



2012 Global Responsibility Report: Year in Review



Each Starbucks is part of the fabric of the neighborhood it serves. Although we are a global company with stores across the globe, each interaction is local. Starbucks is a gathering place, a place to connect, a barista offering a cup of coffee with an outstretched hand.

Since our first store in 1971, we have felt a responsibility to make a positive impact one person, one cup and one neighborhood at a time. As we have grown to now more than 18,000 stores in over 60 countries, we recognize that commitment to corporate citizenship is also a business imperative. We can use our scale for good, and catalyze change across entire industries so that Starbucks and everyone we touch can endure and thrive.

On a global level, we are trying to be innovative in how we think about communities. We go beyond the impact of a single company, to energize and activate our employees – who we call partners – along with our customers, suppliers and nonprofit partners. Our annual Global Month of Service is a great example, with more than 230,000 hours of service and 2,100 projects completed in April 2012, and with plans to expand in new directions in 2013.

We are seeing the impacts of climate change on our planet and are working to minimize our own environmental footprint. We are also helping our farmers run their businesses in an environmentally mindful way, making adjustments to ensure the viability of their businesses despite shifting growing conditions.

In 2012, we demonstrated the power that happens when our partners and a community come together. We opened our third community store in Houston, Texas, and helped a city take hold of its own destiny. In the words of one neighbor, “You have changed our neighborhood forever. It’s because people see this going on and now they will be more likely to take action themselves.”

We know global change ultimately resides in the power of each individual.

Unfortunately, many people have disengaged from their communities. Although they may desire change, and they may want to make a difference, they are often unsure of how and where to start. We are working to engage and activate these individuals with our Youth Leadership Grants program. Our effort now reaches more than 50,000 young people each year, creating innovative and positive solutions to local needs while empowering young people.

At our Farmer Support Centers, we work one-on-one with farmers to help them manage their businesses more effectively, improve the quality and productivity of their crops, and provide social services to their workers. By making these investments in human capital, we create ripples of change in thousands of farming communities.

Our annual Global Responsibility report is a moment to reflect on the impact we’ve made over the past year. But more than reporting on past progress, it’s an opportunity to be more intentional and focused about what we can do in the future. While there are challenges to operating such a complex, expanding global business as ours, we will continue to balance local relevance with our global reach. You have our commitment that we will continue to push ourselves in new ways.

I invite you to learn more about our 2012 goals and progress and welcome your [feedback and ideas](#).

Blair Taylor

chief community officer



Message from Howard Schultz

In business, success is most often measured by numbers. Store counts. Revenues. Comps. For Starbucks, these metrics are important indications of how we are growing our brand and returning value to our shareholders.

But equally important to the value we create are the values we live by.

We've been building a company with a conscience for more than four decades, intent on the fair and humane treatment of our people as well as the communities where we do business, and the global environment we all share. We are proud of our heritage. Yet never before have we seen the marketplace and today's consumers have such a deep interest in and knowledge about

what companies stand for and how they are living up to their promises. Not only is standing for something beyond making a profit the right thing to do, it is the way business must be conducted in the 21st century. Only by doing business through the lens of humanity can an organization establish a crucial reservoir of trust with its people and its customers. At Starbucks, it is a trust we must earn every day.

For these reasons, we continue to broaden our ethical sourcing programs. Today, we are proud that more than 93% of our coffee meets our standard on this front. And through our enhanced sourcing efforts for cocoa, tea and manufactured products, we are making a more positive impact than ever before.

Just as Starbucks does not accept the status quo in our business, and proactively embraces innovative products and ideas, we also look for and champion fresh inventive ways to use our existing assets and resources beyond business. In 2012, we appointed renowned community advocate and entrepreneurial leader Blair Taylor to serve in our newly created role of chief community officer. A true visionary, Blair leads our community, partner resources, government relations, diversity and global responsibility teams. As a member of Starbucks senior leadership team, he is helping to ensure the company continues to make meaningful differences in communities around the world.

Once again, Starbucks is refusing to be a bystander as the world around all of us changes. I would like to take this opportunity to extend my heartfelt thanks to our partners, customers, business partners, farmers and suppliers for their extraordinary dedication to the hard work and humanity that embodies the spirit of Starbucks.

Thank you for joining us on the journey.

Warm regards,

A handwritten signature in black ink, reading "Howard Schultz".

Howard Schultz
chairman, president and chief executive officer





Ethical Sourcing



We have taken a holistic approach to ethically sourcing our products – from the coffee we serve our customers to the green aprons worn by our baristas. We strive to cultivate lasting relationships with the people who grow our products and create our manufactured goods as we work together to produce high-quality, ethically sourced products.

Our approach includes responsible purchasing practices, farmer support efforts, social responsibility standards for suppliers, and environmental programs. We know that our supply chain is vast, and we have an opportunity to use its scale to make positive changes industry-wide.



Coffee

We are committed to buying and serving high-quality coffee that is responsibly grown and ethically traded. We honor this commitment through our responsible coffee purchasing practices, farmer support centers, loan programs and forest conservation efforts. When we buy coffee this way, we believe that it helps foster a better future for farmers and helps mitigate the impacts of climate change for the planet.



The cornerstone of our approach is Coffee and Farmer Equity (C.A.F.E.) Practices, our comprehensive coffee-buying program that ensures coffee quality while promoting social, economic and environmental standards. C.A.F.E. Practices, which we developed in collaboration with **Conservation International (CI)** a decade ago, has created significant social and economic impacts for more than one million workers, and environmental improvements on the thousands of participating farms.

Farms and mills are evaluated using a comprehensive scorecard of more than 200 indicators by third-party verification organizations, which are overseen by **SCS Global Services**. In 2012, 90% of our coffee was C.A.F.E. Practices verified.

Purchasing third-party certified or verified coffees not only meets our customers' expectations, but can also help protect the environment and the livelihood of farmers in coffee-growing regions. We have offered Fairtrade coffee since 2000, and remain one of the largest purchasers of Fairtrade certified coffee in the world. In 2012, 44.4 million pounds (8.1 %) of our coffee purchases were Fairtrade certified. We also purchased 8.7 million pounds (1.6%) of certified organic coffee in 2012.

In 2012, 93 % of our coffee was ethically sourced through C.A.F.E. Practices, Fairtrade and/or other externally verified or certified programs, with some coffees receiving multiple verifications or certifications. It is our goal that by 2015, 100 % of our coffee will be sourced this way.

Another important component of our approach is a green coffee pricing model that aims to pay the prices premium quality commands, while fostering price stability and mutually beneficial relationships with suppliers. Starbucks sourced 545 million pounds of premium quality green (unroasted) coffee from 29 countries in 2012, and paid an average price of \$2.56 per pound. In 2012, 98% of our contracts included an economic transparency clause.

Tea

In a similar way we approach responsible coffee sourcing, we are committed to a long-term strategy of ethical tea sourcing, which includes helping support farmers and their communities throughout our tea supply chain. We have been working with the **Ethical Tea Partnership (ETP)** since 2005 to collaborate with others in the tea industry, and to make sure that our tea is produced in a socially responsible way. In 2012, we strategically sourced from estates that are a part of the ETP program and subject to third-party independent audit on the social and environmental criteria outlined in the ETP Global Standard.

Our work with ETP is complemented by our support of the **CHAI (Community Health and Advancement Initiative)** project with Mercy Corps. In 2012 we celebrated the 10-year anniversary of CHAI. Since 2003 CHAI has directly impacted 75,000 people and their families in more than 200 farming communities in India and Guatemala.

Cocoa

Our approach to buying **cocoa** is also based on a commitment to ensuring a long-term supply of high-quality, ethically sourced cocoa while contributing positively to the environment and to cocoa-farming communities. Our Cocoa Practices program seeks to verify the supply chain for the cocoa beans used in our beverages, with inspections performed by independent verifiers overseen by **SCS Global Services**.

Store Merchandise

We're also committed to social responsibility standards for the merchandise, furniture and other items found in our stores. We've set **strong standards** for our suppliers and offer them assistance when corrections need to be made to their business practices. Adherence to those standards informs our sourcing decisions and ensures we are working with suppliers who share our commitment to ethical sourcing. Our buyers work directly with suppliers, negotiating contracts for the products we need in our operations or sell to our customers.

In 2012 we assessed 128 factories and found that 36 of them failed our zero-tolerance standards. Even though our approach is to work with suppliers to correct the issues, there are times when we halt business due to the nature of the issues and until adequate resolution takes place. While we were able to implement improvement plans with almost half of these factories, we discontinued working with 15 factories as suppliers for standards issues. Since starting the program in 2006, we have engaged in more than 500 factory assessments and continue to work with more than 70 factories on programs to improve standards.



We are continuing to collaborate with others in our industry to address ethical sourcing best practices in our shared supply bases. Starbucks is a member of the **Global Social Compliance Program**, a business-driven effort to promote the continuous improvement of environmental and working conditions of global supply chains.

Farmer Support

We know our success as a company is linked to the success of the thousands of farmers who grow our coffee.

Starting in 2004 with our first farmer support center in Costa Rica, Starbucks agronomists collaborate directly with coffee farmers to encourage responsible growing practices and improve the quality and size of their harvests. We have continued to expand the program, and share our coffee knowledge with farming communities through our satellite office in Guatemala City and additional farmer support centers in Kigali, Rwanda, and Mbeya, Tanzania. In 2012 we opened new centers in Manizales, Colombia, and Yunnan Province, China. Ultimately, these efforts can help farmers earn better prices and become more resilient, long-term producers.



Farmer Loans

Providing access to credit at reasonable terms is a critical aspect of our farmer support model. Our goal is to invest in farmers and their communities by increasing our farmer loans to \$20 million by 2015.

In 2012, we increased our total commitment to \$15.9 million, including an additional \$1.3 million placed in the Fair Trade Access Fund set up by **Incofin Investment Management**, **Grameen Foundation** and Fairtrade International.

The fund provides financial and technical assistance to address the needs of smallholder farmers by investing in Fairtrade producer organizations and cooperatives.

The fund represents a unique collaboration between a social investment firm and two global nonprofits that focus on helping rural communities in developing countries.

The fund launched in Latin America in 2012 with farmers in multiple coffee-growing countries. By investing in programs that provide access to credit, we’re helping farmers manage risk and strengthen their businesses. Looking forward, we are exploring innovative relationships to help us better leverage the loans in concert with our technical support, social development investments and coffee purchases. The fund will also expand into the Africa and Asia-Pacific farming regions.



Reducing Our Environmental Impact



Our comprehensive approach to reducing our environmental impact means looking at all aspects of our business, how they intersect, and how we can integrate new solutions to create meaningful and sustained change.

Beyond the proactive efforts within our control, the realities of climate change are a growing challenge, and we felt the impact during 2012 – the hottest year on record. From [coffee-growing conditions in Costa Rica](#) to the [increased electricity needed to power our stores](#), we need to consider the global impact of our actions.

By building more energy-efficient stores and facilities, conserving the energy and water we use and purchasing renewable energy credits, we are pushing ourselves to reduce the environmental footprint of our business operations. We are also working in critical areas of our supply chain to mitigate our impacts and adapt to a changing climate. This is to ensure the long-term sustainability of our business and the health of the communities we touch.

But it's about more than just our operations and supply chain. We are also working to shrink our environmental footprint and meet the expectations of our customers by reducing the waste associated with our cups, increasing recycling and incorporating green design into our stores.

We also know that the magnitude and complexity of addressing climate change requires us to think beyond the actions of our own company. As a result we are committed to continue using the power of our voice to champion progressive climate policies in partnership with [other like-minded businesses and organizations](#).



Greener Stores

We know that more than 80% of our direct and indirect **greenhouse gas emissions** come from the energy used to power our stores, offices and roasting plants. We are intently focused on improving the environmental performance of our facilities and more than 18,000 stores with green store design and energy and water conservation strategies.

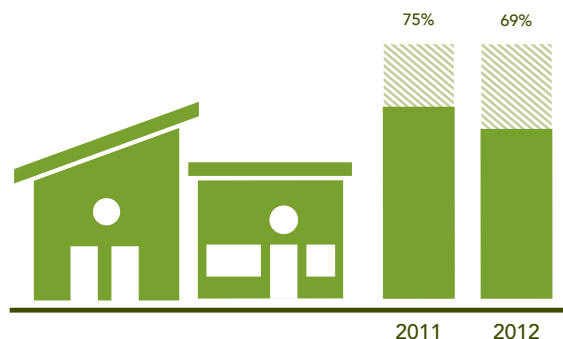
GOAL

Build all new, company-owned stores to achieve LEED® certification

PROGRESS

We have achieved LEED certification for 116 stores in 12 countries and we are addressing specific geographic challenges in our high growth markets.

IN PROGRESS



Percentage of new company-owned stores built to achieve LEED® certification.

LEED Certification

Starbucks has been a leader for more than a decade in the development and implementation of a scalable green building program for retail companies like ours.

We joined the **U.S. Green Building Council (USGBC)** in 2001 and collaborated with them to help develop the LEED® (Leadership in Energy and Environmental Design) for Retail rating system, an effort that incorporated retail business strategies into the LEED for New Construction and Commercial Interiors rating systems.

We opened our first LEED-certified store in 2005. In 2009 Starbucks became one of the first retailers to join USGBC's LEED Volume Certification pilot program.

As the first retail company to take this building approach globally, we've experienced success in some geographic areas and challenges in others. In 2012, we built 69 percent of our new global company-owned stores to achieve LEED, but had difficulty applying LEED in regions where the program is not as established. Going forward, we will explore additional strategies to bring 100% of our stores to a sustainable building standard.



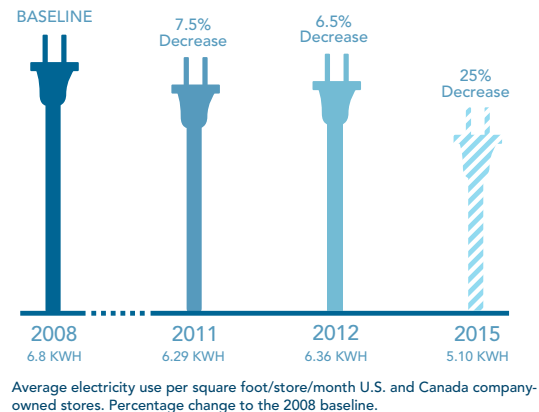
GOAL

PROGRESS

Reduce energy consumption by 25% in our company-owned stores by 2015

While extreme weather in 2012 contributed to just over a 1% increase in electricity consumption from the year before, we have plans in place to help us achieve our 25% reduction goal by 2015.

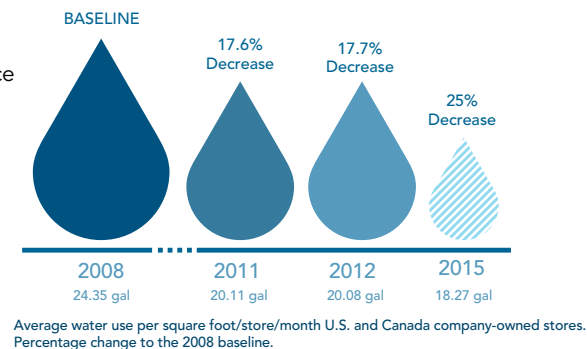
ON TRACK



Reduce water consumption by 25% in our company-owned stores by 2015

Water consumption decreased slightly in 2012, bringing us to a total decrease of 17.7% since 2008.

ON TRACK



Conserving Energy and Water

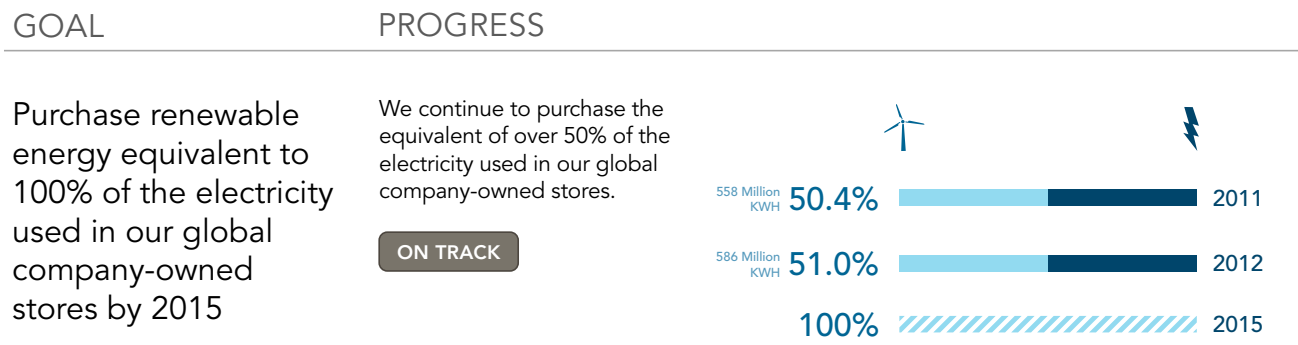
In 2008, we set a goal to reduce electricity use by 25% in company-owned stores by 2015. Since then, we've implemented a number of energy initiatives and have seen electricity use decrease by a total of 6.5%. Despite these efforts, electricity use in 2012 increased 1.1% compared to 2011, mainly due to record-breaking temperatures in the U.S. that caused our stores' air conditioners to run more than usual.

Last year was one focused on testing and validating new, effective energy conservation solutions for our stores. In the next two years we'll be bringing those proven strategies to scale to meet our goals. One example: installing energy management systems and hybrid water heaters to heat our water and cool our stores.

Water is a key ingredient in our beverages and a necessity for operating our stores. We've identified a number of opportunities to use this precious resource more wisely and have spent the last few years testing and validating these solutions.

In 2008 we set a goal to reduce water consumption by 25% in company-owned stores by 2015. Over the past four years, we have cut water consumption by 17.7% through several measures, including the use of efficient fixtures, actively seeking out and repairing stores with leaks and the elimination of a continuously running faucet that rinsed our utensils.

In 2011 we began implementing an improved process for enhancing the quality and consistency of our handcrafted beverages. While these changes required more water, we were able to maintain the water conservation gains we had made over the past four years by deploying new, more efficient water filtration systems in our stores. By the second half of 2012, we began to see significant gains from this new technology, and we hope we'll continue to track toward our 2015 goal.



Investing in Renewable Energy

In addition to **reducing our energy use**, we’re increasingly focused on advancing renewable energy sources through our purchasing practices. We’re hoping to help transform the energy landscape by supporting the development of the renewable power market.

The Renewable Energy Credits (RECs) we purchase encourage the development of new clean-energy sources by providing wind-farm owners with additional revenue. In turn, that helps sell electricity at prices competitive with power plants that use fossil fuels.

In 2011 we began working toward a goal to purchase RECs equivalent to 100% of the electricity used in our company-owned stores globally by 2015. For two years running, we have purchased renewable energy equivalent to more than 50% of the electricity used in our company-owned stores worldwide.

Innovating in Recycling and Food Packaging

Providing recycling in our stores and ensuring the recyclability of our cups is a foremost priority for Starbucks and our customers. We’ve offered a cup with 10% post-consumer recycled paper fiber since 2006. And we keep working to decrease the materials used in our packaging, find new ways to encourage reusables and implement recycling solutions for our cups.

Our approach is to not only provide customers with cup choices for their beverages, but to also collaborate with others to create locally relevant improvements in the recycling infrastructures of communities where we operate. We are doing that by taking a close look at the materials we use and opportunities for material reuse in the future.

In 2012 we introduced the EarthSleeve™ to Starbucks locations across the United States and Canada. This new hot-cup sleeve requires fewer raw materials to make, while increasing the amount of post-consumer content. These adjustments correlate to a savings of nearly 100,000 trees a year and we are working to roll out EarthSleeve globally.



GOAL

PROGRESS

Develop comprehensive recycling solutions for our paper and plastic cups by 2012

While we proved the recyclability of our cups in U.S., Canada, UK and Germany, and continue to expand recycling in those countries, we are still working toward materials and/or infrastructure solutions for our remaining company-owned markets.

IN PROGRESS



Finding Cup Recycling Solutions

Because recycling infrastructure varies widely in countries around the world – even from one city to another – a one-size-fits-all approach does not work for a global business with stores in more than 60 countries.

We have proven that our used cups can be accepted in a variety of recycling systems, and we are bringing this to scale in the United States, Canada, the United Kingdom and Germany. We are developing material and infrastructure solutions in additional markets, working toward our goal to provide all customers access to cup recycling by 2015.

By working with nongovernmental organizations, policy makers, competitors and others, we can tackle common challenges. As a member of the [Paper Recovery Alliance](#) and the [Plastics Recovery Alliance](#), and others, we are helping advance a number of meaningful food packaging initiatives that will have a significant impact on the entire industry.

Implement front-of-store recycling in our company-owned stores by 2015

In 2012, we increased the availability of front-of-store recycling by an additional 453 stores in the U.S. and Canada.

ON TRACK



U.S. and Canada company-owned stores.

Recycling in Our Stores

Although most of our customers take their beverages to go, providing front-of-store recycling is an important part of our effort to develop comprehensive recycling solutions.

In 2008 we set a goal to implement front-of-store recycling in all company-owned locations by 2015. In 2012 24% of our company-owned stores in the United States and Canada offered front-of-store recycling. Of these locations, 94% were able to recycle or compost the hot cup. Although we still have work to do, we are pleased with our progress and will build on this momentum while expanding to international markets to reach our goal.



In 2012 we confirmed that markets such as Germany and the United Kingdom have effective recycling solutions in place, even if they do not include front-of-store recycling canisters. For example, in the United Kingdom store waste is separated into three streams in the back of our stores, and then separated later at the waste facility. Our UK stores are currently diverting approximately 50% of their waste from landfills with this method, and we are testing ways to increase this percentage. By leveraging the solutions from our different markets around the world, we can help build capabilities in markets newer to recycling.

Back-of-store recycling is also a priority, as most of our in-store waste is generated behind the counter. In 2012 78% of the 3,178 stores in the United States and Canada where Starbucks is responsible for providing waste removal services recycled cardboard boxes and other items. Among our remaining U.S. and Canada retail locations, the majority were limited by operational impediments, such as a lack of store space for recycling carts or the unavailability of commercial recycling services. We are working hard to resolve these barriers.



Reducing Waste with Reusable Cups

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 tumblers, and we have a goal to serve 5% of the beverages made in our stores in tumblers and mugs brought in by our customers.

In 2012 customers brought their own tumblers into our stores 35.8 million times, saving more than 1.6 million pounds of paper from landfills. Although customers brought in their personal mugs 1.6 million more times in 2012 over the previous year, the percentage of customers choosing reusable mugs remained flat from last year. In previous years, we calculated the percentage of customer tumbler use over total transactions. In collecting data from our stores around the world and analyzing customer behavior, we determined that a better measurement of this goal is to calculate the percentage of times a personal cup/tumbler is used over our total beverage sales, which is a more precise measure of the total beverages we sell.

We’ll continue to find innovative ways to engage customers to work with us to reduce waste, including launching a \$1 reusable cup in the U.S. and Canada in 2013 with plans to expand to other markets. We challenge ourselves, our partners in our support centers and our stores, to use reusable cups and remain committed to exploring new ways to reduce our cup waste.



GOAL

PROGRESS

Improve farmers' access to carbon markets, helping them generate additional income while protecting the environment

We focused on providing agricultural best practices which will help farmers better respond and/or adapt to regional climate changes, and have expanded our program to Brazil.

ON TRACK



Forest Conservation

We are concerned about the impacts of climate change, especially in the sensitive bioregions where coffee is grown. To better understand the risk to farming communities and our supply chain, we work with Conservation International (CI) and farmers in three unique coffee-producing communities. Together we are working to identify and test effective strategies for improving the sustainability of coffee production processes, the conservation and restoration of natural habitat, and opportunities to facilitate farmer access to forest carbon markets or other forms of assistance.

In Chiapas, Mexico, we engaged more than 200 farmers in 23 communities and helped them protect 10 species of plants in nearly 500,000 hectares in three protected area reserves. Capturing the carbon value of this investment in tree plantings has helped farmers receive additional income in the form of payments for carbon credits – creating the equivalent of 22 new jobs and representing an average of nearly 27% of a participating farmer's income.

In Sumatra, Indonesia, we are continually exploring the feasibility of a forest carbon market program with local and regional government organizations to lay the groundwork for the future. We are investing in the development of the Aceh Tengah Coffee Climate Change Adaption plan, building the first of six nurseries in 2012, organizing climate mitigation and adaption trainings for farmers, and establishing plans to plant 300,000 trees by 2013.

We expanded the partnership to the Minas Gerais region in Brazil's Atlantic Forest for the first time in 2012, and distributed 200,000 native tree seedlings to farmers. We are helping farmers gain access to existing government programs that provide cash incentives for forest preservation and restoration. We are also conducting research to better understand opportunities for improved productivity, increased income and resilience to climate change.

Testing these approaches in different regions helps us refine our strategies so they can be applied to other coffee-growing communities and replicated by other government and industry partners.



Community



Our communities are not just where we have stores. They are every place our business touches, from the backyards of our customers, to the farms where our coffee is grown. We have a responsibility to make our communities stronger – using the scale of our business for positive change.

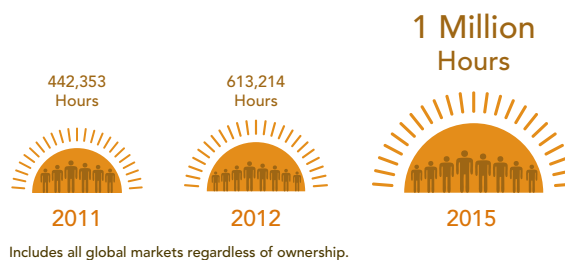
GOAL

Mobilize our partners (employees) and customers to contribute 1 million hours of community service per year by 2015

PROGRESS

We increased our service hours in 2012, contributing nearly 40% more hours than the year before.

ON TRACK



Serving our Communities

Now, more than ever, communities are looking to the private sector to share resources and create meaningful change. By mobilizing partners (employees) and the communities we serve, we're tapping into a passionate network of people eager to be a catalyst for change in their local neighborhoods.

In 2012, we brought together our customers and partners, civic leaders and nonprofit organizations to contribute more than 613,000 hours of service around the world. During April's Global Month of Service, volunteers made a significant impact in more than 33 countries around the world – with more than 2,100 community service projects completed in just 30 days.



GOAL

PROGRESS

Engage a total of 50,000 young people to innovate and take action in their communities by 2015

We continued to exceed this goal by engaging more than 54,000 youth in community activities in 2012.

ACHIEVED



Engaging Youth

As we engage in communities in the present, we are also planning for the future. We're helping develop the next generation of extraordinary leaders through our **Youth Action Grants**. These investments help young people learn the skills required for our changing global economy, such as business savvy, social conscience and collaborative communication.

When we created the Youth Action program in 2008, we set an ambitious goal of engaging 50,000 young people by 2015. For each of the past three years, we have exceeded this goal. These youth leaders in turn mobilized more than 1.8 million hours of community service in 2012 and created ripples of change in communities around the world. As we look to the future with our Youth Leadership grants, we hope to help the next generation of leaders to build successful and socially responsible businesses and nonprofit organizations.

Community Stores

We are exploring new ways we can be more directly involved with the communities we serve. Our **Community Stores** are helping create engaged citizens through an innovative business model and partnerships. Community Stores serve as the hub of our community service and training programs that promote leadership and job and life-skill development.

During fiscal 2012 we opened our first two Community Stores in Harlem, New York, and the Crenshaw community of Los Angeles. We opened a third store in Houston, Texas, in early fiscal 2013.

In the first 12 months of the Community Store program, this effort generated \$245,000 for holistic community-revitalization programs focused on education, safety, housing, health and employment. As we celebrate the first year of Community Stores, we are pleased with the personal and financial impacts they have made in these neighborhoods. These stores have shed light on the role our stores can play in creating community connection.

Farming Communities

Our commitment to communities extends beyond our stores to include the regions that supply our coffee, tea and cocoa. Starbucks invests in programs designed to strengthen local economic and social development. We are working collaboratively with nongovernmental organizations that have experience and expertise in working with farming communities.

In addition to social investments, we also support communities through **farmer loans** and **ethical sourcing programs** with Conservation International and Fairtrade, among others.

In Indonesia's Aceh province, Starbucks has teamed with **Save the Children** to improve children's health and education in coffee-growing communities through BLEND (Better Living, Education, Nutrition, and Development).



The BLEND project began in 2009. Since that time, it has made a real difference in the lives of children and their families from more than 40 communities in the Bener Meriah district. Participating communities have doubled their vaccination rates, drastically improved health worker capacity, and quadrupled the number of community health posts. Moving forward, our plan is to expand BLEND to other Bener Meriah communities.

In tea-growing regions of India and botanical-farming communities in Guatemala, Starbucks has helped support health and economic development programs through Tazo's **Community Health and Advancement Initiative (CHAI)** project, a joint partnership with Mercy Corps. Since 2003 Starbucks and Tazo suppliers have contributed \$1.1 million for CHAI. We are now involved in a three-year project to impact more than 11,000 people with water and sanitation improvements, youth engagement, education and income generation.

Since fiscal 2005, Starbucks has helped support the Guatemala Education Initiative, an effort with Save the Children to bring education programs to remote coffee-producing villages in that country. In 2011 Starbucks launched a three-year project with a \$1 million contribution to Save the Children to improve education, health and nutrition for coffee-farming families in Guatemala's Huehuetenango region.

Starbucks also supports water, sanitation and hygiene education programs in water-stressed countries through the Starbucks Foundation's **Ethos Water Fund**. For each bottle of Ethos® water purchased, a contribution of \$.05US (\$.10CN in Canada) is made to the fund. Since 2005 \$7.38 million has been granted, benefitting approximately 430,000 people around the world. In 2012 two new grants were made in East Africa, an important coffee-growing region for Starbucks.

Giving

The **Starbucks Foundation** is a separate 501(c)(3) charitable organization that receives funding from Starbucks Corporation and private donations. The Foundation gave \$13.8 million in 2012, making over 400 grants to nonprofit organizations. Grants included \$2.3 million for Starbucks Youth Leadership grants and \$2 million in origin social development grants to Mercy Corps, Save the Children, Ethos Water Fund, PCI (Project Concern International) and PATH.

In 2012 Starbucks Corporation gave \$6.5 million in cash, including \$1.75 million to the Starbucks Foundation. Corporate giving included funding for community-building programs – including the Global Fund through our partnership with (RED)™ and other efforts – and \$40 million in in-kind contributions.

Diversity and Inclusion

As our company has grown to reach our neighborhoods and communities around the world, diversity and inclusion have become increasingly important to success. We understand that meeting the needs of the global community requires creativity and innovation. We intend to leverage the diversity of thought that our partners, communities and suppliers bring to us.

At Starbucks we strive to create a culture that values and respects diversity and inclusion. We expect to be the leader in diversity and inclusion from our partners in the field to our senior leadership teams. To ensure that our goal is a reality, starting in 2012 we have integrated diversity and inclusion into the core of our leadership competencies. We expect that all leaders within Starbucks practice behaviors that demonstrate inclusion. The new leadership competency reads that, as leaders, we will "reach out to leverage diverse points of view, talents and capabilities. Work and think across teams, functions and businesses; across markets, channels and organizations; across cultures and communities; across physical and digital spaces."

To strengthen these efforts, we also collaborate with diverse **professional organizations, nonprofit organizations, businesses**, civic leaders and individuals who share our values.



About the 2012 Starbucks Responsibility Report

Scope

The report for fiscal 2012 focuses on our performance against the goals we set in 2008 in three areas: ethical sourcing, environmental stewardship and community involvement. We've also included helpful links to information and resources publicly available on Starbucks.com regarding our financial, corporate governance, workplace and diversity policies and performance.

In developing this report, we've covered topics and issues that are important to Starbucks and our stakeholders, based on feedback from sources like [MyStarbucksIdea](#), customer feedback via our [Customer Service](#) center and industry analysis conducted by SustainAbility and Edelman, along with direct conversations with the [many organizations we work with](#). We share information about those topics in the body of the report or direct readers to other resources.

Our report has also been guided by the Global Reporting Initiative G3 Guidelines, a set of internationally recognized sustainability reporting standards. These key criteria are outlined in our [GRI Index](#).

A high-level summary of our progress toward our commitments and public goals are contained in our [Global Responsibility Scorecard 2012](#).

Boundaries

Our Global Responsibility Report for fiscal year 2012 focuses on the work we are doing in ethical sourcing, community involvement and environmental stewardship. These areas are where we can have the greatest impact. We also believe they are important to Starbucks, our customers, our partners (employees), non-governmental organizations and investors.

We also know [wellness](#) and [workplace policies](#) are of considerable interest to our stakeholders. Furthermore, we have always embraced diversity as an essential component in the way we do business. We are currently innovating [our diversity strategy](#) to support our multi-channel, multi-brand global expansion.

While our commitments are global, our report content is focused largely on Starbucks U.S. and Canada company-owned and operated retail stores and global supply chain operations. Counting by stores, these operations represent most of Starbucks social, environmental and economic impacts.

A notable exception to this is information on total coffee purchases. Here we report for all Starbucks brands and retail stores, including Starbucks Coffee, Seattle's Best Coffee and Torrefazione Italia.

Starbucks has used the Credit360 system for key performance indicators data entry, approval and audit. This fiscal year we've started to collect data from company-owned stores globally; we're in the process of validating and improving the processes and information so we can consistently and accurately report against common goals.

Information Integrity

Starbucks management is responsible for the preparation and integrity of the information being reported for fiscal 2012. Through a system of internal controls, including a comprehensive verification process involving internal subject matter experts, we believe this information fairly represents our global responsibility activities and performance results for the fiscal year 2012. External verification is provided by Moss Adams LLP. Read the [Moss Adams Independent Assurance Report](#). All infographics related to our goal performance are visual representations of progress, and not to exact scale.



		Net Stores Opened (Closed) During The Fiscal Year Ended ⁽¹⁾		Store Open as of	
		September 30, 2012	October 2, 2011	September 30, 2012	October 2, 2011
Americas	US	161	(2)	6,866	6,705
	Canada	42	37	878	836
	Chile	6	5	41	35
	Brazil	25	5	53	28
	Puerto Rico	–	(2)	19	19
Total Americas		234	43	7,857	7,623
EMEA	UK	(7)	5	593	600
	Germany	7	8	157	150
	France	5	8	67	62
	Switzerland	4	–	50	46
	Austria	–	2	12	12
	Netherlands	1	2	3	2
Total EMEA		10	25	882	872
CAP	China	130	58	408	278
	Thailand	14	8	155	141
	Singapore	8	8	80	72
	Australia	2	(1)	23	21
Total CAP		154	73	666	512
Total Company Operated		398	141	9,405	9,007

⁽¹⁾Store openings are reported net of closures. In North and South America, 279 and 100 company-operated stores were opened during 2012 and 2011, respectively, and 45 and 57 stores were closed during 2012 and 2011, respectively. In Europe, the Middle East and Africa, 27 and 41 company-operated stores were opened during 2012 and 2011, respectively, and 17 and 16 stores were closed during 2012 and 2011, respectively. In China, Asia and the Pacific, 161 and 87 company-operated stores were opened during 2012 and 2011, respectively, and 7 and 14 stores were closed during 2012 and 2011, respectively.

Reporting Year

Starbucks fiscal year 2012 (October 3, 2011–September 30, 2012), unless otherwise noted.

Currency

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

Previous Reports

Starbucks has produced an annual report since 2001. [Previous year's Global Responsibility Reports](#) available here.

Forward-Looking Statements

Our reporting on global responsibility for fiscal 2012 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 and uncertainties. Actual future results may differ materially depending on a variety of factors including, but not limited to, 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; fluctuations in U.S. and international economies and currencies; the impact of competition; the effect of legal proceedings; and other risks detailed in the company's filings with the Securities and Exchange Commission, including the "Risk Factors" section of Starbucks Annual Report on Form 10-K for the fiscal year ended October 3, 2012. The company assumes no obligation to update any of these forward-looking statements.