

Ending Deforestation

We are committed to pursuing zero net deforestation across our supply chain.

Deforestation is having a devastating impact on our planet, destroying habitat, decreasing biodiversity and damaging communities. We are focused on tackling the issue where we have the greatest opportunity to have impact. By taking a targeted approach, we hope to make continuous progress toward eliminating the threat of deforestation posed by some of our key products.

Leading with Coffee

Understanding the link between agricultural production and deforestation, our <u>C.A.F.E. Practices</u> ethical coffee sourcing program includes a zero tolerance standard for the conversion of natural forest. As a result, Conservation International reported in 2012 that at least 98 percent of participating coffee farms had not converted any natural forest habitat to coffee production since the program launched in 2004.

While coffee is the commodity in which we can have the greatest impact, we are also taking steps to address deforestation in other key commodities through our purchasing guidelines and internal processes. We've decreased the use of virgin paper fiber and trees by incorporating post-consumer fiber (PCF) into our cups and we've focused on using responsible wood and wood substitutes in designing our stores. We've also required the use of RSPO certified <u>palm oil</u> for Starbucks-branded products in company owned stores globally by the end of 2015. Only palm oil with a traceability level of Mass Balance, Segregation, or stronger is acceptable.

As we move forward, our focus will be on our key commodity supply chains, particularly products we buy directly – coffee, cocoa, wood, paper and pulp. Working with our suppliers and industry, this also extends to ingredients our suppliers use in the production of Starbucks-branded products, such as palm oil. We will work with our licensed and joint venture partners to encourage them to adopt this same commitment

Moving our Industry Forward through Advocacy

Ultimately, industry, governments, and the NGO community must partner to address the threat deforestation poses. We believe we have a responsibility to participate in this process. We continue to work with <u>Conservation International</u> on environmental issues related to coffee. In addition, we are working on a variety of environmental issues with organizations such as the World Wildlife Fund, The Nature Conservancy, and coalitions such as <u>BICEP</u> (Business for Innovative Climate & Energy Policy), an advocacy coalition of businesses committed to working with policy makers to pass meaningful energy and climate legislation.

We will look for opportunities to work with other companies, lending our voice to industry efforts such as participating in international forums addressing the importation of deforestation as well as efforts to strengthen industrial environmental standards such as RSPO.