligations to which we may be **adversely affected** ~~subject relating to personal data, or to protect personal data from unauthorized access, use or other processing, could result in enforcement actions and regulatory investigations against us, claims for damages~~ by **economic downturns in one** ~~customers and other affected individuals, fines, damage to our~~ - **or more** ~~brand reputation, any~~ of **the countries in** which **our large MBUs operate. A decline in performance of one or more of our significant international MBUs** could have a material adverse ~~effect~~ **impact** on our **consolidated results** ~~operations, financial performance and business~~ . ~~•~~ The **International segment** ~~unauthorized access, use, theft or destruction of customer or employee personal, financial or other data or of Starbucks proprietary or confidential information that~~ is ~~stored in our information systems~~ **a significant profit center driving** ~~or~~ **our** ~~by third parties on~~ **global returns, along with** our ~~behalf could impact~~ **North America segment. In particular,** our ~~reputation and~~ **China MBU contributes meaningfully to both consolidated** ~~brand~~ - **and International net** ~~and expose us to potential liability and loss of~~ revenues **and operating income** . ~~Many of~~ **China is expected to be** our ~~information technology systems (whether cloud~~ **fastest growing market in terms of percentage growth, our second largest market overall and 100 % company** - ~~based~~ **owned. Due to the significance of** ~~or~~ **our China market** ~~hosted in proprietary servers), including those used~~ for our **profit** ~~point- of- sale, web and mobile platforms, online and mobile payment systems, delivery services and rewards programs and administrative functions, contain personal, financial or other information that is entrusted to us by our customers and employees. Many of our information technology systems also contain Starbucks proprietary and other confidential information related to our business, such as business plans and product development initiatives and designs, and confidential information about third parties, such as licensees and business partners. Similar to many other retail companies and because of the prominence of our brand~~ - **and growth** , we are **exposed** ~~consistently subject~~ to **risks** ~~attempts to compromise our information technology systems from both internal and external sources. The number and frequency of these attempts varies from year to year but could be exacerbated to some extent by an increase~~ in **China** ~~our digital operations~~ , including ~~our efforts to comply with state and local mandates in response to COVID - 19. In addition, we provide some customer and employee data, as well as Starbucks proprietary information and other~~ - **the** ~~confidential information important to our business, to third parties where necessary to conduct our business~~ **risks mentioned elsewhere and the following: • the effects of current U. S.- China relations** , including **rounds** ~~licensees and business partners. Individuals performing work for Starbucks and such third parties also may possess some~~ of ~~this data~~ **tariff increases and retaliations and increasing restrictive regulations** , ~~including on personally~~ **potential boycotts and increasing anti** - ~~owned digital devices~~ **Americanism; • escalating U** . **S.** ~~To the extent we, a third party or such an individual were to experience a breach of our or their information technology systems that results in the unauthorized access, theft, use, destruction or other compromises of customers' or employees' data or confidential information of the Company stored in or transmitted through such systems, including through cyber~~ - **China tension** ~~attacks or other external or internal methods, it could result in a material loss of revenues from the potential adverse impact to our reputation and brand~~ - **and** ~~, a decrease~~ **increasing political sensitivities** in **China;** our ability to retain customers or attract...... preventing such breaches or data loss. • **the lingering** ~~We rely heavily on information technology in our operations and growth initiatives, and any material failure, inadequacy, interruption or security failure of that technology could harm our ability to effectively operate and grow our business and could adversely affect~~ **effects** our financial results. We rely heavily...... measures put in place as a result of the COVID- 19 pandemic **and related governmental regulations and restrictions on our operations in China; • entry of new competitors to the specialty coffee market in China; • changes in economic conditions in China and potential negative effects to the growth of its middle class** , ~~we accelerated~~ **wages, labor, inflation, discretionary spending and real estate and supply chain costs; • ongoing government regulatory reform, including relating to public health, food safety, tariffs and tax, sustainability and responses to climate change, which result in regulatory uncertainty as well as potential significant increases in compliance costs; • data- privacy and cybersecurity risks unique to the conduct of business in China; and • food- safety related matters, including compliance with food- safety regulations and ability to ensure product quality and safety. Additionally, some factors that will be critical to the success of our international operations overall are different than** ~~the~~ **those** ~~transformation of~~ **affecting our U. S. stores and licensees. Tastes naturally vary by region, and consumers in some MBUs may not embrace our products to the same extent as consumers in the U. S.** ~~our~~ - **or other international markets. Occupancy costs and** store ~~portfolio by expanding convenience~~ **operating expenses can be higher internationally than in the U. S. due to higher rents for prime store locations or costs of compliance with country** - ~~led formats~~ **specific regulatory requirements. Because many of our international operations are in an early phase of development** , ~~which depend heavily~~ **operating expenses as a percentage of related revenues are often higher compared to more developed operations. • We face risks as a global business that could adversely affect our financial performance. We operate in 86 markets globally. Our international operations are also subject to additional inherent risks of conducting business abroad, such as: • foreign currency exchange rate fluctuations, or requirements to transact in specific currencies; • changes or uncertainties in economic, legal, regulatory, social and political conditions in our markets, as well as negative effects** on **U. S. businesses due to increasing anti- American sentiment in certain markets; • interpretation and application of laws and regulations, including tax, tariffs, labor, merchandise, anti- bribery and privacy laws and regulations; • restrictive actions of foreign** ~~our~~ - **or U** ~~mobile ordering capabilities~~ . ~~We also rely~~ **S. governmental authorities affecting trade and foreign investment, especially during periods of heightened tension between the U. S. and such foreign governmental authorities, including protective measures such as export and customs duties and tariffs, government intervention favoring local competitors and restrictions** on ~~third- party providers and platforms for some of these information technology systems and support. Additionally, our systems hardware, software and services provided by third- party service providers are~~

~~not fully redundant within a market or across our markets. Although we have operational safeguards in place, they~~ -- **the level of foreign ownership; • import or other business licensing requirements; • the enforceability of intellectual property and contract rights; • limitations on the repatriation of funds and foreign currency exchange restrictions due to current or new U. S. and international regulations; • in developing economies, the growth rate in the portion of the population achieving sufficient levels of disposable income** may not be ~~effective~~ **as fast as we forecast; • difficulty** in ~~preventing the failure of~~ **staffing, developing and managing foreign operations and supply chain logistics, including ensuring** ~~these~~ -- **the** ~~systems~~ **consistency of product quality and service, due to governmental actions affecting supply chain logistics, distance, language and cultural differences, as well as challenges in recruiting and retaining high- quality employees in local markets; • local laws that make it more expensive and complex to negotiate with, retain or terminate employees; • local regulations, health guidelines and safety protocols affecting** ~~or~~ **our** ~~platforms to~~ **operations; and • delays in store openings for reasons beyond our control, competition with locally relevant competitors or a lack of desirable real estate locations available for lease at reasonable rates, any of which could keep us from meeting annual store opening targets and, in turn, negatively impact net revenues,** ~~operate~~ **operating income and earnings per share. Moreover, many of the foregoing risks are particularly acute in developing countries, which are important to our long- term growth prospects. An inability to manage** effectively ~~and be available. Such failures may be caused by various factors, including power outages, climate change- related impacts, catastrophic events, physical theft~~ -- **the risks associated** ~~, computer and network failures, inadequate or ineffective redundancy, problems~~ with ~~transitioning to upgraded or~~ **our** ~~replacement systems~~ **international operations could adversely affect** ~~or~~ **our** ~~platforms, flaws in third- party software or services, errors or improper use by our employees or third- party service providers, or a breach in the security of these systems or platforms, including through cyber-attacks such as those that result in the blockage of our or our third- party~~ business ~~partners' or service providers' systems and platforms and those discussed in more detail in this risk factors section. If our incident response, disaster recovery and business continuity plans do not resolve these issues in an~~ **and** ~~effective and timely manner, they could result in an interruption in our operations and could cause material negative impacts to our product availability and sales, the efficiency of our operations and our~~ financial results. In addition, remediation of any problems...... property. Risks Related to Supply Chain • Our reliance on key business partners may adversely affect our business and operations. The growth of our business relies on the ability of our licensee partners to implement our growth platforms and product innovations as well as on the degree to which we are able to enter into, maintain, develop and negotiate appropriate terms and conditions of, and enforce, commercial and other agreements and the performance of our business partners under such agreements. Our international licensees may face capital constraints or other factors that may limit the speed at which they are able to expand and develop in a certain market. Our Channel Development business is heavily reliant on Nestlé, which has the right to sell and distribute our packaged goods and foodservice products to retailers and operators, with few exceptions. If Nestlé fails to perform its distribution and marketing commitments under our agreements and / or fails to support, protect and grow our brand in Channel Development, our Channel Development business could be adversely impacted for a period of time, present long- term challenges to our brand, limit our ability to grow our Channel Development business and have a material adverse impact on our business and financial results. Additionally, the growth of our Channel Development business is in part dependent on the level of discretionary support provided by our retail and licensed store businesses. There are generally a relatively small number of licensee partners operating in specific markets. If they are not able to access sufficient funds or financing, or are otherwise unable or unwilling to successfully operate and grow their businesses **,** it could have a material adverse effect on our results in the **applicable** markets. ~~Due~~ **Risks Related** to **Supply Chain** ~~the COVID- 19 pandemic, our financial results have been and could continue in the future to be adversely affected by the disruption to the operations of our business partners, including licensee relationships, third- party manufacturers, distributors and retailers, through the effects of business and facilities closures, reductions in operating hours, social, economic, political or labor instability in affected areas, transportation delays, travel restrictions and changes in operating procedures, including for additional cleaning and safety protocols.~~ • Increases in the cost of high- quality arabica coffee beans or other commodities or decreases in the availability of high- quality arabica coffee beans or other commodities could have an adverse impact on our business and financial results. The availability and prices of coffee beans and other commodities are subject to significant volatility. We purchase, roast and sell high- quality whole bean arabica coffee beans and related coffee products. The high- quality arabica coffee of the quality we seek tends to trade on a negotiated basis at a premium above the " C " price. This premium depends upon the supply and demand at the time of purchase and the amount of the premium can vary significantly. Increases in the " C " coffee commodity price increase the price of high- quality arabica coffee and also impact our ability to enter into fixed- price purchase commitments. We frequently enter into supply contracts whereby the quality, quantity, delivery period and other negotiated terms are agreed upon, but the date, and therefore price, at which the base " C " coffee commodity price component will be fixed has not yet been established. The supply and price of coffee we purchase can also be affected by multiple factors in the producing countries, such as weather, water supply quality and availability throughout the coffee production chain, natural disasters, crop disease and pests, general increase in farm inputs and costs of production, inventory levels, political and economic conditions and the actions of certain organizations and associations that have historically attempted to influence prices of green coffee through agreements establishing export quotas or by restricting coffee supplies. Climate change may further exacerbate many of these factors. Speculative trading in coffee commodities can also influence coffee prices. For example, **extreme weather conditions such as** drought ~~conditions~~ **or frost** in Brazil have ~~and, given continued drought conditions, are predicted to continue to impact~~ **impacted** coffee prices **in the past, and in the likely event that such weather conditions were to reoccur in the future, they would have similar consequences on coffee price volatility** . Because of the significance of coffee beans to our operations, combined with our ability to only partially mitigate future price risk through purchasing practices and hedging activities, increases in the cost of high- quality arabica coffee beans could have a material adverse impact on our profitability. In addition, if we are not able to purchase sufficient quantities of green coffee due to any of the above factors or due to a worldwide or regional shortage, we may not be able to fulfill the demand for our coffee, which could have a material adverse impact on our business operations and financial performance. We also purchase significant amounts of dairy products, particularly fluid milk, **and to a lesser degree, plant- based dairy- free alternative products, such as oat milk and almond milk,** to support the needs of our company- operated retail stores. Additionally ~~, and although less significant to our operations than coffee or dairy~~ , other commodities, including tea and those related to food and beverage inputs, such as cocoa, produce, baking ingredients, meats, eggs and energy, as well as the processing of these inputs, are important to our operations. Increases in the cost of dairy products and other commodities, or lack of availability, whether due to supply shortages, delays or interruptions in processing, or otherwise, especially in international markets, could have a material adverse impact on our profitability. Similarly, increases in the cost of, or lack of availability, whether due to supply shortages, delays or interruptions in the processing of plant- based alternatives could have a material adverse impact on our profitability. • Interruption of our supply chain could affect our ability to produce or deliver our products and could negatively impact our business and profitability. Any material interruption in our supply chain, such as material interruption of roasted coffee supply due to the casualty loss of any of our roasting plants, interruptions in service by our third- party logistic service providers or common carriers that ship goods within our distribution channels, trade restrictions, such as increased tariffs or quotas, embargoes or customs restrictions, pandemics, social or labor unrest, labor shortages, natural disasters or political disputes and military conflicts that cause a material disruption in our supply chain could have a negative material impact on our business and our profitability. Additionally, our food, beverage and other products are sourced from a wide variety of domestic and international business partners in our supply chain operations, and in certain cases are produced or sourced by our licensees directly. We rely on these suppliers to provide high- quality products and to comply with applicable laws. Our ability to find qualified suppliers who meet our standards and supply products in a timely and efficient manner is a significant challenge as we increase our fresh and prepared food offerings, especially with respect to goods sourced from outside the U. S. and from countries or regions with diminished infrastructure, developing or failing economies or which are experiencing political instability or social unrest. For certain products, we may rely on one or very few suppliers. A supplier' s failure to meet our standards, provide products in a timely and efficient manner or comply with applicable laws is beyond our control. These issues could have a material negative impact on our business and profitability. Risks Related to ~~,~~ including job losses,inflation, ~~changes in prevailing interest rates,~~ higher taxes,reduced access to credit,changes in federal economic policy, ~~a global health~~ **the COVID- 19** pandemic ~~,~~ **and recent** international trade disputes ~~or geopolitical instability~~ . ~~We~~ **Due to the COVID- 19 pandemic or other global health events,we** may ~~also~~ experience a reduction and increased volatility in demand for our products ~~in connection with a global health pandemic~~ . **Such** ~~For example,in China,~~ reductions and ~~continuing~~ volatility ~~in that market~~ may be caused by,among other things:store closures or modified operating hours and business model,reduced customer traffic due to illness,quarantine or government or self- ~~imposed restrictions~~ **imposedrestrictions** placed on our stores’ operations,impacts caused by precautionary measures such as those related to face coverings and vaccinations and changes in consumer spending behaviors,including those caused by social distancing,a decrease in consumer confidence in general macroeconomic conditions and a decrease in consumer discretionary spending.Decreases in customer traffic and / or average value per transaction without a corresponding decrease in costs would put downward pressure on margins and would negatively impact our financial results.There is also a risk that if negative economic conditions or uncertainty **,as a result of the COVID- 19 pandemic or any other public health emergency,** persist for a long period of time or worsen,consumers may make long- lasting changes to their discretionary purchasing behavior,including less frequent discretionary purchases on a more permanent basis or **there may be** ~~enduring changes in behavior that precipitate~~ a ~~more~~ general downturn in the restaurant industry.These and other macroeconomic factors Human Capital • Changes in the availability of and the cost of labor could adversely affect our business. Our business could be adversely impacted by increases in labor costs, including wages and benefits, which, in a retail business such as ours, are two of our most significant costs, both domestically and internationally, including those increases triggered by state and federal legislation and regulatory actions regarding wages, scheduling and benefits; increased healthcare and workers’ compensation insurance costs; **and** increased wages and costs of other benefits necessary to attract and retain high- quality employees with the right skill sets ~~and increased wages, benefits and costs related to the COVID- 19 pandemic~~ . The growth of our business can make it increasingly difficult to locate and hire sufficient numbers of employees, to maintain an effective system of internal controls for a globally dispersed enterprise and to train employees worldwide to deliver a consistently high- quality product and customer experience, which could materially harm our business and results of operations. Furthermore, we have experienced, and could continue to experience, a shortage of labor for store positions, ~~including due to market trends~~ and ~~conditions such as continued concerns around COVID- 19,~~ the **increased** availability of ~~new~~ **alternative** telecommuting employment options ~~and~~ **by** other **employers** ~~factors, which~~ could decrease the pool of available qualified talent for key functions. ~~Such labor shortages could be further exacerbated by expanded COVID- 19 vaccination requirements.~~ In addition, our wages and benefits programs may be insufficient to attract and retain the best talent. Starting in ~~December~~ **September** 2021, Starbucks partners at **a number of** company- operated stores **sought union representation through** ~~in multiple jurisdictions across the U. S. began filing for unionization~~ elections ~~and~~ **conducted by the authorities. Unions have secured representation rights at** a number of these stores ~~have now successfully unionized~~ , with potentially more to follow. ~~While the number of partners~~ **The law places limitations on unilateral actions taken with respect to employees who are** represented by unions ~~is not significant, if a significant portion of~~ **because in certain circumstances the law requires the employer to notify and to bargain with the union prior to making certain operational** ~~our~~ - **or other changes that may affect** ~~employees~~ - **employee wages** ~~were to become unionized~~ , **hours** ~~our~~ - **or** ~~labor costs~~ **other terms and conditions of employment. These limitations** could ~~increase and our business could be~~ negatively ~~affected~~ -- **affect** ~~by other requirements and expectations that could increase~~ our costs, change our employee culture, **and** decrease our flexibility ~~and~~ **. They also present the potential to** disrupt our **current operational model by affecting our ability to fully implement operational**

changes to enhance our efficiency and adapt to changing business **needs. Moreover, we have experienced job actions in some company- operated stores. Such job actions and work stoppages have the potential to negatively impact our operations, third- party providers upon whom we rely to deliver product, our sales, and our costs** . Additionally, our ~~responses~~ **position with respect** to ~~any union~~ **unions** ~~organizing efforts~~ **and the unionization of partners** could negatively impact how our brand is perceived and have adverse effects on our business, including on our financial results. These ~~responses~~ **positions** could also expose us to legal risk, causing us to incur costs to defend legal and regulatory actions, potential penalties and restrictions ~~or~~ **, and** reputational harm. • The loss of key personnel or difficulties recruiting and retaining qualified personnel **or effectively managing changes in our workforce** could adversely impact our business and financial results. Much of our future success depends on the continued availability and service of **key** ~~senior management~~ personnel **and employees** . The loss of any of our executive officers or other key senior management personnel could harm our business. Our success also depends substantially on the contributions and abilities of our retail store employees ~~on~~ **upon** whom we rely to give customers a superior in- store experience and elevate our brand. Accordingly, our performance depends on our ability to recruit and retain high-quality management personnel and other employees to work in and manage our stores, both domestically and internationally **. Our ability to do so has been and may continue to be impacted by challenges in the labor market, which has experienced and may continue to experience wage inflation, labor shortages, increased employee turnover, changes in availability of our workforce and a shift toward remote or hybrid work arrangements** . Our ability to attract and retain corporate, retail and other personnel is also acutely impacted in certain international and domestic markets where the competition for a relatively small number of qualified employees is intense or in markets where large high- tech companies are able to offer more competitive salaries and benefits. Additionally, there is intense competition for qualified technology systems developers necessary to develop and implement new technologies for our growth initiatives, including increasing our digital relationships with customers. If we are unable to recruit, retain and motivate employees sufficiently to maintain our current business and support our projected growth, our business and financial performance may be adversely affected . Environmental, Social and Governance Risk...... additional costs to maintain or resume operations . Risks Related to Competition • We face intense competition in each of our channels and markets, which could lead to reduced profitability. The specialty coffee market is intensely competitive, including with respect to product quality, innovation, service, convenience, such as delivery service and mobile ordering, and price, and we face significant and increasing competition in all of these areas in each of our channels and markets. Accordingly, we do not have leadership positions in all channels and markets. In the U. S., the ongoing focus by large competitors in the quick- service restaurant sector on selling high- quality specialty coffee beverages could lead to decreases in customer traffic to Starbucks ® stores and / or average value per transaction adversely affecting our sales and results of operations. Similarly, continued competition from well- established competitors, or competition from large new entrants or well-funded smaller companies, in our domestic and international markets could hinder growth and adversely affect our sales and results of operations in those markets. Many small competitors also continue to open coffee specialty stores in many of our markets across the world, which in the aggregate may also lead to significant decreases of customer traffic to our stores in those markets. Increased competition globally in packaged coffee and tea and single- serve and ready- to- drink coffee beverage markets, including from new and large entrants to this market, could adversely affect the profitability of the Channel Development segment. In addition, not all of our competitors may seek to establish environmental or sustainability goals at a comparable level to ours, which could result in lower supply chain or operating costs for our competitors. We may incur increased costs associated with reducing carbon dioxide and other greenhouse gas emissions, reducing the use of plastic or imposing performance obligations on our suppliers that could increase financial obligations for us and our business partners and could affect our profitability. Additionally, if we are unable to respond to consumer demand for healthy beverages and foods, or our competitors respond more effectively, this could have a negative effect on our business. Furthermore, declines in general consumer demand for specialty coffee products for any reason, including due to consumer preference for other products, flattening demand for our products, changed customer daily routines or traffic to stores ~~as a result of the COVID- 19 pandemic~~ , or changed customer spending behaviors due to challenging economic conditions, could have a negative effect on our business. Risks Related to ~~Operating a Global~~ **Environmental, Social and Governance Matters • Climate change may have an adverse impact on our** ~~Business~~ **business . We recognize that there are inherent climate- related risks wherever business is conducted. For example, as we noted above, the supply and price of coffee we purchase can also be affected by multiple factors in the producing countries, such as weather and water supply quality and availability, which factors may be caused by or exacerbated by climate change. Climate change may also result in decreased availability, less favorable pricing, or other adverse consequences for non- coffee inputs in our products. In particular, climate change may affect the availability of water in the markets in which we operate and expect to operate and elsewhere in our supply chain, which could have adverse impacts on our business. We operate in 86 markets globally. Our properties and operations may be vulnerable to the adverse effects of climate change, which are predicted to increase the frequency and severity of extreme weather events and other natural cycles such as wildfires and droughts. Such events have the potential to disrupt our operations, cause store closures, disrupt the business of our third- party suppliers and impact our customers, all of which may cause us to suffer losses and additional costs to maintain or resume operations. • Our business is subject to evolving corporate governance and public disclosure regulations and expectations, including with respect to environmental, social and governance matters, that could expose us to numerous risks.** We are ~~highly dependent~~ **subject to changing rules and regulations promulgated by a number of governmental and self- regulatory organizations, including the SEC, the Nasdaq Stock Market and the Financial Accounting Standards Board. These rules and regulations continue to evolve in scope and complexity and many new requirements have been created in response to laws enacted by Congress, making compliance more difficult and uncertain. In addition, increasingly regulators, customers, investors, employees and other stakeholders are focusing** on environmental,social and governance (“ ESG ”) matters and related disclosures.These changing rules,regulations and stakeholder expectations have resulted in,and are likely to continue to result in,increased general and administrative expenses and increased management time and attention spent complying with or meeting such regulations and expectations.For example,developing and acting on initiatives within the scope of ESG,and collecting,measuring and reporting ESG **-** related information and metrics can be costly,difficult and time consuming and is subject to evolving reporting standards,including the SEC' s ~~recently~~ proposed climate- related reporting requirements,and similar proposals by other international regulatory bodies.We may also communicate certain initiatives and goals,regarding environmental matters,diversity,responsible sourcing and social investments and other ESG **-** related matters,in our SEC filings or in other public disclosures.These initiatives and goals within the scope of ESG could be difficult and expensive to implement,the technologies needed to implement ~~them the~~ **them** ~~and social investments and other ESG related matters,in our SEC filings or in other public disclosures.These initiatives and goals within the scope of ESG could be difficult and expensive to implement,the technologies needed to implement them~~ may not be cost effective and may not advance at a sufficient pace,and we could be criticized for the accuracy,adequacy or completeness of the disclosure.Further,statements about our ESG **-** related initiatives and goals,and progress ~~against~~ **toward** those goals,may be based on standards for measuring progress that are still developing,internal controls and processes that continue to evolve,and assumptions that are subject to change in the future. **If** ~~In addition,~~ we ~~could be criticized for the scope~~ **are unable to meet our ESG- related goals** or **evolving stakeholder** ~~nature of such initiatives~~ or ~~goals~~ **industry expectations and standards** ,or **if we are perceived to have not responded appropriately to the growing concern** for ~~any revisions~~ **ESG issues,customers and consumers may choose** to ~~these goals~~ **stop purchasing our products or purchase products from another company or a competitor,and our reputation,business or financial condition may be adversely affected** .If our ESG- related data,processes and reporting are incomplete or inaccurate,or if we fail to achieve progress with respect to our goals within the scope of ESG on a timely basis,or at all,our reputation,business, ~~financial performance and growth~~ financial performance ~~of our North America operating segment. Our financial performance is highly dependent on our North America operating segment, which comprised approximately 72 % of consolidated total net revenues in fiscal 2022. If the North America operating segment revenue trends slow or decline, especially in our U. S. market, our other segments may be unable to make up any significant shortfall~~ and **growth** ~~our business and financial results~~ could be adversely affected. ~~And because~~ **In addition, we could be criticized by ESG detractors for** the **scope or** ~~North America segment is relatively mature~~ **nature** ~~and produces the large majority~~ of **our ESG initiatives** ~~our~~ - **or** ~~operating cash flows,~~ **goals or for any revisions to these goals. We could also be subjected to negative responses by governmental actors (** such ~~a slowdown~~ **as anti- ESG legislation** or ~~decline~~ **retaliatory legislative treatment) or consumers (such as boycotts or negative publicity campaigns) targeting Starbucks that** could **adversely affect** ~~result in reduced cash flows for funding the expansion of~~ our ~~international~~ **reputation,** ~~businesses~~ -- **business, financial performance** and **growth** ~~other initiatives and for returning cash to shareholders~~ . **Risks Related to Intellectual Property** • We ~~are increasingly dependent on the success of certain international markets in order to achieve our growth targets. Our future growth increasingly depends on the growth and sustained profitability of certain international markets. Some or all of our international market business units (" MBUs "), which we generally define by the countries in which they operate,~~ may not be ~~successful in their operations~~ **able to adequately protect** ~~or~~ **our** ~~in achieving expected growth~~ **intellectual property or adequately ensure that we are not infringing the intellectual property of others** , which **could harm the value of our** ~~ultimately requires achieving consistent, stable net revenues and~~ **brand** ~~earnings~~ **and our business. Our brand names, trademarks and related intellectual property rights are critical assets, and our success depends on our continued ability to use our existing trademarks and service marks in order to increase brand awareness and further develop our branded products in both domestic and international markets. We rely on a combination of trademarks, copyrights, service marks, trade secrets, patents and other intellectual property rights to protect our brand and branded products. We have registered certain trademarks and have other trademark registrations pending in the U. S. and certain foreign jurisdictions** . The ~~performance~~ **trademarks that we currently use have not been registered in all of the countries outside of the U. S. in which we do business or may do business in the future and may never be registered in all** of these ~~international operations~~ **countries. It** may be ~~be~~ costly and time consuming to protect our intellectual property,and the steps we have taken to protect our intellectual property in the U.S.and foreign countries may not be adequate.In addition,the steps we have taken may not adequately ensure that we do not infringe the intellectual property of others,and third parties may claim infringement by us in the future.Any claim of infringement,whether or not it has merit,could be time- consuming,result in costly litigation and harm our business.In addition,we cannot ensure that licensees will not take actions **that** adversely **laws** and regulations apply to the collection,use,retention,protection,disclosure,transfer and other processing of personal data.These privacy and data protection laws and regulations are quickly evolving,with new or modified laws and regulations proposed and implemented frequently and existing laws and regulations subject to new or different interpretations and enforcement.In addition,our legal and regulatory obligations in jurisdictions outside the U.S.are subject to unexpected changes,including the potential for regulatory or other governmental entities to enact new or additional laws or regulations,to issue rulings that invalidate prior laws or regulations or to increase penalties significantly.Complying with these laws and regulations can be costly and can impede the development and offering of new products and services.For example,Europe' s General Data Protection Regulation (" GDPR ") and the U.K.General Data Protection Regulation (which implements the GDPR into U.K.law),impose stringent data protection requirements and provide for significant penalties for noncompliance. **Additionally** ~~In China~~ , **California** ~~the Personal Information Protection Law (" PIPL "),has established personal information processing rules,data subject rights,and obligations for personal information processors,among other things.In addition to the PIPL,China' s Data Security Law,regulates data processing activities associated with personal and non- personal data.Noncompliance with these laws may result in significant civil and criminal penalties.Other newly~~ enacted **legislation** ~~and proposed privacy and data protection laws in other jurisdictions served by Starbucks and its licensees may impose similar requirements,including restrictions on cross- border data~~

~~transfers.Such laws may impact Starbucks business operations and increase the cost and expense of compliance.In the United States~~ ,the California Consumer Privacy Act (" CCPA ") **.The CCPA** requires,among other things,covered companies to provide new disclosures to California consumers and allows such consumers new abilities ~~such as the right~~ to opt- out of certain sales of personal ~~information~~ **data** .The CCPA also provides for civil penalties for violations as well as a private right of action for data breaches that may increase data breach litigation.Further,the California Privacy Rights Act,which ~~became~~ **was passed in November 2020 and is fully** effective in January 2023,significantly ~~modified~~ **modifies** the CCPA ~~and includes additional compliance obligations~~ .Colorado,Connecticut **,Utah** and Virginia recently enacted similar data privacy legislation that ~~has~~ **will** also **take** ~~gone into~~ effect in 2023, **and several other states and countries are considering expanding or passing privacy laws in the near term.These modifications and new laws will require us to incur additional costs and expenses in our efforts to comply.In June 2021,the European Commission published new versions of the Standard Contractual Clauses and in March 2022,the U.K.finalized the U.K.International Data Transfer Agreement.The new requirements will require us to incur costs and expenses in order to comply and may impact the transfer of personal data throughout our organization and to third parties.Our failure to comply with applicable laws and regulations or other obligations to which we** affected ~~by economic downturns in one~~ **individuals, fines and damage to** ~~or~~ **our** ~~more~~ **brand reputation, any** of ~~the countries in~~ which ~~our large MBUs operate. A decline in performance of one or more of our significant international MBUs~~ could have a material adverse **effect on our operations, financial performance and business. The amount and scope of insurance we maintain may not cover all types of claims that may arise. • The unauthorized access, use, theft or destruction of customer or employee personal, financial or other data or of Starbucks proprietary or confidential information that is stored in our information systems or by third parties on our behalf could impact our reputation and brand and expose us to potential liability and loss of revenues. Many of our information technology systems (whether cloud- based or hosted in proprietary servers), including those used for our point- of- sale, web and mobile platforms, online and mobile payment systems, delivery services and rewards programs and administrative functions, contain personal, financial or other information that is entrusted to us by our customers, business partners and employees. Many of our information technology systems also contain Starbucks proprietary and other confidential information related to our business, such as business plans and product development initiatives and designs, and confidential information about third parties, such as licensees and business partners. Similar to many other retail companies and because of the prominence of our brand, we have in the past experienced, and we expect to continue to experience, cyber- attacks, including phishing, and other attempts to breach, or gain unauthorized access to, our systems and databases. To date, these attacks have not had a material** impact on our ~~consolidated results~~ **operations, but we cannot provide assurance that they will not have an impact in the future. Our third- party providers' and business partners' information technology systems and databases are likewise subject to such risks** . The ~~International segment is a significant profit center driving~~ **number and frequency of these attempts varies from year to year but could be exacerbated to some extent by an increase in** our **digital operations** ~~global returns, along with our North America segment~~ . In **addition** ~~particular, our China MBU contributes meaningfully to both consolidated and International net revenues and operating income. China is currently our fastest growing market, our second largest market overall and 100 % company- owned. Due to the significance of our China market for our profit and growth~~ , we **provide some customer** ~~are exposed to risks in China, including the risks mentioned elsewhere~~ and **employee data** ~~the following: • the effects of current U. S.- China relations~~ , ~~including rounds of tariff increases and retaliations and increasing restrictive regulations, potential boycotts and increasing anti- Americanism; • escalating U. S.- China tension and increasing political sensitivities in China; • the effects of the COVID- 19 pandemic and related governmental regulations and restrictions on our operations in China, including China' s " zero COVID " policy; • entry of new competitors to the specialty coffee market in China; • changes in economic conditions in China and potential negative effects to the growth of its middle class, wages, labor, inflation, discretionary spending and real estate and supply chain costs; • ongoing government regulatory reform, including relating to public health, food safety, tariffs and tax, sustainability and responses to climate change, which result in regulatory uncertainty~~ as well as **Starbucks proprietary information and other confidential information important to our business, to third parties to conduct our business, including licensees and business partners. Individuals performing work for Starbucks and such third parties also may access some of this data, including on personally- owned digital devices. To the extent we, a third party or such an individual were to experience a breach of our or their information technology systems that results in the unauthorized access, theft, use, destruction or other compromises of customers' or employees' data or confidential information of the Company stored in or transmitted through such systems, including through cyber- attacks or other external or internal methods, it could result in a material loss of revenues from the** potential **adverse impact to our reputation and brand, a decrease in our ability to retain customers or attract new ones, the imposition of potentially** significant ~~increases in compliance~~ costs ~~;~~ **(including loss of data or payment for recovery of data)** and ~~• food our ability to retain customers or attract new ones,the imposition of potentially significant costs (including loss of data or payment for recovery of data) and~~ liabilities,loss of business,loss of business partners and licensees and the disruption to our supply chain,business and plans.Unauthorized access,theft,use,destruction or other compromises **are becoming increasingly sophisticated and** may occur through a variety of methods,including attacks using malicious code, ~~those taking advantage of~~ vulnerabilities in software,hardware or other infrastructure (including systems used by our supply chain), ~~those using techniques aimed at convincing those with access to such data~~ **system misconfigurations,phishing or social engineering.The rapid evolution and increased adoption of artificial intelligence technologies may intensify** ~~or~~ **our** ~~information to~~ **cybersecurity risks.Our logging capabilities,or the logging capabilities of third parties,** ~~share~~ -- **are** ~~passwords~~ **not always complete or sufficiently granular,affecting** ~~or~~ **our ability to fully understand** ~~otherwise allow access through deceit or otherwise and those~~ -- **the scope** ~~taking advantage~~ of ~~inadequate account~~ security ~~practices~~ **breaches** .Such security breaches also could result in a violation of applicable U.S.and international privacy,cyber and other laws or trigger ~~U.S.state~~ data breach notification laws, **including new disclosure rules promulgated by the SEC,** and subject us to private consumer,business partner or licensee or securities litigation and governmental investigations and proceedings,any of which could result in our exposure to material civil or criminal liability **.These risks also exist in acquired businesses,joint ventures or companies we invest in or partner with that use separate information systems or that have not yet been fully integrated into our information systems** .Significant capital investments and other expenditures could also be required to investigate security incidents,remedy cybersecurity problems,recuperate lost data,prevent future compromises and adapt systems and practices to react to the changing threat environment.These include costs associated with notifying affected individuals and other agencies,additional security technologies,trainings,personnel,experts and credit monitoring services for those whose data has been breached.These costs,which could be material,could adversely impact our results of operations in the period in which they are incurred,including by interfering with the pursuit of other important business strategies and initiatives,and may not meaningfully limit the success of future attempts to breach our information technology systems.Media or other reports of existing or perceived security vulnerabilities in our systems or those of our third ~~- party business partners or service providers can also adversely impact our brand and reputation and materially impact our business.Additionally,the techniques and sophistication used to conduct cyber-attacks~~ - ~~safety related matters~~ **party business partners or service providers can also adversely impact our brand and reputation and materially impact our business. Additionally** , ~~including compliance with food~~ **the techniques and sophistication used to conduct cyber** - **attacks** ~~safety regulations~~ and **compromise information technology systems** ~~ability to ensure product quality and safety. Additionally~~ , ~~some factors~~ **as well as the sources and targets of these attacks, change frequently and are often not recognized until such attacks are launched or have been in place for a period of time. The rapid evolution and increased adoption of artificial intelligence technologies amplifies these concerns. We continue to make significant investments in technology, third- party services and personnel to develop and implement systems and processes** that **are designed to anticipate cyber- attacks and to prevent or minimize breaches of our information technology systems or data loss, but these security measures cannot provide assurance that we** will be ~~critical to the success~~ **successful** ~~of~~ **in preventing such breaches** ~~our~~ - **or data loss** ~~international operations overall are different than those affecting our U. S. stores and licensees. Tastes naturally vary by region, and consumers in some MBUs may not embrace our products to the same extent as consumers in the U. S. or other international markets. Occupancy costs and store operating expenses can be higher internationally than in the U. S. due to higher rents for prime store locations or costs of compliance with country- specific regulatory requirements. Because many of our international operations are in an early phase of development, operating expenses as a percentage of related revenues are often higher compared to more developed operations~~ . • We ~~face risks as a global~~ **rely heavily on information technology in our operations and growth initiatives, and any material failure, inadequacy, interruption or security failure of that technology could harm our ability to effectively operate and grow our** business ~~that~~ **and** could adversely affect our financial ~~performance~~ **results** . We **our financial results.We** rely heavily on information technology systems across our operations for numerous purposes including for administrative functions,point- of-sale processing and payment in our stores and online,management of our supply chain,Starbucks Cards,online business,delivery services,mobile technology,including mobile payments and ordering apps,reloads and loyalty functionality and various other processes and transactions, ~~including providing Starbucks Digital Solutions to participating licensees,~~ and many of these systems are interdependent on one another for their functionality ~~.Many of our non- store employees continue to work on a remote or hybrid basis,which has resulted in increased demand on our information technology infrastructure~~ .Additionally,the success of several of our initiatives to drive growth,including our ability to increase digital **relationships with our customers to drive incremental traffic and spend,is highly dependent on our technology systems.Furthermore,due to the social distancing measures put in place as a result** operate ~~in 83 markets globally~~ **effectively and be available** . **Such failures may be caused by various factors** ~~Our international operations are also subject to additional inherent risks of conducting business abroad~~ , **including power outages, climate change- related impacts, catastrophic events, physical theft, computer and network failures, inadequate or ineffective redundancy, problems with transitioning to upgraded or replacement systems or platforms, flaws in third- party software or services, errors or improper use by our employees or third- party service providers, or a breach in the security of these systems or platforms, including through cyber- attacks** such as ~~:~~ **those that result in the blockage of our or our third- party business partners' or service providers' systems and platforms and those discussed in more detail in this risk factors section. If our incident response, disaster recovery and business continuity plans do not resolve these issues in an effective and timely manner, they could result in an interruption in our operations and could cause material negative impacts to our product availability and sales, the efficiency of our operations and our financial results. In addition, remediation of any problems with our systems and related customer support could result in significant, unplanned expenses. Risks Related to Pandemics or Epidemics** • ~~foreign currency exchange rate fluctuations,~~ **Future health epidemics or pandemics could adversely affect** ~~or~~ **our business and financial results. Health epidemics** ~~requirements to transact in specific currencies; • changes~~ or ~~uncertainties~~ **pandemics have** in **the past and may in the future impact** ~~economic~~ **macroeconomic** ~~, legal, regulatory, social and political~~ conditions ~~in our markets~~ **, consumer behavior, labor availability and supply chain management** , as well as ~~negative~~ **local operations in impacted markets, all of which can adversely** ~~effects~~ - **affect our business, financial results and outlook. Governmental responses to health epidemics or pandemics, including operational restrictions, can also affect the foregoing items and adversely affect our business and financial results. The duration and scope of a health epidemic or pandemic can be difficult to predict and depends** on **many factors** ~~U. S. businesses due to increasing anti- American sentiment in certain markets; • interpretation and application of laws and regulations~~ , including ~~tax~~ **the emergence of new variants and the availability** , ~~tariffs~~ **acceptance and effectiveness of preventative measures. A health epidemic or pandemic may also heighten other risks disclosed in these risk factors** , **including, but not limited to, those related to the availability and costs of** labor ~~, merchandise, anti- bribery~~ and

commodities ~~privacy laws and regulations; • restrictive actions of foreign or U. S. governmental authorities affecting trade and foreign investment~~ , ~~especially during periods of heightened tension between the U. S. and such foreign governmental authorities, including protective measures such as export and customs duties and tariffs, government intervention favoring local competitors and restrictions on the level of foreign ownership; • import or other business licensing requirements; • the enforceability of intellectual property and contract rights; • limitations on the repatriation of funds and foreign currency exchange restrictions due to current or new U. S. and international regulations; • in developing economies, the growth rate in the portion of the population achieving sufficient levels of disposable income may not be as fast as we forecast; • difficulty in staffing, developing and managing foreign operations and~~ supply chain ~~logistics~~ **interruptions** , **consumer behavior** ~~including ensuring the consistency of product quality and service~~ , ~~due to governmental actions affecting supply chain logistics, distance, language~~ and **consumer perceptions of** ~~cultural differences, as well as challenges in recruiting and retaining high- quality employees in local markets; • local laws that make it more expensive and complex to negotiate with, retain or~~ **our** ~~terminate employees; • local regulations, health guidelines and~~ **brand** ~~safety protocols related to the COVID- 19 pandemic affecting our operations;~~ and **industry** ~~• delays in store openings for reasons beyond our control, competition with locally relevant competitors or a lack of desirable real estate locations available for lease at reasonable rates, any of which could keep us from meeting annual store opening targets and, in turn, negatively impact net revenues, operating income and earnings per share. Moreover, many of the foregoing risks are particularly acute in developing countries, which are important to our long- term growth prospects~~ . Risks Related to Governmental and Regulatory Changes • Failure to comply with applicable laws and changing legal and regulatory requirements could harm our business and financial results. Our policies and procedures are designed to comply with all applicable laws, accounting and reporting requirements, tax rules and other regulations and requirements, including those imposed by the SEC, Nasdaq and foreign countries, as well as applicable trade, labor, healthcare, food and beverage, sanitation, safety, environmental, labeling, anti- bribery and corruption and merchandise laws. Such laws and regulations are complex and often subject to differing interpretations, which can lead to unintentional or unknown instances of non- compliance **. Changes in the enforcement priorities of regulators may also shift the impact of applicable regulations on the business and the costs necessary to ensure compliance therewith, including through an expansion in the nature, scope or complexity of matters on which we are required to report** . Changes in applicable environmental laws and regulations, including increased or additional regulations and associated costs to limit carbon dioxide and other greenhouse gas emissions, to discourage the use of plastic or to limit or impose additional costs on commercial water use, may result in increased compliance costs, capital expenditures, incremental investments and other financial obligations for us and our business partners, which could affect our profitability ~~. Furthermore, due to the COVID - 19 pandemic, we are subject to additional domestic and foreign governmental regulations and health guidelines, as well as any other voluntary safety protocols~~ . In addition, our business is subject to complex and rapidly evolving U. S. and international laws and regulations regarding data privacy and data protection, and companies are under increased regulatory scrutiny relating to these matters. The Federal Trade Commission and many state attorneys general are also interpreting federal and state consumer protection laws to impose standards for the online collection, use, dissemination and security of data. The interpretation and application of existing laws and regulations regarding data privacy and data protection are in flux and authorities around the world are considering a number of additional legislative and regulatory proposals in this area. Current and future data privacy and data protection laws and regulations (including the GDPR and the CCPA, discussed in more detail in this risk factors section, and other applicable international and U. S. privacy laws), or new interpretations of existing laws and regulations, may limit our ability to collect and use data, require us to otherwise modify our data processing practices and policies or result in the possibility of fines, litigation or orders, which may have an adverse effect on our business and results of operations. The burdens imposed by these and other laws and regulations that may be enacted, or new interpretations of existing and future laws and regulations, may also require us to incur substantial costs in reaching compliance in a manner adverse to our business. The complexity of the regulatory environment in which we operate and the related costs of compliance are both increasing due to additional or changing legal and regulatory requirements, our ongoing expansion into new markets and new channels and the fact that foreign laws occasionally conflict with domestic laws. In addition to potential damage to our reputation and brand, failure by us or our business partners to comply with the various applicable laws and regulations, as well as changes in laws and regulations or the manner in which they are interpreted or applied, may result in litigation, civil and criminal liability, damages, fines and penalties, increased cost of regulatory compliance and restatements of our financial statements and have an adverse impact on our business and financial results.