

STARBUCKS 2020 REPORT
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STARBUCKS
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ENVIRONMENTAL & SOCIAL IMPACT

GLOBAL ENVIRONMENTAL & SOCIAL IMPACT REPORT



PEOPLE PLANET COFFEE



A MESSAGE FROM KEVIN JOHNSON

REFLECTING ON OUR 2020 PROGRESS

Dear Starbucks partners, customers and stakeholders:

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. So, 20 years ago, we made a commitment to report transparently and regularly about our efforts to improve economic conditions for coffee farmers, minimize our environmental footprint, make positive contributions to the communities we serve, and create a culture of inclusion, belonging and opportunity for all Starbucks partners (employees).



In this FY20 report, you'll see that even through a historic global pandemic, we remained steadfast in our commitment to people and to the planet. Our goal to make a positive impact on the lives of partners and customers and to give more than we take from the planet is central to the work we do. I'm tremendously proud of all Starbucks partners who prioritized the health and safety of people and showed up for their communities as we navigated COVID-19 together.

By being intentional, transparent and accountable, we are committed to making lasting progress in being a people, planet and profit positive company.

Accordingly, you will see that we have added additional rigor to this work by providing data consistent with the Sustainability Accounting Standards Board (SASB) Environmental, Social and Governance (ESG) reporting standards.

While this report covers the progress we made in FY20, our key areas of focus continue in FY21. Most recently, our partners have seen a substantial wage increase; our renewable energy investments are benefitting our stores and the communities around them; we have set new [inclusion and diversity goals and commitments](#); we committed to invest \$100 million to support small businesses and community development projects in Black, Indigenous and People of Color ([BIPOC neighborhoods](#)); we added another \$50 million to our global coffee farmer fund; and we're doing more each day.



We have a unique opportunity at Starbucks to use our reach and scale to create a better society in many ways, big and small. I have immense gratitude and pride for all Starbucks partners who have worked together through this historic time in service of their communities, creating a third place where we can all find community, acceptance and a sense of belonging.

Now, meeting the ambitious targets set out in this report will take time ... and Starbucks is wholeheartedly committed to these environmental and social goals for the long term. They are core to our mission, they are core to our business and they are core to who we are as Starbucks partners.

Kevin Johnson
president and ceo

NAVIGATING A GLOBAL PANDEMIC

OUR GUIDING PRINCIPLES

Throughout the COVID-19 pandemic, our Starbucks partners, customers and communities have been resilient and inspiring in the face of unprecedented challenges. Our activities in FY20 and FY21 to date have been guided by three principles we established toward the beginning of the pandemic, and we continually provide updates on our pandemic-related efforts [here](#).

1

Prioritizing the health and well-being of our partners (employees) and customers.

2

Playing a constructive role in supporting health and government officials as they work to mitigate the spread of the virus.

3

Showing up in positive and responsible ways to serve our communities.



“Over the past few years we have reimagined the third place. One which remains focused on human connection, evolved to meet our customers where they are, and where we can all find community and acceptance. Acceptance without exception. Inclusion in every way. We are, most certainly, built for this moment.”

KEVIN JOHNSON

NAVIGATING A GLOBAL PANDEMIC

① Prioritizing the health and well-being of our partners (employees) and customers.

Our partners have continued to show up for their communities in the face of extraordinary circumstances, and we are committed to keeping partner care front and center.

In the early months of the pandemic, we provided partner benefits that included service pay, catastrophe pay, benefits continuation, expanded mental health support, expanded backup childcare support, and food and beverage allowances – with no involuntary layoffs. We also initiated a \$10 million emergency relief fund for partners in both company-operated and licensed retail store markets around the world.

As stores began to re-open, we announced a COVID-19 Leave of Absence policy for partners who preferred to take unpaid leave while keeping their existing Starbucks benefits and eligibility for unemployment assistance available. Thousands of partners took advantage of this policy. Recently, we extended COVID-19 benefits for U.S. partners, including paid time off to get vaccinated, an extension of catastrophe pay, and increased backup care days to take care of family members.

② Playing a constructive role in supporting health and government officials as they work to mitigate the spread of the virus.

Since the onset of COVID-19, Starbucks has remained close to national, state and local health officials to ensure our business decisions are anchored to and guided by facts and science. We have shifted our store layouts and customer interactions in a variety of ways, prioritizing customer safety while providing a warm and welcoming third place.

In the U.S., we advocated for timely and robust government relief legislation. In our home state of Washington, we're sharing our company's expertise in operational efficiency, scalable modeling and human-centered design as part of the Washington State Vaccine Action Command and Coordination System Center, a public-private effort to accelerate safe and equitable vaccine access for all Washingtonians in ways that can be replicated in other communities. The Starbucks Foundation also made a founding donation to the All In WA initiative to support equitable vaccine access, education and outreach in disproportionately impacted communities.

③ Showing up in positive and responsible ways to serve our communities.

With the onset of COVID-19, our partners in Asia led the way last spring in organizing food and coffee donations to hospitals, nonprofits, local police, health officials and other front-line workers, as well as coffee farmers. Our partners around the world echoed these demonstrations of gratitude. Since the start of the pandemic, Starbucks has provided front-line workers in the U.S. with more than 4.2 million free cups of coffee, along with thousands of Starbucks gift cards and K-Cup® pod pallets for hospitals. Starbucks launched a campaign to raise customer awareness about growing food insecurity and encourage donations to Feeding America. We also worked across various organizations in the U.S. and Canada to provide unsold or excess food and drinks to local food banks.

Support of partners during COVID-19 has also taken the form of community service, and despite social-distancing challenges, more than 11,000 of our U.S. partners reported volunteering in their communities in FY20.



STRENGTHENING COMMUNITIES WORLDWIDE

Established in 1997, [The Starbucks Foundation](#) is a U.S. 501(c)(3) charitable organization under U.S. law, and receives funding primarily from Starbucks Corporation. The Starbucks Foundation is committed to strengthening humanity by uplifting communities.

It provided over \$17 million in grants in FY20 to nonprofit organizations in our hometown of Seattle, and in neighborhoods and coffee- and tea-growing communities around the world.

More than \$10 million in Foundation grants supported local and global COVID-19 initiatives.

[Global community response efforts](#) included contributions to the United Nations Foundation's COVID-19 Solidarity Response Fund to support the World Health Organization and programs to promote COVID-19 prevention and community resilience in China. The Foundation also supported COVID-19 prevention awareness and extended urgently needed direct support across coffee- and tea-growing communities in Indonesia, Colombia, Guatemala, India and Ethiopia, reaching more than 230,000 people in less than a year. In the U.S., the Foundation's support included [extending hunger relief](#) and other emergency assistance to vulnerable communities and [supporting our front-line responders](#). In addition, The Starbucks Foundation offered existing grantees flexibility to repurpose previous grant funding to respond to COVID-19.

The Foundation's Neighborhood Grants initiative, which invites nominations from Starbucks partners, continued to help build sustained local impact and inspire increased partner volunteerism with local nonprofit organizations. Since September 2019, more than 8,000 Starbucks partners have participated, resulting in Neighborhood Grants to nearly 2,000 organizations across the U.S. and Canada totaling nearly \$4 million. This included more than \$1 million in grants to more than 400 local organizations to support [COVID-19 community response](#). In addition, the Foundation awarded \$1.5 million in Neighborhood Grants to [promote racial equity and create more inclusive communities](#) with support to more than 400 organizations that are Black-led and/or serve Black and Indigenous communities.

In FY20, the Foundation also supported emergency preparedness, response and resilience for disasters such as the Australian wildfires, the major port explosion in Beirut, and hurricanes and wildfires in the U.S.



FY21 HIGHLIGHTS TO DATE

Supporting BIPOC Youth

In early FY21, the Foundation committed to invest \$5 million in nonprofits that serve BIPOC youth and then announced the first group of grant recipients: Big Brothers Big Sisters of America, Boys & Girls Clubs of America, City Year, Junior Achievement USA and The National Mentoring Partnership (MENTOR).

Empowering Women in Origin Communities

In March 2021, the Foundation announced it is [halfway to its goal](#) to empower 250,000 women and girls in coffee- and tea-growing communities by 2025, reaching more than 125,000 women to date across Africa, Asia and Latin America through programs that focus on breaking down barriers to education; promoting clean water, sanitation and hygiene; and creating economic opportunities for women and girls.

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PEOPLE, PLANET & COFFEE

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STARBUCKS COFFEE CO.

PEOPLE

Our aspiration is to be people positive — investing in humanity and the well-being of everyone we connect with, from our partners to coffee farmers to the customers in our stores and beyond.

PLANET

Our vision for the future is to become resource positive — giving back more than we take from the planet. And we know we can't do it alone. It takes all of us.

COFFEE

Coffee is at our core. We are committed to sourcing coffee responsibly, for the betterment of people and planet, so we can ensure a sustainable future of coffee.

Now more than ever, our purpose goes beyond profit.



PEOPLE

Our aspiration is to be people positive — investing in humanity and the well-being of everyone we connect with, from our partners to coffee farmers to the customers in our stores and beyond.

FY20 PROGRESS: OUR PARTNERS

ADVANCING RACIAL AND SOCIAL EQUITY

An Update on Our Progress

Goal: Advance racial and social equity on behalf of our partners, our customers and our communities.

Since the beginning, Starbucks has set out to be a different kind of company rooted in providing a third place where everyone is welcomed and respected.

Each day we reaffirm our responsibility to one another — to care for each other, to strengthen our communities and to ensure diverse perspectives are represented at the company's highest levels. We are committed to furthering that work with intention, with transparency and with accountability. Some of those commitments in FY20 included:

- Commissioning our second Civil Rights Assessment, conducted by Covington & Burling LLP under the leadership of former U.S. Attorney General, Eric Holder, Jr.
- Launching a mentorship program to connect BIPOC partners to senior leaders. In its initial phase, the program pairs senior vice presidents and above with diverse directors and vice presidents in retail and non-retail. The program includes a mix of one-on-one sessions between mentors and mentees, mentorship circles with a 1:3 mentor-mentee ratio, and community events.
- Launching an internal series of courageous conversations to create a safe space for bold discussions addressing difficult topics and to help increase understanding.
- Investing in strategic partnerships with professional organizations who focus on the development of BIPOC talent, providing additional development opportunities for our BIPOC partners.
- Connecting inclusive and diverse team building to our executive compensation program.
- Providing more transparency on our current workforce diversity.



We know this work is a journey. Our partners, our customers and the communities we serve ground us in an open dialogue and a collective desire to create lasting change.

PEOPLE

FY20 PROGRESS: OUR PARTNERS

CULTURE OF INCLUSION

Human Rights Campaign's Corporate Equality Index: 100%

Goal: Continue to be a top employer for LGBTQIA2+ workplace equality

In 2020, for the eighth consecutive year and eleventh year overall, we achieved a 100% rating from the [Human Rights Campaign's Corporate Equality Index](#) based on corporate policies and practices for LGBTQIA2+ equality.

CULTURE OF INCLUSION

Disability Equality Index: 100/100

Goal: Continue to advance disability inclusion in the workplace

In 2015, 2016, 2017 and 2019, Starbucks scored 100 out of 100 on the [Disability Equality Index](#) (DEI) and was recognized as a “Best Place to Work.” We are a member of Disability:IN’s Inclusion Works program, a national forum for peer institutions to share best and evolving practices on Access and Disability Inclusion. Starbucks Retail Inclusion Academy, operating since 2017, prepares people with disabilities for retail jobs. This work is consistent with [our commitment](#) to access and disability inclusion.



PARTNER DIVERSITY

69% Female, 47% BIPOC

Goals:

- ① At least 40% BIPOC representation and 55% women in all retail roles, by 2025 in the U.S.
- ② At least 40% BIPOC representation and 30% women in all manufacturing roles by 2025 in the U.S.
- ③ At least 30% BIPOC representation and 50% women for all enterprise roles, including senior leadership, by 2025 in the U.S.

Our approach to hiring, development and advancement of our partners is critical to our journey to advance inclusion, diversity and equity at Starbucks. As of August 2020, our U.S. partner base was 69% female and 47% BIPOC. Within BIPOC representation, partners are 8% Black, 27% Hispanic or Latinx, 6% Asian, 5% Multiracial, 0.6% American Indian or Alaskan Native and 0.6% Native Hawaiian or other Pacific Islander. As of August 2020, our senior leadership was comprised of 51% women and 19% BIPOC.

In looking at representation data, with more detail [here](#), we have identified opportunities to improve career advancement for our BIPOC partners throughout the organization, and we’re using this data to help us focus our efforts to promote greater equity and inclusion among BIPOC partners at all levels.



PEOPLE

FY20 PROGRESS: OUR PARTNERS

HIRING COMMITMENTS

**5,221 Veterans in FY20,
2,620 Refugees to Date**

Goals:

- ① Hire 5,000 Veterans and Military Spouses in the U.S. annually
- ② Hire 10,000 Refugees globally by 2022
- ③ Hire 100,000 Opportunity Youth in the U.S. by 2020

We remain committed to hiring 5,000 military veterans annually and 10,000 refugees globally by 2022. In FY20, we hired 5,221 U.S. veterans and military spouses; we were able to confirm hiring 520 refugees in the U.S., Canada and EMEA, bringing our cumulative total to 2,620. In FY20, we evolved our tracking of Opportunity Youth hiring targets to focus on our diversity goals established in FY20.



PAY EQUITY

**100% Gender and Racial Pay Equity in the U.S.,
100% Gender Equity in Pay in China, Canada,
Austria, Great Britain, Italy and Switzerland**

Goals:

- ① 100% gender and racial pay equity in U.S.
- ② 100% gender pay equity globally in company-owned markets

Starbucks has achieved and maintained 100% [pay equity](#) for women and men, and for people of all races performing similar work in the U.S. In 2018, when we first hit that milestone, we announced that we are committed to reaching 100% gender equity in pay for all partners in Starbucks company-operated markets globally. A year later, we reached the goal of gender equity in pay in China and Canada, and we maintained that in FY20 while achieving gender equity in pay in other company-owned markets: Austria, Great Britain, Italy and Switzerland.

In FY20, our licensed partners in Singapore, the Philippines and [India](#) announced they had achieved 100% pay equity for women and men. In India, women comprise 29% of the Starbucks workforce, a key gender diversity milestone toward the goal of 40% by 2022.



PEOPLE

FY20 PROGRESS: OUR PARTNERS

TO BE WELCOMING

54,000+ Enrollments

Goal: Continued cultivation of inclusion, diversity and equity awareness

In FY20, the 15-course [To Be Welcoming](#) anti-bias curriculum grew from 5,688 enrollments to 54,740 enrollments. We made the curriculum publicly available and saw high levels of engagement from partners and non-partners, with Starbucks partners comprising 48.5% enrollees and non-partners comprising 51.5% of enrollees.

We also offer the Third Place Development Series, designed to equip store managers and store partners with new tools for reflection and to facilitate discussions about important and challenging topics related to mental health, equity, inclusion and bias.

COLLEGE EDUCATION BENEFIT

4,500 Graduates

Goal: Graduate 25,000 Starbucks partners from Arizona State University (ASU) by the end of 2025

The [Starbucks College Achievement Plan](#) (SCAP) is helping benefits-eligible U.S. partners working part- or full-time complete their education by receiving 100% tuition coverage for a first-time bachelor's degree through Arizona State University's online program. As of FY20, nearly 4,500 partners have graduated with degrees since the program began in 2014, and the May 2020 graduating class was the largest ever at 700. More than 14,000 partners across the U.S. participated in ASU's online degree programs in FY20, and more than 20% of those were first-generation college students.

PARTNER BENEFITS

Mental Health Expansion

Goal: Continued leadership in innovative, relevant benefits for full- and part-time retail partners

We're proud that we have pioneered innovative benefits for full- and part-time partners around the world. In the U.S., eligible partners who work at least 20 hours a week receive a [benefits package](#) that includes comprehensive and affordable health insurance, 100% college tuition coverage, equity in the form of stock, paid parental leave, child and adult back-up care and more.

In FY20, we expanded our commitment to [partner mental health](#) in a number of ways, based on partner feedback:

- U.S. partners and eligible family members now have access to 20 no-cost sessions each year with a mental health therapist or coach through [Lyra Health](#), so they can receive quality care that meets their specific needs.
- U.S. assistant store managers, store managers and non-retail partners are receiving Starbucks Mental Health Fundamentals Training, created in partnership with the [National Council for Behavioral Health](#) to help partners listen for, recognize and respond to signs of mental health and substance use issues.
- Partners in the U.S. and Canada can now sign up for a free [Headspace](#) subscription, taking advantage of the many research-based benefits of meditation.

Internationally, we customize our compensation and benefits packages to remain responsive to partners' feedback and competitive in the marketplace. In China, for example, Starbucks has been named a [top employer](#) by Aon Hewitt.



PEOPLE

FY20 PROGRESS: OUR STORES

SOCIAL IMPACT-DESIGNED STORES

29 Community Stores, 68 Military Stores, and 9 Signing Stores

Goals:

- ① Open 100 Community Stores by the end of 2025 in the U.S.
- ② Open 200 Military Family Stores by 2022 in the U.S.

In FY20, Starbucks increased its commitment in the U.S. to open Community Stores in traditionally underserved, diverse communities across the country. Community stores focus on creating pathways for those facing barriers to opportunity by hiring from within the community, creating dedicated space for communities to come together for events and working with diverse contractors for store construction and remodels. We have invested in 17 U.S. Community Stores, with the latest opening in the Watts neighborhood of Los Angeles in FY20. We plan to open 100 Community Stores in the U.S. by the end of 2025.

As of FY20, Starbucks had opened four Community Stores in Asia across three markets, with different areas of focus that include providing educational opportunities for children and supporting youth entrepreneurs and farming communities.

We also operated six Signing Stores in FY20 around the world to provide employment opportunities for Deaf and hard of hearing people and drive greater community connection. In FY20, our licensed partner in India opened two stores staffed entirely by women, creating a welcoming space for women to grow and develop their careers at Starbucks.

In the U.S., we have invested in 68 Military Family Stores as of FY20, which offer support for military communities, and plan to open 132 of them by 2022.

SERVING THOSE WHO SERVE

Creating Partnerships

Goal: Create connections among partners, communities and those who serve

In FY20, we supported military veterans in our community in a variety of ways. Stores adopted military units to show gratitude and we continued our partnerships to support military communities, with a focus on mental health and well-being through the National Alliance on Mental Illness; Headstrong; Team Red, White & Blue; Blue Star Families and The Mission Continues. These activities were consistent with our longstanding commitment to supporting veterans and military families.



PEOPLE

FY20 PROGRESS: OUR COMMUNITIES

HUNGER RELIEF

Donated food available from 74% of U.S. company-operated stores

Goal: Rescue food available to donate from 100% of U.S. company-operated stores by the end of FY21

The Starbucks FoodShare program in the U.S., which launched in 2016 in partnership with Feeding America, donates eligible, unsold food to food banks and mobile pantries. In FY20, the program redirected food from 74% of U.S. company-operated stores. We also doubled down on investments in successful, long-term strategies like mobile pantries, which help overcome transportation and access barriers by bringing food to families where they are. As a result of these initiatives, Starbucks donated more than 8.9 million meals in FY20, as well as \$1 million to mobile pantry programs.

As the needs of food banks increase, we continue to learn from the many logistical challenges of ongoing perishable food delivery so we can increase the scale of this program. Internationally, similar food donation programs exist in several markets, including a FoodShare program in Canada and food waste diversion programs in 14 countries across EMEA markets.



INCREASED STORE SUPPORT

Launch of Outreach Worker Pilot in Five Cities

Goal: Provide store partners support to address customers with critical needs

In FY20, Starbucks launched a one-year Outreach Worker pilot program with [United Way Worldwide](#). The program began in five U.S. cities (Seattle, Chicago, Los Angeles, Washington D.C., Philadelphia). It supports store partners in high-incident stores by connecting them to outreach workers who bring expertise in hyper-local social work and can support customers with critical needs, while decreasing non-critical reliance on law enforcement. With initial success and impact in FY20, we have committed to expanding the program into additional cities, adapting from pilot learnings and broadening our partnership to include other outreach organizations.

VOTING

Resources, Information, Lyft Rides

Goal: Support partners and customers in having safe and accessible ways to vote

No partner should have to choose between work and having their voice heard. In FY20, Starbucks continued to promote the [importance of voting](#) – including making sure partners had the tools and time to vote and encouraging government at all levels to make sure Americans have safe and accessible ways to vote. Through a campaign that included using the Starbucks app and a partnership with a non-partisan coalition of businesses, [Civic Alliance](#), we provided partners and customers with resources and information about how and where to register to vote. We also provided all U.S. partners with a free Lyft ride worth up to \$75 so they could travel to the polls to vote, volunteer as a poll worker or drop a ballot at a post office, ballot box or other official ballot drop location.

We formed partnerships in FY20 with the [NAACP](#), [Hispanic Federation](#), [Iraq and Afghanistan Veterans of America](#) and the [Lawyers Committee for Civil Rights](#) to create opportunities for our partners to volunteer in civic-related activities in their local communities.

IMPACT SUMMARY

PEOPLE

FY20 PROGRESS: OUR COMMUNITIES

SUPPLIER DIVERSITY AND INCLUSION

\$600 Million in FY20

Goal: Stimulate economic development in the communities Starbucks serves while delivering high-quality products and services

Starbucks Supplier Diversity and Inclusion program drives inclusion of qualified businesses that are at least 51% owned and operated by a U.S. or Canadian citizen or legal resident and certified as minority, woman, LGBTQ, veteran, person with a disability, or socio-economically disadvantaged small businesses classified as HUB Zone or 8(a). The program's current emphasis is to focus on suppliers of all sizes and facilitate mentorships to support suppliers' success.

Starbucks has spent nearly \$8 billion with diverse suppliers since 2000. In FY20, we spent more than \$600 million with diverse tier-one suppliers, which was 8.1% of the company's total spend in the U.S. and Canada.

SUPPORTING HUMAN RIGHTS

Updated Statement

Goal: Further the respect for human rights globally

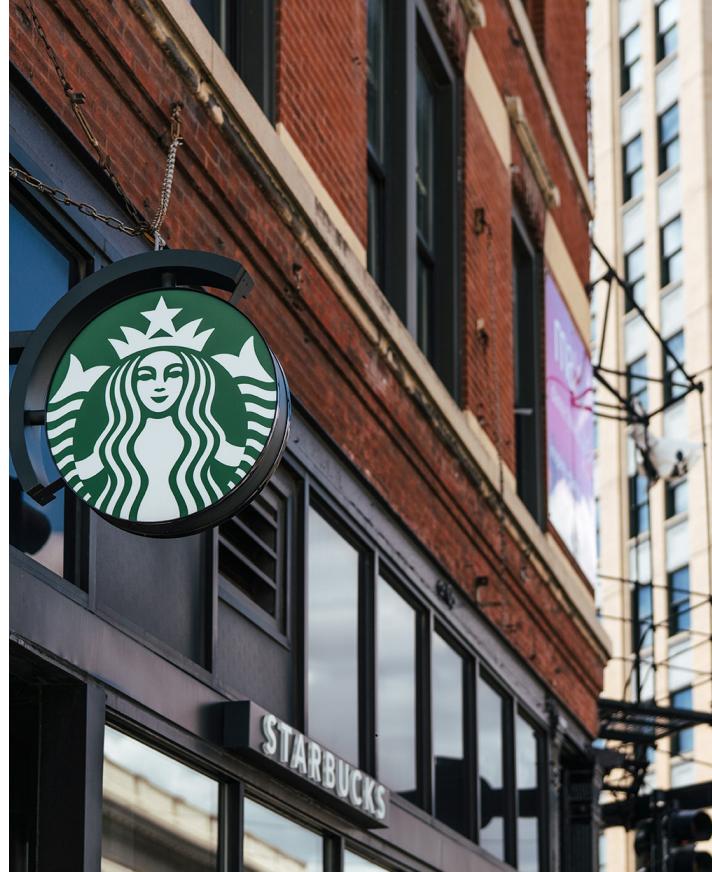
In FY20, Starbucks published an update to our global human rights statement to outline our company's commitment and expectations of our partners, supply chain and business partners to uphold human rights throughout our global operations. In this update Starbucks committed to respect the Women's Empowerment Principles, Children's Rights and Business Principles, and Framework Principles on Human Rights and the Environment. Our policy also reiterates our respect for the crucial work done by Human Rights Defenders who work individually or with others to promote or protect human rights. As part of our commitment to this work, throughout the last fiscal year as allegations of human rights abuses throughout our supply chain have been raised, Starbucks has investigated and remediated when appropriate.

COMMUNITY ECONOMIC DEVELOPMENT FUNDING IN CHICAGO

\$8 Million Invested in FY20

Goal: Invest \$10 million into Chicago CDFIs

In FY20, we invested \$8 million of our \$10 million commitment into Community Development Financial Institutions (CDFIs) in Chicago for small business and community development loans with a focus on the city's underserved communities. Of the \$8 million investment, \$225,000 was in the form of grants to support capacity-building in the CDFIs. One example of a project funded by this investment is Green Era, which has been raising funds to construct a sustainable campus in the Auburn Gresham neighborhood of Chicago. The campus will include a two-acre clean energy generation facility, an urban farm, green houses, an outdoor fresh produce market, a visitor center with classrooms for community activities and a STEM education center. Among other positive impacts to the community, Green Era is expected to create 247 construction jobs and 25 permanent jobs.



PEOPLE

FY21 HIGHLIGHTS TO DATE

Substantial Wage Increases

In December 2020, Starbucks made one of the most substantial investments in wages in our company's history by increasing U.S. pay rates, boosting the premium we already paid to exceed minimum wage in every U.S. market. This included:

- At least a 10% pay increase for baristas, shift supervisors and café attendants hired on or before September 14, 2020.
- At least an 11% pay increase for tenured partners with three years of continued service.
- A continued investment in shift supervisor pay to recognize this critical leadership role and attract the best talent.
- At least a 5% increase to all starting pay rates to support store managers in continuing to attract and retain new talent.

With these investments, more than 30% of our U.S. retail partners are currently earning hourly wages at or above \$15 an hour, and we continue on our path to ensure all U.S. partners will be making at or above \$15 an hour within three years.

\$100 Million Investment to Support BIPOC Neighborhoods

Building on Starbucks FY20 CDFI initiative in Chicago, we committed [\\$100 million](#) to launch the Starbucks Community Resilience Fund focused on supporting small businesses and community development projects in BIPOC neighborhoods.

Board Diversity

In January 2021, in the [proxy statement](#) for its annual meeting of shareholders, Starbucks disclosed information about the Board of Directors self-identification of race/ethnicity. This disclosure follows the company joining the [Board Diversity Action Alliance](#) in October 2020. As of March 2021, the composition of the Starbucks Board of Directors is 45% people of color and 36% women.

Third Civil Rights Assessment

In April, we published our third civil right assessment, conducted by Covington & Burling LLP under the leadership of former U.S. Attorney General Eric Holder Jr., and showing continued [progress](#) on inclusion, diversity and equity.

PLANET

Our vision for the future is to become resource positive – giving back more than we take from the planet. And we know we can't do it alone. It takes all of us.

FY20 PROGRESS

BECOMING A RESOURCE-POSITIVE COMPANY

An Update on Our Progress

2030 Goals:

- ① **Carbon:** 50% absolute reduction in scope 1, 2 and 3 greenhouse gas (GHG) emissions representing all of Starbucks direct operations and value chain
- ② **Water:** 50% of water withdrawal from direct operations and coffee production will be conserved or replenished
- ③ **Waste:** 50% reduction in waste sent to landfill from stores (including packaging that leaves stores) and direct operations, driven by a broader shift toward a circular economy

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 our 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.

To meet our 2030 goals, we set five key strategies, rooted in science, grounded in Starbucks Mission and Values, and informed by comprehensive market research and trials:

- 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



We are governing our sustainability commitments through our Global Environmental Council, which is comprised of senior leaders across Starbucks whose compensation is tied to performance against our goals. We also formally review and seek counsel from our Board of Directors Nominating and Corporate Governance Committee, along with informal advisors who are experts and influencers in the sustainability sector.

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.

PLANET

FY20 PROGRESS

NEW EFFORTS TO REDUCE CARBON AND REPLENISH WATER

An Update on Our Progress

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.

Through our partnership with the World Wildlife Fund (WWF), we're leveraging WWF's [Water Risk tool](#) to map our highest risk basins and better understand the challenges in those basins across origin countries and store communities, helping ensure long-term access to freshwater.

And in FY20, we joined the new [Transform to Net Zero](#) initiative as a founding member. Comprised of nine founding members, the Initiative's objective is to accelerate the transition to a net zero global economy no later than 2050 by developing and delivering research, guidance and roadmaps to guide businesses in achieving net zero emissions.

PLANT-BASED LAUNCHES

Oatmilk, Meat Substitutes

Expanding Starbucks plant-based menu 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.



PLANET

FY20 PROGRESS

REUSABLE CUPS

Researching Incentives, Testing Single-Use Fees

Goal: Double the use of reusable cups from 2016–2022

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.



MANAGING WASTE FROM CUPS AND STRAWS

Five New Markets Recycling, Strawless Lids in U.S. and Canada

Goals:

- ① **20% recycled content in our hot cups by 2022**
- ② **Develop 100% compostable and recyclable hot cups by 2022**
- ③ **Elimination of plastic straws by the end of 2021**

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: Kent County, Mich.; Lansing, Mich.; Sioux Falls, S.D.; St. Lucie County, Fla.; and Athens County, Ga. They join 13 other major markets: Seattle; Washington, DC; Denver; New York; San Francisco; Boston; Louisville, Ky.; Dallas; Vancouver; London; Amsterdam; and Chattanooga, Tenn. 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 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 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.

PLANET

FY20 PROGRESS

RENEWABLE ENERGY FOR STORES AND COMMUNITIES

Powering 72% of Operations Globally

Goal: Invest in 100% renewable energy to power operations globally by the end of 2020

Worldwide, Starbucks purchases enough renewable energy to power 100% of our company-operated locations in the U.S., Canada and Europe, and 72% of company-operated locations globally, with market constraints in China and Japan challenging our ability to reach our 2020 goal. As members of the RE100, we remain committed to reaching 100% renewable energy globally as access increases in Asian markets.

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:

- 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, nonprofits, churches, universities and Starbucks Stores.
- 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.

GREENER STORES

2,317 Stores to Date

Goal: Build and operate 10,000 stores in the Greener Stores framework 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. 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.

GREENER PARTNERS

28,000 Partners Enrolled in Greener Apron

Goal: Empower 10,000 partners to be sustainability champions by the end of 2020

With growing interest among our partners in sustainability, more than 28,000 worldwide have now enrolled in the Greener Apron sustainability training program through Starbucks Global Academy. We continue to expand opportunities for partners to engage on sustainability, in part because increased awareness and adoption of environmentally friendly practices among partners is key to the success of our overall sustainability goals.



PLANET

FY21 HIGHLIGHTS TO DATE

Forest Conservation and Restoration

Early in FY21, Starbucks launched projects with Conservation International (CI) to protect and restore at-risk forests in key coffee landscapes near our supply chains. Over the next five years, CI and Starbucks will work together on forest conservation and restoration programs in Colombia and Peru that will help carbon sequestration efforts and benefit freshwater ecosystems and surrounding coffee communities.

Win-Wins with Dairy Farmers

Starbucks is now supporting 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. We've also joined the Farm Powered Strategic Alliance as a founding member, which uses food waste from our supply chains to produce low carbon fertilizer that dairy farmers can use to support their regenerative agriculture practices.

Oatmilk Rolls Out Nationally

In March, Starbucks rolled out Oatly oatmilk as a plant-based choice in stores across the U.S.

Joining the Water Resilience Coalition

Starbucks endorsed the United National Global Compact CEO Water Mandate principle and joined this initiative of the United Nations Global Compact to help preserve freshwater resources globally. Coalition members commit to collective action in water-stressed basins, to develop and implement resilient practices across their industry, and to provide leadership and advocacy in the field of water stewardship.

South Korea's Planet Positive Commitments

In April, [Starbucks Coffee Korea announced](#) bold commitments including reducing its carbon footprint by 30% and eliminating single-use cups by 2025.

Cup-Borrowing Programs

In early FY21, we tested cup-borrowing programs in stores in Japan and Seattle, in which customers received a reusable cup to take with them and return later or at a different store. This spring, we built on these learnings to scale our cup-borrowing program to five stores in Seattle.

IMPACT SUMMARY

COFFEE

Coffee is at our core. We are committed to sourcing coffee responsibly, for the betterment of people and planet, so we can ensure a sustainable future of coffee.

FY20 PROGRESS

ETHICALLY SOURCED COFFEE

98.6% in FY20

Goal: Committed to 100% ethically sourced coffee in partnership with Conservation International

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.



COFFEE TREES

50 Million to Date, 10 Million in FY20

Goal: Provide 100 million trees to farmers by 2025

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.

FARM COMMUNITY SUPPORT

Nine Farmer Support Centers, 200,000 Farmers Trained

Goal: Train 200,000 farmers by the end of 2020

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, suppliers, farmers and their communities.

IMPACT SUMMARY

COFFEE

FY20 PROGRESS

FARM COMMUNITY SUPPORT

Childcare Centers

Goal: Strengthen our coffee communities

In FY20, Starbucks launched a new initiative in Guatemala focused on providing safe spaces for local and migrant workers' children to continue their education during the coffee harvest season. Five new centers opened during the 2020–21 harvest season, with co-investment from coffee suppliers and implementation by FUNCAFE and Coffee Care. Starbucks also established a \$100,000 Capital Improvement fund to support initial and on-going childcare center improvements, along with preparing childcare center locations to open in a safe and welcoming way.

GLOBAL FARMER FUND

\$42.9 Million to Date

EMERGENCY RELIEF FUNDS

\$2.8 Million in FY20

Goal: \$50 million in farmer loans by the end of 2020

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 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.

STARBUCKS DIGITAL TRACEABILITY

Launched for Consumers, Testing Among Farmers

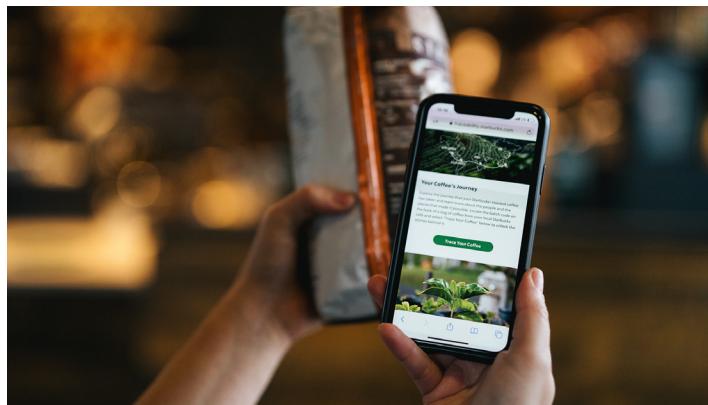
Goal: Create connection between coffee farmers and coffee consumers; empower farmers and support coffee farm communities

As a continuation of our ethical sourcing commitment, in FY20 we launched the new [Starbucks Digital Traceability](#) web tool, 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 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, so they can see where their beans go and the final product they become. 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.

ETHICAL TEA AND COCOA

Tea: 99.7% in FY20, Cocoa: 100% in FY20

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. 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.



COFFEE

FY21 HIGHLIGHTS TO DATE

C.A.F.E. Practice Verification Updates

With a philosophy of continuous improvement, we updated C.A.F.E. Practices verification procedures over FY20 to incorporate the increase in frequency and sample size of third-party inspections on C.A.F.E. Practices-verified farms with both announced and unannounced audits by third parties as well as an increase to the number of farms audited each year. These new procedures have started in FY21.

Doubling the Global Farmer Fund to \$100 Million

Starbucks committed 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.

23 Million New Coffee Trees in Colombia

In partnership with the Federacion Nacional de Cafeteros de Colombia, we have committed to distribute 23 million coffee seedlings to more than 12,000 C.A.F.E. Practices farmers over the next two and a half years with the goal of improving productivity and yields.

New Coffee Goals

In March, 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.

New Labor Efforts in Brazil

Starbucks, along with other partners, is supporting three new collective action projects in Brazil focused on promoting and strengthening good working conditions on coffee farms across the sector. These projects are the GCP Social Well-Being Collective Action Initiative, Verite's Promoting Ethical Recruitment focus with the Brazilian Coffee Sector COFFEE Project, and a monitor skill-building project with The Rainforest Alliance.



PEOPLE
PLANET
COFFEE

ABOUT THIS REPORT

STARBUCKS
2020

Information Integrity

Starbucks management is responsible for the preparation and integrity of the information reported for fiscal 2020. Through a system of internal controls, including a comprehensive verification process involving internal subject matter experts, we believe this information accurately represents our global responsibility activities and performance results for the fiscal year. External verification over specified metrics is provided by Moss Adams LLP and Burns & McDonnell Engineering Inc.

Forward-Looking Statements

Our reporting on global responsibility for fiscal 2020 includes forward-looking statements about the company's business and its future business plans, initiatives, goals and objectives. These forward-looking statements are based on currently available operating, financial and competitive information and are subject to a number of significant risks uncertainties. Actual future results may differ materially depending on a variety of factors including impact of COVID-19 on our business operations; regulatory measures or voluntary actions that may be put in place as a result of COVID-19, coffee, dairy and other raw material prices and availability; successful execution of the company's blueprint for growth and other strategies; cost reduction and other initiatives; and other risks detailed in the company's filings with the Securities and Exchange Commission, including the "Risk Factors" section of Starbucks Annual Report Form 10-K for the fiscal year ended September 29, 2020 and Starbucks Quarterly Report on Form 10-Q for the fiscal quarter ended March 28, 2021. The company assumes no obligation to update any of these forward-looking statements.

Reporting Year

Starbucks fiscal year 2020 or "FY20" is October 1, 2019 through September 27, 2020, unless otherwise noted. Starbucks fiscal year 2021 or "FY21" started September 28, 2020.

Currency

All references to currency are in U.S. dollars, unless otherwise noted.

Previous Reports

Starbucks has produced an annual global social impact report since 2001. Previous annual reports are available on our website. We also submit performance and data to key industry-recognized reports such as the Dow Jones Sustainability Index and the CDP Climate Change, Water and Forests Questionnaires.

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