

## STARBUCKS CDP Climate Change Questionnaire 2021

### C0. Introduction

#### C0.1

**(C0.1) Give a general description and introduction to your organization.**

Starbucks is the premier roaster, marketer and retailer of specialty coffee in the world. Beginning in 1971, we were a roaster and retailer of whole bean and ground coffee, tea and spices with a single store in Seattle's Pike Place Market. Today, we are privileged to connect with millions of customers every day with exceptional products and more than 29,000 retail stores in nearly 80 countries. Formed in 1985, Starbucks Corporation's common stock trades on the NASDAQ Global Select Market ("NASDAQ") under the symbol "SBUX." Our objective is to maintain standing as one of the most recognized and respected brands in the world. To achieve this, we are focused on streamlining the business, driving growth in the U.S. and China, and expanding our global reach through the Global Coffee Alliance. Guided by our Mission and Values, our long-term plan for growth with focus and discipline is built on the belief that the pursuit of profit is not in conflict with the pursuit of doing good. Our employees, who we call partners, are at the heart of the Starbucks Experience. Beginning in 1991, we turned Starbucks employees into partners by providing the opportunity to share in the financial success of the company through Starbucks stock. Our collective efforts to build a more open, equitable and inclusive company enable us to learn, adapt, and grow. It is in our collective efforts that will determine our place as a great and enduring company, one that recognizes our responsibility as more than just making a profit.

At Starbucks, our vision to date regarding the health of the environment has been simple: sustainable coffee, served sustainably. Grounded in a history of sustainable leadership as we approach our 50th anniversary in fiscal 2021, we look to the future under the leadership of our chief sustainability officer with a heightened sense of urgency and conviction. We must challenge ourselves, think bigger, partner with others and do much more to take care of the planet we share. We realize the climate crisis is inextricably intertwined with the other historic crises we are grappling with, among them a global pandemic, economic inequality and systemic racism. We agree with scientific experts who say without drastic action from everyone – governments, companies, all of us – trying to adapt to the impacts of climate change in the future will become increasingly difficult and costly. The

impacts of climate change will take a toll on our supply chains, our business and more importantly, the lives of everyone involved, including coffee farmers, our suppliers, Starbucks partners (employees), customers and the members of every community we serve. We also know that leadership in sustainability takes commitment, investment, innovation, partnership and time. For these reasons, in January 2020, Starbucks chief executive officer unveiled a multi-decade aspiration to be a resource-positive company, giving more than it takes from the planet. The announcement included science-based preliminary target reductions of carbon, water and waste by 2030, and outlined five strategies the company has identified to move toward them. In March of 2021, our greenhouse gas reduction target was approved by the Science Based Targets Initiative (SBTi). Together, we are building Starbucks to be a great enduring company by staying true to our Mission & Values while boldly reimagining the future -- for our partners, our customers, and for our planet.

## C0.2

**(C0.2) State the start and end date of the year for which you are reporting data.**

	Start date	End date	Indicate if you are providing emissions data for past reporting years
Reporting year	October 1, 2019	September 30, 2020	No

## C0.3

**(C0.3) Select the countries/areas for which you will be supplying data.**

Austria  
Canada  
China  
Italy  
Japan  
Switzerland  
United Kingdom of Great Britain and Northern Ireland  
United States of America

## C0.4

**(C0.4) Select the currency used for all financial information disclosed throughout your response.**

USD

## C0.5

**(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.**

Operational control

## C1. Governance

### C1.1

**(C1.1) Is there board-level oversight of climate-related issues within your organization?**

Yes

### C1.1a

**(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.**

Position of individual(s)	Please explain
Board-level committee	The Nominating and Corporate Governance Committee is responsible for providing leadership with respect to the corporate governance of Starbucks Corporation. This includes the responsibility to annually review and assess the effectiveness of the Company's environmental and social responsibility policies, goals and programs through the annual global environmental and social impact report

	<p>and make recommendations as deemed appropriate based on such review and assessment. An example of a climate-related decision made by the Nominating and Corporate Governance Committee in 2020 was the approval to go ahead with our public aspiration to become a resource positive company. Our commitment to a resource positive future emphasizes being a climate positive, water positive, and circular entity: storing more carbon than we emit, providing more clean, freshwater than we use, and eliminating waste. Our preliminary ambitious 2030 goals which accompanied this announcement, include:</p> <ul style="list-style-type: none"> <li>• A 50% reduction in carbon emissions in our direct operations and supply chain; this target was approved by the Science Based Targets Initiative (SBTi) in 2021;</li> <li>• 50% of our water withdrawal for direct operations and coffee production will be conserved or replenished with a focus on communities and basins with high water risk; and</li> <li>• A 50% reduction in waste sent to landfill from stores and manufacturing, driven by a broader shift toward a circular economy. To underscore this commitment, Starbucks has joined Ellen MacArthur Foundation's New Plastics Economy Global Commitment, setting ambitious circular targets for our packaging.</li> </ul>
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## C1.1b

### (C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Please explain
Scheduled – all meetings	<p>Reviewing and guiding strategy</p> <p>Reviewing and guiding risk management policies</p> <p>Monitoring implementation and performance of objectives</p> <p>Monitoring and overseeing progress against goals and</p>	<p>The Board of Directors has overall responsibility for risk oversight, including, as part of regular board and committee meetings, general oversight of executives' management of risks relevant to the Company. This includes oversight of Environmental, Social and Governance (ESG) risks, including climate-related issues. A fundamental part of risk oversight is not only understanding the material risks a company faces and the steps management is taking to manage those risks, but also understanding what level of risk is appropriate for the company. The involvement of the Board of Directors in reviewing</p>

	<p>targets for addressing climate-related issues</p>	<p>Starbucks business strategy is an integral aspect of the board's oversight of Starbucks risk management practice.</p> <p>Starbucks chief executive officer (ceo) has general charge and supervision of the business and strategic direction of the Company and sits on the Board of Directors. As the highest management-level position with responsibility for climate-related issues, the ceo meets monthly with the chief sustainability officer (cso) to discuss global sustainability strategies and initiatives across the enterprise. The ceo relays the progress of such efforts and key strategic insight to the Board.</p> <p>Starbucks ceo has tasked the Environmental Council and the Global Sustainability Task Force with actualizing the company's sustainability initiatives, the progress of which is overseen by the cso. The ceo meets with the cso monthly to discuss global sustainability strategies and updates on ESG issues across the organization. The ceo is updated on climate-related issues, including risk management components, in every one of these regular meetings. The Environmental Council and Global Sustainability Task Force, which are tasked with the developing and realizing sustainability initiatives by the ceo, also create content for regular updates to leadership. The ceo then shares these progress updates with the Board.</p> <p>In FY2020, the ceo announced Starbucks long-term ESG strategy, including joining the Transform to Net Zero initiative as a founding member, and committing to preliminary target reductions of carbon, water, and waste by 2030.</p>
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## C1.2

**(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.**

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on climate-related issues
Chief Executive Officer (CEO)	Both assessing and managing climate-related risks and opportunities	More frequently than quarterly

## C1.2a

**(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).**

Starbucks chief executive officer (ceo) has general charge and supervision of the business and strategic direction of the Company and sits on the Board of Directors. As the highest management-level position with responsibility for climate-related issues, the ceo meets monthly with the Chief Sustainability Officer (cso) to discuss global sustainability strategies and initiatives across the enterprise. Overseeing all of Starbucks sustainability programs for integrity, effectiveness, and impact, the cso regularly updates the CEO with the progress of such efforts and key strategic insight for the ceo to bring to the Board's attention. The cso is scheduled to formally report to the Board at least once a year.

The cso reports directly to the evp, chief marketing officer, and oversees and coordinates the efforts of the Environmental Council (EC), through the ceo's directives to actualize the company's sustainability initiatives. The EC is comprised of senior leaders across Starbucks whose compensation is tied to performance against organizational sustainability goals, including our greenhouse gas reduction target. Meeting quarterly, the EC also formally reviews Starbucks goals, strategies and progress, discuss trends and emerging topics, and hears from informal advisors who are experts and influencers in the sustainability sector. The Nominating and Corporate Governance Committee has ultimate responsibility for reviewing and assessing the effectiveness of the Company's environmental and social responsibility policies, goals and programs, including those related to climate change.

The EC is complemented by the Global Sustainability Task Force (GSTF) whose members include the sustainability team, global function, region/market, and global collaboration leads from across the organization and globe. The cso also leads the GSTF towards accomplishing the following objectives: establish and maintain a comprehensive global portfolio of programs and projects, representing in-region/market functions and ensure alignment with leadership on all sustainability programming decisions and recommendations. The GSTF meets monthly and participates in

global prioritization and financial planning discussions and creates content for monthly updates to leadership, the Environmental Council, and partner stakeholder groups.

Across the organization, climate-related initiatives (i.e., energy efficiency, renewable energy, and carbon emissions reduction strategies in operations and the supply chain) are delegated to the appropriate business units and performance against goals impacts overall performance and compensation adjustments. Our global teams across supply chain, store development, design, construction and facilities management, product, marketing, store operations, packaging, equipment, research and development, and public affairs are contributing to climate-related efforts.

## C1.3

### (C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	<p>Starbucks seeks to incentivize meaningful and significant climate-related action by offering monetary rewards. The vast majority of executive officer compensation is variable and tied to our financial results or the performance of our stock price, or both. Non-financial individual performance goals for our executive officers also include consideration of performance against certain environmental, social and governance (ESG) metrics.</p> <p>Starbucks individual performance factor (IPF), part of the Annual Incentive Bonus Plan, is weighted at 30% of the target value of each annual cash incentive award with a payout between 0-200% of target based on an assessment of individual performance against certain strategic, operational, leadership, and ESG goals, as recommended by the Compensation Committee and authorized by the board.</p>

## C1.3a

### (C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity incentivized	Comment
Chief Executive Officer (CEO)	Monetary reward	Emissions reduction target	Starbucks ceo is responsible for tasking the Global Environmental Council with realizing the company's sustainability initiatives, as well as overseeing ESG efforts on a company-wide level. In FY20, the ceo was compensated through a cash bonus for his role in shaping and clarifying Starbucks long-term strategy as it relates to Environmental, Social and Corporate Governance goals by guiding and approving the setting of the new 2030 targets.

## C2. Risks and opportunities

### C2.1

**(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?**

Yes

### C2.1a

**(C2.1a) How does your organization define short-, medium- and long-term time horizons?**

	From (years)	To (years)	Comment
Short-term	0	1	Starbucks generally uses short-term time horizons when defining fiscal and operational growth rate goals within the broader company strategy. Regarding climate-related risks and opportunities, Starbucks is transparent in reporting short-term progress against all targets.
Medium-term	1	5	Starbucks uses a medium-term time horizon when developing company-wide plan for global growth, executing strategic partnerships, and capitalizing on shifts in consumer behaviour, all efforts that encompass sustainability and climate-related initiatives.



Long-term	5	20	As a company reliant on an ecologically sensitive agricultural product, Starbucks has tried to align most climate-related risks and opportunities with the inevitable impacts of climate change. As a result, Starbucks has developed mostly long-term targets and goals to protect the resiliency of this supply chain, the people that make it possible, and the planet we all share, including our recent 2030 goals tied to multi-decade commitment to become a resource positive company.
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## C2.1b

### (C2.1b) How does your organization define substantive financial or strategic impact on your business?

Starbucks evaluates climate-related risks based the financial and strategic consequences that could negatively affect our business, reputation, financial condition, results of operations or the trading price of our common stock. Our risk team conducts financial material assessments when identifying core enterprise risks. For CDP reporting purposes, Starbucks defines a substantive or strategic financial impact to be risks items that, should they occur or continue to occur, would impact our business, financial condition, operations, and the trading price of our common stock in a material and adverse way, such as impacting a significant number of stores in a region, as well as changes which would require significant capital investment. We review our business annually during development of our operating plan and review progress against this quarterly.

## C2.2

### (C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

#### Value chain stage(s) covered

Direct operations  
Upstream  
Downstream

#### Risk management process

Integrated into multi-disciplinary company-wide risk management process

#### Frequency of assessment

More than once a year

**Time horizon(s) covered**

Short-term

Medium-term

Long-term

**Description of process**

Starbucks Board of Directors has overall responsibility for risk oversight, including, as part of regular board and committee meetings, general oversight of executives' management of risks relevant to the Company. This includes oversight of environmental risks, including climate-related issues. A fundamental part of risk oversight is not only understanding the material risks a company faces and the steps management is taking to manage those risks, but also understanding what level of risk is appropriate for the company. The involvement of the Board of Directors in reviewing Starbucks business strategy is an integral aspect of the board's oversight of Starbucks' risk management practice.

Starbucks Risk Committee, co-chaired by the CFO and General Counsel, maintains the enterprise risk management (ERM) framework. This includes a review of enterprise risk assessments and risk-mitigation activities managed by designated risk owners. As a part of the ERM framework, designated risk owners debrief the Audits and Compliance Committee within the Board on a quarterly basis on major or emerging risks. Annually, Starbucks conducts an ERM risk assessment to prioritize and assess key enterprise risks. This assessment includes facilitated discussions with relevant stakeholders for each risk that focuses on the alignment of risk drivers and gaps, as well as the understanding of mitigation activities. The results of this assessment are rolled up into an overall summary and provided to the ELT and the Board.

The sustainability team and other relevant functional areas evaluate climate-related risks and develop strategies to address risk drivers that may pose a threat to our core business as part of the ERM framework. Risk evaluation is done together with relevant business units and functions during the annual strategic planning cycle. The status of our mitigation initiatives to address identified risks are evaluated annually through the ERM risk assessment.

Starbucks updates sustainability targets and goals in a 5-year cadence, or more frequently as needed, to ensure we continue to address the most relevant issues and maintain our leadership position in sustainability. Climate-related risks are looked at in the greater context of the market; risks such as price increases for key commodities due to climate change are assessed for the Company.

In response to these risks assessed at the functional level, future mitigation activities are identified and incorporated within the ERM risk assessment reviewed by the Risk Committee and Board. This information is leveraged in the development of the annual internal audit plan; the Board reviews the report and provides feedback that is incorporated into results. Mitigation activities are developed in broader stakeholder discussions across relevant business units and functions.

Physical risk case study: We've identified that changes in precipitation patterns and extreme variability in weather patterns could potentially impact the availability and price of coffee beans which could impact our profitability. As a company that relies on an agricultural product, we are concerned about the impacts of climate change, especially in the sensitive bioregions where coffee is grown. High-quality arabica coffee, with its diversity of flavours, is the heart of Starbucks business, but it's becoming harder to grow in sustainable quantities because arabica plants are particularly sensitive to even the slightest variations in temperature and rainfall patterns. In response to the identification of climate-related events posing a physical risk to coffee supplies, in 2017, the Company announced a commitment to ensuring that 100 million healthy coffee trees get into the hands of coffee farmers that need them by, 2025. This effort is part of the company's ongoing commitment to provide comprehensive support to farmers around the world which includes open-source agronomy research, farmer financing and access to information. In FY20, we distributed 10 million trees to farmers in Mexico, Guatemala and El Salvador, and harvested the first crop produced by the first batch of trees donated under this initiative. Over the past five years as part of our 10-year, 100 million-tree commitment, Starbucks has donated nearly 50 million coffee trees to farmers. These new trees are bred to be resistant to coffee rust, a disease associated with climate change, and they're replacing trees declining in productivity, which can, in turn, help farmers improve the quality and yields of their harvest and improve their revenue.

Transition opportunity case study: Through market research and customer engagement, we learned that customer flavours are shifting, including desire for high quality and sustainable products and experiences that support the well-being of people and the planet. This presents us with a key market opportunity related to meeting consumers' shifting preferences. In FY20, Starbucks stores around the globe launched new plant-based menu options. Most significantly, Canada, China and the U.S. introduced oatmilk; the U.S. introduced the Impossible™ Breakfast Sandwich; and Canada and China introduced breakfast sandwiches using Beyond Meat® products.

## C2.2a

**(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?**

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	<p>Globally, regulations are continually being set to address climate-related issues facing Starbucks operations. Current regulations are relevant and always considered in Starbucks climate-related risk assessments because it is important to regularly assess current environmental regulations to ensure total compliance. When performing our climate-related risk assessment and developing our sustainability goals we take into account the existing regulations we are faced with. A significant portion of our current efforts have been focused on complying with various legislation regarding waste. These laws range from in store recycling and composting to compostable food service packaging to plastic straw bans. By way of example, current waste regulations throughout our U.S., EU, and Asian markets have required us to eliminate the use of single-use plastic straws. In 2020, after successful pilots, Starbucks rolled out strawless lids to company-operated and licensed stores in the US and Canada, marking a significant milestone in Starbucks effort to eliminate one billion plastic straws globally per year. Starbucks continues to make progress against its commitment to phase out plastic straws worldwide by the end of 2021. In 2019, Starbucks introduced strawless lids in select markets across the U.S., Canada and China, in addition to introducing FSC (Forest Stewardship Council®) certified paper straws across the UK and Europe. Strawless lids and straws made from alternative materials will continue to be tested and rolled out to more markets. These efforts are not only helping us adhere to waste regulations and reduce our plastic footprint, but also helps us support our climate commitments.</p>
Emerging regulation	Relevant, always included	<p>Emerging regulations are just as relevant as current regulations and are always included in our climate-related risk assessments. When performing our climate-related risk assessment and developing our sustainability goals we must consider the potential regulations we could be faced with to ensure business continuity. Emerging regulations may come in the form of packaging regulations or a carbon tax. These potential regulations guide the formation of our sustainability goals. Overall, changes in applicable environmental regulations, including increased or additional regulations 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.</p> <p>Recognizing the growing trend of local, national, and global emissions regulations, Starbucks regularly monitors the carbon policy landscape and consults key stakeholders in any developing legislation. Starbucks will work to meet its 2030</p>

		target of carbon neutral green coffee, reducing greenhouse gas (GHG) emissions in coffee at Origin then compensating for any remaining emissions, by deploying three primary strategies: 1) decreasing carbon emissions in Starbucks supply chain by equipping farmers with precision agronomy tools, 2) promoting and distributing climate-resilient tree varieties, and 3) protecting and restoring at-risk forests in key coffee landscape. In addition to these efforts, Starbucks has reaffirmed its commitment to the Paris Climate Agreement by joining the 'We Are Still In' campaign and by joining the Science Based Targets initiative with an ambitious 1.5 °C company-wide GHG emission reduction target.
Technology	Relevant, sometimes included	<p>Technology risks are relevant to Starbucks climate-related risk assessments and are sometimes included in our climate-related risk assessments depending on the scope of the assessment and applicability of technology. Starbucks has been investing in R&amp;D internally to make our store operations more efficient and packaging material that reduces our environmental impact, recognizing that technology risks are relevant to Starbucks sustainability efforts and competitive advantage.</p> <p>An example of a technological risk that Starbucks considers in internal assessments is the issue of recyclable and compostable hot cup solutions. As a problem growing in the food and beverage industry for decades is single-use packaging waste. This is why we developed the NextGen Cup Challenge to facilitate a global end-to-end solution that would allow cups around the world to be diverted from landfills. In 2020, Starbucks begins its first market tests of a recyclable and compostable hot cup solution: a result a six-month design competition that received hundreds of ideas from industry experts and cup scientists alike. The cup, being tested in select stores for a limited time, features an innovative cup liner, called BioPBS™, which makes the cup certified compostable and recyclable. Starbucks also works with The Recycling Partnership to bring recycling technology to underserved markets to increase material recovery.</p>
Legal	Relevant, sometimes included	Legal issues are considered relevant and sometimes included in our climate-related assessment because as a global company with over 32,000 retail stores, as well as critical manufacturing and distribution operations, our organization is subject to a variety of regional, national, and international climate laws and policies in the locations we operate. Climate-related legal risks that Starbucks considers includes environmental and emissions compliance, damage and injury liability (due to climate events), etc. As an example, our current efforts have been focused on complying with legislation regarding emissions and waste. Overall, changes in applicable environmental regulations, including increased or additional regulations 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.
Market	Relevant, always included	<p>Market risks are considered relevant and always included in our climate-related assessments because climate-related risks threaten the commodities we source, threatening our main business lines and operations. As climate change continues to make it more challenging to grow coffee and reduces the area of land suitable for growing coffee, Starbucks is always assessing the implications of climate change on the availability and quality of its core commodity. It has yet to have macro-economic impacts on the cost of coffee, but Starbucks recognizes the impact climate change is having on coffee farming. Starbucks seeks to mitigate these risks through a combination of strategic sourcing initiatives and upstream practices collaboration (including working with smallholder farms directly in the coffee supply chain).</p> <p>For example, Starbucks trained more than 40,000 farmers in FY20, enabling us to reach our goal of training 200,000 farmers by the end of 2020. Starbucks operates nine Farmer Support Centers worldwide, where agronomists and quality experts work alongside coffee farmers – whether they sell to Starbucks or not – to share tools and information to help increase the productivity, quality and profitability of coffee on their farms and improve their livelihoods. In FY20, due to COVID-19 restrictions, we incorporated online training tools and resources to continue these efforts while supporting the health and safety of our partners (employees), suppliers, farmers and their communities.</p>
Reputation	Relevant, always included	<p>Reputational risks are considered relevant and always included in our climate-related assessments: operating more than 32,000 stores across the globe, Starbucks is a household name that relies on local communities and a range of partners and suppliers to continue operations. Sustainability has been at Starbucks core since the beginning and consistent with our belief that we can build a great business that scales for good. Starbucks places significant importance on what employees, partners (employees), shareholders, suppliers, customers, media, and regulators think of us. Reputational risks as they relate to climate-related issues are key to maintaining our position as a leader in the industry. We strive to have our actions reflect and address our consumer's interests. As an example, we've launched a new social media campaign to get the message out about the sustainability commitments we have made in the last year (based on our 2020 study that revealed that 74% of U.S. customers believe a brand's commitment to the environment is important). As part of this campaign we aired a two-minute video on our sustainability efforts on YouTube, IGTV, and Starbucks Stories in April. We also broadcasted shorter videos on climate-related initiatives, such as our 'Borrow A Cup' and strawless lids programs, on multiple social media platforms.</p>

Acute physical	Relevant, always included	<p>Acute physical risk is considered relevant and always included in our climate-related assessments as our operating results have been, and will continue to be, subject to a number of factors that are largely outside our control, including climate-related risks. As an example, the supply and price of coffee we purchase can be affected by multiple factors in the producing countries, such as weather (including the potential effects of climate change), natural disasters, crop disease, 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. If we are not able to purchase sufficient quantities of green coffee due to any of the above factors or 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 profitability. We also purchase significant amounts of dairy products, particularly fluid 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 but not limited to 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.</p> <p>To address these concerns, Starbucks launched several programs and initiatives to address the acute physical risks identified by the company. These efforts included Starbucks committing an additional \$50 million in the Global Farmer Fund, bringing total investment to \$100 million. Coffee growers can use these funds to plant trees and update their farming practices to be more productive and lessen their impact on the environment.</p>
Chronic physical	Relevant, always included	<p>Chronic physical risk is considered relevant and is always included in our climate-related assessments: As climate change continues to make it more challenging to grow coffee and reduces the area of land suitable for growing coffee, Starbucks is always assessing the implications of climate change on its core commodity. It has yet to have macro-economic impacts on the cost of coffee, but Starbucks recognizes the impact climate change is having on coffee farming. For example, as temperatures continue to rise and forests continue to be cleared, the land able to produce coffee will diminish as coffee trees are dependent on stable temperatures and weather to produce high yields of quality beans. The chronic physical risk of climate change will limit viable growing spots as climates shift and production spots have to move accordingly. Acknowledging the importance of coffee to our business and the threat that global temperature rise poses to our</p>

	<p>operations, we distributed 10 million trees to farmers in Mexico, Guatemala and El Salvador in FY20. Over the past five years as part of our 10-year, 100 million-tree commitment, Starbucks has donated nearly 50 million coffee trees to farmers. These new trees are bred to be resistant to coffee rust, a disease associated with climate change, and they're replacing trees declining in productivity, which can, in turn, help farmers improve the quality and yields of their harvest and improve their revenue.</p> <p>Starbucks has also developed Tea, Cocoa, and Dairy sourcing practices that have sustainability and ethical standards. These commodities are also monitored regularly for any changes to the industry, including pricing, operations, or quality. In FY20, due to restrictions caused by COVID-19, auditing teams were unable to complete all the necessary in-person, on-farm audits of our coffee production, resulting in expiration for farms whose verification ended in FY20 and were not audited. This resulted in 98.6% of our coffee coming in FY20 from C.A.F.E. Practice-verified farms. In FY20, we sourced 99.7% of tea from Rainforest Alliance certified farms. For cocoa-based beverage ingredients, 100% of cocoa beans are ethically sourced from either COCOA Practices-verified supply chains or UTZ certified farms, now part of the Rainforest Alliance. Climate change is having an impact across all the commodities we source, and we are working on ways to have an even more sustainable and positive in our supply chains for everything we source.</p>
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## C2.3

**(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?**

Yes

## C2.3a

**(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.**

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Identifier



Risk 1

**Where in the value chain does the risk driver occur?**

Upstream

**Risk type & Primary climate-related risk driver**

Chronic physical

Changes in precipitation patterns and extreme variability in weather patterns

**Primary potential financial impact**

Increased direct costs

**Company-specific description**

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 to 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 a variety of climate-related factors or to a worldwide or regional shortage, we may not be able to fulfil the demand for our coffee, which could have a material adverse impact on our profitability. Given that our agronomists, quality experts, and buyers are on the ground working with coffee farmers every day, we see first-hand and hear directly about the impacts of climate change. In addition to increased erosion and infestation by pests and coffee rust, coffee farmers are reporting shifts in rainfall and harvest patterns that are hurting their communities and shrinking the available usable land in coffee regions around the world. The impact of climate change on farming communities is a key reason addressing our environmental impact is a priority for Starbucks. As a company that relies on an agricultural product, we are concerned about the impacts of climate change, especially in the sensitive bioregions where coffee is grown. Climate change is compounding other issues faced by coffee communities (deforestation, water shortages, decreasing yields, rainfall pattern changes) and the effects vary by region. As climate change continues to make it more challenging to grow coffee and reduces the area of land suitable for growing coffee, Starbucks is always assessing the implications of climate change on its core commodity. It has yet to have macro-economic impacts on the cost of coffee, but Starbucks recognizes the impact climate change is having on coffee farming.

**Time horizon**

Long-term

**Likelihood**

Very likely

**Magnitude of impact**

Medium

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

**Potential financial impact figure – minimum (currency)**

**Potential financial impact figure – maximum (currency)**

**Explanation of financial impact figure**

As the premier roaster, marketer and retailer of specialty coffee in the world, operating in 83 markets, Starbucks is reliant on a global agricultural value chain. Starbucks is concerned about climate change and the long-term impact it will have on coffee supplies, coffee farmers, and on the health of the communities where we do business. The Sustainable Coffee Challenge convenes, unites and urges the coffee sector and conservation partners across the industry to spur the actions and investments necessary to make coffee the first sustainable agriculture product in the world. The Challenge is committed to stimulating demand for sustainable coffee across the value chain, from the policymaking level to the final consumer. By encouraging demand for sustainable coffee, it leads to investments that enable the transition to a sustainable production and ensuring the coffee we drink is a sustainable product. As part of Starbucks open-source approach to fortifying the coffee industry, new varieties and growing techniques aren't kept in a company vault; they're shared freely with researchers and farmers around the world.

High-quality arabica coffee, with its diversity of flavours, is the heart of Starbucks business, but it's becoming harder to grow in sustainable quantities in the face of climate change and emerging chronic physical risks such as drought, flooding, increased temperatures, etc. Arabica plants, as well as other key commodities like cocoa and tea, are particularly sensitive to even the slightest variations in temperature and rainfall

patterns. Higher temperatures and prolonged droughts could significantly limit yields of our suppliers, resulting in increased costs and product shortages. 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 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 profitability.

### **Cost of response to risk**

0

### **Description of response and explanation of cost calculation**

To manage the potential impacts from chronic physical risks on coffee availability and pricing, Starbucks invests in programs designed to strengthen sustainable development in local farming communities. We support communities through farmer loans, growing our farmer support centers and continuously improving and expanding our ethical sourcing programs, such as C.A.F.E. Practices. In deploying this set of strategies, Starbucks is improving the resilience of our supply chain and, ensuring the long-term supply of high-quality coffee and other agricultural goods, as well as building stronger farming communities. In total, Starbucks has invested more than \$70 million in collaborative farmer programs— including farmer support centers, farmer loans and forest carbon projects. In FY20, we distributed 10 million trees to farmers in Mexico, Guatemala and El Salvador. These new trees are bred to be resistant to coffee rust, a disease associated with climate change, and they're replacing trees declining in productivity, which can help farmers improve the quality and yields of their harvest and improve their revenue. Additionally, more than 40,000 farmers were trained in FY20, enabling us to reach our goal of training 200,000 farmers by the end of 2020. Starbucks operates 9 Farmer Support Centers worldwide, where agronomists and quality experts work alongside coffee farmers to share tools and information to help increase the productivity, quality and profitability of their farms and improve their livelihoods. Starbucks also operates a Global Farmer Fund to improve supply chain resiliency and ensure a long-term supply of coffee by addressing the financing needs of farmers. As of FY20, we have invested \$42.9 million in the Fund to provide coffee businesses and farmers with access to low-interest loans in regions where traditional banks are not an option due to high interest rates. Providing healthy trees, education on sustainable farming practices, and financial support to farmers in coffee-growing regions makes existing lands and communities more efficient and resilient in the face of chronic physical risks, helping to reduce price volatility based on inconsistent supply. The costs associated with developing resilience across our suppliers are included in Starbucks standard cost of business and there are no additional costs associated with responding to this risk (\$0).

### **Comment**

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**Identifier**

Risk 2

**Where in the value chain does the risk driver occur?**

Direct operations

**Risk type & Primary climate-related risk driver**

Acute physical

Increased severity and frequency of extreme weather events such as cyclones and floods

**Primary potential financial impact**

Decreased revenues due to reduced production capacity

**Company-specific description**

Our financial condition and results of operations are sensitive to, and may be adversely affected by, a number of factors, many of which are largely outside our control (including climate-related events). Severe weather or other natural or man-made disasters affecting a large market, or several closely located markets could temporarily, but significantly, affect our retail business in such markets. Our stores have faced several natural threats over the past few years including, but not limited to, hurricanes and wildfires. In 2018, the impacts of Hurricane Florence closed 95 Starbucks stores and our Sandy Run Roasting Plant. Starbucks closed more than 400 stores before Hurricane Harvey made landfall, and more than 700 prior to Irma hitting. An estimated 15,600 employees were impacted. In 2020, wildfires caused by severe drought conditions throughout California disrupted our operations, shutting down stores and threatening the wellbeing of our employees and business partners. Damaged infrastructure, incapacitated partners, and unsafe working conditions can suspend store operations which, in turn, could negatively impact net revenues, operating income, and earnings per share.

**Time horizon**

Short-term

**Likelihood**

Likely

**Magnitude of impact**

Medium

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

**Potential financial impact figure – minimum (currency)**

**Potential financial impact figure – maximum (currency)**

**Explanation of financial impact figure**

Severe weather and other acute physical risks affecting a large market or several closely located markets that may temporarily but significantly affect our retail business in such markets, resulting in a loss of revenue dependent on our ability to resume normal operations. The health and safety of our partners is our top priority, followed closely with the wellbeing of our communities. Our stores serve as a beacon of hope and resilience during crisis – whether that is the aftermath of an earthquake, hurricane, wildfire, or now as we strive to provide familiar and safe experiences amid a global pandemic. By both closing our stores in the face of acute physical risks and keeping them closed until safety is ensured, our actions can impact our overall revenue and profitability.

**Cost of response to risk**

0

**Description of response and explanation of cost calculation**

In response to extreme weather events, Starbucks aims to pre-emptively close operations to ensure its employees safety. We offer partners (employees) impacted by store closings the option to temporarily relocate to a neighbouring operational store (if safe), and in some cases receive catastrophic pay. Any impacted partners can apply for a grant from the Caring Unites Partners (CUP) Fund. Founded by partners in 1998 and funded entirely by donations from Starbucks partners, this program continues to demonstrate how we take care of one another in unexpected times of need. As of 2018, contributions have helped give \$20 million in grants to 21,000 partners. More than 2,000 partners impacted by Hurricane Harvey received more than \$1 million in donations, while those who lost their homes due to wildfires last year utilized the Fund to cover temporary housing. When large events happen, Starbucks also seeks to support impacted communities by contributing significant amounts of funding towards the American Red Cross' disaster-relief fund and other relevant organizations such as the National Forest Foundation. The Company can additionally activate donations to the Red Cross via the Starbucks Mobile App. Partners who donate can request a matching gift from Starbucks. During the devastating wildfire season in 2020, the American Red Cross has helped serve more than 137,700 meals and snacks, connected more than 39,500 people with health and mental health support, distributed more than 21,500 relief items, and mobilized more than 2,100 disaster workers in response to the Camp Fire, Hill Fire and Woolsey Fire with the support from the Starbucks Foundation and other generous supporters. Recognizing the risk that increased acute physical events poses to our employees, communities, and operations, Starbucks offers proactive and flexible options to our partners to help mitigate potential losses from an indirect cost perspective, but also from the perspective of our employees. The estimated cost to respond is planned into Starbucks standard cost of business and includes an estimate of losses from early and maintained closures due to severe weather forecasts and recovery, as well as the average annual investment and donations to relevant response, relief, and recovery organizations, so there are no additional costs associated with responding to this risk (\$0).

## Comment

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### Identifier

Risk 3

### Where in the value chain does the risk driver occur?

Upstream

**Risk type & Primary climate-related risk driver**

Acute physical

Increased severity and frequency of extreme weather events such as cyclones and floods

**Primary potential financial impact**

Increased direct costs

**Company-specific description**

The coffee tree is a creature of habit: It likes steady temperatures, which are increasingly harder to come by as weather patterns fluctuate. Climate trends have been on the rise since the 1970s, according to U.S. government data. When temps rise, coffee growth can be stunted, its flowering and fruiting hobbled. Widely ranging temperatures also increase the risk that coffee trees will fall prey to pests and disease. And storms that are increasing in both frequency and strength globally are damaging trees. Acute physical events have already begun impacting coffee growing within our supply chain across South America, Africa, and Asia, from drought during the rainy season and rain during the dry season, to increased hurricane activity and flooding events. These events prevent farmers from being able to efficiently plant, grow, and harvest their crops compared to stable weather conditions, disrupting our supply. 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, 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.

**Time horizon**

Short-term

**Likelihood**

Very likely

**Magnitude of impact**

Medium

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

**Potential financial impact figure – minimum (currency)**

**Potential financial impact figure – maximum (currency)**

**Explanation of financial impact figure**

The availability and prices of coffee beans and other commodities are subject to significant volatility. The supply and price of coffee and other commodities we purchase can also be affected by multiple actors in the producing countries, such as weather, natural disasters, crop disease, 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. We also purchase significant amounts of dairy products, to support the needs of our company-operated retail stores. Additionally, other commodities, including but not limited to 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 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.

**Cost of response to risk**

0

**Description of response and explanation of cost calculation**

In response to the risks presented by acute physical risks to our supply chain, Starbucks is committed to sourcing commodities to ensure our investments are addressing the environmental, social, and economic threats to our supply chain to the best of our ability. We are committed to sourcing coffee responsibly, for the betterment of people and planet, so we can ensure a sustainable future of coffee. From 2015 to 2019, 99% of Starbucks coffee was verified as ethically sourced as measured by C.A.F.E. Practices, our ethical sourcing verification program developed in partnership with Conservation International. Measuring farms against economic, social and environmental criteria, the program is designed to



promote transparent and sustainable coffee growing practices while also helping protect the well-being of coffee farmers and workers, their families and their communities. In FY20, due to COVID-19 restrictions, auditing teams were unable to complete all the necessary in-person, on-farm audits of our coffee production, resulting in expiration for farms whose verification ended in FY20 and were not audited. This resulted in 98.6% of our coffee coming in FY20 from C.A.F.E. Practice-verified farms. As we work to invest in regenerative agriculture, reforestation, forest conservation and water replenishment in our supply chain, we launched pilots in FY20 in Guatemala, Mexico, Peru, Rwanda and Kenya focused on working toward reducing our environmental footprint in green coffee. This included alternative coffee processing and new wet mill innovations designed to save up to 80% of water, as well as precision agronomy practices – such as analyzing soil and leaves – to help reduce our carbon footprint. Also, in FY20, we sourced 99.7% of tea from Rainforest Alliance certified farms. For cocoa-based beverage ingredients, 100% of cocoa beans are ethically sourced from either COCOA Practices-verified supply chains or Rainforest Alliance/UTZ certified farms. The UTZ program is now part of the Rainforest Alliance. We continue to strengthen our approach, programs and partnerships for sustainably sourcing tea and cocoa. The costs associated with ethically sourcing our commodities from sustainable suppliers is included in Starbucks standard cost of business and there are no additional costs associated with responding to this risk (\$0).

### Comment

## C2.4

**(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

Yes

## C2.4a

**(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.**

**Identifier**

Opp1

**Where in the value chain does the opportunity occur?**

Upstream

**Opportunity type**

Resource efficiency

**Primary climate-related opportunity driver**

Use of more efficient production and distribution processes

**Primary potential financial impact**

Increased revenues resulting from increased production capacity

**Company-specific description**

The supply and price of coffee we purchase can be affected by multiple factors in the producing countries, such as weather (including the potential effects of climate change), natural disasters, crop diseases, general increase in farm inputs and costs of production. As a company that relies on an agricultural product, we are concerned about the impacts of climate change, especially in the sensitive bioregions where coffee is grown. Climate change is compounding other issues faced by coffee communities (deforestation, water shortages, decreasing yields, rainfall pattern changes) and the effects vary by region. As climate change continues to make it more challenging to grow coffee and reduces the area of land suitable for growing coffee, Starbucks is always assessing the implications of climate change on its core commodity. Starbucks regularly monitors opportunities in the more than 30 countries throughout the Latin American, African, and Asia-Pacific regions. Because of the nature of our business, as a company that relies on agricultural products, we strive to improve the resilience of our supply chain and ensure the long-term supply of high-quality coffee and other agricultural goods. We recognize strategic advantages related to our work in our coffee supply chain. Our agronomists, quality experts and buyers are on the ground working with coffee farmers every day, we see firsthand and hear directly about the impacts of climate change. Through our experience, we have identified opportunities to improve climate change adaptation, increase resiliency, and support long-term availability of our key commodities, which, in turn, can promote increased revenues from higher and better quality commodity yields that meet our internal growth targets.

**Time horizon**

Long-term

**Likelihood**

Likely

**Magnitude of impact**

Medium

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

**Potential financial impact figure – minimum (currency)**

**Potential financial impact figure – maximum (currency)**

**Explanation of financial impact figure**

Starbucks is committed to sourcing coffee responsibly, for the betterment of people and planet, so we can ensure a sustainable future of coffee. In FY20 98.6% of our coffee was supplied from C.A.F.E. Practice-verified farms, our ethical sourcing verification program developed in partnership with Conservation International. Evidence shows that farmers participating in the program have higher productivity than the country averages. By investing our time and resources into these farms, their workers, and their communities, Starbucks has an opportunity to help increase the productivity, quality and profitability of coffee on C.A.F.E. Practice-verified farms and improve farmer livelihoods, while also securing a sustainable supply chain for years to come. A resilient supply chain that continues to produce higher yields despite increasingly difficult conditions caused by climate change will support our revenue goals and financial objectives.

**Cost to realize opportunity**

0

### **Strategy to realize opportunity and explanation of cost calculation**

From the beginning, Starbucks has been a leader in sourcing coffee responsibly. Starbucks purchases coffee from more than 400,000 farmers in 30 countries around the world and is committed to a sustainable future for coffee. To protect the resiliency of this supply chain, the people that make it possible, and the planet we all share, Starbucks set goals to achieve carbon neutral green coffee and conserve water usage in green coffee processing by 50% by 2030. These coffee-specific environmental goals are an extension of work underway with C.A.F.E. (coffee and farmer equity) Practices which has helped Starbucks create a long-term supply of high-quality coffee while positively impacting the lives of coffee farmers and their communities. Now, recognizing the opportunity to support of the company's path to a Planet Positive future while supporting farming communities, Starbucks is focusing on its carbon and water footprints at Origin – or what Starbucks refers to as “the first ten feet” (farm to port). Through Starbucks Farmer Support Centers and a new soil scanning mobile app, the company is helping farmers understand the specific nutrients and fertilizer needed to increase farm productivity. In fact, more than 11,500 soil and foliar samples have been collected to date. With these custom, farm-specific solutions, farmers can target and decrease fertilizer use – which helps to decrease carbon emissions on their farms – and increase farm productivity. Using Starbucks open-source agronomy approach, the company shares research, seeds, and seedlings with farmers all around the world, helping farmers to adapt to climate change. These climate-resistant varieties are rust-resistant and enable farmers to grow more coffee on the same amount of land. Land use change and deforestation are the greatest climate risks facing the coffee industry. Working in partnership with Conservation International, Starbucks will invest in forest and landscape protection and restoration programs in coffee producing countries, starting in Colombia and Peru. These agroforestry efforts will not only remove carbon and support the carbon neutral pathway, but also will benefit freshwater ecosystems and coffee communities. The costs associated with a resilient supply chain are included in Starbucks standard cost of business and there are no additional costs associated with realizing this opportunity (\$0).

### **Comment**

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#### **Identifier**

Opp2

#### **Where in the value chain does the opportunity occur?**

Upstream

**Opportunity type**

Products and services

**Primary climate-related opportunity driver**

Development and/or expansion of low emission goods and services

**Primary potential financial impact**

Increased revenues through access to new and emerging markets

**Company-specific description**

In an everchanging society and climate, Starbucks continuously monitors consumer behaviour, market trends, and economic forecasts to remain a leader across the industry. In recent years customer preferences and market shifts have indicated the demand for environmentally conscious options, including low emissions goods and services. These patterns were confirmed by a 2020 study we conducted that found that 74% of U.S. customers believe a brand's commitment to the environment is important. Recognizing the market opportunity, the company has amplified innovation around shifting customer behaviours, specifically a desire for high quality and sustainable products and experiences that support the well-being of people and the planet. Starbucks has taken significant steps to align our sustainability commitments with these emerging demands. In January 2020, we announced a multi-decade aspiration to be a resource-positive company, giving more than we take from the planet. This means storing more carbon than we emit, eliminating waste and replenishing more freshwater than we use. To meet our 2030 goals, we set five key strategies in 2020, rooted in science, grounded in Starbucks Mission and Values, and informed by comprehensive market research and trials: 1) Expand plant-based menu options, 2) Shift away from single-use to reusable packaging, 3) Invest in regenerative agriculture, reforestation, forest conservation and water replenishment in our supply chain, 4) Invest in better ways to manage our waste, and 5) Innovate to develop more sustainable stores, operations, manufacturing and delivery. Starbucks plans to continue to invest time and resources into these opportunities to meet consumer expectations globally.

**Time horizon**

Short-term

**Likelihood**

Very likely

**Magnitude of impact**

Medium

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

**Potential financial impact figure – minimum (currency)**

**Potential financial impact figure – maximum (currency)**

**Explanation of financial impact figure**

Expanding Starbucks plant-based menu globally is one of the ways we are pursuing our goal to achieve our carbon reduction goal. Our aim is to provide our customers a variety of choices as part of Starbucks offering. Starbucks continues to introduce new drinks and food to menus globally while innovating with plant-based ingredients across key platforms like espresso, cold brew, refreshment, food and more. Customer interest in plant-based foods continues to see rapid growth with reports that the \$5 billion industry has grown 29% over the past two years according to The Good Food Institute. According to the Good Food Institute, customer interest in plant-based milk, which accounts for 40 percent of the total plant-based food market, and plant-based meat, which has grown 38 percent over the past two years, is driving this growth.

**Cost to realize opportunity**

0

**Strategy to realize opportunity and explanation of cost calculation**

One of the critical strategies we developed in 2020 to meet our 2030 GHG reduction target is expanding plant-based menu options. Starbucks considered recent market trends and the insight that our customers are looking for more sustainable products and experiences that support the well-being of people and the planet, in addition to the Company's ambition to become a resource positive entity, when developing our strategy to expand plant-based options on our menus. Part of this strategy includes partnering with global plant-based innovators such as Beyond Meat and Oatly. Starbucks has continued to introduce new drinks and food to menus globally while innovating with plant-based ingredients across

key platforms like espresso, cold brew, refreshment, food and more. Starbucks stores around the globe launched new plant-based menu options in FY20. Most significantly, Canada, China and the U.S. introduced oatmilk; the U.S. introduced the Impossible™ Breakfast Sandwich; and Canada and China introduced breakfast sandwiches using Beyond Meat® products. Our aim is to provide our customers a variety of choices as part of their Starbucks experience and we look forward to hearing feedback from our partners (employees) and customers. The costs associated with the development and expansion of plant-based menu options are included in Starbucks standard cost of business and there are no additional costs associated with realizing this opportunity (\$0).

### **Comment**

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#### **Identifier**

Opp3

#### **Where in the value chain does the opportunity occur?**

Downstream

#### **Opportunity type**

Products and services

#### **Primary climate-related opportunity driver**

Development and/or expansion of low emission goods and services

#### **Primary potential financial impact**

Increased revenues through access to new and emerging markets

#### **Company-specific description**

In an everchanging society and climate, Starbucks continuously monitors consumer behaviour, market trends, and economic forecasts to remain a leader across the industry. In recent years customer preferences and market shifts have indicated a desire for high quality and sustainable products and experiences that support the well-being of people and the planet. These patterns were confirmed by a 2020 study we

conducted that found that 74% of U.S. customers believe a brand's commitment to the environment is important. Recognizing the market opportunity, Starbucks has taken significant steps to align our sustainability commitments with these emerging demands. Each year, an estimated 600 billion paper and plastic cups are distributed globally, and though Starbucks cups only account for an estimated 1 percent of that total, we are invested in finding a more sustainable solution. In 2020 we developed a 2030 goal to reduce our waste sent to landfill from stores (including packaging that leaves stores) and direct operations, driven by a broader shift toward a circular economy. We have made progress to reduce the impact of waste generated in our stores through cup innovation and improved packaging design, advocacy for local recycling infrastructure, and offering reusable cups. Starbucks has continually worked to reduce the environmental impact of our cups and lids as an opportunity to not only attract environmentally minded customers, but also to reduce our waste and carbon footprints.

**Time horizon**

Short-term

**Likelihood**

Very likely

**Magnitude of impact**

Medium

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

**Potential financial impact figure – minimum (currency)**

**Potential financial impact figure – maximum (currency)**

**Explanation of financial impact figure**



Managing the environmental impacts of our business requires collaboration, innovation, and ongoing improvements. We have made substantial progress to reduce the impact of waste generated in our stores through improved packaging design guidelines, offering a reusable cup discount and providing reusable mugs for customers who sit and stay with us. We continue to invest in and advocate for the advancement of a more sustainable and circular recycling infrastructure while expanding our customer-facing and behind-the-counter recycling practices. Recycling seems like a simple, straightforward initiative but it's actually quite challenging due to both micro and macro-economic factors. Our customers' ability to recycle our cups, whether at home, at work, in public spaces or in our stores, is dependent upon multiple factors, including local government policies and a recovery facilities access to recycling end markets such as paper mills and plastic processors. As one of many companies in the food service business, we continue our commitment to lead the industry toward greater access to recycling for cups and other packaging—including driving demand for recycled materials. This is why we founded the NextGen Consortium with Closed Loop Partners, to use the collective power of brands, manufactures and NGOs to invest in and advocate for a circular economy. By capitalizing on market research, sustainable innovation and cross industry pre-competitive collaboration, Starbucks has acknowledged a significant opportunity to become a leader in sustainable packaging and to increase its revenues through new and emerging circular markets. While such ambition requires significant investment into both partners and R&D, we believe that identifying global circular solutions to single-use packaging across our industry will continue to unlock new and emerging markets that will benefit our bottom line.

**Cost to realize opportunity**

10,000,000

**Strategy to realize opportunity and explanation of cost calculation**

In response to this market opportunity, we have set goals to reach: 1) 20% recycled content in our hot cup by 2022, 2) develop 100% compostable and recyclable hot cups by 2022, and 3) elimination of plastic straws by the end of 2021. To achieve these goals, we have taken several steps throughout our value chain. In 2018, Starbucks committed \$5M to Closed Loop Partners (CLP) to establish the NextGen Consortium and Cup Challenge and \$5M to CLP's Infrastructure Fund to finance recycling and circular economy infrastructure. In partnership with CLP and the NextGen Consortium, we worked in FY20 toward our goal to develop 100% compostable and recyclable hot cups. Through the NextGen Cup Challenge, the consortium awarded accelerator grants to entrepreneurs working on ideas that could lead to the development of more sustainable cup solutions. Throughout development, the solution will be open source so others can benefit and innovate on the path towards the development of recyclable and compostable cups around the world. As we work to shift away from single-use plastics and champion the use of recycled content in packaging, our hot cups contain 10% post-consumer fiber. In FY20, five new markets joined the list of major markets where Starbucks hot cups are recyclable. We continue to research and test cup liner solutions that will make our cup easier to

recycle and compost. In 2020, we began in-market testing of a new BioPBS™-lined cup in select markets. This is the first step in the development of a global end-to-end solution that would allow cups around the world to be diverted from landfills and recycled or composted. In 2018, Starbucks announced it will eliminate the use of plastic straws from its more than 30,000 stores worldwide by 2020. In FY20 we completed the rollout of strawless lids across the U.S. and Canada, which we modelled after our hot drink lid and has approximately 9% less plastic than the flat lid and straw historically used for iced beverages. We will be completing the global roll out of alternative material straws in 2021. Additionally, in 2020, Starbucks signed the Ellen MacArthur Foundation's New Plastics Economy Global Commitment, setting ambitious circular targets for our packaging. Costs associated with reducing the impact of wastes generated in our stores (e.g., through improved packaging design) are included in Starbucks standard cost of business, and there are no additional costs associated with realizing this opportunity (\$0).

#### Comment

## C3. Business Strategy

### C3.1

#### (C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?

Yes, and we have developed a low-carbon transition plan

### C3.1a

#### (C3.1a) Is your organization's low-carbon transition plan a scheduled resolution item at Annual General Meetings (AGMs)?

Is your low-carbon transition plan a scheduled resolution item at AGMs?	Comment
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Row 1	No, and we do not intend it to become a scheduled resolution item within the next two years	Starbucks has a history of actively engaging with our shareholders. We believe that strong corporate governance should include year-round engagement with our shareholders. We have a long-standing, robust shareholder outreach program through which we solicit feedback on our corporate governance, executive compensation program, disclosure practices and environmental and social impact programs and goals. In the fall, we inform stakeholders, including investors, about recent developments relating to Environmental, Social and Governance topics through multi-media resources, and conduct active outreach with top investors to understand their corporate governance, executive compensation and environmental and social priorities. We share investor feedback with the board of directors. During the winter and spring we conduct active outreach with top investors to discuss items to be considered at the Annual Meeting of Shareholders.
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## C3.2

### (C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

Yes, qualitative

## C3.2a

### (C3.2a) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenarios and models applied	Details
Other, please specify Sectoral Decarbonization	In 2020, Starbucks developed preliminary targets for 2030: By 2030, Starbucks will aim to reduce carbon emissions by 50 percent; reduce waste sent to landfills from stores and manufacturing by 50 percent, driven by a broader shift toward a circular economy; and will also conserve or replenish 50 percent of the water currently being used for direct operations and coffee production, working from a FY18 baseline. Starbucks also initiated moving forward with validating its GHG goal with the Science Based Targets initiative (SBTi). This process included conducting a scenario analysis to determine the necessary scope and pace of GHG reductions across global operations. We leveraged scenario models embedded in the Sectoral Decarbonization Approach and examined growth projections based on methodologies recommended for analysis by SBTi as being relevant for our business operations.

The results of the scenario analysis and modelling indicated that a ~30-50% reduction range of our absolute, company-wide Scope 1, 2, and 3 emissions from 2019-2030 would achieve reductions consistent with the SBTi framework. To be as ambitious as possible, and to aim to keep global warming to 1.5°C, we choose to go forward with a 50% emissions reduction from our global operations from 2019-2030, which can be considered an annual ambition of 4.55% reduction. This target fits with our long-term business planning horizon and will allow Starbucks to align both short- and medium-term efforts to support this goal, while meeting SBTi's time horizon criteria.

The results of our scenario analysis have since informed our business objectives and strategy, with our sustainability commitments being governed through our Global Environmental Council with formal review and counsel from our Board of Directors Nominating and Corporate Governance Committee. Since our carbon goal has been modelled and validated as science-based from the SBTi, we have adjusted our baseline year for all three reduction targets to FY19. Additionally, we have taken significant steps as a company to develop a strategy to meet these 2030 goals: we have set out five key strategies, rooted in science, grounded in Starbucks Mission and Values, and informed by comprehensive market research and trials, as well as our scenario analysis:

- Expand plant-based menu options
- Shift away from single-use to reusable packaging
- Invest in regenerative agriculture, reforestation, forest conservation and water replenishment in our supply chain
- Invest in better ways to manage our waste
- Innovate to develop more sustainable stores, operations, manufacturing and delivery

From FY19 to FY20, we are able to report an 11% reduction in carbon emissions against our 2030 carbon goal; 4% water reduction against our 2030 water goal; and 12% reduction in waste against our 2030 waste goal. This level of annual reduction at this stage in our journey toward our 2030 targets was not anticipated and is due primarily to reduced business activity in FY20 as a result of COVID-19; it is not likely to be typical going forward. They are also due, in part, to improvement of data availability and quality as we improve our environmental impact measurement process.

Assumptions for Growth Projections: 55,000 stores globally by 2030

	Inputs: Base Year, Target Year, Emissions in Base Year(tCO <sub>2</sub> e), Annual Reduction (SBTi values for well below 2 degree and 1.5 degree)
Other, please specify Ethical Sourcing Methodology Validation	Given that our agronomists, quality experts and buyers are on the ground working with coffee farmers every day, we see firsthand and hear directly about the impacts of climate change. In addition to increased erosion and infestation by pests and coffee rust, coffee farmers are reporting shifts in rainfall and harvest patterns that are hurting their communities and shrinking the available usable land in coffee regions around the world. The potential impact of climate change on farming communities is a key reason addressing our environmental impact is a priority for Starbucks. As a company that relies on an agricultural product, we are concerned about the impacts of climate change, especially in the sensitive bioregions where coffee is grown. Climate change is compounding other issues faced by coffee communities (deforestation, water shortages, decreasing yields, rainfall pattern changes) and the effects vary by region. As climate change continues to make it more challenging to grow coffee and reduces the area of land suitable for growing coffee, Starbucks is always assessing the implications of climate change on its core commodity. It has yet to have macro-economic impacts on the cost of coffee, but Starbucks recognizes the impact climate change is having on coffee farming.

### C3.3

**(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.**

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	Climate-related risks and opportunities have influenced our strategy in the products and services area, and have been incorporated into our short-, medium- and long-term objectives. Climate change can influence consumer behaviour, global expectations, and compliance regulations. By monitoring market trends, current and emerging regulations, and leading industry innovation, we aim to stay ahead of these market shifts. For example, building on Starbucks sustainability commitments announced in 2020, the company is expanding our plant based menu as one of the ways we are working to achieve our carbon reduction goal. Starbucks stores around the globe launched new plant-based menu options

		<p>in FY20.</p> <p>From a services perspective, our packaging materials enable us to serve our customers. Packaging waste uses natural resources and has consumer use implications on the planet. In 2018, Starbucks committed \$10M in partnership with Closed Loop Partners to create a ground-breaking consortium and launch the NextGen Cup Challenge. In 2020, we began in-market testing of a new BioPBS™-lined cup in select markets. This is the first step in the development of a global end-to-end solution that would allow cups around the world to be diverted from landfills and recycled or composted. Additionally, in FY20, five new markets joined the list of major markets where Starbucks hot cups are recyclable, joining 13 other major markets. Also, in 2018, Starbucks announced it will eliminate the use of plastic straws from its more than 32,000 stores worldwide by 2020, eliminating more than 1 billion straws a year, by launching an innovative new light weighted lid that is 9% less plastic than our current lid and straw. We are on track to meet our 2021 goal. In FY20 we completed the rollout of strawless lids across the U.S. and Canada, which we modelled after our hot drink lid and has approximately 9% less plastic than the flat lid and straw historically used for iced beverages. Unlike traditional plastic straws, the strawless lids can be recycled in many markets in the U.S. and Canada.</p>
Supply chain and/or value chain	Yes	<p>Climate-related risks and opportunities have influenced our strategy in the supply and value chain areas and have been incorporated into our medium- and long-term objectives. As a company that buys three percent of the world's coffee, our success is directly linked to the success of the people who produce, distribute, sell, and consume our coffee. While the global challenges of climate change, water scarcity, pollution and waste are only growing stronger, sustainability at Starbucks means building a better future for farmers and their families in coffee-growing regions around the world, and for our partners (employees) and customers in communities we serve. In addition to increased erosion and infestation by pests and coffee rust, coffee farmers are reporting shifts in rainfall and harvest patterns that are hurting their communities and shrinking the available usable land in coffee regions around the world. The potential impact of climate change on farming communities is a key reason addressing our environmental impact is a priority for Starbucks. Climate change has yet to have macro-economic impacts on the cost of coffee, but Starbucks recognizes the impact climate change is having on coffee</p>

		<p>farming. In response, in FY20, we distributed 10 million trees to farmers in Mexico, Guatemala and El Salvador. Over the past five years, Starbucks has donated nearly 50 million coffee trees to farmers. These new trees are bred to be resistant to coffee rust, a disease associated with climate change, and they're replacing trees declining in productivity, which can, in turn, help farmers improve the quality and yields of their harvest and improve their revenue. Additionally, more than 40,000 farmers were trained in FY20, enabling us to reach our goal of training 200,000 farmers by the end of 2020. Starbucks operates 9 Farmer Support Centers worldwide, where agronomists and quality experts work alongside coffee farmers to share tools and information to help increase the productivity, quality and profitability of coffee on their farms and improve their livelihoods. Starbucks also operates a Global Farmer Fund to improve supply chain resiliency and ensure a long-term supply of coffee by addressing the unmet financing needs of farmers.</p>
Investment in R&D	Yes	<p>Climate-related risks and opportunities have influenced our R&amp;D strategy and have been incorporated into our medium- and long-term objectives. Investment in climate-related R&amp;D solutions is part of our strategy to stay competitive within a changing world, and to stay resilient against emerging risks. As part of our multi-decade aspiration to be a resource-positive company, Starbucks has committed to shift away from single-use to reusable packaging and identify better ways to manage our waste. As part of this aspiration, Starbucks is investing in regenerative agriculture, reforestation, forest conservation and water replenishment in our supply chain. In 2018, Starbucks committed \$10M in partnership with Closed Loop Partners to create a consortium and launch the NextGen Cup Challenge. Through the NextGen Cup Challenge, the consortium awarded accelerator grants to entrepreneurs working on ideas that could lead to the development of more sustainable cup solutions and invite industry participation and partnership on the way to identifying a global solution. Throughout development, the solution will be open source so others can benefit and innovate on the path towards the development of recyclable and compostable cups around the world. We continue to research and test cup liner solutions that will make our cup easier to recycle and compost; in 2020, we began in-market testing of a new BioPBS™-lined cup in select markets. This is the first step in the development of a global end-to-end solution that would allow cups around the world to be diverted from landfills and recycled or composted. In Europe, Starbucks launched a £1 million Cup Fund, supporting ambitious recycling projects in conjunction with</p>

		<p>the environmental charity, Hubbub. In 2018, Starbucks announced it will eliminate the use of plastic straws from its more than 30,000 stores worldwide by 2020, eliminating more than 1 billion straws a year. In FY20 we completed the rollout of strawless lids across the U.S. and Canada, which we modelled after our hot drink lid and has approximately 9% less plastic than the flat lid and straw historically used for iced beverages. Strawless lids can be recycled in many markets in the U.S. and Canada. This initiative is being championed by our Packaging R&amp;D team, which is collaborating with packaging suppliers' R&amp;D teams to develop more sustainable packaging.</p>
Operations	Yes	<p>Climate-related risks and opportunities have influenced our operations strategy and have been incorporated into our short-, medium- and long-term objectives. Temperature changes, storms, and other climate events could disrupt our operational capacity. As part of our multi-decade aspiration to be a resource-positive company, Starbucks has committed to invest in 100% renewable energy to power global operations by the end of 2020. In FY20, Starbucks purchased enough renewable energy to power 100% of its company-operated stores in the U.S., Canada and the UK. Worldwide, 72% of Starbucks operations were powered by renewables, with market constraints in China and Japan challenging our ability to reach our 2020 goal. As members of RE100, we remain committed to reaching 100% renewable energy globally as access increases in Asian markets. We also have a goal to build and operate 10,000 greener stores globally by 2025. Starbucks has built more than 1,600 LEED®-certified stores around the world, and in early FY20, the Shanghai Roastery set a new benchmark in green retail as the first in mainland China's food retail industry to be certified LEED Platinum. Now in partnership with multiple NGOs, we're going beyond LEED, expanding the scope and breadth of our greener store's commitment with an open-source Greener Stores framework for design, construction and operation. We have retrofitted all of our stores with LED lights and efficient water filtration systems to lessen our usage of resources. We are reducing the impact of our stores and the waste generated, by participating in recycling and composting services wherever municipalities make these services available. Through our open-source Starbucks Greener Stores framework, we have created a new benchmark in retail for design, construction and operation. In FY20, our second year of certifying stores, we tripled the number of stores in the Greener Stores network to a total of 2,317 certified stores in the U.S. and Canada. In our manufacturing and distribution operations, climate-related risks are</p>



		identified and mitigated. Establishing appropriate climate-related goals are delegated to the appropriate business units and facilities. Goals around facility energy performance and overall cost management are part of facility managers' goal sets.
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### C3.4

#### (C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Direct costs Indirect costs Capital expenditures Access to capital Assets	<p>It is Starbucks core mission to leverage its scale for good. Our investments into our supply chain operations through ethical sourcing, R&amp;D, and efficiency projects are founded on this principle. Additionally, climate-related risks and opportunities make up the underlying foundation of Starbucks' financial planning by virtue of being a company dependent on an agricultural commodity. In January 2020, we announced a multi-decade aspiration to be a resource-positive company, giving more than we take from the planet. This means storing more carbon than we emit, eliminating waste, and replenishing more freshwater than we use. We set reduction targets, pledging to cut our carbon, water and waste footprints by half, working from a 2019 baseline. Recognizing the energy consumption, and subsequent emissions, associated with our stores, operations, manufacturing, and delivery, Starbucks continued to prioritize diversifying our renewable energy portfolio in the U.S. in FY20. Investment in renewable energy bolsters the resilience and environmental benefits of our operations and local communities. Diversifying energy sources influences capital expenditures and indirect cost planning by requiring upfront costs of investment and assessing the payback period and eventual cost savings of installations.</p> <p>As a case study, Starbucks purchases enough renewable energy to power 100% of our company-operated locations in the U.S., Canada and Europe. We invest in clean, green energy to power our stores, reduce our environmental impact, and support access to green power, and continue to use our scale to drive innovation across the renewable energy sector. Our investments in renewable energy have made us a leader in the retail sector for the past two years. Severe weather, extreme temperature, and other climate-related risks could cause significant business disruptions. By</p>

		<p>diversifying our energy portfolio, Starbucks is mitigating against revenue losses, as well as direct and indirect costs, by supporting the ability of our stores, operations, and communities to bounce back after climate-related events. In New York state, Starbucks invested nearly \$97 million in up to 23 new community solar projects, which will supply solar energy to 24,000+ households, small businesses, non-profits, churches, universities and Starbucks Stores in 2020. In Virginia, we finalized an agreement with a solar farm that will offset 50% of our company-operated roasting and beverage production sites' electricity consumption in the U.S. by 2022. In California, we launched the company's first next generation on-site solar store, and we have entered into a Virtual Power Purchase Agreement (VPPA) and Virtual Storage Agreement (VSA) that will provide renewable energy for more than 550 of our stores with solar energy and utility-scale batteries. At home in Washington state, a new wind project is providing renewable energy to about 140 of our stores and our Kent Roasting Plant, along with numerous nearby communities. We plan to continue this strategy as we look to demonstrate our commitment to renewable energy and drive additional renewable generation on the grid through additional investment and partnering with developers to bring new projects online. Looking ahead, we are developing climate justice criteria to apply to new projects beyond our existing portfolio of \$375 million in renewable energy commitments and investments.</p>
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## C3.4a

**(C3.4a) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).**

## C4. Targets and performance

### C4.1

**(C4.1) Did you have an emissions target that was active in the reporting year?**

Absolute target

## C4.1a

**(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.**

---

**Target reference number**

Abs 1

**Year target was set**

2020

**Target coverage**

Company-wide

**Scope(s) (or Scope 3 category)**

Scope 1+2 (location-based) +3 (upstream & downstream)

**Base year**

2019

**Covered emissions in base year (metric tons CO<sub>2</sub>e)**

14,570,000

**Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)**

100

**Target year**

2030

**Targeted reduction from base year (%)**

50

**Covered emissions in target year (metric tons CO2e) [auto-calculated]**

7,285,000

**Covered emissions in reporting year (metric tons CO2e)**

12,907,000

**% of target achieved [auto-calculated]**

22.8277282086

**Target status in reporting year**

Underway

**Is this a science-based target?**

Yes, and this target has been approved by the Science-Based Targets initiative

**Target ambition**

1.5°C aligned

**Please explain (including target coverage)**

In January 2020, we announced a multi-decade aspiration to be a resource-positive company, giving more than we take from the planet. This means storing more carbon than we emit, eliminating waste and replenishing more freshwater than we use. We set preliminary 2030 reduction targets, pledging to cut company-wide carbon, water and waste footprints by half, working from a 2018 baseline. Since then, our carbon goal has been validated as science-based from the Science Based Targets Initiative (SBTi), and as part of the validation process we adjusted our baseline year for all three reduction targets to FY19. The SBTi has confirmed that our scope 1 and 2 portion of our 2030 carbon target is aligned with a 1.5°C pathway, the most ambitious level they validate.

## C4.2

**(C4.2) Did you have any other climate-related targets that were active in the reporting year?**

Target(s) to increase low-carbon energy consumption or production

Net-zero target(s)

Other climate-related target(s)

## C4.2a

**(C4.2a) Provide details of your target(s) to increase low-carbon energy consumption or production.**

---

**Target reference number**

Low 1

**Year target was set**

2015

**Target coverage**

Company-wide

**Target type: absolute or intensity**

Absolute

**Target type: energy carrier**

Electricity

**Target type: activity**

Consumption

**Target type: energy source**

Renewable energy source(s) only

**Metric (target numerator if reporting an intensity target)**

Percentage

**Target denominator (intensity targets only)**

**Base year**

2001

**Figure or percentage in base year**

0

**Target year**

2020

**Figure or percentage in target year**

100

**Figure or percentage in reporting year**

72

**% of target achieved [auto-calculated]**

72

**Target status in reporting year**

Expired

**Is this target part of an emissions target?**

Abs 1: Our aspiration is to become resource positive – storing more carbon than we emit, eliminating waste, and providing cleaner freshwater than we use. This aspiration is grounded in Starbucks mission. By embracing a longer-term economic, equitable and planetary value proposition for our company, we will create greater value for all stakeholders. As part of our preliminary 2030 targets we've committed to a 50% reduction in carbon emissions in our direct operations and supply chain. Our goal to increase our investment in renewable energy will contribute to our emission reduction target.

**Is this target part of an overarching initiative?**

RE100

**Please explain (including target coverage)**

In 2015 we joined the RE100 initiative and set a company-wide target to achieve 100% renewable electricity consumption by 2020 in global company operations. By the reporting year, we had achieved 72% renewable electricity consumption, with 100% renewable energy sourcing of company operated facilities in Canada, EMEA and the U.S. Due to market constraints in China and Japan we were unable to reach our 2020 goal and are currently in the process of revising our renewable energy target. As members of the RE100, we remain committed to reaching 100% renewable energy globally as access increases in Asian markets. This target is part of our absolute GHG emission reduction target.

## C4.2b

**(C4.2b) Provide details of any other climate-related targets, including methane reduction targets.**

---

**Target reference number**

Oth 1

**Year target was set**

2018

**Target coverage**

Company-wide

**Target type: absolute or intensity**

Absolute

**Target type: category & Metric (target numerator if reporting an intensity target)**

Low-carbon buildings

Other, please specify

Number of greener stores built and operated globally

**Target denominator (intensity targets only)**

**Base year**

2016

**Figure or percentage in base year**

0

**Target year**

2025

**Figure or percentage in target year**

10,000

**Figure or percentage in reporting year**

2,317

**% of target achieved [auto-calculated]**

23.17

**Target status in reporting year**

Underway

**Is this target part of an emissions target?**

Abs 1: Our aspiration is to become resource positive – storing more carbon than we emit, eliminating waste, and providing cleaner freshwater than we use. This aspiration is grounded in Starbucks mission. By embracing a longer-term economic, equitable and planetary value proposition for our company, we will create greater value for all stakeholders. As part of our preliminary 2030 targets we've committed to a 50% reduction in carbon emissions in our direct operations and supply chain. As part of this target we've committed to innovate to develop more eco-friendly stores, operations, manufacturing and delivery.

**Is this target part of an overarching initiative?**



No, it's not part of an overarching initiative

**Please explain (including target coverage)**

Through our open-source Starbucks Greener Stores framework, developed in partnership with the World Wildlife Fund (WWF) and in collaboration with other nongovernmental organizations, we have created a new benchmark in retail for design, construction and operation. In FY20, our second year of certifying stores, we tripled the number of stores in the Greener Stores network to a total of 2,317 certified stores in the U.S. and Canada. Circumstances surrounding COVID-19 slowed some areas of progress, but it also provided an opportunity for us to build on learnings from our first year to optimize standards to reflect the needs of our diverse store portfolio. We also saw stores improving their adoption of Greener Store standards, such as energy efficiency and recycling, thanks in part to partners' (employees) growing interest and motivation surrounding sustainability.

---

**Target reference number**

Oth 2

**Year target was set**

2020

**Target coverage**

Company-wide

**Target type: absolute or intensity**

Absolute

**Target type: category & Metric (target numerator if reporting an intensity target)**

Waste management

Other, please specify

metric tons of waste sent to landfill, incineration, sewage, litter and mismanaged

**Target denominator (intensity targets only)**

**Base year**

2019

**Figure or percentage in base year**

609,000

**Target year**

2030

**Figure or percentage in target year**

304,500

**Figure or percentage in reporting year**

536,000

**% of target achieved [auto-calculated]**

23.973727422

**Target status in reporting year**

New

**Is this target part of an emissions target?**

Abs 1

**Is this target part of an overarching initiative?**

Other, please specify

Ellen MacArthur Foundation New Plastics Economy Global Commitment

**Please explain (including target coverage)**

In January 2020, Starbucks announced our commitment to reduce waste sent to landfill from direct operations and stores (licensed and company operated), inclusive of packaging provided to customers in stores that is disposed of off-site. In our measurement of waste sent to landfill we include all non-diverted materials destined for landfill, incineration, sewage, litter and mismanagement (where regionally applicable). Diverted materials, based on SASB's definition of diverted waste, includes materials recycled and composted. We also measure avoided waste, including food donated and organic inedible materials sent for use as animal feed.

---

**Target reference number**

Oth 3

**Year target was set**

2021

**Target coverage**

Product level

**Target type: absolute or intensity**

Absolute

**Target type: category & Metric (target numerator if reporting an intensity target)**

Other, please specify

Other, please specify

Carbon neutral green coffee (coffee at origin), metric tons of GHG emissions associated with carbon from farm to port

**Target denominator (intensity targets only)**

**Base year**

2019

**Figure or percentage in base year**

2,259,000

**Target year**

2030

**Figure or percentage in target year**

0

**Figure or percentage in reporting year**

1,936,000

**% of target achieved [auto-calculated]**

14.2983621071

**Target status in reporting year**

New

**Is this target part of an emissions target?**

Abs 1

**Is this target part of an overarching initiative?**

No, it's not part of an overarching initiative

**Please explain (including target coverage)**

As part of the company's commitment to be a resource positive company, Starbucks announced a new goal to achieve Carbon Neutral Green Coffee and conserve water usage in green coffee processing by 50% by 2030. This commitment builds on Starbucks work to source coffee responsibly, for the betterment of people and planet, while we also work to empower farmers, improve their livelihoods, and positively impact their communities, all with the aspiration of ensuring a sustainable future of coffee.

Now, in support of the company's path to a Planet Positive future, Starbucks is focusing on its carbon and water footprints at Origin – or what Starbucks refers to as “the first ten feet” (farm to port). With this focus on on-farm activities and land use change, Starbucks is addressing its

largest source of greenhouse gas (GHG) emissions in coffee before the rest of the coffee value chain (like transportation, roasting, or packaging). Starbucks will work to meet its 2030 target of carbon neutral green coffee, reducing greenhouse gas (GHG) emissions in coffee at Origin then compensating for any remaining emission.

## C4.2c

### (C4.2c) Provide details of your net-zero target(s).

---

**Target reference number**

NZ1

**Target coverage**

Company-wide

**Absolute/intensity emission target(s) linked to this net-zero target**

Abs1

**Target year for achieving net zero**

2050

**Is this a science-based target?**

Yes, but we have not committed to seek validation of this target by the Science Based Targets initiative in the next 2 years

**Please explain (including target coverage)**

In July 2020, Starbucks joined Transform to Net Zero as a founding member. The Initiative's objective is to accelerate the transition to a net zero global economy no later than 2050, and as such Starbucks has committed to be Net Zero by 2050.

## C4.3

**(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.**

Yes

### C4.3a

**(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.**

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	293	
To be implemented*	78	
Implementation commenced*	28	
Implemented*	14	
Not to be implemented	0	

### C4.3b

**(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.**

#### Initiative category & Initiative type

Energy efficiency in buildings

Lighting

#### Estimated annual CO2e savings (metric tonnes CO2e)

**Scope(s)**

Scope 2 (location-based)

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**

**Investment required (unit currency – as specified in C0.4)**

**Payback period**

**Estimated lifetime of the initiative**

**Comment**

Starbucks is working to improve tracking of initiatives that drive GHG emission reductions to enable more comprehensively reporting of this information.

We replaced all lamps in front and back of house (BOH) in 4,200 stores in the U.S. Derived approximately 3% annual electricity savings from replacement of LFL lamps in back of house. All lamps and ballasts were recycled. We are on-track to remove al LFL lamps in the U.S. in FY21.

---

**Initiative category & Initiative type**

Energy efficiency in production processes

Waste heat recovery

**Estimated annual CO2e savings (metric tonnes CO2e)**

**Scope(s)**

Scope 1

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**

**Investment required (unit currency – as specified in C0.4)**

**Payback period**

**Estimated lifetime of the initiative**

**Comment**

Starbucks is working to improve tracking of initiatives that drive GHG emission reductions to enable more comprehensively reporting of this information.

In our roasting facilities, we're increasing the energy efficiency of Starbucks natural gas usage through green bean preheating. green bean preheating takes waste heat from the exhaust and heats the beans some. Therefore, the roaster does not have to use as much gas to bring the beans to roasting temperature.

---

**Initiative category & Initiative type**



Waste reduction and material circularity

Waste reduction

**Estimated annual CO2e savings (metric tonnes CO2e)**

**Scope(s)**

Scope 3

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**

**Investment required (unit currency – as specified in C0.4)**

**Payback period**

**Estimated lifetime of the initiative**

**Comment**

Starbucks is working to improve tracking of initiatives that drive GHG emission reductions to enable more comprehensively reporting of this information.

In our effort to eliminate one billion plastic straws a year, we are on track to meet our goal of eliminating plastic straws by the end of 2021. In FY20 we completed the rollout of strawless lids across the U.S. and Canada, which we modeled after our hot drink lid and has approximately 9% less plastic than the flat lid and straw historically used for iced beverages. Unlike traditional plastic straws, the strawless lids can be recycled

in many markets in the U.S. and Canada. We also signed the U.S. Plastics Pact as a call to action for a better waste infrastructure. Last year, Starbucks also eliminated plastic straws from all of its stores in the Chinese mainland, saving about 200 tons of plastic waste annually.

## C4.3c

### (C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Employee engagement	One of the primary functions of the global sustainability team is to facilitate operational functions to support Starbucks sustainability targets. This is done through internal campaigning and engagement. The sustainability team represents as subject matter experts on various projects throughout the company, supporting the integration of sustainability within business units and tracking progress towards our global commitments.
Compliance with regulatory requirements/standards	In the past two years, more and more local governments have begun to regulate foodservice packaging. Starbucks regularly falls under these regulations. Typically, these regulations require compostable packaging and ban non-recyclable single use plastics such as straws, cutlery, and our splash sticks. Wherever these ordinances exist, Starbucks makes the necessary packaging changes to comply. Starbucks is currently affected by packaging laws in more 80 local markets. Starbucks is currently exploring more sustainable packaging that would qualify as acceptable under most mandates. Starbucks is expanding our use of reusable cups, including “Borrow a Cup” as tested in Seattle in Spring 2021 and the use of personal cups and “for here ware,” which reduces the amount of single use cups and other packaging we provide to customers.
Internal incentives/recognition programs	Starbucks has partnered with Arizona State University to launch a sustainability focused education course, free to all partners (employees). The course, called Greener Apron, is a deeply informative education course about sustainability as a concept. It has four modules; 1) Introduction to sustainability 2) Sustainability at Starbucks 3) Greener Aprons: Becoming Resource Positive and 4) Test your Sustainability Knowledge. The course is full of videos and content developed in collaboration with leading academics, NGO leaders, and Starbucks executives. Employees are awarded a pin upon completion of the course and passing a final test with a score of 80%. As of the end of FY20, more than 28,000 partners worldwide have now enrolled in the course. Starbucks actively engages in promotional campaigns to create

	awareness of the initiative as well as encourage completion of the course. Empowering our Partners with the education of sustainability creates champions for reducing our environmental impact across our operations.
Dedicated budget for energy efficiency	The energy management team develops capital and expense requirements to drive towards our energy reduction and renewable energy goals throughout our store portfolio.
Dedicated budget for other emissions reduction activities	<p>Since 2017, Starbucks has been executing on direct investments and long-term contracts to diversify our renewable energy program. These investments and contracts are overseen by the renewable energy steering committee. A priority in FY20 was expanding our roster of renewable energy projects in the U.S., supporting the growth of green energy onto the grid close to the stores that use the energy. We used our scale to drive innovation across the energy sector and support not only our stores but also the communities around our stores:</p> <ul style="list-style-type: none"> <li>• In New York state, Starbucks invested nearly \$ 97 million in up to 23 new community solar projects, which will supply solar energy to 24,000+ households, small businesses, non-profits, churches, universities and Starbucks Stores.</li> <li>• In Virginia, we finalized an agreement with a solar farm that will offset 50% of our company-operated roasting and beverage production sites' electricity consumption in the U.S. by 2022.</li> <li>• In California, we launched the company's first next generation on-site solar store, and we have entered into a Virtual Power Purchase Agreement (VPPA) and Virtual Storage Agreement (VSA) that will provide renewable energy for more than 550 of our stores with solar energy and utility-scale batteries.</li> <li>• At home in Washington state, a new wind project is providing renewable energy to about 140 of our stores and our Kent Roasting Plant, along with numerous nearby communities.</li> </ul>

## C4.5

**(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?**

Yes

## C4.5a

**(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.**

---

**Level of aggregation**

Group of products

**Description of product/Group of products**

Expanding Starbucks plant-based menu items globally is one of the ways we are pursuing our carbon reduction goal.

**Are these low-carbon product(s) or do they enable avoided emissions?**

Low-carbon product

**Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions**

Estimating and Reporting the Comparative Emissions Impacts of Products (WRI)

**% revenue from low carbon product(s) in the reporting year**

**Comment**

Revenue information is not available.

Expanding Starbucks plant-based menu items globally is one of the ways we are pursuing our carbon reduction goal. Our aim is to provide customers with a variety of choices. Starbucks stores around the globe launched new plant-based menu options in FY20. Most significantly, Canada, China and the U.S. introduced oatmilk; the U.S. introduced the Impossible™ Breakfast Sandwich; and Canada and China introduced breakfast sandwiches using Beyond Meat® products.

## C5. Emissions methodology

### C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

#### Scope 1

---

**Base year start**

October 1, 2018

**Base year end**

September 30, 2019

**Base year emissions (metric tons CO<sub>2</sub>e)**

381,200

**Comment**

#### Scope 2 (location-based)

---

**Base year start**

October 1, 2018

**Base year end**

September 30, 2019

**Base year emissions (metric tons CO<sub>2</sub>e)**

790,000

**Comment**

**Scope 2 (market-based)**

---

**Base year start**

October 1, 2018

**Base year end**

September 30, 2019

**Base year emissions (metric tons CO<sub>2</sub>e)**

282,000

**Comment**

## C5.2

**(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.**

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

## C6. Emissions data

### C6.1

**(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO<sub>2</sub>e?**

**Reporting year**

---

**Gross global Scope 1 emissions (metric tons CO2e)**

309,570

**Comment**

Scope 1 emissions reported in Starbucks FY20 Global Environmental and Social Impact Report were rounded to thousands of metric tons.

## C6.2

**(C6.2) Describe your organization's approach to reporting Scope 2 emissions.**

**Row 1**

**Scope 2, location-based**

We are reporting a Scope 2, location-based figure

**Scope 2, market-based**

We are reporting a Scope 2, market-based figure

**Comment**

The Market-based calculation approach applies the renewable energy purchases against same-market usage as per the Scope 2 and RE:100 recommended methodology. All licensed stores are considered in Scope 3.

## C6.3

**(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?**

**Reporting year**

**Scope 2, location-based**

794,386

**Scope 2, market-based (if applicable)**

317,118

**Comment**

Scope 2 emissions reported in Starbucks FY20 Global Environmental and Social Impact Report were rounded to thousands of metric tons.

**C6.4**

**(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?**

No

**C6.5**

**(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.**

**Purchased goods and services**

---

**Evaluation status**

Relevant, calculated

**Metric tonnes CO2e**

8,139,324

**Emissions calculation methodology**

Emissions were calculated using quantities of purchased materials for the top categories' coffee, dairy, food, ingredients for beverages, packaging, and others. For purchased goods and services, the databases used include World Food Life Cycle Database, Ecoinvent 3.3 life cycle database, and the US input Output (I/O) v2002 database. The data was primarily gathered on a weight-basis rather than a spend basis. The computations were carried out in Excel. Regionalized, production-specific emission factors were used for green coffee produced in. Quantis LUC methodology based on NCS guidelines uses FAOSTAT data as an input to calculate LUC based on land use and crop area at country level. This data is collected every year from 1990 to the most recent year available for each crop and country. Land Use Change is limited to the



available data for specific sourcing countries for each commodity purchased. Starbucks is continuously striving to increase data quality and GHG emissions accuracy for scope 3.

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

83

**Please explain**

**Capital goods**

---

**Evaluation status**

Relevant, calculated

**Metric tonnes CO2e**

975,782

**Emissions calculation methodology**

For capital goods, life cycle inventory data comes from the Environmental Input Output LCA database (EIO LCA 2002 (system expansion)).

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

100

**Please explain**

**Fuel-and-energy-related activities (not included in Scope 1 or 2)**

---

**Evaluation status**

Relevant, calculated

**Metric tonnes CO2e**

1,174,000

### **Emissions calculation methodology**

Indirect electricity impact (i.e., the production and delivery of electricity) is assumed to be 20% of direct emissions (combustion) based on empirical Ecoinvent datasets for electricity emissions. Both direct and indirect emissions are modelled for company-operated locations across markets for retail, non-retail, and other facilities across relevant markets. For emissions, 100% (i.e., combustion and production) are estimated for licensed stores using the average kWh per company-owned retail store multiplied by the number of licensed stores, using region specific averages, where possible. The public grid EF was computed using USEPA eGRID 2018 factors and international sites relied on IEA 2018 EFs.

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

57

### **Please explain**

## **Upstream transportation and distribution**

---

### **Evaluation status**

Relevant, calculated

### **Metric tonnes CO2e**

378,754

### **Emissions calculation methodology**

Emission factors for truck transport per tkm are reliant on Ecoinvent v3.3. To estimate dairy (from suppliers to distribution centers) and fresh food (from kitchen to distribution centers), an estimated distance of 300km was multiplied by total quantities assumed to be transported. To estimate delivery of green coffee from farm to port, the total mass of green coffee was multiplied by an assumed distance of 300 km. From port to Starbucks distribution centers, the primary calculation of CO2e is provided by Starbucks logistic partners and divided between transportation modes (i.e., air, intermodal, LTL, Ocean, TL, TL/LTL Mix). For delivery from distribution centers to stores, fuel consumption was obtained for each market regions= and converted to tkm based on Ecoinvent conversion factors. The computations were carried out in Excel.

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

98

**Please explain**

**Waste generated in operations**

---

**Evaluation status**

Relevant, calculated

**Metric tonnes CO<sub>2</sub>e**

287,643

**Emissions calculation methodology**

Data was provided for the US, Canada, UK, China, and Japan for company owned store waste operations as well as non-retail operations for operated facilities, for landfill, recycling, composting, and incineration. Data gaps were filled by extrapolating actual data based on sales per region. GHG emissions from food waste were calculated following the Food Lost and Waste protocol reconciling it with the GHG Protocol cut-off approach. Packaging waste emissions were estimated using Ecoinvent emission factors.

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

69

**Please explain**

**Business travel**

---

**Evaluation status**

Relevant, calculated

**Metric tonnes CO<sub>2</sub>e**

9,090

**Emissions calculation methodology**

The emission factor was calculated based on FY2019 carbon emissions reports. It was calculated as a weighted average from total mileage and Kg CO<sub>2</sub>eq as provided in carbon emission reports in 2019. Total air mileage was split per company-owned market based on representative of global sales (i.e., US, Canada, China, Japan, EMEA)

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

100

**Please explain**

**Employee commuting**

---

**Evaluation status**

Relevant, calculated

**Metric tonnes CO<sub>2</sub>e**

925,953

**Emissions calculation methodology**

Employee commuting emissions are estimated using an assumption for number of employees commuting by specific mode of transportation during a 240-workday year.

We assume two trips per day and estimate an average km by mode. Emission factors for person-kilometers by different modes of transport are from Ecoinvent v3.3. The computations were carried out in Excel.

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

0

**Please explain**

## Upstream leased assets

---

### Evaluation status

Not relevant, explanation provided

### Please explain

Emissions from upstream leased assets are included in our scope 1 and 2 inventory.

## Downstream transportation and distribution

---

### Evaluation status

Not relevant, explanation provided

### Please explain

Downstream transportation impacts are minimal and were not calculated separately.

## Processing of sold products

---

### Evaluation status

Relevant, calculated

### Metric tonnes CO<sub>2</sub>e

40,820

### Emissions calculation methodology

Electricity and water use impact are calculated based on external manufacturers data provided.

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

### Please explain

## Use of sold products

---

### Evaluation status

Relevant, calculated

### Metric tonnes CO<sub>2</sub>e

127,810

### Emissions calculation methodology

The amount of green coffee brewed at home is calculated using the total green coffee purchased multiplied by the percentage of coffee or tea destined for retail—the quantity that is not being brewed at a Starbucks-operated store. A 30% shrinkage rate due to water loss in the roasting process is considered. The mass of tea being brewed at home is estimated based on Starbucks purchases. Electricity use and water consumption is estimated based on ecoinvent v3.3 datasets and Quantis expert guidance.

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

### Please explain

## End of life treatment of sold products

---

### Evaluation status

Relevant, calculated

### Metric tonnes CO<sub>2</sub>e

228,355

### Emissions calculation methodology

End of life treatment of sold products was extrapolated from stores' "in-store" waste. Of packaging purchased by Starbucks, 85% is assumed to be disposed of outside of stores. The remaining 15% represents in-store disposal and is accounted for in category 5. Similar procedures were used to estimate "out-of-store" food waste, assuming that 67% of food waste happens out of stores according to Starbucks data. Out of store waste was assumed to follow the same fate, proportionally, as in-store waste. The same emission factors were used for food waste and packaging waste in category 5 and 12.

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

9

**Please explain**

**Downstream leased assets**

---

**Evaluation status**

Not relevant, explanation provided

**Please explain**

Starbucks does not act as a lessor.

**Franchises**

---

**Evaluation status**

Not relevant, explanation provided

**Please explain**

Emissions data included in other Scope 3 categories, as appropriate.

**Investments**

---

**Evaluation status**

Relevant, calculated

**Metric tonnes CO2e**

120

**Emissions calculation methodology**

Calculated based on EIO LCA. US 2007 Producer model. Food, Beverage and Tobacco sector, Coffee and Tea subsector.

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

0

**Please explain**

**Other (upstream)**

---

**Evaluation status**

Not relevant, explanation provided

**Please explain**

All relevant emissions are captured in other categories.

**Other (downstream)**

---

**Evaluation status**

Not relevant, explanation provided

**Please explain**

All relevant emissions are captured in other categories.

## C6.7

**(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?**

No



## C6.10

**(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO<sub>2</sub>e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.**

---

**Intensity figure**

0.000026

**Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO<sub>2</sub>e)**

627,000

**Metric denominator**

unit total revenue

**Metric denominator: Unit total**

23,518,000,000

**Scope 2 figure used**

Market-based

**% change from previous year**

6.6

**Direction of change**

Increased

**Reason for change**

In FY20, net revenues decreased due to the covid-19 pandemic. While our GHG emissions from FY20 also decreased as a result of a drop in business activity related to the Covid-19 pandemic, those results are not uniform. Scope 2 (location-based) emissions increased in FY20 mainly

because Starbucks increased the number of stores in China and Japan, increasing our electricity usage in these regions. We do not currently purchase renewable energy in these regions due to market constraints.

## C7. Emissions breakdowns

### C7.1

**(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?**

Yes

### C7.1a

**(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).**

Greenhouse gas	Scope 1 emissions (metric tons of CO <sub>2</sub> e)	GWP Reference
CO <sub>2</sub>	142,196	IPCC Fifth Assessment Report (AR5 – 100 year)
CH <sub>4</sub>	430	IPCC Fifth Assessment Report (AR5 – 100 year)
N <sub>2</sub> O	138,954	IPCC Fifth Assessment Report (AR5 – 100 year)
Other, please specify R404A	7,843	IPCC Fifth Assessment Report (AR5 – 100 year)
Other, please specify HCFC 22	42	IPCC Fifth Assessment Report (AR5 – 100 year)
Other, please specify R-134A	397	IPCC Fifth Assessment Report (AR5 – 100 year)
Other, please specify R-290	0.4	IPCC Fifth Assessment Report (AR5 – 100 year)

Other, please specify R-410A	19,709	IPCC Fifth Assessment Report (AR5 – 100 year)
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## C7.2

**(C7.2) Break down your total gross global Scope 1 emissions by country/region.**

Country/Region	Scope 1 emissions (metric tons CO <sub>2</sub> e)
Europe, Middle East and Africa (EMEA)	6,393
United States of America	245,359
Canada	9,339
China	28,688
Japan	19,793

## C7.3

**(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.**

By activity

### C7.3c

**(C7.3c) Break down your total gross global Scope 1 emissions by business activity.**

Activity	Scope 1 emissions (metric tons CO <sub>2</sub> e)
Stationary combustion, coffee roasting	140,290
Mobile combustion, transportation	1,727

Fugitive Emissions, refrigeration	167,554
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## C7.5

**(C7.5) Break down your total gross global Scope 2 emissions by country/region.**

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted for in Scope 2 market-based approach (MWh)
Europe, Middle East and Africa (EMEA)	6,724	0	26,475	26,475
United States of America	447,203	0	1,146,773	1,146,773
Canada	23,341	0	136,000	136,000
China	252,482	252,482	402,875	0
Japan	64,636	64,636	118,860	0

## C7.6

**(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.**

By activity

### C7.6c

**(C7.6c) Break down your total gross global Scope 2 emissions by business activity.**

Activity	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
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Company-operated retail	750,319	314,185
Company-operated non-retail	44,067	2,933

## C7.9

**(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?**

Decreased

## C7.9a

**(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.**

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	35,000	Increased	5	Increased electricity consumption from more retail stores in China and Japan. We do not currently source renewable energy in these markets. The numerator is 35,000 metric tons CO2e and the denominator is the combined scope 1 and scope 2 market-based emissions from 2019: 662,900 metric tons CO2e. We arrived at 5 percent by dividing the increase by the denominator $[(35,000 / 662,900) * 100\% = 5\%]$ .
Other emissions reduction activities				
Divestment				

Acquisitions				
Mergers				
Change in output				
Change in methodology				
Change in boundary				
Change in physical operating conditions				
Unidentified				
Other	71,000	Decreased	11	Reduction was due to multiple sources. There was decrease of fuel consumption for company-owned vehicles, nitrous gas, and natural gas due to COVID-impacts to Starbucks business activities. The numerator is 35,000 metric tons CO <sub>2</sub> e and the denominator is the combined scope 1 and scope 2 market-based emissions from 2019: 662,900 metric tons CO <sub>2</sub> e. We arrived at 11 percent by dividing the decrease by the denominator $[(71,000 / 662,900) * 100\% = 11\%]$ .

## C7.9b

**(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?**

Market-based

## C8. Energy

### C8.1

**(C8.1) What percentage of your total operational spend in the reporting year was on energy?**

More than 0% but less than or equal to 5%

### C8.2

**(C8.2) Select which energy-related activities your organization has undertaken.**

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	No

### C8.2a

**(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.**

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	LHV (lower heating value)	0	589,522	589,522

Consumption of purchased or acquired electricity		1,309,696	522,046	1,831,742
Total energy consumption		1,309,696	1,111,568	2,421,264

## C8.2b

**(C8.2b) Select the applications of your organization's consumption of fuel.**

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of heat	No
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

## C8.2c

**(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.**

### Fuels (excluding feedstocks)

Jet Gasoline

### Heating value

LHV (lower heating value)

### Total fuel MWh consumed by the organization

6,928



**MWh fuel consumed for self-generation of electricity**

0

**MWh fuel consumed for self-generation of heat**

6,928

**Emission factor**

9.76

**Unit**

kg CO2e per gallon

**Emissions factor source**

Ecoinvent

**Comment**

---

**Fuels (excluding feedstocks)**

Natural Gas

**Heating value**

LHV (lower heating value)

**Total fuel MWh consumed by the organization**

579,018

**MWh fuel consumed for self-generation of electricity**

0

**MWh fuel consumed for self-generation of heat**

579,018

**Emission factor**

56.1

**Unit**

kg CO2 per GJ

**Emissions factor source**

WRI EF Compilation (2017)

**Comment**

---

**Fuels (excluding feedstocks)**

Propane Liquid

**Heating value**

LHV (lower heating value)

**Total fuel MWh consumed by the organization**

2,835

**MWh fuel consumed for self-generation of electricity**

0

**MWh fuel consumed for self-generation of heat**

2,835

**Emission factor**

0.22

**Unit**

kg CO<sub>2</sub>e per KWh

**Emissions factor source**

ASHRAE standard, AR-5

**Comment**

This information was excluded from our FY20 Global Environmental and Social Report. We plan to restate total energy use for FY20 with the corrected figure in our next report.

---

**Fuels (excluding feedstocks)**

Diesel

**Heating value**

LHV (lower heating value)

**Total fuel MWh consumed by the organization**

741

**MWh fuel consumed for self-generation of electricity**

0

**MWh fuel consumed for self-generation of heat**

741

**Emission factor**

10.16

**Unit**

kg CO2e per gallon

**Emissions factor source**

GHG Protocol (2014)

**Comment**

## C8.2e

**(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero emission factor in the market-based Scope 2 figure reported in C6.3.**

---

**Sourcing method**

Power purchase agreement (PPA) with a grid-connected generator with energy attribute certificates

**Low-carbon technology type**

Solar

**Country/area of consumption of low-carbon electricity, heat, steam or cooling**

United States of America

**MWh consumed accounted for at a zero emission factor**

105,303

**Comment**

VPPA

---

**Sourcing method**

Power purchase agreement (PPA) with a grid-connected generator with energy attribute certificates

**Low-carbon technology type**

Wind

**Country/area of consumption of low-carbon electricity, heat, steam or cooling**

United States of America

**MWh consumed accounted for at a zero emission factor**

106,000

**Comment**

VPPA

---

**Sourcing method**

Green electricity products (e.g. green tariffs) from an energy supplier, supported by energy attribute certificates

**Low-carbon technology type**

Solar

**Country/area of consumption of low-carbon electricity, heat, steam or cooling**

United States of America

**MWh consumed accounted for at a zero emission factor**

30,566

**Comment**

---

**Sourcing method**

Green electricity products (e.g. green tariffs) from an energy supplier, supported by energy attribute certificates

**Low-carbon technology type**

Wind

**Country/area of consumption of low-carbon electricity, heat, steam or cooling**

United States of America

**MWh consumed accounted for at a zero emission factor**

22,014

**Comment**

---

**Sourcing method**

Green electricity products (e.g. green tariffs) from an energy supplier, supported by energy attribute certificates

**Low-carbon technology type**

Low-carbon energy mix

**Country/area of consumption of low-carbon electricity, heat, steam or cooling**

United States of America

**MWh consumed accounted for at a zero emission factor**

16,265

**Comment**

---

**Sourcing method**

Green electricity products (e.g. green tariffs) from an energy supplier, supported by energy attribute certificates

**Low-carbon technology type**

Low-carbon energy mix

**Country/area of consumption of low-carbon electricity, heat, steam or cooling**

United States of America

**MWh consumed accounted for at a zero emission factor**

18,620

**Comment**

---

**Sourcing method**

Unbundled energy attribute certificates, Renewable Energy Certificates (RECs)

**Low-carbon technology type**

Solar

**Country/area of consumption of low-carbon electricity, heat, steam or cooling**

United States of America

**MWh consumed accounted for at a zero emission factor**

328,351

## Comment

---

### Sourcing method

Unbundled energy attribute certificates, Renewable Energy Certificates (RECs)

### Low-carbon technology type

Wind

### Country/area of consumption of low-carbon electricity, heat, steam or cooling

United States of America

### MWh consumed accounted for at a zero emission factor

426,242

## Comment

---

### Sourcing method

Unbundled energy attribute certificates, International REC Standard (I-RECs)

### Low-carbon technology type

Solar

### Country/area of consumption of low-carbon electricity, heat, steam or cooling

Canada

### MWh consumed accounted for at a zero emission factor



136,000

**Comment**

---

**Sourcing method**

Unbundled energy attribute certificates, Renewable Energy Certificates (RECs)

**Low-carbon technology type**

Low-carbon energy mix

**Country/area of consumption of low-carbon electricity, heat, steam or cooling**

United States of America

**MWh consumed accounted for at a zero emission factor**

93,412

**Comment**

---

**Sourcing method**

Unbundled energy attribute certificates, Guarantees of Origin

**Low-carbon technology type**

Hydropower

**Country/area of consumption of low-carbon electricity, heat, steam or cooling**

Netherlands

**MWh consumed accounted for at a zero emission factor**

2,131

**Comment**

---

**Sourcing method**

Unbundled energy attribute certificates, Guarantees of Origin

**Low-carbon technology type**

Low-carbon energy mix

**Country/area of consumption of low-carbon electricity, heat, steam or cooling**

United Kingdom of Great Britain and Northern Ireland

**MWh consumed accounted for at a zero emission factor**

19,561

**Comment**

---

**Sourcing method**

Green electricity products (e.g. green tariffs) from an energy supplier, supported by energy attribute certificates

**Low-carbon technology type**

Low-carbon energy mix

**Country/area of consumption of low-carbon electricity, heat, steam or cooling**

Austria

**MWh consumed accounted for at a zero emission factor**

1,339

**Comment**

---

**Sourcing method**

Green electricity products (e.g. green tariffs) from an energy supplier, supported by energy attribute certificates

**Low-carbon technology type**

Low-carbon energy mix

**Country/area of consumption of low-carbon electricity, heat, steam or cooling**

Switzerland

**MWh consumed accounted for at a zero emission factor**

3,374

**Comment**

---

**Sourcing method**

Green electricity products (e.g. green tariffs) from an energy supplier, supported by energy attribute certificates

**Low-carbon technology type**

Low-carbon energy mix

**Country/area of consumption of low-carbon electricity, heat, steam or cooling**

Italy

**MWh consumed accounted for at a zero emission factor**

69

**Comment**

## C9. Additional metrics

### C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

## C10. Verification

### C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

## C10.1a

**(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.**

---

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Moderate assurance

**Attach the statement**

 Starbucks\_2020 Verification Report 042921\_final.pdf

**Page/ section reference**

Page 1-2

**Relevant standard**

AA1000AS

**Proportion of reported emissions verified (%)**

100

## C10.1b

**(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.**

---

**Scope 2 approach**

Scope 2 market-based

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Moderate assurance

**Attach the statement**

 Starbucks\_2020 Verification Report 042921\_final.pdf

**Page/ section reference**

Pages 1-2

**Relevant standard**

AA1000AS

**Proportion of reported emissions verified (%)**

100

## C10.1c

**(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.**

---

**Scope 3 category**

Scope 3: Business travel

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Moderate assurance

**Attach the statement**

 Starbucks\_2020 Verification Report 042921\_final.pdf

**Page/section reference**

Pages 1-2

**Relevant standard**

AA1000AS

**Proportion of reported emissions verified (%)**

100

## C10.2

**(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?**

No, but we are actively considering verifying within the next two years

## C11. Carbon pricing

### C11.1

**(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?**

No, and we do not anticipate being regulated in the next three years

### C11.2

**(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?**

No

### C11.3

**(C11.3) Does your organization use an internal price on carbon?**

No, and we do not currently anticipate doing so in the next two years



## C12. Engagement

### C12.1

#### (C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, our customers

Yes, other partners in the value chain

### C12.1a

#### (C12.1a) Provide details of your climate-related supplier engagement strategy.

---

##### Type of engagement

Innovation & collaboration (changing markets)

##### Details of engagement

Run a campaign to encourage innovation to reduce climate impacts on products and services

##### % of suppliers by number

##### % total procurement spend (direct and indirect)

##### % of supplier-related Scope 3 emissions as reported in C6.5

### **Rationale for the coverage of your engagement**

Starbucks is on a journey to bring a new paper cup liner to market that is both recyclable and compostable. This type of breakthrough innovation, in order to get to scale, will require the partnership of our full cup value chain, from paper board manufacturer to cup converter. The NextGen Cup Challenge, in partnership with OpenIDEO, is the first initiative in this journey. The NextGen Cup Challenge will be open to supply chain leaders, innovators and solution providers that have promising solutions to recovery of single use cups, with a focus on the fiber based hot and cold cup, starting with creating a fully recyclable and/ or compostable cup in North America. While NextGen intends to work on the entire cup system, including cups, lids and straws, its first challenge will focus on the fiber-based hot and cold cup, as this is the most significant challenge faced by the industry. Each year, an estimated 600 billion paper and plastic cups are distributed worldwide. Most of these are not recyclable or compostable. The NextGen Cup Consortium and Challenge launched in 2018 to bring together entrepreneurs, industry, and recyclers to identify and commercialize the next generation of recyclable and/or compostable cups. Closed Loop Partners, Starbucks, and McDonald's invite the industry to join this effort to identify a global solution to this shared challenge.

### **Impact of engagement, including measures of success**

Starbucks as founding member of the NextGen Consortium, is now engaging our incumbent supply base to partner in bringing the new winning technologies of NextGen to market. This project will be successful once these new recyclable and compostable liners have been scaled to market and coffee cups are widely acceptable material in recycling streams.

In 2020, Starbucks identified one of the cup solutions ready to introduce into the hands of partners and customers to test the overall experience in stores. The cup, tested in select stores in Vancouver, Seattle, San Francisco, New York and London for a limited time, featured an innovative cup liner, called BioPBS™, which makes the cup certified compostable and recyclable.

### **Comment**

Starbucks is currently working with Closed Loop Partners, the Consortium and other businesses on continuing to test and validate the recyclability of the various challenge winners, including the BioPBS™ cup. We are also continuing the work with key stakeholders in the recycling industry to advocate for increasing the overall recyclability of cups and ensure they are ultimately accepted within municipalities.

The journey to find a more sustainable cup solution is part of Starbucks aspiration to be resource positive, giving more than it takes from the planet. In addition to market testing, the company continues to evaluate a variety of NextGen Cup Challenge winning concepts and cup

technologies, as well as plans to learn from other reusable and recyclable innovations to find the best sustainable solutions for its business, partners (employees) and customers.

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**Type of engagement**

Engagement & incentivization (changing supplier behavior)

**Details of engagement**

Run an engagement campaign to educate suppliers about climate change

**% of suppliers by number**

**% total procurement spend (direct and indirect)**

**% of supplier-related Scope 3 emissions as reported in C6.5**

**Rationale for the coverage of your engagement**

Starbucks is committed to making coffee the world's first sustainable product and to subsequently improve the lives of at least 1 million people in coffee communities around the world. Starbucks is dedicated to helping farmers overcome the challenges facing coffee communities. We are committed to buying 100 percent ethically sourced coffee in partnership with Conservation International. To improve productivity and sustainability, we share our research and resources through our Farmer Support Centers—located in coffee-producing countries around the world. They're open to farmers regardless of whether they sell to us. Thanks to the support of our customers, we're also donating millions of disease-resistant trees to help farmers fight threats like coffee leaf rust. And through our Global Farmer Fund program, we're investing \$50 million toward financing for farmers, allowing them to renovate their farm or pursue more sustainable practices. Now we're collaborating with the industry to make coffee the world's first sustainable agricultural product, as a founding member of the Sustainable Coffee Challenge. In total, Starbucks has invested more than \$100 million in supporting coffee communities. Collaborative farmer programs and activities – including

Coffee and Farmer Equity (C.A.F.E.) Practices, farmer support centers, farmer loans and forest carbon projects. All these programs directly support improving farmer livelihoods and ensuring a long-term supply of high-quality coffee for the industry.

### **Impact of engagement, including measures of success**

We know that the most pressing issues in coffee can't be solved by one company alone, and that the best solutions require everyone coming together to collaborate in bringing about a better future for farmers. Our journey of ethical sourcing requires looking beyond our own supply chain. After achieving our 99% ethically sourced milestone, Starbucks asked "what's next, and how can we work with the whole sector to get to 100% sustainable coffee?" Starbucks is a founding member, alongside a growing coalition of industry leaders, of the Sustainable Coffee Challenge, a call to action led by Conservation International to make coffee the world's first sustainable agriculture product. The challenge is convening the sector to sustain the future supply of coffee while ensuring the prosperity and well-being of farmers and workers and conserving nature. The Sustainable Coffee Challenge is a joint initiative of over 100 partners working together to make coffee the world's first sustainable agricultural product. Members include coffee producers, retailers, traders, roasters, importers, industry associations, governments, donor agencies and other non-governmental organizations (NGOs) that are building a sustainability roadmap for achieving a fully sustainable coffee sector. In 2017 the Sustainable Coffee Challenge launched its first action networks to coordinate industry action and investment. By launching Collective Action Networks, the Challenge will advance sharing of experience and collaboration to significantly advance our progress toward sustainable coffee production. One of the first Action Networks tackles the issue around aging trees and a focus to support tree replacement or rehabilitation. Starbucks commitment to providing 100 million trees to farmers by 2025 has a cumulative effect when added to the work of The Sustainable Coffee Challenge who is working on an industry wide effort to re-plant 1 billion coffee trees.

### **Comment**

From 2015 to 2019, 99% of Starbucks coffee was verified as ethically sourced as measured by C.A.F.E. Practices, our ethical sourcing verification program developed in partnership with Conservation International. In FY20, due to restrictions caused by COVID-19, auditing teams were unable to complete all the necessary in-person, on-farm audits of our coffee production, resulting in expiration for farms whose verification ended in FY20 and were not audited. This resulted in 98.6% of our coffee coming in FY20 from C.A.F.E. Practice-verified farms

In 2020, Starbucks launched a Digital Traceability tool transforms each bag of coffee beans into a digital passport, launching coffee lovers on a virtual expedition to meet farmers, roasters and baristas and to explore coffee-growing regions around the world. The new traceability tool, developed in partnership with Microsoft, is valuable to farmers as well, who are proud of the coffee they grow but who don't always know the final destination of their green coffee beans after they harvest and sell them.

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**Type of engagement**

Innovation & collaboration (changing markets)

**Details of engagement**

Run a campaign to encourage innovation to reduce climate impacts on products and services

Other, please specify

Ethically sourced tea

**% of suppliers by number**

**% total procurement spend (direct and indirect)**

**% of supplier-related Scope 3 emissions as reported in C6.5**

**Rationale for the coverage of your engagement**

The journey to produce ethically sourced tea begins with tea farmers. Like most tea companies, we do not produce our own tea or own the factories that process teas into specialty black, oolong, white and green teas. We purchase or source tea from the farmers worldwide who have generations of technical expertise and equipment to produce top quality teas. At tea origin, we make purchasing decisions based on a vetting approach that includes economic accountability and transparency, social responsibility, environmental leadership and quality.

**Impact of engagement, including measures of success**

For more than 10 years, we have partnered with the Ethical Tea Partnership (ETP) to ensure our tea products are produced with sustainable practices and under safe, transparent and humane working conditions. In an effort to collaborate and strengthen collective action industry-wide, we are members of the Ethical Tea Partnership and the U.S. Tea Association. We believe together we can unlock the potential tea has to improve the lives of tea workers and their communities.

### Comment

We are evolving and improving our ethical sourcing standard by working closely with local and international organizations including NGOs, government organizations and certifiers to ensure our approach is comprehensive to positively impact the natural environments of tea production and the next generation of tea farmers. For 13 years, we have supported Mercy Corps' Community Health and Advancement Initiative (CHAI) Project to provide youth vocational training, health services and water access improvements to more than 100,000 people from 39 rural communities in the Darjeeling and Assam regions in India and in Guatemalan cardamom-growing villages. In 2018, we announced our goal to empower and advance economic opportunities for 250,000 women and their families in coffee and tea communities through The Starbucks Foundation. In 2020, to reach that goal in tea origin communities, The Starbucks Foundation is supporting programs around women's economic leadership, healthy homes and WASH (clean water, sanitation and hygiene with Barefoot College International, UNICEF ETP, The Roger Federer Foundation and CARE International. These projects aim to break down barriers to education, promote clean water and sanitation (WASH), and create economic opportunities for women and girls.

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### Type of engagement

Innovation & collaboration (changing markets)

### Details of engagement

Run a campaign to encourage innovation to reduce climate impacts on products and services

Other, please specify

Ethic U.S. Dairy Net Zero Initiative

### % of suppliers by number

### % total procurement spend (direct and indirect)

### % of supplier-related Scope 3 emissions as reported in C6.5

### **Rationale for the coverage of your engagement**

Just as with its coffee, Starbucks goal is for the products it sells to be produced under high quality and ethical standards. Recognizing this responsibility, Starbucks looks for opportunities to collaborate with suppliers to address changes at the industry level.

In 2020, Starbucks announced intent to support the Dairy Net Zero Initiative, a partnership of the U.S. dairy community seeking to achieve net zero greenhouse gas emissions and improvements in water quality on farms. This collaborative effort is intended to provide farmers in Starbucks supply chain access to effective environmental and economically viable practices and technologies from feed production, to manure handling, cow care, and on-farm energy efficiency.

### **Impact of engagement, including measures of success**

NZI was founded by dairy organizations representing farmers, cooperatives and processors including Dairy Management Inc., the Innovation Center for U.S. Dairy, Newtrient, National Milk Producers Federation, U.S. Dairy Export Council and International Dairy Foods Association. It will help U.S. dairy farms of all sizes and geographies implement new technologies and adopt economically viable practices.

Through foundational science, on-farm pilots and development of new product markets, NZI aims to knock down barriers and create incentives for farmers that will lead to economic viability and positive environmental impact. The initiative is a critical pathway to reach U.S. dairy's environmental stewardship goals, developed by dairy industry leaders and farmers, through the Innovation Center, to achieve carbon neutrality, optimized water usage and improved water quality by 2050.

### **Comment**

"We share Starbucks commitment to creating a more sustainable planet for future generations and look forward to partnering with them to reach net zero carbon emissions for dairy," said Mike Haddad, chairman, Innovation Center for U.S. Dairy. "This partnership reinforces the critical role dairy plays in sustainable diets, and Starbucks participation in the Net Zero Initiative will help enable, advance and scale new technologies on dairy farms of all sizes across the country."

## **C12.1b**

**(C12.1b) Give details of your climate-related engagement strategy with your customers.**

**Type of engagement**

Education/information sharing

**Details of engagement**

Run an engagement campaign to educate customers about the climate change impacts of (using) your products, goods, and/or services

**% of customers by number**

**% of customer - related Scope 3 emissions as reported in C6.5**

**Please explain the rationale for selecting this group of customers and scope of engagement**

Starbucks launched its 'GOOD GOOD' Movement in 2020, inspiring Chinese customers to explore new lifestyles that are good for the planet, starting with the market-wide offering of a plant-based food and beverage menu in partnership with plant-based innovators. The 'GOOD GOOD' movement is an opportunity for Starbucks to bring plant-based and sustainable option to its second largest market: Starbucks has already opened 5,000 stores in 200 cities in mainland China, employing nearly 60,000 partners. This enables us to achieve our promise everyday through our stores. The effort highlights Starbucks conviction to live up to its responsibility as a force for good and use its scale to drive positive change. Starbucks invites new generations of Chinese consumers to effect real change by taking simple actions in their daily lives to make the world better. As a leading innovator in the industry, Starbucks is committed to constantly reimagining its menu to offer a range of food and beverage choices for customers. The company also continues to explore creative new solutions with customers beyond its menu to create a positive impact on the environment and support their lifestyles. The launch of this new platform in China marks another step towards Starbucks global aspiration to become a resource positive company, giving more than it takes from the planet.

As part of its 'GOOD GOOD' movement, Starbucks will be rolling out a range of new sustainable packaging in its stores across the Chinese mainland, including coffee ground straws – the first major food and beverage retail chain in the market to do so at scale. Together with the launch of reusable for-here cold beverage cups and to-go wooden flatware, it marks the latest of Starbucks continuous efforts to reduce environmental impact at every stage of the coffee journey 'from bean to cup'.

To be launched concurrently in Starbucks stores in Shanghai are specially designed reusable for-here cold beverage cups made from food contact resin, which customers can choose to replace single use plastic cups in-store. Developed by Starbucks China's R&D team, the new cup



had undergone rigorous testing for durability, and is able to withstand over 1,000 times of thorough washing and sanitizing. It was first piloted in Guangzhou and Hainan province last December and will be rolled out to the rest of the market by the end of the year.

### **Impact of engagement, including measures of success**

Measures of success of this engagement campaign include: # of strategic partnerships, # of plant-based menu options, # of tons of sustainable packaging use, # of tons of mitigated waste.

Culinary experts from Starbucks created three delicious new dishes inspired by modern, international favorites and designed with the palates of Chinese consumers in mind. Starbucks has partnered with Beyond Meat, Inc. to provide even more choices to consumers through innovative new plant-based offerings. Starbucks is also introduced oatmilk to all stores in China with Oatly, to offer more non-dairy choices for customers. The menu continues to be refreshed, most recently with the launch of two 'GOOD GOOD' limited time offer beverages in March 2020 – the new Oatmilk Velvet Latte, and the return of seasonal favorite Berries Oatmilk Black Tea Macchiato. Packaging for the new menu items is made from compostable, plant-based material which has received OK Compost HOME and INDUSTRIAL certifications, widely recognized international standards. Products also feature a thoughtfully designed sleeve using materials recycled from milk cartons that opens up to form a meal mat, reducing the need for cleaning up. A handle is integrated into the packaging design to remove any need for secondary packaging.

Reusable serve ware will continue to be provided for all in-store consumption. The sustainable packaging and reusable initiatives are estimated to eliminate a total of over 500 tons of plastic and 350 tons of waste per year when fully rolled out. On top of sustainable packaging innovations, Starbucks will continue to promote waste reduction by offering a 4RMB discount for customers who bring their own tumblers/cups.

Additionally, as part of this commitment, the company announced plans to build a Coffee Innovation Park in China by 2022, which aims to become the most energy, water and waste efficient roasting operations for Starbucks around the world.

Last year, Starbucks also eliminated plastic straws from all of its stores in the Chinese mainland, saving about 200 tons of plastic waste annually. It then accelerated the rollout of new waste sorting stations and completed installation in over 80 percent of its stores by the end of September 2020.

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### **Type of engagement**

Collaboration & innovation

### **Details of engagement**

Run a campaign to encourage innovation to reduce climate change impacts

### **% of customers by number**

### **% of customer - related Scope 3 emissions as reported in C6.5**

### **Please explain the rationale for selecting this group of customers and scope of engagement**

As part of our multi-decade aspiration to be a resource-positive company, Starbucks has committed to shift away from single-use to reusable packaging and identify better ways to manage our waste. Also, as part of this aspiration Starbucks is investing in regenerative agriculture, reforestation, forest conservation and water replenishment in our supply chain. Each year, an estimated 600 billion paper and plastic cups are distributed globally and though Starbucks cups only account for an estimated 1 percent of that total, the company is not leaving the problem-solving to others. In 2018 Starbucks committed \$10M in partnership with Closed Loop Partners to create a ground-breaking consortium and launch the NextGen Cup Challenge.

In 2020, we began in-market testing of a new BioPBS™-lined cup in select markets. This is the first step in the development of a global end-to-end solution that would allow cups around the world to be diverted from landfills and recycled or composted. Through the NextGen Cup Challenge, the consortium will award accelerator grants to entrepreneurs working on ideas that could lead to the development of more sustainable cup solutions and, invite customer and industry participation and partnership on the way to identifying a global solution.

On its journey to develop a more recyclable and compostable hot cup solution by 2022, Starbucks announced details for in-market testing of a more sustainable cup technology from the NextGen Cup Challenge. Starting on Monday, March 9th, a new BioPBS™-lined cup will be in circulation in select stores in Vancouver, Seattle, San Francisco, New York and London, which represent a significant sample of our customers.

The tests are designed to provide key insights and learnings into the partner and customer in-store experience with the goal of no noticeable differences in performance between the new cup and current cup. In addition, in conjunction with Closed Loop Partners, Starbucks is conducting separate tests designed to validate that this particular cup technology can be recycled more readily than the current cup.

### **Impact of engagement, including measures of success**

Starbucks measures the success of its campaign and efforts to increase the use of reusable cups by its progress against its goal to double the use of reusable cups from 2016-2022. These indicators include: % of beverages sold in reusable cups, # of pilots, # of markets where Starbucks hot cups are recyclable.

COVID-19 safety measures challenged our ability to allow customers and partners to use personal cups and “for here” ware in our stores, and we paused on those initiatives while using FY20 to conduct consumer and market research to better understand how best to incentivize the use of reusables. In FY20, 1.3% of beverages sold were in reusable cups, either a customer’s personal cup or “for here” ware, in company-operated stores in Canada, EMEA, Japan and the U.S. Meanwhile, we tested single-use cup fees in UK and Germany. And in the UK, Starbucks launched the Circular Cup, a reusable cup made in the UK from approximately six single-use paper cups.

In partnership with Closed Loop Partners and the NextGen Consortium, we worked in FY20 toward our goal to develop 100% compostable and recyclable hot cups. In FY20, five new markets joined the list of major markets where Starbucks hot cups are recyclable. In Canada, stores are funding in-store recycling where it’s possible. As we work to shift away from single-use plastics and champion the use of recycled content in packaging, our hot cups contain 10% post-consumer fiber. In FY20, we joined the Ellen MacArthur Foundation’s New Plastics Economy Global Commitment that’s centered around a vision of a circular economy for plastic in which it never becomes waste. In doing this, we committed to take action to:

- Take action to help eliminate problematic or unnecessary plastic packaging by 2025.
- Take action to move from single-use towards reuse models where relevant by 2025.
- Take action for 100% of plastic packaging to be reusable, recyclable or compostable by 2025.
- Use 5-10% recycled content across all plastic packaging by 2025.

In our effort to eliminate one billion plastic straws a year, we are on track to meet our 2021 goal. In FY20 we completed the rollout of strawless lids across the U.S. and Canada, which has approximately 9% less plastic than the flat lid and straw historically used for iced beverages and can be recycled in many markets in the U.S. and Canada.

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### **Type of engagement**

Education/information sharing

**Details of engagement**

Run an engagement campaign to educate customers about the climate change impacts of (using) your products, goods, and/or services

**% of customers by number**

**% of customer - related Scope 3 emissions as reported in C6.5**

**Please explain the rationale for selecting this group of customers and scope of engagement**

80% of Starbucks beverages are enjoyed on the go, presenting a significant challenge of how to make choosing reusables as convenient as possible. Beginning in 2016, we committed to doubling the use of reusable cups by 2022. Reusable cups are an important component of our overall waste reduction strategy. Since 1985 we've rewarded our customers with a discount when they bring in personal cups or tumblers or use for-here serve ware available in our stores. In 2013 we launched a \$2 reusable cup in the U.S. and Canada, and a £1 cup in the United Kingdom.

In 2021, Starbucks launched a "Borrow A Cup" trial program in five Seattle stores. Each borrowed cup replaces up to 30 disposable cups. Customers can order their hot or cold beverage in a newly designed reusable cup in-person or online at a participating Starbucks Café or Drive-Thru. Customers simply tell their barista they would like their drink in a reusable cup and then pay a \$1 refundable deposit. When customers are done, they scan their cup at a participating store's contactless return kiosk located in the lobby or drive-thru and drop the cup in the designated opening in the kiosk. Then, they scan their Starbucks App to receive a \$1 credit to their Starbucks Rewards account, in addition to 10 Bonus Stars.

Starbucks continues to observe elevated cleaning and sanitizing protocols that meet or exceed public health guidelines and can help to reduce the spread of COVID-19. For the Borrow a Cup program, Starbucks has partnered with GO Box, a reuse system operator and service provider, to collect borrowed cups from stores daily, professionally clean and sanitize them using commercial dishwashing equipment, and put them back into circulation within 48 hours.

Starbucks partnered with Ridwell, which offers a home pick-up service for reusable and hard to recycle items. Ridwell customers can place their reusable cup from the Starbucks Borrow A Cup program in a custom, reusable cup bag and place it in their Ridwell bin for easy pickups from their front door.

### **Impact of engagement, including measures of success**

Measures of success for our reusable cup efforts include: % of beverages sold in reusable cups, # of tons of waste mitigated, # of strategic partnerships, # of markets with reusable cup share programs.

COVID-19 safety measures challenged our ability to allow customers and partners to use personal cups and “for here” ware in our stores, and we paused on those initiatives while using FY20 to conduct consumer and market research to better understand how best to incentivize the use of reusables. In FY20, 1.3% of beverages sold were in reusable cups, either a customer’s personal cup or “for here” ware, in company-operated stores in Canada,

EMEA, Japan and the U.S. Meanwhile, we tested single-use cup fees in UK and Germany.

The two-month borrow-and-return trial run in five Seattle stores as part of Starbucks ongoing commitment to reducing single use cup waste and goal to reduce waste by 50% by 2030.

Beginning June 22, 2021, Starbucks is safely reintroducing personal reusable cups across company operated stores in the U.S. As part of Starbucks ongoing commitment to prioritizing partner and customer safety, the company developed a completely contactless, new method – eliminating any shared touch points between the customer and Starbucks partners (employees).

Starbucks EMEA has announced they will offer a reusable cup share program in all Europe, Middle East and Africa stores by 2025. In July, Starbucks South Korea will launch Borrow a Cup program in stores and recently committed to eliminating single-use cups by 2025.

## **C12.1d**

**(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.**

In 1994, Starbucks partnered with PepsiCo to develop the North American Coffee Partnership (NACP) as a joint venture to bring ready-to-drink coffee products to global supermarkets and convenience stores. The NACP now has approximately 97 percent market share in ready-to-drink coffee, which is one of the fastest growing liquid refreshment beverage categories in the U.S. The same sustainability challenges that face Starbucks, threaten the longevity of the NACP: from single-use packaging and vulnerability to extreme weather events, to shifting climates and crop disease. Starbucks and PepsiCo collaborate to make their ready-to-drink lines as sustainable as possible.

These efforts include utilizing Hacienda Alsacia, Starbucks Costa Rican coffee farm. Purchased in 2013, Hacienda Alsacia is a 240-hectare coffee farm in Costa Rica that serves as a global Research and Development facility and working farm for Starbucks. For the last five years, Hacienda Alsacia has been an innovation hub for Starbucks, and the NACP, helping to better understand challenges coffee farmers face and determining best practices and solutions. Hacienda Alsacia is the first of 9 Farmer Support Centers Starbucks operates in key coffee producing countries around the world, from Costa Rica to Rwanda. Farmers get free access to the latest findings of our top agronomists, including new disease-resistant trees, and advanced soil management techniques. Currently the agronomist team is working to develop new varieties of Arabica coffee trees that are able to resist and withstand common consequences of climate change, such as coffee leaf rust. Starbucks has been distributing these seeds to other coffee farms, even those that don't supply Starbucks or the NACP, with the goal to help farmers become more profitable and improve their crop quality, ensuring the future of high quality, sustainable coffees for everyone for years to come.

In 2018, a senior director of marketing at PepsiCo, who works within the NACP, travelled to Hacienda Alsacia for a Starbucks Origin Experience. While there, she was able to see firsthand how the coffee was harvested and the fragile ecosystem that the NACP relies on. The trip also included visits to the coffee pickers' housing and the local schools and recreational camps that workers' children attend depending on the season, all provided under Starbucks C.A.F.E. Practices. Developed in collaboration with Conservation International, C.A.F.E. Practices is a verification program that measures farms against economic, social and environmental criteria, all designed to promote transparent, profitable and sustainable coffee growing practices while also protecting the well-being of coffee farmers and workers their families and their communities. C.A.F.E. Practices has helped Starbucks create a long-term supply of high-quality coffee and positively impact the lives and livelihoods of coffee farmers and their communities. The open-sourced program consists of more than 200 indicators – from financial reporting to protecting workers' rights and conserving water and biodiversity. The program includes a third-party verification process that is overseen by SCS Global Services, responsible for ensuring the quality and integrity of the audits. As a result of her visit, the senior director of marketing was able to include educational information on the environmental and social aspects of the NACP in advertising and messaging materials.

The NACP takes additional steps towards embracing sustainable practices outside of Hacienda Alsacia in a variety of ways, such as placing production sites close to dairy farms so that transportation carbon footprints remain minimal and pledging to support sustainable packaging. PepsiCo has pledged to drastically reduce their use of virgin plastic by 2025, while Starbucks has committed to reduce waste by 50% by 2030.

## C12.3

**(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?**

- Direct engagement with policy makers
- Trade associations
- Funding research organizations

### C12.3a

**(C12.3a) On what issues have you been engaging directly with policy makers?**

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Adaptation or resilience	Support	We Are Still In is as a joint declaration of support for climate action, signed by more than 3,750 CEOs, mayors, governors, college presidents, businesses and others. The organizations they represent comprise the largest and most diverse coalition of actors ever established in pursuit of climate action, specifically in support of climate action to meet the Paris Agreement.	Resilience to climate change must be prioritized by the federal government and at every level beyond the federal government. The signatories of We Are Still In share a commitment to elevating the attention and resources directed towards building climate resilience and enhancing the economic and environmental sustainability of the supply chains that power the US economy. They also recognize that action towards meeting both the short and long term goals under the Paris Agreement must ensure the safety and prosperity of American communities and competitiveness.

Adaptation or resilience	Support	We partner with WWF to secure transformative change at all levels of government in the U.S. and overseas. WWF partners with and advocates for the U.S. government, foreign governments and international institutions to protect wildlife and their habitats.	WWF focuses on several issues critical to U.S. policymakers, including species conservation, ocean policy, natural resource management, climate change and international development assistance. WWF works to gain a better understanding of global conservation problems and provides new tools to help policymakers solve them. Starbucks is also a Principal Member of WWF's initiative, ReSource: Plastic. As part of WWF's vision of No Plastic in Nature by 2030, the Principal Members leverage their unique position to help drive large-scale transformative change, by improving their own plastic pollution footprint as well as influencing other key stakeholders like governments and consumers to do the same.
Other, please specify Conservation + Preservation	Support	We partner with Conservation International to support education and advocacy in support of protecting nature as a source of food, fresh water, livelihoods and a stable climate. Together, we work to raise awareness about the importance of natural resource conservation.	Starbucks and Conservation International have been working closely for the last 20 years to support ethically sourced coffee around the world, from creating the C.A.F.E Practices program and developing farmers loans, to designing digital traceability and assessing impact. In partnership with Conservation International, we support sound conservation policies regarding ocean health, wildlife tracking, marine resources, forest conservation, sustainable agriculture, fresh water and other crucial issues.
Energy efficiency	Support	We partner with RE100 to communicate the compelling business case for renewables to companies, utilities, market operators, policymakers and other key influencers.	Starbucks works with RE100 members and key stakeholders to highlight and address policy barriers to corporate sourcing of renewable electricity.



Other, please specify Trade Association, Environmental	Support	We are members of the Retail Industry Leaders Association (RILA) supporting: the Compliance Committee, the Sustainability committee, and the Zero Waste Committee	While the retail industry is dependent on planet and people for long-term viability, we support efforts that seek to bridge the gap between compliance and sustainability. Sustainability efforts through RILA seek to address the retail industry's environmental compliance obligations, especially in the responsible sourcing and supply chain impact areas.
Adaptation or resilience	Support	We have been strategic partners with the Ocean Conservancy since 2018 as a Living Waters Partner for the International Coastal Cleanup. Starbucks contributes as part of the global movement to keep the world's beaches, waterways and the ocean clean, healthy and thriving.	Starbucks and The Starbucks Foundation are working with Ocean Conservancy to leverage their employee network and community partnerships in the global effort towards a plastic-free ocean. Given their commitments to promote recycling and decrease waste within their business, Starbucks joined the Trash Free Seas Alliance® to contribute policy support and upstream solutions that can further reduce the amount of plastic entering our ocean. As a partner of the Ocean Conservancy, Starbucks helps back the fight for marine debris funding, promotes ocean acidification research, and supports key provisions of the Magnuson Stevens Act.

## C12.3b

**(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?**

No

## C12.3d

**(C12.3d) Do you publicly disclose a list of all research organizations that you fund?**

Yes

## C12.3f

### **(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?**

Starbucks is committed to being actively involved in the communities we serve. This commitment extends to our approach to public policy. We believe we have a responsibility to advocate policies that support the health of our business, our partners (employees) and communities we are part of. Starbucks Government Affairs team has increasingly emphasized the development, analysis, and management of climate-related public policy initiatives and activities, which are critical for informing direction for the Company's public policy and government relations objectives, stakeholder engagement, and policy interests. In an effort to better communicate these activities, Starbucks adopted a policy to provide more transparency about our corporate political contributions and expenditures. We believe this policy will serve Starbucks interests in promoting public policies of concern to the company and educating elected and public officials about our business, while providing important information to our partners, customers, and shareholders. Starbucks is committed to conducting business ethically, with integrity, and in accordance with the law. Part of that commitment includes compliance with rules, regulations, and standards governing our interaction with the government, including our disclosure and accountability regarding political contributions and expenditures.

The company's Nominating and Corporate Governance Committee, responsible for the review and assessment of the Company's environmental and social responsibility policies, goals, and programs, is tasked with reviewing corporate contributions and payments on an annual basis to ensure alignment with Starbucks policy and values. Starbucks may also communicate our positions on public policies through industry associations to which we belong in our major markets and locations. These organizations give us a collective voice with our industry partners, enabling us to reach government officials more efficiently. We will list the major associations where Starbucks pays annual dues of \$50,000 or more per year on our website and update that information annually. Starbucks annual voluntary disclosure will include the following information on the publicly available Starbucks website: a. A copy of Starbucks Policy on Corporate Political Contributions and Expenditures b. Information about our public policy agenda c. Payments to trade associations where we are members at \$50,000 per year or more, and the portions of these payments that are used for lobbying purposes d. Contributions to: (a) candidates running for state or local office; (b) state or local political parties and committees; (c) entities operating under section 527 of the Internal Revenue Code and other tax-exempt organizations when such contributions are used for political purposes; and (d) support issue or ballot measure campaigns and committees.

By way of example, in 2020, Starbucks Corporation submitted our Lobbying Report, as a filer of the Lobbying Disclosure Act of 1995. While Starbucks conducts limited lobbying, we did spend \$280,000 on lobbying activities throughout the year. All lobbying efforts were aimed at the U.S. Senate and the U.S. House of Representatives and covered the following topics: issues pertaining to company higher education employee benefits including S. 4408, the Upskilling and Retraining Assistance Act; issues pertaining to company programs related to civic engagement; issues pertaining to company programs related to workforce employment, benefits, and training; issues pertaining to company agriculture support programs in developing countries; and issues related to ethical sourcing, sustainability, and green buildings including the Slave-Free Business Certification Act of 2020.

Additionally, to enter into an agreement with Starbucks, all activities must demonstrate alignment with our Mission & Values - specifically with our sustainability goals and commitment to leadership in this space. As a global company, we are subject to the highest standards of ethical conduct and behavior. Anytime we engage in climate policy advocacy, we ensure there is regular communication and review checkpoints to ensure established goals are met and done so in a way that makes our partners proud.

## C12.4

**(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).**

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### Publication

In mainstream reports

### Status

Complete

### Attach the document

 2020-Starbucks-Annual-Report.pdf

**Page/Section reference**

Product Supply: Pg 5

Global Social Impact: Pg. 9

Item 1A. Risk Factors: Pg. 9-19

**Content elements**

Strategy

Risks & opportunities

**Comment**

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**Publication**

In mainstream reports

**Status**

Complete

**Attach the document**

 SBUX-2021-Proxy-Statement.pdf

**Page/Section reference**

Letter to our Stakeholders: Pg. 3- 4

Environmental, Social, and Governance Highlights: Pg. 9

Global Social Environmental Impact: Pg. 14-19

Oversight of Sustainability: Pg. 30

2021 Executive Compensation: Pg. 49-50

**Content elements**

Governance  
Strategy  
Risks & opportunities  
Emission targets  
Other metrics

**Comment**

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**Publication**

In voluntary sustainability report

**Status**

Complete

**Attach the document**

 2020-Starbucks-Global-Environmental-and-Social-Impact-Report.pdf

**Page/Section reference**

Planet: Pg. 15-19  
Coffee: Pg. 20-22

**Content elements**

Governance  
Strategy  
Risks & opportunities  
Other metrics

## Comment

# C15. Signoff

## C15.1

**(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.**

	Job title	Corresponding job category
Row 1	VP, chief sustainability officer	Chief Sustainability Officer (CSO)

## STARBUCKS CDP Water Security Questionnaire 2021

### W0. Introduction

#### W0.1

**(W0.1) Give a general description of and introduction to your organization.**

Starbucks is the premier roaster, marketer and retailer of specialty coffee in the world. Beginning in 1971, we were a roaster and retailer of whole bean and ground coffee, tea and spices with a single store in Seattle's Pike Place Market. Today, we are privileged to connect with millions of customers every day with exceptional products and more than 29,000 retail stores in nearly 80 countries. Formed in 1985, Starbucks Corporation's common stock trades on the NASDAQ Global Select Market ("NASDAQ") under the symbol "SBUX." Our objective is to maintain standing as one of the most recognized and respected brands in the world. To achieve this, we are focused on streamlining the business, driving growth in the U.S. and China, and expanding our global reach through the Global Coffee Alliance. Guided by our Mission and Values, our long-term plan for growth with focus and discipline is built on the belief that the pursuit of profit is not in conflict with the pursuit of doing good. Our employees, who we call partners, are at the heart of the Starbucks Experience. Beginning in 1991, we turned Starbucks employees into partners by providing the opportunity to share in the financial success of the company through Starbucks stock. Our collective efforts to build a more open, equitable and inclusive company enable us to learn, adapt, and grow. It is in our collective efforts that will determine our place as a great and enduring company, one that recognizes our responsibility as more than just making a profit.

At Starbucks, our vision to date regarding the health of the environment has been simple: sustainable coffee, served sustainably. Grounded in a history of sustainable leadership as we approach our 50th anniversary in fiscal 2021, we look to the future under the leadership of our chief sustainability officer with a heightened sense of urgency and conviction. We must challenge ourselves, think bigger, partner with others and do much more to take care of the planet we share. We realize the climate crisis is inextricably intertwined with the other historic crises we are grappling with, among them a global pandemic, economic inequality and systemic racism. We agree with scientific experts who say without drastic action from everyone – governments, companies, all of us – trying to adapt to the impacts of climate change in the future will become increasingly difficult and costly. The impacts of climate change will take a toll on our supply chains, our business and more importantly, the lives of everyone involved, including coffee farmers, our suppliers, Starbucks partners, customers and the members of every community we serve. We also know that leadership in sustainability takes commitment, investment, innovation, partnership and time. For these reasons, in January 2020, Starbucks chief executive officer unveiled a multi-decade aspiration to be a resource-positive company, giving more than it

takes from the planet. The announcement included science-based preliminary target reductions of carbon, water and waste by 2030, and outlined five strategies the company has identified to move toward them. In March of 2021, our greenhouse gas reduction target was approved by the Science Based Targets Initiative (SBTi). Together, we are building Starbucks to be a great enduring company by staying true to our Mission & Values while boldly reimagining the future -- for our partners, our customers, and for our planet.

## W0.2

**(W0.2) State the start and end date of the year for which you are reporting data.**

	Start date	End date
Reporting year	October 1, 2019	September 30, 2020

## W0.3

**(W0.3) Select the countries/areas for which you will be supplying data.**

Austria  
 Canada  
 China  
 Italy  
 Japan  
 Netherlands  
 Switzerland  
 United Kingdom of Great Britain and Northern Ireland  
 United States of America

## W0.4

**(W0.4) Select the currency used for all financial information disclosed throughout your response.**

USD



## W0.5

**(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.**

Companies, entities or groups over which operational control is exercised

## W0.6

**(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?**

No

## W1. Current state

### W1.1

**(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.**

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Vital	Important	<p>Direct Operations: Freshwater is primarily used in our retail products, manufacturing, and sanitation and hygiene processes. It is considered vital to our operations because it is a key ingredient in our beverages and a necessity for operating our stores and other direct operations. We expect future water dependency in our direct operations will decrease as we strive towards our goal to conserve or replenish 50% of water withdrawal from our direct operations.</p> <p>Indirect Operations: Freshwater is primarily used in the operations of our licensed stores and</p>

			<p>throughout our supply chain, including in retail products, manufacturing, and sanitation and hygiene processes, as well as in the agricultural process of coffee and other commodities. Freshwater is important in the indirect operations of our licensed stores and in our supply chain, especially in the cultivation of coffee and other agricultural commodities which our Company relies on. We expect future freshwater dependency to increase in our indirect operations as droughts and increased temperatures begin to increasingly impact the sensitive bioregions our key commodities are grown in.</p>
Sufficient amounts of recycled, brackish and/or produced water available for use	Not very important	Important	<p>Direct Operations: We do not currently use recycled, brackish, and/or produced water in our store operations so it is considered not very important to the success of our business. However, within our direct operations, Evolution Fresh reuses some processed water to provide an initial rinse to fruit and vegetables. We expect future recycled, brackish, or produced water dependency to increase as we continue with our goal to build and operate 10,000 stores in the Greener Stores framework, which highlights water efficiency and innovation, globally by 2025.</p> <p>Indirect Operation: In our indirect operations, water is an important input to coffee and other agricultural commodity production, and water recycling can support conservation efforts. The primary use of recycled, brackish, and produced water in our indirect operations is put towards irrigation and water efficiency efforts. We expect future recycled, brackish, or produced water dependency to increase as operations as droughts and increased temperatures begin to increasingly impact the sensitive bioregions our key commodities are grown in. We plan to continue to invest in regenerative agriculture, reforestation, forest conservation and water replenishment in our supply chain.</p>

## W1.2

**(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?**

	% of sites/facilities/operations	Please explain
Water withdrawals – total volumes	100%	We track our water withdrawals monthly through water bills. Where stores are not sub-metered or directly billed to us, we estimate our water use for those stores.
Water withdrawals – volumes by source	100%	Starbucks water withdrawals are from third-party sources, such as municipal water supplies. We track our water withdrawals by source monthly through water bills. Where stores are not sub-metered or directly billed to us, we estimate our water use for those stores.
Water withdrawals quality	100%	Water withdrawal quality is regularly measured and monitored via our water utility providers. Utility providers are responsible for providing good quality fresh water that meets or exceeds local regulatory requirements and Starbucks' product quality standards.
Water discharges – total volumes	100%	Stores/facilities receive water bills from the local municipal suppliers, tracking water withdrawal from the municipal supply. As with households, stores do not measure actual sewer discharges to sanitary sewer, so we are billed for discharge at the withdrawal volume. We track our water discharge by source monthly through water bills. Where stores are not sub-metered or directly billed to us, we estimate our water discharge for those stores.
Water discharges – volumes by destination	100%	Starbucks facilities are connected to third-party sewer systems. As with households, stores/facilities do not measure actual sewer discharges to sanitary sewer, so we are billed for discharge at the withdrawal volume. We track our water discharge by source monthly through water bills. Where stores are not sub-metered or directly billed to us, we estimate our water discharge for those stores.
Water discharges – volumes by treatment method	100%	Starbucks facilities are connected to third-party sewer systems who are responsible for treatment methods applied before returning to the environment . Water discharge from 100% of our sites goes to local treatment facilities on a regular basis.
Water discharge quality – by standard effluent parameters	Less than 1%	Where applicable, manufacturing facilities track discharged water/effluents, including Biological Oxygen Demand (BOD).

Water discharge quality – temperature	Not relevant	The temperature of water discharge quality is not relevant to our regularly measured and monitored water aspects because Starbucks facilities are connected to third-party sewer systems who are responsible for temperature of the water when released back to the environment. It is not expected that this water aspect will become relevant in the future.
Water consumption – total volume	Not monitored	Total volume of water consumption is not monitored. We currently do not track how much of our water goes into beverages. It is not expected that this water aspect will become monitored in the future.
Water recycled/reused	Less than 1%	Some process water reclamation quantities in manufacturing facilities are monitored.
The provision of fully-functioning, safely managed WASH services to all workers	100%	Starbucks recognizes access to clean and safe water as universal right that is critical to the health and safety of our communities. Our C.A.F.E. Practices program and other supplier management programs require WASH services for their employees and is confirmed in regular compliance audits. All our stores and facilities, including manufacturing, provide WASH services for partners (employees) and customers.

## W1.2b

**(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, and how do these volumes compare to the previous reporting year?**

	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Total withdrawals	18,600	Lower	Water use in our direct operations decreased by 12% in FY20 compared to FY19. This level of annual reduction at this stage in our journey toward our 2030 targets was not anticipated and is due primarily to reduced business activity in FY20 as a result of COVID-19; it is not likely to be typical going forward.

Total discharges			Stores/facilities receive water bills from the local municipal suppliers, tracking water withdrawal from the municipal supply. As with households, stores do not measure actual sewer discharges to sanitary sewer, so we are billed for discharge at the withdrawal volume.
Total consumption			Total volume of water consumption is not monitored. We currently do not track how much of our water goes into beverages. It is not expected that this water aspect will become monitored in the future.

## W1.2d

(W1.2d) Indicate whether water is withdrawn from areas with water stress and provide the proportion.

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Identification tool	Please explain
Row 1	Yes	Unknown	This is our first year of measurement	WWF Water Risk Filter	Starbucks partnered with WWF to evaluate our water risk to global operations and key supply chain commodities. We have not quantified the % of water withdrawn as most of our data is collected by country and not at the basin level. We are working to improve our ability to report on the percent of our water withdrawals from areas with water stress.

## W1.2h

(W1.2h) Provide total water withdrawal data by source.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
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Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Not relevant			Starbucks withdraws water strictly from local water utilities or similar relevant entities. We do not directly withdraw water from fresh surface water sources.
Brackish surface water/Seawater	Not relevant			Starbucks withdraws water strictly from local water utilities or similar relevant entities. We do not directly withdraw water from brackish surface water or seawater sources.
Groundwater – renewable	Not relevant			Renewable groundwater is not considered relevant to our water withdrawal data as Starbucks withdraws water strictly from local water utilities or similar relevant entities.
Groundwater – non-renewable	Not relevant			Non-renewable groundwater is not considered relevant to our water withdrawal data as Starbucks withdraws water strictly from local water utilities or similar relevant entities.
Produced/Entrained water	Not relevant			Starbucks withdraws water strictly from local water utilities or similar relevant entities. We do not directly withdraw water from produced/entrained water sources.
Third party sources	Relevant	18,600	Lower	Starbucks withdraws water strictly from local water utilities or similar relevant entities, making withdrawals third-party sources relevant. Water use in our direct operations decreased by 12% in FY20 compared to FY19. This level of annual reduction at this stage in our journey toward our 2030 targets was not anticipated and is due primarily to reduced business activity in FY20 as a result of COVID-19; it is not likely to be typical going forward.

## W1.2i

(W1.2i) Provide total water discharge data by destination.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water				
Brackish surface water/seawater				
Groundwater				
Third-party destinations	Relevant			Starbucks facilities are connected to third-party sewer systems. As with households, stores/facilities do not measure actual sewer discharges to sanitary sewer, so we are billed for discharge at the withdrawal volume.

## W1.2j

**(W1.2j) Within your direct operations, indicate the highest level(s) to which you treat your discharge.**

	Relevance of treatment level to discharge	Volume (megaliters/year)	Comparison of treated volume with previous reporting year	% of your sites/facilities/operations this volume applies to	Please explain
Tertiary treatment					
Secondary treatment					
Primary treatment only					
Discharge to the natural					

environment without treatment					
Discharge to a third party without treatment	Relevant				Starbucks facilities are connected to third-party sewer systems. As with households, stores/facilities do not measure actual sewer discharges to sanitary sewer, so we are billed for discharge at the withdrawal volume.
Other					

## W1.4

### (W1.4) Do you engage with your value chain on water-related issues?

Yes, our suppliers

Yes, our customers or other value chain partners

## W1.4a

### (W1.4a) What proportion of suppliers do you request to report on their water use, risks and/or management information and what proportion of your procurement spend does this represent?

#### Row 1

#### % of suppliers by number

76-100

#### % of total procurement spend

1-25



### **Rationale for this coverage**

We require our coffee suppliers to report on water management on the farm and processing mills under our C.A.F.E. Practices sourcing program because water usage and quality has a direct impact on the unique ecosystems that are suitable for growing coffee. Suppliers are incentivized to report as Starbucks is committed to 100% ethically sourced coffee in partnership with Conservation International. Those that fail to report or be successfully audited risk losing their supplier relationship with Starbucks, the world's largest coffeehouse company. Starbucks pays premiums that support farmer profitability above commercial market price. These premiums are driven by the fact we buy premium quality coffee that is verified as ethically sourced by C.A.F.E. Practice standards. We also pay additional premiums to reward supply chains that reach the highest performance level and show continuous improvement in C.A.F.E. Practices.

### **Impact of the engagement and measures of success**

Measuring farms against economic, social and environmental criteria, the C.A.F.E. Practices program is designed to promote transparent and sustainable coffee growing practices while also helping protect the well-being of coffee farmers and workers, their families and their communities. The open-sourced program consists of more than 200 indicators – from financial reporting to protecting workers' rights and conserving water and biodiversity. The program includes a third-party verification process that is overseen by SCS Global Services, responsible for ensuring the quality and integrity of the audits.

In a published 2018 review of the program for data from 2011-2015 we found at least 92 percent of stand-alone mills processed waste in a way as to not contaminate the local environment in each of the analysis years by maintaining buffer zones alongside all water bodies. This report is updated every 5 years. This information is used to guide Company sustainability goals and targets, as well as the modification of any supply chain policies.

We are continuously improving this program by working with groups such as Conservation International to measure the true impact our purchasing programs have on participating farmers, producers, and communities touched by our business. In addition, when Starbucks is notified of zero tolerance violations, we take immediate action, conducting an investigation which could lead to suspending the commercial relationship with a farm until the case has been clarified. Based on our investigation we may ask our supplier to work with a farm to address any issue including the development of a work plan describing how the issue will be corrected. The implementation of a corrective action plan and the actual correction of any zero tolerance criteria is then re-evaluated by an approved third-party verification organization.

Success is measured by the productivity of participating farmers and the percentage of certified suppliers. Evidence shows that farmers participating in the program have higher productivity than the country averages. which has helped Starbucks create a long-term supply of high-quality coffee while positively impacting the lives of coffee farmers and their communities. In FY20, 98.6% of our coffee sourced was verified under C.A.F.E. Practices.

#### **Comment**

We engage with all of our coffee suppliers on C.A.F.E Practices. Although, in FY20 only 98.6% of our coffee was verified C.A.F.E. Practices. % of supplier by number represents % of coffee suppliers engaged.

## **W1.4b**

### **(W1.4b) Provide details of any other water-related supplier engagement activity.**

#### **Type of engagement**

Incentivizing for improved water management and stewardship

#### **Details of engagement**

Water management and stewardship action is integrated into your supplier evaluation

Offer financial incentives to suppliers reducing your operational water impacts through the products they supply to you

Offer financial incentives to suppliers improving water management and stewardship across their own operations and supply chain

#### **% of suppliers by number**

76-100

#### **% of total procurement spend**

1-25

#### **Rationale for the coverage of your engagement**

Traditional coffee processing is water intensive. With 200,000 wet mills in Starbucks C.A.F.E. Practice supply chain, Starbucks has an opportunity to conserve water by ensuring farmers have access to more environmentally friendly machines, which also standardizes quality and increases processing efficiency for farmers. Coffee and Farmer Equity (C.A.F.E.) Practices is a coffee verification program that is used by Starbucks to ensure ethical sourcing of coffee since 2004. For the past 20 years Starbucks and Conservation International (CI) have worked together to promote cultivation of coffee in a manner that protects biodiversity and improves the livelihood of coffee farmers. The partnership is focused on supporting growers of shade coffee in areas of high biodiversity and promoting the use of environmentally sustainable agricultural practices.

### **Impact of the engagement and measures of success**

The C.A.F.E Practices environmental leadership portion of verification evaluates coffee farms on soil, water and biodiversity conservation practices and good environmental management. Our measures of success are the productivity of participating farmers and the percentage of certified suppliers. Evidence shows that farmers participating in the program have higher productivity than the country averages. which has helped Starbucks create a long-term supply of high-quality coffee while positively impacting the lives of coffee farmers and their communities. In FY20, 98.6% of our coffee sourced was verified under C.A.F.E. Practices.

Other measures of success include the extent of wet mill best practices of participating farms and investment in water efficiency innovation. On mills, the program evaluates water and energy conservation as well as waste management and good labor practices. 94% is the annual average of C.A.F.E. Practices large and medium farms maintaining buffer zones alongside all water bodies in the period 2011-2015 92% is the annual average of C.A.F.E. Practices wet mills managing solid wastes in a way that do not contaminate the local environment 93% is the annual average of C.A.F.E. Practices wet mills composting by-product.

Conserving water by directly investing in new ecological wet mills (eco-mills) for C.A.F.E. Practice farms. Over the last year, Starbucks purchased nearly 600 eco-mills that have been distributed to coffee farms in Guatemala, Mexico, Peru, Kenya, and Rwanda. The result has been up to 80% water savings in coffee processing where installed.

Investing to make current water processing technology and machinery even more efficient. Through Starbucks Tryer Center, we are working with suppliers to explore improvements to existing water processing machinery and technology. Meanwhile, through our Farmer Support Centers, we are conducting research and gathering insights from farmers to inform future machine design and operations.

### Comment

C.A.F.E. Practice certified coffee is sold by farmers at a premium compared to untraceable and non-verified coffee.

We engage with all of our coffee suppliers on C.A.F.E Practices. Although, in FY20 only 98.6% of our coffee was verified C.A.F.E. Practices. % of supplier by number represents our coffee suppliers.

## W1.4c

### **(W1.4c) What is your organization's rationale and strategy for prioritizing engagements with customers or other partners in its value chain?**

As part of our FY18 environmental baseline report, we identified that 98% of our water is embedded in our indirect activities and purchases, such as the water withdrawals associated with coffee production. In 2020, we announced that we would conserve or replenish 50% of the water withdrawn from our operations and coffee production by FY30 compared to FY19.

Our methods of engagement with our value chain range from developing farmer support initiatives to leading industry-wide collaboration. Starbucks was a founding member of the Sustainable Coffee Challenge (SCC) in 2015 as part of an industry collaboration to make coffee the world's first sustainable agricultural product. The challenge is convening the sector to sustain the future supply of coffee while ensuring the prosperity and well-being of farmers and workers and conserving nature. The SCC is a joint initiative of over 155 partners working together to make coffee the world's first sustainable agricultural product. Members, which represent the partners that are engaged with our value chain, include coffee producers, retailers, traders, roasters, importers, industry associations, governments, donor agencies and other non-governmental organizations (NGOs) that are building a roadmap for achieving a fully sustainable coffee sector. The SCC's vision, and measures of engagement success, are embedded within the following sustainable practices: Ensure coffee contributes to improved income and profitability for the 25 million coffee producers, workers and their families; Implement sustainable agricultural practices to triple productivity on existing 10 million hectares of coffee to sustain supply and enable the sector to meet rising consumption and the growing demand for coffee in a socially and environmentally responsible way; Prevent the clearing of one additional hectare of high conservation-value forest or depleting other natural resources for enhanced coffee production.

## W2. Business impacts

### W2.1

(W2.1) Has your organization experienced any detrimental water-related impacts?

No

### W2.2

(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

No

## W3. Procedures

### W3.3

(W3.3) Does your organization undertake a water-related risk assessment?

Yes, water-related risks are assessed

### W3.3a

(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.

Direct operations

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Coverage

Full

**Risk assessment procedure**

Water risks are assessed as a standalone issue

**Frequency of assessment**

Annually

**How far into the future are risks considered?**

More than 6 years

**Type of tools and methods used**

Tools on the market

Other

**Tools and methods used**

WWF Water Risk Filter

External consultants

**Comment**

In 2020, Starbucks partnered with World Wildlife Fund to conduct a comprehensive water risk assessment of all key commodities. The scope was global and comprehensive of store operations, manufacturing, and agricultural supply chains. The report addresses all current and future issues with water, including climate change, drought, scarcity, and quality.

**Supply chain**

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**Coverage**

Full

**Risk assessment procedure**

Water risks are assessed as a standalone issue

**Frequency of assessment**

Annually

**How far into the future are risks considered?**

More than 6 years

**Type of tools and methods used**

Tools on the market

Other

**Tools and methods used**

WWF Water Risk Filter

External consultants

**Comment**

In 2020, Starbucks partnered with World Wildlife Fund to conduct a comprehensive water risk assessment of all key commodities. The scope was global and comprehensive of store operations, manufacturing, and agricultural supply chains. The report addresses all current and future issues with water, including climate change, drought, scarcity, and quality.

Conservation International (CI) conducts Impact Assessments about the impacts of CAFE Practices. The Impact Assessment focuses on global participation and performance in C.A.F.E. Practices. While C.A.F.E. Practices includes over 200 indicators, Key Performance Indicators have been identified as critical topics to demonstrate performance and impact of the program in three key categories Economic, Environmental, and Social. Regional findings and observations in the program are also included to understand context differences and associated challenges. CI's latest Starbucks C.A.F.E. Practices Impact Assessment covers 2014-2018.

**Other stages of the value chain**

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**Coverage**

Full

**Risk assessment procedure**

Water risks are assessed as a standalone issue

**Frequency of assessment**

Annually

**How far into the future are risks considered?**

More than 6 years

**Type of tools and methods used**

Tools on the market

Other

**Tools and methods used**

WWF Water Risk Filter

External consultants

**Comment**

In 2020, Starbucks partnered with World Wildlife Fund to conduct a comprehensive water risk assessment. The scope was global and comprehensive of store operations, manufacturing, and agricultural supply chains. The report addresses all current and future issues with water, including climate change, drought, scarcity, and quality across all of our commodities.

## W3.3b

**(W3.3b) Which of the following contextual issues are considered in your organization's water-related risk assessments?**

	Relevance & inclusion	Please explain
Water availability at a basin/catchment level	Relevant, always included	Water availability at a basin or catchment level is considered relevant and always included in risk assessments, for all of the levels within our supply chain, because water is central to providing our beverage services. Water availability directly impacts the local water rates which we pay. We track water rates to properly budget for water costs and examine where we have stores or manufacturing in areas of scarcity or poor quality in our risk assessment. Our water-related assessments, conducted through our Enterprise Risk Management Process and using the WWF Water Filter, examine risks consider store and manufacturing facility locations, as well as the growing and production regions of coffee, cocoa, tea,



		sugar, dairy, water, nuts, pork and paper. These considerations are overlaid on water risk maps to identify key threats to our operations, including current and emerging (forecasted out to 2050) factors. In response to identified water availability risks, we continue install water efficient equipment throughout our store footprint such as low flow faucets and toilets and water efficient state of the art dishwashers. In FY21, Starbucks endorsed the joined the UN Global Compact CEO Water Mandate, as well as the Water Resilience Coalition to elevate our corporate water agenda and partner with other leading companies on collective action projects in key basins around the world.
Water quality at a basin/catchment level	Relevant, always included	Water quality at a basin/catchment level is considered relevant and is always included in risks assessments due to the importance of the taste and quality of water to providing consistent and satisfying beverages. Our water-related assessments, conducted through our Enterprise Risk Management Process and using the WWF Water Filter, examine risks within store and manufacturing facility locations, as well as the growing and production regions of coffee, cocoa, tea, sugar, dairy, water, nuts, pork and paper. These considerations are overlaid on water risk maps to identify key threats to our operations and supply chains including current and emerging (forecasted out to 2050) factors. In response to identified water quality risks, we design additional water treatment for stores in areas where water supply quality is poor to ensure product safety and quality. In FY21, Starbucks has also joined the UN Global Compact CEO Water Mandate, as well as the Water Resilience Coalition to elevate our corporate water agenda and partner with other leading companies on collective action projects in key basins around the world.
Stakeholder conflicts concerning water resources at a basin/catchment level	Not relevant, included	Stakeholder conflicts concerning water resources are not considered relevant to our organization due to minimal current potential risks but are included in our risk assessments due to operations in areas of water stress and recognizing water resource conflicts may increasingly occur in such areas. Starbucks sources water for store operations from local municipal water supplies. As one of many customers to a local utility/supplier, Starbucks is not directly involved in local water resource issues except in a very broad sense. However, we realize that we must be responsible stewards of water in areas of water stress, so we examine where we have operations in stressed areas for additional focus. We also monitor conflicts that may impact our suppliers as water scarcity becomes an emerging reality for many regions, we source our commodities from. For example, as traditional coffee processing is water intensive, the cornerstone of our ethical sourcing approach to buying coffee is Coffee and Farmer Equity (C.A.F.E.) Practices, which

		<p>was one of the coffee industry's first set of ethical sourcing standards when it launched in 2004. Developed in collaboration with Conservation International, C.A.F.E. Practices is a verification program that measures farms against economic, social and environmental criteria, all designed to promote transparent, profitable and sustainable coffee growing practices while also protecting the well-being of coffee farmers and workers their families and their communities. With growing and processing coffee, the program promotes sustainable agricultural practices including measures to protect water quality, improve soil health, preserve biodiversity, reduce agrochemical use, and conserve water and energy. We anticipate this issue may become relevant in the long-term as global water resources become scarcer, more polluted and water conflicts rise. In FY21, Starbucks has also joined the UN Global Compact CEO Water Mandate, as well as the Water Resilience Coalition to elevate our corporate water agenda and partner with other leading companies on collective action projects in key basins around the world.</p>
Implications of water on your key commodities/raw materials	Relevant, always included	<p>Implications of water on key commodities and raw materials are considered relevant and are always included in our water-related risk assessments as our critical supplies, including coffee, cocoa, tea, sugar, dairy, nuts, pork, and paper, are all dependent on stable water availability and quality. In our water-related risk assessments, conducted through our Enterprise Risk Management Process and using the WWF Water Filter, store and manufacturing facility locations, as well as coffee, tea, and cacao growing regions, were overlaid on water risk maps to understand where our operations and growing and processing (all stages of the supply chain) overlaps with water stress and quality issues. In 2003, Conservation International (CI) and Starbucks joined forces to design C.A.F.E. Practices – a set of environmentally, socially, and economically responsible coffee buying guidelines which include an extensive water component at 2 stages in the coffee value chain: 1) Cultivating, growing and harvesting coffee using methods that avoid adverse impacts on water; 2) Minimizing the amount of water used, as well as preventing water pollution, in the processing of coffee beans. Traditional coffee processing is water intensive. With 200,000 wet mills in Starbucks C.A.F.E. Practice supply chain, Starbucks has an opportunity to conserve water by ensuring farmers have access to more environmentally friendly machines, which also standardizes quality and increases processing efficiency for farmers. Over the last year, Starbucks purchased nearly 600 eco-mills that have been distributed to coffee farms in Guatemala,</p>

		Mexico, Peru, Kenya, and Rwanda. The result has been up to 80% water savings in coffee processing where installed.
Water-related regulatory frameworks	Relevant, always included	Water-related regulatory frameworks are relevant and are always included in our risk assessments. As a global company, we must follow local regulations carefully to ensure we are in compliance with all water-related laws and policies. Through our Enterprise Risk Management process and the WWF Water Filter, we have tracked regulatory action in some areas such as California and Taiwan, where water use has been impacted by local regulation. Local water rates impact our store operating costs, and regulation can impact availability. Most notably, we are sometimes impacted by local regulations around fats, oils, and grease (FOGs) in our effluent.
Status of ecosystems and habitats	Relevant, always included	The status of ecosystems and habitats is relevant and always included in our water-related risk assessments as we are reliant on agricultural products that are grown in sensitive ecosystems. We work with Conservation International to understand status of ecosystems and habitats in our coffee sourcing regions. In addition to water scarcity and quality, the Water Risk Filter computes a risk score for the ecosystem service status of the watershed and freshwater biodiversity. These indicators were included in our analysis and geography prioritization process. Store and manufacturing facility locations, as well as coffee, tea, and cacao growing regions, were overlaid on water risk maps to understand where growing and processing overlaps with water stress and quality issues, which have subsequent potential impact on ecosystems and habitats. In FY21, Starbucks has also joined the UN Global Compact CEO Water Mandate, as well as the Water Resilience Coalition to elevate our corporate water agenda and partner with other leading companies on collective action projects in key basins around the world. Though our work with the Water Resilience Coalition we will be prioritizing projects that address the status of ecosystems and habitats with other shared water users.
Access to fully-functioning, safely managed WASH services for all employees	Relevant, always included	Access to fully functioning safely managed WASH services for all employees is relevant and always included in our water-related risk assessments, including our Enterprise Risk Management process, the WWF Water Filter, and our internal policies and standards. Starbucks recognizes access to clean and safe water as universal right that is critical to the health and safety of our communities. Our C.A.F.E. Practices program and other supplier management programs require WASH services for their employees and is confirmed in compliance audits. All our stores and facilities provide WASH services for partners

		<p>(employees) and customers.</p> <p>Our commitment to clean and safe water extends beyond our employees. The Starbucks Foundation has a long history of supporting coffee and tea communities and has invested more than \$25 million in programs that strengthen coffee and tea-growing communities since its founding. Since 2018, The Foundation has focused on origin grants to organizations that support programs around women's leadership, access to finance, and healthy homes. These projects aim to break down barriers to education, promote clean water and sanitation (WASH), and create economic opportunities for women and girls. The Starbucks Foundation has made 20 origin grants totalling more than \$6 million to organizations working with coffee and tea communities across Africa, Asia and Latin America.</p>
Other contextual issues, please specify		

### W3.3c

**(W3.3c) Which of the following stakeholders are considered in your organization's water-related risk assessments?**

	Relevance & inclusion	Please explain
Customers	Relevant, always included	Customers are considered relevant and are always included in our water-related risk assessments. Water availability and quality is critical for providing consistently satisfactory beverages to our consumer base. How water issues impact our customers is also important, so we are mindful of the local situation such as the water shortage in California or Taiwan, as well as how broader water quality concerns in BIPOC communities throughout the United States.
Employees	Relevant, always included	Employees are considered relevant and are always included in our water-related risk assessments. Our employees, or partners, have a critical role in managing water in our stores through their actions such as reporting leaks, and efficient management of faucet usage. We train partners to manage water use in the stores carefully, to help us meet our water efficiency goals. Under our 2030 resource positive strategy, our partners

		also help us identify opportunities for new equipment solutions to promote water efficiency and conservation. All our stores and facilities provide WASH services for partners (employees) and customers.
Investors	Relevant, always included	Investors are considered relevant and are always included in our water-related risk assessments. Water availability and quality is critical for providing our beverage services and is therefore important to shareholders. In January 2020, we shared our environmental baseline report as part of our announcement of our sustainability aspirations, including a 50% reduction in water used in direct operations and coffee production through conservation or replenishment.
Local communities	Relevant, always included	Local communities are considered relevant and are always included in our water-related risk assessments. Access to clean water and water saving methods is critical for local communities impacted at all levels of our supply chain, from coffee farmers to our partners (employees). We work with local communities where we source coffee, cocoa, and tea to train on good water management. Over the last year, Starbucks purchased nearly 600 eco-mills that have been distributed to coffee farms in Guatemala, Mexico, Peru, Kenya, and Rwanda. The result has been up to 80% water savings in coffee processing where installed. Through Starbucks Tryer Center, we are working with suppliers to explore improvements to existing water processing machinery and technology. Meanwhile, through our Farmer Support Centers, we are conducting research and gathering insights from farmers to inform future machine design and operations. Additionally, as part of Starbucks long-term water strategy, the company will develop water replenishment projects at Origin, with a focus on communities and basins with high water risk. Starbucks also provides access to clean and safe water resources, such as wells, through our Ethos Water Fund.
NGOs	Relevant, always included	NGOs are considered relevant and are always included in our water-related risk assessments as they perform critical work towards access to clean and safe water globally, one of Starbucks missions. We identify water users in our source countries with issues we can address with grants from our Ethos Water Fund and The Starbucks Foundation. Ethos Water was created to help raise awareness that 1 billion people on our planet can't get clean water to drink and to provide impacted children with access to clean water. Every time you buy a bottle of Ethos Water, you contribute 5 cents to the Ethos Water Fund, part of the Starbucks Foundation. So far more than \$6 million has been granted to help support water, sanitation and hygiene education programs in water-stressed countries – benefiting more than 420,000 people around the world. Starbucks also partnered with World Wildlife Fund to conduct our 2019 Water Risk Assessment. We continue to partner with World

		Wildlife Fund to advise our water strategy, including co-developing the Starbucks Greener Stores framework as part of a commitment to design, build and operate 10,000 Greener Stores globally by 2025. In 2018, Starbucks began a partnership with Ocean Conservancy, joining their Trash Free Seas Alliance to work together to improve waste collection infrastructure and reduce marine debris. In FY21, Starbucks joined the UN Global Compact CEO Water Mandate as well as the Water Resilience Coalition to elevate our corporate water agenda and partner with other leading companies on collective action projects in key basins around the world.
Other water users at a basin/catchment level	Relevant, sometimes included	Other water users at the basin or catchment level are sometimes considered relevant in our water-related risk assessments because we source directly from third-party sources. We identify relevant water users in our source countries with issues we can address with grants from our Ethos Water Fund and The Starbucks Foundation. In FY21, Starbucks joined the UN Global Compact CEO Water Mandate as well as the Water Resilience Coalition to elevate our corporate water agenda and partner with other leading companies on collective action projects in key basins around the world. As part of our engagement with the Water Resilience Coalition, we are identifying how we can work with other water users at a basin/catchment level.
Regulators	Relevant, always included	Regulators are considered relevant and are always included in our water-related risk assessments. Even through our Enterprise Risk Management process and the WWF Water Filter, we are not always able to accurately predict regulator or tariff changes at a local level, and we try to engage with relevant regulators possible. For example, we have worked closely with California water regulators to communicate our work to date to conserve water and to develop plans moving forward to address the continuing water crisis. We also work with local regulators to explain our operations and issues to help shape regulations around topics such as FOGs or irrigation.
River basin management authorities	Not relevant, explanation provided	River basin management authorities are not considered in our water-related risk assessments because we source directly from third-party sources. We expect the relevance of other users to change in the future as we have identified some key basins where we have significant operations or sourcing, and plan to engage with basin stakeholders and management on basin-specific program interventions that we will be engaging through the WRC.

Statutory special interest groups at a local level	Not relevant, explanation provided	Statutory special interest groups at a local level are not considered in our water-related risk assessments because we source directly from third-party sources on a global level. We do not expect the relevance of other users to change in the future. We do participate in industry groups working on water issues, such as through the Water Resilience Coalition, but have not engaged special interest groups at a local level.
Suppliers	Relevant, always included	Suppliers are considered relevant and are always included in our water-related risk assessments, through our Enterprise Risk Management process, WWF Water Filter, and supplier audits. As part of our FY18 environmental baseline report, we identified that 98% of our water is embedded in our indirect activities and purchases, such as the water withdrawals associated with coffee production. In 2020, we announced that we would conserve or replenish 50% of the water withdrawn from our operations and coffee production by FY30 compared to FY19. Our procurement team analyzes many factors, including water availability and impact on expected harvest, for coffee and other commodities, to develop projected costs. We follow research on predictions for rainfall, etc. on coffee growing regions and develop contingency plans for supply from impacted areas. Water stress data was based on current status of water supply and quality. We are not able to accurately predict impact of changes in water supply or quality to raw materials/commodities at a local level. However, we have seen research indicating potential future impact to coffee, tea, and cacao growing regions, and can extrapolate from current stressed areas for regions of future focus. In 2003, CI and Starbucks joined forces to design C.A.F.E. Practices – a set of environmentally, socially, and economically responsible coffee buying guidelines which include an extensive water component at 2 stages in the coffee value chain: 1. Cultivating, growing and harvesting coffee using methods that avoid adverse impacts on water; 2. Minimizing the amount of water used, as well as preventing water pollution, in the processing of coffee beans. More than 40,000 farmers were trained in FY20, enabling us to reach our goal of training 200,000 farmers by the end of 2020. Starbucks operates nine Farmer Support Centers worldwide, where agronomists and quality experts work alongside coffee farmers – whether they sell to Starbucks or not – to share tools and information to help increase the productivity, quality and profitability of coffee on their farms and improve their livelihoods. In FY20, due to COVID-19 restrictions, we incorporated online training tools and resources to continue these efforts while supporting the health and safety of our partners (employees), suppliers, farmers and their communities. We also work with other suppliers, such as manufactured goods, on ensuring compliance with local regulations.

Water utilities at a local level	Relevant, always included	Water utilities at a local level are relevant and always included in our water-related risk assessments, through our Enterprise Risk Management process, the WWF Water Filter, and our direct local operations. Starbucks sources from local water utilities for our direct operations, making them a critical consideration in our assessments. We participate in industry groups working on water issues, such as through the Specialty Coffee Association, but have not engaged water utilities at a local level at this time.
Other stakeholder, please specify	Not considered	

### W3.3d

**(W3.3d) Describe your organization's process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.**

Starbucks Board of Directors has overall responsibility for risk oversight, including, as part of regular board and committee meetings, general oversight of executives' management of risks relevant to the Company. A fundamental part of risk oversight is not only understanding the material risks a company faces and the steps management is taking to manage those risks, but also understanding what level of risk is appropriate for the company. Starbucks Risk Committee, chaired by the cfo and General Counsel, maintains the enterprise risk management (ERM) framework. This includes a review of enterprise risks assessments and risk-mitigation activities managed by designated risk owners. As a part of the ERM framework, designated risk owners debrief the Audits and Compliance Committee within the Board on a quarterly basis on major or emerging risks. Annually, Starbucks conducts an ERM risk assessment to prioritize and assess key enterprise risks. This assessment includes facilitated discussions with relevant stakeholders for each risk that focuses on the alignment of risk drivers and gaps, as well as the understanding of mitigation activities.

The sustainability team and other relevant functional areas evaluate water-related risks and develop strategies to address risk drivers that may pose a threat to our core business as part of the ERM framework. Risk evaluation is done together with relevant business units and functions during the annual strategic planning cycle. The status of our mitigation initiatives to address identified risks are evaluated annually through the ERM risk assessment.



Starbucks updates sustainability targets and goals in a 5-year cadence, or more frequently as needed, to ensure we continue to address the most relevant issues and maintain our leadership position in sustainability. Water-related risks are looked at in the greater context of the market; risks such as price increases for key commodities due to climate change are assessed for the Company.

Through these processes, emerging impacts of climate change have been identified to pose a risk to our supplier and direct operations. In response, we worked with World Wildlife Fund (WWF) and Quantis to quantify the carbon, waste and water footprint of our operations and supply chain across the globe in 2019. WWF's comprehensive risk assessment of our water-related risks focused on the impacts of water issues on our key commodities, including the projected change in water discharge and drought by 2050. WWF used their Water Risk Filter, a comprehensive risk layer that is composed of three risk types: physical, regulatory, and reputational. The results of this assessment show that water usage in dairy and nut farming, and dairy manure management, are significant drivers for water risk. The analysis illustrates consistently high-risk basins in the US across food commodities, with Starbucks greatest water risks being linked to agricultural practices. Beverages are the top contributor to water withdrawal due to their water intense process. The map filter showed that various coffee sourcing regions throughout Central and South America and Asia are vulnerable to various risks, including flooding, water quality, and periodic drought, while tea was also shown to be sourced from high risk areas in China, specifically in the Yangtze River Basin.

In response to the results of our global footprints, in January 2020, Starbucks ceo announced Starbucks new sustainability aspiration is to become resource positive. In FY20, we set a preliminary target for 2030 that 50% of our water withdrawal for direct operations and coffee production will be conserved or replenished with a focus on communities and basins with high water risk. We confirmed our 2030 targets later in December 2020. Together with the results of our water-related assessment, and through partnerships, Starbucks plans to achieve 50% conservation in water usage by 2030 by: conserving water by directly investing in new ecological wet mills for C.A.F.E Practice farms, investing to make current water processing technology and machinery even more efficiency, and developing water replenishment projects in coffee communities. We have evaluated the risk that current and anticipated water-related climate impacts pose to our coffee supply and determined there is not quantifiable risk at this time. we plan to closely monitor water-related risks throughout our commodity supply chains and will continue to support farmers and their local communities with the resources to help mitigate and adapt to emerging changes.

## W4. Risks and opportunities

### W4.1

**(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?**

No

### W4.1a

**(W4.1a) How does your organization define substantive financial or strategic impact on your business?**

Starbucks evaluates climate-related risks based the financial and strategic consequences that could negatively affect our business, reputation, financial condition, results of operations or the trading price of our common stock. Our risk team conducts financial material assessments when identifying core enterprise risks. For CDP reporting purposes, Starbucks defines a substantive or strategic financial impact to be risks that, should they occur or continue to occur, would impact our business, financial condition, operations, and the trading price of our common stock in a material and adverse way, such as impacting a significant number of stores in a region, as well as changes which would require significant capital investment. While local water issues such as the Flint water crisis or the California drought have had impacts on our operations on stores in those regions, the financial impact was not significant enough to deem this a financial risk to Starbucks. We recognize those water challenges are serious in those communities, Starbucks is doing its best to help, whether it's providing safe drinking water or installing drought tolerant landscaping, Starbucks aims to be good community water stewards.

### W4.2b

**(W4.2b) Why does your organization not consider itself exposed to water risks in its direct operations with the potential to have a substantive financial or strategic impact?**

Primary reason	Please explain
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Row 1	Risks exist, but no substantive impact anticipated	We rely on local municipal water systems for water to operate our stores and are a relatively small proportion of each system's customer base. Any operational supply risk would be due to a risk of supply to the municipality, and we do not have specific information on risk to this level of detail.
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## W4.2c

**(W4.2c) Why does your organization not consider itself exposed to water risks in its value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact?**

	Primary reason	Please explain
Row 1	Risks exist, but no substantive impact anticipated	<p>We have evaluated the risk that current and anticipated water-related climate impacts pose to our coffee supply and determined there is not quantifiable risk at this time. The key risks considered were storms, changing rainfall patterns, climate change, etc. and their impact on coffee supply. However, modelling of impact of climate change (such as in the IPCC Fourth Assessment estimates for 2050) indicates that impacts are projected to materialize slowly, which we believe will allow us to adapt and mitigate. Climate change is compounding many issues faced by coffee communities (deforestation, water shortages, decreasing yields, rainfall pattern changes) and the effects vary by region and also effect water. As climate change continues to make it more challenging to grow coffee and reduces the area of land suitable for growing coffee, Starbucks is always assessing the implications of climate change on its core commodity.</p> <p>Over the last year, Starbucks launched programs in Guatemala, Mexico, Peru, Rwanda, and Kenya to test its carbon and water strategies impacting more than 92,000 farms. In addition to investing in new, water-conserving wet mills, Starbucks worked with farmers to gather more than 11,500 soil and foliar samples to inform soil health. Based on the success of these initial pilots, Starbucks is now expanding the program to Colombia and launching a new, holistic sustainability project with 100 small-holder farmers in Nariño, Colombia. Over a five-year period, the Nariño project will combine the best of Starbucks knowledge and resources on regenerative agriculture, precision agronomy and farm economics.</p> <p>Farmers will receive hands-on support including customized, in-depth agricultural and business education and training to best manage their crops and land. They will also receive new equipment and facilities to optimize for reduced water use and carbon emissions and new, climate-resistant coffee seedlings to replace unproductive trees. This project and partnership with</p>

	Starbucks will help farmers increase their productivity, quality and profitability while decreasing the environmental footprint generated from coffee growing and processing.
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## W4.3

**(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

Yes, we have identified opportunities, and some/all are being realized

## W4.3a

**(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.**

### Type of opportunity

Resilience

### Primary water-related opportunity

Increased resilience to impacts of climate change

### Company-specific description & strategy to realize opportunity

We work with our coffee, cacao, and tea farmers to support water efficiency and watershed protection as a strategic effort to ensure the sustainability and longevity of the commodities that our core business line relies on. For example, C.A.F.E. Practices, our guide for coffee farmers and processors, includes strategies to protect water resources and reduce usage. C.A.F.E. Practices ensures that all coffee is grown and processed in a manner that not only minimizes impacts, but also contributes positively to the environment. Many of the coffee growing regions overlap with areas rich in biodiversity—called Key Biodiversity Areas. By encouraging sustainable farming, Starbucks helps to alleviate pressures on these valuable habitats while supporting still livelihoods. Specific to water, this requires water use and conservation as well as water body protection.

With 200,000 wet mills in Starbucks C.A.F.E. Practice supply chain, Starbucks has an opportunity to conserve water by ensuring farmers have access to more environmentally friendly machines, which also standardizes quality and increases processing efficiency for farmers. Over the last year, Starbucks purchased nearly 600 eco-mills that have been distributed to coffee farms in Guatemala, Mexico, Peru, Kenya, and Rwanda. The result has been up to 80% water savings in coffee processing where installed.

Through Starbucks Tryer Center, we are working with suppliers to explore improvements to existing water processing machinery and technology. Meanwhile, through our Farmer Support Centers, we are conducting research and gathering insights from farmers to inform future machine design and operations. As part of Starbucks long-term water strategy, the company will develop water replenishment projects at Origin, with a focus on communities and basins with high water risk.

**Estimated timeframe for realization**

More than 6 years

**Magnitude of potential financial impact**

Medium

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

**Potential financial impact figure – minimum (currency)**

**Potential financial impact figure – maximum (currency)**

**Explanation of financial impact**

While we do not have the potential financial impact figure at this time, Starbucks plans to work with existing industry stakeholders to maximize the impact of its efforts while right sizing its financial commitment to the coffee, cocoa, and tea industries' long-term resilience. Better water management will provide resilience to our farmers if water availability declines. This would help to mitigate price increases related to short supply of coffee as a result of climate change.

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### **Type of opportunity**

Efficiency

### **Primary water-related opportunity**

Improved water efficiency in operations

### **Company-specific description & strategy to realize opportunity**

Store operational water savings projects have been being implemented since 2008 when we began removing dipperwells in favor of a metered version. Reducing water usage in stores is considered a strategic opportunity as it will save money and increase brand reputation as a leader in water stewardship. Seeking methods to reduce water use and increase efficiency drive innovation such as development of improved spoon rinsing fixture (vs dipper wells), low flow toilets, faucet aerators, and high efficiency dishwashers. In 2018, Starbucks committed to design, build and operate 10,000 "Greener Stores" globally by 2025.

Through our open-source Starbucks Greener Stores framework, developed in partnership with the World Wildlife Fund (WWF) and in collaboration with other nongovernmental organizations, we have created a new benchmark in retail for design, construction and operation. In FY20, our second year of certifying stores, we tripled the number of stores in the Greener Stores network to a total of 2,317 certified stores in the U.S. and Canada. With performance-based standards that incorporate design and extend throughout the life of a store, "Starbucks Greener Stores" focus on deploying technologies and practices that ultimately deliver 30 percent water savings and 25 percent avoided energy over historic store design practices. Circumstances surrounding COVID-19 slowed some areas of progress, but it also provided an opportunity for us to build on learnings from our first year to optimize standards to reflect the needs of our diverse store portfolio. We also saw stores improving their adoption of Greener Store standards, such as energy efficiency and recycling, thanks in part to partners' growing interest and motivation surrounding sustainability.

**Estimated timeframe for realization**

4 to 6 years

**Magnitude of potential financial impact**

Low-medium

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

**Potential financial impact figure – minimum (currency)**

**Potential financial impact figure – maximum (currency)**

**Explanation of financial impact**

Starbucks does not have a financial figure to disclose for this opportunity, however, we recognize efficiency efforts as a mean to reduce energy and water consumption to lessen environmental impact and encourage cost savings.

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**Type of opportunity**

Products and services

**Primary water-related opportunity**

Increased sales of existing products/services

**Company-specific description & strategy to realize opportunity**

Starbucks method of supporting global access to water and sanitation presents a strategic opportunity to benefit from increased sales of existing products while giving back to communities. Ethos Water began as a social venture startup with the goal of providing people in developing countries with access to clean water. For every bottle of Ethos® water sold in the United States, 5 cents (.10CN in Canada) is directed to the Ethos© Water Fund to help finance water programs around the world, including humanitarian programs in coffee-growing communities, providing clean, safe water to those in need. The Starbucks Foundation also supports water initiatives and projects in coffee growing regions. Donation drives customer purchase of Ethos Water, and funding of water projects in coffee, tea, and cacao source regions increases brand value and social license to operate both in source regions and Ethos sales regions.

Also, Starbucks announced in 2018 a partnership with Nobel Prize laureate Malala Yousafzai's organization, Malala Fund to promote girls' education and expand leadership opportunities for young women in coffee and tea growing communities in India and Latin America. Projects include improving access to education and agricultural training, microfinance and microcredit services, improving biodiversity conservation, and increasing levels of health, nutrition and water sanitation and access to clean water through the Ethos© Water Fund. The Starbucks Foundation aims to promote leadership opportunities for women and families in coffee, tea and cocoa growing communities to break down barriers to education, clean water and sanitation, and economic opportunities. We are focused on advancing leadership and economic opportunities for 250,000 women and families in origin communities by 2025.

**Estimated timeframe for realization**

4 to 6 years

**Magnitude of potential financial impact**

Low-medium

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

**Potential financial impact figure – minimum (currency)**



## Potential financial impact figure – maximum (currency)

### Explanation of financial impact

Since 2005, The Starbucks Foundation has made \$38M in grants to non-profit organizations working to provide access to clean, safe water and related programs, which have impacted over 500,000 people around the world. The Starbucks Foundation's Origin Grants help these communities continue to break down barriers to education, promote clean water, sanitation and hygiene (WASH), and create economic opportunities for women and girls.

## W6. Governance

### W6.1

#### (W6.1) Does your organization have a water policy?

Yes, we have a documented water policy, but it is not publicly available

### W6.1a

#### (W6.1a) Select the options that best describe the scope and content of your water policy.

	Scope	Content	Please explain
Row 1	Company-wide	Description of business dependency on water Description of business impact on water Description of water-related performance standards for direct operations	<p>In January 2020, Starbucks announced a bold aspiration to be a resource positive company– storing more carbon than we emit, eliminating waste, and providing cleaner freshwater than we use. This aspiration is grounded in Starbucks mission. By embracing a longer-term economic, equitable and planetary value proposition for our company, we will create greater value for all stakeholders. We set a target for 50% of our water withdrawal for direct operations and coffee production will be conserved or replenished by FY30 compared to FY19 with a focus on communities and basins with high water risk.</p> <p>In March 2021, to protect the resiliency of this supply chain, the people that make it possible, and the</p>

	<p>Description of water-related standards for procurement</p> <p>Reference to international standards and widely-recognized water initiatives</p> <p>Company water targets and goals</p> <p>Commitments beyond regulatory compliance</p> <p>Commitment to stakeholder awareness and education</p> <p>Commitment to water stewardship and/or collective action</p> <p>Commitment to safely managed Water, Sanitation and Hygiene (WASH) in the workplace</p> <p>Recognition of environmental linkages, for example, due to climate change</p> <p>Other, please specify</p> <p>Building and Design Standards</p>	<p>planet we all share, Starbucks set goals to achieve carbon neutral green coffee and conserve water usage in green coffee processing by 50% by 2030. Traditional coffee processing is water intensive. With 200,000 wet mills in Starbucks C.A.F.E. Practice supply chain, Starbucks has an opportunity to conserve water by ensuring farmers have access to more environmentally friendly machines, which also standardizes quality and increases processing efficiency for farmers.</p> <p>Starbucks will achieve 50% conservation in water usage in coffee at origin by 2030 by: Conserving water by directly investing in new ecological wet mills (eco-mills) for C.A.F.E. Practice farms; Investing to make current water processing technology and machinery even more efficient; and Developing water replenishment projects in coffee communities.</p> <p>Starbucks has also joined the UN Global Compact CEO Water Mandate, a CEO-led coalition, as well as the Water Resilience Coalition to elevate our corporate water agenda and partner with other leading companies on collective action projects in key basins around the world.</p> <p>Starbucks operational water policy encompasses Water Supply, Waste Water Disposal, and Water Treatment Standards, as well as commitments to water efficiency and WASH practices, on a company-wide level. According to Starbucks water policy, all consumed water must be:</p> <ul style="list-style-type: none"> <li>· Be potable;</li> <li>· Meet Starbucks water safety and testing standards.</li> <li>· Meet Starbucks water quality standards.</li> </ul>
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## W6.2

**(W6.2) Is there board level oversight of water-related issues within your organization?**

Yes

## W6.2a

**(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.**

Position of individual	Please explain
Board-level committee	The Nominating and Corporate Governance Committee is responsible for providing leadership with respect to the corporate governance of Starbucks Corporation. This includes the responsibility to annually review and assess the effectiveness of our environmental and social responsibility (including water-related issues) policies, goals and programs through the annual Global Social Impact Performance Report and make recommendations based on such review and assessment.” An example of a water-related decision made by the NCGC in 2020 was the approval to go ahead with our public aspiration to become a resource positive company. Our new resource positive movement emphasizes being a climate positive, water positive, and circular entity. Our preliminary ambitious 2030 goals which accompanied this announcement, include a 50% conservation or replenishment of our water withdrawal for direct operations and coffee production with a focus on communities and basins with high water risk.

## W6.2b

**(W6.2b) Provide further details on the board’s oversight of water-related issues.**

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	Monitoring implementation and performance Reviewing and guiding business plans	The Board of Directors has overall responsibility for risk oversight, including, as part of regular board and committee meetings, general oversight of executives’ management of risks relevant to the Company. This includes oversight of Environmental, Social and Governance (ESG) risks, including water-related issues. A fundamental part of risk oversight is not only understanding the material risks a company faces and the steps management is taking to

		<p>Reviewing and guiding strategy</p> <p>Reviewing and guiding corporate responsibility strategy</p>	<p>manage those risks, but also understanding what level of risk is appropriate for the company.</p> <p>Starbucks chief executive officer (ceo) has general charge and supervision of the business and strategic direction of the Company and sits on the Board of Directors. As the highest management-level position with responsibility for water-related issues, the ceo meets monthly with the chief sustainability officer (cso) to discuss global sustainability strategies and initiatives across the enterprise. The ceo relays the progress of such efforts and key strategic insight to the Board.</p> <p>Starbucks ceo has tasked the Environmental Council and the Global Sustainability Task Force with actualizing the company's sustainability initiatives, the progress of which is overseen by the cso. The ceo meets with the cso monthly to discuss global sustainability strategies and updates on ESG issues across the organization. The ceo is updated on water-related issues, including risk management components, sporadically throughout these regular meetings. The Environmental Council and Global Sustainability Task Force, which are tasked with the developing and realizing sustainability initiatives by the ceo, also create content for regular updates to leadership. The ceo then shares these progress updates with the Board.</p> <p>In FY20, the ceo announced Starbucks long-term ESG strategy, including committing to preliminary target reductions of carbon, water, waste by 2030. And in FY21, Starbucks joined the UN CEO Water Mandate and Water Resilience Coalition.</p>
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## W6.3

**(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).**

**Name of the position(s) and/or committee(s)**

Chief Executive Officer (CEO)

**Responsibility**

Both assessing and managing water-related risks and opportunities

**Frequency of reporting to the board on water-related issues**

Annually

**Please explain**

Starbucks chief executive officer (ceo) has general charge and supervision of the business and strategic direction of the Company and sits on the Board of Directors. As the highest management-level position with responsibility for water-related issues, the ceo meets monthly with the chief sustainability officer (cso) to discuss global sustainability strategies and initiatives across the enterprise. Overseeing all of Starbucks sustainability programs for integrity, effectiveness, and impact, the cso regularly updates the ceo with the progress of such efforts and key strategic insight for the ceo to bring to the Board's attention.

## W6.4

**(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?**

	Provide incentives for management of water-related issues	Comment
Row 1	Yes	<p>Starbucks seeks to incentivize meaningful and significant water-related action by offering monetary rewards. The vast majority of executive officer compensation is variable and tied to our financial results or the performance of our stock price, or both. Non-financial individual performance goals for our executive officers also include consideration of performance against certain environmental, social and governance (ESG) metrics.</p> <p>Starbucks individual performance factor (IPF), part of the Annual Incentive Bonus Plan, is weighted at 30% of the target value of each annual cash incentive award with a payout between 0-200% of target based on an assessment of</p>

		individual performance against certain strategic, operational, leadership, and ESG goals, as recommended by the Compensation Committee and authorized by the board.
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## W6.4a

**(W6.4a) What incentives are provided to C-suite employees or board members for the management of water-related issues (do not include the names of individuals)?**

	Role(s) entitled to incentive	Performance indicator	Please explain
Monetary reward	Chief Executive Officer (CEO)	Reduction of water withdrawals Reduction in consumption volumes Improvements in efficiency - product-use	Starbucks ceo is responsible for tasking the Global Environmental Council with realizing the company's sustainability initiatives, as well as overseeing ESG efforts on a company-wide level. Starbucks ceo has general charge and supervision of the business and strategic direction of the Company and sits on the Board of Directors and is compensated based on an assessment of individual performance against certain strategic, operational, leadership, and ESG goals, as recommended by the Compensation Committee and authorized by the board. In FY20, the ceo was compensated through a cash bonus for his role in shaping and clarifying Starbucks long-term strategy as it relates to Environmental, Social and Corporate Governance goals by guiding and approving the setting of the new 2030 targets, including the commitment to conserve water usage in green coffee processing by 50% by 2030.
Non-monetary reward	Chief Sustainability Officer (CSO)	Reduction of water withdrawals Reduction in consumption volumes Improvements in efficiency - direct operations Improvements in efficiency - supply chain	The cso reports directly to the evp, chief marketing officer, and oversees and coordinates the efforts of the Environmental Council (EC), through the ceo's directives to actualize the company's sustainability initiatives. The cso meets with the ceo once a month to provide updates on the progress of such efforts and key strategic insight for the ceo to bring to the Board's attention. The cso is scheduled to formally report to the Board at least once a year. The cso is rewarded with non-monetary rewards based on water-related management and progress towards and achievement of water-related goals through achievement of personal and professional development goals.

		<p>Improvements in efficiency - product-use</p> <p>Implementation of employee awareness campaign or training program</p> <p>Supply chain engagement</p> <p>Increased access to workplace WASH</p> <p>Implementation of water-related community project</p>	
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## W6.5

**(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?**

Yes, direct engagement with policy makers

## W6.5a

**(W6.5a) What processes do you have in place to ensure that all of your direct and indirect activities seeking to influence policy are consistent with your water policy/water commitments?**

Starbucks is committed to being actively involved in the communities we serve, extending to our approach to public policy. We have a responsibility to advocate policies that support the health of our business, our partners and communities we are part of. Starbucks Government Affairs team has increasingly emphasized the development, analysis, and management of water-related public policy initiatives and activities, which are critical for informing direction for the Company's public policy and government relations objectives and stakeholder engagement. In an effort to better communicate these activities, Starbucks adopted a policy to provide more transparency about our corporate political contributions and expenditures. This policy will serve Starbucks interests in promoting public policies of concern to the company and educating elected and public officials about our

business, while providing important information to our partners, customers, and shareholders. Starbucks is committed to compliance with rules, regulations, and standards governing our interaction with the government, including our disclosure and accountability regarding political contributions and expenditures. The company's Nominating and Corporate Governance Committee, responsible for the review of the Company's environmental and social responsibility policies and programs, is tasked with reviewing corporate contributions and payments on an annual basis to ensure alignment with Starbucks policy and values.

## W6.6

**(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?**

Yes (you may attach the report - this is optional)

 SBUX-2021-Proxy-Statement.pdf

## W7. Business strategy

### W7.1

**(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?**

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, water-related issues are integrated	5-10	Starbucks recognizes the need to incorporate water-related issues into our long-term business objectives to ensure the sustainability and longevity of the crops, regions, and communities our business relies on. Water issues such as availability, quality, and access are all included in our considerations, by way of consumption and sanitation best-practices. For an example of how these aspects are integrated into our strategic business plan, in 2020, we announced a target to conserve or replenish water in direct



			<p>operations and coffee production by 50% by FY30 compared to FY19.</p> <p>To achieve 50% conservation in water usage, we plan on conserving water by directly investing in ecological wet mills, investing to make current water processing infrastructure more efficient, and developing water replenishment projects in coffee communities:</p> <ul style="list-style-type: none"> <li>• In 2020, Starbucks purchased ~600 eco-mills that have been distributed to coffee farms in Guatemala, Mexico, Peru, Kenya, and Rwanda. The result has been up to 80% water savings in coffee processing where installed.</li> <li>• We are working with suppliers to explore improvements to existing water processing machinery and technology. Through our Farmer Support Centers, we are conducting research and gathering insights from farmers to inform future machine design and operations.</li> <li>• As part of Starbucks long-term water strategy, the company will develop water replenishment projects at Origin, with a focus on communities and basins with high water risk.</li> </ul>
Strategy for achieving long-term objectives	Yes, water-related issues are integrated	5-10	<p>Water-related issues are integrated into our strategy for achieving long-term objective to ensure the sustainability and longevity of our key commodities. Water issues incorporated include water conservation, replenishment, erosion and drought prevention, and maintain adequate availability, quality, and access. As an example of how these issues are integrated into our strategy for achieving long-term objectives, water Stewardship is a key component to our C.A.F.E. Practice certification program for coffee. C.A.F.E. Practices focused on supporting growers of shade coffee in areas of high biodiversity and promoting the use of environmentally sustainable agricultural practices and ensuring a long-term supply of high-quality coffee while positively impacting the lives of coffee farmers and their communities... Traditional coffee processing is water intensive. With 200,000 wet mills in Starbucks C.A.F.E. Practice supply chain, Starbucks has an opportunity to conserve water by ensuring farmers have</p>

			access to more environmentally friendly machines, which also standardizes quality and increases processing efficiency for farmers. Verified farms also maintain buffer zones along water bodies, implement erosion prevention practices, and prevent deforestation, all of which promote a healthy ecosystem and protect local watersheds.
Financial planning	No, water-related issues were reviewed but not considered as strategically relevant/significant	21-30	<p>We have evaluated the risk that current and anticipated water-related climate impacts pose to our coffee supply and determined there is not quantifiable risk at this time, therefore, water-related issues are not considered strategically relevant in our financial planning. The key risks considered were storms, changing rainfall patterns, climate change, etc. and their impact on coffee supply. As water scarcity continues to make it more challenging to grow coffee and reduces the area of land suitable for growing coffee, Starbucks is assessing the implications of climate change on its core commodity. It has yet to have macro-economic impacts on the cost of coffee, but Starbucks recognizes the impact climate change is having on coffee farming.</p> <p>While water-related issues are present, our modelling of impact of climate change (such as in the IPCC Fourth Assessment estimates for 2050) indicates that impacts are projected to materialize slowly., which we believe will allow us to adapt and mitigate within our financial planning. Starbucks focuses efforts to protect the cost of coffee through on-the-groundwork such as distributing 10 million coffee rust- resistant trees to farmers and training more than 40,000 farmers to help increase the productivity, quality and profitability of coffee on their farms and ensure a sustainable future for coffee.</p>

## W7.2

**(W7.2) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?**

Row 1

**Water-related CAPEX (+/- % change)**

**Anticipated forward trend for CAPEX (+/- % change)**

**Water-related OPEX (+/- % change)**

**Anticipated forward trend for OPEX (+/- % change)**

**Please explain**

Our direct operations rely on adequate freshwater suppliers for our retail products, manufacturing, and sanitation and hygiene processes to meet the needs of our partners (employees), customers, and communities.

## W7.3

**(W7.3) Does your organization use climate-related scenario analysis to inform its business strategy?**

	Use of climate-related scenario analysis	Comment
Row 1	Yes	As a company that relies on an agricultural product, we are concerned about the impacts of climate change, especially in the sensitive bioregions where coffee is grown. Climate change is compounding other issues faced by coffee communities, including water shortages and rainfall pattern changes, and the effects vary by region. As climate change continues to make it more challenging to grow coffee and reduces the area of land suitable for growing coffee, we are assessing the implications of climate change on our core commodity. We have evaluated the risk that current and anticipated water-related climate impacts pose to our coffee supply and determined there is not quantifiable risk at this time. The key risks considered were storms, changing

		rainfall patterns, climate change, etc. and their impact on coffee supply. However, modelling of impact of climate change indicates that impacts are projected to materialize slowly, which we believe will allow us to adapt and mitigate.
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## W7.3a

**(W7.3a) Has your organization identified any water-related outcomes from your climate-related scenario analysis?**

Yes

## W7.3b

**(W7.3b) What water-related outcomes were identified from the use of climate-related scenario analysis, and what was your organization's response?**

	Climate-related scenarios and models applied	Description of possible water-related outcomes	Company response to possible water-related outcomes
Row 1	RCP 2.6 Other, please specify WWF Water Risk Filter; Agronomy Research	Starbucks has engaged with WWF to perform a comprehensive risk assessment of the impacts of water risk on its key commodities, including the projected change in water discharge and drought by 2050 were included in the analysis. The Water Risk Filter overall risk is a comprehensive risk layer that follows the UN Global Compact's CEO Water Mandate framework and is composed of three risk types: physical, regulatory, and reputational. These risk types have different weightings, according to a variety of 25 industry sectors available in the Water Risk Filter. In average, the weighting distribution is 60% for physical, 20% for regulatory, and 20% for reputational.  The results of this scenario analysis show that water usage in	In response to the water-related risks identified in our analysis, Starbucks has publicly committed to water conservation over the next ten years. With 200,000 wet mills in Starbucks C.A.F.E. Practice supply chain, Starbucks has an opportunity to conserve water by ensuring farmers have access to more environmentally friendly machines, which also standardizes quality and increases processing efficiency for farmers. Starbucks will achieve 50% conservation in water usage by 2030 by: Conserving water by directly investing in new ecological wet mills (eco-mills) for C.A.F.E. Practice farms; investing to make current water processing technology and machinery even more efficient; and developing water replenishment projects in coffee communities.

	<p>dairy and nut farming, and dairy manure management, are significant drivers for water risk. The analysis illustrates consistently high-risk basins in the US across food commodities, with Starbucks greatest water risks being linked to agricultural practices. Refreshments, including coffee and tea, are the top contributor to water withdrawal due to its water intense process. The map filter showed that various coffee sourcing regions throughout Central and South America and Asia are vulnerable to various risks, including flooding, water quality, and periodic drought. Tea was also shown to be sourced from high risk areas in China, specifically in the Yangtze River Basin.</p>	<p>Starbucks will continue to monitor and improve water management techniques for C.A.F.E. Practices for both coffee farmers and wet mill processors. With growing and processing coffee, the program promotes sustainable agricultural practices including measures to protect water quality, improve soil health, preserve biodiversity, reduce agrochemical use, and conserve water and energy.</p>
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## W7.4

### (W7.4) Does your company use an internal price on water?

#### Row 1

#### Does your company use an internal price on water?

No, and we do not anticipate doing so within the next two years

#### Please explain

Our direct operations are not considered water intensive and while we do track water rates to properly budget for water costs and examine where we have stores or manufacturing in areas of scarcity or poor quality in our risk assessment, we have not set an internal price on water.

## W8. Targets

### W8.1

**(W8.1) Describe your approach to setting and monitoring water-related targets and/or goals.**

	Levels for targets and/or goals	Monitoring at corporate level	Approach to setting and monitoring targets and/or goals
Row 1	Company-wide targets and goals Activity level specific targets and/or goals Site/facility specific targets and/or goals	Targets are monitored at the corporate level Goals are monitored at the corporate level	<p>Starbucks uses financial risk and science-based assessments to guide our approach to setting and monitoring water-related targets and goals. Starbucks Board of Directors has overall responsibility for risk oversight, including, as part of regular board and committee meetings, general oversight of executives' management of risks relevant to the Company. This includes oversight of Environmental, Social and Governance (ESG) risks, including water-related issues.</p> <p>Starbucks Risk Committee, chaired by the cfo, develops views on the core enterprise risks that are tracked under an internal risk register, alongside the enterprise risk management (ERM) program. Annually, Starbucks conducts an ERM assessment led by internal audits to re-evaluate and re-baseline all identified risks. This assessment includes facilitated discussions with relevant stakeholders for each risk that focuses on the alignment of risk drivers and gaps, as well as the understanding of mitigation pathways.</p> <p>Most identified risks have a second line team that performs regular risk assessments at the functional level. The Sustainability team, EC, and GSTF evaluate water-related risks and develop strategies to address emerging factors that pose a threat to our core business as part of the company-wide risk identification and management process. Risk evaluation is done together with the business units during the annual strategic planning cycle. The status of our mitigations initiatives to address identified risks are reported annually to the risk committee. During each cycle, and throughout the year, we collaboratively discuss how the future sustainability goals will evolve. Starbucks updates sustainability targets and goals in a 5-year cadence, or more frequently as needed, to ensure we continue to address the most relevant issues and maintain our</p>

			<p>leadership position in sustainability.</p> <p>In 2020, Starbucks announced its aspiration to become resource positive, along with new sustainability targets. The goal setting process, refinement and monitoring was led by our ceo and cso, working in concert with teams across our business. The process was informed by a comprehensive, data-driven environmental footprint of carbon emissions, water use and waste in Starbucks global operations and supply chain, recent risk evaluation performed by internal sustainability stakeholders, and a water strategy stakeholder dialogue facilitated by Ceres. These targets were then approved by Starbucks leadership and Board of Directors.</p>
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## W8.1a

**(W8.1a) Provide details of your water targets that are monitored at the corporate level, and the progress made.**

### Target reference number

Target 1

### Category of target

Water withdrawals

### Level

Company-wide

### Primary motivation

Reduced environmental impact

### Description of target

By 2030, 50% of our water withdrawal for direct operations and coffee production will be conserved or replenished with a focus on communities and basins with high water risk.

**Quantitative metric**

Absolute reduction in total water withdrawals

**Baseline year**

2019

**Start year**

2020

**Target year**

2030

**% of target achieved**

8

**Please explain**

In January 2020, Starbucks ceo announced Starbucks new sustainability commitment. Our aspiration is to become resource positive – storing more carbon than we emit, eliminating waste, and providing cleaner freshwater than we use. By embracing a longer-term economic, equitable and planetary value proposition for our company, we will create greater value for all stakeholders. We have set a target for 2030 that 50 percent of our water withdrawal for direct operations and coffee production will be conserved or replenished with a focus on communities and basins with high water risk.

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**Target reference number**

Target 2

**Category of target**

Water use efficiency

**Level**

Company-wide



**Primary motivation**

Reduced environmental impact

**Description of target**

Design, build and operate 10,000 “Greener Stores” globally by 2025.

**Quantitative metric**

Other, please specify

Number of greener stores built

**Baseline year**

2016

**Start year**

2018

**Target year**

2025

**% of target achieved**

23

**Please explain**

In 2018, Starbucks committed to design, build and operate 10,000 “Greener Stores” globally by 2025. “Starbucks Greener Stores” framework, co-developed by World Wildlife Fund (WWF) and audited and verified by SCS Global Services, will be built upon comprehensive performance criteria that help ensure the company’s approach to designing, building, and operating its company-owned stores sets a new standard for green retail. With performance-based standards that incorporate design and extend throughout the life of a store, “Starbucks Greener Stores” will focus on deploying technologies and practices that ultimately deliver 30 percent water savings. Through FY20, Starbucks has 2,317 stores globally that reflect the greener stores framework.

## W8.1b

**(W8.1b) Provide details of your water goal(s) that are monitored at the corporate level and the progress made.**

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**Goal**

Engagement with suppliers to help them improve water stewardship

**Level**

Brand/product

**Motivation**

Reduced environmental impact

**Description of goal**

As part of Starbucks long-term water strategy, the company will develop water replenishment projects at Origin, with a focus on communities and basins with high water risk. This goal is important to Starbucks because we have an opportunity to conserve water by ensuring farmers have access to more environmentally friendly machines, which also standardizes quality and increases processing efficiency for farmers.

Farmers will receive hands-on support including customized, in-depth agricultural and business education and training to best manage their crops and land. They will also receive new equipment and facilities to optimize for reduced water use and carbon emissions and new, climate-resistant coffee seedlings to replace unproductive trees.

This project and partnership with Starbucks will help farmers increase their productivity, quality and profitability while decreasing the environmental footprint generated from coffee growing and processing.

**Baseline year**

2020

**Start year**

2020

**End year**

2030

**Progress**

Since this goal and its implementation are very new, our current measures of success include the number of participating farms and the number of soil samples gathered. Over the last year, Starbucks launched programs in Guatemala, Mexico, Peru, Rwanda, and Kenya to test its carbon and water strategies impacting more than 92,000 farms. In addition to investing in new, water-conserving wet mills, Starbucks worked with farmers to gather more than 11,500 soil and foliar samples to inform soil health.

Based on the success of these initial pilots, Starbucks is now expanding the program to Colombia and launching a new, holistic sustainability project with 100 small-holder farmers in Nariño, Colombia. Over a five-year period, the Nariño project will combine the best of Starbucks knowledge and resources on regenerative agriculture, precision agronomy and farm economics.

As the program matures, measures of success will include the number of active ecological wet mills, crop yields, and estimated water savings per farm and across the programs.

## W9. Verification

### W9.1

**(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?**

No, we do not currently verify any other water information reported in our CDP disclosure

## W10. Sign off

### W10.1

**(W10.1) Provide details for the person that has signed off (approved) your CDP water response.**

	Job title	Corresponding job category
Row 1	VP, chief sustainability officer	Chief Sustainability Officer (CSO)

## STARBUCKS CDP Forests Questionnaire 2021

### F0. Introduction

#### F0.1

**(F0.1) Give a general description of and introduction to your organization.**

Starbucks is the premier roaster, marketer and retailer of specialty coffee in the world. Our story began in 1971. Back then we were a roaster and retailer of whole bean and ground coffee, tea and spices with a single store in Seattle's Pike Place Market. Today, we are privileged to connect with millions of customers every day with exceptional products and more than 29,000 retail stores in nearly 80 countries. Formed in 1985, Starbucks Corporation's common stock trades on the NASDAQ Global Select Market ("NASDAQ") under the symbol "SBUX." Our objective is to maintain standing as one of the most recognized and respected brands in the world. To achieve this, we are focused on streamlining the business, driving growth in the U.S. and China, and expanding our global reach through the Global Coffee Alliance. Guided by our Mission and Values, our long-term plan for growth with focus and discipline is built on the belief that the pursuit of profit is not in conflict with the pursuit of doing good. Our employees, who we call partners, are at the heart of the Starbucks Experience. Beginning in 1991, we turned Starbucks employees into partners by providing the opportunity to share in the financial success of the company through Starbucks stock. Our collective efforts to build a more open, equitable and inclusive company enable us to learn, adapt, and grow. It is in our collective efforts that will determine our place as a great and enduring company, one that recognizes our responsibility as more than just making a profit.

We are company that stands for having a positive social impact in our communities. Starbucks Global Social Impact strategy, commitments related to ethically sourcing high-quality coffee, contributing positively to the communities we do business in and being an employer of choice speak to our ability to profitably innovate *through the lens of humanity*. Indeed, we are building a different kind of company. In January 2020, Starbucks chief executive officer Kevin Johnson unveiled a multi-decade aspiration to be a resource-positive company, giving more than it takes from the planet. The announcement included science-based preliminary target reductions of carbon, water and waste by 2030, and outlined five strategies the company has identified to move toward them. Together, we

are building Starbucks to be a great enduring company by staying true to our Mission & Values while boldly reimagining the future -- for our partners, our customers, and for our planet.

## F0.2

**(F0.2) State the start and end date of the year for which you are reporting data.**

	Start Date	End Date
Reporting year	October 1, 2019	September 30, 2020

## F0.3

**(F0.3) Select the currency used for all financial information disclosed throughout your response.**

USD

## F0.4

**(F0.4) Select the forest risk commodity(ies) that you are, or are not, disclosing on (including any that are sources for your processed ingredients or manufactured goods); and for each select the stages of the supply chain that best represents your organization's area of operation.**

	Commodity disclosure	Stage of the value chain	Explanation if not disclosing
Timber products	Disclosing	Retailing	
Palm oil	Disclosing	Retailing	
Cattle products	Not disclosing	Retailing	Cattle products represent less than one percent of Starbucks procurement spend. The spend on cattle products in food is extremely small and is a very limited food offering.

Soy	Not disclosing	Retailing	Soy represents less than one percent of Starbucks procurement spend. Starbucks offers Soy milk as a non-dairy milk alternative. Relative to our total revenue it is a very small percentage.
Other - Rubber	This commodity is not produced, sourced or used by our organization		
Other - Cocoa	Disclosing	Trading Retailing	
Other - Coffee	Disclosing	Trading Manufacturing Retailing	

## F0.5

**(F0.5) Are there any parts of your direct operations or supply chain that are not included in your disclosure?**

No

## F1. Current state

### F1.1

**(F1.1) How does your organization produce, use or sell your disclosed commodity(ies)?**

**Timber products**

#### Activity

Retailing/onward sale of commodity or product containing commodity

**Form of commodity**

Primary packaging  
Secondary packaging

**Source**

Contracted suppliers (manufacturers)

**Country/Area of origin**

Unknown origin

**% of procurement spend**

<1%

**Comment**

Starbucks uses timber products in furniture and store finishes, as well as in paper packaging including cups. Procurement spend represents purchase of primary packaging. It is not possible to isolate spend on wood products for furniture and finishes or secondary packaging. Focus in the CDP response will be on use of timber products in primary paper packaging. Country of origin information is reported for our hot cup paper fiber sources. We are currently reassessing how we track the country of origin of hot cup paper fiber to ensure it is a fair representation of the paper packaging we purchase. Other categories of paper packaging and wood are not quantified in a manner to report country of origin.

**Palm oil**

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**Activity**

Retailing/onward sale of commodity or product containing commodity

**Form of commodity**

Crude palm oil (CPO)  
Crude palm kernel oil (CPKO)  
Refined palm oil  
Palm oil derivatives



**Source**

Contracted suppliers (manufacturers)

**Country/Area of origin**

Unknown origin

**% of procurement spend**

<1%

**Comment**

We use a very small amount of palm oil derivatives in some ingredients. Starbucks does not directly buy palm oil so we are constantly improving our communication with suppliers to ensure they are aware of our RSPO commitment. RSPO certification includes Mass Balance, Identity Preserved and Segregated but countries of origin not currently known for our ingredients. We are working to continuously improve our understanding of our supply chain. We publicly report our progress towards 100% RSPO by completing RSPO's ACOP found at [www.rspo.org](http://www.rspo.org)

**Other - Cocoa**

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**Activity**

Retailing/onward sale of commodity or product containing commodity

**Form of commodity**

Other, please specify  
Cocoa beans

**Source**

Trader/broker/commodity market

**Country/Area of origin**

**% of procurement spend**

<1%

**Comment**

Starbucks purchases cocoa beans for use in its beverage inputs such as mocha powder. Purchasing for cocoa was taken in-house by Starbucks to improve the ethically sourced nature of the cocoa used within the company's operations.

**Other - Coffee**

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**Activity**

Using as input into product manufacturing  
Retailing/onward sale of commodity or product containing commodity

**Form of commodity**

Other, please specify  
Green coffee beans

**Source**

Contracted suppliers (processors)

**Country/Area of origin**

**% of procurement spend**

**Comment**

As a company that buys three percent of the world's coffee sourced from more than 400,000 farmers, Starbucks knows our success — and that of the industry at large — is directly linked to the success of the people who produce our coffee and the land on which it grows.

We are committed to sourcing coffee responsibly, for the betterment of both people and the planet. From 2015 to 2019, 99% of Starbucks coffee was verified as ethically sourced as measured by C.A.F.E. Practices, our ethical sourcing verification program developed in partnership with Conservation International. Measuring farms against economic, social and environmental criteria, the C.A.F.E. Practices program is designed to promote transparent and sustainable coffee growing practices while also helping protect the well-being of coffee farmers and workers, their

families and their communities. In FY20, due to restrictions caused by COVID-19, auditing teams were unable to complete all the necessary in-person, on-farm audits of our coffee production, resulting in expiration for farms whose verification ended in FY20 and were not audited. This resulted in 98.6% of our coffee coming in FY20 from C.A.F.E. Practice-verified farms.

## F1.2

**(F1.2) Indicate the percentage of your organization's revenue that was dependent on your disclosed forest risk commodity(ies) in the reporting year.**

	% of revenue dependent on commodity	Comment
Timber products	<1%	Starbucks uses paper packaging to provide our products to our customers as well as timber in the construction of new stores. We do not sell paper packaging products directly. Packaging is part of our cost of goods sold. We therefore do not know the percentage of revenue depend on this commodity and have selected <1%.
Palm oil	<1%	Starbucks uses a limited amount of Palm Oil in some food ingredients. It is incorporated into our cost of goods sold. We therefore do not know the percentage of revenue dependent on this commodity and have selected <1%.
Other - Cocoa		This information is confidential. Starbucks purchases cocoa beans for use in its beverage inputs such as mocha powder.
Other - Coffee		This information is confidential. Starbucks is the premier roaster, marketer and retailer of specialty coffee in the world, operating in 81 markets. We purchase and roast high-quality coffees that we sell, along with handcrafted coffee, tea and other beverages and a variety of high-quality food items through company-operated stores. We also sell a variety of coffee and tea products and license our trademarks through other channels such as licensed stores, as well as grocery and foodservice through our Global Coffee Alliance with Nestlé S. A.

## F1.5

**(F1.5) Does your organization collect production and/or consumption data for your disclosed commodity(ies)?**

	Data availability/Disclosure
Timber products	Consumption data available, disclosing
Palm oil	Consumption data available, disclosing
Other - Cocoa	Data available, but not disclosing
Other - Coffee	Data available, but not disclosing

## F1.5a

**(F1.5a) Disclose your production and/or consumption data.**

### Forest risk commodity

Palm oil

### Data type

Consumption data

### Volume

2,929

### Metric

Metric tons

### Data coverage

Partial commodity production/consumption

### Please explain

Data provided for direct operations only representing company owned or operated stores. Data is reported for calendar year 2020.

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**Forest risk commodity**

Timber products

**Data type**

Consumption data

**Volume**

182,600,000

**Metric**

Metric tons

**Data coverage**

Partial commodity production/consumption

**Please explain**

Starbucks has a goal to reduce waste sent to landfill, incineration and drainage by 50% by FY30 compared to FY19. This includes materials not recycled, composted or avoided through circularity approached. This goal applies to our owned operations and licensed stores globally, and includes packaging given to customers in stores, but discarded offsite. The consumption data reported here is related to primary packaging and is inclusive of our licensees. Global data is estimated based on U.S. packaging assortment and extrapolated based on sales. We've also included packaging from Evolution Fresh as this falls into our direct operational control boundary used in our environmental foot printing activities, but have excluded packaging used in other products not sold in Starbucks Stores. Starbucks branded products sold outside of our stores is part of a licensed model of the Global Coffee Alliance with Nestlé, while our global ready-to-drink businesses operate under collaborative relationships with PepsiCo and others. The Starbucks branded packaging they distribute are part of the commitments of our CPG partners.

## F1.5b

**(F1.5b) For your disclosed commodity(ies), indicate the percentage of the production/consumption volume sourced by national and/or sub-national jurisdiction of origin.**

## F1.5c

**(F1.5c) Why is your organization not disclosing production and/or consumption data for your disclosed commodity(ies)?**

	Primary reason	Please explain
Cattle products		
Soy		
Other - Cocoa	Data considered confidential	Providing sourcing data will place Starbucks at a disadvantageous position with suppliers.
Other - Coffee	Data considered confidential	Providing sourcing data will place Starbucks at a disadvantageous position with suppliers.

## F1.5e

**(F1.5e) How does your organization produce or consume biofuel derived from palm oil?**

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**Does your organization produce or consume biofuel derived from palm oil?**

No

**Data type**

**Volume produced/consumed**

**Metric**

**Country/Area of origin**

**State or equivalent jurisdiction**

**% of total production/consumption volume**

**Does the source of your organization's biofuel material come from smallholders?**

**Comment**

## **F1.6**

**(F1.6) Has your organization experienced any detrimental forests-related impacts?**

No

## **F2. Procedures**

### **F2.1**

**(F2.1) Does your organization undertake a forests-related risk assessment?**

Yes, forests-related risks are assessed

## F2.1a

**(F2.1a) Select the options that best describe your procedures for identifying and assessing forests-related risks.**

### Timber products

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#### Value chain stage

Supply chain

#### Coverage

Partial

#### Risk assessment procedure

Assessed as part of other company-wide risk assessment system

#### Frequency of assessment

Annually

#### How far into the future are risks considered?

> 6 years

#### Tools and methods used

Internal company methods

#### Please explain

Starbucks Board of Directors has overall responsibility for risk oversight, including, as part of regular board and committee meetings, general oversight of executives' management of risks relevant to the Company. This includes oversight of environmental risks, including forest-related issues. A fundamental part of risk oversight is not only understanding the material risks a company faces and the steps management is taking to manage those risks, but also understanding what level of risk is appropriate for the company.



Starbucks Risk Committee, chaired by the CFO and General Counsel, maintains the enterprise risk management (ERM) framework. This includes a review of enterprise risk assessments and risk-mitigation activities managed by designated risk owners... As a part of the ERM framework, designated risk owners debrief the Audits and Compliance Committee within the Board on a quarterly basis on major or emerging risks. Annually, Starbucks conducts an ERM risk assessment to prioritize and assess key enterprise risks. This assessment includes facilitated discussions with relevant stakeholders for each risk that focuses on the alignment of risk drivers and gaps, as well as the understanding of mitigation activities. The results of this assessment are rolled up into an overall summary and provided to the ELT and the Board.

## **Palm oil**

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### **Value chain stage**

Supply chain

### **Coverage**

Partial

### **Risk assessment procedure**

Assessed as part of other company-wide risk assessment system

### **Frequency of assessment**

Annually

### **How far into the future are risks considered?**

> 6 years

### **Tools and methods used**

Internal company methods

External consultants

### **Please explain**

Starbucks Board of Directors has overall responsibility for risk oversight, including, as part of regular board and committee meetings, general oversight of executives' management of risks relevant to the Company. This includes oversight of environmental risks, including forest-related

issues. A fundamental part of risk oversight is not only understanding the material risks a company faces and the steps management is taking to manage those risks, but also understanding what level of risk is appropriate for the company. The involvement of the Board of Directors in reviewing Starbucks business strategy is an integral aspect of the board's oversight of Starbucks' risk management practice.

Starbucks Risk Committee, co-chaired by the CFO and General Counsel, maintains the enterprise risk management (ERM) framework. This includes a review of enterprise risk assessments and risk-mitigation activities managed by designated risk owners. As a part of the ERM framework, designated risk owners debrief the Audits and Compliance Committee within the Board on a quarterly basis on major or emerging risks. Annually, Starbucks conducts an ERM risk assessment to prioritize and assess key enterprise risks. This assessment includes facilitated discussions with relevant stakeholders for each risk that focuses on the alignment of risk drivers and gaps, as well as the understanding of mitigation activities. The results of this assessment are rolled up into an overall summary and provided to the ELT and the Board.

As a member of the Roundtable on Sustainable Palm Oil (RSPO), we work with industry partners to shape effort in growing the use of sustainable palm oil globally. Since 2016, Starbucks has used a third-party tool to gather information from suppliers. The resulting data has provided us with a better idea of where supplier engagement and education will be required to continually meet our palm oil goal.

## Other - Cocoa

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### Value chain stage

Supply chain

### Coverage

Partial

### Risk assessment procedure

Assessed as part of other company-wide risk assessment system

### Frequency of assessment

Annually

### How far into the future are risks considered?

> 6 years

### **Tools and methods used**

Internal company methods

### **Please explain**

Starbucks Board of Directors has overall responsibility for risk oversight, including, as part of regular board and committee meetings, general oversight of executives' management of risks relevant to the Company. This includes oversight of environmental risks, including forest-related issues. A fundamental part of risk oversight is not only understanding the material risks a company faces and the steps management is taking to manage those risks, but also understanding what level of risk is appropriate for the company. The involvement of the Board of Directors in reviewing Starbucks business strategy is an integral aspect of the board's oversight of Starbucks' risk management practice.

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### **Other - Coffee**

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#### **Value chain stage**

Direct operations  
Supply chain

#### **Coverage**

Partial

#### **Risk assessment procedure**

Assessed as part of other company-wide risk assessment system

#### **Frequency of assessment**

More than once a year

**How far into the future are risks considered?**

> 6 years

**Tools and methods used**

Internal company methods

**Please explain**

Starbucks Board of Directors has overall responsibility for risk oversight, including, as part of regular board and committee meetings, general oversight of executives' management of risks relevant to the Company. This includes oversight of environmental risks, including forest-related issues. A fundamental part of risk oversight is not only understanding the material risks a company faces and the steps management is taking to manage those risks, but also understanding what level of risk is appropriate for the company. The involvement of the Board of Directors in reviewing Starbucks business strategy is an integral aspect of the board's oversight of Starbucks' risk management practice.

Starbucks Risk Committee, co-chaired by the CFO and General Counsel, maintains the enterprise risk management (ERM) framework. This includes a review of enterprise risk assessments and risk-mitigation activities managed by designated risk owners. As a part of the ERM framework, designated risk owners debrief the Audits and Compliance Committee within the Board on a quarterly basis on major or emerging risks. Annually, Starbucks conducts an ERM risk assessment to prioritize and assess key enterprise risks. This assessment includes facilitated discussions with relevant stakeholders for each risk that focuses on the alignment of risk drivers and gaps, as well as the understanding of mitigation activities. The results of this assessment are rolled up into an overall summary and provided to the ELT and the Board.

## F2.1b

**(F2.1b) Which of the following issues are considered in your organization's forests-related risk assessment(s)?**

**Availability of forest risk commodities**

---

**Relevance & inclusion**

Relevant, always included

**Please explain**

Coffee availability is very important to our business and part of our risk assessment. 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. The supply and price of coffee we purchase can be affected by multiple factors in the producing countries, such as weather, natural disasters, crop disease, 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.

### Quality of forest risk commodities

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#### Relevance & inclusion

Relevant, always included

#### Please explain

Coffee quality is very important to our business and part of our risk assessment. 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. The supply and price of coffee we purchase can be affected by multiple factors in the producing countries, such as weather, natural disasters, crop disease, 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.

### Impact of activity on the status of ecosystems and habitats

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#### Relevance & inclusion

Relevant, always included

#### Please explain

Through our C.A.F.E. Practices work with Conservation International, we assess risks to ecosystems from which we source our coffee. We also do this as part of our COCOA Practices for our Cocoa sourcing. Starbucks and Conservation International (CI) have been working together for nearly 20 years to promote sustainable coffee production that ensures continued productivity of high-quality coffee while improving the

livelihoods of producers and conserving nature. C.A.F.E. Practices is a coffee verification program that is used by Starbucks to ensure ethical sourcing of coffee since 2004. Verification results have been used as one view for understanding the impact of the C.A.F.E. Practices program.

## Regulation

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### Relevance & inclusion

Relevant, always included

### Please explain

We track developments in regulation which may impact our business and supply chain, including those around deforestation. Changes in applicable environmental regulations, including increased or additional regulations 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.

## Climate change

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### Relevance & inclusion

Relevant, always included

### Please explain

The supply and price of coffee we purchase can also be affected by multiple factors in the producing countries, such as weather (including the potential effects of climate change), natural disasters, crop disease, 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.

## Impact on water security

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### Relevance & inclusion

Relevant, always included

### Please explain

Clean water is critical to the preparation of coffee, tea and other beverages. In 2019, Starbucks partnered with World Wildlife Fund to conduct a comprehensive water risk assessment. The scope was global and comprehensive of store operations, manufacturing, and agricultural supply chains.

### **Tariffs or price increases**

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#### **Relevance & inclusion**

Relevant, always included

#### **Please explain**

Our procurement and commodities risk organizations develop models for future pricing of our key purchased commodities and take hedging positions as needed. We follow activity around tariffs carefully and advocate against them where a negative impact is anticipated.

### **Loss of markets**

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#### **Relevance & inclusion**

Relevant, always included

#### **Please explain**

We monitor risks that issues with materials we use in our operations become a negative with our customers and impact sales.

### **Leakage markets**

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#### **Relevance & inclusion**

#### **Please explain**

### **Brand damage related to forest risk commodities**

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#### **Relevance & inclusion**

Relevant, always included

**Please explain**

Our success depends substantially on the value of our brands and failure to preserve their value could have a negative impact on our financial results. We believe we have built an excellent reputation globally for the quality of our products, for delivery of a consistently positive consumer experience and for our global social impact programs. We monitor risks associated with materials we use in our operations and products.

**Corruption**

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**Relevance & inclusion**

Relevant, always included

**Please explain**

Failure to comply with applicable laws and changing legal and regulatory requirements could harm our business and financial results. We have an anti-bribery policy covering all operations as well as specific anti-corruption elements of our C.A.F.E. Practices, Cocoa Practices, and in our procurement reviews of suppliers of other commodities.

**Social impacts**

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**Relevance & inclusion**

Relevant, always included

**Please explain**

As a company grounded in a mission to inspire and nurture the human spirit, Starbucks has always looked to make positive connections and impact on people and communities around the world. Starbucks global social impact strategy and commitments are integral to our overall business strategy. We monitor potential conflicts among stakeholders in our source regions for commodities, as this may impact availability and/or price of materials. Through our C.A.F.E. Practices work with Conservation International, we assess risks to communities from which we source our coffee.

**Other, please specify**

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**Relevance & inclusion**



**Please explain**

## **F2.1c**

**(F2.1c) Which of the following stakeholders are considered in your organization's forests-related risk assessments?**

### **Customers**

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**Relevance & inclusion**

Relevant, always included

**Please explain**

Starbucks considers impact of forests-related risks to our customers. As a company grounded in a mission to inspire and nurture the human spirit, Starbucks has always looked to make positive connections and impact on people and communities around the world. Our focus is on ethically sourcing high-quality coffee and tea, reducing our environmental impacts and contributing positively to communities around the world. Starbucks Global Social Impact strategy and commitments are integral to our overall business strategy. As a result, we believe we deliver benefits to our stakeholders, including employees, business partners, customers, suppliers, shareholders, community members and others.

### **Employees**

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**Relevance & inclusion**

Relevant, always included

**Please explain**

Starbucks considers impact of forests-related risks to our employees. As a company grounded in a mission to inspire and nurture the human spirit, Starbucks has always looked to make positive connections and impact on people and communities around the world. Our focus is on ethically sourcing high-quality coffee and tea, reducing our environmental impacts and contributing positively to communities around the world.

Starbucks Global Social Impact strategy and commitments are integral to our overall business strategy. As a result, we believe we deliver benefits to our stakeholders, including employees, business partners, customers, suppliers, shareholders, community members and others.

## Investors

---

### Relevance & inclusion

Relevant, always included

### Please explain

As a company grounded in a mission to inspire and nurture the human spirit, Starbucks has always looked to make positive connections and impact on people and communities around the world. Our focus is on ethically sourcing high-quality coffee and tea, reducing our environmental impacts and contributing positively to communities around the world. Starbucks Global Social Impact strategy and commitments are integral to our overall business strategy. As a result, we believe we deliver benefits to our stakeholders, including employees, business partners, customers, suppliers, shareholders, community members and others.

## Local communities

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### Relevance & inclusion

Relevant, always included

### Please explain

As a company grounded in a mission to inspire and nurture the human spirit, Starbucks has always looked to make positive connections and impact on people and communities around the world. Our focus is on ethically sourcing high-quality coffee and tea, reducing our environmental impacts and contributing positively to communities around the world. Starbucks Global Social Impact strategy and commitments are integral to our overall business strategy. As a result, we believe we deliver benefits to our stakeholders, including employees, business partners, customers, suppliers, shareholders, community members and others.

## NGOs

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### Relevance & inclusion

Relevant, always included

**Please explain**

As a company grounded in a mission to inspire and nurture the human spirit, Starbucks has always looked to make positive connections and impact on people and communities around the world. Our focus is on ethically sourcing high-quality coffee and tea, reducing our environmental impacts and contributing positively to communities around the world. Starbucks Global Social Impact strategy and commitments are integral to our overall business strategy. As a result, we believe we deliver benefits to our stakeholders, including employees, business partners, customers, suppliers, shareholders, community members and others. Starbucks partners with World Wildlife Fund, Conservation International, and Ocean Conservancy, and others to advise on strategy and validate performance of all sustainability initiatives. Conservation International supports and studies CAFE Practices with does not allow for deforestation in certified farms.

**Other forest risk commodity users/producers at a local level**

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**Relevance & inclusion**

Relevant, always included

**Please explain**

As a company grounded in a mission to inspire and nurture the human spirit, Starbucks has always looked to make positive connections and impact on people and communities around the world. Our focus is on ethically sourcing high-quality coffee and tea, reducing our environmental impacts and contributing positively to communities around the world. Starbucks Global Social Impact strategy and commitments are integral to our overall business strategy. As a result, we believe we deliver benefits to our stakeholders, including employees, business partners, customers, suppliers, shareholders, community members and others.

**Regulators**

---

**Relevance & inclusion**

Relevant, always included

**Please explain**

As a company grounded in a mission to inspire and nurture the human spirit, Starbucks has always looked to make positive connections and impact on people and communities around the world. Our focus is on ethically sourcing high-quality coffee and tea, reducing our environmental impacts and contributing positively to communities around the world. Starbucks Global Social Impact strategy and commitments are integral to

our overall business strategy. As a result, we believe we deliver benefits to our stakeholders, including employees, business partners, customers, suppliers, shareholders, community members and others.

## Suppliers

---

### Relevance & inclusion

Relevant, always included

### Please explain

Starbucks considers impact of forests-related risks within our supply chain. As a company grounded in a mission to inspire and nurture the human spirit, Starbucks has always looked to make positive connections and impact on people and communities around the world. Our focus is on ethically sourcing high-quality coffee and tea, reducing our environmental impacts and contributing positively to communities around the world. Starbucks Global Social Impact strategy and commitments are integral to our overall business strategy. As a result, we believe we deliver benefits to our stakeholders, including employees, business partners, customers, suppliers, shareholders, community members and others.

## Other stakeholders, please specify

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### Relevance & inclusion

### Please explain

## F3. Risks and opportunities

### F3.1

**(F3.1) Have you identified any inherent forests-related risks with the potential to have a substantive financial or strategic impact on your business?**

	Risk identified?
Timber products	No
Palm oil	No
Other - Cocoa	No
Other - Coffee	Yes

### F3.1a

**(F3.1a) How does your organization define substantive financial or strategic impact on your business?**

Starbucks evaluates climate-related risks based the financial and strategic consequences that could negatively affect our business, reputation, financial condition, results of operations or the trading price of our common stock. Our risk team conducts financial material assessments when identifying core enterprise risks. For CDP reporting purposes, Starbucks describes these risk items as those which, should they occur or continue to occur, would impact our business, financial condition and results of operations, and the trading price of our common stock in a material and adverse way.

### F3.1b

**(F3.1b) For your disclosed forest risk commodity(ies), provide details of risks identified with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.**

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**Forest risk commodity**

Other - Coffee

**Type of risk**

Physical

**Geographical scale**

Farm

**Where in your value chain does the risk driver occur?**

Supply chain

**Primary risk driver**

Increased severity of extreme weather events

**Primary potential impact**

Increased operating costs

**Company-specific description**

The supply and price of coffee we purchase can be affected by multiple factors in the producing countries, such as weather, natural disasters, crop disease, 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. 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 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 profitability.

**Timeframe**

1-3 years

**Magnitude of potential impact**

Medium-low

**Likelihood**

About as likely as not

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact (currency)**

**Potential financial impact figure - minimum (currency)**

**Potential financial impact figure - maximum (currency)**

**Explanation of financial**

On an ongoing basis, Starbucks hedges its expected coffee exposure through multiple instruments. This mitigates much of the direct financial consequences of short-term disruptions in the coffee supply chain.

**Primary response to risk**

Promotion of certification, including financial incentives

**Description of response**

We take a holistic approach to ethically sourcing coffee through responsible purchasing practices, farmer loans and forest conservation programs. When we buy coffee verified by C.A.F.E. Practices, it helps foster a better future for farmers and a more stable climate for the planet, and it helps create a long-term supply of the high-quality beans we've been carefully blending, roasting and packing fresh for nearly 50 years. Starbucks invests in programs designed to strengthen economic and social development in local communities, while also caring for the environment. In addition to these collaborative relationships and social development investments, we also support communities through farmer loans, growing our farmer support centers and continuously improving and expanding our ethical sourcing programs, such as C.A.F.E. Practices. In deploying this unique set of strategies, Starbucks is improving the resilience of our supply chain and, ensuring the long-term supply of high-quality coffee and other agricultural goods, as well as building stronger, enduring farming communities.

**Cost of response**

**Explanation of cost of response**

### F3.1c

**(F3.1c) Why does your organization not consider itself to be exposed to forests-related risks with the potential to have a substantive financial or strategic impact?**

	Primary reason	Please explain
Timber products	Risks exist, but no substantive impact anticipated	Starbucks use of timber is small relative to the industry.
Palm oil	Risks exist, but no substantive impact anticipated	Starbucks use of Palm Oil is very limited.
Cattle products		
Soy		
Other - Cocoa	Risks exist, but no substantive impact anticipated	From a procurement standpoint, Starbucks cocoa purchases are a small portion of its procurement spend.

### F3.2

**(F3.2) Have you identified any forests-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

	Have you identified opportunities?
Timber products	No
Palm oil	No
Other - Cocoa	No
Other - Coffee	Yes



## F3.2a

**(F3.2a) For your selected forest risk commodity(ies), provide details of the identified opportunities with the potential to have a substantive financial or strategic impact on your business.**

---

**Forest risk commodity**

Other - Coffee

**Type of opportunity**

Resilience

**Where in your value chain does the opportunity occur?**

Supply chain

**Primary forests-related opportunity**

Improved climate change adaptation

**Company-specific description & strategy to realize opportunity**

Promoting and distributing climate-resistant tree varieties.

With Starbucks open-source agronomy approach, the company shares research, seeds, and seedlings with farmers all around the world, helping farmers to adapt to climate change. These climate-resistant varieties are rust-resistant and enable farmers to grow more coffee on the same amount of land, which then helps to reduce overall carbon emissions.

In FY20, we distributed 10 million trees to farmers in Mexico, Guatemala and El Salvador. Over the past five years as part of our 10-year, 100 million-tree commitment, Starbucks has donated nearly 50 million coffee trees to farmers. These new trees are bred to be resistant to coffee rust, a disease associated with climate change, and they're replacing trees declining in productivity, which can, in turn, help farmers improve the quality and yields of their harvest and improve their revenue.

In January 2021, Starbucks launched Starbucks Reserve® Guatemala Huehuetenango coffee. Guatemala's Huehuetenango region is home to extraordinary coffee, a credit that belongs to the communities who have tended these lands for generations. But rampant coffee leaf rust is threatening all they have worked for. Determined to save their livelihoods, six extraordinary farmers have planted a transformative rust-resistant varietal: Marsellesa. This bag—from the first full harvest of these new trees—represents hope for the farmers of Latin America and embodies the harmonious connection between soul and soil in Huehuetenango. This coffee is harvested from coffee trees distributed through the Starbucks commitment to donate 100 million trees to farmers by 2025.

**Estimated timeframe for realization**

Current - up to 1 year

**Magnitude of potential impact**

Medium-low

**Likelihood**

Likely

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

**Potential financial impact figure – minimum (currency)**

**Potential financial impact figure – maximum (currency)**

**Explanation of financial impact figure**

The financial impact information is confidential. As a company that relies on an agricultural product, we are concerned about the impacts of climate change, especially in the sensitive bioregions where coffee is grown. Climate change is compounding other issues faced by coffee communities (deforestation, water shortages, decreasing yields, rainfall pattern changes) and the effects vary by region.

## F3.2b

### (F3.2b) Why does your organization not consider itself to have forests-related opportunities?

#### Timber products

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**Primary reason**

Evaluation in progress

**Please explain**

Starbucks is evaluating forest-related opportunities associated with our primary paper packaging as part of our Planet Positive aspirations.

#### Palm oil

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**Primary reason**

Opportunities exist, but none with potential to have a substantive financial or strategic impact on business

**Please explain**

Starbucks use of Palm Oil is very limited.

#### Cattle products

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**Primary reason**

Not yet evaluated

**Please explain**

Beef is an extremely small portion of our procurement spend.

## Soy

### Primary reason

Not yet evaluated

### Please explain

Compared to industry production, Starbucks is a very limited buyer of soy.

## Other - Cocoa

### Primary reason

Opportunities exist, but none with potential to have a substantive financial or strategic impact on business

### Please explain

Starbucks cocoa purchases are a small portion of overall procurement spend.

## F4. Governance

### F4.1

(F4.1) Is there board-level oversight of forests-related issues within your organization?

Yes

### F4.1a

(F4.1a) Identify the position(s) of the individual(s) (do not include any names) on the board with responsibility for forests-related issues.

Position of individual	Please explain
------------------------	----------------

Board-level committee	The Nominating and Corporate Governance Committee (NCGC) is responsible for providing leadership with respect to the corporate governance of Starbucks Corporation. This includes the responsibility to annually review and assess the effectiveness of the Company's environmental and social responsibility policies, goals and programs through the annual Global Social Impact Performance Report and make recommendations as deemed appropriate based on such review and assessment. An example of a forests-related decision made by the NCGC in 2020 was the approval to go ahead with our public aspiration to become a resource positive company. Our commitment to a resource positive future emphasizes being a climate positive, water positive, and circular entity: storing more carbon than we emit, providing more clean, freshwater than we use, and eliminating waste.
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## F4.1b

### (F4.1b) Provide further details on the board's oversight of forests-related issues.

	Frequency that forests-related issues are a scheduled agenda item	Governance mechanisms into which forests-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	Reviewing and guiding corporate responsibility strategy	<p>The Board of Directors has overall responsibility for risk oversight, including, as part of regular board and committee meetings, general oversight of executives' management of risks relevant to the Company. This includes oversight of Environmental, Social and Governance (ESG) risks, including forest-related issues. Starbucks chief executive officer (ceo) has general charge and supervision of the business and strategic direction of the Company and sits on the Board of Directors. As the highest management-level position with responsibility for climate-related issues, the ceo meets monthly with the chief sustainability officer (cso) to discuss global sustainability strategies and initiatives across the enterprise. The ceo relays the progress of such efforts and key strategic insight to the Board.</p> <p>Starbucks ceo has tasked the Environmental Council and the Global Sustainability Task Force with actualizing the company's sustainability initiatives, the progress of which is overseen by the cso. The ceo meets with the cso monthly to discuss global sustainability</p>

			strategies. The Environmental Council and Global Sustainability Task Force also create content for regular updates to leadership.
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## F4.2

**(F4.2) Provide the highest management-level position(s) or committee(s) with responsibility for forests-related issues (do not include the names of individuals).**

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on forests-related issues	Please explain
Chief Sustainability Officer (CSO)	Both assessing and managing forests-related risks and opportunities	As important matters arise	The CSO reports directly to the EVP, Chief Marketing Officer, and oversees and coordinates the efforts of the Environmental Council (EC), through the CEO's directives to actualize the company's sustainability initiatives. The EC is comprised of senior leaders across Starbucks whose compensation is tied to performance against organizational sustainability goals, including our greenhouse gas reduction target. Meeting quarterly, the EC also formally reviews Starbucks goals, strategies and progress, discuss trends and emerging topics, and hears from informal advisors who are experts and influencers in the sustainability sector. The Nominating and Corporate Governance Committee has ultimate responsibility for reviewing and assessing the effectiveness of the Company's environmental and social responsibility policies, goals and programs, including those related to climate change. The CSO also meets monthly with the CEO to discuss global sustainability strategies and initiatives across the enterprise. The CEO relays the progress of such efforts and key strategic insight to the Board. The CSO is scheduled to formally report to the Board at least once a year.

## F4.3

### (F4.3) Do you provide incentives to C-suite employees or board members for the management of forests-related issues?

	Provide incentives for management of forests-related issues	Comment
Row 1	Yes	<p>Starbucks seeks to incentivize meaningful and significant climate-related action by offering monetary rewards. The vast majority of executive officer compensation is variable and tied to our financial results or the performance of our stock price, or both. Non-financial individual performance goals for our executive officers also include consideration of performance against certain environmental, social and governance (ESG) metrics.</p> <p>Starbucks individual performance factor (IPF), part of the Annual Incentive Bonus Plan, is weighted at 30% of the target value of each annual cash incentive award with a payout between 0-200% of target based on an assessment of individual performance against certain strategic, operational, leadership, and ESG goals, as recommended by the Compensation Committee and authorized by the board.</p>

## F4.3a

### (F4.3a) What incentives are provided to C-Suite employees or board members for the management of forests-related issues (do not include the names of individuals)?

	Role(s) entitled to incentive?	Performance indicator	Please explain
Monetary reward	Chief Executive Officer (CEO)	Achievement of commitments and targets	Starbucks ceo is responsible for tasking the Global Environmental Council with realizing the company's sustainability initiatives, as well as overseeing ESG efforts on a company-wide level. Starbucks ceo has general charge and supervision of the business and strategic direction of the Company and sits on the Board of Directors and is compensated based on an assessment of individual performance against

			certain strategic, operational, leadership, and ESG goals, as recommended by the Compensation Committee and authorized by the board. In FY20, the ceo was compensated through a cash bonus for his role in shaping and clarifying Starbucks long-term strategy as it relates to Environmental, Social and Corporate Governance goals by guiding and approving the setting of the new 2030 targets, including the commitment to reduce absolute scope 1,2 and 3 GHG emissions by 50% from FY19 to FY30
Non-monetary reward			

## F4.4

**(F4.4) Did your organization include information about its response to forests-related risks in its most recent mainstream financial report?**

No, and we have no plans to do so

## F4.5

**(F4.5) Does your organization have a policy that includes forests-related issues?**

Yes, we have a documented forests policy that is publicly available

## F4.5a

**(F4.5a) Select the options to describe the scope and content of your policy.**

	Scope	Content	Please explain
Row 1	Company-wide	Commitment to eliminate deforestation	We are committed to pursuing zero net deforestation across our supply chain. Deforestation is having a devastating impact on our planet, destroying habitat, decreasing biodiversity and damaging communities. We are focused on tackling the issue where we have the greatest opportunity to have impact. By taking a



	<p>Commitment to protect rights and livelihoods of local communities</p> <p>Commitments beyond regulatory compliance</p> <p>Commitment to stakeholder awareness and engagement</p> <p>Recognition of the overall importance of forests and other natural ecosystems</p> <p>Description of business dependency on forests</p> <p>Recognition of potential business impact on forests and other natural habitats</p>	<p>targeted approach, we hope to make continuous progress toward eliminating the threat of deforestation posed by some of our key products.</p>
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## F4.5b

**(F4.5b) Do you have commodity specific sustainability policy(ies)? If yes, select the options that best describe their scope and content.**

	Do you have a commodity specific sustainability policy?	Scope	Content	Please explain
Timber products	Yes	Company-wide	Commitment to eliminate deforestation	We are committed to pursuing zero net deforestation across our supply chain. Deforestation is having a devastating impact on our planet, destroying habitat, decreasing biodiversity and damaging communities. We

			<p>Commitment to protect rights and livelihoods of local communities</p> <p>Commitments beyond regulatory compliance</p> <p>Commitment to stakeholder awareness and engagement</p> <p>Recognition of the overall importance of forests and other natural ecosystems</p> <p>Description of business dependency on forests</p> <p>Recognition of potential business impact on forests and other natural ecosystems</p>	<p>are focused on tackling the issue where we have the greatest opportunity to have impact. By taking a targeted approach, we hope to make continuous progress toward eliminating the threat of deforestation posed by some of our key products.</p> <p>We are also taking steps to address deforestation in key commodities through our purchasing guidelines and internal processes. We have recently established global sustainable packaging requirements for Starbucks product packaging that prioritizes the use of sustainably source materials certified by the Forest Stewardship Council (FSC) and Program for the Endorsement of Forest Certification (PEFC).</p>
Palm oil	Yes	Company-wide	<p>Commitment to no deforestation, to no planting on peatlands and to no exploitation (NDPE)</p> <p>Commitment to protect rights and livelihoods of local communities</p> <p>Commitments beyond regulatory compliance</p> <p>Commitment to stakeholder awareness and engagement</p>	<p>While coffee is the commodity in which we can have the greatest impact, we are also taking steps to address deforestation in other key commodities through our purchasing guidelines and internal processes. We are committed to sourcing deforestation free, peat free, and exploitation free palm oil. This approach is consistent with our Coffee and Farmer Equity (C.A.F.E.)— as well as a stronger focus on preserving high carbon stock and remaining peat areas and managing existing plantations on peat according to best practices. As members of the Roundtable on Sustainable Palm Oil (RSPO), we are engaging the organization and other industry stakeholders regarding sustainable production practices and support efforts. Only palm oil with a traceability level of Mass Balance, Segregation, or stronger is acceptable.</p>

			<p>Recognition of the overall importance of forests and other natural ecosystems</p> <p>Description of business dependency on forests</p> <p>Recognition of potential business impact on forests and other natural ecosystems</p>	
Other - Cocoa	Yes	Company-wide	<p>Commitment to eliminate deforestation</p> <p>Commitment to protect rights and livelihoods of local communities</p> <p>Commitments beyond regulatory compliance</p> <p>Commitment to stakeholder awareness and engagement</p> <p>Recognition of the overall importance of forests and other natural ecosystems</p> <p>Description of business dependency on forests</p> <p>Recognition of potential business impact on forests and other natural ecosystems</p> <p>Description of forest risk commodities, parts of the</p>	<p>We are committed to pursuing zero net deforestation across our supply chain. While coffee is the commodity in which we can have the greatest impact, we are also taking steps to address deforestation in other key commodities through our purchasing guidelines and internal processes.</p>

			business, and stages of value-chain covered by the policy Description of forests-related standards for procurement	
Other - Coffee	Yes	Company-wide	<p>Commitment to eliminate conversion of natural ecosystems</p> <p>Commitment to eliminate deforestation</p> <p>Commitment to protect rights and livelihoods of local communities</p> <p>Commitments beyond regulatory compliance</p> <p>Commitment to transparency</p> <p>Commitment to stakeholder awareness and engagement</p> <p>Recognition of the overall importance of forests and other natural ecosystems</p> <p>Description of business dependency on forests</p> <p>Recognition of potential business impact on forests and other natural ecosystems</p> <p>Description of forest risk commodities, parts of the</p>	<p>We are committed to pursuing zero net deforestation across our supply chain. Understanding the link between agricultural production and deforestation, our C.A.F.E. Practices ethical coffee sourcing program includes a zero-tolerance standard for the conversion of natural forest. As a result, Conservation International reported that at least 99.6% of C.A.F.E. Practices farms have not converted forest into coffee production (since 2004) in the period 2014–2018, which is important ensure farmers are not expanding production at the cost of forests.</p>

			business, and stages of value-chain covered by the policy List of timebound commitments and targets Description of forests-related standards for procurement	
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## F4.6

**(F4.6) Has your organization made a public commitment to reduce or remove deforestation and/or forest degradation from its direct operations and/or supply chain?**

Yes

## F4.6a

**(F4.6a) Has your organization endorsed any of the following initiatives as part of its public commitment to reduce or remove deforestation and/or forest degradation?**

We Mean Business

Other, please specify

UN Global Compact

## F4.6b

**(F4.6b) Provide details on your public commitment(s), including the description of specific criteria, coverage, and actions.**

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**Forest risk commodity**

Other - Coffee

**Criteria**

No conversion of natural ecosystems  
Zero net deforestation

**Operational coverage**

Supply chain

**% of total production/ consumption covered by commitment**

91-99%

**Cutoff date**

No cutoff date

**Commitment target date**

2018

**Please explain**

Starbucks is committed to 100% ethically sourced coffee in partnership with Conservation International. Starbucks C.A.F.E. Practices verification process for coffee suppliers has a zero tolerance policy for conversion of natural forest to agricultural production since 2004. From 2015 to 2019, 99% of Starbucks coffee was verified as ethically sourced as measured by C.A.F.E. Practices. Measuring farms against economic, social and environmental criteria, the C.A.F.E. Practices program is designed to promote transparent and sustainable coffee growing practices while also helping protect the well-being of coffee farmers and workers, their families and their communities.

In FY20, due to restrictions caused by COVID-19, auditing teams were unable to complete all the necessary in-person, on-farm audits of our coffee production, resulting in expiration for farms whose verification ended in FY20 and were not audited. This resulted in 98.6% of our coffee coming in FY20 from C.A.F.E. Practice-verified farms.

Although we are constantly striving for 100%, the last 1% is where some of our most important work happens, bringing on new farmers and cooperatives to help ensure the long-term future of coffee.

See indicator CC-GB 3.1 here: [https://www.scsglobalservices.com/files/program\\_documents/cafe\\_scr\\_genericv3.4\\_011516.pdf](https://www.scsglobalservices.com/files/program_documents/cafe_scr_genericv3.4_011516.pdf). and CC-GB 3.4 here: [https://www.scsglobalservices.com/files/program\\_documents/cafe\\_scr\\_genericv3.4\\_011516.pdf](https://www.scsglobalservices.com/files/program_documents/cafe_scr_genericv3.4_011516.pdf).

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**Forest risk commodity**

Palm oil

**Criteria**

Zero net deforestation

No new development on peat regardless of depth

**Operational coverage**

Supply chain

**% of total production/ consumption covered by commitment**

61-70%

**Cutoff date**

No cutoff date

**Commitment target date**

No target date

**Please explain**

Starbucks is committed to using 100% RSPO certified palm oil in our Starbucks-branded products in company owned stores globally. We are committed to sourcing deforestation free, peat free, and exploitation free palm oil. This approach is consistent with our Coffee and Farmer Equity (C.A.F.E.) and Cocoa Practices programs – as well as a stronger focus on preserving high carbon stock and remaining peat areas and managing existing plantations on peat according to best practices. As members of the Roundtable on Sustainable Palm Oil (RSPO), we are engaging the organization and other industry stakeholders regarding sustainable production practices and support efforts. We continue to work with our suppliers to meet this objective, especially in areas where the demand for certified palm oil is low (i.e. Asia). Some markets started the

process behind other company operated markets and have experienced significant challenges working with second tier suppliers to find availability of certified palm oil from physical supply chains. We continue to make progress.

## F5. Business strategy

### F5.1

**(F5.1) Are forests-related issues integrated into any aspects of your long-term strategic business plan, and if so how?**

	Are forests-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, forests-related issues are integrated	5-10	<p>Starbucks recognizes the need to incorporate forests-related issues into our long-term business objectives to ensure the sustainability and longevity of the crops, regions, and communities our business relies on. Forest issues such as deforestation, crop yield and quality, and land and commodity resilience are all included in our considerations. As a company that buys three percent of the world's coffee, sourced from more than 400,000 farmers in 30 countries, Starbucks understands our future is inextricably tied to the future of farmers and their families.</p> <p>The cornerstone of our ethical sourcing approach to buying coffee is Coffee and Farmer Equity (C.A.F.E.) Practices, which was one of the coffee industry's first set of ethical sourcing standards when it launched in 2004. Developed in collaboration with Conservation International, C.A.F.E. Practices is a verification program that measures farms against economic, social and environmental criteria, all designed to promote transparent, profitable and sustainable coffee growing practices while also protecting the well-being of coffee farmers and workers their families and their communities. C.A.F.E. Practices has helped Starbucks create a long-term supply of high-quality coffee and positively impact the lives and livelihoods of coffee farmers and their communities. The open-sourced program consists of more than 200 indicators – from</p>



			financial reporting to protecting workers' rights and conserving water and biodiversity. The program includes a third-party verification process that is overseen by SCS Global Services, responsible for ensuring the quality and integrity of the audits.
Strategy for long-term objectives	Yes, forests-related issues are integrated	5-10	<p>Forest-related issues are integrated into our strategy for achieving long-term objective to ensure the sustainability and longevity of our key commodities. Forest and land stewardship is a key component to our C.A.F.E. Practice certification program for coffee. C.A.F.E. Practices focused on supporting growers of shade coffee in areas of high biodiversity and promoting the use of environmentally sustainable agricultural practices. Forest issues incorporated into our strategies include forest conservation, replenishment, and crop yield and quality. Deforestation is a no tolerance indicator and any farmer who has deforestation on their land since 2004 is excluded from verification.</p> <p>Our 2030 coffee-specific environmental goals are an extension of work underway with C.A.F.E. Practices which has helped Starbucks create a long-term supply of high-quality coffee while positively impacting the lives of coffee farmers and their communities. Starbucks will work to meet its 2030 target of carbon neutral green coffee, by deploying three primary strategies:</p> <ul style="list-style-type: none"> <li>• Equipping farmers with precision agronomy tools - Through Starbucks Farmer Support Centers and a new soil scanning mobile app, the company is helping farmers understand the specific nutrients and fertilizer needed to increase farm productivity. More than 11,500 soil and foliar samples have been collected to date. With these custom, farm-specific solutions, farmers can target and decrease fertilizer use and increase farm productivity.</li> <li>• Promoting and distributing climate-resilient tree varieties - With Starbucks open-source agronomy approach, the company shares research, seeds, and seedlings with farmers all around the world, helping farmers to adapt to climate change. These climate-resistant varieties are rust-resistant and enable farmers to grow more coffee on the same amount of land, which then helps to reduce overall carbon emissions.</li> <li>• Protecting and restoring at-risk forests in key coffee landscapes - Land use change and deforestation are the greatest climate risks facing the coffee industry. Working in partnership</li> </ul>

			with Conservation International, Starbucks will invest in forest and landscape protection and restoration programs in coffee producing countries, starting in Colombia and Peru.
Financial planning	No, forests-related issues were not reviewed and there are no plans to do so		

## F6. Implementation

### F6.1

**(F6.1) Did you have any timebound and quantifiable targets for increasing sustainable production and/or consumption of your disclosed commodity(ies) that were active during the reporting year?**

Yes

### F6.1a

**(F6.1a) Provide details of your timebound and quantifiable target(s) for increasing sustainable production and/or consumption of the disclosed commodity(ies), and progress made.**

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**Target reference number**

Target 1

**Forest risk commodity**

Palm oil

**Type of target**

Third-party certification

**Description of target**

100% RSPO-certified palm oil

**Linked commitment**

Other environmental commitments

**Traceability point**

**Third-party certification scheme**

RSPO Identity Preserved

RSPO Segregated

RSPO Mass Balance

**Start year**

2014

**Target year**

**Quantitative metric**

**Target (number)**

**Target (%)**

100

**% of target achieved**

65

**Please explain**

As members of the Roundtable on Sustainable Palm Oil (RSPO), we are engaging the organization and other industry stakeholders regarding sustainable production practices and support efforts. We continue to work with our suppliers to meet this objective, especially in areas where the demand for certified palm oil is low (i.e. Asia). Some markets started the process behind other company operated markets and have experienced significant challenges working with second tier suppliers to find availability of certified palm oil from physical supply chains. We continue to make progress.

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**Target reference number**

Target 2

**Forest risk commodity**

Other - Coffee

**Type of target**

Third-party certification

**Description of target**

Our goal is 100 percent ethically sourced coffee.

**Linked commitment**

Other environmental commitments

**Traceability point**

**Third-party certification scheme**

Other, please specify  
C.A.F.E Practices

**Start year**

2004

**Target year**

**Quantitative metric**

**Target (number)**

**Target (%)**

100

**% of target achieved**

98.6

**Please explain**

Starbucks is committed to 100% ethically sourced coffee in partnership with Conservation International. This is an ongoing target. Although we are constantly striving for 100%, the last 1% is where some of our most important work happens – bringing on new farmers and cooperatives to help ensure the long-term future of coffee. The program includes a third-party verification process that is overseen by SCS Global Services, responsible for ensuring the quality and integrity of the audits.

In FY20, due to restrictions caused by COVID-19, auditing teams were unable to complete all the necessary in-person, on-farm audits of our coffee production, resulting in expiration for farms whose verification ended in FY20 and were not audited. This resulted in 98.6% of our coffee coming in FY20 from C.A.F.E. Practice-verified farms.

In March 2021, to protect the resiliency of this supply chain, the people that make it possible, and the planet we all share, Starbucks set additional coffee-related goals to achieve carbon neutral green coffee and conserve water usage in green coffee processing by 50% by 2030.

**Target reference number**

Target 3

**Forest risk commodity**

Other - Cocoa

**Type of target**

Third-party certification

**Description of target**

Our Goal is 100% ethically sourced cocoa

**Linked commitment**

Other environmental commitments

**Traceability point**

**Third-party certification scheme**

Other, please specify

UTZ, COCOA Practices

**Start year**

2008

**Target year**

**Quantitative metric**

**Target (number)**

**Target (%)**

100

**% of target achieved**

100

**Please explain**

For cocoa-based beverage ingredients, 100% of cocoa beans are ethically sourced from either COCOA Practices-verified supply chains or UTZ certified farms. The UTZ program is now part of the Rainforest Alliance. We continue to strengthen our approach, programs and partnerships for sustainably sourcing cocoa.

## F6.2

**(F6.2) Do you have traceability system(s) in place to track and monitor the origin of your disclosed commodity(ies)?**

	Do you have system(s) in place?	Description of traceability system	Exclusions	Description of exclusion
Timber products	Yes	We are currently reassessing our traceability systems for primary paper packaging to ensure we are developing appropriate methods to track and monitor these commodities, and report against our planet positive commitments.	Facility Specific supplier(s)	We have recently established global sustainable packaging requirements for Starbucks product packaging. We are working to improve tracking and monitoring of these requirements with suppliers.
Palm oil	Yes	Since Starbucks is not a direct purchaser, each reporting cycle Starbucks deepens our suppliers' awareness of our commitment to RSPO certified sustainable palm oil and palm oil products and the importance of this commitment.	Facility	Starbucks biggest challenges has been in Japan and China. There are many different product specifications involved and relatively low volume available since it is only for the Starbucks business. Starbucks Sourcing

		We have a third-party reporting platform in use with suppliers. We attempt to trace 100% of the palm oil used in direct operations.		teams in both China and Japan continue the education process with suppliers. Perception is that palm oil in general is bad, and therefore, some are eliminating it from ingredient specifications all together instead of solving the root cause of the issues.
Other - Cocoa	Yes	Like coffee, our approach to cocoa buying is designed to ensure a long-term, quality supply while contributing positively to the environment and cocoa-farming communities. In 2008, we launched COCOA Practices, influenced by our coffee ethical sourcing program, C.A.F.E. Practices. Our Cocoa Practices program is designed to understand the supply chain for cocoa beans and provide valuable sustainability information to producers and purchasers alike. As in the C.A.F.E Practices program, the inspections are performed by independent verification organizations that are trained and audited by SCS Global Services.		
Other - Coffee	Yes	The cornerstone of our ethical sourcing approach to buying coffee is Coffee and Farmer Equity (C.A.F.E.) Practices, which was one of the coffee industry's first set of ethical sourcing standards when it launched in 2004. Developed in collaboration with Conservation International, C.A.F.E. Practices is a verification program that measures farms against economic, social and environmental criteria, all designed to promote transparent, profitable and sustainable coffee growing practices while also protecting the well-being of coffee farmers and workers their families and their communities.	Not applicable	



		<p>C.A.F.E. Practices has helped Starbucks create a long-term supply of high-quality coffee and positively impact the lives and livelihoods of coffee farmers and their communities. The open-sourced program consists of more than 200 indicators – from financial reporting to protecting workers’ rights and conserving water and biodiversity. The program includes a third-party verification process that is overseen by SCS Global Services.</p> <p>Starbucks is committed to 100% ethically sourced coffee in partnership with Conservation International. In FY20, due to restrictions caused by COVID-19, auditing teams were unable to complete all the necessary in-person, on-farm audits of our coffee production, resulting in expiration for farms whose verification ended in FY20 and were not audited. This resulted in 98.6% of our coffee coming in FY20 from C.A.F.E. Practice-verified farms.</p> <p>As a continuation of our ethical sourcing commitment, in FY20 we launched the new Starbucks Digital Traceability web tool, developed with Microsoft, which provides a way for customers to engage directly with their coffee and learn more about its journey, from bean to cup. Customers can use the traceability tool to scan a bag of their favorite coffee at a Starbucks store, discover the global origin of their beans, and read about the farmers who grow it. We are continuing to explore how digital</p>		
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		tools can empower farmers and best support farming communities by leveraging the traceability technology and platform to give farmers the ability to trace their coffee beans. In FY20 in Rwanda, we piloted a call-in platform for farmers to get agronomy tips and green coffee price information for their local markets. More than 19,000 farmers used the service over three months.		
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## F6.2a

**(F6.2a) Provide details on the level of traceability your organization has for its disclosed commodity(ies).**

Forest risk commodity	Point to which commodity is traceable	% of total production/consumption volume traceable
Timber products	Country	
Palm oil	Country	91
Palm oil	Not traceable	9
Other - Cocoa	Country	100
Other - Coffee	Farm	100

## F6.3

**(F6.3) Have you adopted any third-party certification scheme(s) for your disclosed commodity(ies)?**

	Third-party certification scheme adopted?	% of total production and/or consumption volume certified
Timber products	Yes	
Palm oil	Yes	65
Other - Cocoa	Yes	100

Other - Coffee	Yes	98.6
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## F6.3a

**(F6.3a) Provide a detailed breakdown of the volume and percentage of your production and/or consumption by certification scheme.**

### Forest risk commodity

Palm oil

### Third-party certification scheme

RSPO (any type)

### Chain-of-custody model used

Identity preservation

### % of total production/consumption volume certified

1

### Form of commodity

Crude palm oil (CPO)

Crude palm kernel oil (CPKO)

Refined palm oil

### Volume of production/ consumption certified

42

### Metric for volume

Metric tons

### Is this certified by more than one scheme?

No

**Please explain**

As members of the Roundtable on Sustainable Palm Oil (RSPO), we are engaging the organization and other industry stakeholders regarding sustainable production practices and support efforts. We are working towards 100% certified RSPO palm oil. We continue to work with our suppliers to meet this objective, especially in areas where the demand for certified palm oil is low (i.e. Asia). Some markets started the process behind other company operated markets and have experienced significant challenges working with second tier suppliers to find availability of certified palm oil from physical supply chains. We continue to make progress.

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**Forest risk commodity**

Palm oil

**Third-party certification scheme**

RSPO (any type)

**Chain-of-custody model used**

Segregation

**% of total production/consumption volume certified**

6

**Form of commodity**

Crude palm oil (CPO)

Crude palm kernel oil (CPKO)

Refined palm oil

Palm oil derivatives

**Volume of production/ consumption certified**

187

**Metric for volume**

Metric tons

**Is this certified by more than one scheme?**

No

**Please explain**

As members of the Roundtable on Sustainable Palm Oil (RSPO), we are engaging the organization and other industry stakeholders regarding sustainable production practices and support efforts. We are working towards 100% certified RSPO palm oil. We continue to work with our suppliers to meet this objective, especially in areas where the demand for certified palm oil is low (i.e. Asia). Some markets started the process behind other company operated markets and have experienced significant challenges working with second tier suppliers to find availability of certified palm oil from physical supply chains. We continue to make progress.

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**Forest risk commodity**

Palm oil

**Third-party certification scheme**

RSPO (any type)

**Chain-of-custody model used**

Mass balance

**% of total production/consumption volume certified**

58

**Form of commodity**

Crude palm oil (CPO)

Crude palm kernel oil (CPKO)

Refined palm oil

Palm oil derivatives

**Volume of production/ consumption certified**

1,687

**Metric for volume**

Metric tons

**Is this certified by more than one scheme?**

No

**Please explain**

As members of the Roundtable on Sustainable Palm Oil (RSPO), we are engaging the organization and other industry stakeholders regarding sustainable production practices and support efforts. We are working towards 100% certified RSPO palm oil. We continue to work with our suppliers to meet this objective, especially in areas where the demand for certified palm oil is low (i.e. Asia). Some markets started the process behind other company operated markets and have experienced significant challenges working with second tier suppliers to find availability of certified palm oil from physical supply chains. We continue to make progress.

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**Forest risk commodity**

Other - Cocoa

**Third-party certification scheme**

Other, please specify

COCOA Practices or UTZ

**Chain-of-custody model used**

**% of total production/consumption volume certified**

100

**Form of commodity**

Other, please specify

Beans

**Volume of production/ consumption certified**

**Metric for volume**

**Is this certified by more than one scheme?**

Yes

**Please explain**

Purchasing volumes are confidential at this time. For cocoa-based beverage ingredients, 100% of cocoa beans are ethically sourced from either COCOA Practices-verified supply chains or UTZ certified farms. The UTZ program is now part of the Rainforest Alliance. We continue to strengthen our approach, programs and partnerships for sustainably sourcing cocoa.

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**Forest risk commodity**

Timber products

**Third-party certification scheme**

FSC (any type)

**Chain-of-custody model used**

**% of total production/consumption volume certified**

**Form of commodity**

Primary packaging  
Secondary packaging

**Volume of production/ consumption certified**

**Metric for volume**

**Is this certified by more than one scheme?**

**Please explain**

We are currently reassessing our systems to track the related % and volumes of FSC certified paper packaging we use to fairly represent this information. We use some FSC paper in various packaging materials. For example, some of our shopping bags are FSC certified in the U.S., and paper straws in Japan use FSC-certified paper .

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**Forest risk commodity**

Other - Coffee

**Third-party certification scheme**

Other, please specify  
C.A.F.E Practices

**Chain-of-custody model used**

**% of total production/consumption volume certified**

98.6



**Form of commodity**

Other, please specify

Green Coffee Beans

**Volume of production/ consumption certified**

**Metric for volume**

**Is this certified by more than one scheme?**

No

**Please explain**

Purchasing volumes are confidential at this time. In FY20, due to restrictions caused by COVID-19, auditing teams were unable to complete all the necessary in-person, on-farm audits of our coffee production, resulting in expiration for farms whose verification ended in FY20 and were not audited. This resulted in 98.6% of our coffee coming in FY20 from C.A.F.E. Practice-verified farms.

The cornerstone of our ethical sourcing approach to buying coffee is Coffee and Farmer Equity (C.A.F.E.) Practices, which was one of the coffee industry's first set of ethical sourcing standards when it launched in 2004. Developed in collaboration with Conservation International, C.A.F.E. Practices is a verification program that measures farms against economic, social and environmental criteria, all designed to promote transparent, profitable and sustainable coffee growing practices while also protecting the well-being of coffee farmers and workers their families and their communities. C.A.F.E. Practices has helped Starbucks create a long-term supply of high-quality coffee and positively impact the lives and livelihoods of coffee farmers and their communities. The open-sourced program consists of more than 200 indicators – from financial reporting to protecting workers' rights and conserving water and biodiversity. The program includes a third-party verification process that is overseen by SCS Global Services, responsible for ensuring the quality and integrity of the audits. More information about our C.A.F.E Practices can be found here: <https://stories.starbucks.com/press/2020/cafe-practices-starbucks-approach-to-ethically-sourcing-coffee/>

## F6.4

**(F6.4) For your disclosed commodity(ies), do you have a system to control, monitor, or verify compliance with no conversion and/or no deforestation commitments?**

	A system to control, monitor or verify compliance	Comment
Timber products	Yes, we have a system in place, but for other commitments	
Palm oil	Yes, we have a system in place for our no conversion and/or deforestation commitments	
Other - Cocoa	Yes, we have a system in place, but for other commitments	
Other - Coffee	Yes, we have a system in place for our no conversion and/or deforestation commitments	

## F6.4a

**(F6.4a) Provide details on the system, the approaches used to monitor compliance, the quantitative progress, and the non-compliance protocols, to implement your no conversion and/or deforestation commitment(s).**

### Forest risk commodity

Palm oil

### Operational coverage

Supply chain

### Description of control systems

Starbucks is a member of the Roundtable on Sustainable Palm Oil (RSPO) and is committed to sourcing RSPO certified palm oil. Starbucks does not directly buy palm oil so we are constantly improving our communication with suppliers to ensure they are aware of our RSPO commitment and prepared to complete reporting each year. We have seen improvements in accuracy year over year and will keep working with the third-party and our internal Sourcing organization to continue to make the process easier and achieve greater progress.

**Monitoring and verification approach**

Third-party verification

**% of total volume in compliance**

61-70%

**% of total suppliers in compliance**

**Response to supplier non-compliance**

Retain & engage

**Procedures to address and resolve non-compliance with suppliers**

Other, please specify

Local supplier engagement

**Please explain**

Starbucks biggest challenges has been in Japan and China.. There are many different product specifications involved and relatively low volume available since it is only for the Starbucks business. Starbucks Sourcing teams in both China and Japan continue the education process with suppliers. Perception is that palm oil in general is bad, and therefore, some are eliminating it from ingredient specifications all together instead of solving the root cause of the issues. Starbucks local sourcing teams have significantly increased supplier education and understanding of palm oil issues and in some markets like Japan, where palm oil is used more widely, we have increased demand for RSPO certified palm oil and derivatives. Starbucks continues to invest in exploring opportunities to advance better social and environmental practices within the palm oil supply chain.

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**Forest risk commodity**

Other - Coffee

**Operational coverage**

Supply chain

**Description of control systems**

The Coffee and Farmer Equity (C.A.F.E.) Practices is a coffee verification program that is used by Starbucks to ensure ethical sourcing of coffee since 2004. The C.A.F.E. Practices Generic and Smallholder Scorecards encompass a comprehensive set of more than 200 social, economic and environmental indicators. This approach takes into account everyone from the farmer to the consumer. Starbucks partners with SCS Global Services to independently verify supplier compliance with C.A.F.E. practices, which include commitments on no deforestation.

In FY20, due to restrictions caused by COVID-19, auditing teams were unable to complete all the necessary in-person, on-farm audits of our coffee production, resulting in expiration for farms whose verification ended in FY20 and were not audited. This resulted in 98.6% of our coffee coming in FY20 from C.A.F.E. Practice-verified farms.

**Monitoring and verification approach**

Third-party verification

**% of total volume in compliance**

91-99%

**% of total suppliers in compliance**

**Response to supplier non-compliance**

Suspend & engage

**Procedures to address and resolve non-compliance with suppliers**

Re-integrating suppliers back into supply chain based on the successful and verifiable completion of activities

**Please explain**

C.A.F.E. Practices is a verification program, not a one-time certification system, because we believe there is always more work to do to ensure the long-term supply of high-quality coffee and to positively impact farming communities. We are continuously improving this program by working with groups such as Conservation International to measure the true impact our purchasing programs have on participating farmers and

producers. The program allows Starbucks to gain insights into the challenges faced by farmers and supply chain operations in the more than 30 different coffee-producing countries around the world. In addition, when Starbucks is notified of zero tolerance violations, we take immediate action, conducting an investigation which could lead to suspending the commercial relationship with a farm until the case has been clarified. Based on our investigation we may ask our supplier to work with a farm to address any issue including the development of a work plan describing how the issue will be corrected. The implementation of a corrective action plan and the actual correction of any zero tolerance criteria is then re-evaluated by an approved third-party verification organization. This process ensures that any infractions are addressed effectively. We believe that our continuous improvement approach is the right approach to promote positive change amongst these suppliers and farms to ensure a positive future for everyone involved in coffee.

## F6.7

**(F6.7) Are you working with smallholders to support good agricultural practices and reduce deforestation and/or conversion of natural ecosystems?**

	Are you working with smallholders?	Type of smallholder engagement approach	Smallholder engagement approach	Number of smallholders engaged	Please explain
Timber products	Not applicable				As Starbucks does not purchase timber products directly, our support of smallholders comes in the form of educating our packaging suppliers and asking them to seek out sources. We do not have a separate plan to provide support.
Palm oil	Not applicable				As Starbucks does not purchase palm oil directly, our support of smallholders comes in the form of educating our suppliers and asking them to seek out sources. We do not have a separate plan to provide support.

Other - Cocoa	Not applicable				As Starbucks does not purchase Cocoa directly, our support of smallholders comes from industry engagement through suppliers, various NGOs and industry associations.
Other - Coffee	Yes, working with smallholders	Supply chain mapping Capacity building Financial and commercial incentives	Supplier questionnaires on environmental and social indicators Supplier audits Offering on-site technical assistance and extension services Organizing capacity building events Other, please specify Loans for farmers	452,000	As a company that buys three percent of the world's coffee, sourced from more than 400,000 farmers in 30 countries, Starbucks understands our future is inextricably tied to the future of farmers and their families. There were over 452,000 smallholder farm in the C.A.F.E Practices program in 2018. Highest growth category since the start of the program in 2004.

## F6.8

**(F6.8) Are you working with your direct suppliers to support and improve their capacity to comply with your forests-related policies, commitments, and other requirements?**

	Are you working with direct suppliers?	Type of direct supplier engagement approach	Direct supplier engagement approach	% of suppliers engaged	Please explain
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Timber products	Yes, working with direct suppliers	Supply chain mapping Other	Supplier questionnaires on environmental and social indicators Supplier audits Other, please specify Encouraging certification; Encouraging work with multistakeholder groups		Key suppliers undergo key business reviews with a portion of focus on sustainability. Starbucks has established global minimal sustainable packaging requirements, which we're collaborating with suppliers to achieve.
Palm oil	Yes, working with direct suppliers	Supply chain mapping Other	Supplier questionnaires on environmental and social indicators Supplier audits Other, please specify encouraging certification; encouraging work with multi-stakeholder groups		As Starbucks does not purchase palm oil directly, we educate our suppliers and ask them to seek out sources of RSPO-certified palm oil.
Other - Cocoa	Yes, working with direct suppliers	Supply chain mapping	Supplier questionnaires on environmental and social indicators Supplier audits		In 2008, we launched COCOA Practices, influenced by our coffee ethical sourcing program, C.A.F.E. Practices. Since then, we have continued to expand the number of participating cocoa farmers in the program. Our COCOA Practices program is designed to understand the supply chain for cocoa beans and provide valuable sustainability information to producers and purchasers alike.
Other - Coffee	Yes, working with direct suppliers	Supply chain mapping Capacity building	Supplier questionnaires on environmental and social indicators		As a company that buys three percent of the world's coffee, sourced from more than 400,000 farmers in 30 countries, Starbucks understands our future is inextricably tied to the future

		Financial and commercial incentives	<p>Supplier audits</p> <p>Offering on-site training and technical assistance</p> <p>Disseminating technical materials</p> <p>Organizing capacity building events</p> <p>Investing in pilot projects</p> <p>Paying higher prices linked to best agricultural practices</p> <p>Financial incentives for certified products</p> <p>Offering credit lines linked to best agricultural practices</p> <p>Other, please specify</p> <p>Loans for farmers</p>	<p>of farmers and their families. Although we are constantly striving for 100% C.A.F.E Practices verified coffee, the last 1% is where some of our most important work happens, bringing on new farmers and cooperatives to help ensure the long-term future of coffee. We continue to work as part of the Sustainable Coffee Challenge to make coffee the world's first sustainable agricultural product and improve the lives of at least 1 million people in coffee communities around the world. Starbucks Farmer Support Centers at Hacienda Alsacia in Costa Rica and in 8 other coffee-growing countries around the world bring agronomists, researchers and farmers together to share the latest research, information, advice and tools to grow coffee more sustainably and profitably. Farmers, whether they grow coffee for Starbucks or not, can use these trees to replace those declining in productivity from age or disease. Starbucks has a goal of providing 100 million trees to farmers by 2025. The Starbucks Global Farmer Fund was founded to improve supply chain resiliency and ensure a long-term supply of coffee by addressing the unmet financing needs of farmers. As of FY20, we have invested \$ 42.9 million in the Fund, partnering with Root Capital and ResponsAbility to provide coffee businesses and farmers with access to low-interest loans in regions where traditional banks are not an option due to high interest rates. Loans allow farmers to plant new trees and improve their infrastructure. In addition, we have continued our Emergency Farmer Relief Fund for a second year to further support farmers who were negatively impacted by low global coffee prices. These secondary payments go directly to smallholder farmers in Central America to subsidize their income, helping to offset low prices</p>
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					compared to cost of production. Although market conditions were slightly better than in FY19, we distributed more than \$ 2.8 million to farmers in Guatemala and Nicaragua in FY20.
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## F6.9

### (F6.9) Are you working beyond your first-tier supplier(s) to manage and mitigate deforestation risks?

	Are you working beyond first tier?	Type of engagement approach with indirect suppliers	Indirect supplier engagement approach	Please explain
Timber products	Yes, working beyond first tier	Supply chain mapping	Supplier questionnaires on environmental and social indicators	We are working with our suppliers to understand their sustainability efforts through key business reviews.
Palm oil	Yes, working beyond first tier	Supply chain mapping	Supplier questionnaires on environmental and social indicators	To meet RSPO certification, our suppliers must also work with their supply chains to ensure traceability, etc. Starbucks biggest challenges has been in Japan and China. There are many different product specifications involved and relatively low volume available since it is only for the Starbucks business. Starbucks Sourcing teams in both China and Japan continue the education process with suppliers. Perception is that palm oil in general is bad, and therefore, some are eliminating it from ingredient specifications all together instead of solving the root cause of the issues. Starbucks local sourcing teams have significantly increased supplier education and understanding of palm oil issues and in some markets like Japan, where palm oil is used more widely, we have increased demand for RSPO certified palm oil and derivatives. Starbucks continues to invest in exploring opportunities to advance better social and environmental practices within the palm oil supply chain.

Other - Cocoa	Yes, working beyond first tier	Supply chain mapping Other	Supplier questionnaires on environmental and social indicators Other, please specify Industry engagement	Our COCOA Practices program is designed to understand the supply chain for cocoa beans and provide valuable sustainability information to producers and purchasers alike.
Other - Coffee	Yes, working beyond first tier	Supply chain mapping Capacity building Other	Supplier questionnaires on environmental and social indicators Supplier audits Offering on-site training and technical assistance Disseminating technical materials Other, please specify Paying higher prices linked to agricultural methods	As a company that buys three percent of the world's coffee, sourced from more than 400,000 farmers in 30 countries, Starbucks understands our future is inextricably tied to the future of farmers and their families. In FY20, 98.6% of Starbucks coffee was verified as ethically sourced under C.A.F.E. Practices. C.A.F.E Practices include standards. We continue to work as part of the Sustainable Coffee Challenge to make coffee the world's first sustainable agricultural product and improve the lives of at least 1 million people in coffee communities around the world. Starbucks Farmer Support Centers at Hacienda Alsacia in Costa Rica and in 8 other coffee-growing countries around the world bring agronomists, researchers and farmers together to share the latest research, information, advice and tools to grow coffee more sustainably and profitably. Starbucks has donated nearly 50 million climate resilient coffee trees like the hybrids created at Hacienda Alsacia. Farmers, whether they grow coffee for Starbucks or not, can use these trees to replace those declining in productivity from age or disease. Starbucks has a goal of providing 100 million trees to farmers by 2025. Supporting Origin Diversity — Through a diversified buying approach, Starbucks is driving demand not just for premium-quality coffee, but premium-quality coffee from a variety of places around the world. This supports smaller coffee communities that have majority smallholder farmers.

## F6.10

**(F6.10) Do you participate in external activities and/or initiatives to promote the implementation of your forests-related policies and commitments?**

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**Forest risk commodity**

Palm oil

**Do you participate in activities/initiatives?**

Yes

**Activities**

Involved in multi-partnership or stakeholder initiatives

**Initiatives**

UN Global Compact

Roundtable on Sustainable Palm Oil (RSPO)

**Jurisdictional approaches**

**Please explain**

As members of the Roundtable on Sustainable Palm Oil (RSPO), we are engaging the organization and other industry stakeholders regarding sustainable production practices and support efforts. Starbucks is a member of the UN Global Compact – an international network of organizations that supports 10 universal principles.

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**Forest risk commodity**

Timber products

**Do you participate in activities/initiatives?**

Yes

**Activities**

Involved in multi-partnership or stakeholder initiatives

**Initiatives**

Other, please specify

Sustainable Packaging Coalition; The Recycling Partnership

**Jurisdictional approaches**

**Please explain**

We are an active member of SPC - the Sustainable Packaging Coalition, working with other industry members to elevate the sustainability of our entire paper foodservice packaging from cradle to grave.

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**Forest risk commodity**

Other - Coffee

**Do you participate in activities/initiatives?**

Yes

**Activities**

Involved in multi-partnership or stakeholder initiatives

**Initiatives**

Other, please specify

Coffee International and Sustainable Coffee Challenge

### **Jurisdictional approaches**

#### **Please explain**

Starbucks and Conservation International (CI) have been working together for nearly 20 years to promote sustainable coffee production that ensures continued productivity of high quality coffee while improving the livelihoods of producers and conserving nature. Starbucks is one of the founding members of the Sustainable Coffee Challenge, a diverse industry coalition led by Conservation International with the call to action of making coffee the world's first sustainable agricultural product. The Challenge is committed to stimulating demand for sustainable coffee across the value chain, from the policymaking level to the final consumer. By encouraging demand for sustainable coffee, it leads to investments that enable the transition to a sustainable production and ensuring the coffee we drink is a sustainable product.

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#### **Forest risk commodity**

Other - Cocoa

#### **Do you participate in activities/initiatives?**

Yes

#### **Activities**

Involved in multi-partnership or stakeholder initiatives

#### **Initiatives**

UN Global Compact

Other, please specify

UTZ

### **Jurisdictional approaches**

**Please explain**

Like coffee, our approach to cocoa buying is designed to ensure a long-term, quality supply while contributing positively to the environment and cocoa-farming communities. In 2008, we launched COCOA Practices, influenced by our coffee ethical sourcing program, C.A.F.E. Practices. We also believe solving problems faced by cocoa farmers requires everyone in the industry to work together.

**F6.11**

**(F6.11) Is your organization supporting or implementing project(s) focused on ecosystem restoration and protection?**

Yes

**F6.11a**

**(F6.11a) Provide details on your project(s), including the extent, duration, and monitoring frequency. Please specify any measured outcome(s).**

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**Project reference**

Project 1

**Project type**

Reforestation

**Primary motivation**

Voluntary

**Description of project**

In 2017, Starbucks announced a commitment to provide 100 million healthy coffee trees to coffee farmers by 2025. This effort is part of the company's ongoing commitment to provide comprehensive support to farmers around the world which includes open-source agronomy

research, farmer financing and access to information. The seedlings will replace trees that are declining in productivity due to age and disease, such as coffee leaf rust which is perpetuated because of a warmer climate.

**Start year**

2017

**Target year**

2025

**Project area to date (Hectares)**

**Project area in the target year (Hectares)**

**Country/Area**

Mexico

**Latitude**

**Longitude**

**Monitoring frequency**

Annually

**Measured outcomes to date**

Other, please specify  
Climate resilience

**Please explain**

In FY20, we distributed 10 million trees to farmers in Mexico, Guatemala and El Salvador. Over the past five years as part of our 10-year, 100 million-tree commitment, Starbucks has donated nearly 50 million coffee trees to farmers. These new trees are bred to be resistant to coffee rust, a disease associated with climate change, and they're replacing trees declining in productivity, which can, in turn, help farmers improve the quality and yields of their harvest and improve their revenue.

## F7. Verification

### F7.1

**(F7.1) Do you verify any forests information reported in your CDP disclosure?**

No, but we are actively considering verifying in the next two years

## F8. Barriers and challenges

### F8.1

**(F8.1) Describe the key barriers or challenges to eliminating deforestation and/or conversion of other natural ecosystems from your direct operations or from other parts of your value chain.**

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**Forest risk commodity**

Timber products

**Coverage**

Supply chain

**Primary barrier/challenge type**



Limited public awareness and/or market demand

**Comment**

Deforestation is having a devastating impact on our planet, destroying habitat, decreasing biodiversity and damaging communities. We are focused on tackling the issue where we have the greatest opportunity to have impact. By taking a targeted approach, we hope to make continuous progress toward eliminating the threat of deforestation posed by some of our key products. A challenge to the effort is that Starbucks represents a small portion of the total global market in these commodities. Ultimately, industry, governments, and the NGO community must partner to address the threat deforestation poses. And consumers play an important role in driving responsible forestry through their paper choices.

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**Forest risk commodity**

Other - Coffee

**Coverage**

Supply chain

**Primary barrier/challenge type**

Limited public awareness and/or market demand

**Comment**

We are committed to pursuing zero net deforestation across our supply chain. Deforestation is having a devastating impact on our planet, destroying habitat, decreasing biodiversity and damaging communities. We are focused on tackling the issue where we have the greatest opportunity to have impact. By taking a targeted approach, we hope to make continuous progress toward eliminating the threat of deforestation posed by some of our key products. A challenge to the effort is that Starbucks represents a small portion of the total global market in these commodities. Ultimately, industry, governments, and the NGO community must partner to address the threat deforestation poses. We believe we have a responsibility to participate in this process demonstrate with coffee how to truly advocate for commodity sustainability.

**Forest risk commodity**

Palm oil

**Coverage**

Supply chain

**Primary barrier/challenge type**

Limited public awareness and/or market demand

**Comment**

Starbucks biggest challenges to sourcing RSPO certified palm oil has been in Japan and China. There are many different product specifications involved and relatively low volume available since it is only for the Starbucks business. Starbucks Sourcing teams in both China and Japan continue the education process with suppliers. Perception is that palm oil in general is bad, and therefore, some are eliminating it from ingredient specifications all together instead of solving the root cause of the issues. Starbucks local sourcing teams have significantly increased supplier education and understanding of palm oil issues and in some markets like Japan, where palm oil is used more widely, we have increased demand for RSPO certified palm oil and derivatives. Starbucks continues to invest in exploring opportunities to advance better social and environmental practices within the palm oil supply chain.

## F8.2

**(F8.2) Describe the main measures that would improve your organization's ability to manage its exposure to deforestation and/or conversion of other natural ecosystems.**

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**Forest risk commodity**

Timber products

**Coverage**

Supply chain

**Main measure**

Increased demand for certified products

**Comment**

In order to decrease the demand for virgin timber, we are seeking to increase the use of recycled content in our paper foodservice packaging products.

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**Forest risk commodity**

Other - Coffee

**Coverage**

Supply chain

**Main measure**

Increased demand for certified products

**Comment**

Working in partnership with Conservation International, Starbucks will invest in forest and landscape protection and restoration programs in coffee producing countries, starting in Colombia and Peru. These agroforestry efforts will not only remove carbon and support the carbon neutral pathway, but also will benefit freshwater ecosystems and coffee communities.

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**Forest risk commodity**

Palm oil

**Coverage**

Supply chain

**Main measure**

Greater customer awareness

**Comment**

Perception is that palm oil in general is bad, and therefore, some are eliminating it from ingredient specifications all together instead of solving the root cause of the issues.