



## STARBUCKS STATEMENT ON CALIFORNIA TRANSPARENCY IN SUPPLY CHAINS ACT OF 2010 (SB 657)

---

The California Transparency in Supply Chains Act of 2010 (SB 657) requires large retailers and manufacturers doing business in California to disclose their efforts to eradicate slavery and human trafficking from their direct supply chains for tangible goods offered for sale.

### **Our Business and Values**

Starbucks currently has over 30,000 stores in 78 countries, which includes a mix of company-owned stores and roasteries, joint ventures, and licensed stores. We offer a range of products that customers enjoy in our cafes, at home, and on the go—including coffee, handcrafted beverages, merchandise, fresh food, and consumer goods.

We have always believed Starbucks can – and should – have a positive impact on the communities we serve. One person, one cup and one neighborhood at a time. It is our vision that together we will elevate our partners, customers, suppliers and neighbors to create positive change. We focus in four areas where our commitment and scale can make the biggest impact:

- Making coffee the world’s first sustainable agricultural product by doing our part to improve the lives of 1 million people in coffee communities around the world.
- Building and operating the world’s largest green retail business, minimizing our environmental footprint and inspiring others to do the same.
- Investing in pathways to opportunity through education, training and employment.
- Strengthening communities by welcoming all and creating impact on issues that matter.

Starbucks has a long history of promoting Ethical Sourcing of its products, which are produced in countries all over the world, and we have devoted considerable resources over the last several years to mapping our supply chain for greater transparency and developing and implementing appropriate ethical standards applicable to our many suppliers and those involved in the production, processing and manufacturing of all the products we sell.

### **Ethical Sourcing**

Starbucks will not make use of any form of forced or compulsory labor at any time for any purpose. These commitments are detailed in our Ethical Sourcing programs, listed below. Starbucks certifies that

its Ethical Sourcing programs include zero tolerance provisions prohibiting the use of forced, bonded, indentured or involuntary convict labor.

## **Verification**

Our Ethical Sourcing programs consist of: [C.A.F.E. Practices](#) (Coffee and Farmer Equity Practices) concerning the sourcing of coffee; [The Ethical Tea Partnership Global Standards](#) concerning the sourcing of tea; [Cocoa Practices](#) concerning the sourcing of cocoa; and our [Manufactured Goods and Services Standards](#) which govern the acquisition of manufactured products. Starbucks works with *SCS Global Services*, an independent third party, which assists us in maintaining both the C.A.F.E Practices and Cocoa Practices and in retaining third party verifiers to evaluate supplier performance against these Practices. Similarly, we partner with the *Ethical Tea Partnership* to verify that our tea products are produced with sustainable practices and under safe, transparent and humane working conditions. Starbucks has a goal to purchase 100% of the coffee, cocoa, and tea we sell in accordance with its Ethical Sourcing programs by 2020 and we are currently on track to meet this goal.

Additionally, Starbucks continues to work closely with suppliers of manufactured products we use or sell in Starbucks stores to ensure that the manufactured goods ethical sourcing standards are followed. Commitment to continuous improvement is the cornerstone of this program, and factory assessments have been a key part of our strategy since 2006. Starbucks also continues to collaborate with others in our industry to address ethical sourcing best practices in our shared supply bases.

## **Auditing**

Starbucks primarily uses announced audits, rather than unannounced audits, to ensure that appropriate management personnel are present during the audit. This approach also provides an opportunity to offer best practices training to the appropriate personnel when non-compliance with Starbucks ethical sourcing standards are noted. However, suppliers of Starbucks must agree to allow unannounced inspections of their records and facilities by Starbucks or a Starbucks approved third party to verify compliance to these Standards, including confidential employee interviews.

## **Certification**

We expect our suppliers to align with our Standards and Practices, including their provisions on forced labor, by affirming their commitment to uphold them or demonstrating an equivalent policy of their own. Suppliers are expected to maintain transparent records to demonstrate compliance with applicable law and regulations.

## **Accountability**

Starbucks continues to survey and evaluate its supply chain with regard to human trafficking and forced labor. If it is determined that a supplier is operating outside of Starbucks policies, Starbucks or its third party representative and the supplier will develop and implement a corrective action plan including a mutually agreed upon schedule for resolution of all issues. Any failure thereafter to meet a corrective action plan commitment is considered a material breach of Starbucks agreement with the supplier and may result in cancellation of any current orders and/or termination of Starbucks contractual relationship with the supplier. Gross violations or illegal activities are cause for outright and immediate termination of the contractual and business relationship.

## Training

Starbucks [Standards of Business Conduct](#) highlights our commitment to ethical business practices, and all employees (referred to as “partners”) are required to take regular training on our Standards. Additionally, partners who have responsibility for purchasing products sold in our stores receive training on our Ethical Sourcing programs described above.

Starbucks is committed to continuous improvement, and reviews our programs and policies on an ongoing basis to ensure all actions are consistent with industry norms and to make possible additions or amendments where needed to address the specific topics described in the law.

Starbucks responsible business practices can be found at <http://www.starbucks.com/responsibility> which discloses at length and in detail our various Ethical Sourcing programs and policies. It is Starbucks intention to make its customers, as well as other interested consumers, aware of all that we do to ensure that, among other things, our supply chain is free of forced or trafficked labor.