# Planet

# 2030 GOALS & PROGRESS

Our aspiration to become resource-positive means we will give more than we take from the planet: storing more carbon than we emit, providing more clean freshwater than we use and eliminating waste.







# Planet 2030 GOALS & PROGRESS

#### 2030 Planet Goals

#### Carbon

50% absolute reduction in scope 1. 2 and 3 greenhouse (GHG) emissions representing all of Starbucks direct operations and value chain.

#### Water

50% of water withdrawals will be conserved or replenished across Starbucks direct operations, stores, packaging and agricultural supply chain, prioritizing action in highrisk water basins while supporting watershed health, ecosystem resilience and water equity.

#### 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.







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.

We can only achieve this ambition by working together with, and receiving feedback from, our stakeholders - partners, suppliers, non-profit organizations, industry partners, government, farmers and customers are all part of our journey to store more carbon than we emit, eliminate waste and replenish more freshwater than we use.

In FY21, rooted in science, grounded in Starbucks Mission and Values and informed by comprehensive market research and trials, Starbucks finalized 2030 environmental goals to cut our carbon, water and waste footprints by half, working from a FY19 baseline.



"Starbucks sustainability journey has been driven by bold aspirations and a comprehensive approach. Today, our goal is to become resource-positive, storing more carbon than we emit, replenishing more freshwater than we use and eliminating waste. We set targets to cut our carbon, water and waste footprints in half by 2030."

Michael Kobori, chief sustainability officer

## Planet 2030 GOALS & PROGRESS

Since that time, Starbucks carbon goal has been validated as science-based from the Science Based Targets Initiative ("SBTi"). The SBTi has confirmed that the scope 1 and scope 2 portions of our 2030 carbon target are aligned with a 1.5°C pathway, the most ambitious level they validate. In FY2O, we joined the newly established Transform to Net Zero (TONZ) 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.

Starbucks also expanded its goal to conserve or replenish 50% of water used in green coffee production in our direct operations to include global operations, agricultural supply chain and packaging, increasing the projected water conserved or replenished and addressing some of the biggest impacts on Starbucks water footprint. To achieve this, we will focus on expanding water conservation and replenishment efforts to include agricultural supply chains, global operations and packaging; catalyzing holistic watershed health improvements in highest risk basins; and by promoting equity and resiliency for communities through WASH. Starbucks endorsed the United Nations' Water Resilience Coalition (WRC) 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.

Similar to last year, our progress against our 2030 commitments in FY21 was influenced by external factors, including COVID-19. Compared to FY19, GHG emissions increased one percent<sup>19</sup> and water withdrawals decreased by 11% in FY21<sup>20</sup>. Starbucks diverted 32% of operational waste and 24% of packaging was reusable, recyclable or compostable in FY21<sup>21</sup>. We are continuously improving data availability and quality as we improve our environmental impact measurement process.







<sup>&</sup>lt;sup>19</sup>At this stage in our journey toward significant reductions, an increase in GHG emissions is expected. We are identifying, testing and scaling innovative solutions across our global operations and engaging with our value chain while improving our measurement systems.

<sup>&</sup>lt;sup>20</sup>Water withdrawals decreased compared to FY19 because of shifts in agricultural commodities purchased due to changing customer preferences, continued impacts from COVID-19 and improvements to data quality and measurement processes.

<sup>&</sup>lt;sup>21</sup>In FY21, data reporting for waste diversion and packaging was changed to increase accuracy in measurement and better aligned to industry standards. We are reviewing our goal going forward.

# Planet

# STRATEGIES FOR CHANGE

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





Susan, a partner in Shanghai, is excited to be part of the first Greener Store outside of North America. "I feel very lucky to be store manager at this very important store. As the first store in China to be certified under the 'Starbucks Greener Store' standard, this store sets new benchmarks for green retail," Susan says.

The Shanghai Greener Store is unique in that it will focus on circularity, which means it was designed and built to reduce waste and repurpose goods.

"[Greener Stores] lead sustainability solutions in store design, construction and operations, with [our Shanghai store I focusing on waste reduction. With the opening of this store, we invite customers and communities to adopt greener lifestyles," Susan says.

The store is designed to bring eco-friendly practices to life for customers. From using wood reclaimed from renovations at other Starbucks stores, to Starbucks green aprons made from recycled cups, to a Circular Lifestyle Lab that showcases sustainability-themed exhibitions featuring emerging young artists and advocates, the store promises to be an immersive learning experience for all.

"Protecting the planet is everyone's responsibility. We are all in this together for a better future. I would like to invite everyone to the store, joining us [in a] greener lifestyle," Susan says.

#### **Greener Stores Framework**

### FY21 Results: 2,779 Greener Stores are certified globally.

Announced in 2018, the Greener Stores Framework, co-developed with World Wildlife Fund, is designed to accelerate the transformation of retail towards lower-impact stores that achieve reductions in carbon emissions. water usage and landfill waste. With performance-based standards that incorporate design and extend throughout the life of a store, Starbucks Greener Stores in North America have reduced energy consumption by 30% compared with the company's prior store designs. Additionally, state-ofthe-art technologies treat and conserve water, reducing annual water use by more than 30%, saving more than 1.3 billion gallons of water annually. Meanwhile, 90% of company operated stores have adopted waste diversion and circular practices, including recycling, composting, Grounds for Your Garden and Starbucks FoodShare.

In FY21, 2,779 Starbucks stores were certified Greener Stores and we expanded the framework to international markets, opening the first Greener Store outside of North America in Shanghai with a focus on circularity. The Shanghai Greener Store has been designed and built to reduce waste, repurpose goods and serve as a platform for future innovation. In FY22, Starbucks will continue the international expansion of this program with Greener Stores opening in Japan, the U.K. and Chile. We aim to build and operate 10,000 Greener Stores globally by 2025.



### Renewable Energy

### FY21 Results: Renewable energy powered 66% of company-operated facilities globally.

Worldwide, Starbucks purchases enough renewable electricity to power 100% of our company-operated stores in the U.S., Canada and U.K. In FY21. renewable energy powered 66% of company-operated facilities globally compared to 72% in FY20, with market constraints in China and Japan challenging our ability to meet the goal of using renewable energy to power 100% of our operations globally.

Expanding our roster of renewable energy projects in the U.S. is a priority for Starbucks. In FY21, we continued to use our scale to drive innovation across the energy sector and support not only our stores but also the communities in which we operate with renewable energy. Starbucks committed to investing nearly \$97 million in up to 23 new community solar projects in New York in partnership with Generate Capital, which will supply solar energy to more than 24,000 households, small businesses, nonprofits, churches, universities and Starbucks stores. Six of these projects went into service FY21, serving communities that historically do not have access to clean energy. Starbucks also completed the installation of a one-megawatt solar array at the Starbucks Carson Valley Roasting Plant and Distribution Center. On-site solar energy will provide nearly a third of the Roasting Plant and Distribution Center's electricity for the year.

In FY21, a combined Virtual Power Purchase Agreement (VPPA) and Virtual Storage Agreement (VSA) that Starbucks entered came online and is estimated to provide renewable energy for more than 550 stores in California with solar energy and utility-scale batteries. And, in Southwestern Washington, Starbucks supported the development of a new wind project which will provide renewable energy to approximately 140 Starbucks Stores and the company's Kent Roasting Plant, along with numerous communities in Washington.

As Starbucks advances its renewable energy strategy, the company will use its scale to drive innovation across the energy sector, applying an environmental and climate justice lens to new investments in the U.S. and Canada.

#### Plant-Based Menu

### FY21 Results: Continued to expand plant-based menu items for customers.

Expanding Starbucks plant-based menu items globally is one of the ways we are pursuing our plant positive aspirations. Our aim is to provide our customers a variety of choices as part of their Starbucks experience. Customers around the globe continue to see new additions to their local menus. Starbucks joined forces with plant-based innovators so that today nearly all stores across our markets offer plant-based food and beverage menu items.

In the Asia Pacific region, Starbucks has introduced plant-based beverage and food choices in markets such as Hong Kong, Indonesia, Philippines, New Zealand, Singapore, South Korea, Taiwan and Thailand. Customers in Starbucks Caribbean markets can now enjoy the Impossible Breakfast Sandwich while those in Chile can savor two plant-based paninis made in association with NotCo. Starbucks customers in the U.K. can enjoy Beyond Meat Breakfast Sandwiches and in January 2021, Starbucks in UAE and Kuwait launched new plant-based food including the Beyond Meat Triple Cheese Wrap and Beyond Meatball Arabian Ciabatta. Starbucks continues to introduce new drinks and food to menus while innovating with plant-based ingredients across key platforms like espresso, cold brew, refreshment, food and more to meet growing customer demand globally.

### Sustainable Dairy

#### FY21 Results: Invested \$10 million in U.S. Dairy Net Zero Initiative.

Since Starbucks introduced its first handcrafted coffee beverage, the Caffè Latte, in 1984, cow's milk has been an integral ingredient for the company. While Starbucks will continue to expand plant-based menu options, dairy remains an important option for our customers. At the same time, dairy is one of the largest contributors to Starbucks carbon footprint and water withdrawals. To reach our planet positive goals, we must innovate and work with others to source dairy responsibly and sustainably.

In FY21, Starbucks joined the U.S. Dairy Net Zero Initiative, a partnership of the U.S. dairy community seeking to enable progress toward the industry's goals of achieving greenhouse gas neutrality and improvements in water quality on farms. Through a \$10 million investment, Starbucks is providing more farmers access to effective environmental and economically viable practices and technologies - from feed production to manure handling, cow care and on-farm energy efficiency. Starbucks also joined the Farm Powered Strategic Alliance as a founding member, repurposing food waste in Starbucks supply chain into renewable energy via farm-based anaerobic digesters. The process produces low carbon fertilizer that host farms use to support regenerative agriculture practices, while Starbucks, in turn, helps contribute to a low carbon economy.

## **Reducing Single-Use Plastic**

FY21 Results: Continued employing our innovative test-and-learn approach to reducing single-use plastic.

Efforts to reduce single-use plastic, particularly cup waste, are not new to Starbucks. We have offered the option for customers to enjoy their beverage in For Here Ware or to BYOC (bring your own cup) for a discount since the 1980s. In FY21, after removing the option from our stores due to COVID-19, we proudly reintroduced personal reusable cups and For Here Ware in most markets, though less than 1% of beverages sold were in reusable cups.<sup>22</sup> We continue to conduct consumer and market research to better understand how best to incentivize the use of reusables towards our goal to double the use of reusable cups from 2016-2022. In FY21, our test-and-learn approach included testing a Borrow-A-Cup program in stores in Seattle and Korea, which gave customers the option to receive their beverage in a reusable cup and return it at a participating store's contactless kiosk. International markets also identified key pathways in support of our 2030 waste reduction target. Starbucks EMEA committed to offering a reusable cup share program in all EMEA stores by 2025, and Starbucks South Korea committed to eliminating single-use cups by 2025.

In addition, finding better ways to manage waste with more sustainable packaging solutions is a priority to achieve our Planet Positive goals. As we continue our work to shift away from single-use materials, Starbucks is continuing our work to develop compostable and recyclable hot cups in collaboration with Closed Loop Partners and the NextGen Consortium. We are also taking action to shift away from single-use plastics and champion the circular economy through our participation in the Ellen MacArthur Foundation's New Plastics Economy Global Commitment.

We plan to launch a new cup in the fall of 2022 that will meet our goal to include 20% recycled content in our hot cups. Currently, our hot cups contain 10% recycled content. While we are increasing the amount of recyclable content used to make hot cups, we are also working to develop 100% compostable and recyclable hot cups by 2022. In FY21 and FY22 to date, seven new markets in the U.S. have joined the list of major markets where Starbucks hot cups are recyclable. We recognize that some of these efforts may be delayed or change because of operational challenges created by the COVID-19 pandemic. However, these shifts will not deter our longer-term objectives for reusables.

We achieved our goal to eliminate plastic straws.<sup>23</sup> This effort does not deter our commitment to accessibility and our responsibility to provide plastic straws for customers who require them to enjoy their favorite beverage. To eliminate traditional plastic straws, we first reduced demand, through the rollout of strawless lids, which we 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 introduced alternative material straws mostly made of polylactic acid (PLA) and polyhydroxyalkanoate (PHA). While some PLA and PHA straws have been available in international markets, PHA straws were introduced in the U.S. in 2021.





<sup>&</sup>lt;sup>22</sup>The geographic scope of this data point includes all company-owned and operated stores in the US and licensed operations in Korea.

<sup>&</sup>lt;sup>23</sup>The geographic scope of this data point includes all company-owned and operated markets globally.



### Sustainable Future of Coffee

FY21 Results: Announced goal to achieve Carbon Neutral Green Coffee by 2030.

Coffee farmers rely on a healthy planet to produce high-quality coffee. In FY21, Starbucks announced a new goal to achieve carbon neutral green coffee 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. To help achieve this goal, we are focused on on-farm carbon mitigation in our supply chain, leveraging precision agronomy to support better soil health and fertilizer management. Working across Starbucks Farmer Support Centers and in partnership with suppliers and farmers, we continue to collect soil samples to better help farmers understand the specific nutrients and fertilizer needed, with the intent to reduce green coffee's carbon footprint while helping farmers to be more productive and resilient. To date, we have collected nearly 23,000 soil samples in Guatemala, Mexico, Peru, Rwanda and Kenya to help inform custom fertilization plans.

### Water Reduction and Replenishment

FY21 Results: Committed to conserve water usage in green coffee processing by 50%; To date, contracted more than 1200 eco-wet mills.

Traditional coffee processing is water intensive. In FY21, Starbucks announced a goal to conserve water usage in green coffee processing by 50%. With 200,000 wet mills in Starbucks C.A.F.E. Practice supply chain to separate coffee fruit from coffee beans, Starbucks has an opportunity to conserve water by ensuring farmers have access to more environmentally friendly machines, which also standardizes quality and increases processing efficiency for farmers.

In FY21. Starbucks contracted more than 1.200 eco-mills for coffee farms in Guatemala, Mexico, Peru, Kenya and Rwanda. The result has been up to 80% water savings in coffee processing where installed. As part of Starbucks long-term water strategy, we are developing water replenishment projects at Origin, with a focus on prioritizing action in high-risk basins while supporting watershed health, ecosystem resilience and water equity.

### Climate-Resistant Coffee Trees

FY21 Results: More than 10 million climate-resistant trees were distributed globally through Starbucks 100 Million Tree commitment.

Starbucks has a goal to provide 100 million coffee trees to farmers by 2025. In FY21, we distributed more than 10 million trees to farmers in Mexico. Guatemala and El Salvador. Over the past six years as part of our 10-year, 100 million-tree commitment, Starbucks has donated nearly 60 million coffee trees to farmers. These new trees are bred to be resistant to coffee rust, a disease associated with climate change, and to help farmers improve the quality and yields of their harvest. In FY21, we announced a partnership with the Federacion Nacional de Cafeteros de Colombia 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 helping farmers renovate their farms and improving productivity and yields. In the last year, we have distributed more than 7 million coffee trees as part of this program. In addition, we have also expanded the program with a goal to distribute more than 45 million coffee trees to C.A.F.E. Practice-verified farmers in Colombia by 2023.

#### Forest Conservation & Restoration

FY21 Results: Launched two new projects in Colombia and Peru and protected and restored more than 500 hectares of forests.

Land-use change and deforestation are the greatest climate risks facing the coffee industry. Early in FY21, Starbucks launched projects with Conservation International in Huila, Colombia, and San Martin, Peru, to not only remove carbon and support our carbon neutral goals, but to provide freshwater ecosystems benefits and improve biodiversity. In FY21, these projects have resulted in more than 500 hectares of forest in Peru protected or restored with restoration plans underway in Colombia. Over the next five years, we anticipate these projects to conserve or restore more than 6,000 hectares in 16 farming communities across the countries, benefiting both local communities and reducing Starbucks carbon footprint. The projects are also developing carbon measurement and water monitoring protocols, in conjunction with local stakeholders.

### ASU-Starbucks Center for the Future of People & the Planet

FY21 Results: Announced the creation of the ASU-Starbucks Center for the Future of the People and the Planet.

Building on our long-standing partnership, in FY21, Starbucks and ASU announced the creation of the ASU-Starbucks Center for the Future of People and the Planet – a new research and rapid innovation facility created to find new ways to design, build and operate Starbucks stores. Composed of a dedicated team of scientists, researchers and support staff, including subjectmatter experts from Starbucks and ASU, the center's objective is to positively impact the future of our planet. In its first year, the Center has focused on food and wellness, innovation test stores, greener stores and community betterment.



# Planet

#### **Animal Welfare**

Just as with our coffee, Starbucks goal is for everything we sell to be produced under high quality and ethical standards. For the food and dairy we serve, this means a commitment to social responsibility standards with animal welfare as a primary focus. We are committed to working with and buying from farmers and suppliers who share our commitment to humane practices throughout an animal's lifecycle. FY21 has brought a renewed focus on Animal Welfare, and we have launched an internal Animal Welfare working group and steering committee to continue to improve our commitments. Please view Starbucks Animal Welfare-Friendly practices.



### Cage Free Eggs

FY21 Results: In the U.S. and Europe, 100% of shelled eggs are certified cage-free. In the U.S., 99.3% of liquid eggs are certified cage-free.24

Since Starbucks first began buying cage-free eggs in 2008, we have made significant progress, increasing our purchases year-over-year. In FY21, Starbucks received a Good Egg award from Compassion in World Farming's 2021 Egg Track Report for the progress we've made against our cage-free egg commitment in the U.S. and Europe. In FY21, all of the shelled eggs we use in our products in the U.S. and Europe are certified cage-free, and all of the liquid eggs we use in Europe and 99.3% of the liquid eggs used in the U.S. are certified cage-free. While there have been great strides in availability of the cage-free egg supply in the U.S. and Europe, there is still work to be done across the industry to increase supply to address market availability globally. In Asian company-operated markets such as China and Japan, the production of cage-free eggs is not widespread and supply is not yet available at scale. Starbucks will continue to engage and consult with industry stakeholders on increasing the available supply in order to achieve our goal for companyoperated stores.

### **Antibiotics**

FY21 Results: As of 2018, all poultry featured in Starbucks products in stores in the U.S. is raised without the routine use of antibiotics. We work closely with our suppliers to continue to ensure they meet this commitment.

Starbucks engaged with our suppliers and set a goal to serve only poultry raised without the routine use of medically important antibiotics in all company-operated U.S. stores by 2020. In 2018, we met that goal two years ahead of schedule. The poultry we serve has been raised without the routine use of antibiotics

### **Sow Housing**

FY21 Results: Developed plan to phase out excessive use of gestation stalls.

In December 2021, Starbucks released an updated sow housing commitment for North America. Starbucks is phasing out the excessive use of gestation stalls for the sows (mother pig) in our supply chain by 2030. The excessive use of gestation stalls would include stalls where gestating sows do not have the ability to turn around. This commitment extends to all Starbucks branded products, including those supplied to our licensee business partners in the U.S. and Canada. To reach our goal of phasing out the excessive use of gestation stalls, we will specify 100% "group-housed" pork as a requirement of our pork suppliers in the U.S. and Canada and take steps to ensure a "group-housed" pork supply in 2024. We expect to demonstrate meaningful progress towards this goal in 2023. Group housing will significantly reduce a sow's time in a gestation stall.

<sup>&</sup>lt;sup>24</sup>Our goal is to source 100% cage-free eggs globally. The geographic scope of this data point includes all company-owned and operated markets in the U.S. and Europe.

# Planet FY22 HIGHLIGHTS TO DATE

### Starbucks Journey to Sustainable Dairy

As a company that works with and relies on the farming community every day, it is Starbucks responsibility to help drive solutions that support both people and our planet and that help ensure a sustainable future of dairy. In FY22, we launched a collaborative effort with dairy farmers and The Nature Conservancy to help refine and scale an approach to sustainable dairy and environmental stewardship for the betterment of people, planet and animals.

### **Expanded Greener Stores**

Starbucks Greener Stores support our Planet Positive goals with performance-based standards that incorporate design and extend throughout the life of a store. In December 2021, we opened the doors to Japan's first Greener Store in Tokyo, which will serve as a sustainability hub, informing Starbucks Greener Stores expansion across Japan. Starbucks will continue the international expansion of this program with Greener Stores opening in the U.K. and Chile.

## **Innovative Reusable Cup Programs**

Starbucks continues to test "Borrow-A-Cup" or Returnable Cup operating models in the U.S., U.K., Japan and Singapore, with more countries in the year ahead. In addition, the company continues to encourage customers to bring their own cup and emphasize for-here-ware as the default sit-and-stay experience, while exploring new customer incentives and technologies, like cup washing stations at café counters. In FY22, Starbucks announced that by the end of 2023, customers will be able to use their own personal reusable cup for every Starbucks visit in the U.S. - including in café, drive-thru and mobile order and pay. Our goal, over time, is to give customers easy access to a personal or Starbucks provided reusable cup for every visit making it convenient to reuse wherever customers are enjoying their Starbucks Experience.

### NextGen Consortium

As a founding member of the NextGen Consortium, Starbucks has been working to address single-use food packaging alongside leading food and beverage companies globally. In October 2021, Starbucks and McDonald's announced a ioint \$10 million investment in the NextGen Consortium to identify, accelerate and scale commercially viable, circular foodservice packaging solutions.

### Waste and Recycling App

In FY22, Starbucks launched a new Partner Waste and Recycling App, developed by partners as part of the Greener Stores Innovation Challenge, designed to help partners navigate complex and unique store recycling guidelines. The app puts everything partners need to know to reduce waste and recycle in one place; it features store specific information and notifications, a sorting guide and the option to create store specific signage for partners and customers.

### **Fueling the Future**

In FY22. Starbucks continues to rapidly expand its roster of renewable energy and decarbonization projects in the United States, including a new partnership with Volvo to electrify the driving route from the Colorado Rockies to the Starbucks Support Center in Seattle. Beginning this summer. Volvo electric vehicle chargers, powered by ChargePoint, will be available at up to 15 Starbucks stores along the route as part of the company's 2,700 Greener Store portfolio. The company will use these pilots to explore how EV charging and emerging technology will intersect with the Starbucks Experience of the future and changing trends in retail. By 2030, Starbucks aspires to lead the retail industry in decarbonization solutions, including Electric Vehicle charging and onsite solar availability at stores and in adjacent locations. Starbucks will continue to expand its solar pilot locations to 55 new stores this year.