



GLOBAL SOCIAL IMPACT

2017 Performance Report



At the heart of Starbucks is our mission: to inspire and nurture the human spirit—one person, one cup and one neighborhood at a time. That sense of purpose extends beyond our stores, to our partners and their families, the communities we serve, and the planet that we all share.

Since publishing our first social responsibility report in 2002, our business and our world have grown increasingly complex. Every year since, we have set ambitious goals, shared our accomplishments and challenges, and then stretched to new ones.

Our 2017 social impact report reflects our endeavor to transparently live our mission, and we have successes to celebrate. Starbucks has reached 100 percent pay equity for partners of all genders and races performing similar work across the United States and are working toward closing the gender pay gap for all partners in company-operated markets worldwide. We made inroads in our effort to finding a solution to a greener disposable cup and are well on our way to making coffee the world's first sustainable agricultural product. We also opened our doors to our tenth Community store to help create local jobs and provide in-store job-skills training in underserved communities.

But we have also fallen short. The arrest of two African American men waiting for a friend at a Philadelphia Starbucks was antithetical to our values and vision for the kind of company we want to be. On May 29, 2018, we closed more than 8,000 U.S. stores to gather as a Starbucks family and began the long-term work we must do to strengthen our culture of belonging, welcoming and being a place for all. This was designed to be a powerful and uplifting day and, in some ways, a new start for our company.

There is no finish line. Just a continuing aspiration to conduct our business in ways that will continue to earn your trust, redefining the role and responsibility of a for-profit global company. I invite you to join us on this journey.

Respectfully,

A handwritten signature in black ink, appearing to read "Kevin Johnson", with a stylized flourish at the end.

Kevin Johnson
president and ceo

The way forward.

Our *2017 Global Social Impact Performance* report marks our progress as a company, one that's performance-driven through the lens of humanity. Together with our more than 330,000 partners and organizations like Conservation International and Feeding America, we can use our scale for good.

We've made this progress by being purposeful in our decisions and our collective actions, and we have bold, new aspirations for the years ahead. Our efforts are focused in four areas where our commitment and scale can make the biggest impact:

SUSTAINABLE COFFEE 4

Working to make coffee the world's first sustainable agricultural product.

GREENER RETAIL 8

Building and operating the world's largest green retail business.

CREATING OPPORTUNITIES 12

Investing in pathways to opportunity through employment, education and training.

STRENGTHENING COMMUNITIES 16

Welcoming all and creating impact on issues that matter.

OUR FUTURE IN SUSTAINABLE COFFEE

Committed to 100 percent ethically sourced coffee everywhere.

Since 2015 Starbucks® coffee has been verified 99 percent ethically sourced, the largest coffee retailer to achieve this milestone. While we are committed to our goal of reaching 100 percent, we believe it's that last one percent where our work can make the biggest impact. It's here—working with still-developing coffee farmers—where we can help them improve the quality of their coffee and the growing conditions of their farms. And by sharing our best practices with others in the industry, we hope to reach not just 100 percent in our own supply chain, but make coffee the first sustainable agricultural product.

AN OPEN-SOURCE APPROACH

Behind the beverages served in our 28,000 stores each day are more than two million farmers and workers who grow our coffee around the world.

C.A.F.E. (Coffee and Farmer Equity) Practices is our cornerstone coffee-buying program consisting of best practices that has the potential to increase the prosperity and resiliency of farms and livelihoods. Starbucks also invests in coffee

communities, sharing agronomy practices and our coffee knowledge. We leverage technology to develop new approaches to ensure the future of high-quality coffee, including a new traceability pilot project announced in 2018.

Starbucks operates nine Farmer Support Centers in key coffee-producing countries around the world, from **Yunnan, China**, and Kigali, Rwanda, to our newest center in Chiapas, Mexico, and a Global Agronomy Center at **Hacienda Alsacia** in Alajuela, Costa Rica. Our open-source agronomy approach gives farmers access to the latest findings from our top agronomists, including new varieties of disease-resistant trees and soil-management techniques.

In Colombia a public-private partnership with USAID (U.S. Agency for International Development) is training the country's next generation of coffee farmers in post-conflict regions and transitioning farmers from growing coca (used for the manufacturing of cocaine) to coffee.

With this global network, we have already trained nearly 25,000 coffee farmers and are working to reach 200,000 coffee farmers by 2020.

DONATING HEALTHY COFFEE TREES

Now more than ever, the future of coffee depends on healthy trees. More than **21 million trees** have been donated to coffee farmers since 2015, to replace trees that are declining in productivity due to age and disease, such as coffee leaf rust. We are working toward a goal of providing 100 million climate-resilient coffee trees to farmers by 2025.

GLOBAL FARMER FUND

The Starbucks Global Farmer Fund is a \$50 million commitment to provide loans to coffee farmers to strengthen their farms through coffee tree renovation and infrastructure improvements, including a **\$2 million farmer loan commitment from Starbucks** in partnership with the Inter-American Development Bank (IDB)

to support 2,000 primarily women coffee growers in Colombia. This investment in the future of coffee serves an important need by providing financing to farmers who may not qualify for commercial loans.

MAKING COFFEE THE FIRST SUSTAINABLE AGRICULTURAL PRODUCT

We know that the greatest challenges can be solved faster if we work together. That's why Starbucks is one of the founding members of the **Sustainable Coffee Challenge**, a diverse industry coalition led by Conservation International with the call to action of making coffee the world's first sustainable agricultural product.

The Challenge formed in 2015 at the United Nations Climate Change Conference in Paris with 18 like-minded organizations. It has since grown to more than 100 global partners across the industry, including other roasters, non-governmental organizations and the governments of Mexico and Rwanda, as well as U.S. government partners USAID and USDA. Challenge partners are urgently working together to increase transparency, aligned to the common vision that all coffee can be produced using sustainable practices. In 2017 the Sustainable Coffee Challenge launched its first four action networks to coordinate industry action and investment, including an effort to replace aging trees.

INVESTING IN SUSTAINABILITY

Starbucks issued its first sustainability bond in 2016 with a U.S. corporate bond offering and our **first global yen-denominated corporate sustainability bond** in March 2017 in Japan. The net proceeds of the latest offering of 86 billion Japanese yen will go toward investments in Starbucks ethical sourcing programs, including operations of Farmer Support Centers in coffee-growing regions and loans through Starbucks Global Farmer Fund.

ADVANCING TEA AND COCOA SUSTAINABILITY

Like coffee, our approach to buying tea is designed to ensure a long-term, high-quality supply while contributing positively to the environment and farming communities. For more than 10 years, we have partnered with the Ethical Tea Partnership (ETP) to ensure the tea Starbucks sources is produced with sustainable practices and under safe and humane working conditions. As of 2017, nearly 72 percent of tea was ethically sourced and we're working toward a goal of 100 percent ethically sourced tea by 2020.

For other ingredients such as cocoa, we are working with industry partners such as the World Cocoa Foundation to advance ethical sourcing practices, extending our policy around deforestation and committing to 100 percent ethically sourced beverage ingredients by 2020.



Connected by Coffee

The first time Alan Tong, director of the Starbucks China Farmer Support Center, tasted Starbucks Single-Origin Yunnan™ coffee he cried because it was so much more than a cup of coffee. Grown in the countryside of southern Yunnan Province, the coffee trees flourish among acres of rolling green hills, rice terraces and the stunningly surreal karst landscapes the region is known for.

For Tong the rich flavor, herbal notes and smoothness of this one-of-a-kind coffee spur memories of farmers walking among the coffee trees, seeing the faces of those who pick the coffee cherries and all the care and precision that led to that moment.

Starbucks purchased its first coffee from China in 2009 and in 2012 opened its sixth Farmer Support Center, and its first in Asia, to offer coffee-growing guidance, soil testing and more to local growers. “Come learn,” Tong invited the farmers.

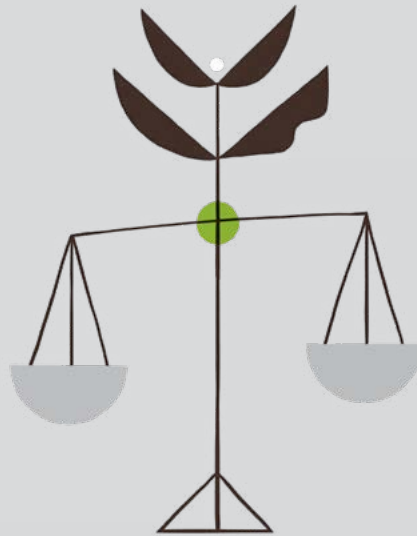
Today the Yunnan Farmer Support Center in China has trained nearly 10,000 farmers in sustainable farming practices. And 1,200 farms are now verified through C.A.F.E. Practices. For Tong, the farmers of China are more than suppliers and partners, they are his neighbors and friends creating top-quality coffee shared with all of China—including the Starbucks Reserve™ Roastery in Shanghai.



SUSTAINABLE COFFEE GOALS

SOURCING COMMITMENT

*100% Ethically
Sourced Coffee*



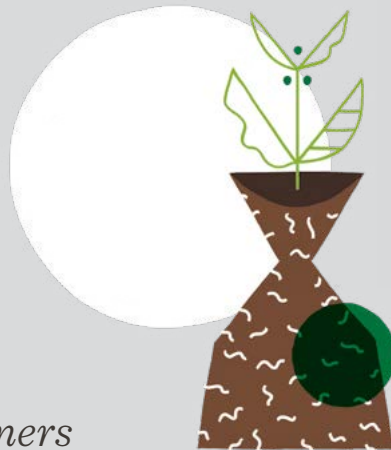
STARBUCKS GLOBAL FARMER FUND

*Invest \$50 Million in
Financing for Farmers
by 2020*



PLANTING TREES

*Provide 100 Million
Coffee Trees to Farmers
by 2025*



OPEN-SOURCE AGRONOMY

*Train 200,000 Coffee Farmers
by 2020*



LEADING THE WAY IN GREENER RETAIL

Starbucks is building and operating stores with an aim to minimize our environmental footprint with ambitious goals for 2020 and beyond.

GREENER STORES

Starbucks is proud to have built more than 1,500 LEED® (Leadership in Energy and Environmental Design) certified stores in 20 countries including all 50 U.S. states and Puerto Rico. We are the largest builder of green stores in our sector and our stores account for 20 percent of the LEED®-certified retail projects globally. We're developing a new global store verification program to drive innovation, sustainability and efficiencies throughout our store portfolio. The program will include building standards for new and remodeled stores, along with performance standards for all stores in energy and water efficiency, waste reduction and partner engagement. With our goal of 10,000 greener retail stores by 2025, we hope to truly leverage our scale for good and deliver on our ambition to become the world's largest green retailer.

GREENER CUPS & PACKAGING

Starbucks has a 30-year legacy of progress in our effort to reduce the environmental impact of our to-go cups and single-use packaging.

Since 1987 we have offered a discount to our customers who bring in a reusable cup and we were one of the early pioneers of the cup sleeve to eliminate double-cupping. We have been on the forefront of new materials, becoming the first to include post-consumer fiber in our hot cups in 2006, and introducing a more recyclable cup lid in 2017. We have also led the industry in advocating for increased recycling infrastructure to enable our cups to be recycled in more communities. While our cups can be recycled in many communities today, we are working with local governments and stakeholders to increase their acceptance in recycling systems.

But we know we must do more. We are expanding use of strawless lids and accelerating our efforts to achieve a greener cup by 2022. We're doubling the recycled content in our cups and developing a global solution to give our cups a second life through our new **NextGen Cup Challenge**. We also are working with industry partners to double the number of stores and communities with access to cup recycling (over our 2016 baseline), including

a **paper cup recycling launch** in stores in The Netherlands. Reusable cups are the greenest option of all, so we are finding new ways to promote and incentivize the use of "for-here" ware and reusable cups. A **pilot in London with a paper cup charge** has showed promise.

INVESTING IN GREEN POWER

We have invested in renewable energy since 2005, steadily increasing our purchases of renewable energy certificates until we achieved our goal of obtaining 100 percent of the electricity powering global company-operated stores from renewable sources in 2015.

As we embark on the next chapter of our renewable energy strategy, we continue to use our scale to drive innovation across the renewable energy sector. We are taking the next step with direct investments in new geographically relevant renewable energy projects. In North Carolina, **we have invested in a solar farm**, which delivers enough clean energy to power more than 600 Starbucks® stores in the Southern and

Mid-Atlantic United States. And in Washington State, we're working with Puget Sound Energy to power more than 100 Starbucks® stores and our roasting facility in Kent, with wind power from a wind farm in nearby Olympia.

Starbucks joined with other companies in the commitment to 100 percent renewable energy with the **RE100** in 2015, and we work to deepen our impact and adhere to the RE100 Buyers' Principles to improve our global reporting and purchasing methodology. We are working to source 100 percent renewable energy for global store operations as well as our global supply chain, headquarters and office locations. We are committed to purchasing renewable energy for each global market from projects in the same grid region, and promoting local renewable energy generation in all of the global communities where we operate.

EMPOWERING GREENER PARTNERS

Our partners are the heart and soul of our company, and we are harnessing their passion for sustainability to inspire and teach others. Starbucks® Greener Apron™ program is a voluntary certification that helps partners learn about environmental sustainability through three short modules created with Arizona State University's School of Sustainability. More than 6,000 partners have participated in the program since its launch in 2016. Our goal is to engage 10,000 partners globally by 2020 through **Partners for Sustainability** and the Starbucks® Greener Apron™ program to create a network of sustainability champions who advocate sustainability in stores and business every day.



NextGen Cup Challenge

In partnership with Closed Loop Partners and its Center for the Circular Economy, Starbucks is committing \$10 million to establish a groundbreaking consortium to launch the NextGen Cup Challenge. This is the first step in the development of a global end-to-end solution that would allow cups around the world to be diverted from landfills and composted or given a second life as another cup, napkin or even a chair—anything that can use recycled material.

Through the NextGen Cup Challenge, the consortium will award accelerator grants to entrepreneurs working on ideas that could lead to the development of more sustainable cup solutions and invite industry participation and partnership on the way to identifying a global solution.

Throughout development, the solution will be open source so others can benefit and innovate on the path toward the development of recyclable and compostable cups around the world.

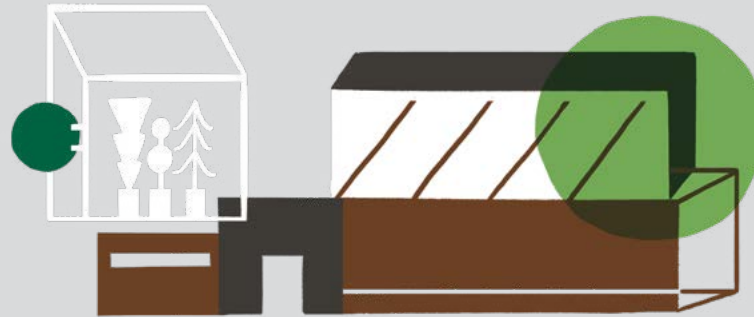
“We want to make sure this technology is available to everyone because it’s the right thing to do,” said Andy Corlett, director of packaging R&D for Starbucks. “The idea of environmental sustainability in packaging is not just a Starbucks issue. It’s a global issue. Anything that gets us closer to that goal is not something we want to keep to ourselves.”



GREENER RETAIL GOALS

GREENER STORES

Build and Operate 10,000 Greener Retail Stores Globally by 2025



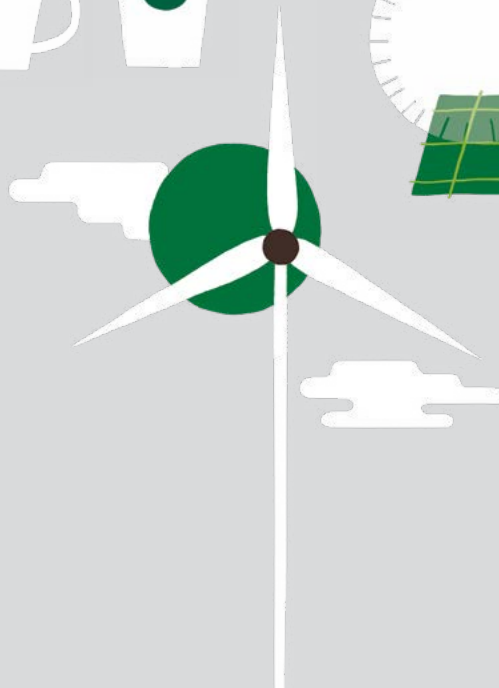
GREENER CUP

Double the Recycled Content, the Recyclability and the Reusability of Our Cup by 2022



GREENER APRONS

Empower 10,000 Partners Worldwide to be Sustainability Champions by 2020



GREENER POWER

Invest in 100% Renewable Energy to Power Operations Globally by 2020

CREATING OPPORTUNITIES THAT MATTER

As a leader in hiring great talent, Starbucks has and will always look to create opportunities for our partners and customers in the communities we serve.

INNOVATING PARTNER BENEFITS

Starbucks customizes benefits to meet partner needs around the world. In the U.K., Starbucks is the first private company to help pay rental deposits by providing interest-free loans to employees. Home Sweet Loan offers eligible partners a loan of up to one month's wages, paid within four weeks of application, to be repaid over the course of a year.

In China, eligible partners can earn a monthly housing subsidy and help care for aging parents with the **Starbucks China Parent Care Program**, which offers critical illness insurance for eligible partners. In India, partners have a five-day work schedule, down from the country's customary six-day workweek. In Canada, the **Starbucks Work Placement Program** is helping support youth employment programs in Calgary, Toronto and Vancouver, which combine in-class core life skills and employability training with real-life on-the-job work placement experience. And in the U.K.,

Starbucks national apprenticeship program has created more than 1,300 apprenticeships for our partners to grow their skills and careers.

MAKING COLLEGE A REALITY
In the United States, Starbucks helps partners achieve a college degree through the Starbucks College Achievement Plan, a groundbreaking effort in partnership with Arizona State University. We are also lowering barriers to college with efforts such as **Pathways to Admission**, a program that provides partners the ability to work toward admission tuition-free. More than **1,000 partners have diplomas in hand** and more than 9,000 are working toward their degree.

**HIRING VETERANS AND
MILITARY SPOUSES**
Hiring and honoring veterans and military spouses allows us all to benefit from their leadership, experience and willingness to make a difference. In 2013 Starbucks committed to hiring at least 10,000 veterans and military spouses by 2018. In March 2017, we met our goal 18 months early

and have extended it to 25,000 hires by 2025. Our commitment goes beyond hiring. It includes the ability for partners who are current members of the U.S. Armed Forces or veterans to extend their College Achievement Plan benefit to a spouse or child.

WELCOMING REFUGEES
Refugees represent a population who seek a chance to rebuild their lives and have a fresh start in the face of extraordinarily difficult circumstances. In keeping with our longstanding history to create opportunity for all and to invest in the people who are a part of the communities where we do business, Starbucks is leading a global effort during the next five years to welcome and employ 10,000 refugees by 2022, including **2,500 refugees in Western Europe** and **1,000 refugees in Canada**. In the U.S., our efforts include a focus on hiring interpreters, personnel and their families who **served alongside U.S. troops overseas** to champion their talent, experience and resilience.

EMPLOYING OPPORTUNITY YOUTH

Starbucks is embracing and employing tens of thousands of youth, ages 16–24, who are disconnected from work and school to help them achieve their dreams. Starbucks led the launch of the 100,000 Opportunities Initiative with 50 other employers in 2015. We have since hired 50,000 Opportunity Youth, representing one in five of every partner hired, with a goal of hiring 100,000 in the U.S. by 2020. The coalition is now pushing toward 1 million opportunities by 2021, **working together to create new recruiting and human resources practices** tailored to hiring, retaining and advancing these young people. Starbucks Canada also launched a new initiative in 2018 to hire 40,000 Opportunity Youth.

In several low- to medium-income U.S. communities we now have **Community stores** that are equipped with training centers where we work with local nonprofits to provide job-skills training to young people. Our new National Mentoring Partnership, announced in 2018 with LinkedIn, MENTOR, Big Brothers Big Sisters, City Year and Year Up, will help close the gap for 10,000 youth who are awaiting a mentor. Around the world, we offer training and support to young people in ways relevant to their needs and opportunities, such as Starbucks Opportunity Café **in the Middle East**, which hosts youth training workshops at local Starbucks® stores. We are committed to the success and retention of these new partners at all levels.

SUSAN
five-year partner, military spouse & SCAP graduate
Alexandria, Virginia



MENG
Beijing, China



A Dream Grows in Brooklyn

The new Starbucks in Bedford-Stuyvesant (which everyone calls Bed-Stuy) is vibrant, and community-minded, not unlike its new manager, Juanita Vasquez. She was born in Brownsville, a couple of miles from the new store, and raised in East New York. There, her family lived right next door to a church, where she served as a youth leader until she was 21.

Bed-Stuy is the tenth Community store Starbucks has opened as part of its initiative to invest in at least 15 underserved communities in the U.S. These stores create local jobs, partner with area nonprofits to provide in-store job-skills training for young people ages 16 to 24 who aren't in school or working, and partner with local women- and minority-owned contractors, suppliers and vendors.

The store has a bustling schedule of community events—job training, mentorship meetings, open mic nights and Coffee with a Cop, where officers from the local New York Police Department 103rd precinct drop by to visit with neighbors.

“This is a safe haven,” said store manager Alisha Wrencher. This is not something we expected at all, to come into the community and bring people together like this. There’s a bigger purpose here than just coffee.”

JUANITA
six-year partner
Brooklyn, New York

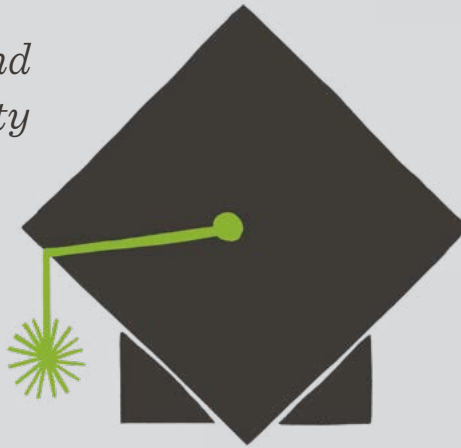


CREATING OPPORTUNITIES

GOALS

STARBUCKS COLLEGE ACHIEVEMENT PLAN

*Graduate 25,000
Partners by 2025 and
Increase Accessibility
and Performance*



VETERANS AND MILITARY SPOUSES

*Hire and Honor 25,000 Veterans
and Military Spouses by 2025*

REFUGEES

*Welcome and Employ
10,000 Refugees
Globally by 2022*

OPPORTUNITY YOUTH

*Embrace and Employ
100,000 Hires by 2020*



STRENGTHENING COMMUNITIES IN OUR GLOBAL NEIGHBORHOOD

Each Starbucks® store is a part of a community, and we're committed to strengthening neighborhoods wherever we do business.

DONATING READY-TO-EAT MEALS

Starbucks partners have long advocated for a practical way to donate unsold food to the communities we serve. Through our partnership with Feeding America, we are working to rescue 100 percent of food available to donate from all of our U.S. company-owned stores by 2020. In our **first year of the program**, we donated food each night from more than 1,700 stores in 17 U.S. markets from **Seattle to New York**, and have donated more than 3 million meals to food banks. We were also able to provide local food banks with fresh food, water, coffee and snacks to communities facing natural disasters in the U.S. Once the program rollout is complete, we expect to increase our donations to 50 million meals each year.

COMMUNITY SERVICE

We have always believed Starbucks can—and should—have a positive impact on the communities we serve. Community service reflects

our mission and values, who we are as a company and one of the single biggest ways we individually and collectively come together to help fill a need.

In 2017 we launched our goal to achieve 100 percent participation by Starbucks® stores across the globe in community service each year by the end of 2020. This first year, 125,000 Starbucks partners participated in more than 16,500 partner-led projects with a focus on sustainability, hunger, youth, veterans and refugees. Projects ranged from **cleaning Amsterdam's famous canals** to providing narration for the **Cinema for the Blind in Beijing**. In the U.S., partners participated in more than 150 projects during **Martin Luther King Jr. Day of Service 2017**.

THE STARBUCKS FOUNDATION

Established in 1997, The Starbucks Foundation strengthens communities around the world by advancing opportunities for youth, veterans, refugees and coffee, tea, and cocoa farmers and their families; supporting communities affected by disaster; and promoting civic engagement.

OPPORTUNITY FOR ALL

In 2017 The Starbucks Foundation worked with 75 NGO partners to directly support more than 25,000 young people, veterans, military spouses and refugees in developing job and leadership skills and connecting them to employment.

SUPPORTING COFFEE, TEA AND COCOA COMMUNITIES

Since 2005 The Starbucks Foundation has awarded origin grants to support farming families in coffee- and tea- growing communities totaling over \$21 million, including projects with **Eastern Congo Initiative** and **Heifer International**. On **National Coffee Day 2017**, The Starbucks Foundation announced a \$500,000 grant to World Neighbors for a three-year project in coffee communities in Guatemala's Huehuetenango region, to help improve access to water, promote women's leadership through savings groups, and increase food security. The Starbucks Foundation will continue to invest in coffee-, tea- and cocoa-growing communities with a focus on empowering women and families with a goal of reaching 250,000 women and families by 2025.

HELPING NEIGHBORS IN NEED

In the past year we have seen hurricanes hit Texas, Florida and **the Caribbean**, earthquake devastation in Mexico City and wildfires in California. Starbucks acted quickly to provide support, working with nonprofit partners to mobilize immediate relief and longer-term rebuilding efforts. Our customers also joined us in responding to disaster-relief efforts, resulting in more than \$2 million in support between The Starbucks Foundation, Starbucks and customer contributions.

In addition The Starbucks Foundation has joined local businesses, organizations, foundations, and individuals to help local nonprofits address the crisis of unsheltered families and children in Seattle and King County with emergency shelter and more stable housing. In Europe, Starbucks celebrated milestone anniversaries in Greece, The Netherlands, Denmark and Austria with **donations to local charities that serve children and youth**.

CREATING A CULTURE OF INCLUSION

Consistent with our **mission and values**, we are committed to ensuring our partners, customers and the communities we serve are treated with respect and dignity. We are an equal opportunity employer. In addition we consider all qualified applicants for employment without regard to the federally protected categories of race, national origin, age, sex, religion and disability. We are committed to nondiscrimination policies regarding sexual orientation, marital status, veteran status, and gender identity or expression in decisions regarding hiring, transfer, promotion, compensation, eligibility for benefits and termination.

Women make up one-third of our **board of directors**, and we have strong representation of both women and minorities throughout the company. Our aspiration is for our leaders to reflect the diversity of our overall workforce, so in 2015, we committed to a 50 percent increase in the representation of women and minorities among our top leaders (senior vice presidents and above) by 2020.

PROMOTING PAY EQUITY

We are dedicated to achieving and maintaining **100 percent pay equity** for women and men and people of all races performing similar work. In 2017, women and men who perform similar work in the United States were paid within 99.7 percent of each other. In March 2018, we announced that we reached 100 percent pay equity in the U.S., with a goal of achieving and maintaining **100 percent gender pay equity** for all partners in company-operated markets. In support of that goal, we are committed to the principles of equal footing, transparency and accountability in our approach to compensation. In the U.S., our pay equity best practices include not asking job candidates about prior salary, paying newly promoted partners what they deserve for their new role rather than a salary that is tied to what they made before, disclosing pay ranges to job candidates on request, conducting comprehensive compensation analyses of all rewards recommendations with the aim of identifying and addressing any unexplained differences, and publishing our pay equity progress annually.

EMPOWERING HUMANITY

Variation and adaptability are expressions of humanity, and we look at diversity in a multitude of ways. Our nine partner networks





MLK Jr. Day of Service, NYC



Laine's Bake Shop, Chicago

(employee resource groups) highlight an area of diversity with a focus on development of members, community engagement and providing insights to our organization. Our commitment to LGBTQ inclusion was recognized with a score of 100 on the **Human Rights Campaign's Corporate Equality Index** from 2015 through 2018. We are proud to have to have participated in a 2017 White House panel on disability employment and to have achieved a 100 percent score on the Disability Equality Index from 2015 through 2017. In our effort to become the world's most welcoming environment for people with disabilities, their families and their communities, we launched our Accessibility Office in 2017.

We are committed to building an infrastructure that enables universal design in technology, communications, physical environments and services. In 2017, our first Starbucks signing store in Malaysia celebrated its one-year anniversary, and the store has become a model for our other markets. We invite our Deaf retail partners around the world to wear **green aprons with "Starbucks" embroidered in sign language** as a source of cultural pride and a helpful cue for customers.

SUPPLY CHAIN DIVERSITY AND INCLUSION

The Starbucks Supplier Diversity and Inclusion Program strengthens our supply chain and serves as a critical component of our commitment to ethically source our products. Our program focuses on developing business relationships with companies that are at least 51 percent owned and operated by a minority, woman, LGBTQ, veteran, person with a disability,

or small businesses classified as HUB Zone or 8(a). By actively seeking diverse suppliers, we support our business and invest in the communities where we do business, like **Laine's Bake Shop in South Chicago** and **Midnite Confection's Cupcakery in Baltimore**. These relationships help us deliver high-quality, innovative products and services across all business channels, while driving value and economic development.

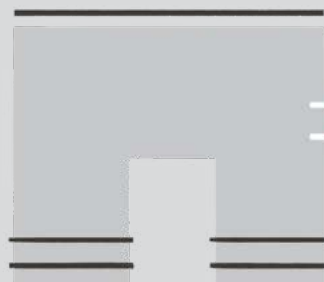
Since reporting our purchases with diverse suppliers in 2000, we have spent a cumulative \$6 billion with diverse suppliers. We have also increased from a yearly spend of \$38 million to more than \$600 million annually. This accounts for approximately nine percent of our total spend in the U.S. and Canada. We have set year-over-year growth targets with an ultimate goal of achieving 15 percent of spend with diverse suppliers.

As we look forward, we aim to increase impact by working closely with all of our suppliers to encourage further support of diverse suppliers, thus expanding the first- and second-tier suppliers aligning with the program.

This comprehensive approach to supplier diversity ensures our program and goals are part of the foundation of our strategic sourcing process. In addition to setting purchasing targets reflected throughout our supply chain goals, our sourcing team proactively supports diverse supplier development. Beyond simply identifying strong candidates, we actively coach and develop suppliers who meet our diversity standards.

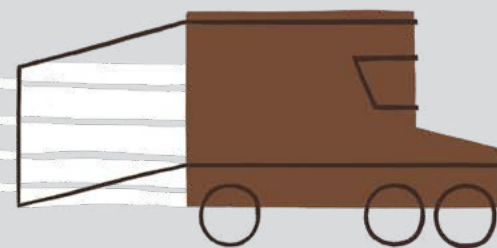
STRENGTHENING COMMUNITIES

GOALS



FOODSHARE

*Rescue 100% of Food Available
to Donate by 2020 in U.S.
Company-Owned Stores*



COMMUNITY SERVICE

*Have 100% of Our Stores Worldwide
Participating in Community Service
Annually by 2020*

Liberty's Kitchen

In 2006 New Orleans was still physically destroyed after Hurricane Katrina, but its spirit was very much alive. "People were still going to work, helping their neighbors and trying to approach each day with hope," said Starbucks district manager Troy James.

The optimistic sense of service that inspired a troubled city also launched a nonprofit called Liberty's Kitchen—an organization designed to give unemployed youth leadership and life skills, and practical foodservice job training.

Eleven years later, The Starbucks Foundation awarded Liberty's Kitchen the 2017 Opportunity for All grant. This, its fourth grant from The Starbucks Foundation, is \$50,000 to fund staff development and training, uniforms for students, activities for alumni and special events to promote the organization.

Dennis Bagneris, New Orleans native and Liberty's Kitchen's director of Youth Success said, "We want to change the face of what it means to be workforce development. We want to work against disparities, challenge racial inequities and promote new types of learning to provide the best outcome for young people."

Those who finish the nearly one-year program receive a certificate of completion for learning a variety of cooking methods, knife and other culinary skills and the importance of personal responsibility. Today 92 percent of the program's graduates find work.



GOALS SUMMARY

AREA OF IMPACT	GOAL	FY17	PROGRESS COMMENTARY
SOURCING COMMITMENT	<i>100% ethically sourced coffee</i>	99%	Ethically sourced 99% of coffee purchases verified under C.A.F.E. Practices
SOURCING COMMITMENT	<i>100% ethically sourced tea by 2020</i>	72%	Continuing our work with the Ethical Tea Partnership to reach 100% ethically sourced tea
PLANTING TREES	<i>Provide 100 million coffee trees to farmers by 2025</i>	21 million trees distributed since 2015	Methodology now reflects trees distributed to farmers in Mexico, Guatemala and El Salvador
GLOBAL FARMER FUND	<i>Invest \$50 million in farmer loans by 2020</i>	\$22.3 million	Announced \$2 million farmer loan commitment from Starbucks in partnership with the Inter-American Development Bank to support primarily 2,000 women coffee growers in Colombia
OPEN-SOURCE AGRONOMY	<i>Train 200,000 coffee farmers by 2020</i>	24,302	Trained nearly 25,000 farmers in 2017 through our nine Farmer Support Centers in coffee-producing countries around the world
GREENER CUP AND PACKAGING	<i>Double the recycled content, recyclability and reusability of our cup by 2022</i>	Cups contain 10% post-consumer fiber (PCF)	Tested more than 12 technologies for cup liners, with recycled content tests under way. Paper cups currently are recyclable in four major U.S. markets. Piloted an increased reusable cup discount in the U.K. market.
GREENER STORES	<i>Build and operate 10,000 greener stores globally by 2025</i>	1,400	Starbucks now has 1,400 LEED®-certified stores in 16 countries, including all 50 U.S. states and Puerto Rico
GREENER POWER	<i>Invest in 100% renewable energy to power operations globally by 2020</i>	62%	We are striving to purchase local renewable energy in regions where we have operations. We have purchased Renewable Energy Certificates (RECs) to cover 62% of our electricity usage globally
GREENER APRONS	<i>Empower 10,000 partners worldwide to be sustainability champions by 2020</i>	5,139	More than 5,000 partners enrolled worldwide. Expanded the Starbucks® Greener Apron™ sustainability training program to Canada and the U.K. in 2017.
VETERANS AND MILITARY SPOUSES	<i>Hire and honor 25,000 veterans and military spouses by 2025</i>	12,876	Opened our 40th Military Family store and donated more than 2.5 million cups of coffee to service members overseas in 2017
STARBUCKS COLLEGE ACHIEVEMENT PLAN	<i>Graduate 25,000 partners by 2025 and increase accessibility and performance</i>	939 graduates and 9,000 partners enrolled	By March 2018, more than 1,282 partners have graduated, and over 10,000 partners are currently working toward their degree through Arizona State University
OPPORTUNITY YOUTH	<i>Embrace and employ 100,000 Opportunity Youth by 2020</i>	46,737 hired	63 partnerships in 10 countries directly supported more than 20,000 young people in developing job and leadership skills and connecting them to employment
REFUGEES	<i>Welcome and employ 10,000 refugees globally by 2022</i>	—	Currently developing global methodology for refugee partner self-identification. Launched partnerships with global organizations.
FOODSHARE	<i>Rescue 100% of food available to donate by 2020 in U.S. company-owned stores</i>	3.5 million pounds	Donated 5 million meals, equating to 4 million pounds of food from more than 2,700 stores
COMMUNITY SERVICE	<i>Have 100% of our stores worldwide participate in community service annually by 2020</i>	—	Refining tracking for store-level participation by market. Partners led 16,744 projects globally including 126,612 partners in 40 countries

ABOUT THIS REPORT

SCOPE

Our report for fiscal 2017 focuses on our performance against the goals we set in four key areas: sustainable coffee, greener retail, creating opportunities and strengthening communities. We've also included links to information and resources publicly available at starbucks.com regarding our financial, corporate governance, workplace and diversity policies, and performance, because these commitments are directly tied to our business. In developing this report, we've covered topics and issues that are important to Starbucks and our stakeholders based on year-round engagement with and feedback from advocates and investors, and via easily accessible customer and Starbucks partner tools such as Starbucks social media channels (Starbucks and Starbucks Partners Facebook, Twitter, Instagram) and our Customer Service team. These efforts are complemented by industry and trend analysis conducted by the strategic advisory firm SustainAbility and Edelman public relations, along with direct conversations with the many organizations we work with. Ensuring both internal and external engagement is a critical component of how we do business—we help ensure our programs, policies and the content of this report are material to our business and stakeholders.

BOUNDARIES

As with previous global responsibility reports, this year's report highlights the work we are doing in ethical sourcing, community investments and environmental stewardship. These areas are critical to our business and are also where we know we can and do have the greatest impact. Starbucks is committed to the United Nations Sustainable Development Goals, and uses these goals as a lens for our social impact programs and collaborations with others. Based on our stakeholder-engagement efforts, we also believe these areas are important to our customers, our partners, non-governmental organizations (NGOs) and investors. In addition issues related to health and wellness and workplace policies are vital elements of our business and of considerable interest to key stakeholders. While our commitments are global, our reporting—with the exception of our coffee purchases—is focused largely on Starbucks U.S. and Canada company-operated retail stores and global supply chain operations. These operations, together with our coffee purchases, currently represent the most significant segment of Starbucks social, environmental and economic impacts based on the percentage of revenue and the number of stores covered. Provided information pertains to the coffee sold and served by all global Starbucks brands and company-operated or licensed retail stores.

Starbucks uses the CRedit360 program to manage our sustainability data for the purposes of reporting on and tracking key performance indicators, providing ongoing visibility into our operations and impacts enterprise-wide, as well as for approval and audit purposes.

We continue to work to validate and improve our global reporting efforts, so we can consistently and accurately report on our performance.

REPORTING YEAR

Starbucks fiscal year 2017 (October 3, 2016–October 1, 2017), 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 years' global social responsibility reports are available on our website.

INFORMATION INTEGRITY

Starbucks management is responsible for the preparation and integrity of the information reported for fiscal 2017. 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 2017. External verification is provided by Moss Adams LLP.

All infographics related to our goal performance are visual representations of progress and not to exact scale.



FORWARD-LOOKING STATEMENTS

Our reporting on global responsibility for fiscal 2017 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 1, 2017. The company assumes no obligation to update any of these forward-looking statements.



THE CLIMATE GROUP

"Starbucks is demonstrating the compelling business case for renewable electricity. Their dynamic, collaborative and innovative approach is setting an example to businesses and utilities across America, while showing millions of customers that Starbucks is serious about slowing climate change."

—Sam Kimmins, head of RE100

PIKE MARKET FOOD BANK

"The FoodShare program has had a huge impact on Pike Market Food Bank. We serve many seniors and people without the ability to cook for themselves. These products are some of the healthiest and freshest meals our clients might get each week. I can't possibly convey how grateful I am for this well-organized partnership between Food Lifeline and Starbucks."

—Lilly Glover, Food Bank manager

FOODSERVICE PACKAGING INSTITUTE

"Starbucks is a leader in the ongoing work to make a recyclable paper cup a reality. However, this takes a great deal of time and effort, and certainly not something that can be done alone or by simply designing a new cup. The truth is no cup is recyclable until it is widely accepted by communities, recycling facilities and paper mills. We have been fortunate to have Starbucks engagement and partnership in working on this challenge, and we look forward to continued collaboration toward a truly recyclable cup."

—Lynn M. Dyer, president

CONSERVATION INTERNATIONAL

"Starbucks deserves a massive amount of credit for driving innovation in sustainable coffee. In two decades of collaboration, they have consistently adopted new approaches to increase transparency and effectiveness. The promise of connecting coffee farmers to coffee drinkers is an extraordinary leap in transparency and accountability, and it speaks volumes about Starbucks commitment to creating a product that is good for people and for the planet."

—Dr. M. Sanjayan, executive vice president and senior scientist

OUR MISSION

*To inspire and nurture the human spirit—
one person, one cup and one neighborhood at a time.*

It's our role and responsibility to stay true to our mission and values.
To act with purpose and conviction, every day, in every community we serve.

We invite you to share your ideas with us at
GLOBALSOCIALIMPACT@STARBUCKS.COM

